

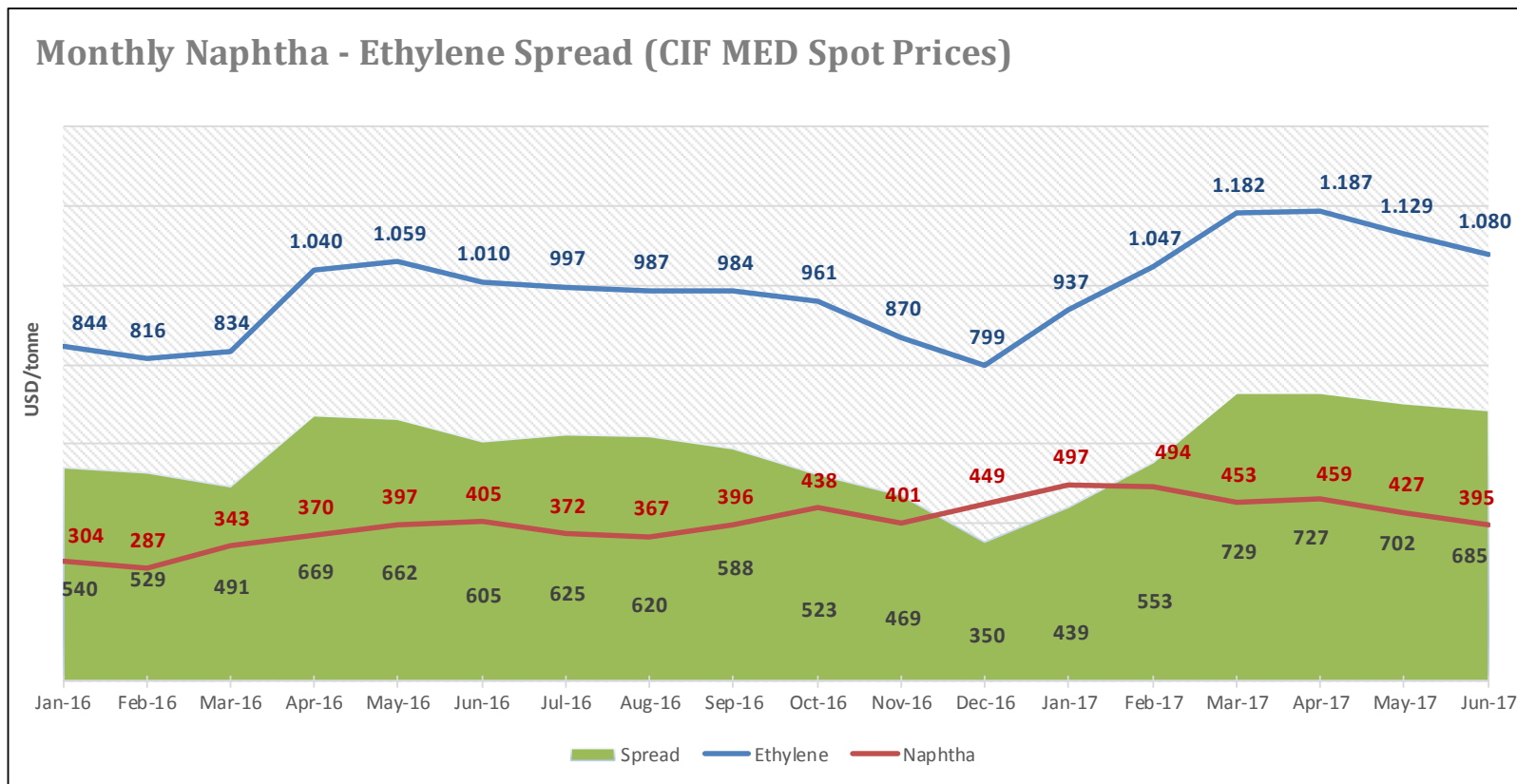
# 2Q17 Results Investor Presentation



14/08/2017

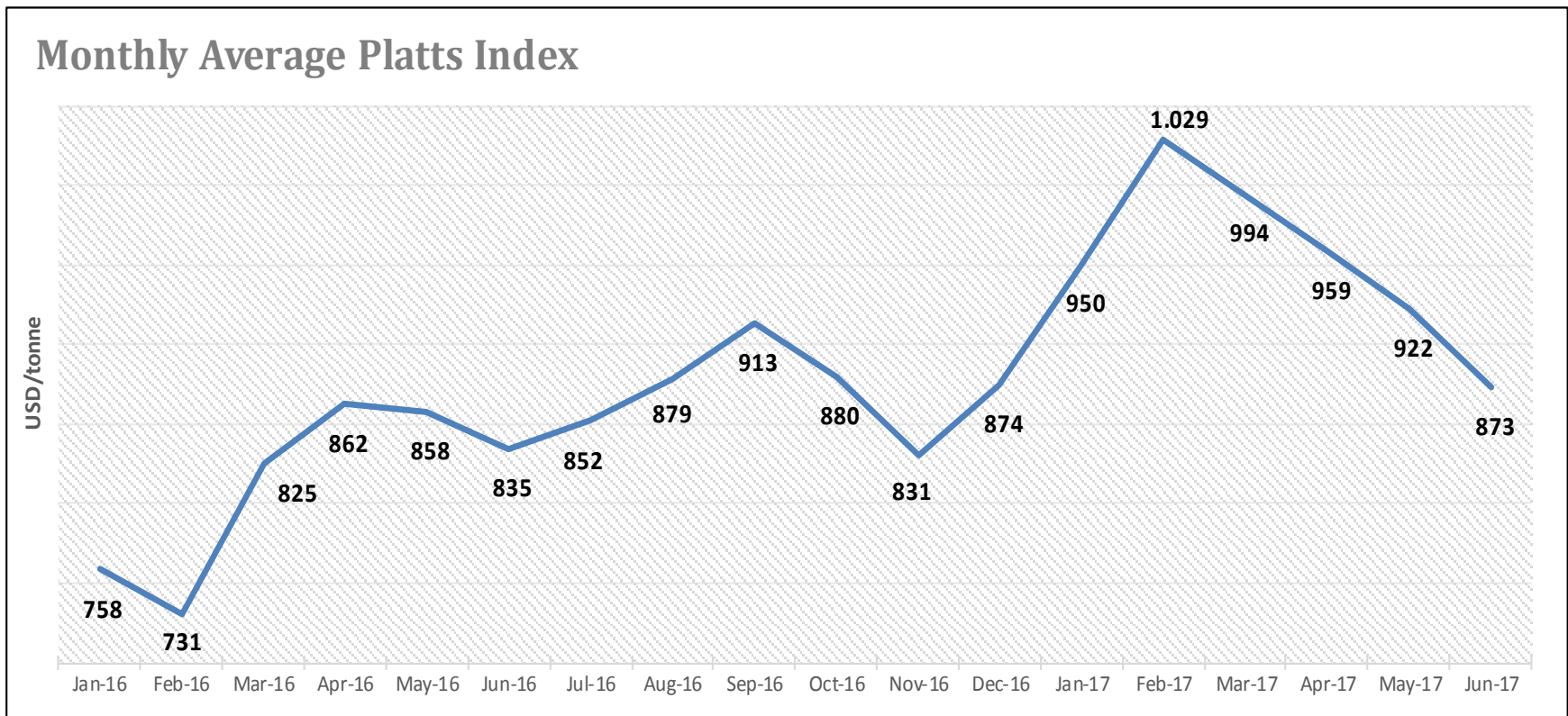
# Ethylene – Naphtha spread averaged US\$ 705/ton in 2Q17

- Ethylene-naphtha spreads increased by 23% from the average of US\$ 574/ton in the 1Q17 to US\$ 705/ton in the 2Q17.
- Lower feedstock prices have provided an increase in margins for naphtha based producers.



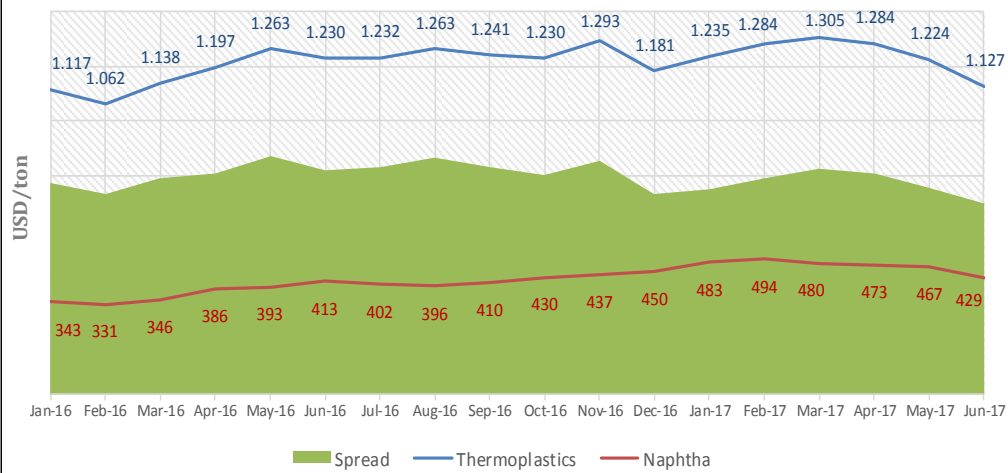
# PLATT's Index averaged US\$ 918 per ton in 2Q17

- The trend has been downward reflecting a lower oil price in the second quarter. PLATT's index decreased to \$918 per ton in 2Q17 from \$991 per ton in 1Q17.
- Alongside product availability, the crude oil price direction will help to determine the path of petrochemical prices in the second half.
- The index remains around 18% higher reflecting relatively strong position for producers in H1 2017 vs H1 2016.



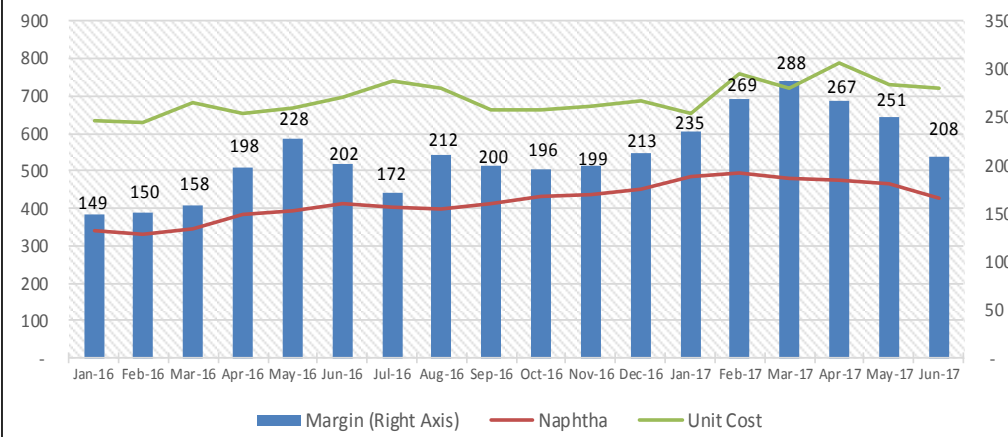
# Feedstock vs. Product Prices in 2Q17

Petkim - Thermoplastics & Naphtha Spread



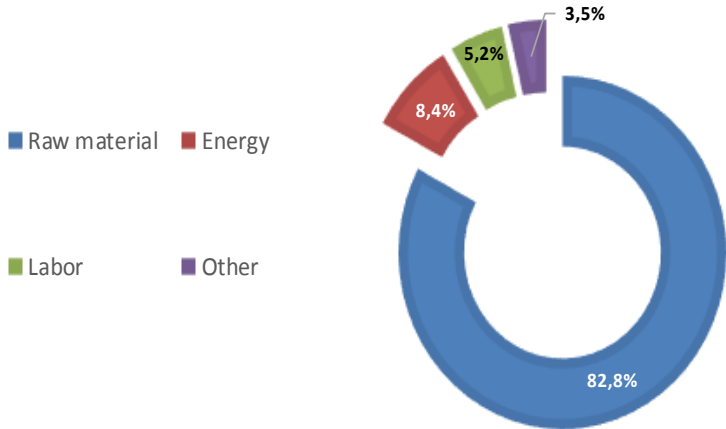
- Thermoplastics naphtha spread remain elevated and provided strong margin contribution from the polymer part of value chain.
- There were significant price volatility for some petrochemicals over the past ten months especially for co-product pricing.
- With %100,6 ethylene capacity utilization rate, Petkim again demonstrated its strength to utilize the favorable market conditions with high production performance.
- Sales from production rised to 472 Kton.
- Maximum production and fast sales strategy that started with 2015 still prevails.

Petkim Naphtha Cost and Margins

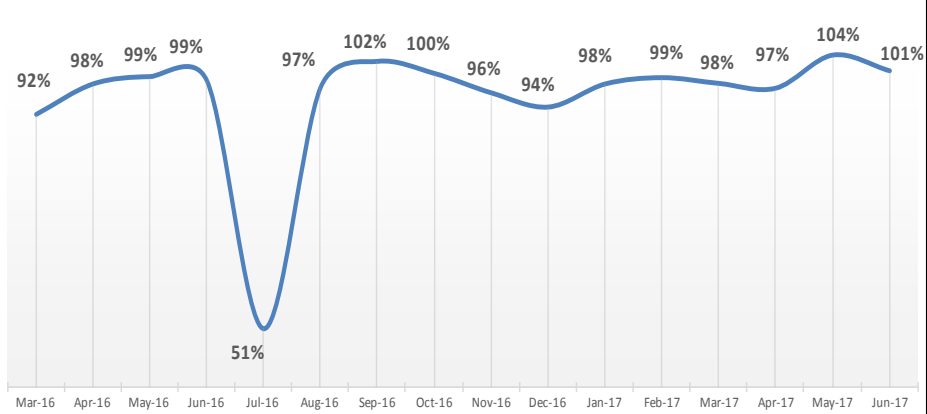


# Costs and Operational Efficiency in 2Q17

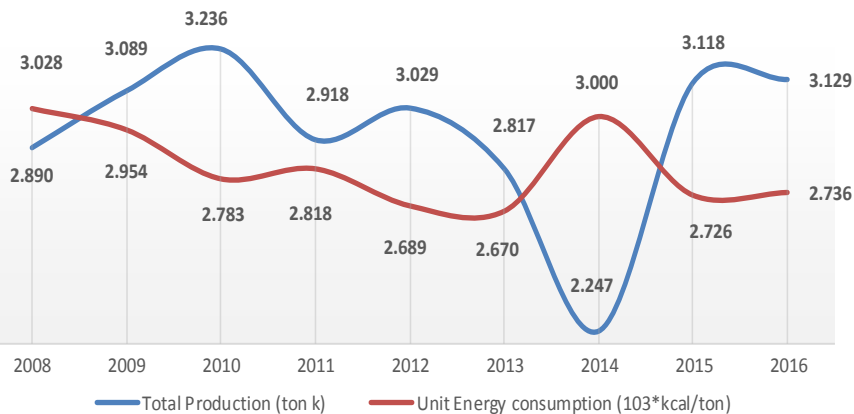
## Plant Cost Base Breakdown 2Q17



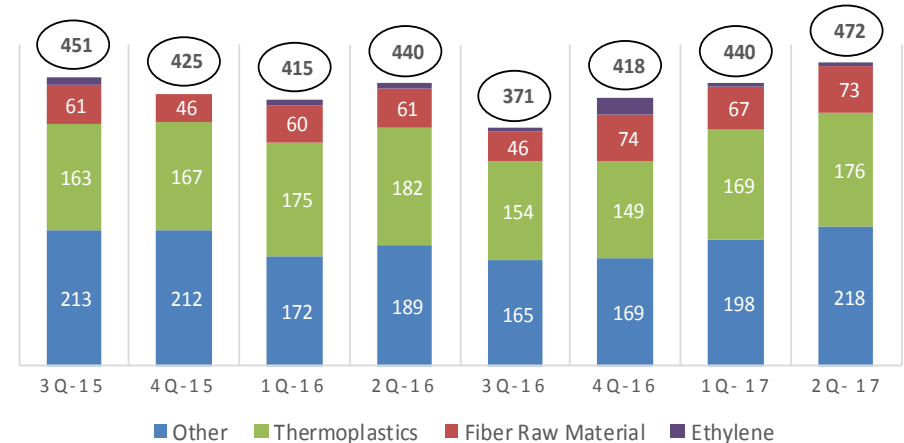
## Ethylene Facility Capacity Utilization Rate



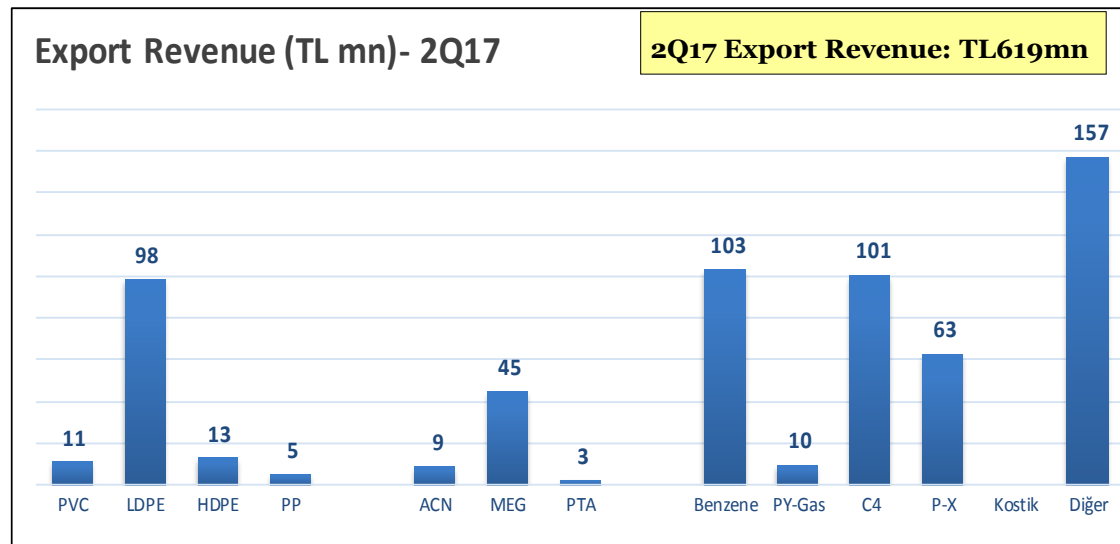
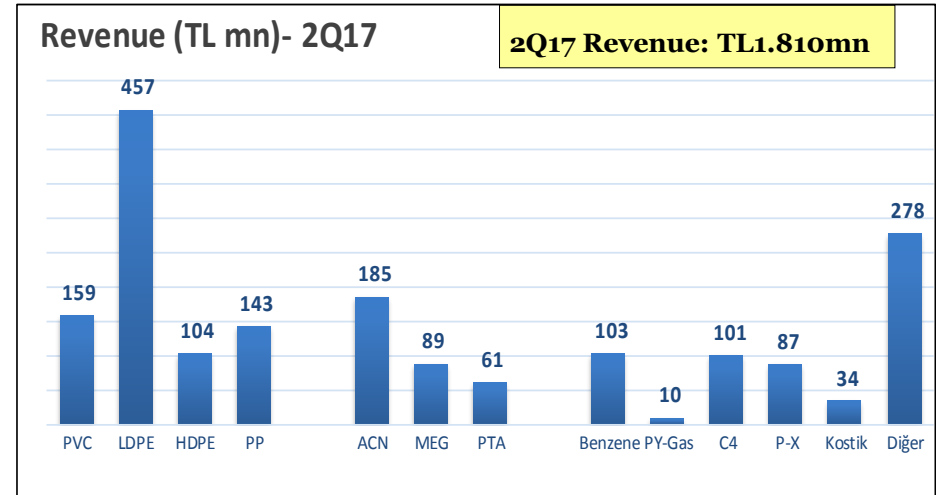
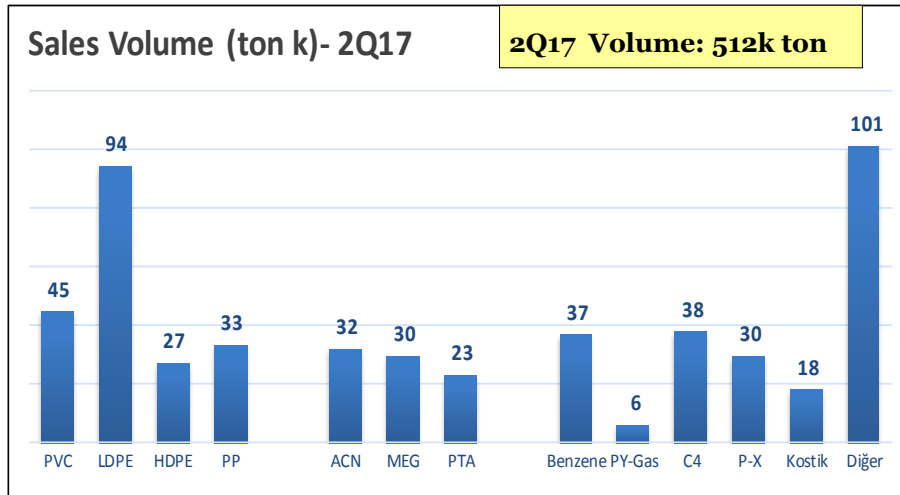
## Total Production & Energy Consumption



## Sales from Production (Ton K)



# In 2Q17 Petkim recorded TL 1.810mn sales via 512k ton volume



# PETKIM 2Q17 Income Statement

TL mn	2Q16	2Q17
Sales	2.285,7	3.626,4
Cost of sales	(1.806,5)	(2.687,7)
<b>Gross Profit</b>	<b>479,2</b>	<b>938,7</b>
<b>Gross profit %</b>	<b>21,0%</b>	<b>25,9%</b>
Marketing and sales expenses	(21,0)	(28,6)
General admin. Expenses	(72,6)	(102,0)
R&D Expenses	(6,4)	(7,6)
<b>Operating profit</b>	<b>379,3</b>	<b>800,4</b>
Other income / (expenses)	33,2	19,1
Financial income	149,8	283,9
Financial expense	(125,9)	(312,5)
<b>Profit before tax</b>	<b>436,4</b>	<b>791,0</b>
Income tax	(80,5)	(127,2)
Deferred tax	21,4	(8,7)
<b>Net Profit / (loss)</b>	<b>377,3</b>	<b>655,1</b>
<b>Net profit %</b>	<b>16,5%</b>	<b>18,1%</b>
Severance	3,3	19,8
Depreciation	52,9	86,2
<b>EBITDA</b>	<b>432,0</b>	<b>906,5</b>
<b>EBITDA %</b>	<b>18,9%</b>	<b>25,0%</b>



# PETKIM 2Q17 Balance Sheet

TL mn	12M16	6M17
Cash and cash equivalents	1.267,2	1.022,1
Trade receivables	674,5	778,6
Inventory	604,3	654,0
Other receivables	30,8	42,4
Other current assets	83,2	110,7
<b>Current assets</b>	<b>2.659,9</b>	<b>2.607,8</b>
Non current assets	3.608,6	3.706,5
<b>Total Assets</b>	<b>6.268,5</b>	<b>6.314,3</b>
Short term borrowings	1.219,7	1.240,3
Trade payables	412,4	440,4
Other payables	164,6	178,4
<b>Current liabilities</b>	<b>1.796,6</b>	<b>1.859,2</b>
Long term borrowings	1.181,5	1.115,1
Other non-current liabilities	220,9	226,7
<b>Shareholders' equity</b>	<b>3.069,4</b>	<b>3.113,4</b>
<b>Total liabilities</b>	<b>6.268,5</b>	<b>6.314,3</b>
<i>Net debt position</i>	-432	-1.147
<i>Working Capital</i>	195	849
<i>Days sales outstanding</i>	54	48
<i>Days payable outstanding</i>	114	51
<i>Days sales of inventory</i>	62	54





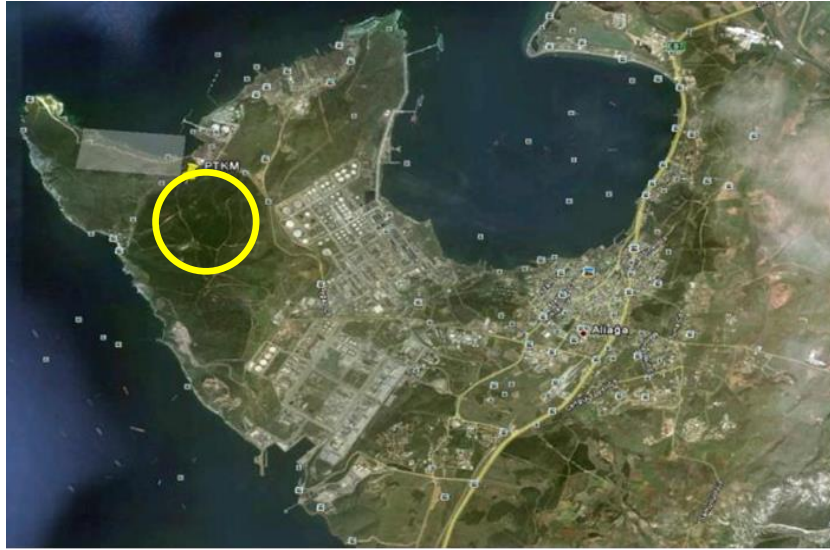
# PETLIM – Operations Commenced in December 2016



- 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.
- Our partner in port operations, APMT (group company of Maersk Group) paid US\$ 25mn in July 2013, as the first installment of US\$ 65mn upfront fees for the Operation Rights.
- Goldman Sachs has purchased 30% stake in Petlim for a total consideration of US\$ 250mn.
- 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



- 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 RENOVBABLES 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.



Picture above is presented for only representative purposes



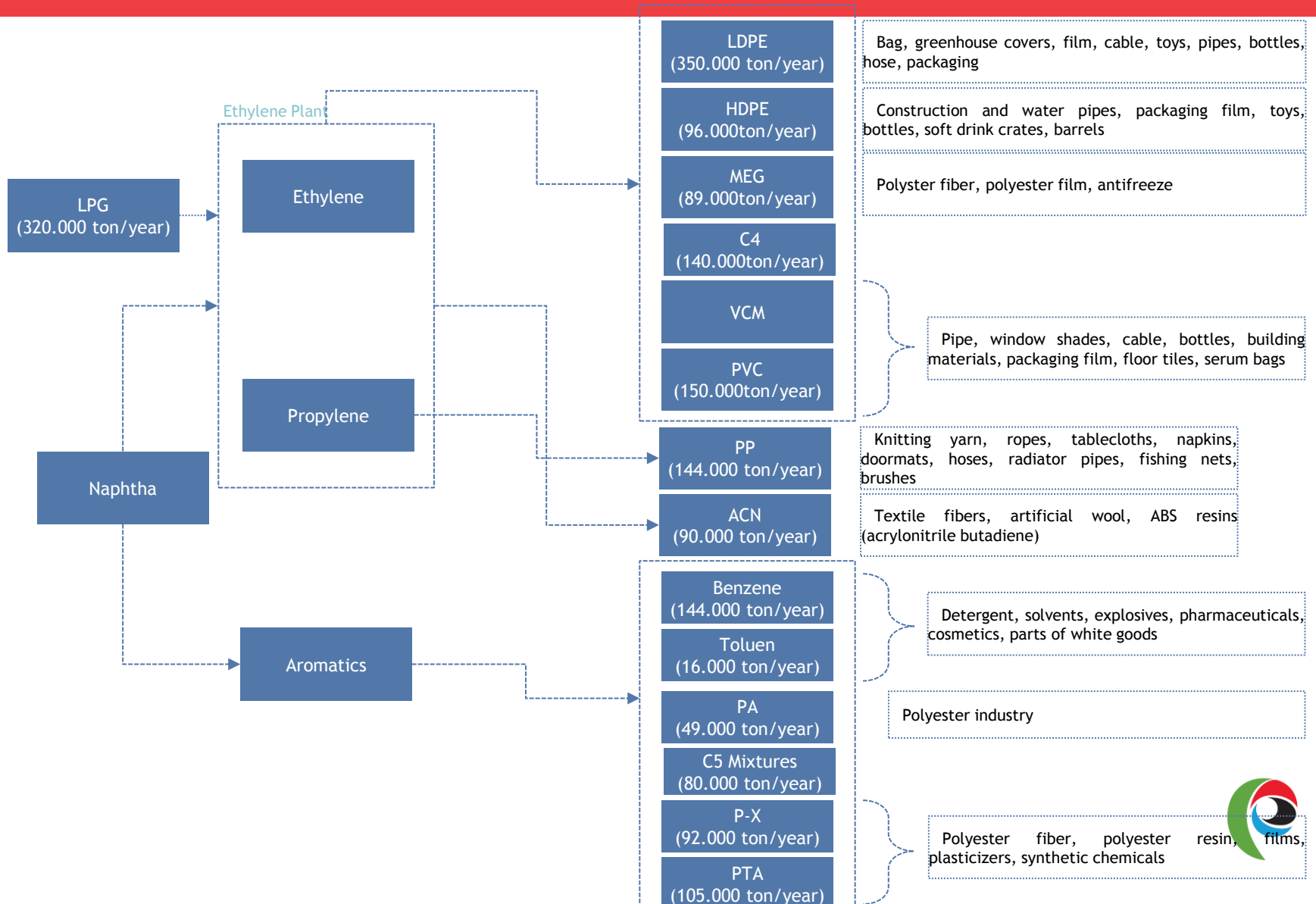


# STAR Refinery



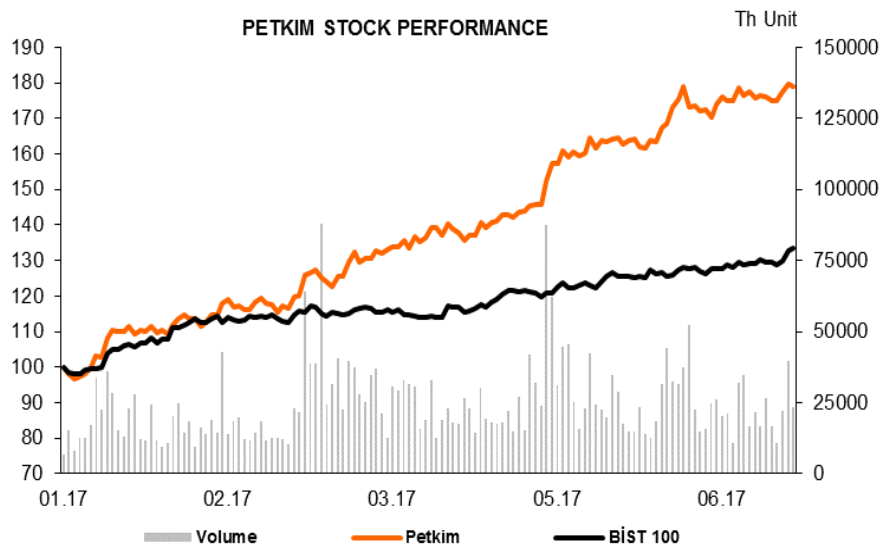
- STAR Refinery will have 10 million tons /year crude oil refining capacity.
- Petkim signed a 20-year off-take agreement with STAR Rafineri A.Ş to offtake 270,000 tonnes mixed-xylene and 1,600,000 tonnes naphtha annually.
  - Naphtha price will be set as the Platts' FOB MED spot market price plus US\$ 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

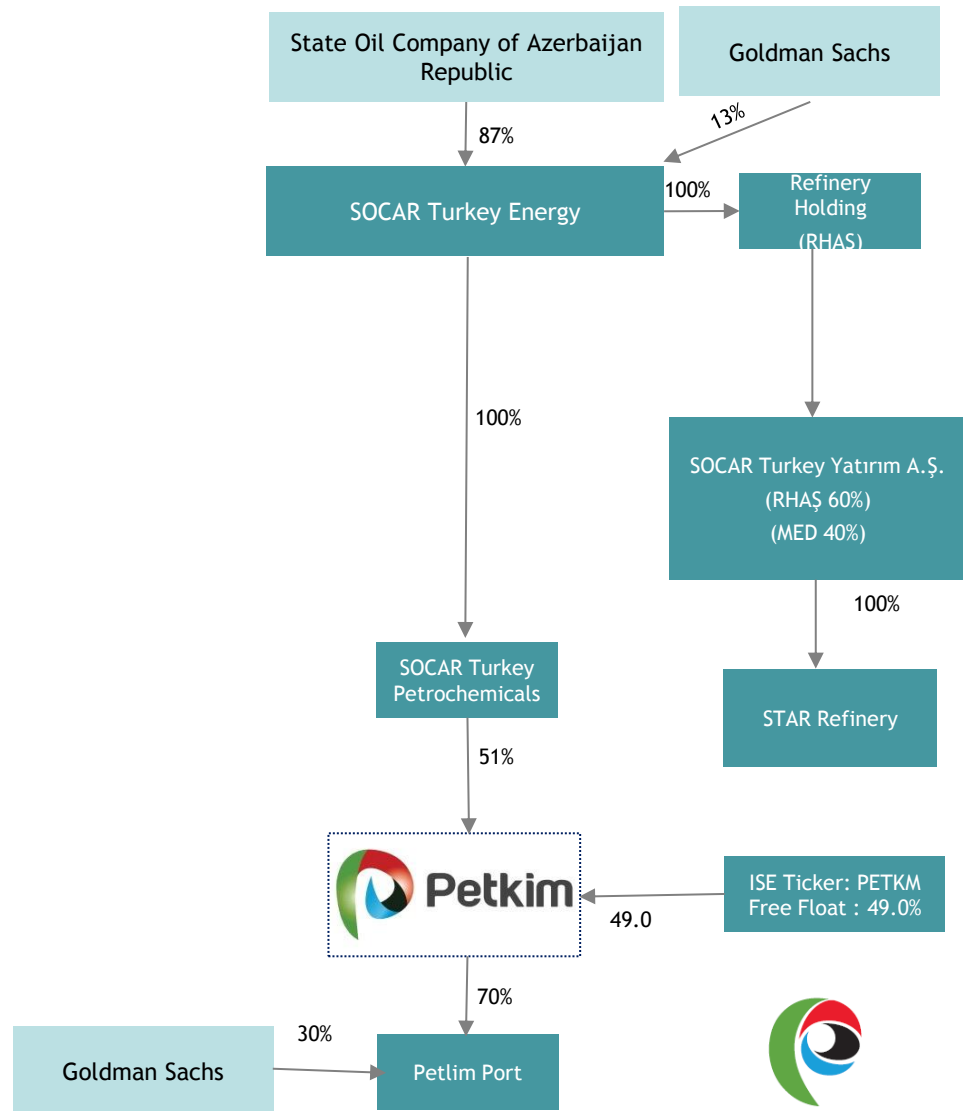


# Appendix 2. PETKIM's Ownership Structure

Petkim Stock Performance



Closing Price as of 30 June 2017 (TRY/Share)	TL 6.06
Market Cap (TRY mn)	TL 9,090
Free Float (%)	49.0%



# Investor Relations

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