




**aksa** ENERGY

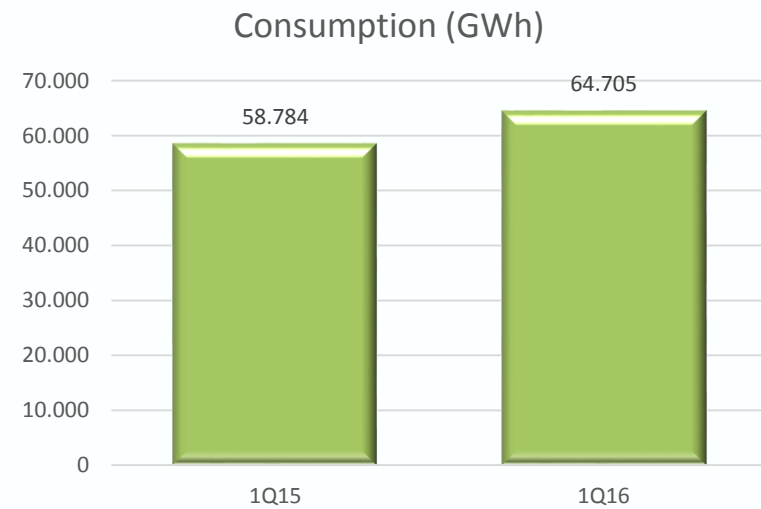
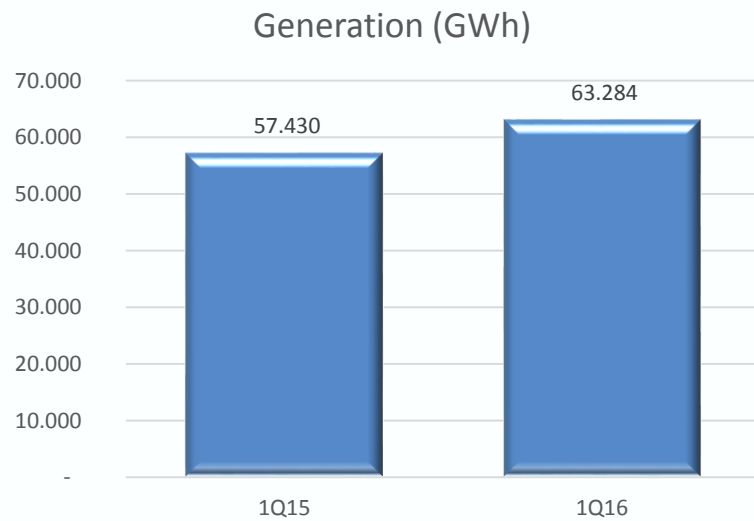
# 1Q2016 EARNINGS PRESENTATION



Aksa Energy  
The Leading IPP in Turkey

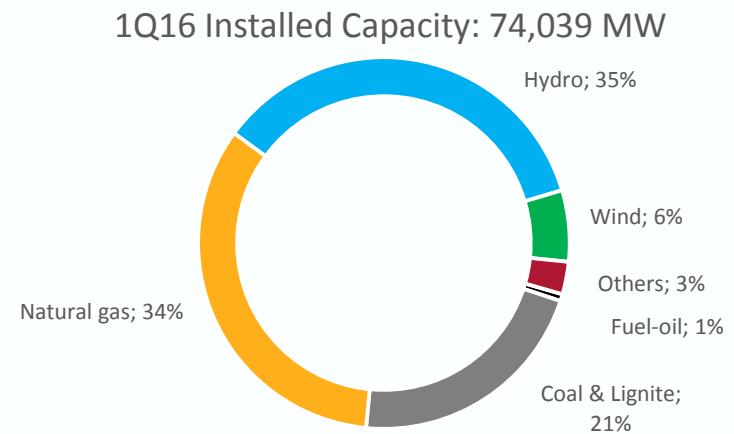
# Market Highlights- Generation & Consumption

- Electricity generation and consumption both increased by 10% YoY in 1Q16.



# Market Highlights - Installed Capacity Changes

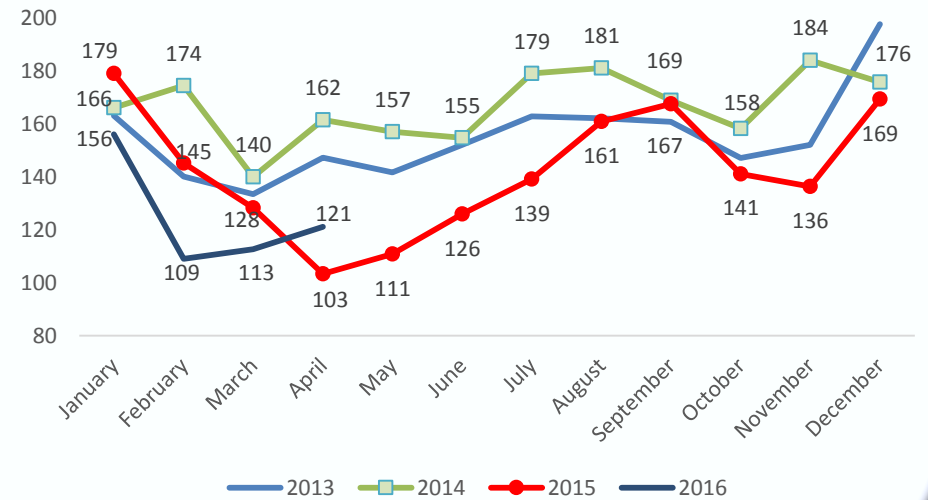
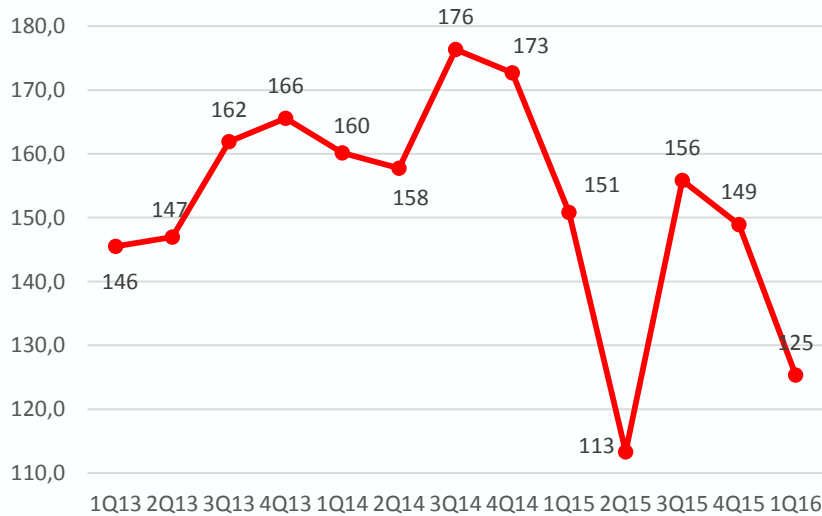
- ❑ Total installed capacity in Turkey has reached 74,039 MW in 1Q16, indicating a 5% increase YoY.
- ❑ When new and decommissioned capacities are netted off, there is 835 MW increase in coal & lignite, 289MW in hydro, 95 MW in wind in 1Q16.
- ❑ Likewise, 405 MW fuel-oil and 69 MW in natural gas capacities have been decommissioned in 1Q16.



# Market Highlights - Prices

Weighted average prices were down 17% YoY in 1Q16. The main reasons being:

- ❑ the increased production from renewable capacities at low cost
- ❑ Increased participation at YEKDEM scheme causing no-concern for water retention to sell at peak season
- ❑ Excess capacity



# 1Q2016 Results - Snap Shot

\*

	Adjusted 1Q15	Adjusted 4Q15	Actual 1Q16	YoY Change	QoQ Change
Installed Capacity (MW)	2.151	2.076	2.211	60 MW	135 MW
Sales Volume (GWh)	3.013	4.093	4.178	39%	2%
Net Sales (TL mn)	544	708	726	33%	3%
Gross Profit (TL mn)	58	48	71	23%	47%
Operating Inc. (TL mn)	54	42	68	27%	65%
EBITDA (TL mn)	86	88	116	35%	32%
Net Income (TL mn)	-97	8	8	nm	3%
EBITDA Margin	15,9%	12,4%	15,9%	0 pp	+3.5 pp
Operating Profit Margin	9,9%	5,9%	9,4%	-0.5 pp	+3.5 pp

# Company Highlights - Cost Structure (TL)

## Cost Structure vs. Sales Price (1Q 2016)

## Improving Lower Cost Output

Weighted Avg. Cost

143

Weighted Avg. Sales Price

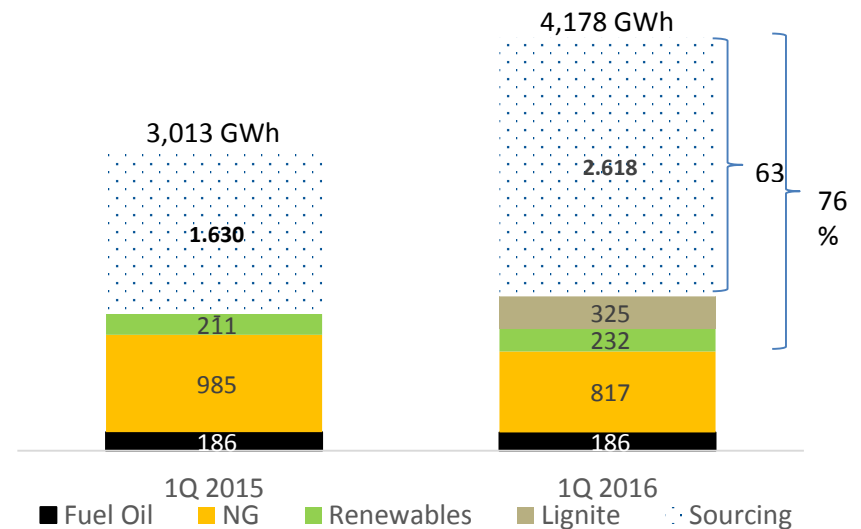
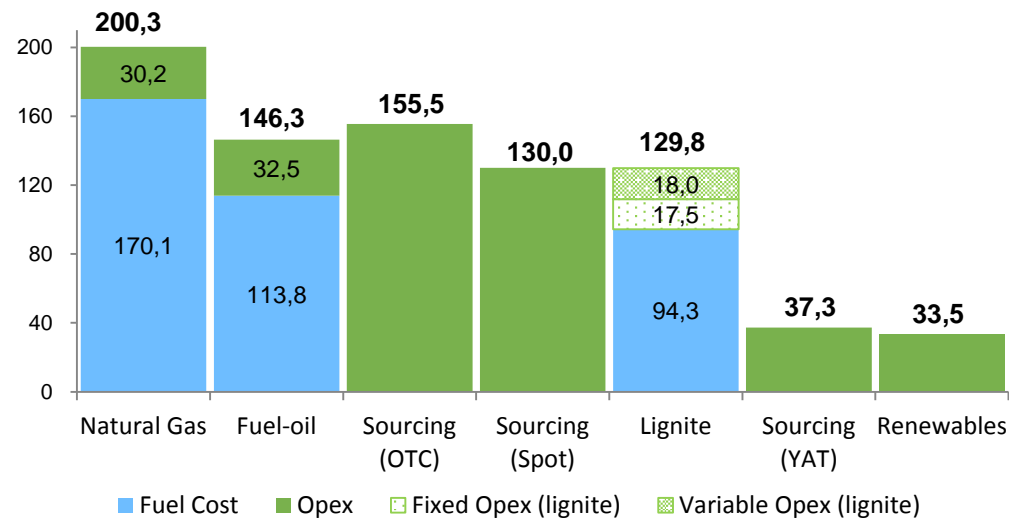
173,7

% of Renewables Local Sourcing

61%

76%

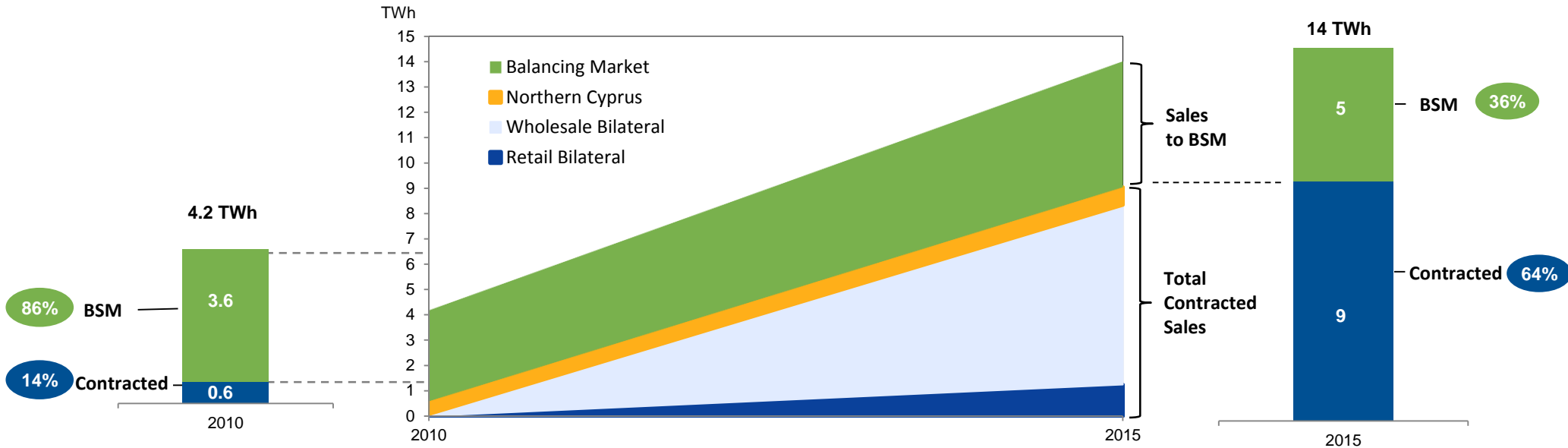
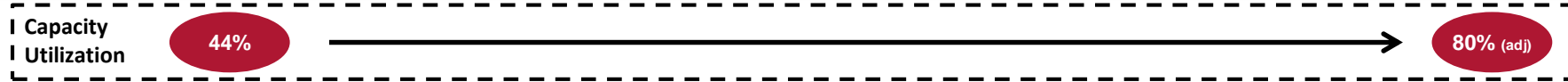
TL/MWh



- Blending of more cost-effective renewables and lignite, along with sourcing provides us a better cost base.
- «Renewable resource» pipeline of 126 MW till the end of 2017 will further decrease our cost base.
- The cost of production at Bolu was 129,8 TL, higher than forecasted 80TL, due to a one-off 1.4mn electricity expense. Adjusted for this one-off, the variable cost declines to 13,53TL and the total cost to 125,3TL for 1Q16.

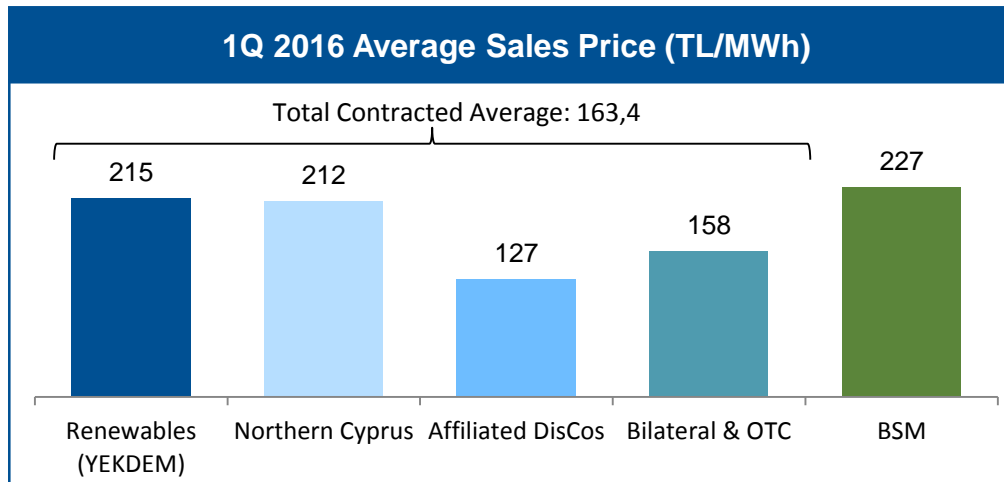
- 39% increase in total sales volume YoY.
- Share of renewables & local resources & sourcing has decreased by 15 ppt mainly due to low cost of procurement reducing our cost base when spot or OTC prices are low.
- Our off-peak sourcing abilities, OTC volumes and purchase amounts to continue at high levels as the contracted sales volume increases.

# Company Highlights - Sales mix and prices (TL)



### 2010 - Contracted Sales

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



### 2015- Contracted Sales

- 125,912 bilateral customers<sup>(1)</sup>
- 9.04 TWh contracted sales
- 64% of total sales
- In 1Q 2016 contracted sales constituted 84% of total sales.**

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

# 1Q 2016 Results – Sales Breakdown

	1Q 2015		1Q 2016	
	MWh	TL/MWh	MWh	TL/MWh
Northern Cyprus	170.814	261,78	174.808	212,1
Renewable Market (YEKDEM)*	99.740	168,52	231.572	214,8
BSM (Spot Market Sales)	1.081.536	170,86	674.978	227,2
Affiliated DisCos	107.683	179,69	76.134	127,2
OTC & Bilateral**	1.553.403		3.020.631	157,6
<b>TOTAL SALES</b>	<b>3.013.175</b>	<b>177,3</b>	<b>4.178.122</b>	<b>173,7</b>

\* About half of renewable production was in YEKDEM scheme in 2015. Thus 1Q2015 figure represents renewable sales to YEKDEM and to spot market.

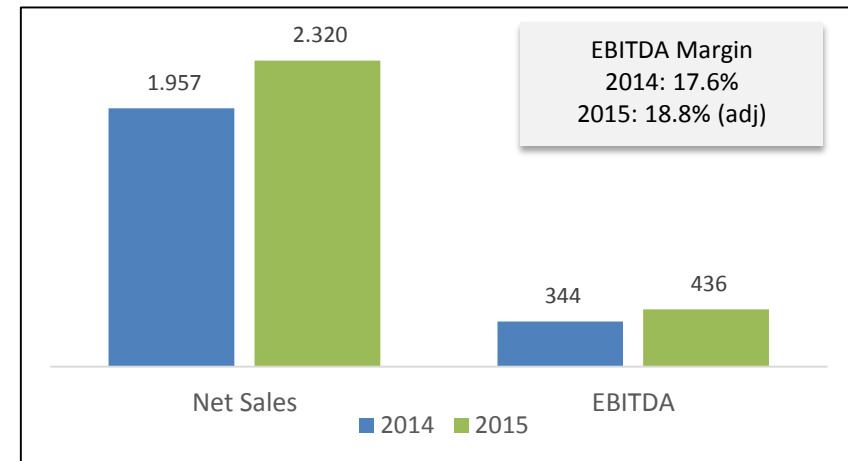
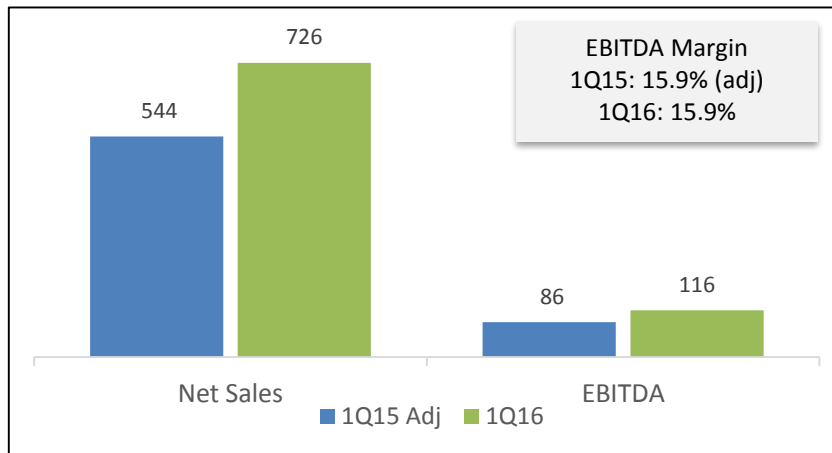
\*\* Represents sales to Aksa Sales and Aksa Aksen Trading



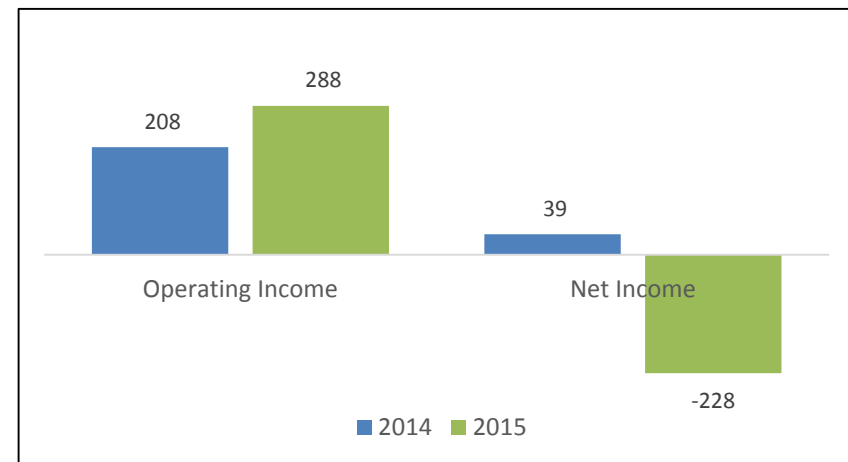
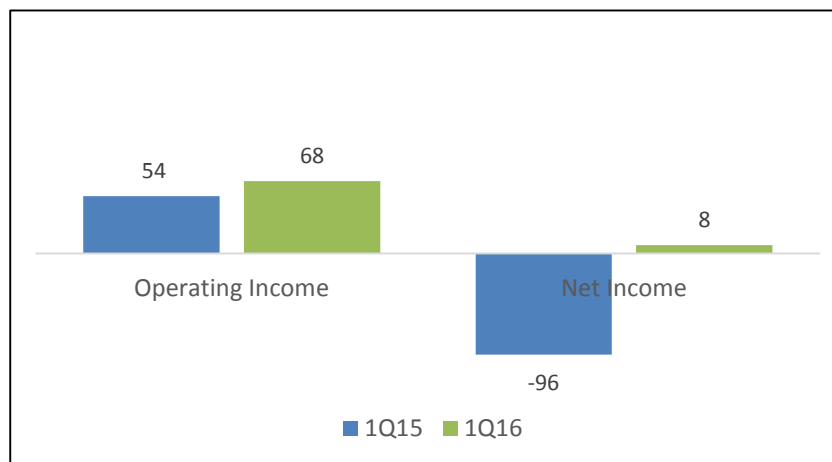
# Financial highlights 1Q2016

## Consolidated income statement

### Net sales & EBITDA (TL mn)



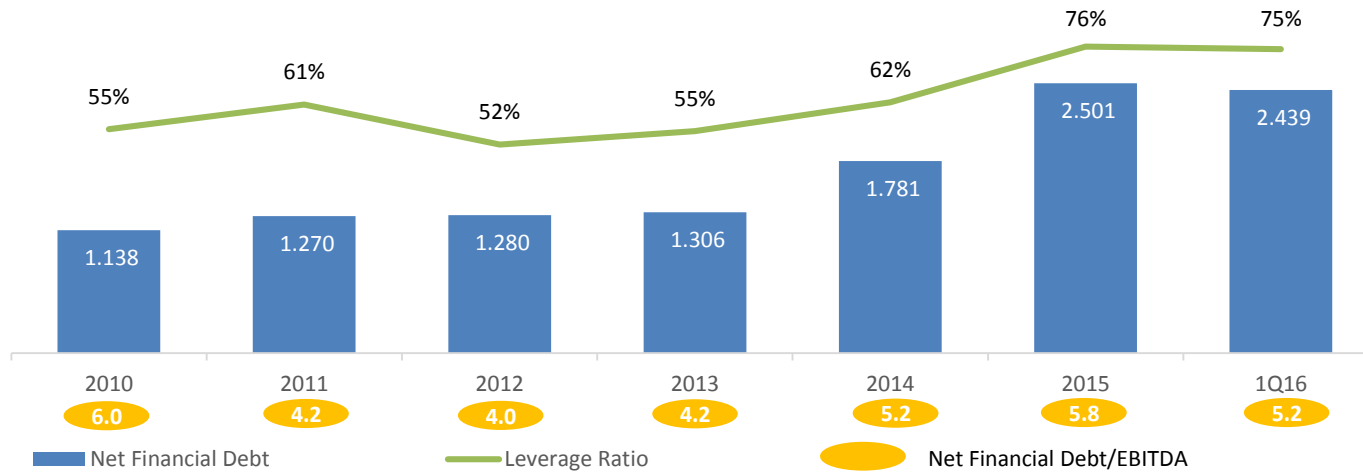
### Operating income & Net income (TL mn)



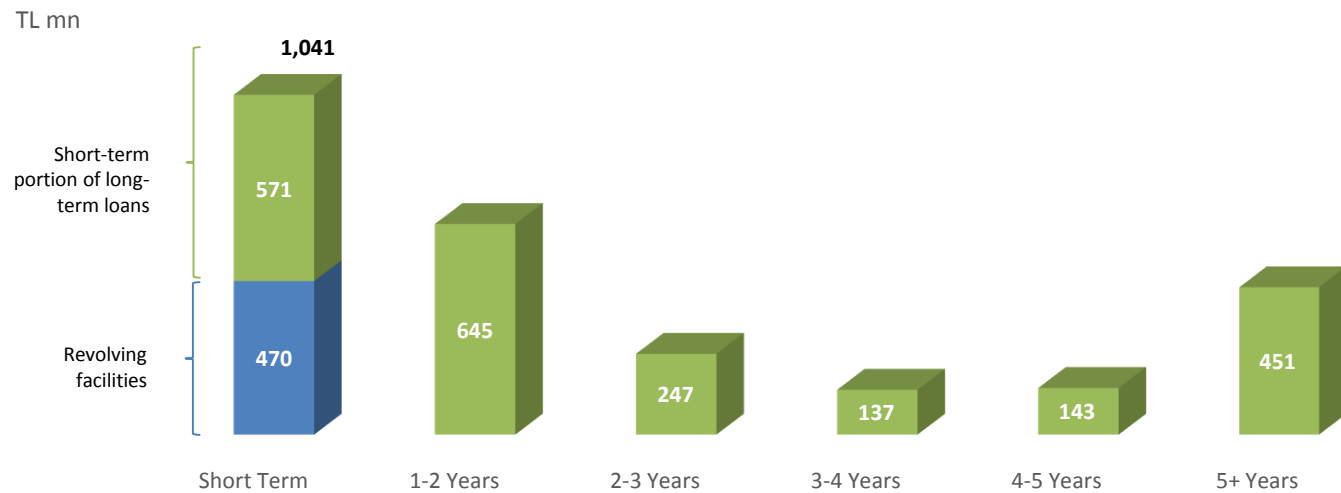
# Financial highlights 1Q2016

## Net financial debt and repayment schedule

### Net financial debt (TL mn)



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




39% of our bank loans is in TL, 49% is in USD and 12% in EUR.



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## Financial Highlights 1Q2016



Aksa Energy  
The Leading IPP in Turkey

# Consolidated income statement

<i>(TL mn)</i>	2011	2012	2013	2014	2015	Q1 2013	Q1 2014	1Q 2015	1Q 2016
<b>Net sales</b>	<b>1315,4</b>	<b>1840,6</b>	<b>1786,0</b>	<b>1957,4</b>	<b>2320,0</b>	<b>391,5</b>	<b>472,1</b>	<b>353,4</b>	<b>726,0</b>
Cost of sales	-1088,0	-1604,0	-1565,9	-1710,8	-2001,6	-341,0	-423,5	-294,6	-654,8
<b>Gross profit</b>	<b>227,4</b>	<b>236,6</b>	<b>220,1</b>	<b>246,6</b>	<b>318,3</b>	<b>50,5</b>	<b>48,6</b>	<b>58,8</b>	<b>71,2</b>
<i>Gross profit margin</i>	17%	13%	12%	13%	14%	13%	10%	17%	10%
General & administrative costs	-16,0	-16,7	-18,0	-22,2	-26,8	-3,9	-4,5	-4,0	-7,8
Sales and marketing costs	-3,0	-2,1	-2,0	-2,0	-0,6	-0,2	-0,3	-0,1	-0,1
Research & development costs	0,0	0,0	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	3,4	0,0	0,0	1,9	6,8
Other operating expenses (-)	0,0	-21,4	-8,7	-18,5	-6,6	-0,2	-0,3	-2,3	-1,7
<b>Operating income</b>	<b>208,3</b>	<b>203,0</b>	<b>196,3</b>	<b>207,6</b>	<b>287,8</b>	<b>0,0</b>	<b>43,8</b>	<b>54,3</b>	<b>68,5</b>
<i>Operating income margin</i>	15,8%	11,0%	11,0%	10,6%	12,4%	0,0%	9,3%	15,4%	9,4%
Goodwill income/(expense)	0,0	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	0,1	0,0	0,0	0,0
Financing income/(expense)	-273,5	23,2	351,6	199,6	219,0	-21,8	-57,7	67,3	56,5
<b>Earnings before income tax</b>	<b>-116,5</b>	<b>226,5</b>	<b>-156,1</b>	<b>26,6</b>	<b>-234,6</b>	<b>24,7</b>	<b>-13,9</b>	<b>-112,3</b>	<b>7,1</b>
<i>EBT margin</i>	-8,9%	12,3%	-8,7%	1,4%	-10,1%	6,3%	-2,9%	-31,8%	1,0%
Tax	-5,5	-6,6	22,8	12,8	6,2	-3,9	4,2	16,4	0,8
<b>Net income</b>	<b>-122,0</b>	<b>219,9</b>	<b>-133,3</b>	<b>39,4</b>	<b>-228,4</b>	<b>20,8</b>	<b>-9,6</b>	<b>-95,9</b>	<b>7,8</b>
<b>Net income margin</b>	<b>-9,3%</b>	<b>11,9%</b>	<b>-7,5%</b>	<b>2,0%</b>	<b>-9,8%</b>	<b>5,3%</b>	<b>-2,0%</b>	<b>-27,1%</b>	<b>1,1%</b>
<b>EBITDA</b>	<b>300,8</b>	<b>323,1</b>	<b>311,8</b>	<b>343,9</b>	<b>436,2</b>	<b>73,0</b>	<b>73,1</b>	<b>86,1</b>	<b>115,8</b>
<i>EBITDA margin</i>	22,9%	17,6%	17,5%	17,6%	18,8%	18,7%	15,5%	24,3%	15,9%

Source: IFRS financial statements  
Pls note that FY2015 results are restated.

# Consolidated balance sheet

Assets (TL mn)	2012	2013	2014	2015	1Q 2013	1Q 2014	1Q 2015	1Q 2016
Cash and cash equivalents	40,6	22,3	34,2	48,5	101,6	127,6	79,1	252,8
Trade receivables net	245,9	142,3	88,7	182,6	227,2	115,0	23,8	299,8
Due from related parties and shareholders	593,9	0,0	4,4	0,0	252,4	0,0	0,0	0,0
Inventory	135,5	250,0	269,2	319,3	183,1	223,9	292,7	322,4
Derivative Financial Instruments	–	2,7	2,7	0,0	–	1,8	4,6	0,0
Other current assets	84,6	77,4	116,6	199,6	59,2	71,9	150,2	140,7
<b>Total current assets</b>	<b>1.100,8</b>	<b>494,7</b>	<b>515,8</b>	<b>750,0</b>	<b>823,4</b>	<b>540,2</b>	<b>550,5</b>	<b>1.015,6</b>
Trade receivables	–	1,3	0,0	0,0	–	0,1	0,0	299,8
Investments	1,6	1,5	1,9	0,4	1,7	1,5	1,9	0,4
PP&E	1.627,3	2.109,7	2.730,0	3.121,3	1.626,6	2.301,8	2.835,8	3.159,3
Goodwill	9,5	7,1	7,1	6,8	9,5	7,1	7,1	6,8
Intangibles	1,7	1,9	1,9	3,8	1,7	1,9	1,9	3,6
Other non-current assets	87,0	113,2	80,6	126,1	118,5	99,0	82,3	72,1
Deferred tax assets	4,1	36,7	56,2	66,3	4,1	39,1	94,7	89,1
<b>Total non-current assets</b>	<b>1.731,2</b>	<b>2.271,4</b>	<b>2.877,7</b>	<b>3.324,7</b>	<b>1.762,1</b>	<b>2.450,4</b>	<b>3.023,7</b>	<b>3.331,4</b>
<b>Total assets</b>	<b>2.832,0</b>	<b>2.766,1</b>	<b>3.393,5</b>	<b>4.074,7</b>	<b>2.585,5</b>	<b>2.990,6</b>	<b>3.574,1</b>	<b>4.347,1</b>
<b>Liabilities (TL mn)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>1Q 2013</b>	<b>1Q 2014</b>	<b>1Q 2015</b>	<b>1Q 2016</b>
Financial liabilities	564,3	265,6	439,6	938,0	288,8	306,1	501,5	973,3
Trade payables, net	284,7	326,1	431,8	272,3	303,6	323,1	547,9	276,0
Due to Related Parties and Shareholders	–	10,3	0,0	127,8	–	0,1	7,1	470,5
Taxation payable on income	6,6	7,5	9,6	7,1	3,9	3,8	1,5	2,5
Other payables and accrued liabilities	11,7	14,8	15,8	15,3	17,3	21,4	17,9	21,6
<b>Total current liabilities</b>	<b>867,3</b>	<b>624,3</b>	<b>898,3</b>	<b>1.367,8</b>	<b>613,6</b>	<b>654,5</b>	<b>1.075,9</b>	<b>1.750,2</b>
Long-term financial liabilities	756,4	1.062,7	1.375,8	1.852,4	742,6	1.271,9	1.451,2	1.718,8
Retirement pay provision	2,2	3,0	5,2	4,4	2,4	3,2	5,6	4,6
Other liabilities	–	1,3	0,0	0,0	–	0,1	0,0	0,0
Deferred tax liability	2,9	3,5	4,8	48,9	2,9	0,1	25,2	64,5
<b>Long Term Liabilities</b>	<b>761,5</b>	<b>1.070,5</b>	<b>1.385,8</b>	<b>1.905,7</b>	<b>747,9</b>	<b>1.275,4</b>	<b>1.482,0</b>	<b>1.787,8</b>
Paid in capital	615,2	615,2	615,2	613,2	615,2	615,2	615,2	613,2
General reserves	121,0	340,3	207,0	42,1	340,7	207,0	246,4	39,1
Share premium	247,4	247,4	247,4	247,4	247,4	247,4	247,4	247,4
Cash Flow Hedge Reserve	–	2,1	1,0	-5,8	0,0	1,4	0,2	-6,1
Net profit for the year	219,9	-133,3	39,4	-227,4	20,8	-9,6	-96,6	7,8
<b>Shareholder's equity</b>	<b>1.203,2</b>	<b>1.071,3</b>	<b>1.109,4</b>	<b>801,3</b>	<b>1.224,0</b>	<b>1.061,3</b>	<b>1.012,6</b>	<b>809,0</b>
<b>Total liabilities and equity</b>	<b>2.832,0</b>	<b>2.766,1</b>	<b>3.393,5</b>	<b>4.074,7</b>	<b>2.585,5</b>	<b>2.991,2</b>	<b>3.570,4</b>	<b>4.347,1</b>

Source: IFRS financial statements  
Pls note that FY2015 results are restated.

# Consolidated statement of cash flows

	Restated (*)	
CASH FLOWS FROM OPERATING ACTIVITIES	1Q 2016	FY 2015
Net profit / (loss) for the period	7,821,811	(105,907,978)
Adjustments for:		
Impact of error	(7,852,430)	--
Depreciation and amortisation	47,283,053	31,732,522
Provision for employee severance indemnity	3,424,029	234,251
Interest expense accruals on loans	61,462,392	(12,464,851)
Unrealised foreign exchange (gains) / losses on loans	--	129,937,224
Change in allowance for doubtful other receivables	--	5,817
Discount on receivables / (payables), net	--	-26,822
Adjustment for tax income/(expense)	972,316	--
Adjustment for provisions	-254,222	--
<b>Operating profit before working capital changes</b>	<b>112,856,949</b>	<b>43,510,163</b>
Change in trade receivables	(178,642,625)	65,408,321
Change in inventories	(3,010,045)	(23,519,288)
Change in other current assets	(1,768,378)	(33,635,843)
Change in other non- current assets	42,239,810	(1,719,562)
Change in other receivables	53,174,292	--
Change in trade payables	4,472,276	115,971,783
Change in due to related parties	339,739,434	--
Change in due from related parties	70,055,416	--
Change in other payables	8,313,511	2,170,685
Change in increase/decrease in value of working capital	4,041,586	--
Change in taxes paid	(1,916,968)	(9,552,721)
<b>Cash used in from operations</b>	<b>449,555,258</b>	<b>158,633,538</b>
(Purchases) / Disposals of property, plant and equipment and intangible ass	(84,469,858)	(145,071,314)
Purchases of derivative financial instruments	2,060,248	--
<b>Net cash used in from operating activities</b>	<b>(82,409,610)</b>	<b>(145,071,314)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Financial liabilities	(162,845,626)	19,808,647
Due from/to related parties and shareholders	--	11,454,618
<b>Net cash provided / (used in) investing activities</b>	<b>(162,845,626)</b>	<b>31,263,265</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>204,300,023</b>	<b>44,825,489</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>48,452,416</b>	<b>34,238,000</b>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>252,752,439</b>	<b>79,063,489</b>

# Contact- Investor Relations

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