

Aksa Enerji

The leading IPP in Turkey

Investor Presentation

6 November 2015



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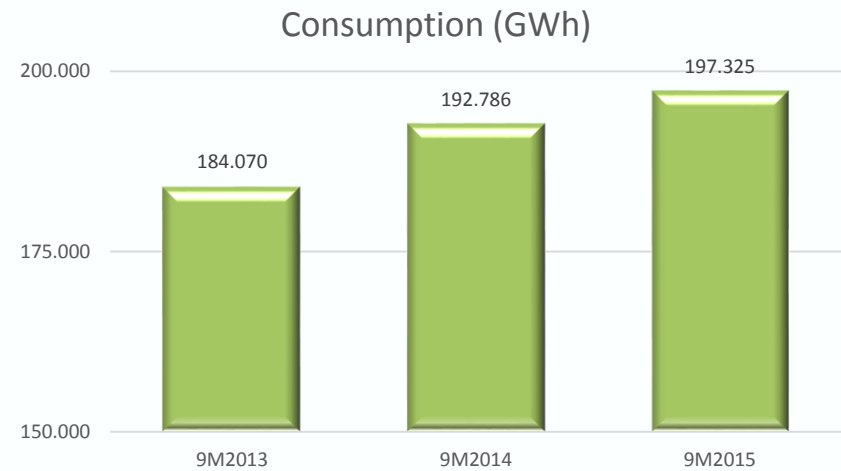
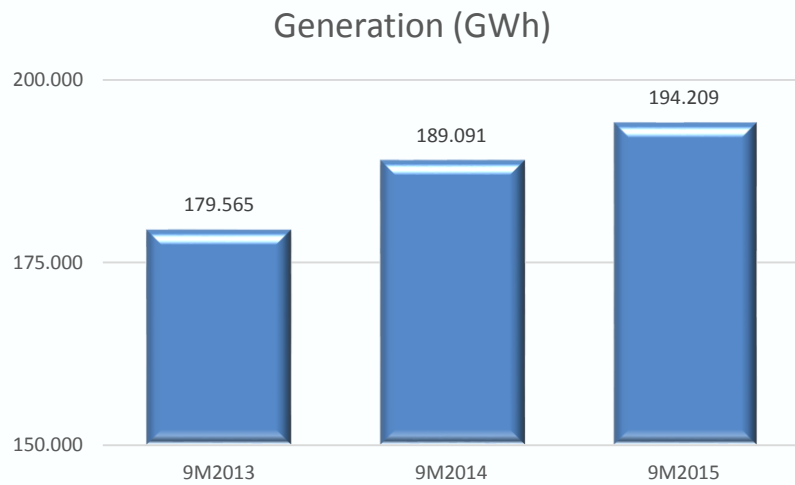


The Sector



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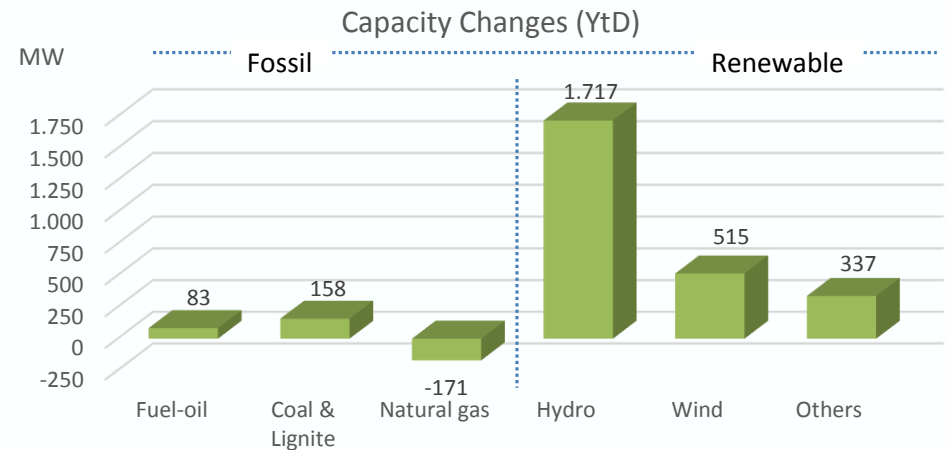
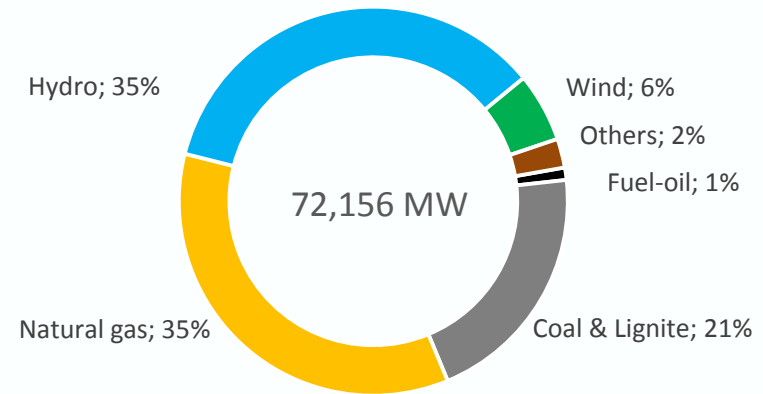
Market Highlights- Generation & Consumption



- Electricity generation increased by 2.7% YoY in 9M15 while the consumption increased by 2.4%.

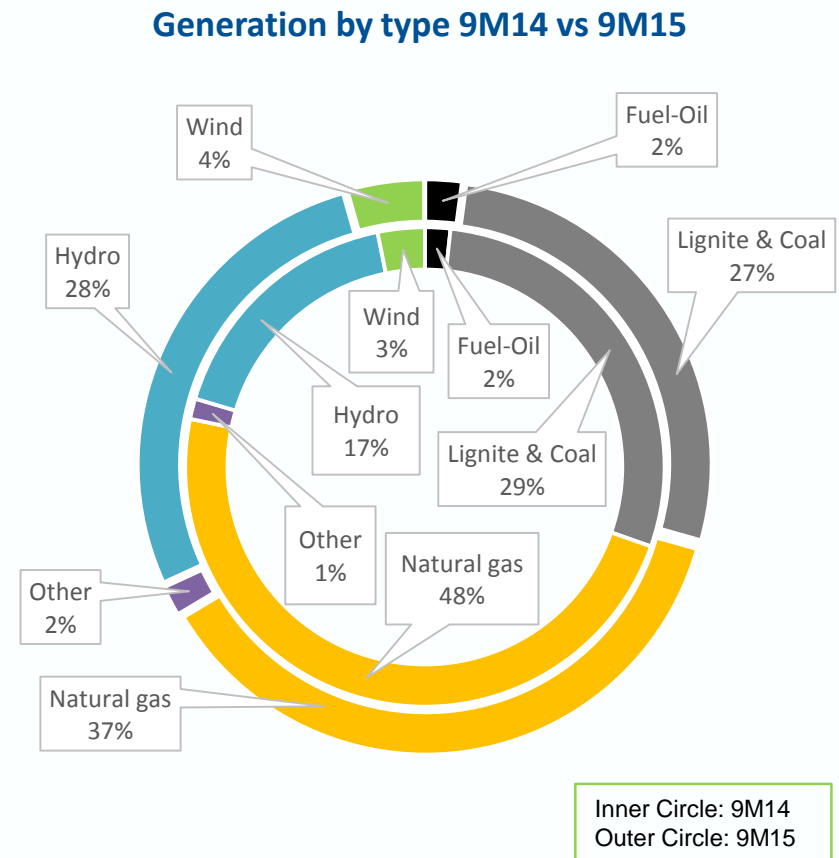
Market Highlights - Installed Capacity

- Total installed capacity in Turkey has increased by 2,636 MW Ytd to 72,156 MW in 9M2015, representing an increase of 4%.
- The majority of the new capacity came from hydro (1,717MW) and wind (515 MW).
- 171 MW natural gas capacity was decommissioned and a similar pattern could continue in the future periods.
- A total of 3,200 MW new capacity could be expected to become operational in 2015.



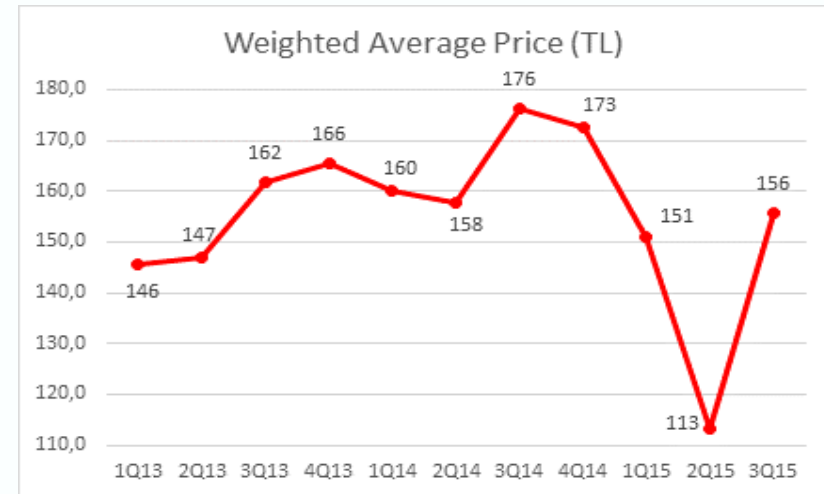
Market Update- Generation by Type

- ❑ Source of electricity generation in 9M15 changed due to heavy rain and snow fall this year, with hydros producing 28% of the total generation, as opposed to 17% in 9M14.
- ❑ Capacity utilisation rate (CUR) of hydros were 27.5% in 9M15 vs 17.2% in 9M14.
- ❑ The increase in hydro generation was at the expense of generation from natural gas (9M15: 37% ; 9M14: 48%), as natural gas is an expensive source of production.
- ❑ Even generation from lignite & coal, a much cheaper sources, was down by 2 ppt YoY (9M15: 29%, 9M14: 27%).

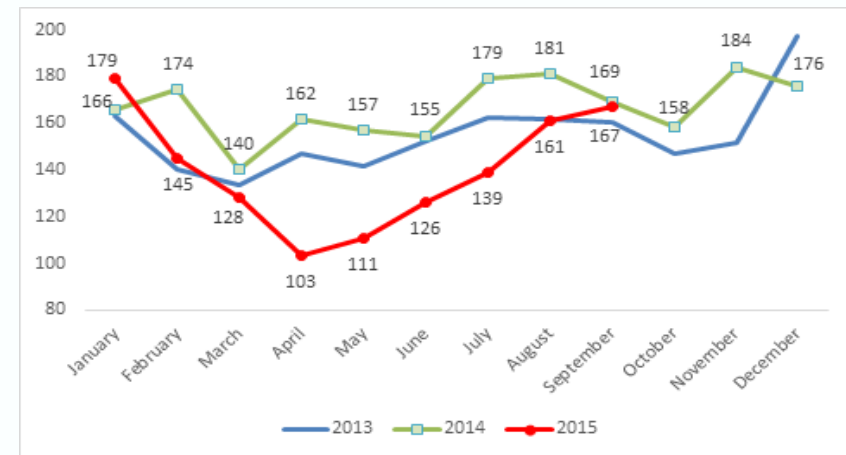


Market Highlights - Prices

❑ **Prices** – Weighted average prices were weak in 2015, compared to 2014, due to heavy rain and snow fall increasing production from hydroelectric power plants.

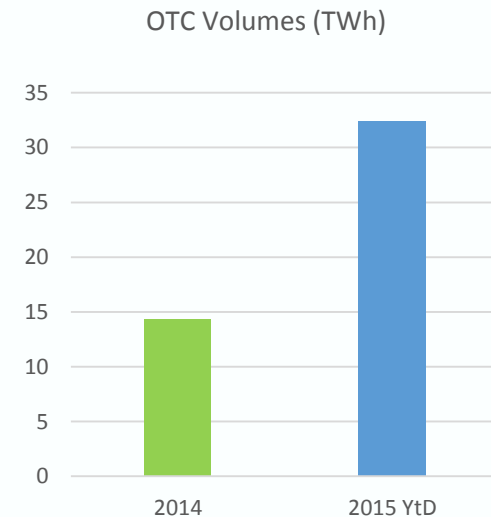


❑ Although prices caught up with last year's in the month of September, 3Q average prices were 12% lower YoY, while 9M prices also 15% softer YoY.



Market Update- Changes in Market and Trade Volumes

- ❑ The OTC market is a new platform allowing electricity producers to buy and sell via bilateral agreements amongst them. This has allowed the production companies a new «bilateral sales» concept in addition to bilateral sales to end users.
- ❑ In 2014 14.3 TWh of transactions took place in the OTC market. In the first 10 months of 2015 alone, the volume reached 32.4 TWh.
- ❑ We expect the OTC platform to be a much deeper market with increased amount of transactions.
- ❑ The OTC platform enables the IPPs to forecast energy prices so it has a very important role for all players for their capacity utilisation, production and price projections.
- ❑ We expect OTC to be merged with EPIAS in the long term, where the transactions will be more secure under a regulatory environment.



Aksa Enerji- Business Update

- ❑ Bolu Göynük's 1st phase (135 MW) became operational in July 2015. 2nd phase (135 MW) is expected to be operational by the year end.
- ❑ Sebenoba WPP's extension has been completed and a total of 17 MW installed capacity has become operational in 1H15, increasing the installed capacity of WPPs to 259 MW.
- ❑ We have applied to the Authority to increase our licence capacities in Kıyıköy RES (from 27MW to 100MW).
- ❑ Kozbükü HES' installed capacity was amended from 62MW to 81MW with EMRA's approval.
- ❑ We have signed an emergency PPA with the Republic of Ghana to install and operate a 370MW HFO plant, which is expected to start becoming operational in 2016 gradually.
- ❑ We have applied to Energy Market Regulatory Authority for cancellation of generation licence of Samsun CCGT plant, which has an installed capacity of 131MW.
- ❑ 18MW from Samsun was installed in Urfa CCGT to increase its capacity to 147MW.
- ❑ 34MW from Samsun was installed in Northern Cyprus HFO to increase its capacity to 154MW.
- ❑ Remaining 79MW capacity from Samsun is planned to be deployed to Ghana.
- ❑ As per our application to Energy Market Regulatory Authority, generation licence of Siirt Akköy HFO plant, which had an installed capacity of 24MW, has been cancelled.

Ghana PPA- To provide fast track USD based cash generation

- ❑ 5 year power purchase agreement (PPA) with Republic of Ghana for installation of a 370MW HFO plant, electricity generation and the guaranteed sale of this energy.
- ❑ Approved by the parliament of Republic of Ghana
- ❑ Can be extended before the 5 year term is completed
- ❑ Electricity generated to be sold in full to Ghana with purchase guarantee and in USD
- ❑ Received tariff and licence approval by the Energy Commission of Ghana
- ❑ USD based sales to provide a natural hedge decreasing our FX losses
- ❑ 79 MW of Samsun CCGT already transformed into HFO to be transferred to Ghana
- ❑ To be operational from 2016 onwards gradually
- ❑ To increase our operational profitability significantly
- ❑ +100mn EBITDA contribution per annum when fully operational

2015 Guidance – Financials

- ❑ Sales: 12.7 TWh (70% bilateral and 30% BSM sales)
- ❑ Revenues: TRY 2.5 bn (adjusted)
- ❑ Average Aksa Price: TRY175-180 (vs expected average market price of TRY140)
- ❑ CAPEX: USD 170-180mn
- ❑ EBITDA: TRY 420-430mn

9M 2015



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9M 2015 Results - Snap Shot

	Adjusted Q1 2015	Adjusted H1 2015	Adjusted 9M 2015	Q3 2013	Q3 2014	Q3 2015	YoY Change	9M 2013	9M 2014	Adjusted 9M 2015	YoY Change
Installed Capacity (MW)	2.151	2.160	2.192	2.052	2.127	2.192	65 MW	2.052	2.127	2.192	65 MW
Sales Volume (GWh)	3.013	5.768	9.925	2.570	2.835	4.157	47%	6.709	7.591	9.925	31%
Net Sales (TL mn)	544	1.047	1.608	537	599	751	25%	1.329	1.510	1.608	6%
Gross Profit (TL mn)	58	178	270	88	122	92	-25%	172	201	270	34%
Operating Inc. (TL mn)	54	163	246	84	115	83	-27%	158	183	246	34%
EBITDA (TL mn)	86	228	349	112	148	121	-18%	240	276	349	26%
Net Income (TL mn)	-97	-56	-236	-13	21	-180	nm	-69	57	-236	nm
EBITDA Margin	15,9%	21,8%	21,7%	20,9%	24,7%	16,1%	-8.6 pp	18,0%	18,3%	21,7%	+3.4 pp
Operating Profit Margin	9,9%	15,6%	15,3%	15,6%	19,1%	11,1%	-8.0 pp	11,9%	12,1%	15,3%	+3.2 pp

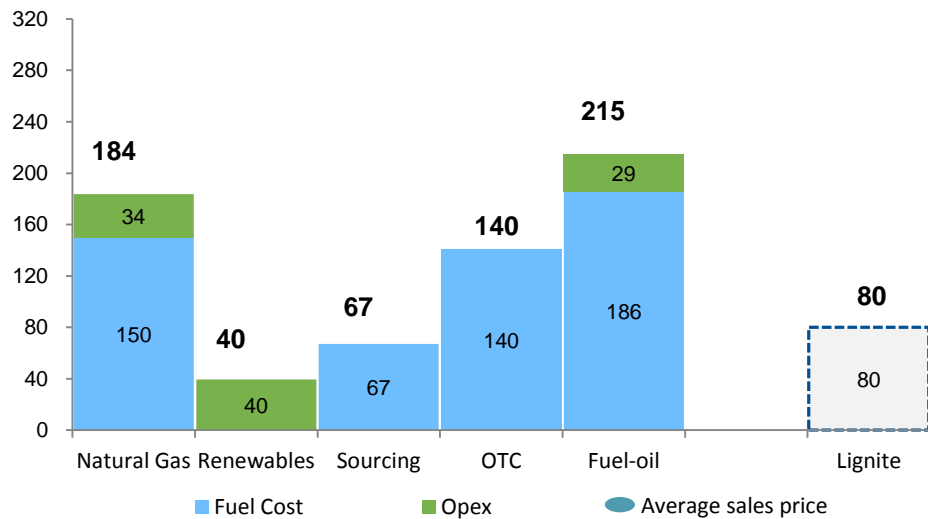
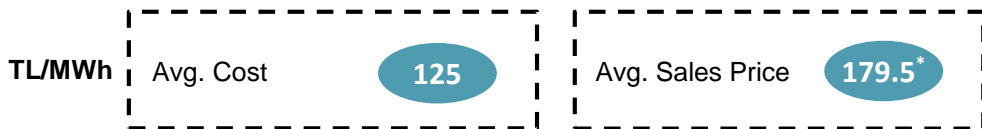
9M 2015 Results - Adjusted

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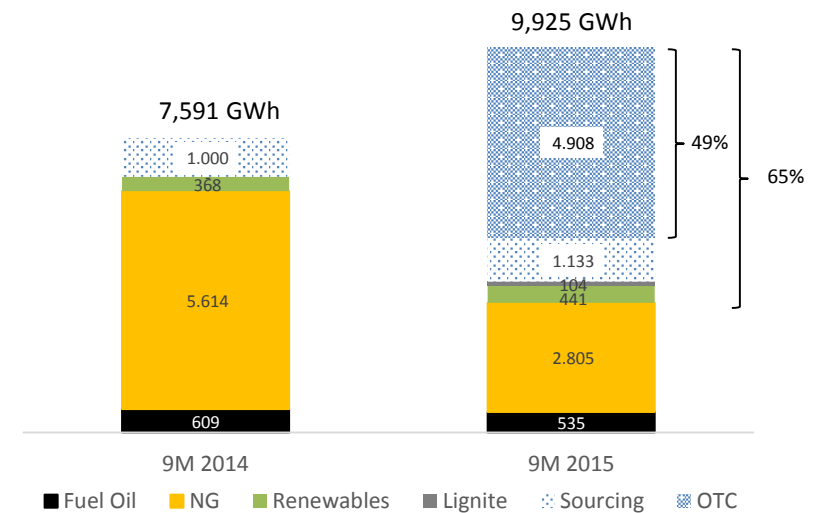
	1Q 2015		2Q 2015		3Q 2015		1H 2015		9M 2015	
	MWh	TL/MWh	MWh	TL/MWh	MWh	TL/MWh	MWh	TL/MWh	MWh	TL/MWh
Bilateral Agreements (end user)	204.998	171,52	37.305	169,83	195.541	167,36	242.302	171,26	437.843	169,52
Northern Cyprus	170.814	261,78	168.578	295,81	179.794	351,93	339.393	278,68	519.187	304,05
Renewable Market (BSM Renewable)	99.740	168,52	104.792	173,62	111.701	190,91	204.531	171,13	316.232	178,12
BSM (excl Renewables& Regional Sales)	1.081.536	170,86	326.144	190,81	1.482.200	172,18	1.407.680	175,48	2.889.880	173,79
Affiliated DisCos	107.683	179,69	353.160	180,24	393.882	187,94	460.843	180,11	854.725	183,72
SALES FROM PRODUCTION	1.664.770	181	989.979	202,31	2.363.118	189	2.654.749	189	5.017.867	189
SALES via AKSA TOPTAN (OTC)	316.521		315.548		587.532		632.408		1.219.940	
SALES via AKSA TOPTAN (end user)	1.031.884		1.449.271		1.206.746		2.480.816		3.687.562	
TOTAL SALES	3.013.175	177,3	2.754.797	178,7	4.157.396	179,6	5.767.973	179,5	9.925.369	179,5

Company Highlights - Cost Structure (TL)

Cost Structure vs. Sales Price (9M 2015)



Improving Lower Cost Output

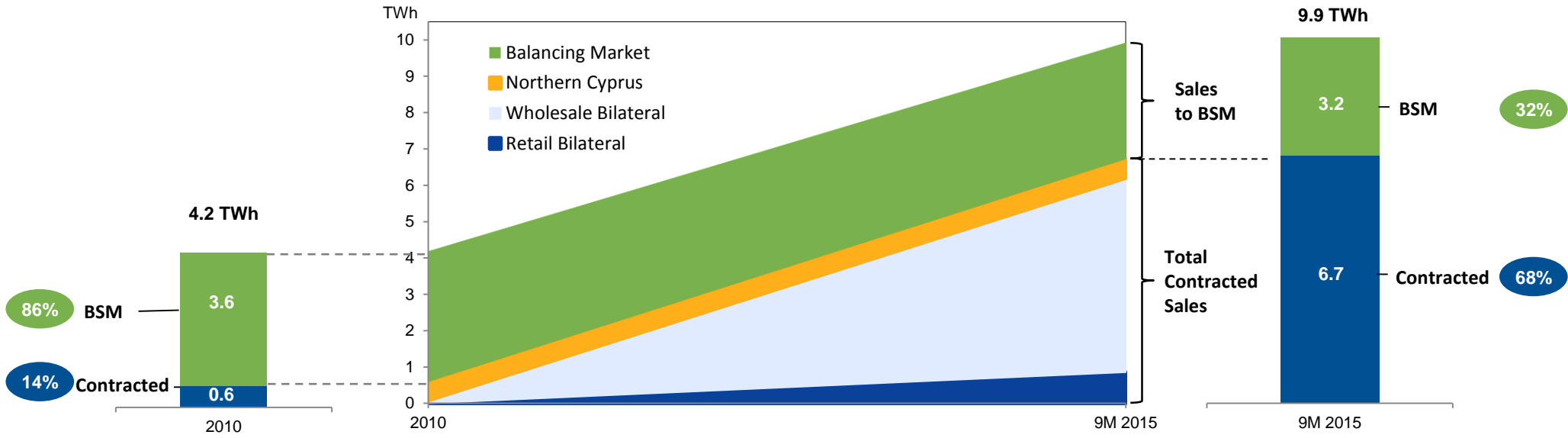


- Blending of more cost-effective renewables and lignite, along with sourcing from spot prices at off-peak times and from the OTC market to supply our customers provides us a better cost base.
- The total «local and renewable resources» pipeline of 311 MW will further decrease our cost base.
- 270 MW Bolu/Göynük lignite-fired PP fully operational in 2015 at c.80TL cost will significantly decrease the cost of production.

- 31% increase in total sales YoY.
- Share of renewables & local resources & sourcing has decreased by 2 pts mainly due to the introduction of OTC volumes to reduce our cost base when spot prices are low.
- Total of 294 MW of local and renewable pipeline to become operational in 2015 (155 MW already operational YtD).
- Our off-peak sourcing abilities, OTC volumes and purchase amounts to further increase as the contracted sales volume increases.

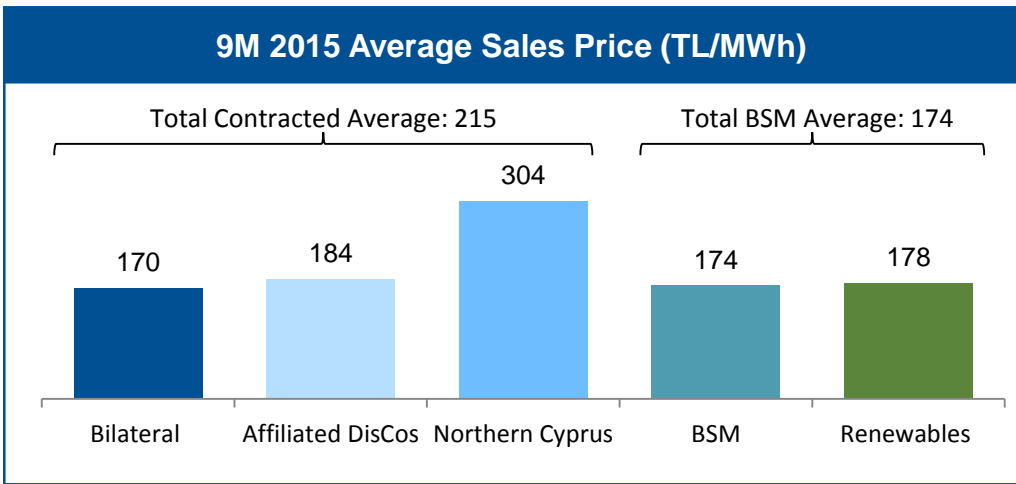
* Average sales price of sales from production. Does not include OTC sales.

Company Highlights - Sales mix and prices (TL)



2010 - Contracted Sales

- 245 bilateral customers⁽¹⁾
- 592 GWh contracted sales
 - out of which 186 GWh is bilateral
- 14% of total sales



2014 - Contracted Sales

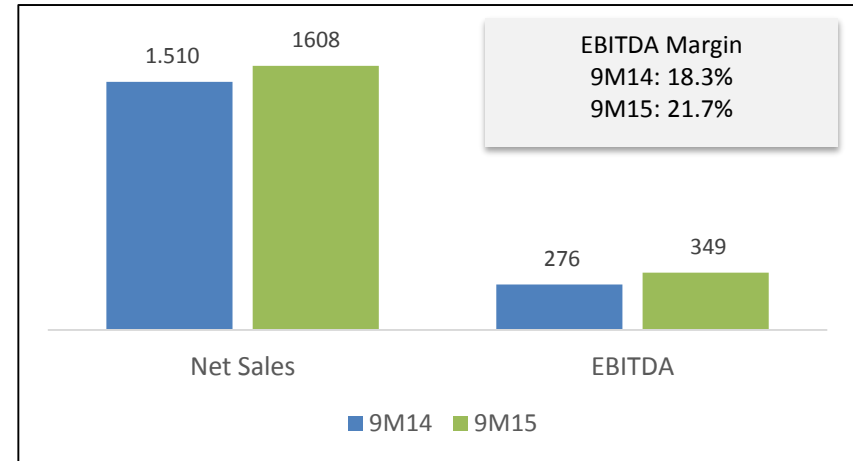
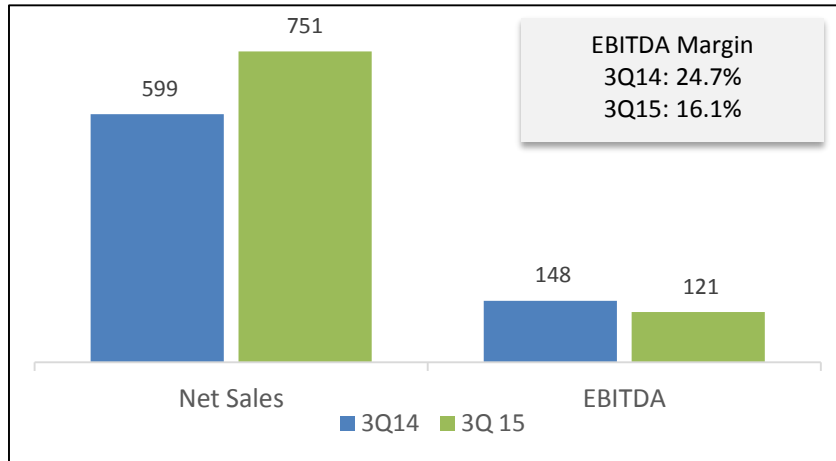
- 85,987 bilateral customers⁽¹⁾
- 7.53 TWh contracted sales
- 77% of total sales

(1) Bilateral customers are contracted by the affiliates of Kazancı Group. Akşa Enerji has contracts with the affiliates of Kazancı Group.

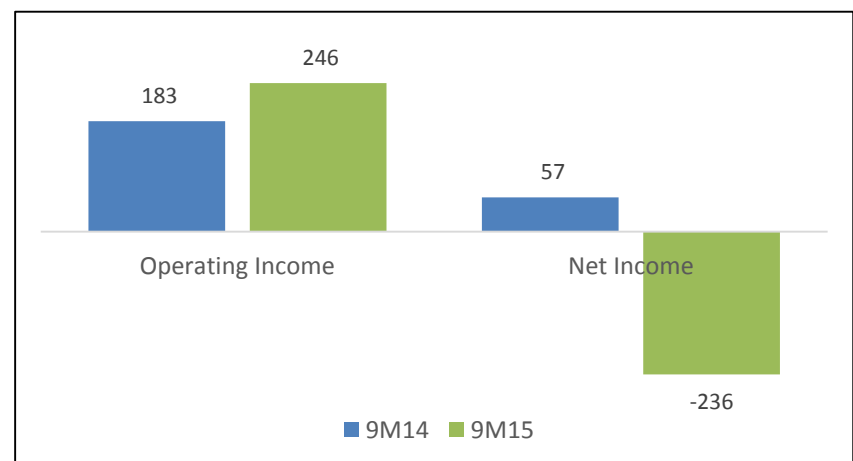
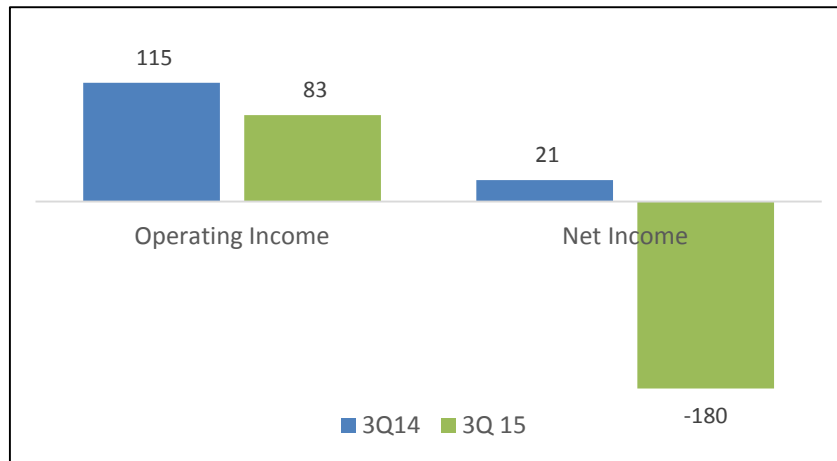
Financial highlights 9M 2015

Consolidated income statement

Net sales & EBITDA (TL mn)



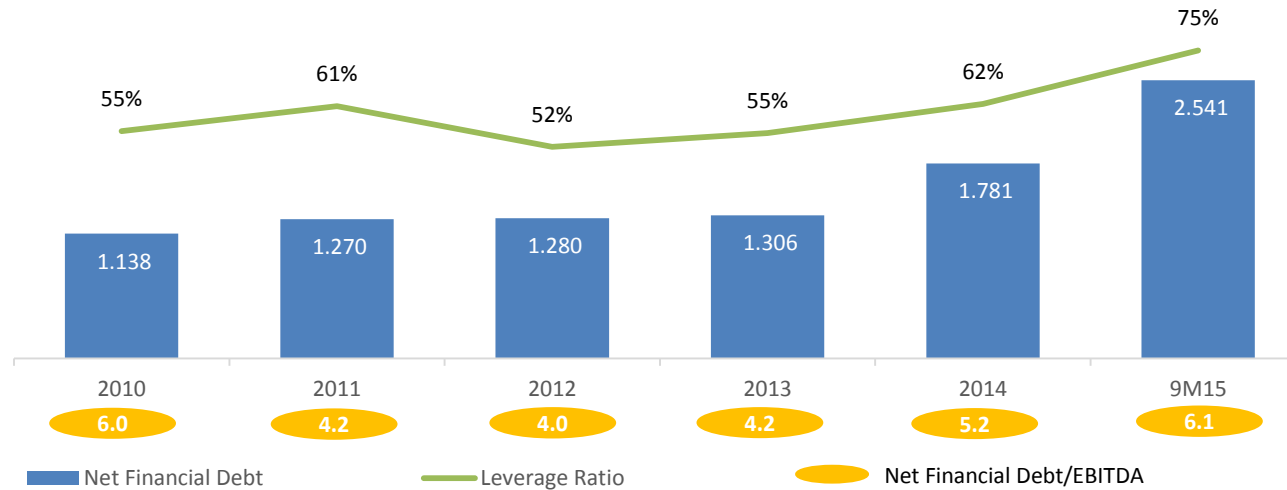
Operating income & Net income (TL mn)



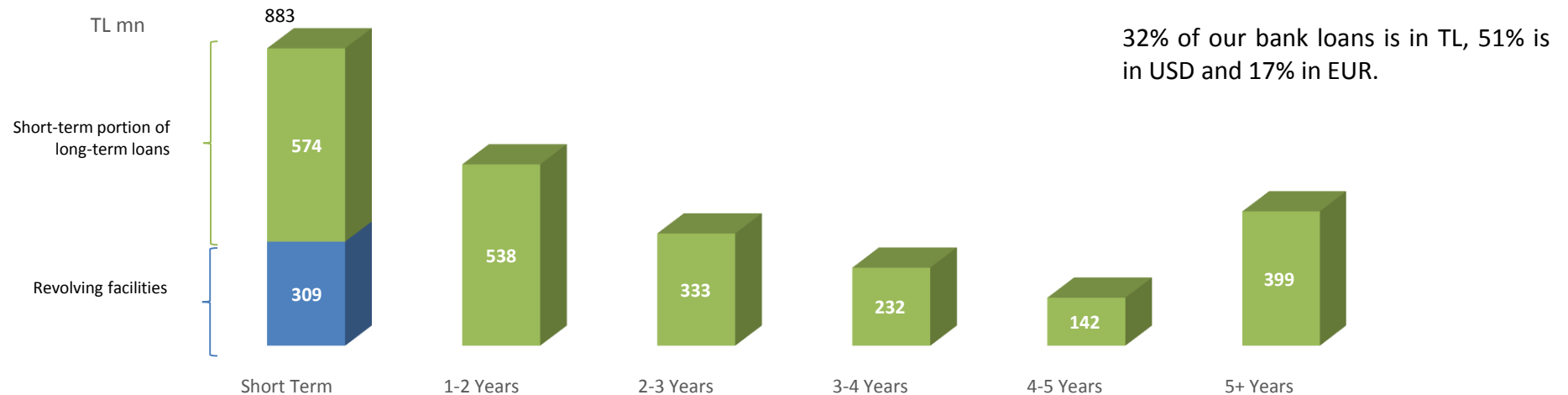
Financial highlights 9M 2015

Net financial debt and repayment schedule

Net financial debt (TL mn)



Repayment schedule of short and long term notes (TL mn)



Source: IFRS financial statements

Financial Highlights

9M 2015



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Consolidated income statement

<i>(TL mn)</i>	2011	2012	2013	2014	1Q 2015	1H 2015	9M 2015
Net sales	1315,4	1840,6	1786,0	1957,4	353,4	856,4	1607,6
Cost of sales	-1088,0	-1604,0	-1565,9	-1710,8	-295,4	-678,8	-1337,7
Gross profit	227,4	236,6	220,1	246,6	58,0	177,6	269,9
<i>Gross profit margin</i>	17%	13%	12%	13%	16%	21%	17%
General & administrative costs	-16,0	-16,7	-18,0	-22,2	-4,0	-15,3	-21,7
Sales and marketing costs	-3,0	-2,1	-2,0	-2,0	-0,1	-0,2	-0,3
Research & development costs	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other operating income	0,0	6,7	5,0	3,8	1,9	3,6	4,2
Other operating expenses (-)	0,0	-21,4	-8,7	-18,5	-2,2	-2,8	-5,9
Operating income	208,3	203,0	196,3	207,6	53,6	162,9	246,3
<i>Operating income margin</i>	15,8%	11,0%	11,0%	10,6%	15,2%	19,0%	15,3%
Goodwill income/(expense)	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other income/(expense)	-51,3	0,0	0,0	0,0	0,0	0,0	0,0
Financing income/(expense)	-273,5	23,2	351,6	199,6	67,3	96,6	178,8
Earnings before income tax	-116,5	226,5	-156,1	26,6	-113,1	-72,0	-279,3
<i>EBT margin</i>	-8,9%	12,3%	-8,7%	1,4%	-32,0%	-8,4%	-17,4%
Tax	-5,5	-6,6	22,8	12,8	16,5	16,3	43,2
Net income	-122,0	219,9	-133,3	39,4	-96,6	-55,6	-236,0
<i>Net income margin</i>	-9,3%	11,9%	-7,5%	2,0%	-27,3%	-6,5%	-14,7%
EBITDA	300,8	323,1	311,8	343,9	86,4	227,6	348,6
<i>EBITDA margin</i>	22,9%	17,6%	17,5%	17,6%	24,5%	26,6%	21,7%

Source: IFRS financial statements

Consolidated balance sheet

(TL mn)						
Assets	2012	2013	2014	1Q 2015	1H 2015	9M 2015
Cash and cash equivalents	40,6	22,3	34,2	79,1	31,4	84,8
Trade receivables net	245,9	142,3	88,7	23,8	52,1	80,1
Due from related parties and shareholders	593,9	0,0	4,4	0,0	8,3	0,0
Inventory	135,5	250,0	269,2	292,7	364,9	426,0
Derivative Financial Instruments	–	2,7	2,7	4,6	0,0	2,9
Other current assets	84,6	77,4	116,6	150,2	139,7	188,2
Total current assets	1.100,8	494,7	515,8	550,5	596,4	782,0
Trade receivables	–	1,3	0,0	0,0	52,1	80,1
Investments	1,6	1,5	1,9	1,9	4,4	0,4
PP&E	1.627,3	2.109,7	2.730,0	2.835,8	2.929,8	3.022,5
Goodwill	9,5	7,1	7,1	7,1	7,1	7,1
Intangibles	1,7	1,9	1,9	1,9	1,9	2,2
Other non-current assets	87,0	113,2	80,6	82,3	101,5	71,8
Deferred tax assets	4,1	36,7	56,2	94,7	98,9	124,6
Total non-current assets	1.731,2	2.271,4	2.877,7	3.023,7	3.143,6	3.228,7
Total assets	2.832,0	2.766,1	3.393,5	3.574,1	3.740,0	4.010,7
Liabilities						
	2012	2013	2014	1Q 2015	1H 2015	9M 2015
Financial liabilities	564,3	265,6	439,6	501,5	664,7	905,6
Trade payables, net	284,7	326,1	431,8	547,9	388,0	457,6
Due to Related Parties and Shareholders	–	10,3	0,0	7,1	0,0	7,2
Taxation payable on income	6,6	7,5	9,6	1,5	3,4	3,4
Other payables and accrued liabilities	11,7	14,8	15,8	17,9	14,1	9,8
Total current liabilities	867,3	624,3	898,3	1.075,9	1.074,4	1.394,9
Long-term financial liabilities	756,4	1.062,7	1.375,8	1.451,2	1.583,7	1.720,1
Retirement pay provision	2,2	3,0	5,2	5,6	5,8	6,9
Other liabilities	–	1,3	0,0	0,0	0,0	0,0
Deferred tax liability	2,9	3,5	4,8	25,2	26,8	24,6
Long Term Liabilities	761,5	1.070,5	1.385,8	1.482,0	1.616,3	1.751,6
Paid in capital	615,2	615,2	615,2	615,2	615,2	615,2
General reserves	121,0	340,3	207,0	246,4	246,4	245,3
Share premium	247,4	247,4	247,4	247,4	247,4	247,4
Cash Flow Hedge Reserve	–	2,1	1,0	0,2	-3,3	-6,6
Net profit for the year	219,9	-133,3	39,4	-96,6	0,0	-236,0
Shareholder's equity	1.203,2	1.071,3	1.109,4	1.012,6	1.105,6	864,1
Total liabilities and equity	2.832,0	2.766,1	3.393,5	3.570,4	3.796,3	4.010,7

Source: IFRS financial statements

Consolidated statement of cash flows

<i>(TLmn)</i>	2010	2011	2012	2013	2014	1Q 2015	1H 2015	9M 2015
Net income (loss) before tax	84,7	-116,5	226,5	-156,1	26,6	-113,1	-72,0	-279,3
Depreciation and amortisation	71,7	92,5	105,3	111,8	121,5	32,5	65,5	100,7
Other adjustments	14,7	231,2	-53,1	193,9	82,0	117,7	194,2	396,8
Change in working capital	18,64	-20,3	-189,5	7,5	123,6	114,7	-163,7	-206,2
Operating cash flows	189,8	187,0	89,2	157,1	353,8	151,8	24,1	11,9
Purchased of PP&E	-400,9	-330,2	-130,4	-395,7	-676,7	-138,2	-265,3	-393,5
Investing cash flows	-419,7	-334,6	-116,9	-395,4	-677,1	-138,2	-267,8	-392,0
Financing cash flows	291,9	179,5	-41,9	220,0	335,3	31,3	240,9	430,6
Net cash flows	62,0	31,8	-69,6	-18,2	11,9	44,8	-2,9	50,6

Source: IFRS financial statements

Appendix



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Licence Portfolio (Operational)

Power Plant	License Owner	Fuel Type	Installed Capacity (MW)	%
Mardin-1	Aksa Energy	Fuel-oil	32	
Mardin-2	Rasa Elektrik	Fuel-oil	33	
Northern Cyprus	Aksa Cyprus	Fuel-oil	154	
İdil (Şırnak)	İdil İki Energy	Fuel-oil	24	
Total Fuel-Oil fired power plants			243	11%
Antalya NGCC	Aksa Energy	Natural Gas	1.150	
Manisa NGCC	Aksa Energy	Natural Gas	115	
Van	Rasa Energy	Natural Gas	115	
Şanlı Urfa	Rasa Energy	Natural Gas	147	
Total Natural Gas fired power plants			1.527	70%
Balıkesir Şamlı	Baki	Wind	114	
Hatay Sebenoba	Deniz	Wind	60	
Manisa Karakurt	Deniz	Wind	11	
Ayvacık	Ayres	Wind	5	
Kapıdağ	Kapıdağ	Wind	24	
Belen / Atik	Aksa	Wind	18	
Kıyıköy	Alenka	Wind	27	
Total Wind power plants			259	12%
Çorum İncesu	Aksa Energy	Hydro	15	
Akköy	Siirt Akköy	Hydro	13	
Total Hydro power plants			28	1%
Bolu Göynük	Aksa Göynük	Lignite	135	
Total Lignite fired power plants			135	6%
Total Power Plants			2.192	

Ongoing Investments and Revised Licence Portfolio

Planned Acquisitions from Kazancı Holding

Power Plant	Investment	License Owner	Fuel Type	Additional Capacity (MW)	Completion Year
Datça	Licensed	Kazancı Holding	Wind	12	2016
				12	

- Planned acquisition from Kazancı Holding:
 - Datça 12 MW WPP licence

Under Construction

Bolu Göynük	Greenfield	Aksa	Lignite	135	2015
Kapıdağ	Extension	Kapıdağ	Wind	4	2015
Şamlı	Extension	Baki	Wind	13	2017
Kozbükü	Greenfield	İdil İki	Hydro	81	2016
Ayvacık	Extension	Ayres	Wind	4	2017
Manisa Karakurt	Extension	Deniz	Wind	12	2017
				249	

- Construction work is in progress for one lignite fired PP and five renewable projects:
 - 135 MW local lignite fired PP (2nd phase)
 - 33 MW WPP
 - 81 MW HPP

Total				261	
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