

AYGAZ GROUP

Investor Presentation

March 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

Summary financials; (Cons. in m\$)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>YoY change</u>
Revenue	3,126	3,267	3,105	-4 %
EBITDA	137	140	204	-2%
EBITDA Margin	4%	4%	10%	-
Net Profit	170	227	160	-25%
Net Profit Margin	5%	7%	5%	-2
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Volume (000 tons)	1,731	1,686	1,607	3%

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

43%
Cylinder LPG

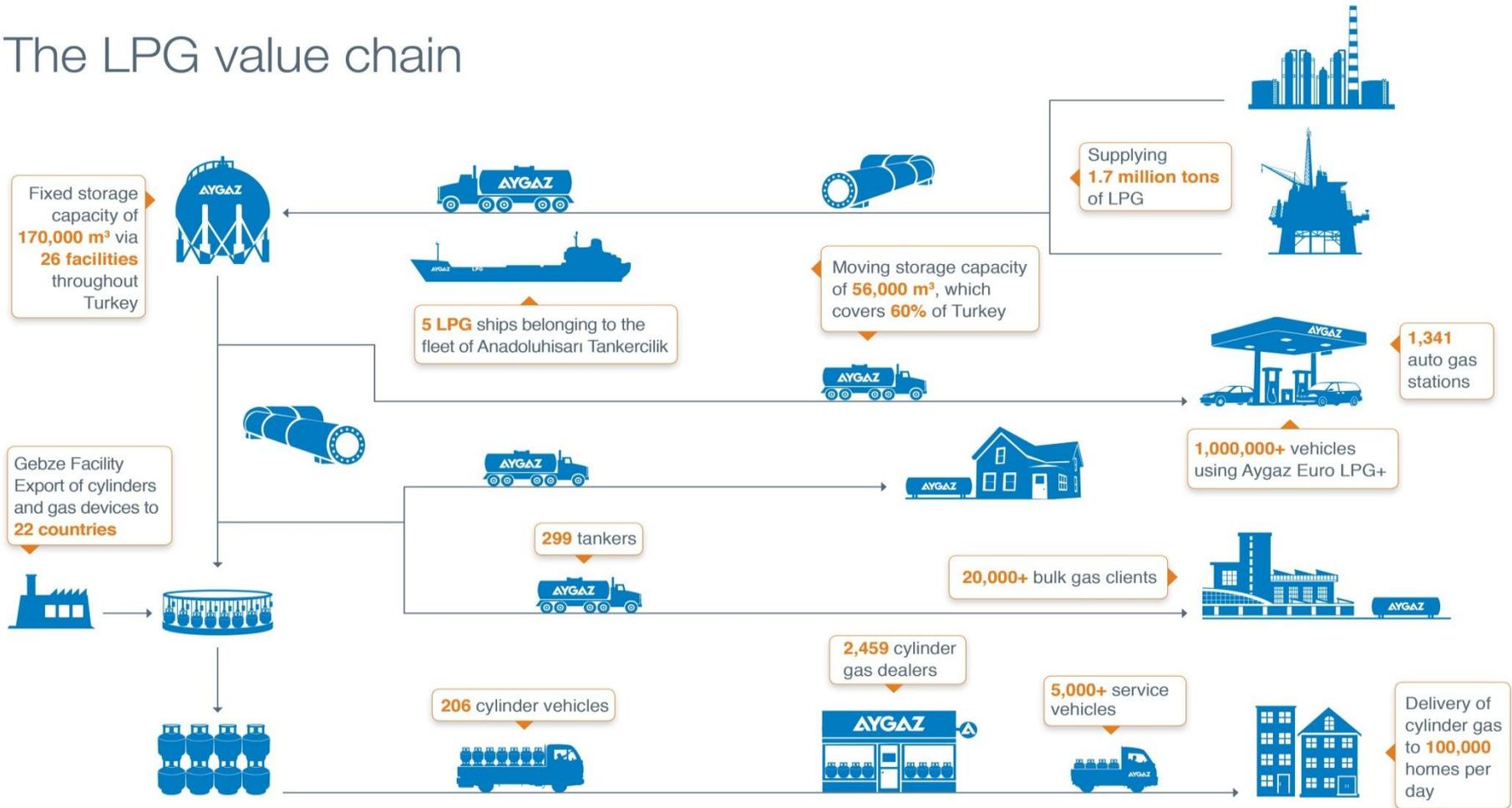
Aygaz Group
Market shares

29%
All segments

23%
Autogas

What we do?

The LPG value chain



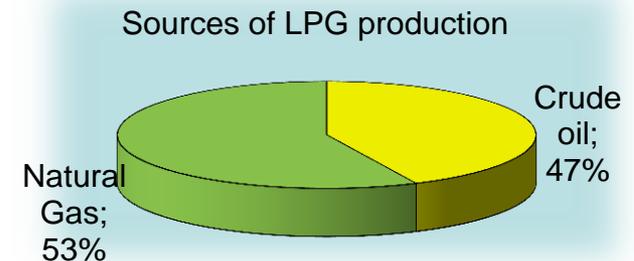
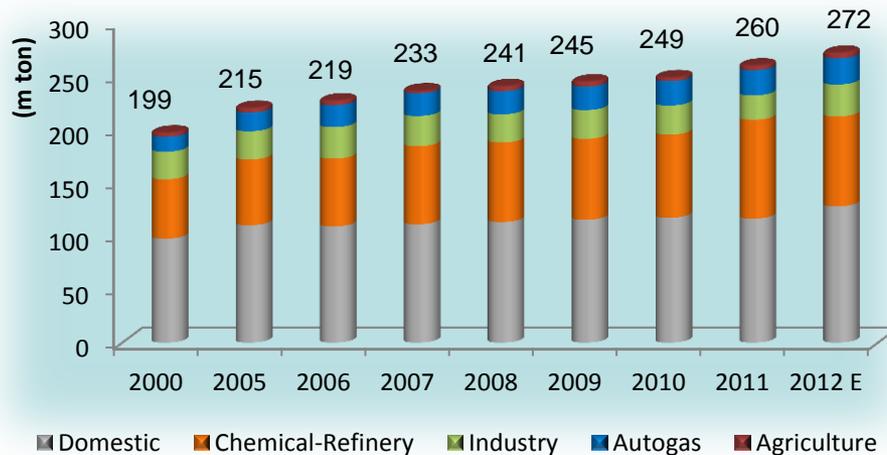
* As of end of 2011

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

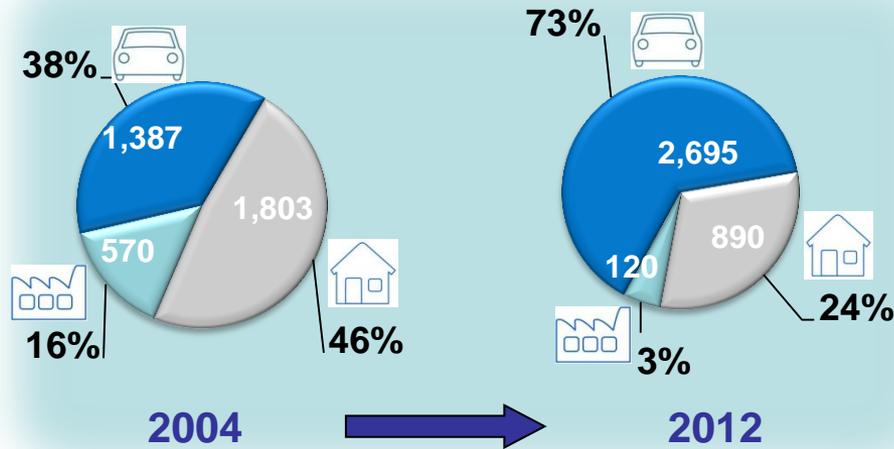
- Portable and versatile
- Abundant reserves-price advantage
- Diversity of supply sources
- Low GHG emission



*WLPGA Statistical Review of Global LP Gas Report, 2011

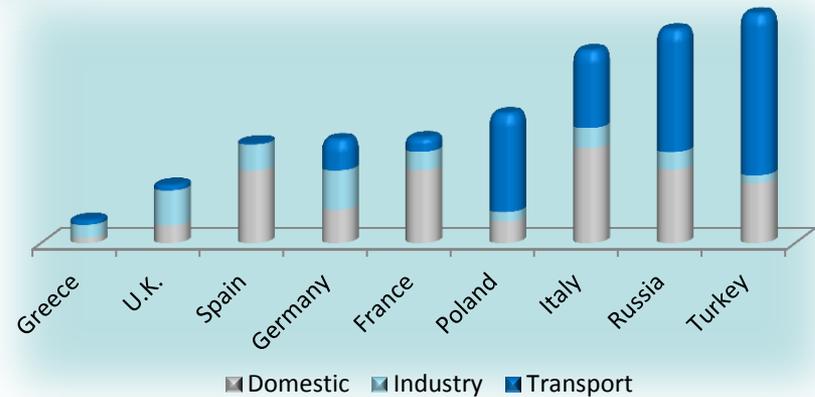
Facts about Turkish LPG market

Evolving from cylinder to auto



EMRA LPG Sector Report 2004, 2011

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



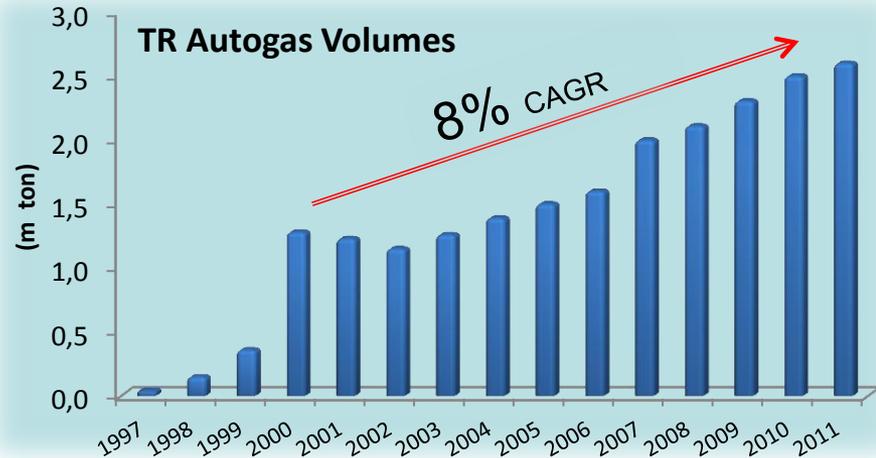
WLPGA Statistical Review of Global LP Gas Report, 2011
*excluding petrochemical consumption

Where is the growth? - autogas

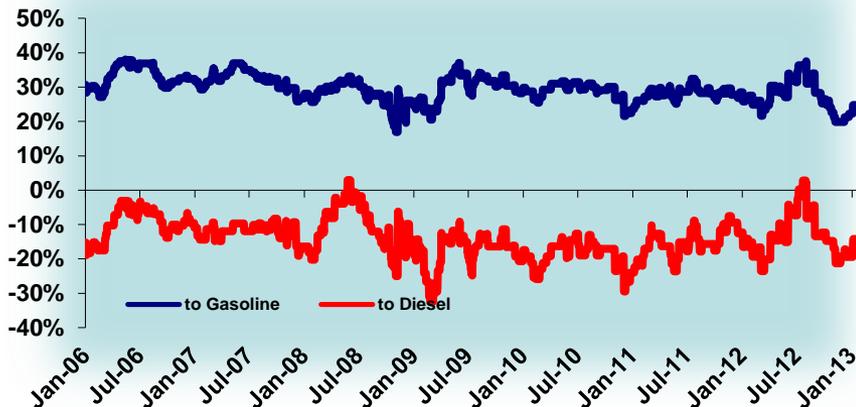
Second

biggest autogas market in the world
2.6 m tons

40% of the passenger car park
3.5 m cars



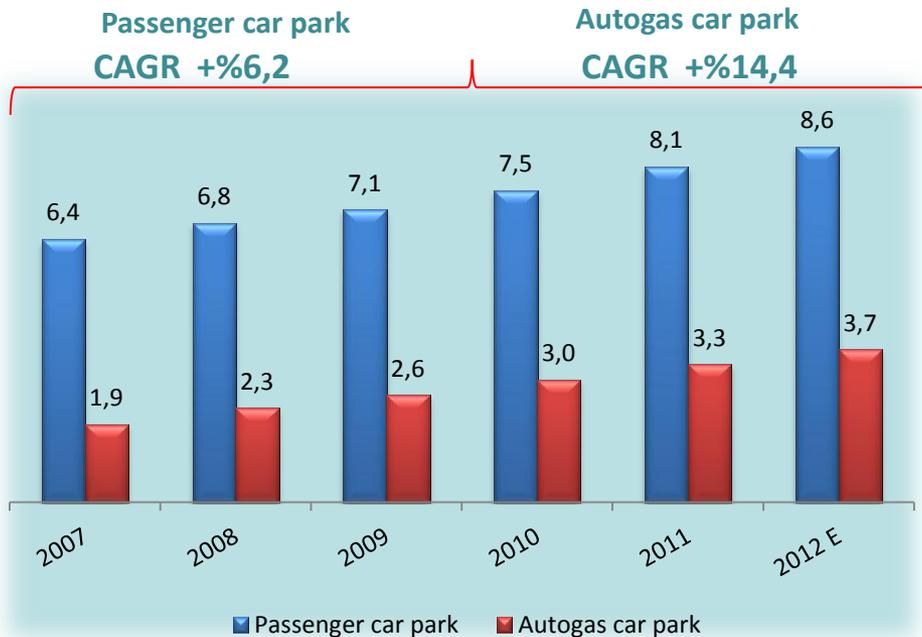
TLPG Association Report, EMRA



25% price advantage to gasoline

9,300+ autogas stations all over Turkey

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

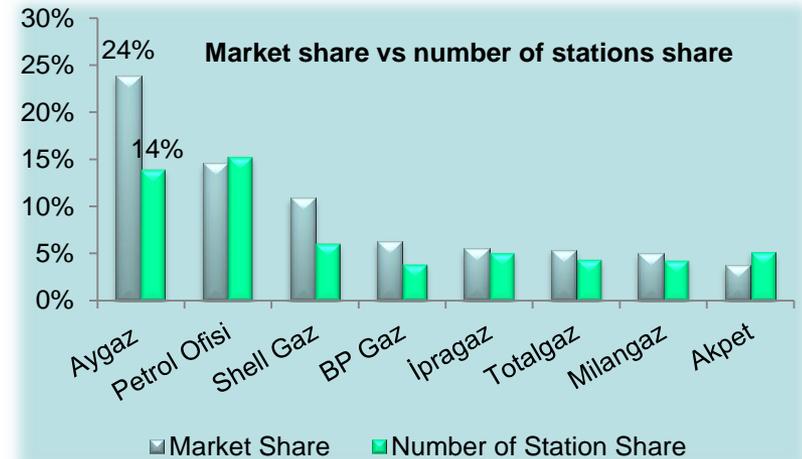
- initial investment (x10 times)
- conversion cost (x2 times)
- range per tank (x1/3)
- longer tank refill time

14 car manufacturers provide guaranteed conversion

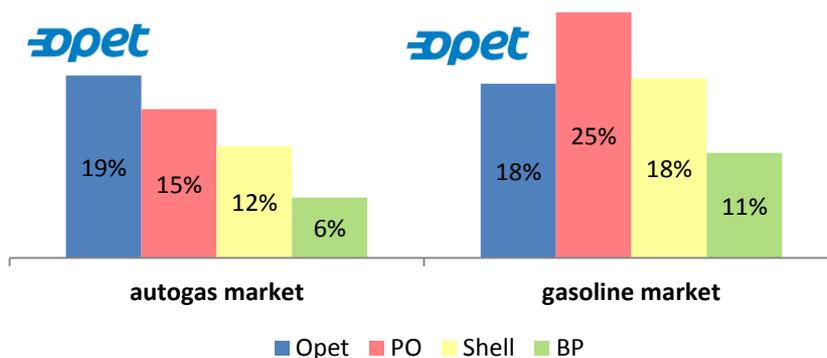
How do we lead autogas market?

Long-term strategy builder
Opet partnership

Aygaz&Opet **synergy** leads autogas market



* 2011 PETDER and EMRA data



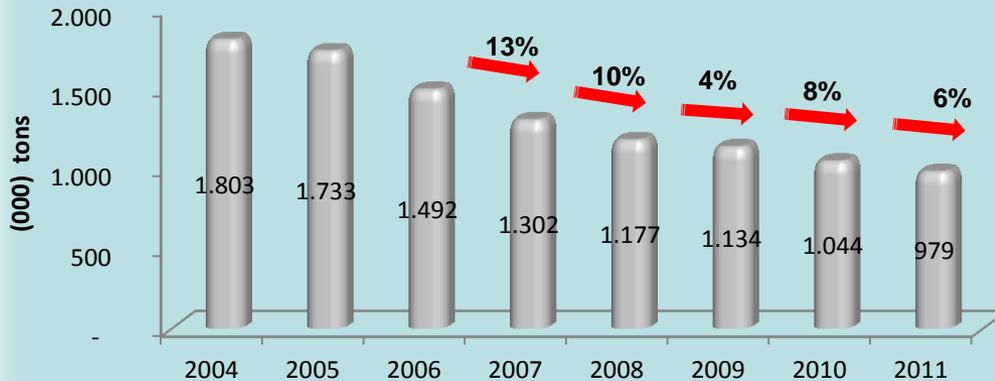
* 2011 PETDER and EMRA data

Core business is LPG

unlike fuel distributors

- Pioneer in R&D and innovation

Is the cylinder market here to stay? - Yes



TLPG Association Report, EMRA

Contraction **slowing down**

Potential growth in **rural areas**

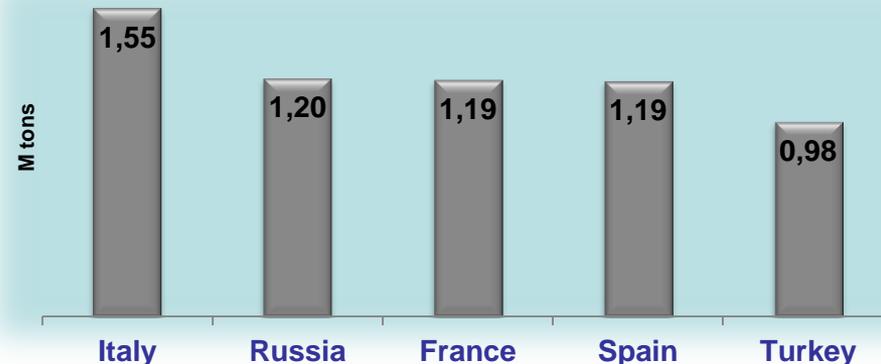
60%

market share in residential market

12,300+ points of sale

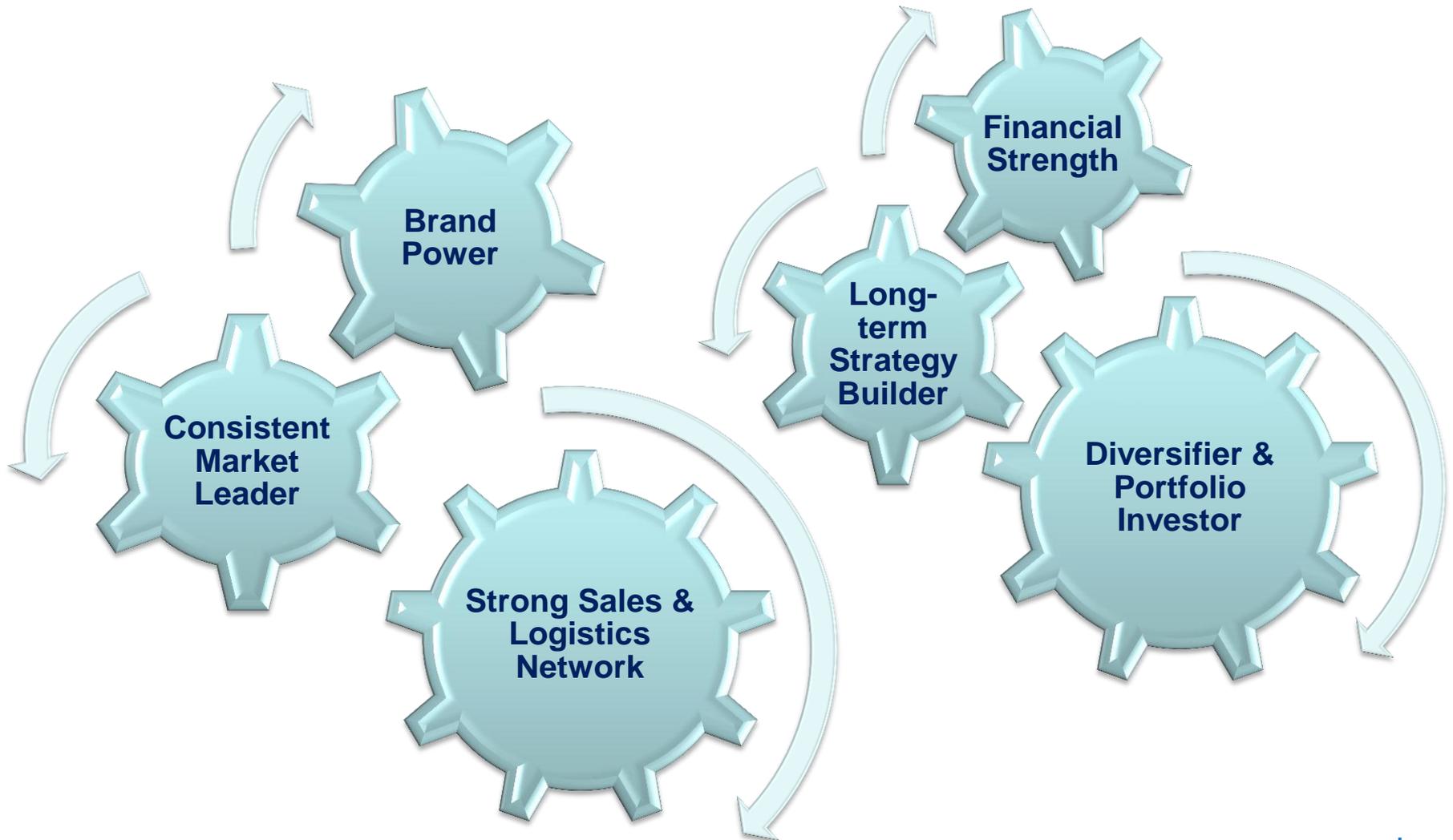
Fully integrated production cycle –Gebze plant

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

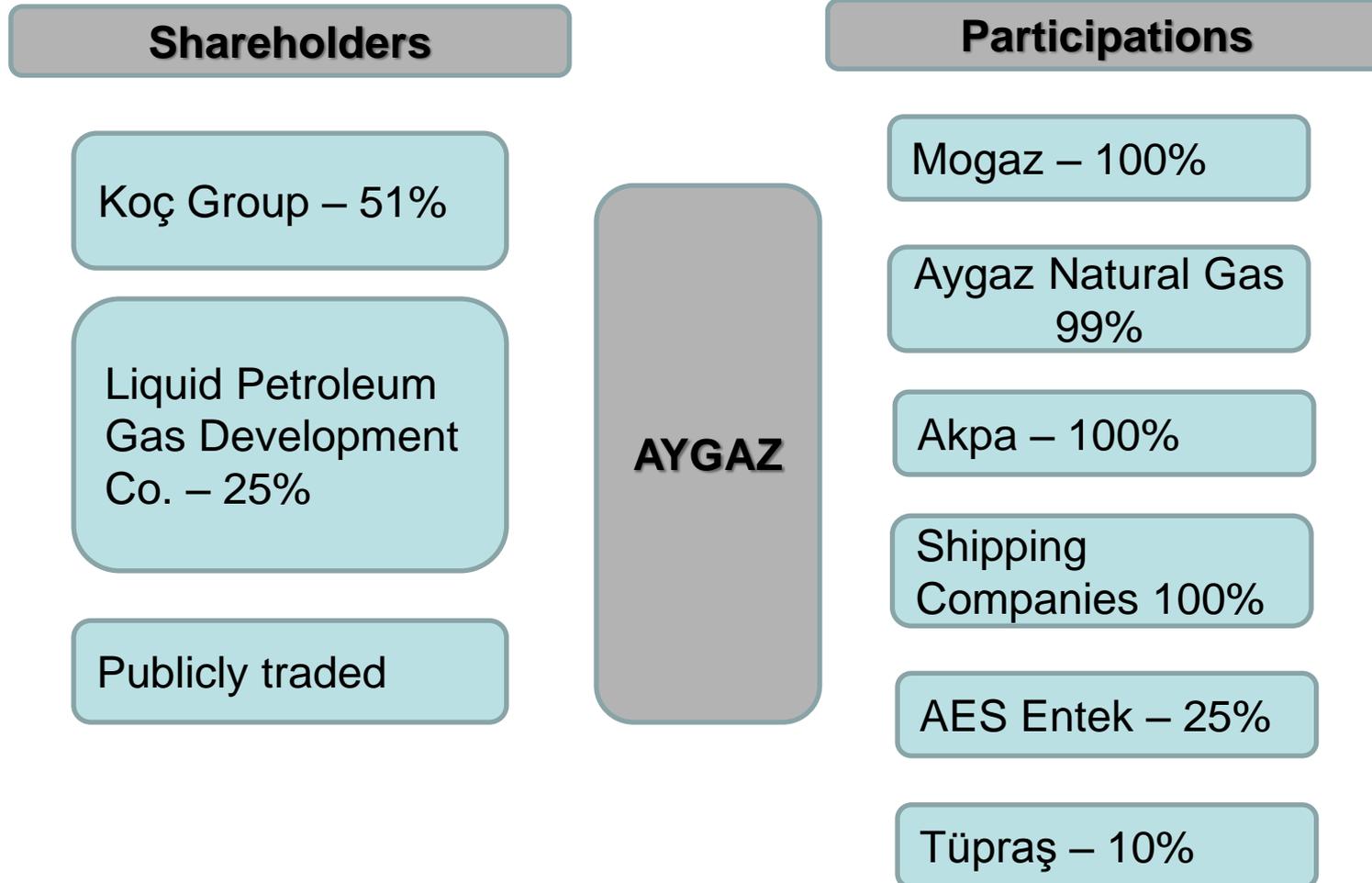


*WLPGA Statistical Review of Global LP Gas Report, 2011

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



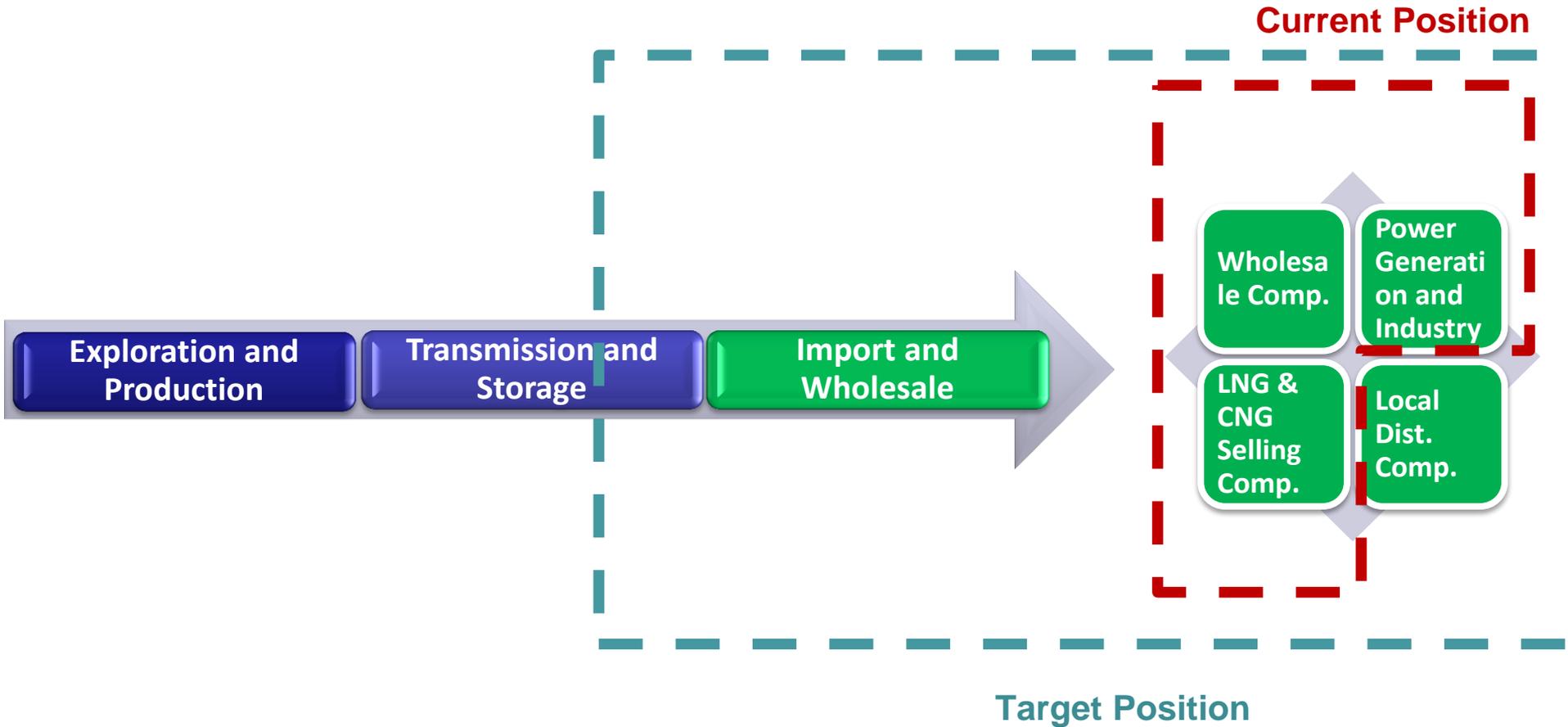
- Started in 2010; Sales: 66 mcm
- 2013 planned sales: 400 mcm

Strategies

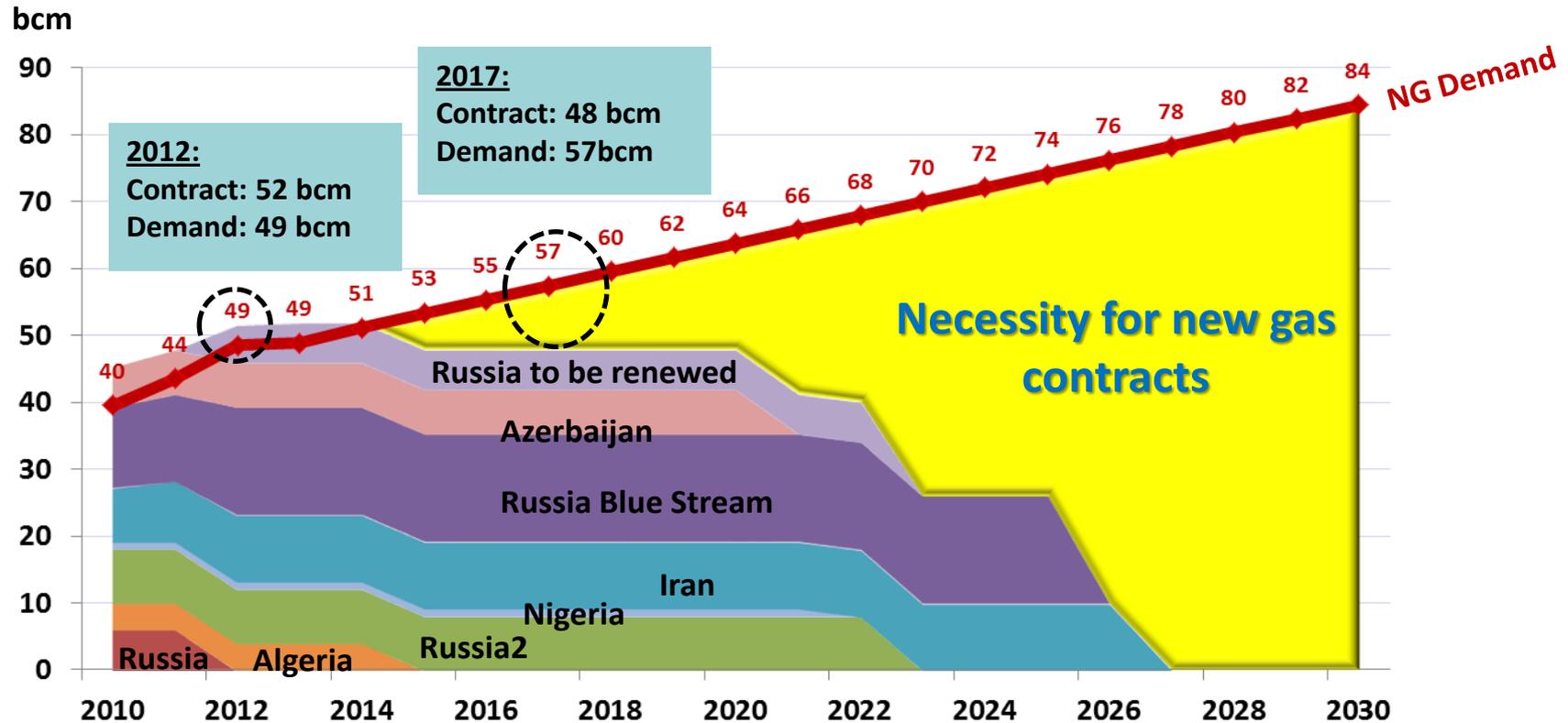


- LNG import (near term)
- Pipeline gas import
- Local Distribution

What is our natural gas strategy?



Turkey's Natural Gas Supply-Demand



Source: Aygaz & market data

- Turkey's additional natural gas requirement will increase

Who is AES Entek?

AESEntek



Capacity – 364 MW NGCC

- İzmit : 160MW
- Bursa : 142MW
- 3 Hydro assets : 62MW
- Sales composition : 52% PMUM & 48% trade & direct customers



Production and Sales - 2011

- Electricity prod. : 1.632 Gwh Energy sales : 2.362 Gwh
- Steam prod. : 128 Gwh Revenue : 353 m TL



Strategies

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

AES Entek Project Updates



AYAS IMPORTED COAL

625 MW Greenfield Coal Power Plant



SEYMENOBA CCGT

220 MW Cogeneration Power Plant



YAHŞIELİ WIND PARK

46 MW Greenfield Wind 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

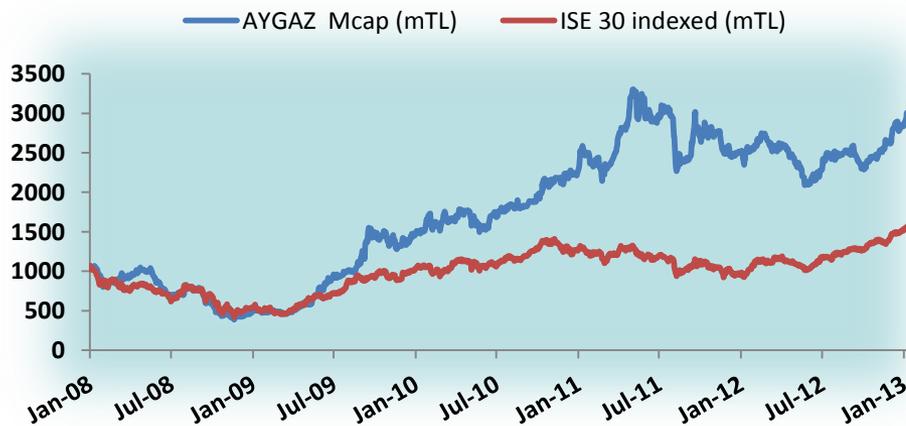
dividend payments

Corporate governance

practices at international standards

Potential

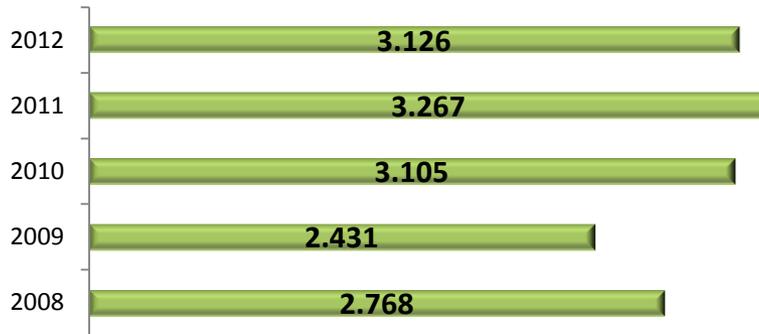
growth through participations



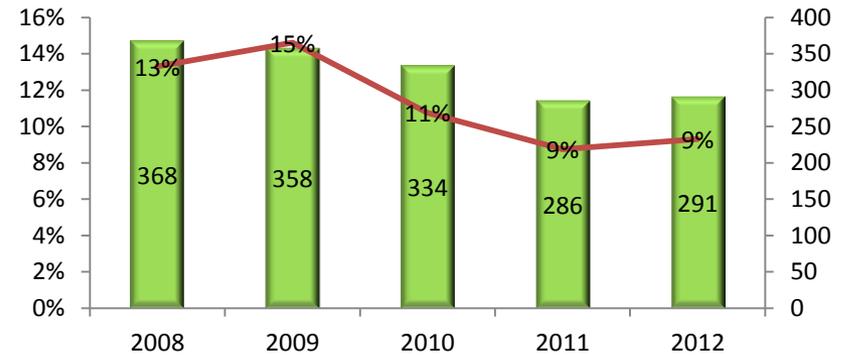
Source: AYGaz

Financial Highlights

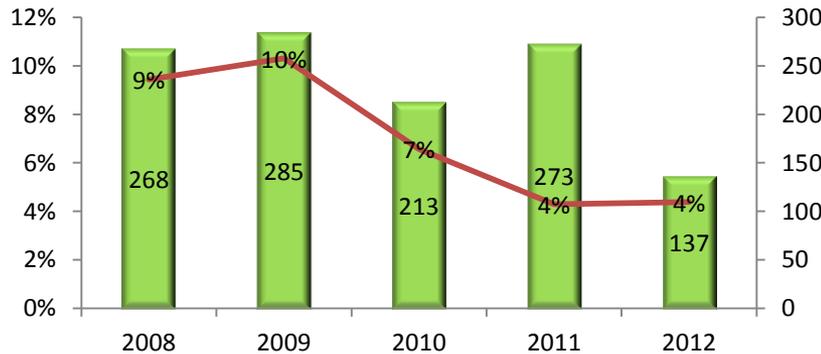
Net sales (m\$)



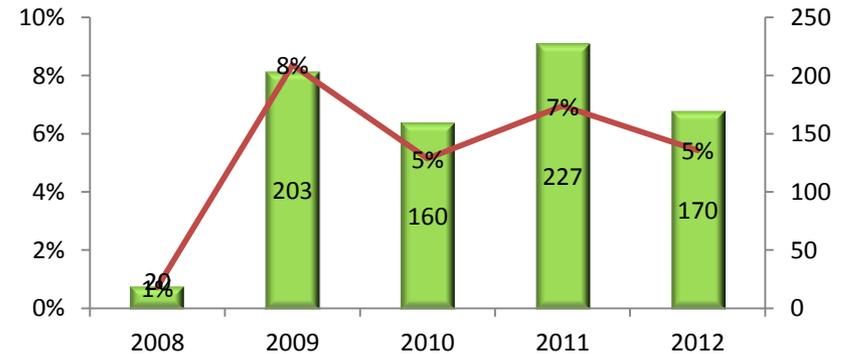
Gross Profit(m\$) and GPM*



EBITDA(m\$) and EBITDA Margin*



Net Profit(m\$) and NPM*

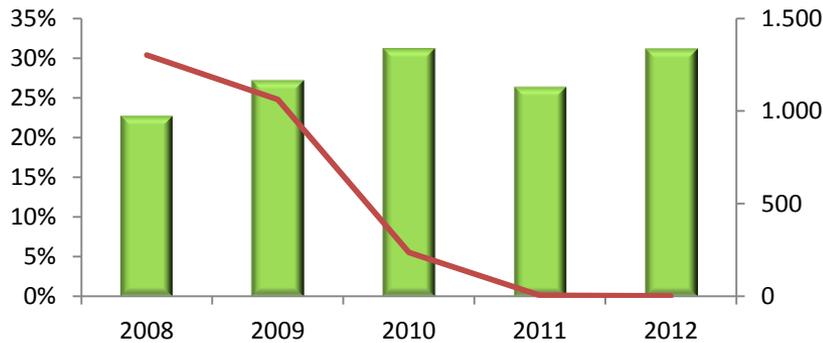


* bars: \$ figures & lines: % figures

* Instability due to FX(TRY/USD) fluctuation

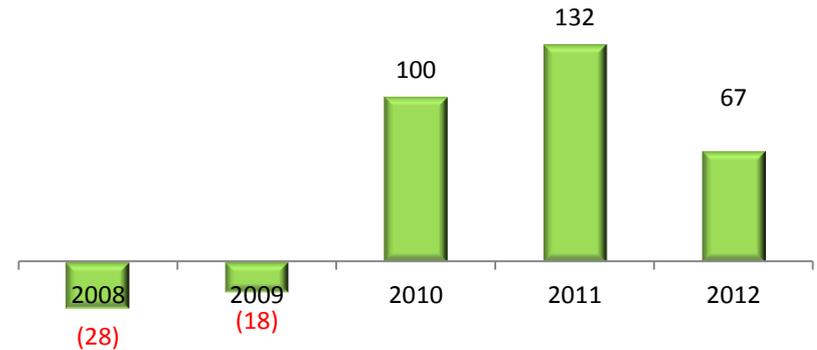
Financial Highlights

Equity (m\$) and Debt Ratio*

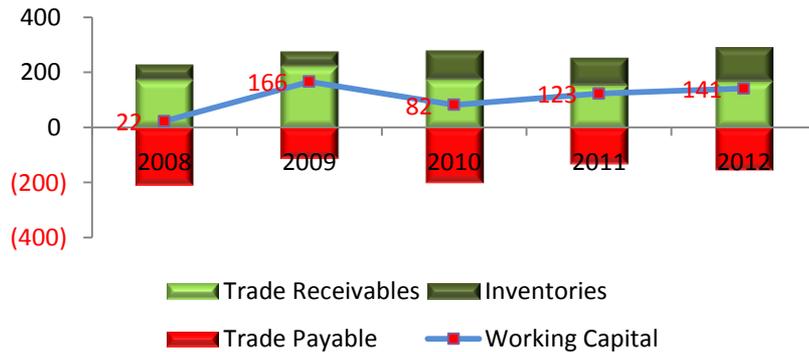


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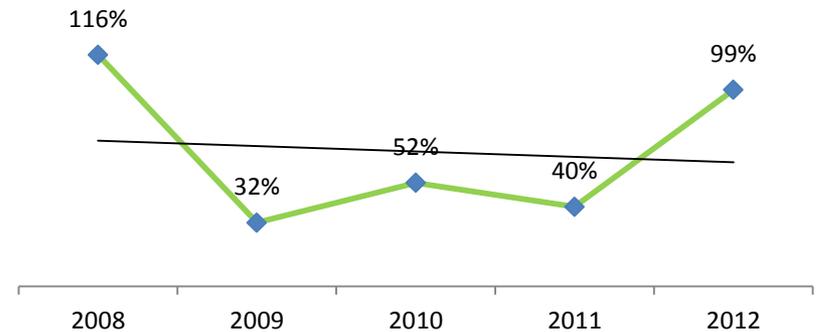
Net Cash (m\$)



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