



AYGAZ INVESTOR PRESENTATION

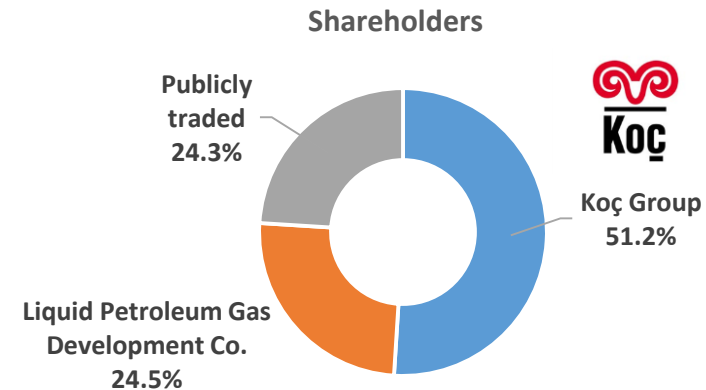
June 2016

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AYGAZ Overview

- Leading LPG distributor of Turkey
 - 2.1 m tons sales – 2015
 - \$2.4 b revenue – 2015
 - 29% LPG market share
- Diversified participation portfolio in energy;
 - Natural Gas
 - Refinery
 - Power Generation



Summary financials;

(Cons. in mTL)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>YoY change</u>
Revenue	6,420	7,061	6,005	-9%
EBITDA	337	188	252	79%
EBITDA Margin	5%	3%	4%	+2
Net Profit	418	218	205	92%
Net Profit Margin	7%	3%	3%	+4
Volume (000 tons)	2,057	1,791	1,663	15%

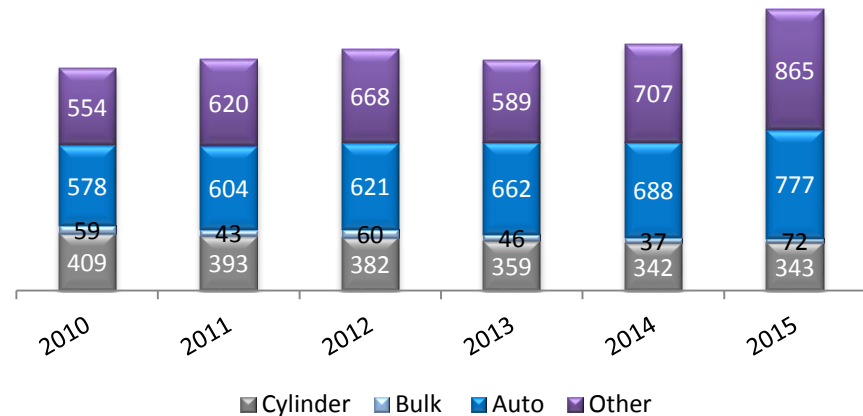
Core Business – LPG Distribution

- Generic brand for LPG
- 10th largest industrial company of Turkey with 55 years of history
- Most preferred LPG brand in Turkey since its foundation
- Market leader with 3 brands

AYGAZ

Mogaz Lipetgaz

Aygaz Volumes (000) tons



On the road

On the road



In your home

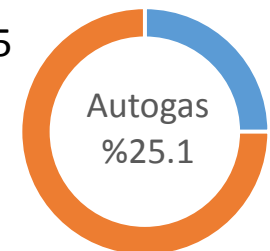
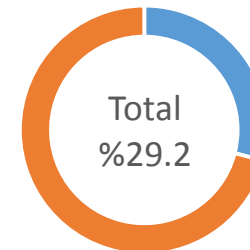
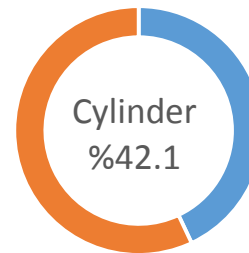
In your home



For business

For business

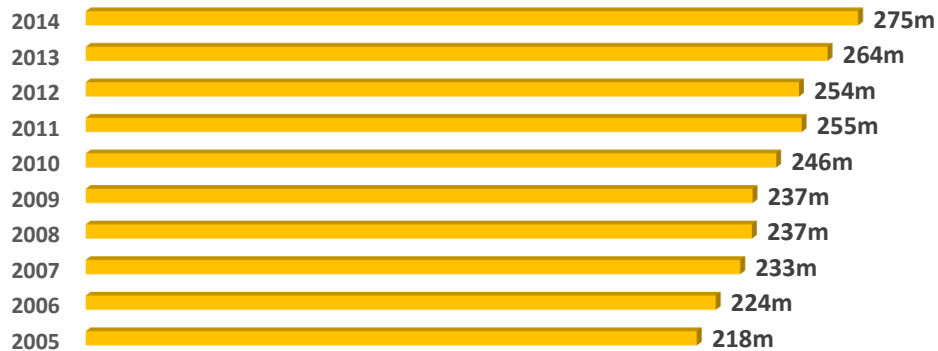
Market Shares-2015



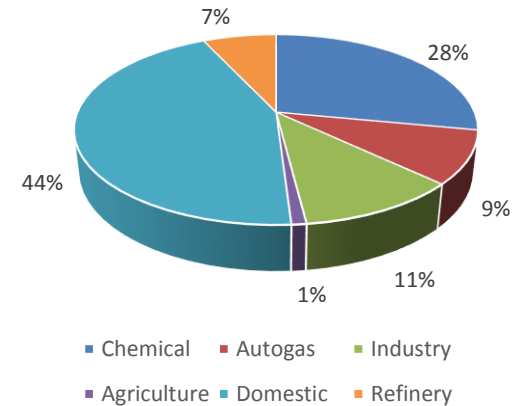
* EMRA data As of 2015

World LPG market

World LPG Consumption (tons)



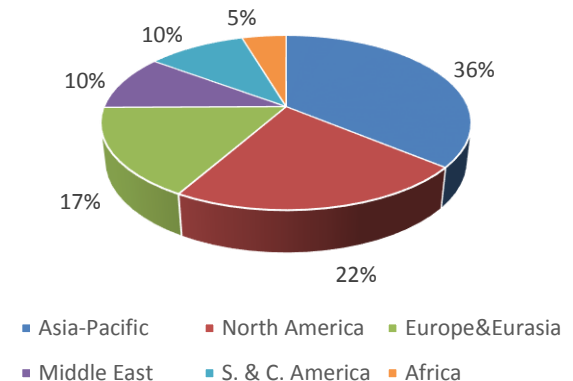
World LPG Consumption By Sector 2014



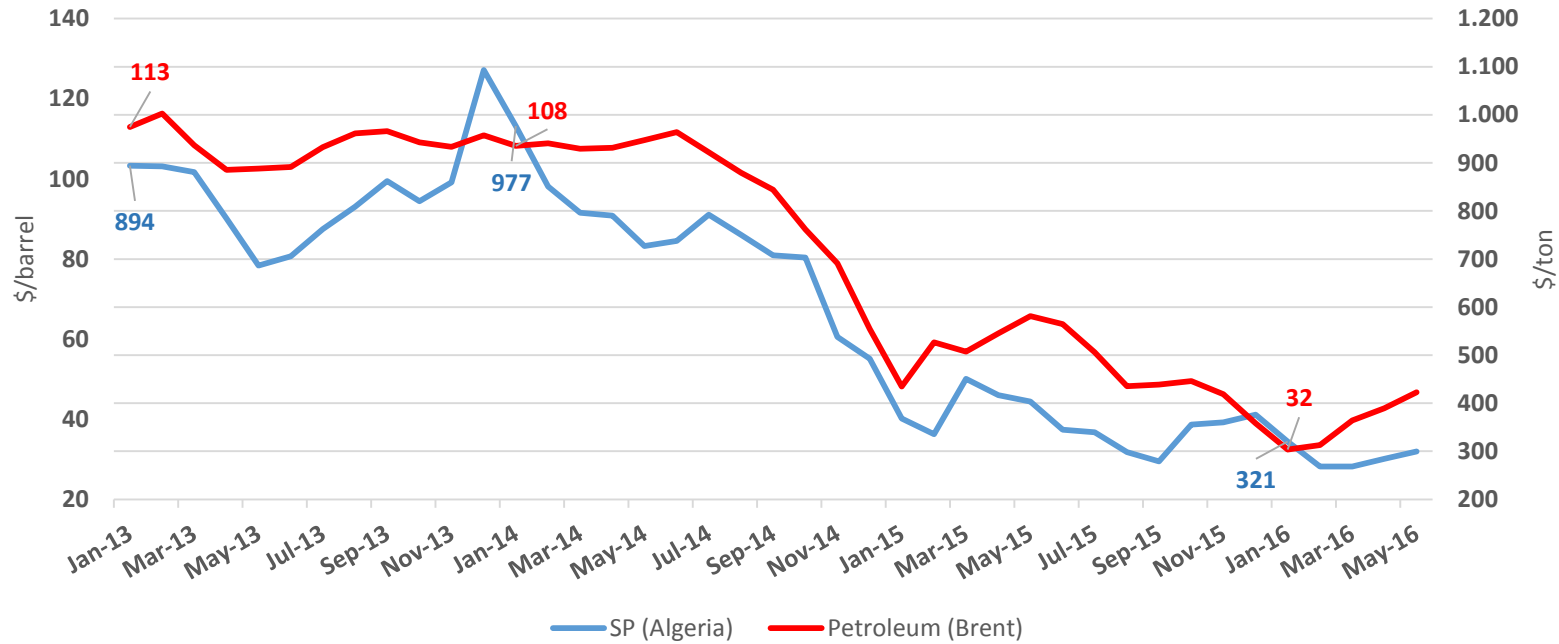
LPG as a Commodity

- Mixture of hydrocarbons (Butane and Propane)
- Portable and versatile
- Low GHG emission / Eco-friendly
- Diversity of supply sources / Abundant reserves
- Cleaner, safer and cheaper in home & transportation

World LPG Consumption By Region 2014



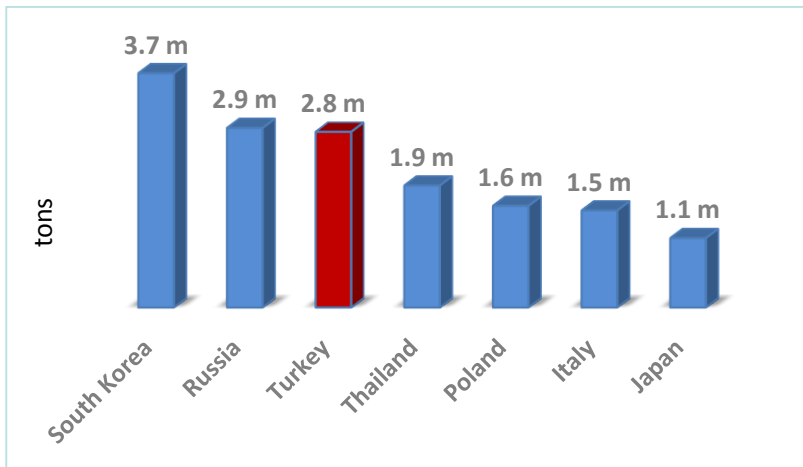
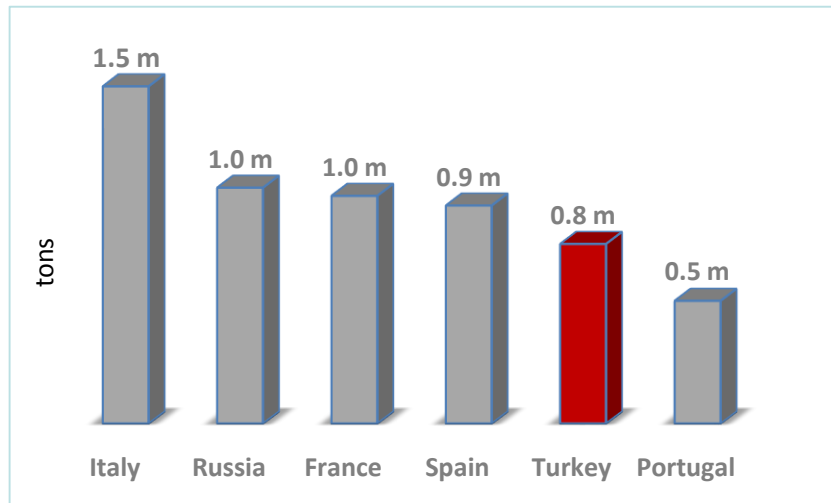
LPG Price



LPG prices declined to the lowest level in the 12 years, falling sharper than oil prices

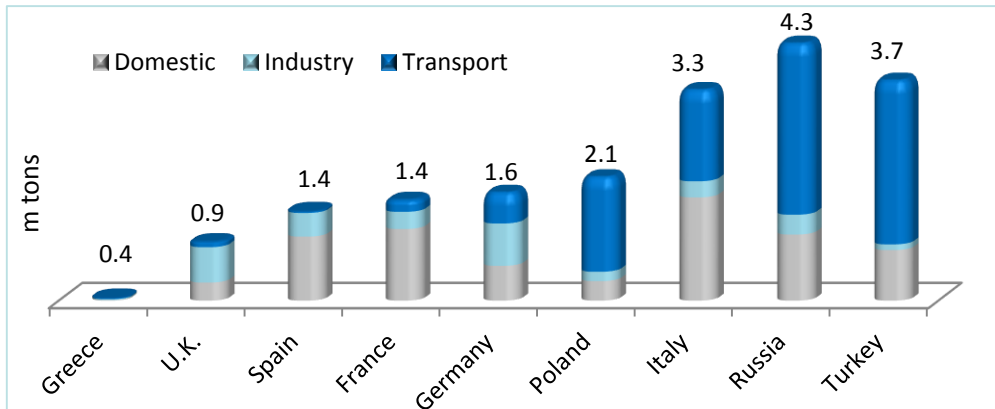
Turkish LPG market ranking

- Turkey is the **5th** biggest domestic LPG market in **Europe**



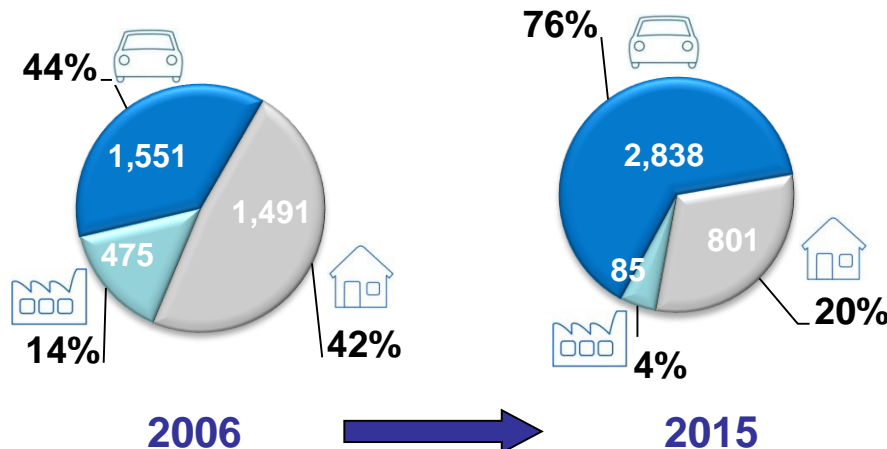
- Turkey is the **3rd** biggest autogas market in the **World**

Turkish LPG market



- 3.7 m tons, #4 in Europe, #16 in the World
- ~ 80 distribution companies
- Serving;
 - 7.5 m houses
 - 4.2 m cars
- Liberal market with regulatory body-EMRA

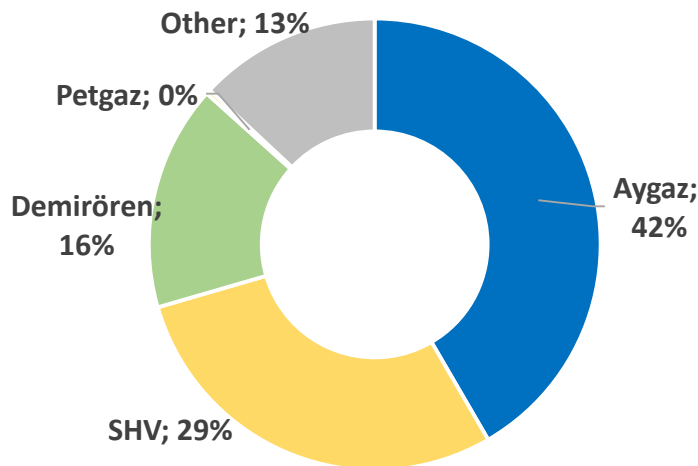
Evolving from cylinder to auto



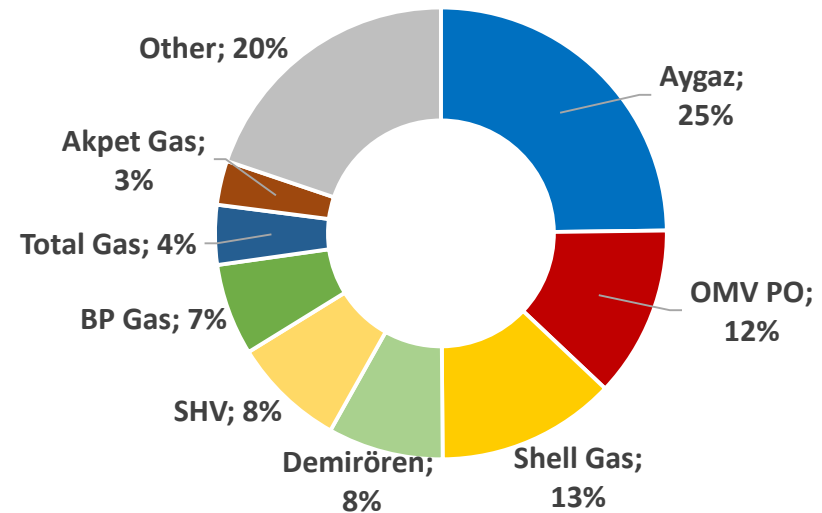
*WLPGA Statistical Review of Global LP Gas Report 2015 & EMRA data

Market Players

Cylinder market shares 2016/March



Autogas market shares 2016/March

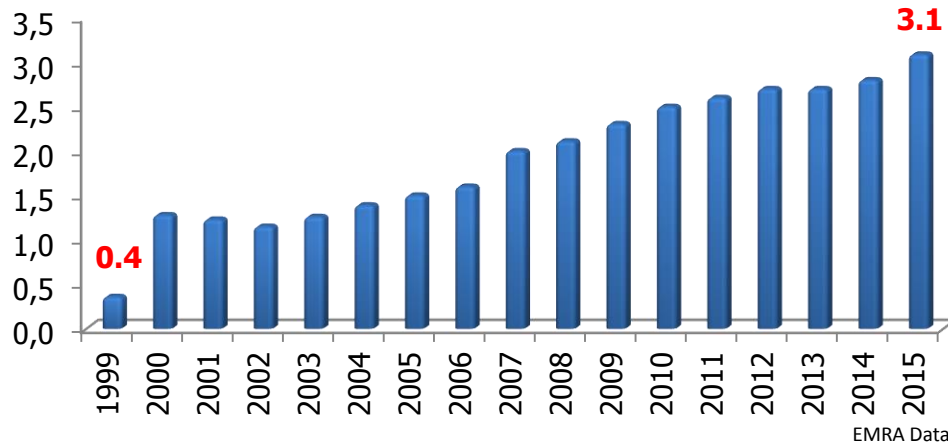


- Leading 3 players in the cylinder market and first 8 players in the autogas market hold over 80 % of the total market

Cumulative market shares
*EMRA data March 2016

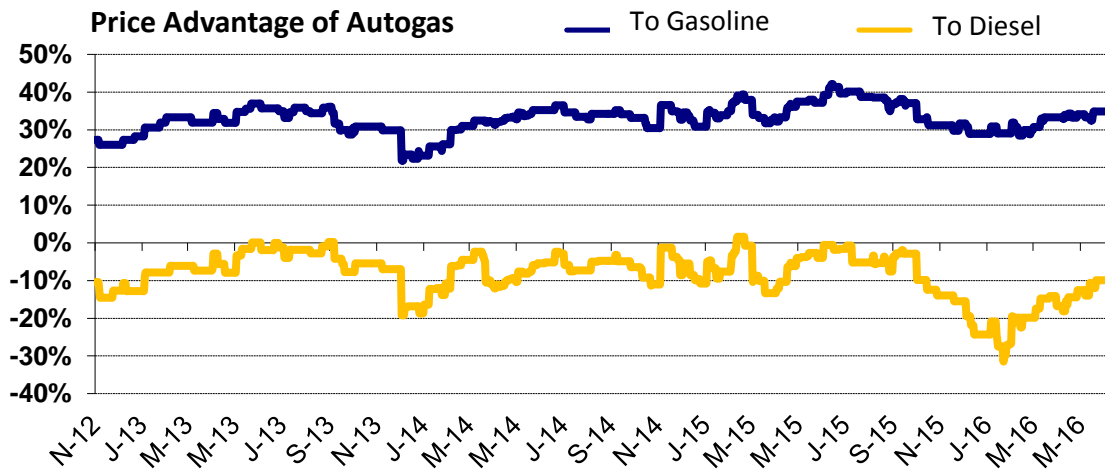
Autogas Market

Turkish Autogas Consumption (m tons)



- Steady growth since 2003
- Most widely-used passenger car fuel since 2009
- With **4.2 million cars, 4 out of 10** passenger cars run on LPG
- Largest LPG vehicle fleet in the world | **16 % of the world**
- 10,000+ autogas stations all over Turkey

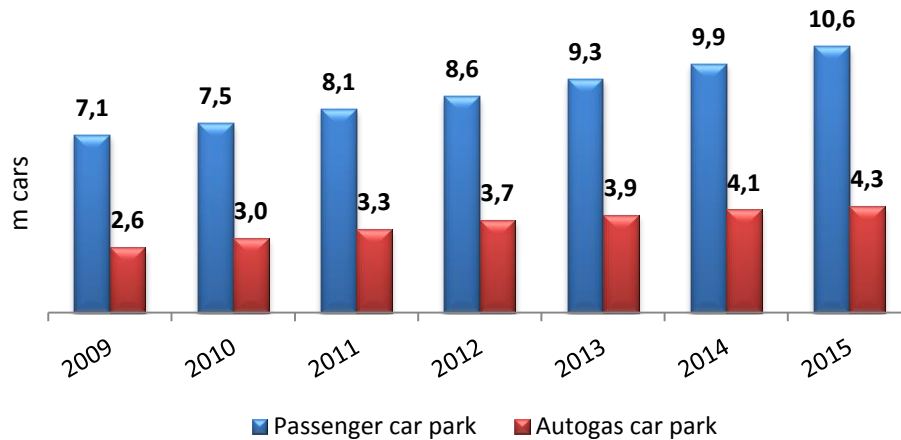
Price Advantage of Autogas



- 30%+** price advantage to gasoline

Source: AYGAZ

Autogas Conversions



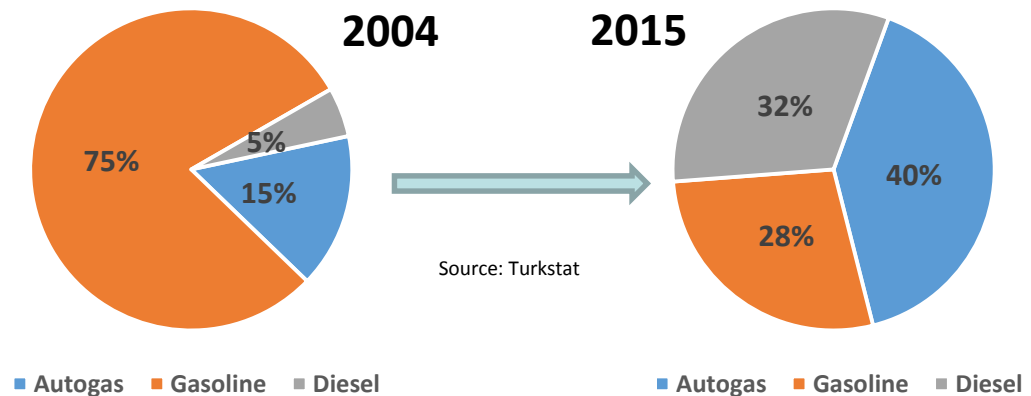
Source: Turkstat

200,000 conversions per year

- 1,000+ conversion points
- \$500 average initial cost
- Payback in 15,000 km

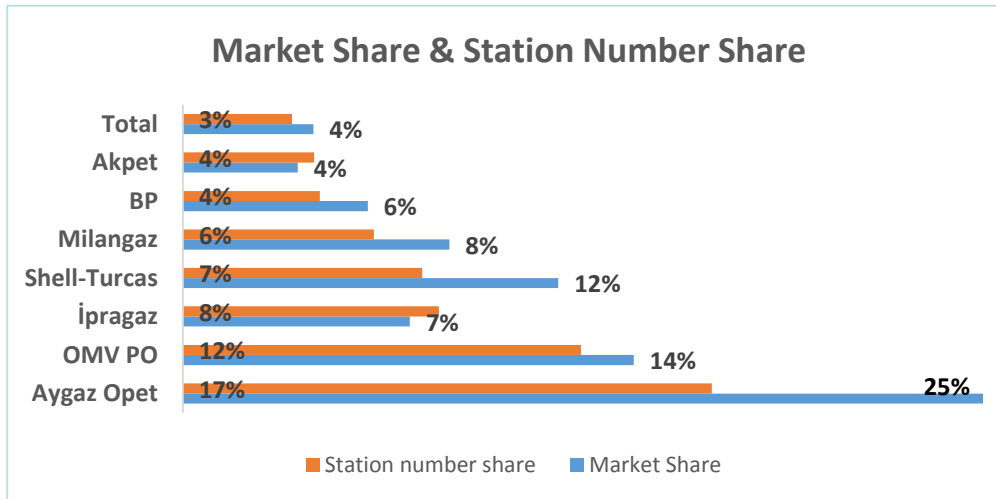
Ratio of cars registered to traffic acc. to fuel type

Turkish fuel consumption shifting to Autogas

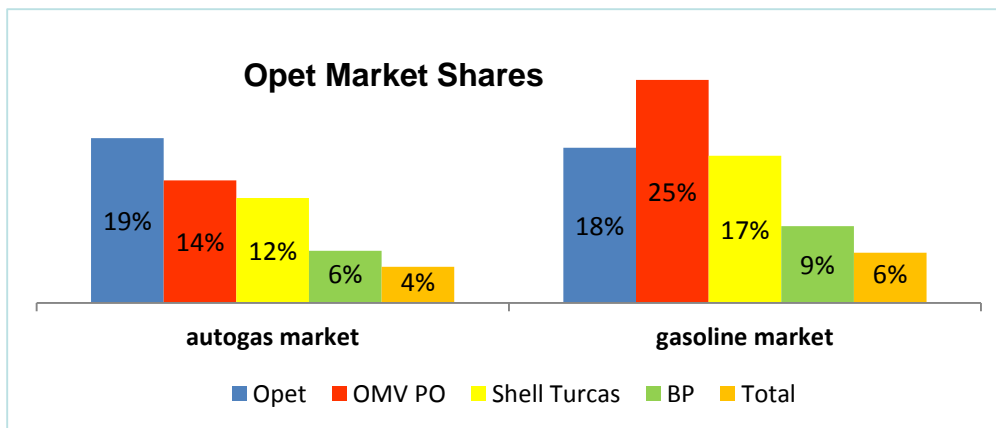


Source: Turkstat

Autogas Market Shares



EMRA data 2015



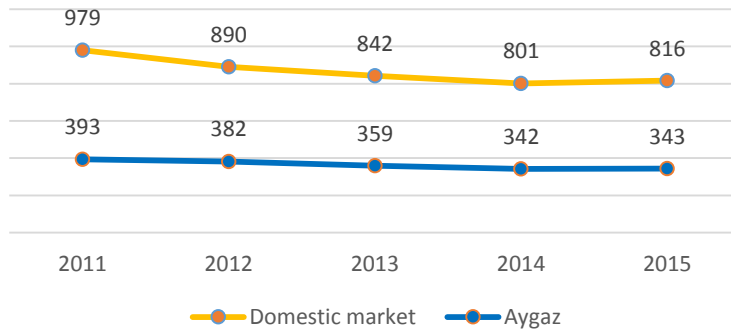
OPET, PETDER and EMRA data 2015

- Long-term strategic partnership with Opet
- Aygaz&Opet synergy leads autogas market

- Core business is LPG unlike fuel distributors
- Pioneer in R&D and innovation

Cylinder Market

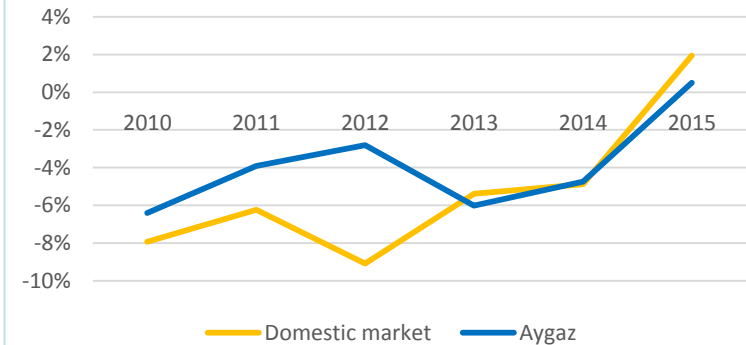
Cylinder Market (000) tons



- 60% market share in residential market
- 12,300+ points of sale
- Fully integrated production cycle; Gebze plant

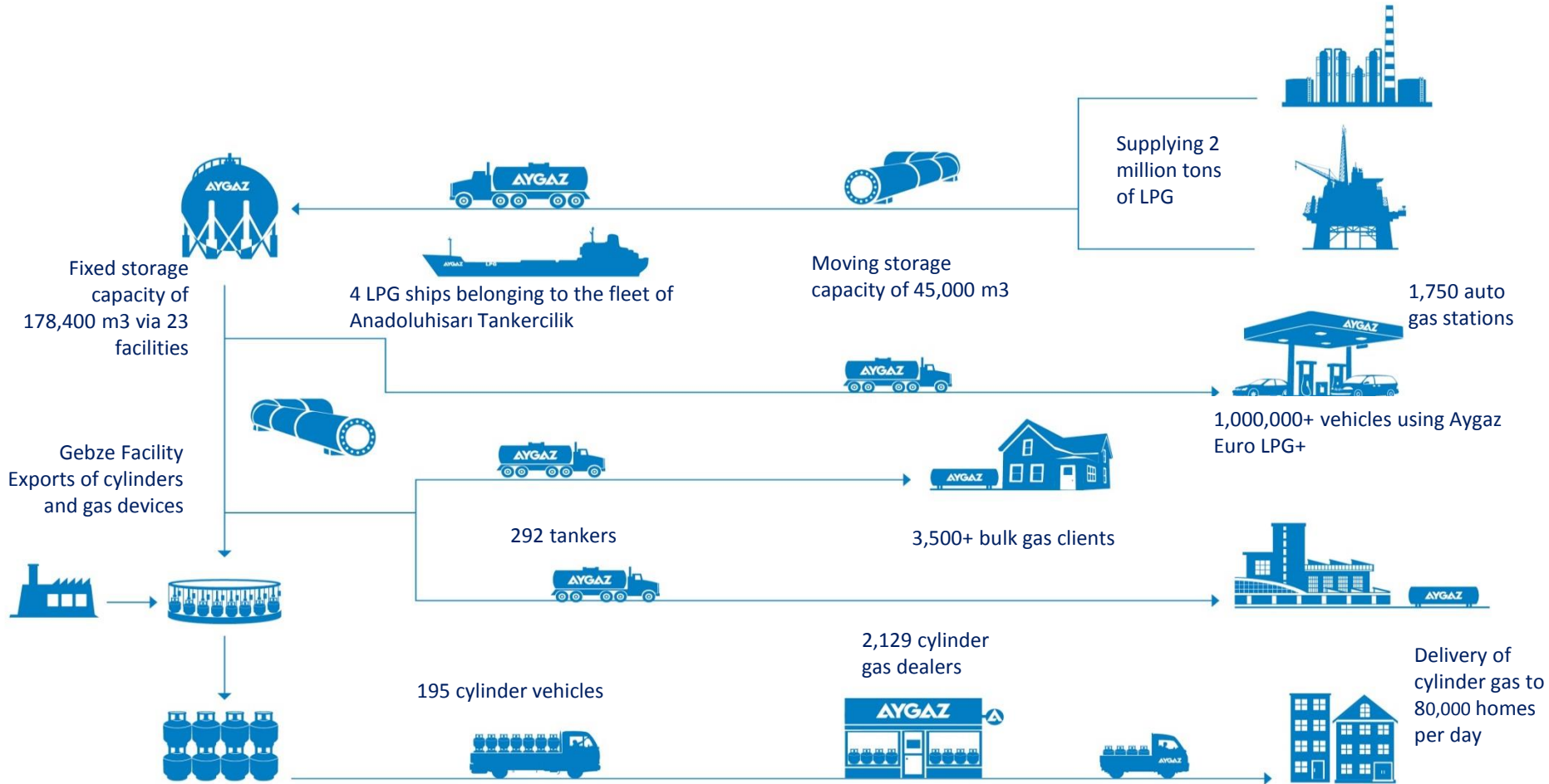
Growth signals for the first time after 15 years of contraction in 2015

Cylinder sales contraction



EMRA Data

The LPG Value Chain



* As of end of 2015

Competitive Supply Chain

Big Player

- #1 purchaser in Mediterranean
- #1 importer in Turkey
- #1 FOB player in Black Sea
- #1 exporter in Turkey
- #1 storage owner in Turkey (~31% of TR)

Advanced Model

- Direct imports to 6 different locations
- Most diversified supply portfolio in Turkey
 - Diversified supplier & origins
 - Diversified supply pattern (ex-refinery, FOB, CIF)
- Only company in Med capable of discharging a VLGC in single port
- 300+ shipments throughout the year

Fleet Management

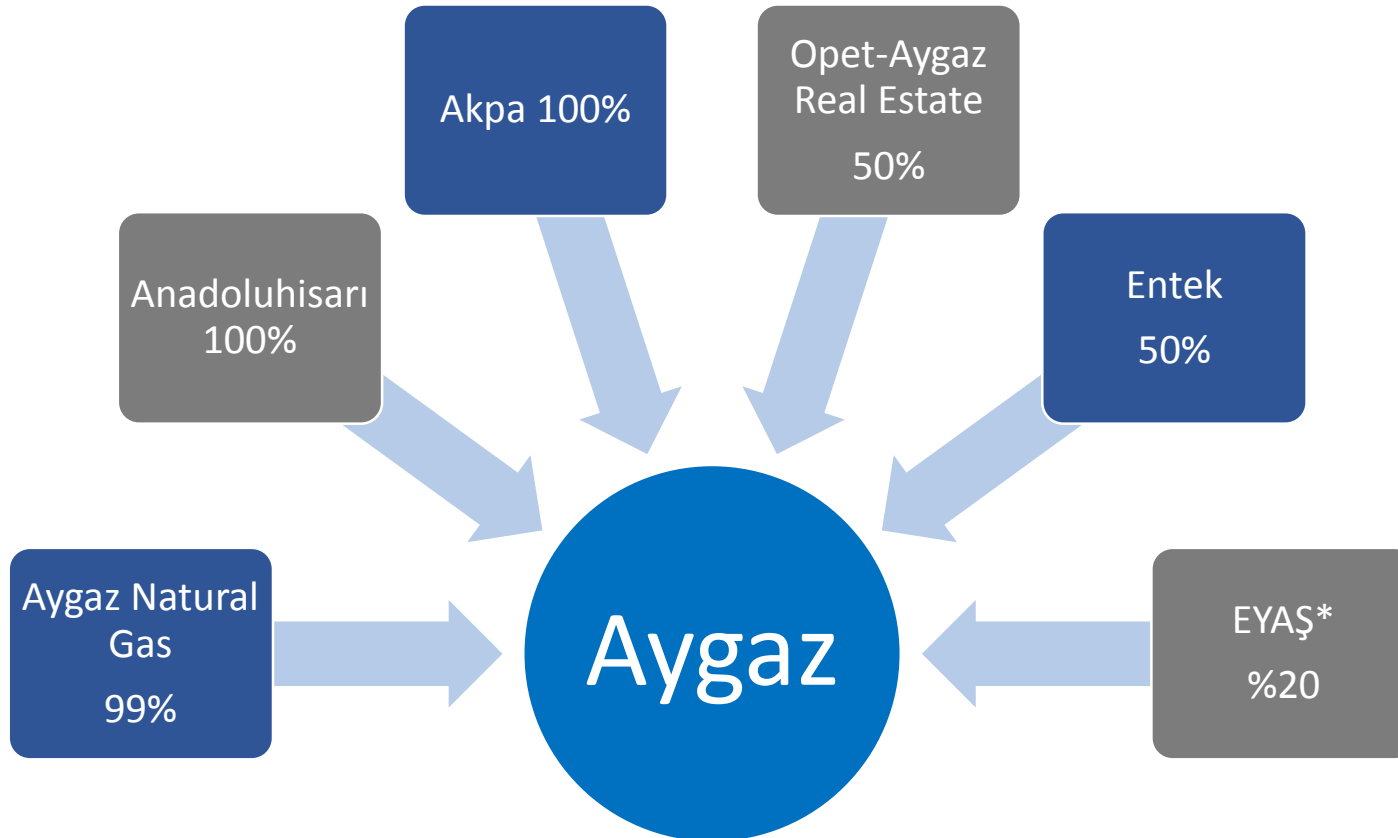
- Top-notch LPG fleet owner
- Total capacity: 33,800 cbm, Average age: 12 yrs
- Single LPG vessel charterer (in/out) in Turkey
- Reduces logistics costs
- Provides flexibility in sourcing and inventory management



Overland Transportation

- Biggest LPG truck fleet in Turkey
- >500 vehicles
- Transporting 1.6 million ton/year
- 50 million km/year

Participation Portfolio



*EYAŞ owns 51% of the shares of TÜPRAŞ

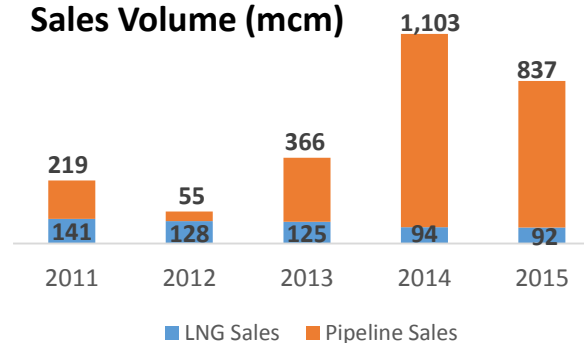
Natural Gas



LNG Sales

- Transportation and regasification
- 300 industrial customers
19% market share
- 2015 sales : ~100 mcm

Sales Volume (mcm)



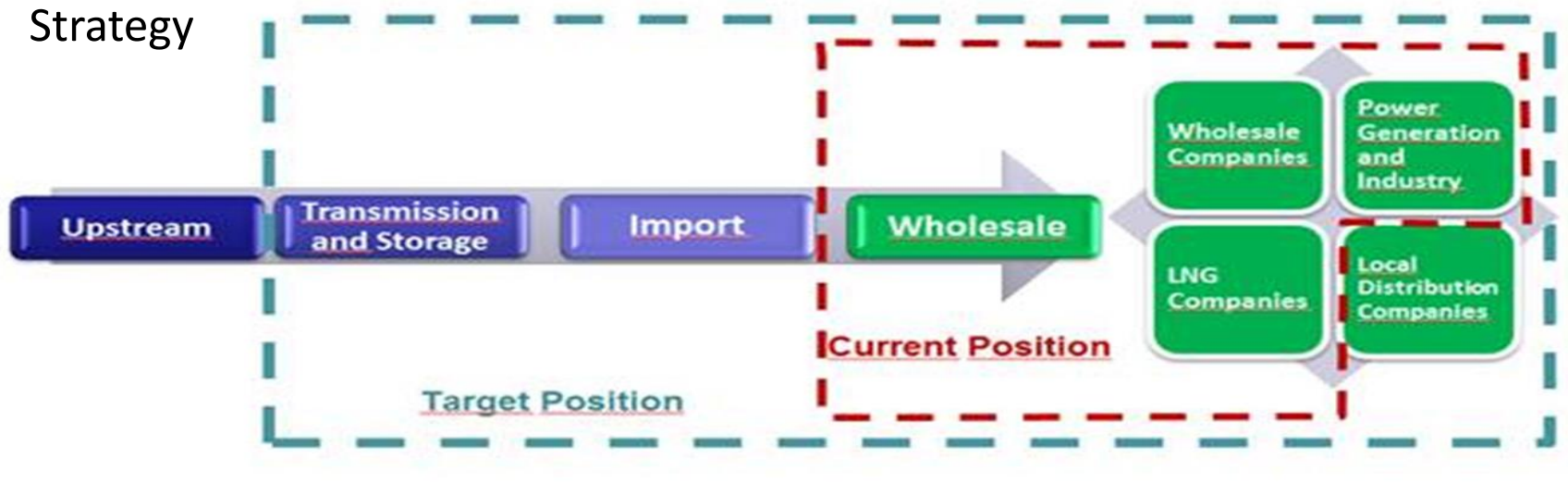
Pipeline Natural Gas Sales

- Started in 2010
- 2015 sales : ~800 mcm

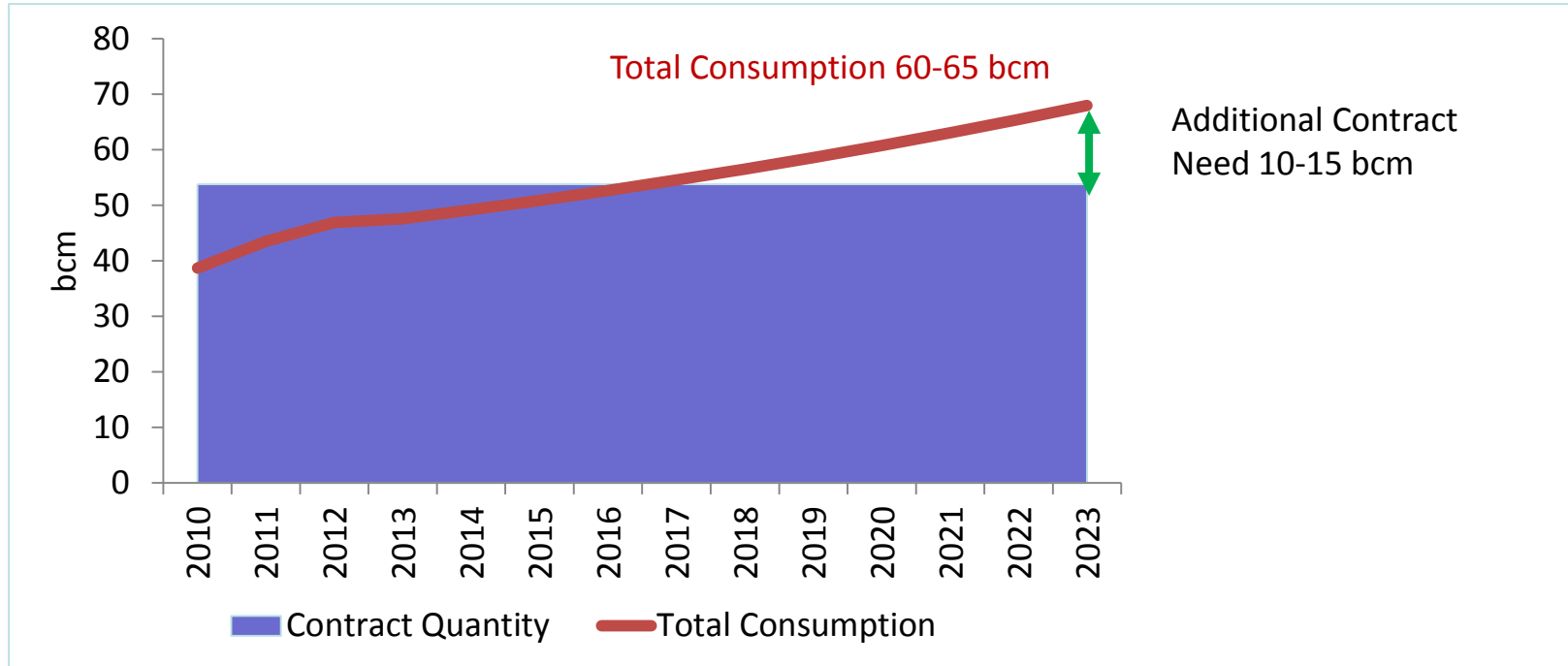
Projects:

- LNG & Pipeline gas import
- Local Distribution

Strategy



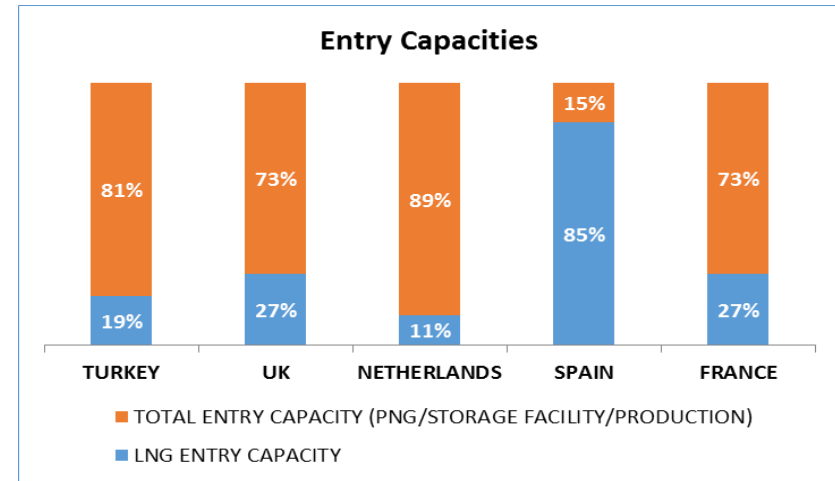
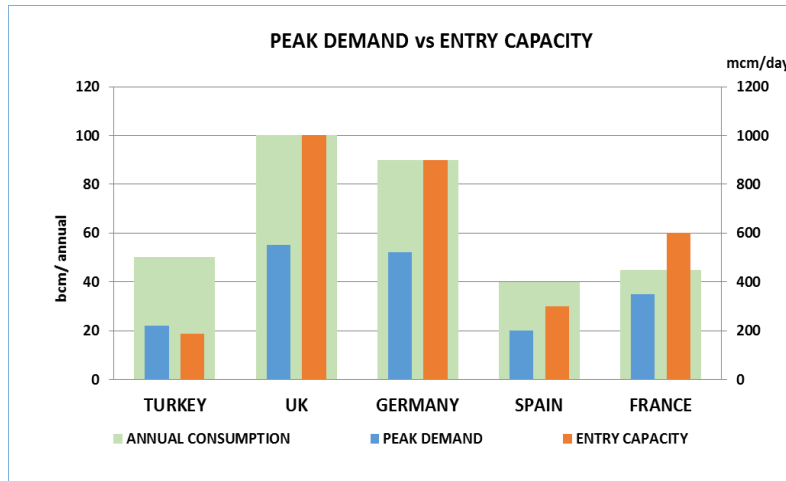
Turkey's Natural Gas Supply-Demand



- Natural gas consumption of Turkey is expected to reach 60 bcm in 2020 and 65 bcm in 2023
- Turkey needs additional gas entry for the following 10 years

Source: Aygaz

Natural Gas Import



European markets depend on flexible entry capacities to manage interruptions and to ensure gas to gas competition

LNG is widely used to ensure supply diversity, supply security and flexibility in Europe

- LNG import is a hot topic not only to solve entry capacity issue but also for diversification of supply
- Turkey needs new LNG regasification terminal and underground storage investments
- Aygaz is interested in importing both LNG and pipeline gas

Other Participations

Power Generation

Entek

- İzmit NGCC : **160 MW**
- 3 hydro assets : **62 MW**
 - Kepezkaya HEPP (Karaman) 28 MW
 - Damlapınar HEPP (Karaman) 16 MW
 - Kumköy HEPP (Samsun) 18 MW

Strategy

- Selective growth depending on opportunities and liberalization in the market

Project

AYAS IMPORTED COAL

625 MW Coal Power Plant

Sales and Marketing

akpa

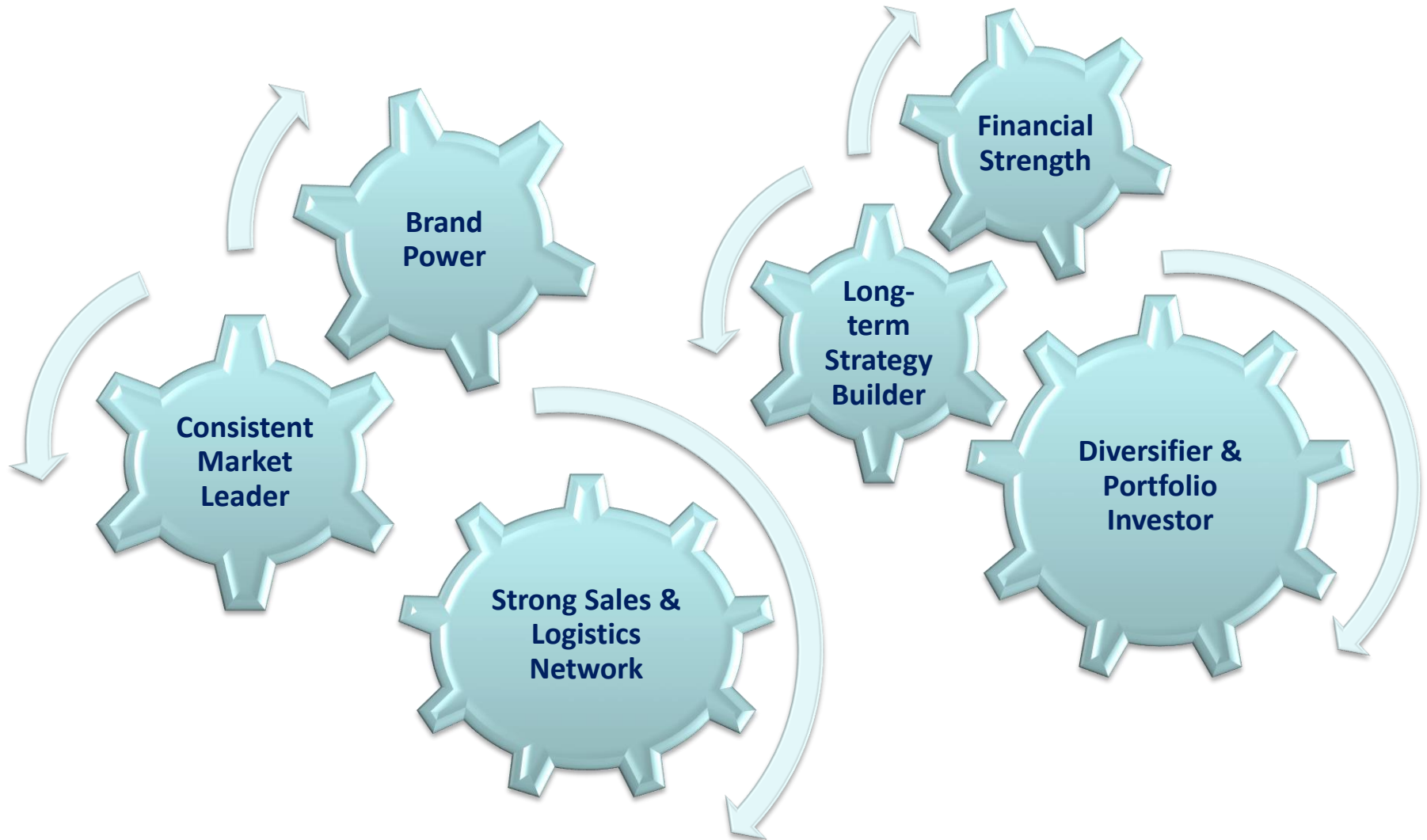
- Direct sale of cylinder gas and carboy water throughout Turkey
- Fuel trade at its fuel stations
- Sales of durable consumer goods to hotels

Opet Aygaz Gayrimenkul

ODA
OYUNCAK GAYRİMENKUL

- Founded in 2013 as a 50-50 partnership with Opet to purchase real estate and manage or lease these properties as fuel or autogas stations
- Currently owns 18 stations

Aygaz Key Takeaways



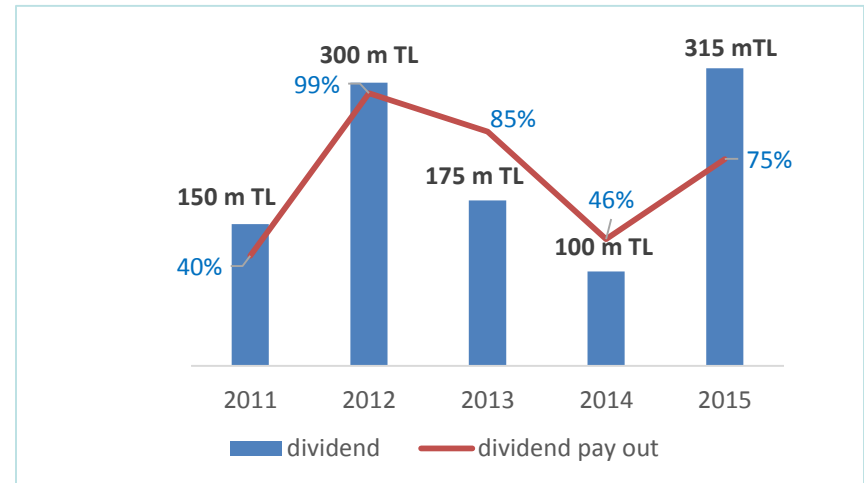
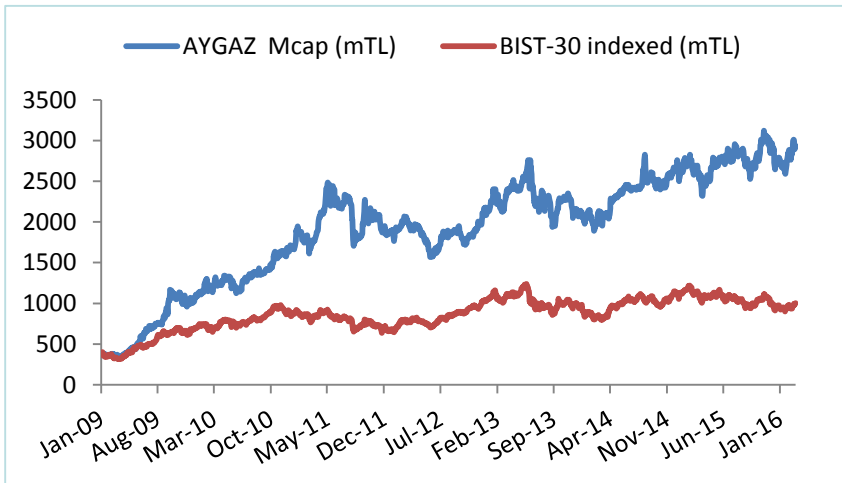
Shareholder Value

Continuous outperformer of BIST 30

- BIST Code: AYGAZ
- Bloomberg Code: AYGAZ.TI
- Reuters Code: AYGAZ.IS
- IPO Date: 13.01.1988
- Free float rate: 24.5 %

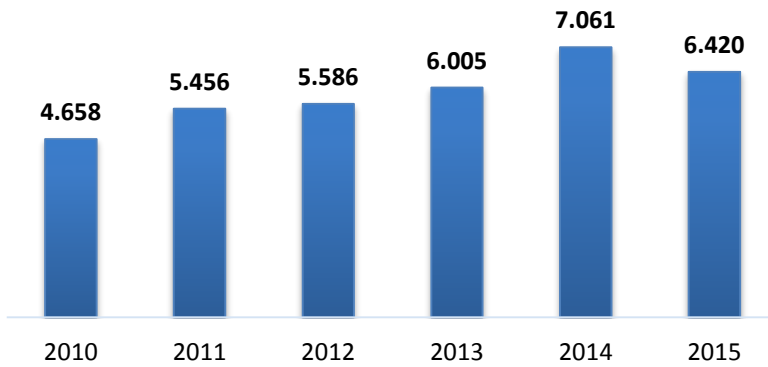
Strengths

- Sustainable operating profitability from core business ; LPG
- Resistant to economic fluctuations and crises
- High dividend payments
- Corporate governance practices at international standards

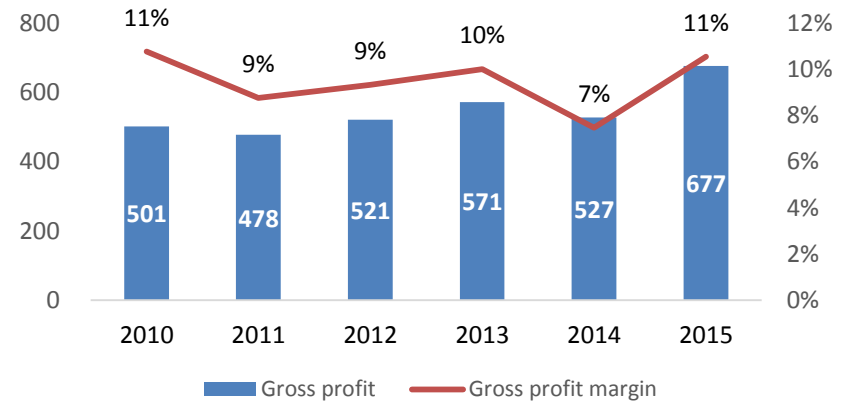


Financial Highlights

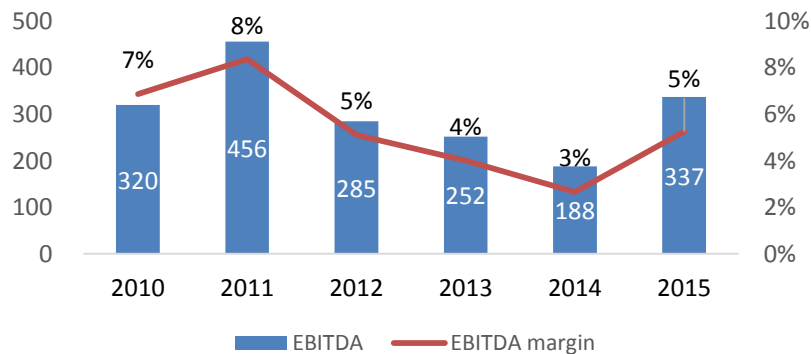
Sales Revenue



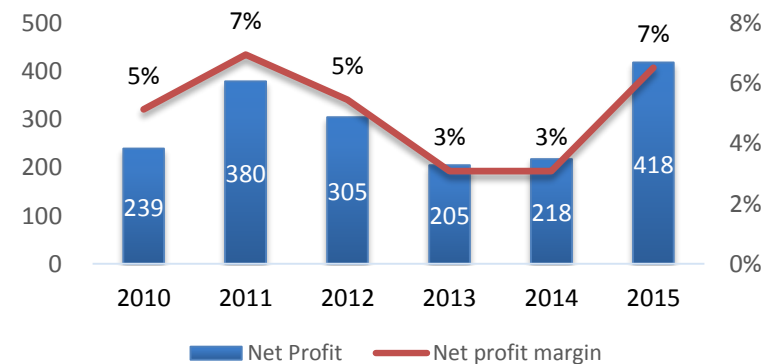
Gross Profit and GPM



EBITDA and EBITDA Margin

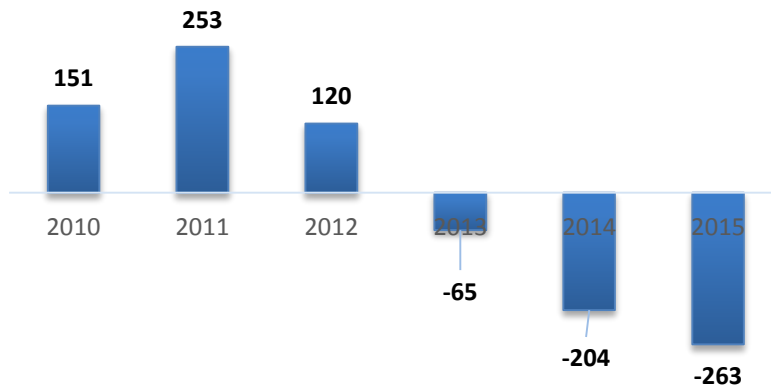


Net Profit and NPM

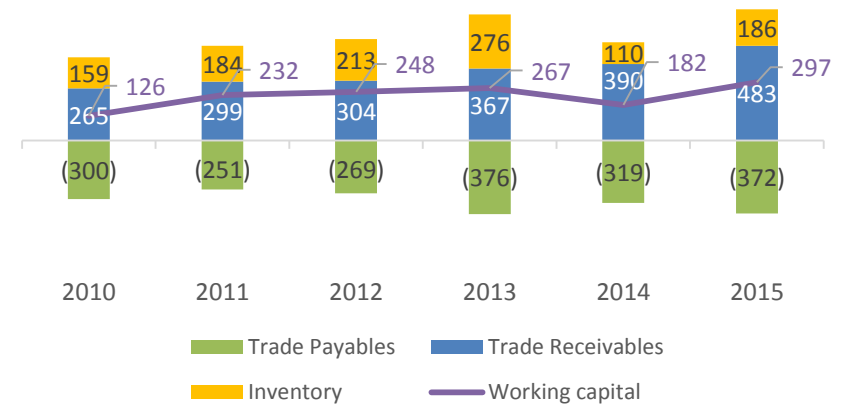


Financial Highlights

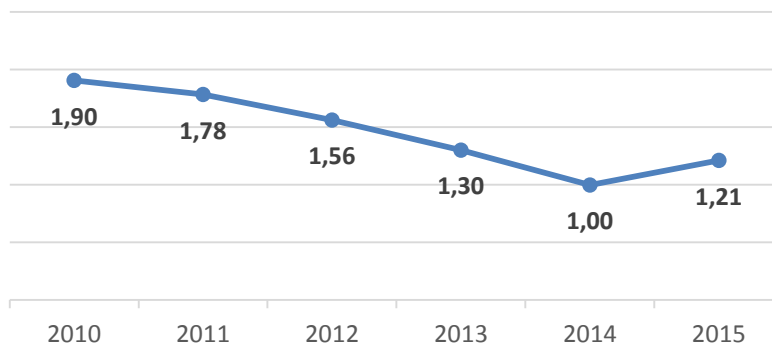
Net Cash



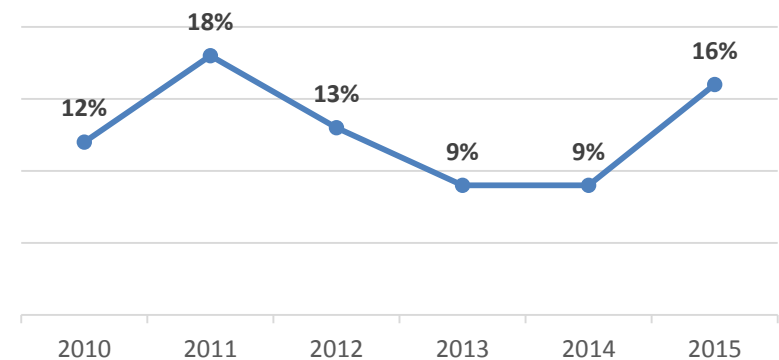
Working Capital



Current Ratio



Return on Equity



Disclaimer

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Appendix

Income Statement Summary

(m TRY)	2010	2011	2012	2013	2014	2015
Sales Revenue	4,658	5,456	5,586	6,005	7,061	6,420
COGS	(4,156)	(4,978)	(5,065)	(5,434)	(6,534)	(5,743)
Gross Profit	501	478	521	571	527	677
Operating Profit	231	371	206	170	104	250
Profit Before Tax	283	419	345	237	237	458
Net Profit	239	380	305	205	218	418
EBITDA	320	456	285	252	188	337
GP margin	11%	9%	9%	10%	7%	11%
OP margin	5%	7%	4%	3%	1%	4%
NP margin	5%	7%	5%	3%	3%	7%
EBITDA margin	7%	8%	5%	4%	3%	5%

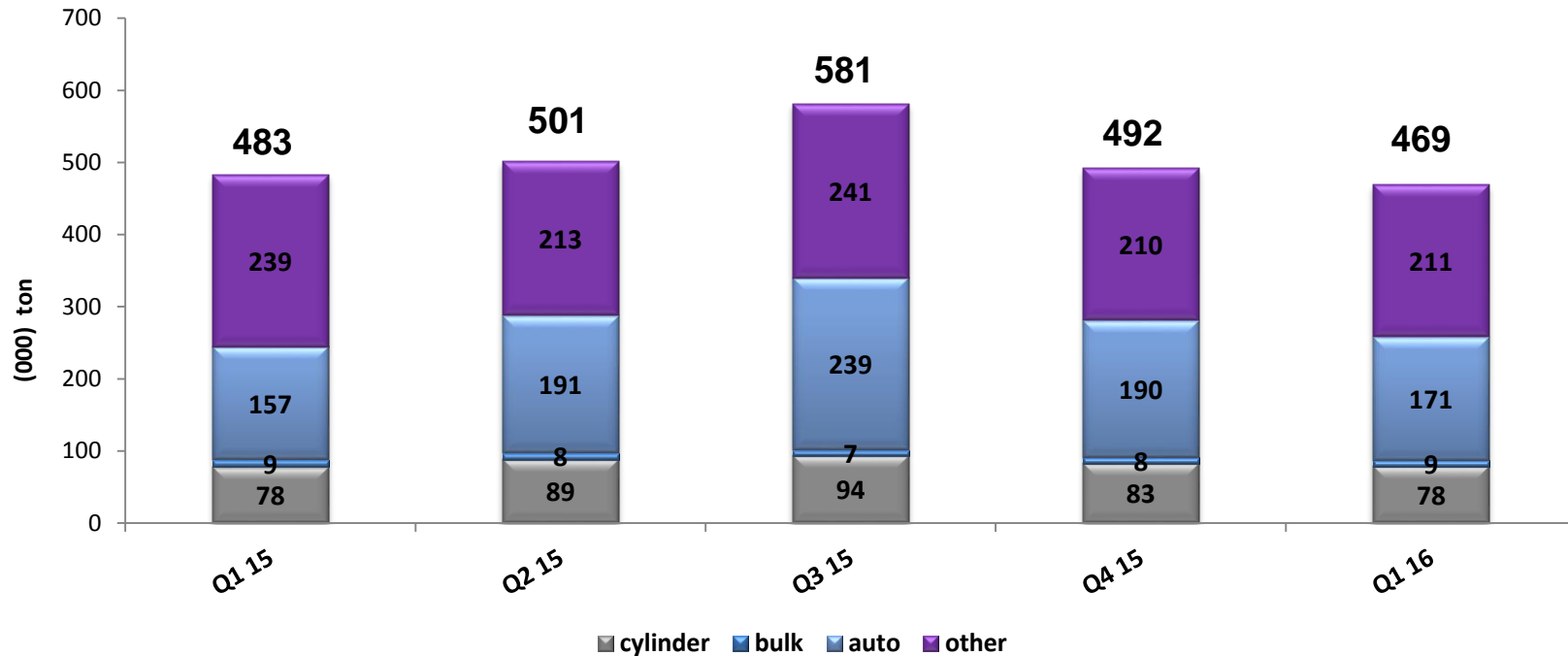
Balance Sheet Summary

(m TRY)	2010	2011	2012	2013	2014	2015
Cash & Cash Eq.	262	254	125	173	161	289
Trade Receivables	265	299	304	367	390	483
Inventories	159	184	213	276	110	186
Investments	853	1,020	1,230	1,377	1,677	1,867
Prop. Plant & Eq.	475	573	595	589	585	651
Financial Debt	(111)	(2)	(6)	(238)	(365)	(551)
Trade Payable	300	251	269	376	319	372
Equity	2,014	2,155	2,381	2,244	2,359	2,611
Total Assets	2,804	2,712	2,956	3,188	3,412	3,916
Net Cash	151	253	120	(65)	(204)	(263)
Working Capital	126	232	248	267	182	297

2016/ 1Q Income Statement Summary

(million TL)	Q1 16	Q4 15	Change %	Q1 16	Q1 15	Change %
Revenues	1,525	1,606	-5%	1,525	1,440	%6
Gross Profit	175	187	-7%	175	146	%20
Operating Profit	66	95	-30%	66	39	%68
Profit Before Tax	75	164	-54%	75	59	%26
Net Profit	65	146	-55%	65	53	%23
EBITDA	88	116	-25%	88	61	%44
Margins						
Gross Profit M.	12%	12%	-	12%	10%	+2
Operating Profit M.	4%	6%	-2	4%	3%	+1
Profit Before Tax M.	5%	10%	-5	5%	4%	+1
Net Profit M.	4%	9%	-5	4%	4%	-
EBITDA M.	6%	7%	-1	6%	4%	+2

2016/ 1Q Aygaz LPG Sales



- Q1 sales volumes were realized as
 - 171 thousand tons in Autogas (+9.4% YoY)
 - 78 thousand tons in Cylinder Gas (+0.2% YoY)

Glossary

LPG:	Liquid Petroleum Gas
EMRA:	Energy Market Regulatory Authority
WLPGA:	World LPG Association
SP:	Sonatrach Price (slide #4)
PETDER:	Petroleum Industry Association
FOB:	Free On Board
CIF:	Cost, Insurance & Freight
Med:	Mediterranean
VLGC:	Very Large Gas Carrier (slide#13)
EYAŞ:	Enerji Yatırımları A.Ş.
LNG:	Liquid Natural Gas
Mcm:	Million Cubic Meters
Bcm:	Billion Cubic Meters
NGCC:	Natural Gas Combine-Cycle
MW:	Megawatt (one million watts)
BIST:	Borsa Istanbul (Istanbul Stock Exchange)
IPO:	Initial Public Offering