

## **SPECIAL CASE DECLARATIONS BY PETKİM FOR 2013**

### **S.C.D NO: 18**

**DATE: 31/12/2013**

In order to secure the supply and cost effectiveness of a major cost item namely; natural gas, Petkim Petrochemical Holding agreed with SOCAR Gaz Ticareti A.S., which is a subsidiary of State Oil Company of Azerbaijan Republic (SOCAR), for the purchase of 438 cubic meter natural gas in the year 2014.

### **S.C.D NO: 17**

**DATE: 23/12/2013**

We have been informed by SOCAR Turkey Enerji A.S.(STEAS) that binding commitment letters for STAR Refinery's project financing, which is majority owned by our indirect main shareholder STEAS to be built in Petkim's petrochemical complex in Aliaga, were received from 17 local and international banks for USD 5bn and the total debt financing amount for STAR Refinery Project is as US 3.5bn and that financing process is planned to be complete after selecting the best offers among the binding offers.

### **S.C.D NO: 16**

**DATE: 27/11/2013**

The Group Company, Star Rafineri A.Ş.'s majority shareholders STYAŞ's (SOCAR Turkey Yatırım A.Ş.) paid-in capital will be raised to TL 3,859,090,000 (approximately USD 1.9 billion). In that regard we have been informed that STYAŞ's 40% stakeholder The Ministry of Economic Development Of The Republic Of Azerbaijan, SOFAZ (State Oil Fund of Azerbaijan) transferred USD 475 million to (STYAŞ) as capital.

We have also been informed that aggregate investment amount will reach to USD 5.5 billion and USD 1.9 billion of this amount will be met by equity. Subsequent to expenditures reaching half of the total decided equity amount, the project financing will be utilized.

### **S.C.D NO: 15**

**DATE: 21/11/2013**

We have initiated studies to evaluate strategic financial options including partnership for our 100% subsidiary Petlim Limancılık A.Ş. We have put discussions with financial institutions and consulting firms into our agenda. In this regard, developments will be publicly announced.

### **S.C.D NO: 14**

**DATE: 12/11/2013**

There has been misled news in regards to completion of STAR Refinery's financing, which is majority owned by our indirect main shareholder SOCAR Turkey Enerji A.Ş.

As stated within our 27.09.2013 dated announcement project financing process proceeds positively and necessary briefing will be made to public once project financing is completed.

**S.C.D NO: 13**

**DATE: 04/11/2013**

Mr. Rıza Bozoklar has been assigned as the new CFO of Petkim Petrokimya Holding A.Ş. after the resignation of former CFO Mr. Bülent Aksu who has been appointed as the new Group Finance Director of SOCAR Turkey Enerji A.Ş.

**S.C.D NO: 12**

**DATE: 09/10/2013**

**About:** In regards to permission granted by Energy Market Regulatory Authority (EMRA) to STAR Refinery whose main shareholder is also PETKİM's indirect main shareholder, SOCAR Turkey Enerji.

EMRA permission regarding the completion period of the refinery project has been extended from 60 months to 100 months, starting from the refinery license issue date of 23.06.2010. Our application to EMRA for time extension has been approved. The initially planned 49 month completion period that was announced within the S.C.D dated 20.05.2013 is still valid and the extension is only granted due to fact that original completion period given by EMRA was going to expire in 2015 thus needed to be updated.

**S.C.D NO: 12**

**DATE: 30/09/2013**

**About:** Contribution to PETLİM Limancılık Ticaret Inc.'s capital increase.

At 20.09.2013 dated announcement we have declared that PETLİM Limancılık Ticaret Inc., which is %99.996 owned by PETKİM, will hold a general meeting to increase its capital to TL 83.000.000 from TL 8.000.000.

Within the extraordinary general assembly that was held on 30.09.2013 it is decided that PETLİM's capital will be increased to TL 83.000.000 from TL 8.000.000.

Our original TL7.999.680 amount of capital within PETLİM's capital will be increased to TL82.996.680 for which subscribed capital amount is decided to be TL74.997.000.

**S.C.D NO: 11**

**DATE: 27/09/2013**

**About:** As a response to recently published news about the financing of STAR Refinery.

In response to a press article published today (27/09/2013) we have been informed by SOCAR Turkey Enerji A.Ş. that healthy and strong relations with foreign and local private/public banks continues and project financing talks proceed as planned.

**S.C.D NO: 10**

**DATE: 24/09/2013**

**About:** PETLİM Limancılık Ticaret Inc.'s capital increase.

Decision for general assembly to be held at 30.09.2013 has been taken in order to increase PETLİM's capital to TL83,000,000 from TL8,000,000.

**S.C.D NO: 9**

**DATE: 20/08/2013**

**About:** Corporate governance rating update.

In accordance with the Capital Market Board's corporate governance rating guidelines, corporate governance rating 8.72 out of 10 issued by Kobirate at 24.08.2012 has been revised up to 8.91 as of 20.08.2013.

Rating issued by Kobirate is prepared in accordance to framework described by Capital Market Board of Turkey and is based on the four major headlines with different weighting. The four headlines and their ratings are; Public disclosure and transparency: 9.333, Stakeholders: 9.487, Shareholders: 8.75 and Board of Directors: 8.468

**S.C.D NO: 8**

**DATE: 29/07/2013**

**About:** Upfront Payment from APMT.

Following our announcement dated 22.02.2013, USD 29.5 million amount of upfront fee (including VAT) is paid by APMT to PETLİM as per the operational agreement signed between APMT and PETLİM. This upfront fee is the first instalment of the total amount of USD 65mn.

**S.C.D NO: 7**

**DATE: 26/07/2013**

**About:** Change in the shareholder structure of STAR Refinery Inc. whom is owned by SOCAR Turkey Energy, our indirect main shareholder.

Previously Star Refinery Inc.'s 81.5% was owned by SOCAR Turkey Yatirim (STYAŞ) which is 100% owned by SOCAR Turkey Energy.

As of 26/07/2013 we have been informed by SOCAR Turkey Energy that; 40% of STYAŞ shares were transferred to The Ministry Of Economic Development Of The Republic Of Azerbaijan. With respect to its 40% stake in STAR Refinery Inc.; The Ministry Of Economic Development Of The Republic Of Azerbaijan, SOFAZ (State Oil Fund of Azerbaijan) informed us that they will be utilizing a part of their resources for the financing of Star Refinery.

**S.C.D. NO: 6**

**DATE: 08/03/2013**

**About:** investment credit agreement

A credit agreement concerning the financing of the Ethylene Capacity Expansion investment which will increase the capacity form 520 ktons to 588 ktons for a total of 101,5 mn USD has been signed on 07/03/2013 with T.İş Bank. A portion of the credit agreement is to be funded with the General Credit Agreement signed between T.İş Bank and Japan Bank For International Cooperation (JBIC) on 05/10/2012 and the credit agreement has a total tenor of 10 years and the approximate cost of financing is LIBOR+ 3.5%.

**S.C.D. NO: 5**

**DATE: 06/03/2013**

PETKİM PETROCHEMICAL HOLDING INC.

PRESS RELEASE

(6.3.2013)

- **PETKİM'S NET SALES REACHED TO TRY 4.349mn IN 2012.**
- **PETKİM'S EXPORTS TOTALED TO USD 1.041mn IN 2012 AND IS THE HIGHEST IN ITS HISTORY.**
- **PETKİM'S GENERAL MANAGER SADETTİN KORKUT:**  
**"WE ARE HAPPY TO EXCEED THE TARGET FOR EXPORTS WHICH WAS SET AS USD 1bn IN 2012. 2012 WAS A DIFFICULT YEAR FOR TURKISH INDUSTRIALISTS. WITH IMPROVEMENT IN MARGINS, WE STARTED 2013 WITH HOPE."**

Petkim released financial results for 2012. Increase in sales volume and rise in product prices caused Petkim's revenues to reach TRY 4.349mn denoting %12 YoY growth and sales volume has risen to 1.808K tons denoting %3,6 YoY growth.

Exports have risen to USD 1.041mn in 2012 from 2011's figure of USD 834mn, indicating %25 growth and denoted an important figure in its history of 48 years. Exports consisted %42 of total revenues.

Petkim's EBITDA (earnings before interest, taxes and amortization) for 2012 was TRY 99mn with a margin of %2,3 and the net profit of Petkim was TRY 17mn in 2012.

Petkim's General Manager Sadettin Korkut, reminded that 2012 was a very difficult year for Turkish industrialist and manufacturing industry and significant declines were observed in the growth rates of sectors especially since the second quarter. Korkut noted significant contraction in the petrochemical sector in line with the developments in the world, and he said **"Growth rate of our country's economy, deteriorated significantly in 2012 and fell to the level of %3. Significant slowdowns were observed in the sector, which used to grow at double-digit in previous years, in line with the contraction in the economy. Our sector, which showed some improvement at the beginning of 2012, experienced a fast decline since April. With the excessive fall in world's demand led by China, importers headed for Turkish market which was relatively in a better condition. Product prices fell fast and reached at the level of feedstock prices. In this period, Petkim moved out of the bottom of the cycle with sales focused capacity optimization and started 2013 with hope"**.

#### **// CAPACITY UTILIZATION RATE OF % 90**

Petkim had capex worth of USD48m aiming to increase capacity, support planned maintenance and improve technology in 2012 and had a capacity utilization rate of %90 and while Petkim's revenues in 2012 expanded by %12 YoY, cost of goods sold rose by %15 YoY in parallel and totaled to TRY 4.273mn were noted by General Manager Korkut

Pointing that the main reason of the increase in costs was the rise in the price of naphtha and energy, Sadettin Korkut mentioned that contraction in EU markets were offset with the finding of new export markets and he further added:

**"Weak demand in Euro zone caused difficulties in exporting to countries that are members of the European Union, which is our most important export market. To overcome this difficulty, new markets were found. Turkey continued to be an attractive market in 2012 and domestic demand for thermoplastic products that Petkim produced grew by %7-8 YoY. On the other hand lower Euro/Dollar parity increased the competitiveness of the European petrochemical producers and they began to sell products to the nearby and easily accessible Turkish market at very low prices. Instability in the North African and neighbor countries caused decrease of raw material and product exports to them. In the last quarter of the year, net sales were TRY 938mn. In this quarter EBITDA was TRY 68mn with margin of %7,2. Net profit in the last quarter totaled to TRY 47mn.**

**Petrochemical product demand contracted in parallel with slowdown in world economic growth. Wait and see policy of producers and procurement strategy of feed stock as needs basis have caused contraction of global petrochemical product demand.**

**Petkim completed 2012 with better position and financial results compared to most of the other naphtha based producers in the region.**

<b>SUMMARY INCOME STATEMENT (TRYmn)</b>	<b>2012</b>	<b>2011</b>	<b>% Change</b>
Net Sales	4.349	3.891	12%
Cost of Goods Sold	(4.273)	(3.717)	15%
Gross Profit	76	175	-57%
Operating Profit	(10)	163	-
<b>EBITDA</b>	<b>99</b>	<b>216</b>	<b>-54%</b>
Net Income / Loss	17	102	-83%

<b>PROFIT MARGINS</b>	<b>2012</b>	<b>2011</b>
Gross Profit Margin (%)	1,7	4,5
Operating Profit Margin (%)	-0,2	4,2
EBITDA Margin (%)	2,3	5,6
Net Profit Margin (%)	0,4	2,6

#### **S.C.D. NO: 4**

**DATE: 22/02/2013**

About: About signing of agreement with APMT in relation to the operation of Petlim Port

We previously made disclosure on February 13, 2012 that Petkim, Petlim Limancılık Ticaret A.Ş. (Petlim), which is wholly-owned by Petkim, and a to be incorporated affiliate of APMT signed a Heads of Terms (HoT) which outlines key terms of a definitive agreement to be signed.

On February 22, 2012 an operational agreement was signed between APMT BV. and APM Terminals in relation to the operation of a container port which will be constructed at the Petkim site and to be operated by APM Terminalleri Liman İşletmeciliği A.Ş. (APM Terminals). According to the agreement, the completion of first phase of the container port investment and start of operations in 2015 and the completion of second phase in 2016 are targeted. Petlim will undertake the infrastructure and construction part of the investment whereas APM Terminals will provide the machinery and equipment and it is envisaged that Petlim's part of investment will be around USD 300 mn. APMT will operate the port for a period of 28 years. The container port will have a capacity of 1.5 million TEU and there is a potential to increase the capacity of the port up to 4 million TEU.

According to the agreement, APM Terminals will pay USD 65 mn to Petlim to be used in the financing of the project during 3 years of investment period. The rest, USD 235 mn, is planned to be sourced from outside by project finance. The completion of the investment

followed by 28 years of operational period during which revenue sharing will take place and the payback period of investment is expected to be between 8 and 12 years.

Further developments will be shared with the public in due course.

**S.C.D. NO: 3**

**DATE: 04/02/2013**

About: Talks between our Company and STAR Rafineri

Our Company started talks with STAR Rafineri, whose main shareholder is also our main shareholder, SOCAR Turkey Enerji A.Ş., and which will be constructed in Petkim's peninsula, for long-term products and services sales and purchases.

The prospect of our Company purchasing naphtha, LPG and mixed xylenes from the Refinery following its completion and selling products and services to the Refinery to meet its needs through long term contracts is on the agenda.

Developments regarding this subject will be publicly announced.

**S.C.D. NO: 2**

**DATE: 11/01/2013**

About: Change in the organization and authorization to sign

In the meetings dated 11.01.2012 and numbered 2/3 and 4, it was resolved by the Board of Directors of our Company that;

In accordance with the provisions of Articles 7 and 8 of the Capital Markets Board of Turkey Serial: IV, No:41 "Communiqué on the Principles to be complied with Joint Stock Companies being subject to the Capital Market Law", Mustafa ÇAĞATAY, having Corporate Governance Rating Specialist License (License No. : 700269) and the Capital Market Activities Advanced Level License (License No :203652), will be appointed as Corporate Governance and IR Coordinator and in addition to that he will carry duties as Risk Management and Internal Audit Coordinator and he will be provided with the first degree signature authorization as of his duties.

**S.C.D. NO: 1**

**DATE: 11/01/2013**

About: Change in the organization and authorization to sign

In the meeting dated 11.01.2012 and numbered 2/2, it was resolved by the Board of Directors of our Company that;

1. An Executive Board Coordinatorship will be constituted within the scope of our Company's organizational structure in order to make the organizations related to the executive board meetings, coordinate general assembly meetings and carry out the processes;
2. Mrs. Füsun UGAN, whose former duty was Corporate Governance and IR Coordinator, is to be appointed as Executive Board Coordinator;
3. The first degree signature authorization of Mrs. Füsun UGAN, which was granted to her as a Corporate Governance and IR Coordinator, will be cancelled and she will be provided with the first degree signature authorization as an Executive Board Coordinator and the new signatory circular will be registered and published accordingly.