



1Q17 Results - Investor Presentation

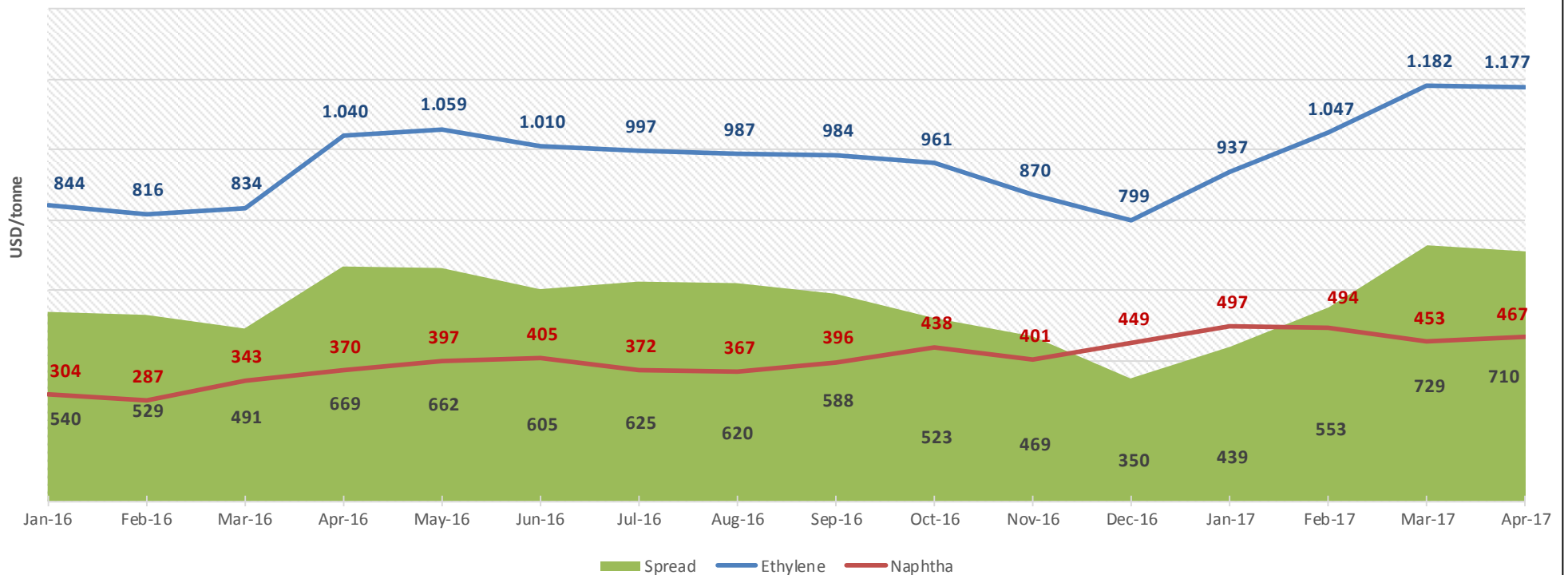
PETKİM PETROCHEMICAL HOLDING CORPORATION
08 May 2017



Ethylene – Naphtha spread averaged US\$ 574/ton in 1Q17

- There was an increase in the ethylene-naphtha spreads from average of US\$ 447/ton in the 4Q16 to US\$ 574/ton in the 1Q17.
- Naphtha cracker margins in the first quarter of 2017 were particularly strong and much higher than the first quarter of 2016.

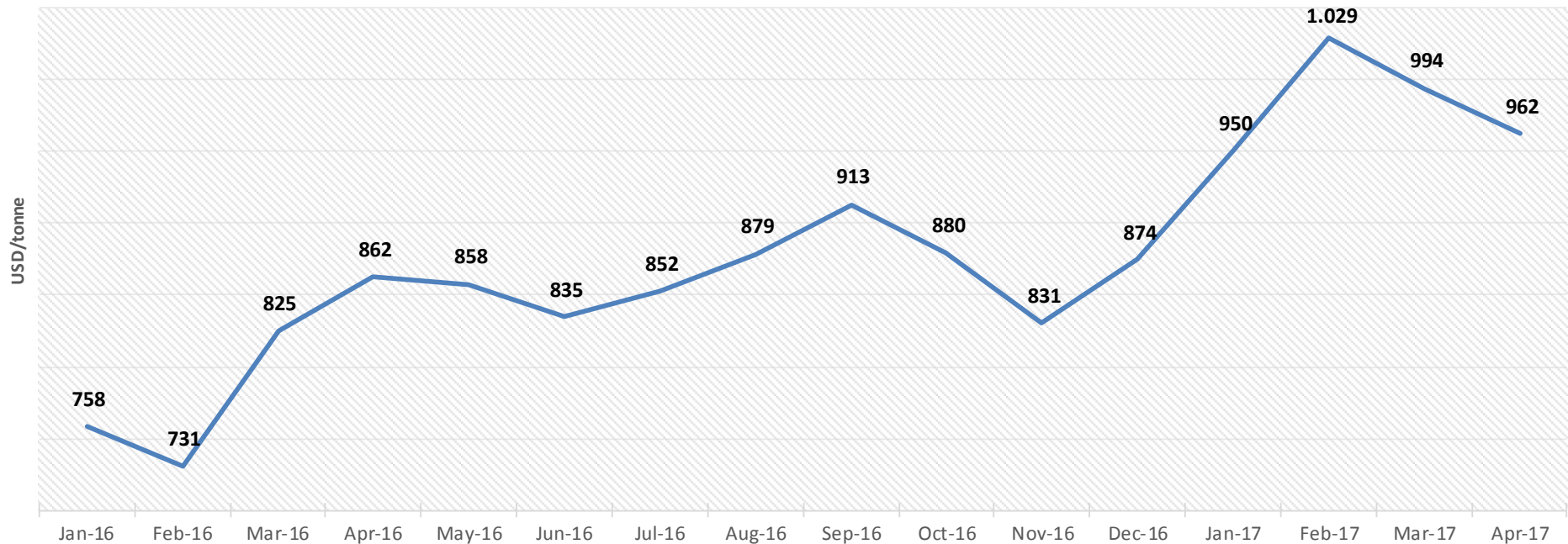
Monthly Naphtha - Ethylene Spread (CIF MED Spot Prices)



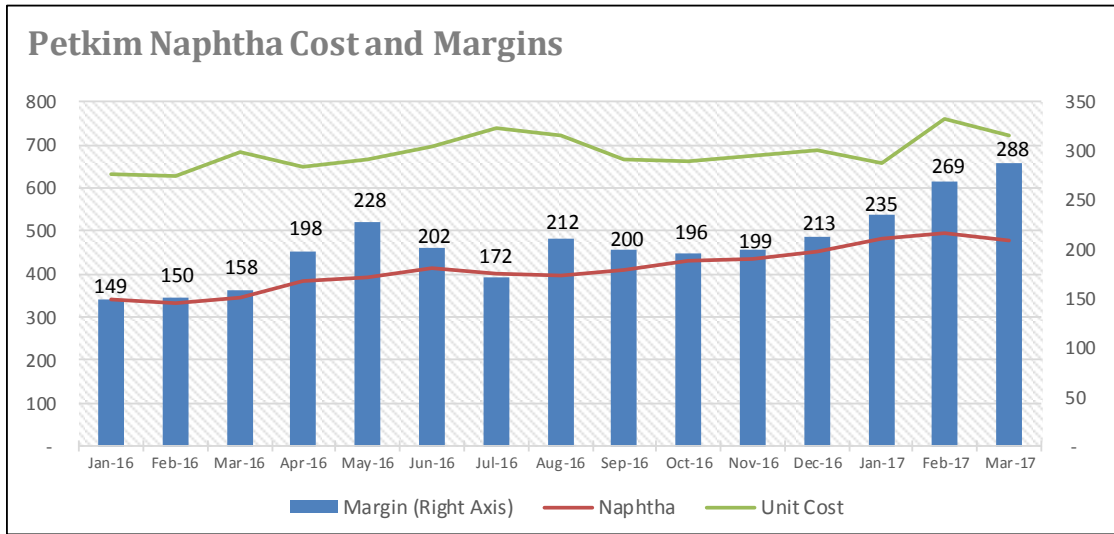
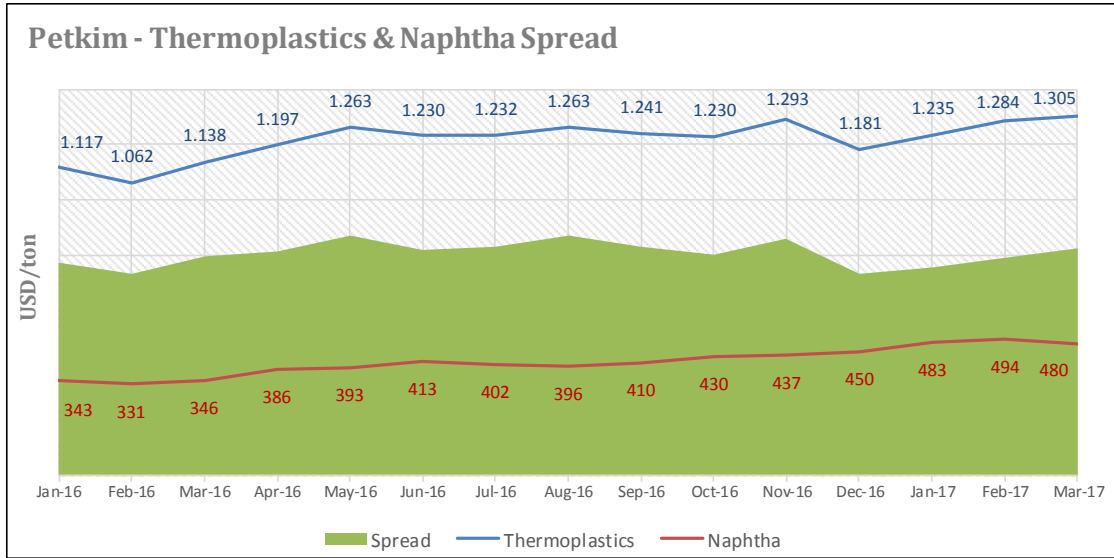
PLATT's Index averaged US\$ 991 per ton in 1Q17

- PLATT's index increased to \$991 per ton in 1Q17 from \$862 per ton in 4Q16.
- Upward trend in global petrochemical pricing index.

Monthly Average Platts Index



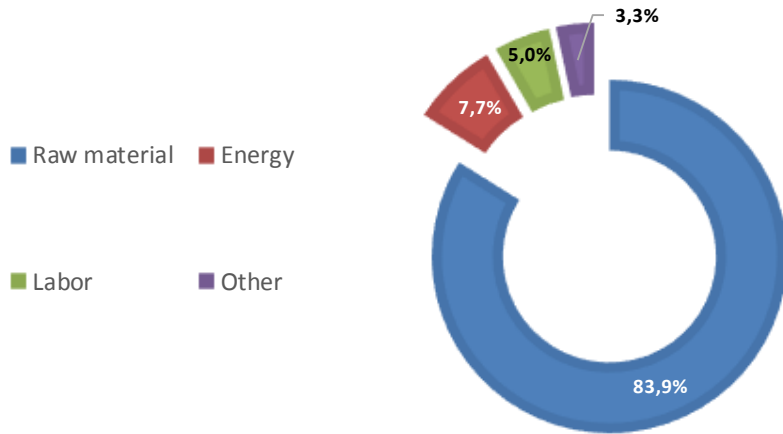
Feedstock vs. Product Prices in 1Q17



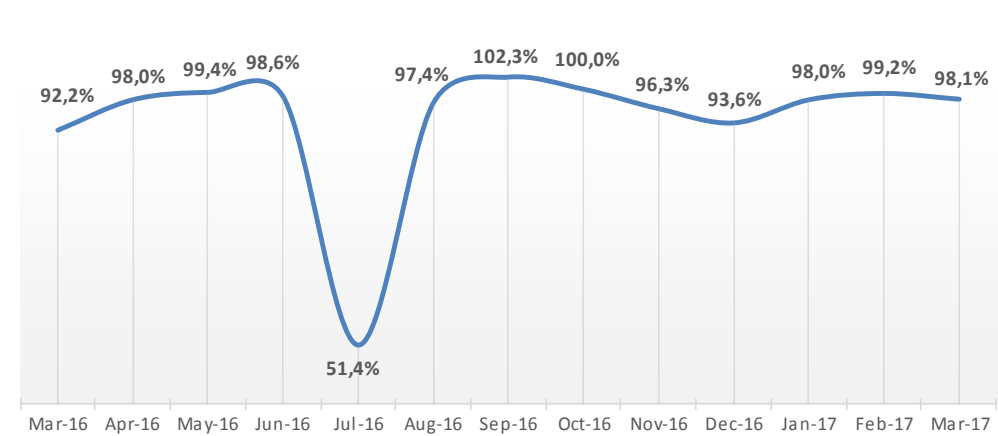
- Strong performance through operational and commercial improvements. Remarkably high CUR as % 98,4.
- In 1Q17, production was 22kton higher than 4Q16 and 25kton higher than 1Q16.
- Thermoplastics spread was in line with 2016. Per ton margin increase in 1Q17 was mainly due to increase of C4, Benzene and ACN prices.
- As a naphtha based producer Petkim utilized high aromatic prices more than ethane based producers due to the difference in product yield.
- The margin increases have been reflected in the first quarter results.
- Maximum production and fast sales strategy that started with 2015 still prevails. Depreciation of TL favors Petkim's operational performance both due to USD denominated revenue and 15% TL denominated COGS. Additionally, fluctuations in USD/TRY currency with expectation of further depreciation of TL strengthens market position of Petkim against importers.

Costs and Operational Efficiency in 1Q17

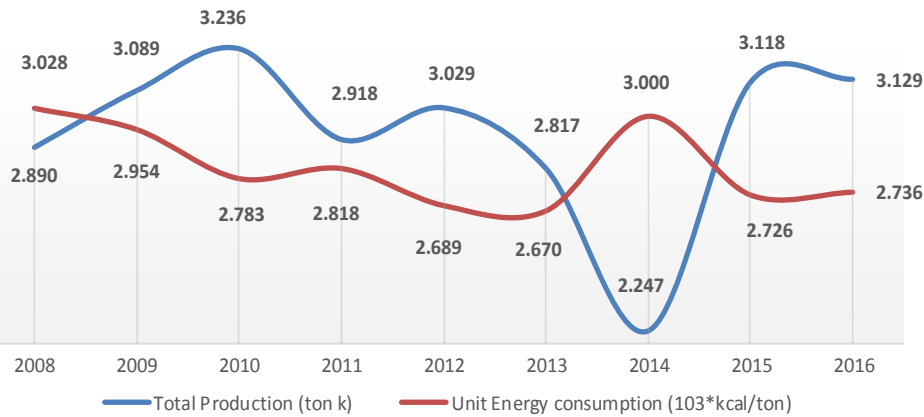
Plant Cost Base Breakdown 1Q17



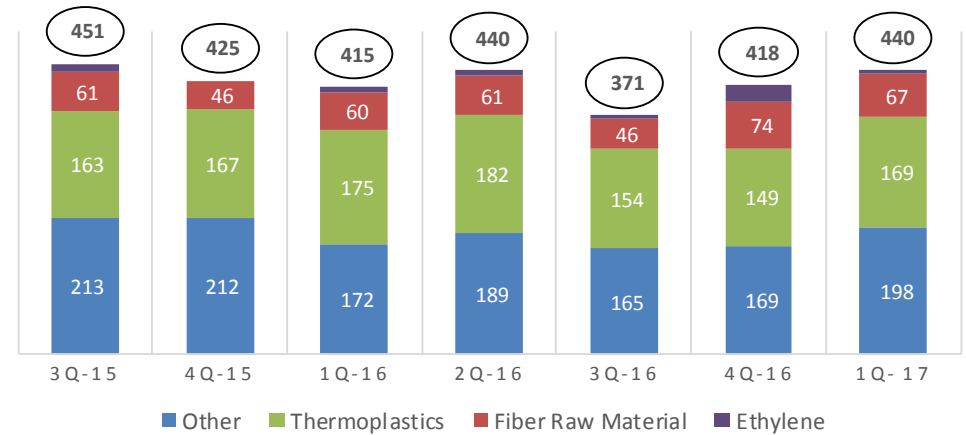
Ethylene Facility Capacity Utilization Rate



Total Production & Energy Consumption



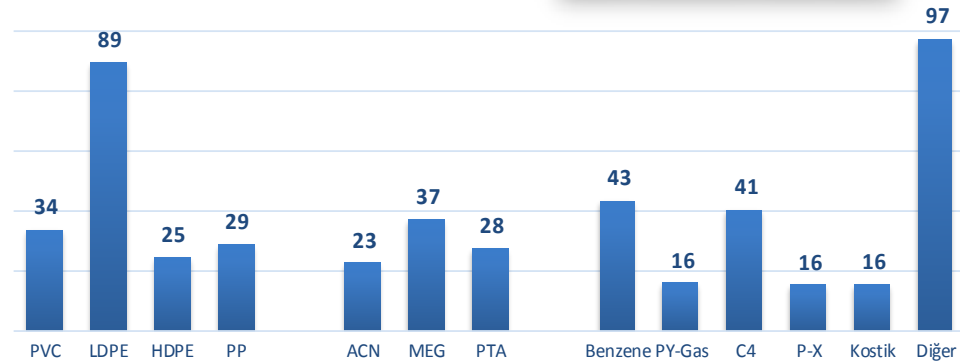
Sales from Production (Ton K)



- In 1Q17 Petkim recorded TL 1.774mn sales via 492k ton volume

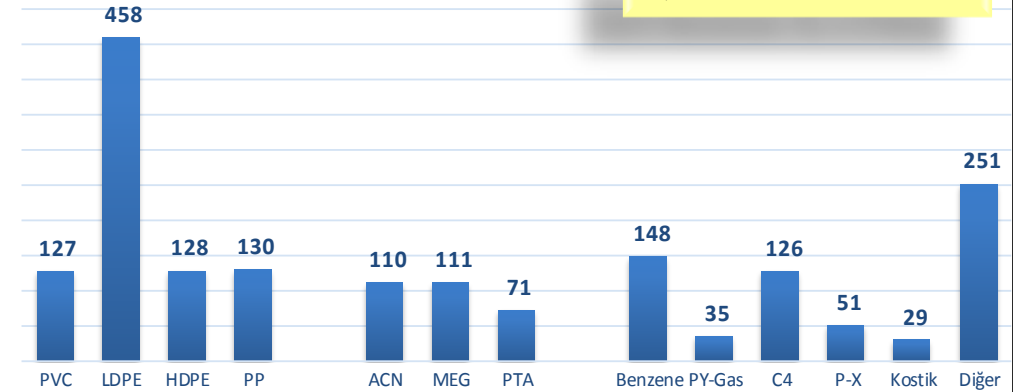
Sales Volume (ton k)- 1Q17

1Q17 Volume: 492k ton



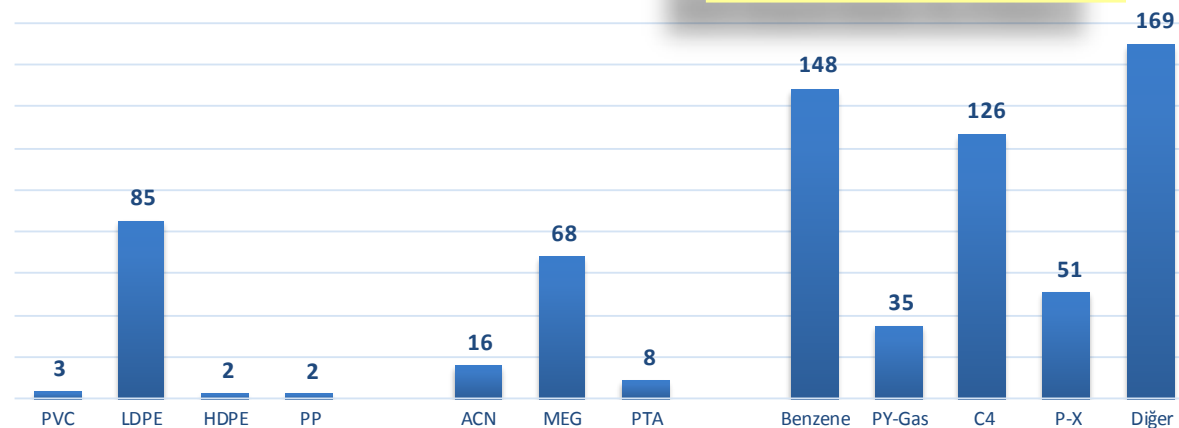
Revenue (TL mn)- 1Q17

1Q17 Revenue: TL 1.774mn



Export Revenue (TL mn)- 1Q17

1Q17 Export Sales: TL 713mn



• PETKIM 1Q17 Income Statement

TL mn	1Q15	1Q16
Sales	1.108,5	1.766,2
Cost of sales	(897,5)	(1.298,0)
Gross Profit	211,0	468,3
Gross profit %	19,0%	26,5%
Marketing and sales expenses	(10,8)	(13,2)
General admin. Expenses	(39,9)	(52,5)
R&D Expenses	(2,3)	(3,1)
Operating profit	158,0	399,5
Other income / (expenses)	24,9	53,5
Financial income	61,3	181,5
Financial expense	(69,4)	(192,1)
Profit before tax	174,7	442,4
Income tax	(29,6)	(77,2)
Deferred tax	3,8	(6,0)
Net Profit / (loss)	148,9	359,1
Net profit %	13,4%	20,3%
Severance	(5,1)	15,9
Depreciation	28,3	44,5
EBITDA	181,2	459,9
EBITDA %	16,3%	26,0%

• PETKIM 1Q17 Balance Sheet

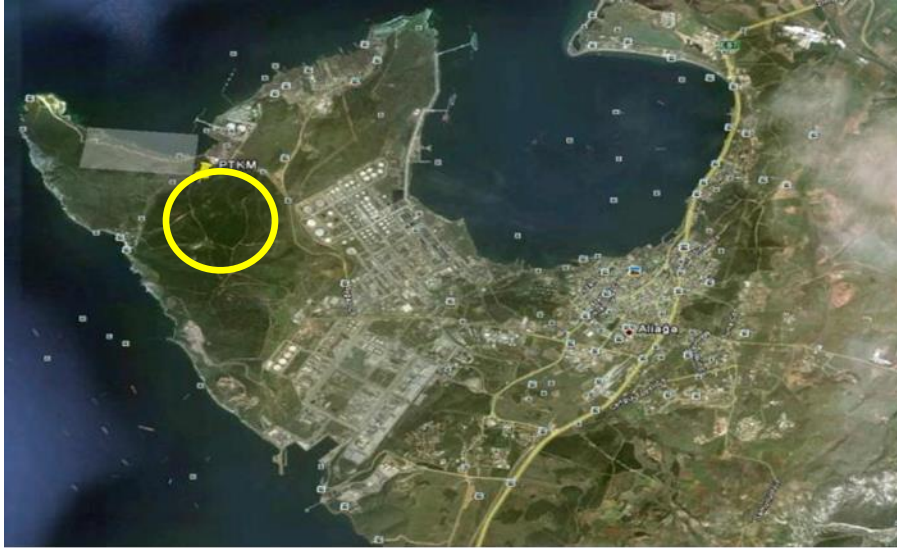
TL mn	12M16	3M17
Cash and cash equivalents	1.267,2	2.018,1
Trade receivables	674,5	745,5
Inventory	604,3	644,2
Other receivables	30,8	39,2
Other current assets	83,2	132,8
<i>Current assets</i>	2.659,9	3.579,8
Non current assets	3.608,6	3.711,7
<i>Total Assets</i>	6.268,5	7.291,5
Short term borrowings	1.219,7	1.763,3
Trade payables	412,4	433,4
Other payables	164,6	811,3
<i>Current liabilities</i>	1.796,6	3.008,0
Long term borrowings	1.181,5	1.213,3
Other non-current liabilities	220,9	230,6
<i>Shareholders' equity</i>	3.069,4	2.839,7
<i>Total liabilities</i>	6.268,5	7.291,5
<i>Net debt position</i>	-432	-307
<i>Working Capital</i>	195	344
<i>Days sales outstanding</i>	54	52
<i>Days payable outstanding</i>	114	100
<i>Days sales of inventory</i>	62	59

PETLIM - Operations Commenced in December 2016



- PETLIM Port Project has 1.5 million TEU container handling capacity, 42 hectare main port area, 8 hectare off-dock service area terminal port.
- APMT and Petkim's 70% subsidiary PETLIM has a revenue sharing agreement for the 28 years (+4 years option) of the operational period.
- The infrastructure investment is carried out by Petlim. Petlim's part of investment is US\$ 276mn, of which around US\$ 70mn will be equity and the remaining will be financed by project financing.
- Goldman Sachs has purchased 30% stake in Petlim for a total consideration of US\$ 250mn.
- First phase of the project is completed and port started operations in December 2016.
- PETLIM Port's Phase 1 with 800.000 TEU capacity has been completed and port commenced its operations in December 2016.

Petkim - Wind Power Plant



Picture above is presented for only representative purposes

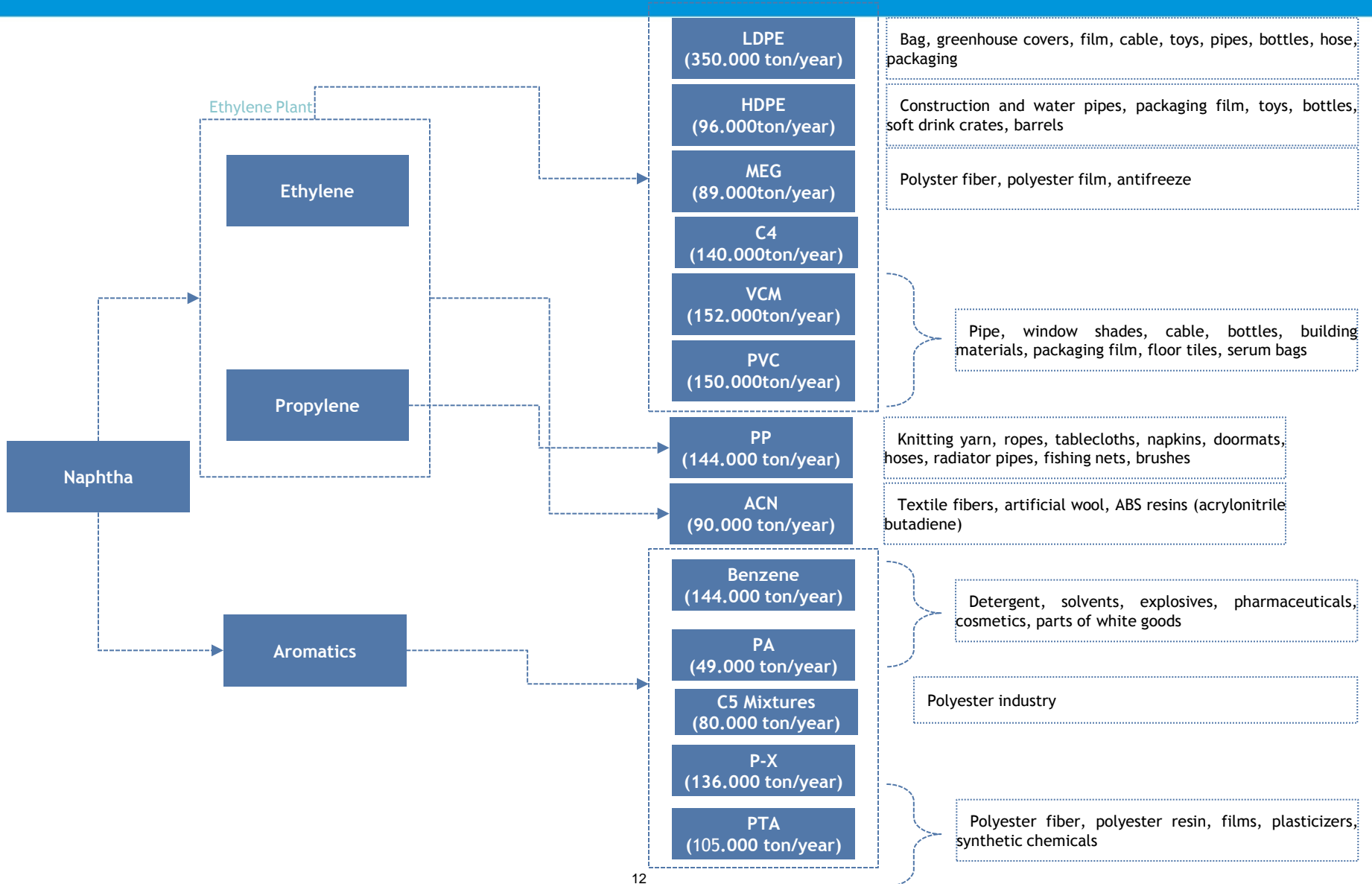
- Petkim is setting up a wind power plant with a total capacity of 51MW at the Petkim Peninsula.
- The WPP is planned to generate 200GWh electricity per annum.
- PETKİM signed an agreement with ALSTOM RENOVABLES ESPAÑA S.L.U and ALSTOM Power ve Ulaşım A.Ş (Alstom Türkiye) consortium on 28/03/2014 amounting to €55 million which will be covering a full range of basic and detailed engineering study, material procurement, construction, electric work and installation and commissioning.

STAR Refinery



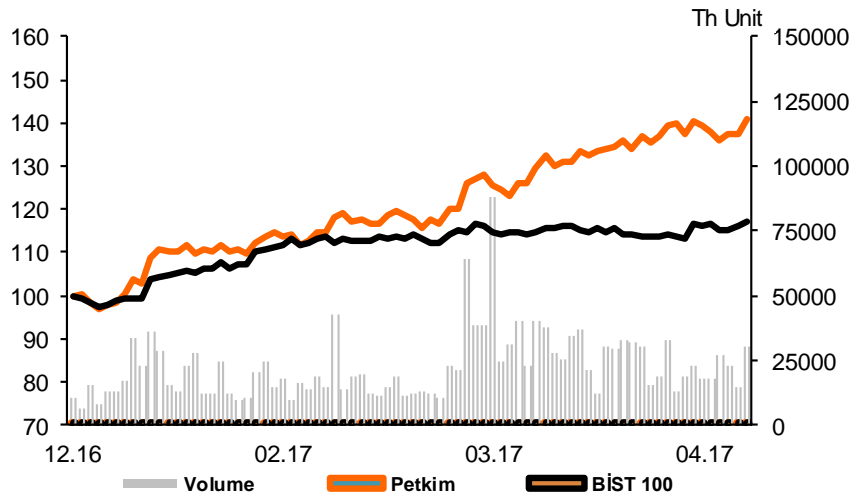
- STAR Refinery will have 10 million tons /year crude oil refining capacity.
- Petkim signed a 20-year off-take agreement with STAR Rafineri A.Ş to offtake 270,000 tonnes mixed-xylene and 1,600,000 tonnes naphtha annually.
 - Naphtha price will be set as the Platts' FOB MED spot market price plus US\$ 6 margin per tonne and mixed-xylene price will be based on ICIS's Rotterdam Paraxylene Spot Price multiplied by 0.74.
 - It is expected that PETKIM's feedstock cost will be reduced US\$ 30 per ton as a result of this agreement. The offtake pricing terms in the agreement are in line with the market prices.
 - Other than the logistics cost savings, as a result of the synergies created by the refinery and the petrochemicals integration, there will be significant cost benefits for Petkim including quality standardization and stabilization, and the reduction in inventory costs.
- The aggregate investment amount will reach US\$ 5.7bn.
- On May 30th 2014, US\$ 3,290 million project finance portion of the STAR Refinery investment has been signed with a number of 23 local and international financial institutions including Export Credit Agencies (ECAs), commercial banks and development banks.
- US\$ 2,690 million of the project finance has a maturity of 18 years with 4 years grace period, while the remaining US\$ 600 million has a maturity of 15 years with 4 years grace period.

Appendix 1. Petrochemical Complex Flow Chart

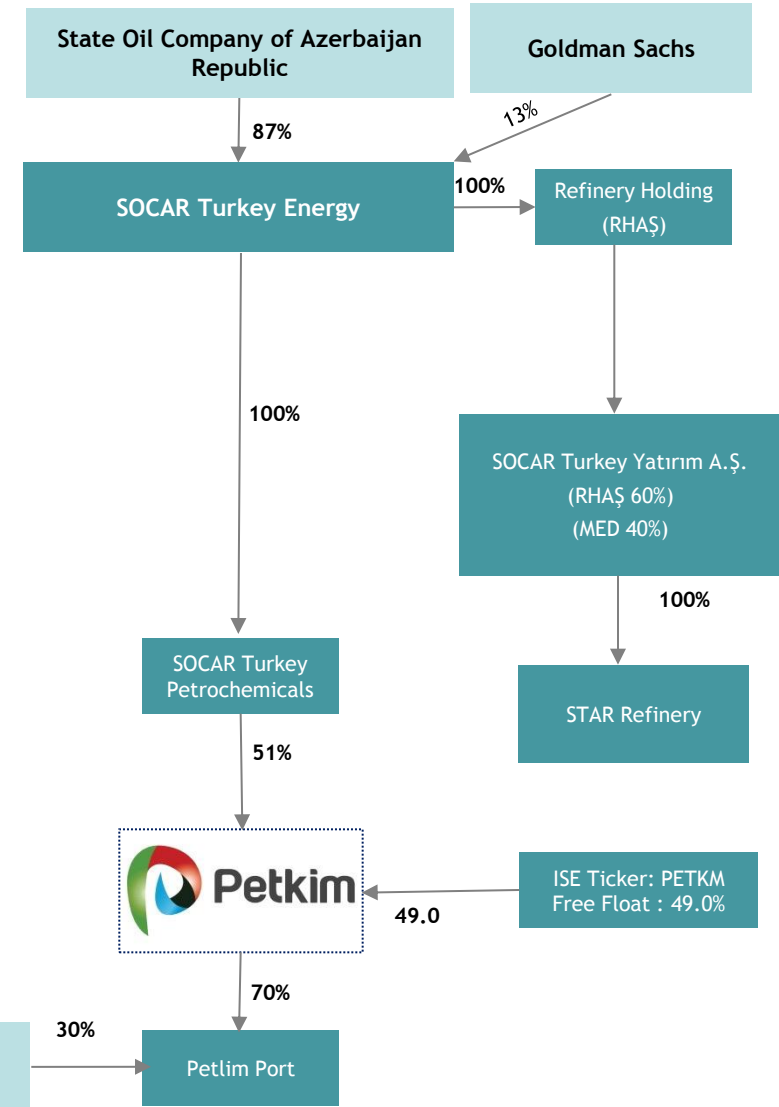


Appendix 2. PETKIM's Ownership Structure

Petkim Stock Performance



Closing Price as of 31 March 2017 (TRY/Share)	TL 5.07
Market Cap (TRY mn)	TL 7.605
Free Float (%)	49.0%



Investor Relations

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