

AYGAZ

Investor Presentation

November 2013

Who we are? - AYGAZ

- Leading LPG distributor of Turkey
 - 1.7 m tons sales – 2012
 - \$3.1 b revenue – 2012
 - 29% market share

- Diversified participation portfolio in energy;
 - Natural Gas
 - Refinery
 - Power Generation

AYGAZ
DOĞALGAZ

Tüpraş

AESEntek

Summary financials; (Cons. in mTL)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>YoY change</u>
Revenue	5,586	5,456	4,657	2.3 %
EBITDA	245	234	306	0.5 %
EBITDA Margin	4.4%	4.3%	6.6%	-
Net Profit	303	380	240	-20 %
Net Profit Margin	5.4%	7.0%	5.1%	-1.6
<hr/>				
Volume (000 tons)	1,731	1,686	1,607	2.7 %

Where we stand? – market leader

- Generic brand for LPG
- #1 in Turkey, #5 in Europe
- Leader since foundation
 - Over 50 years



On the road



In your home



For business

On the road

In your home

For business

43%

Cylinder LPG

Aygaz Group
Market shares

29%

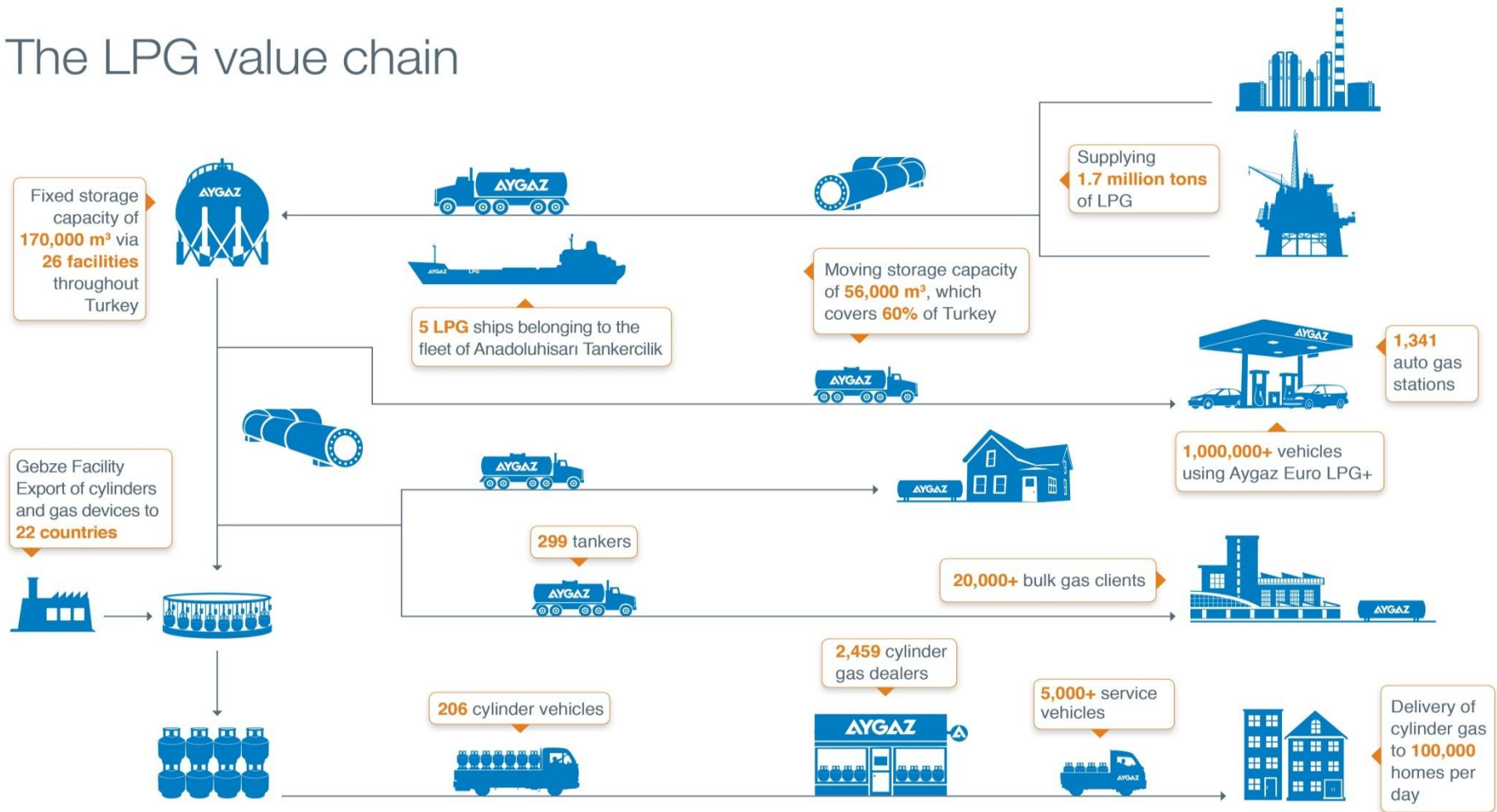
All segments

24%

Autogas

What we do?

The LPG value chain



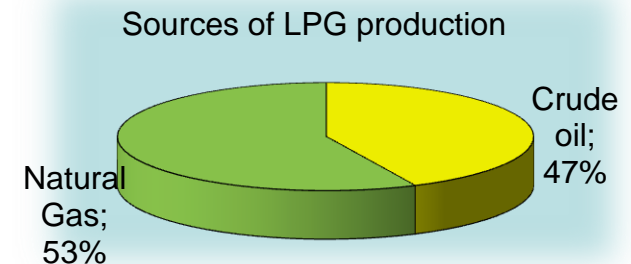
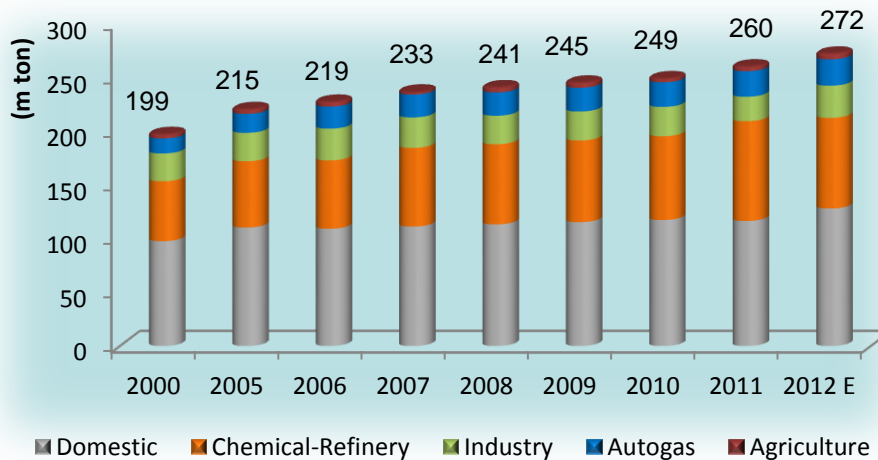
* As of end of 2011

What is the product? - LPG

- Mixtures of hydrocarbons in which butane or propane are predominant
- LPG market is supply oriented
- Supply is secure as LPG is extracted from related natural gas facilities or as refinery gases

Why LPG? Anytime+Anywhere

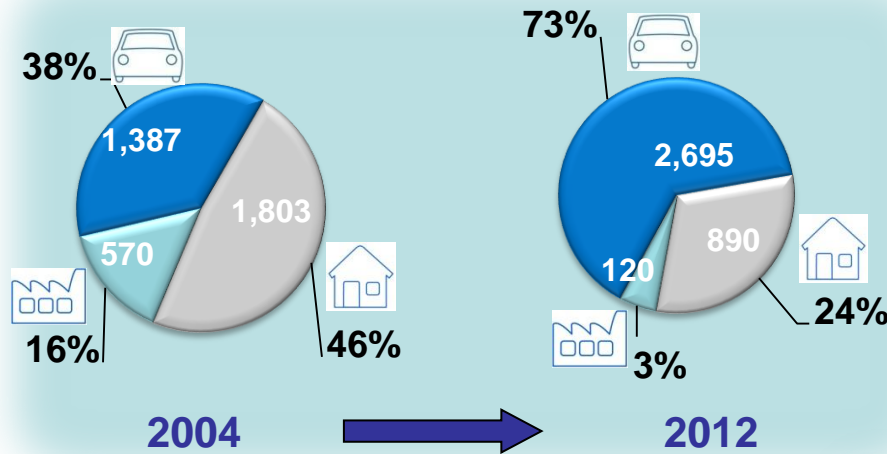
- Portable and versatile
- Abundant reserves-price advantage
- Diversity of supply sources
- Low GHG emission



*WLPGA Statistical Review of Global LP Gas Report, 2011

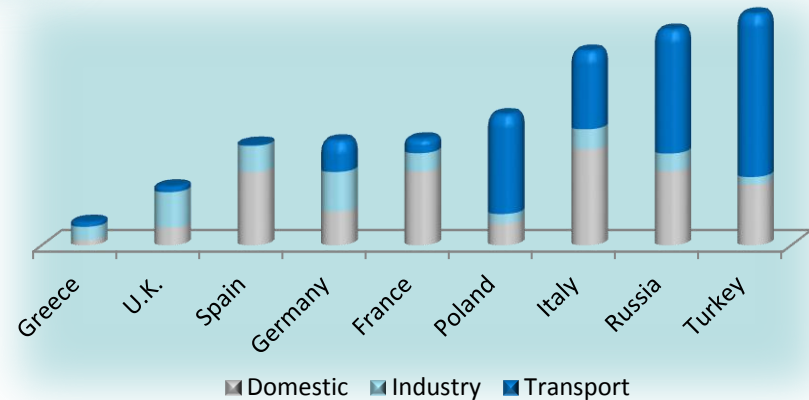
Facts about Turkish LPG market

Evolving from cylinder to auto



EMRA LPG Sector Reports 2004, 2012

- 3.7 m tons, #1 in Europe
- 72 distribution companies
- Serving; 10 m houses
3.5 m cars
- Liberal market with regulatory body-EMRA



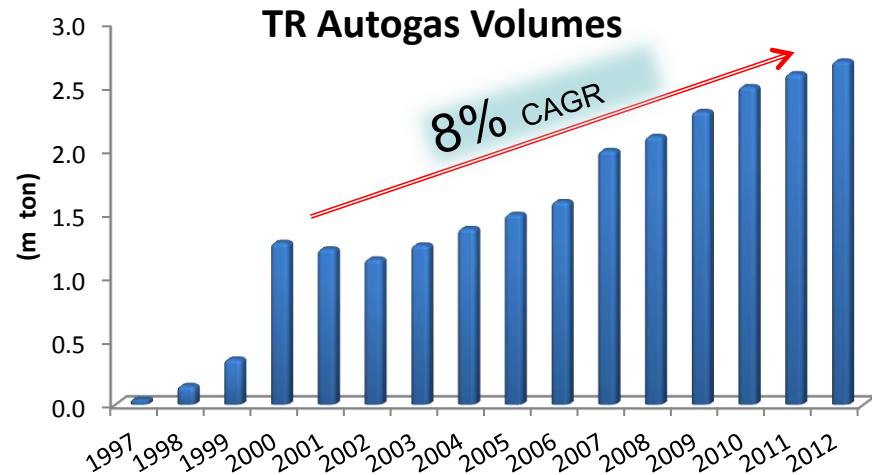
WLPGA Statistical Review of Global LP Gas Report, 2011
*excluding petrochemical consumption

Where is the growth? - autogas

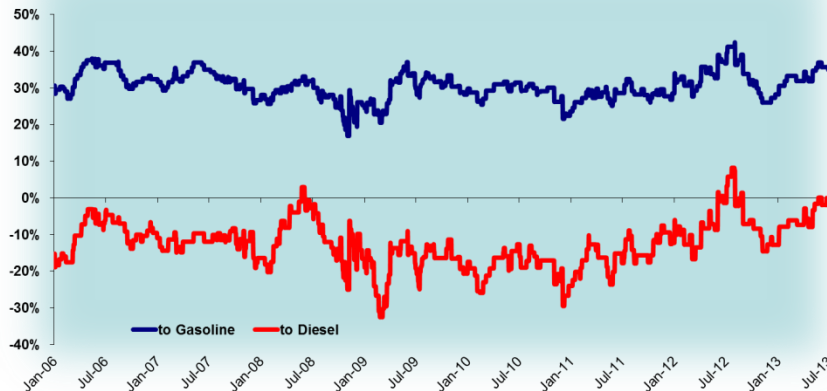
Second

biggest autogas
market in the world
2.7 m tons

40% of the
passenger car
park
3.5 m cars



TLPG Association Report, EMRA

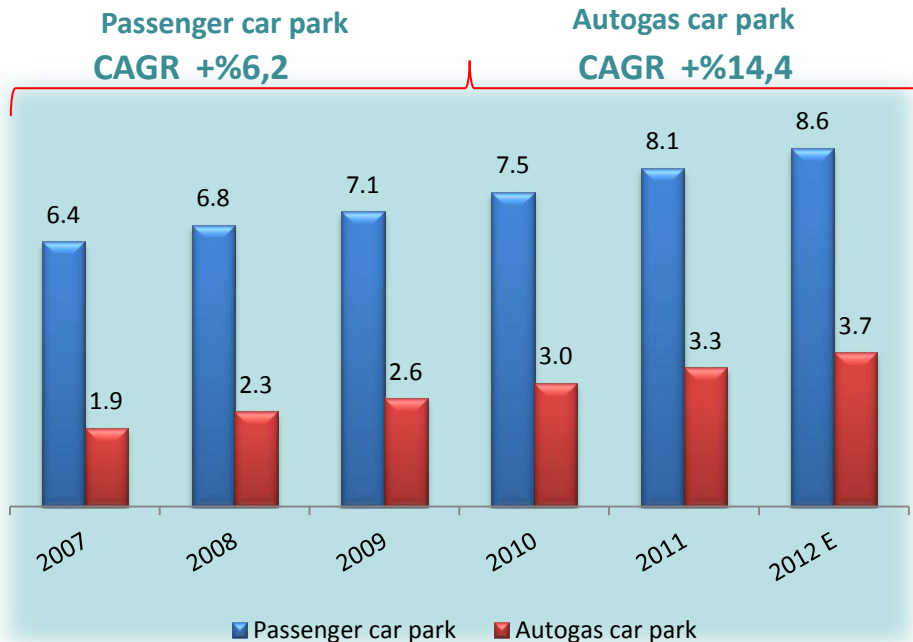


25% price
advantage to
gasoline

9,300+
autogas stations
all over Turkey

Source: AYGAZ

Is the autogas growth sustainable? -Yes



Source: Aygaz / Tofaş

300,000+
conversions per
year

- 1,000+ conversion points
- \$700 average cost
- Pay back in 15,000 km

CNG versus LPG comparison

- initial investment (x10 times)
- conversion cost (x2 times)
- range per tank (x1/3)
- longer tank refill time

14 car manufacturers
provide guaranteed
conversion

How do we lead autogas market?

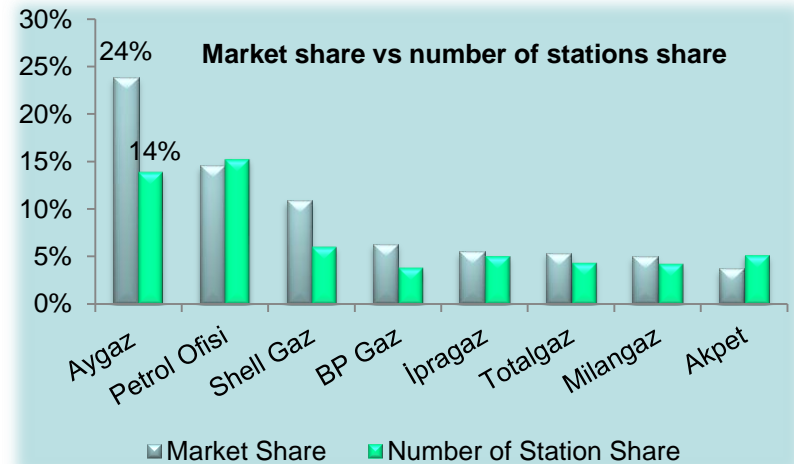
**Long-term
strategy
builder**

Opet partnership

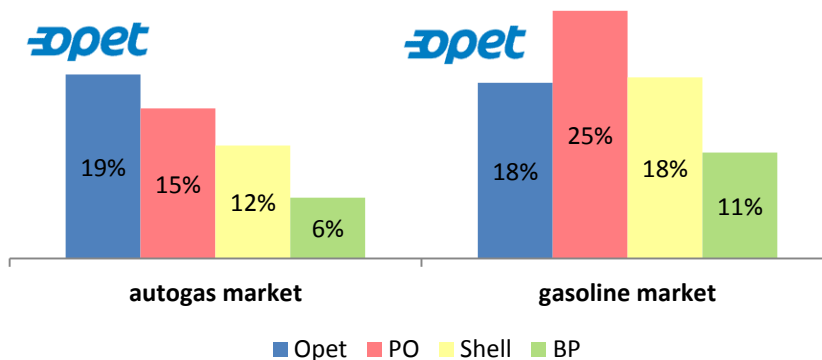
Aygaz&Opet

synergy

leads autogas
market



* 2011 PETDER and EMRA data



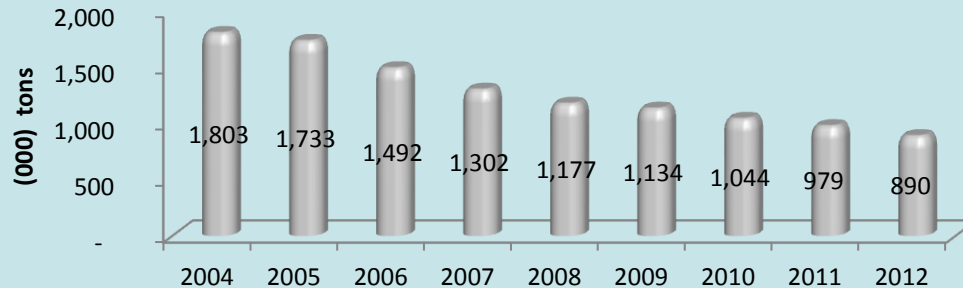
* 2011 PETDER and EMRA data

**Core business
is LPG**

unlike fuel distributors

- Pioneer in R&D and innovation

Is the cylinder market here to stay? - Yes



Contraction
slowing down

Potential growth in
rural areas

TLPG Association Report, EMRA

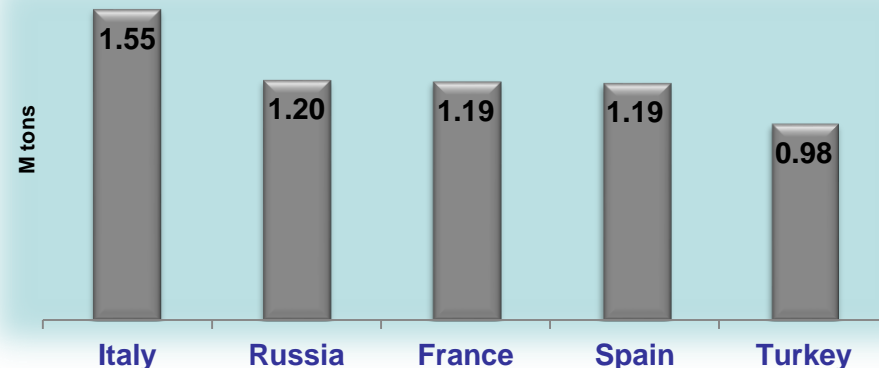
60%

market share in
residential
market

12,300+
points of sale

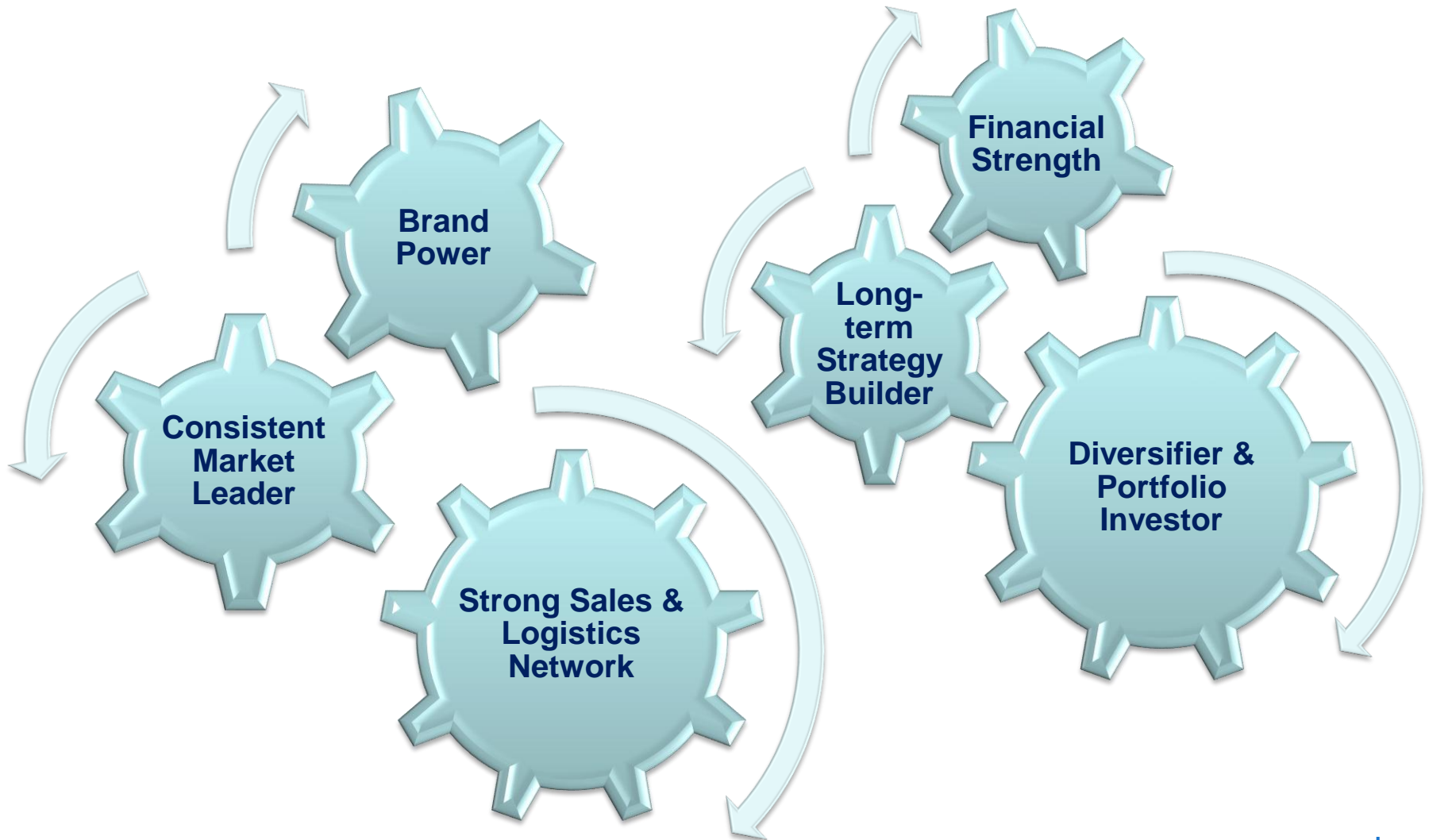
**Fully
integrated
production cycle
–Gebze plant**

Turkey is **fifth** in residential cylinder
consumption in Europe

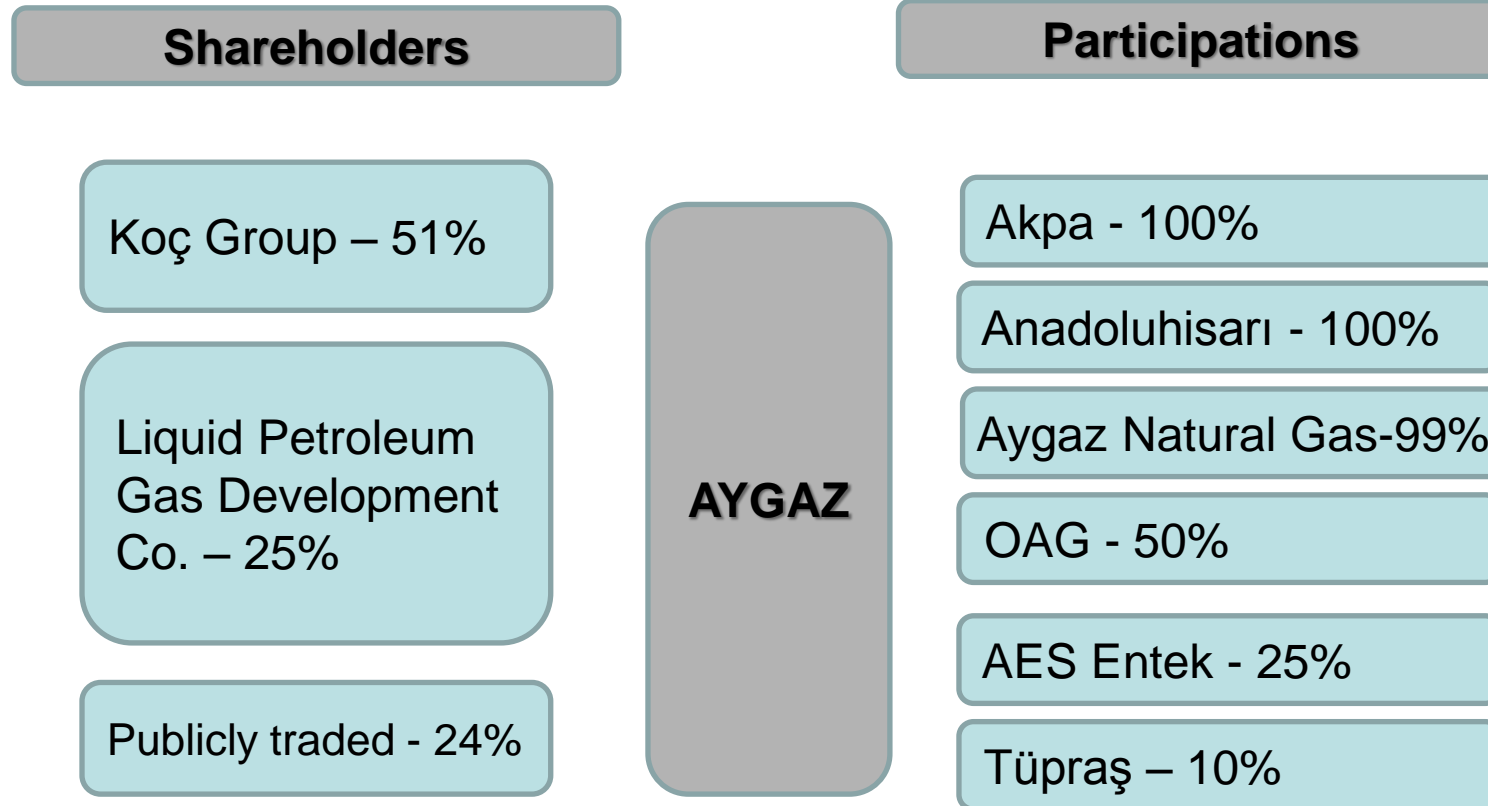


*WLPGA Statistical Review of Global LP Gas Report, 2011

Aygaz Key Takeaways



Shareholding & Portfolio Structure



What we do in natural gas?



LNG Distribution



- Transportation and regasification
- 250 industrial customers, 20% market share
- 2013 planned sales : 100 mcm
- Total natural gas market: 48.5 bcm; LNG market: 0.7 bcm

Pipeline Natural Gas



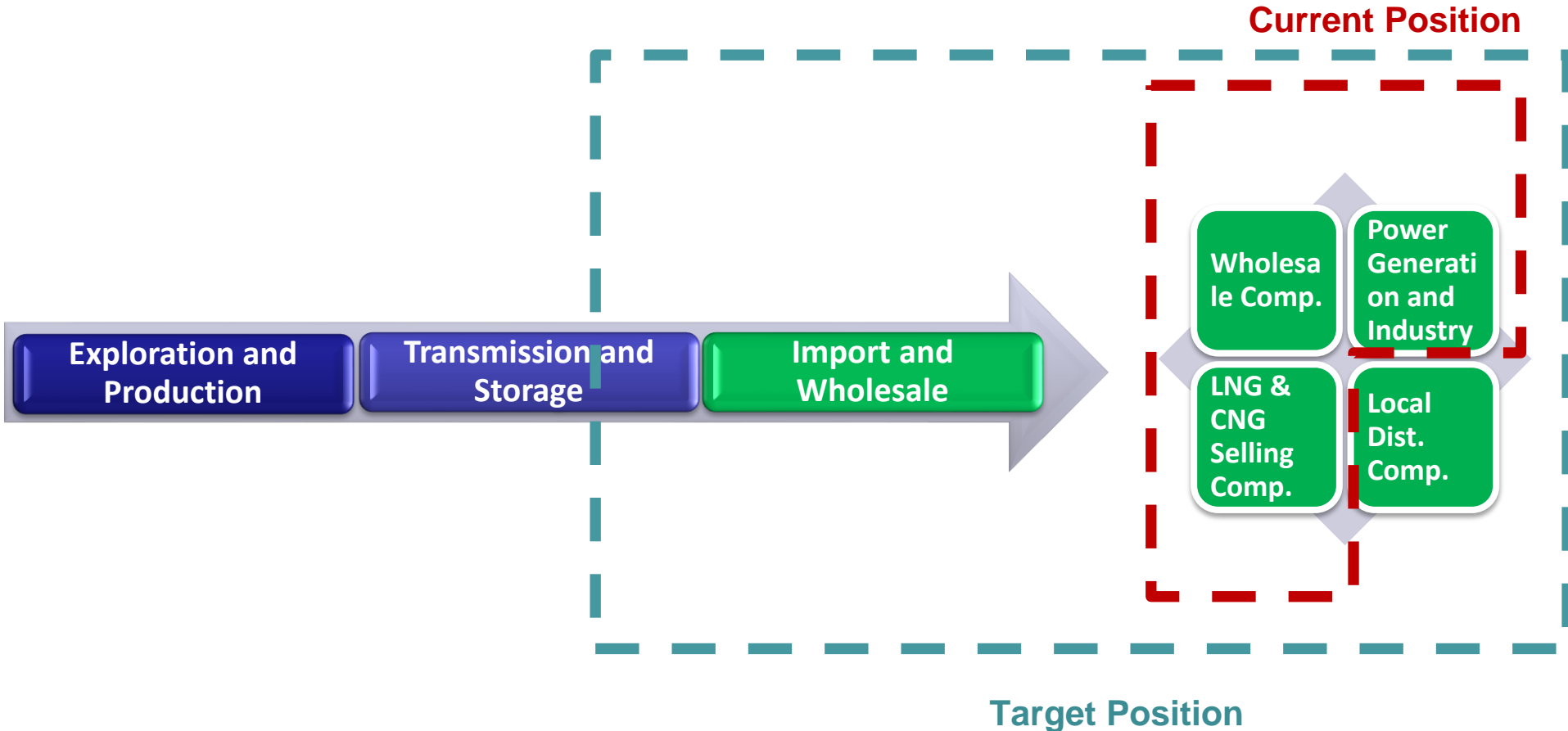
- Started in 2010 with 66 mcm sales
- 2013 planned sales: 400 mcm

Strategies

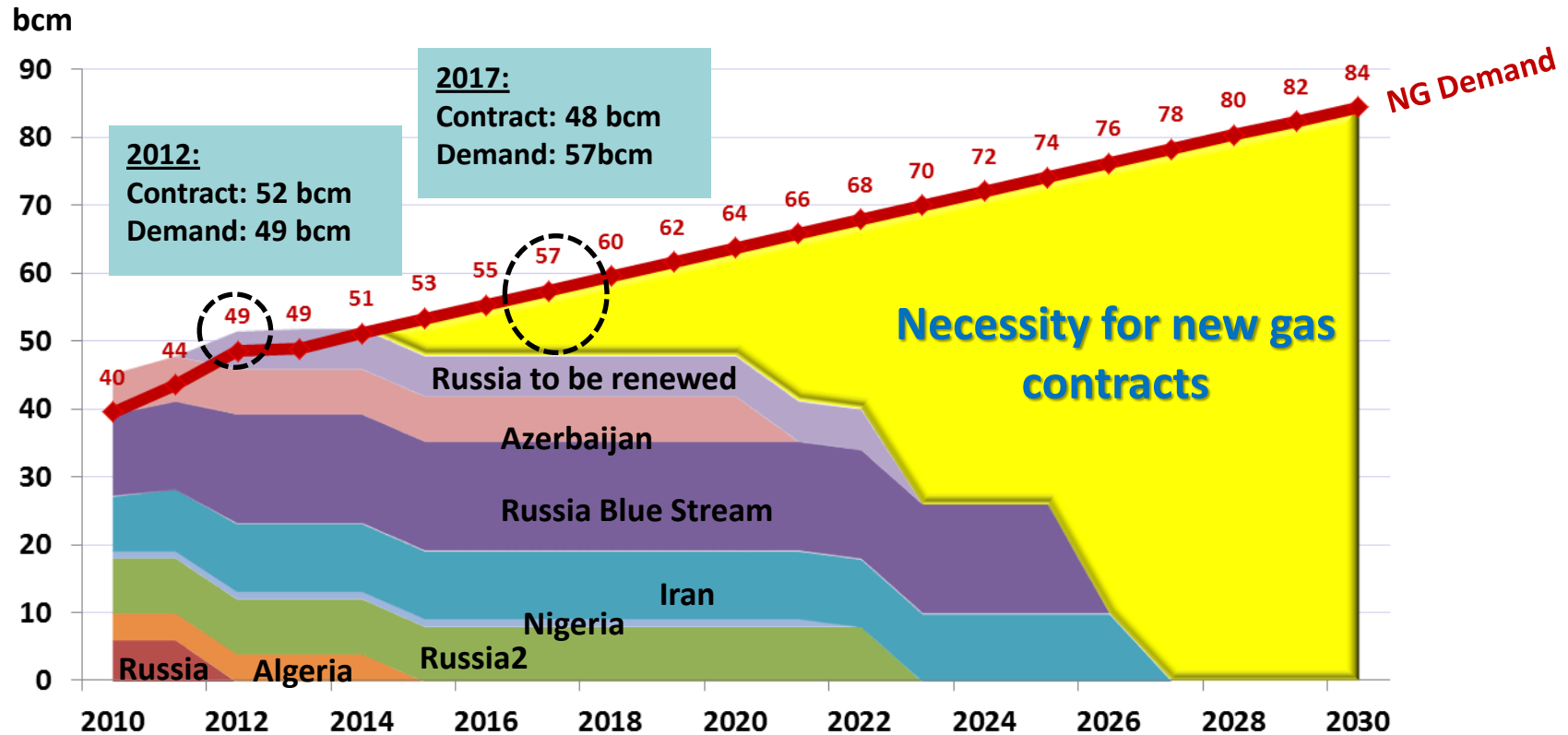


- LNG import
- Pipeline gas import
- Local Distribution

What is our natural gas strategy?



Turkey's Natural Gas Supply-Demand



Source: Aygaz & market data

- Turkey's additional natural gas requirement will increase

AES Entek

AESEntek



Capacity – 364 MW NGCC

- İzmit : 160 MW
- Bursa : 142 MW
- 3 Hydro assets : 62 MW



Strategies

- AES Entek is currently pursuing a range of expansion opportunities via:
 - Development of new efficient generation plants throughout the country
 - M&A and privatization transactions of generation plants, through planned privatization programs
- Aim is to have a diversified generation portfolio consisting of coal, hydro, gas and wind



SEYMENOB A CCGT
220 MW Cogeneration Power Plant



AYAS IMPORTED COAL
625 MW Coal Power Plant

What are our priorities?

Sustain LPG market leadership through

- Product differentiation and innovation for autogas
- Further penetration through new autogas stations
- Growth prospects for cylinder in rural Turkey
- Geographical diversification in neighbouring countries

Utilize and expand existing participation portfolio through close monitoring of profit generating opportunities

- Privatization in natural gas and electricity
- New investments (greenfield / acquisition)

How do we create shareholder value?

Sustainable

operating profitability from core business ; LPG

Resistant

to economic fluctuation and crises

Management strategies

that focus on increasing shareholder value

High

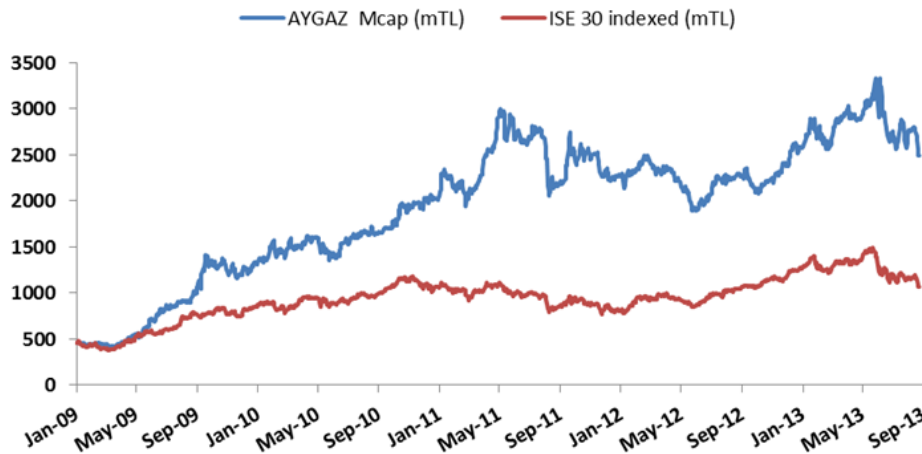
dividend payments

Corporate governance

practices at international standards

Potential

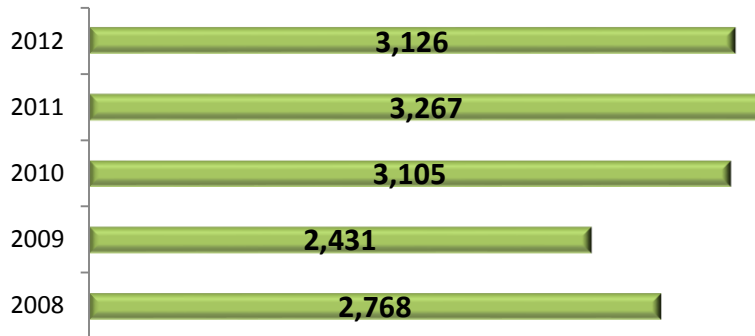
growth through participations



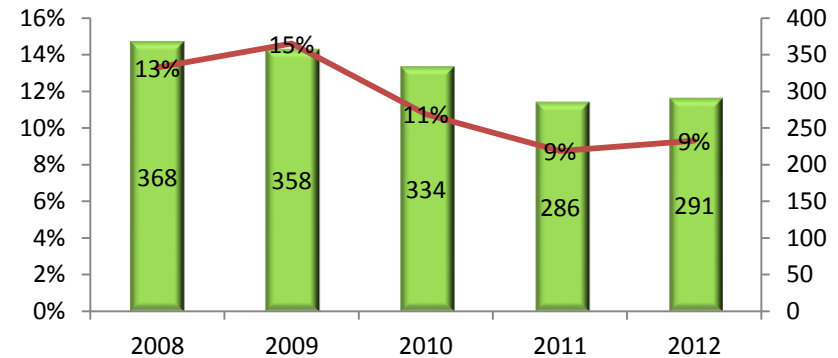
Source: AYGAZ

Financial Highlights

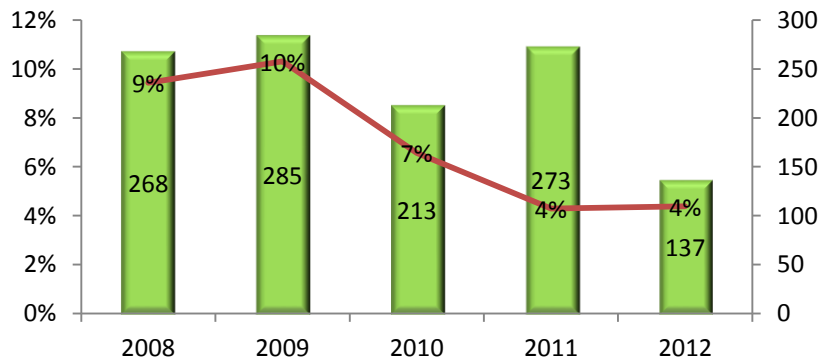
Net sales (m\$)



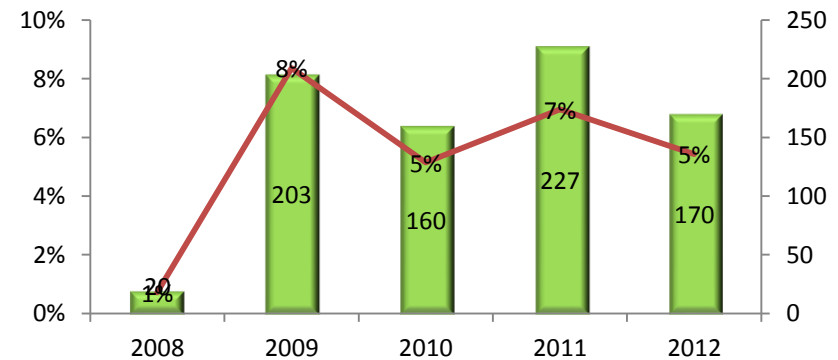
Gross Profit(m\$) and GPM*



EBITDA(m\$) and EBITDA Margin*



Net Profit(m\$) and NPM*

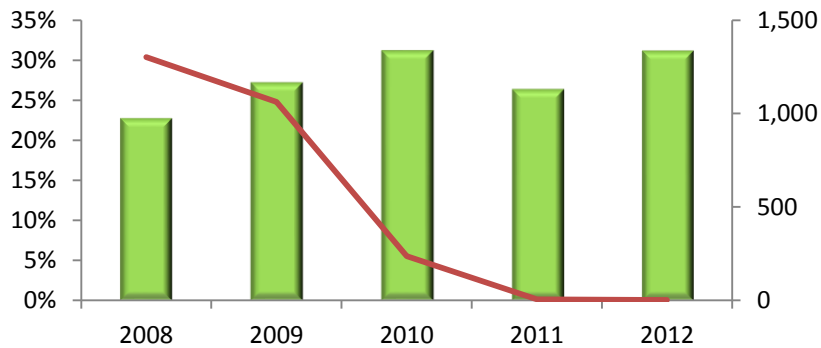


* bars: \$ figures & lines: % figures

* Instability due to FX(TRY/USD) fluctuation

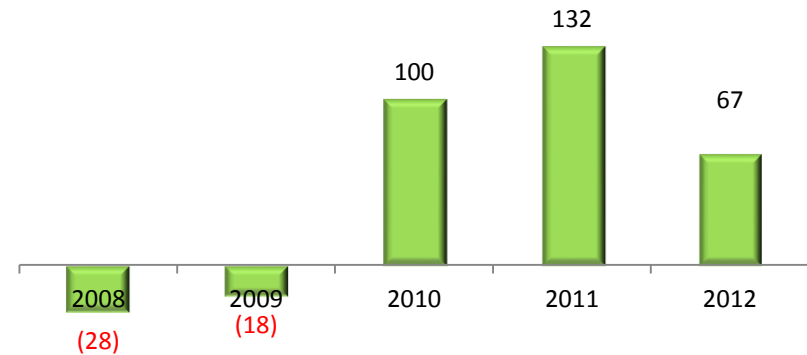
Financial Highlights

Equity (m\$) and Debt Ratio*

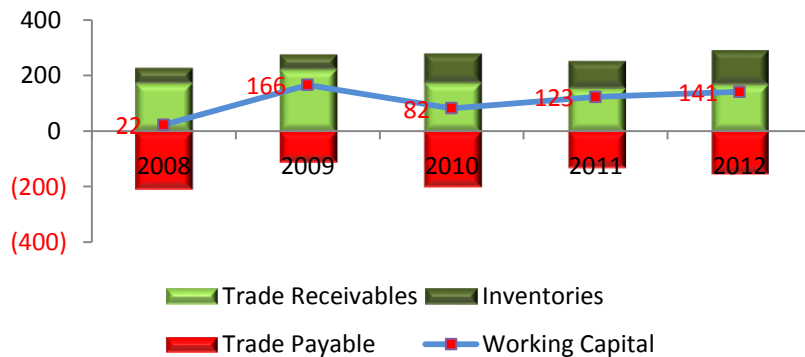


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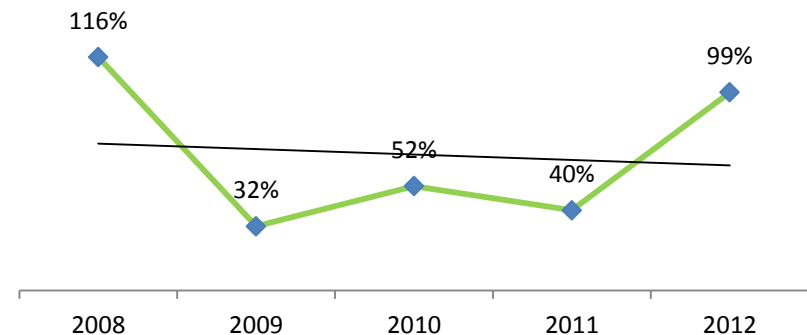
Net Cash (m\$)



Working Capital



Dividend Payout



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All Aygaz labelled data includes AYGAZ Group figures (Aygaz and Mogaz) unless otherwise stated.

Appendix

Income Statement Summary

(m USD)	2008	2009	2010	2011	2012
Net Sales	2,768	2,431	3,105	3,267	3,126
COGS	(2,400)	(2,073)	(2,770)	(2,981)	(2,835)
Gross Profit	368	358	334	286	291
Operating Profit	189	189	145	89	93
Profit Before Tax	49	242	189	251	192
Net Profit	20	203	160	227	170
EBITDA	261	252	204	140	137
GP margin	13%	15%	11%	9%	9%
OP margin	7%	8%	5%	3%	3%
PBT margin	2%	10%	6%	8%	6%
NP margin	1%	8%	5%	7%	5%
EBITDA margin	9%	10%	7%	4%	4%

Balance Sheet Summary

(m USD)	2008	2009	2010	2011	2012
Cash & Cash Eq.	268	271	174	133	70
Trade Receivables	175	224	176	157	171
Inventories	56	54	105	98	122
Participations	624	669	783	663	690
Prop. Plant & Eq.	444	472	316	300	332
Financial Debt	(296)	(289)	(74)	(1)	(1)
Trade Payable	(208)	(111)	(199)	(131)	(153)
Total Equity	974	1,167	1,338	1,130	1,336
Total Assets	1,630	1,730	1,862	1,423	1,658
Fin.Debt / T. Assets	18%	17%	4%	-	-
Net Cash	(28)	(18)	100	132	67
Working Capital	22	171	82	123	141