

Park Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş.

Investors Presentation

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I. Company

Introduction

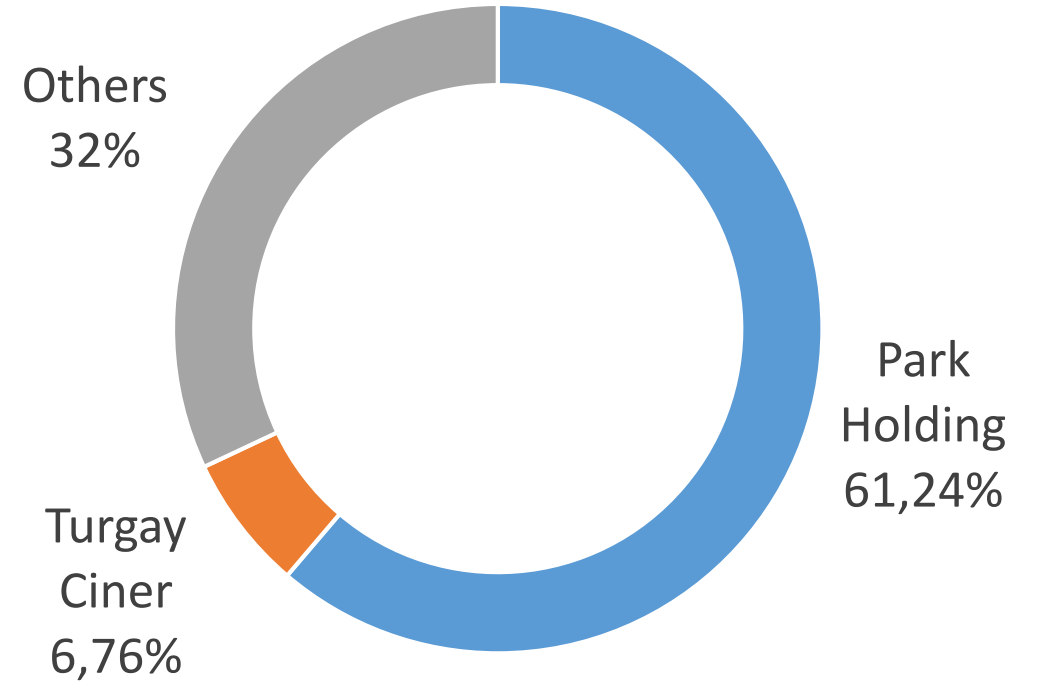
- Park Elektrik has been the sole copper mining company of Borsa Istanbul until recently. The company sold its copper mine and related assets in Siirt to Cengiz İnşaat for USD 195 million + VAT in March 2017 in the aftermath of a landslide occurred in the mine in November 2016. Park Elektrik was operating Madenköy copper mine for eleven years since late 2006.
- Following sale of copper mine, Park Elektrik invested in energy sector by purchasing 100% shares of its sister company Konya Ilgın Elektrik Üretim San. ve Tic. A.Ş. for USD 150 million from Park Holding A.Ş., its parent company.
- Konya Ilgın has a strategic project and a license to establish a 500 MWe thermal power plant in Konya in central Anatolia. The company also has the operational rights of coal reserves in the same zone until 2043. There is 138 million tons of mineable lignite reserves in the zone with an average calorific value of 2069 kcal/kg.
- According to initial plans, estimated time for the initiation of the project is 2018 and estimated duration is 43 months.

Ownership Structure

Park Elektrik Üretim Madencilik San. ve Tic. A.Ş. Ownership Structure

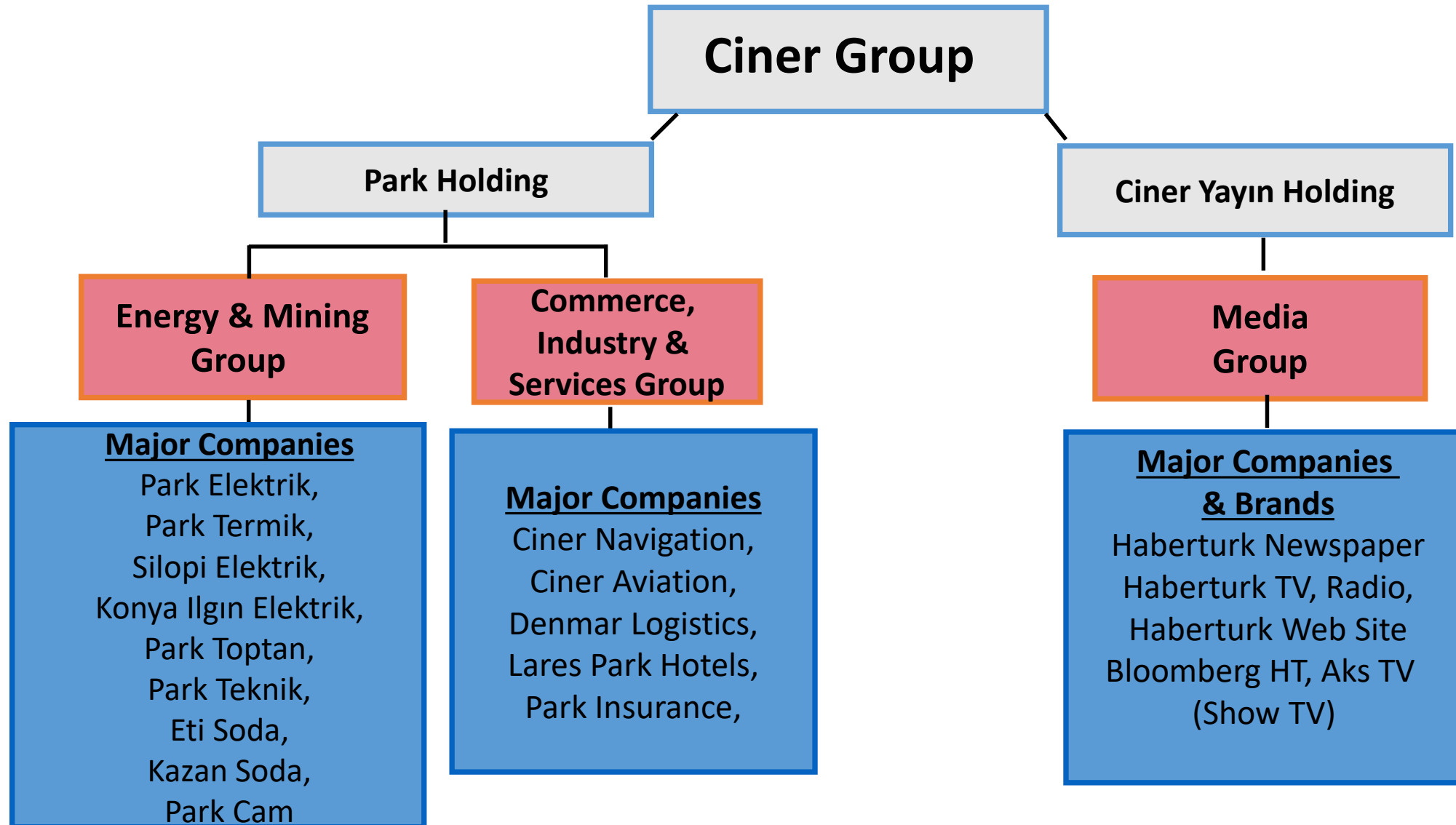
	Share (%)	Amount (TL)
Park Holding A.Ş.	61,25	91.168.622
Turgay Ciner	6,76	10.065.983
Others	31,99	47.632.638
Total	100,00	148.867.243

Ownership Structure



II. Ciner Group

Ciner Group Structure



Ciner Group's History

- Park Holding, the main shareholder of Park Elektrik with 61% share, is solely owned by Mr. Turgay Ciner.
- Ranking among the largest Groups of Turkey, Ciner Group's history goes back to 1978 when it was founded. The Group has a diversified business portfolio. However, the Group's main line of businesses are mining and energy in which it has a wide expertise.
- Ciner Group is a pioneering actor in energy and mining sector given its new and initial steps since early 1990s. In line with accelerated privatization efforts in 1990s, the Group successfully involved in mining – mainly in coal mining- and energy sectors which are the underlying sectors of the Group's fast growth.
- In recent years, Group entered a new area of mining through trona mining and soda ash production in Turkey and US. Soda ash is an essential raw material used mainly in glass, chemicals and detergents industries. The Group's total soda ash production capacity amounted to 6.9 mn tons/year including its production units in Beypazarı & Kazan-Turkey and Wyoming-USA. As one of the largest and lowest cost producers of natural soda ash worldwide, Ciner Group also invested in glass production in 2013 with a 1000 ton/day capacity in two lines in Bozüyük, Central Anatolia, Turkey.

III. Participations of Park Elektrik

Konya Ilgın Elektrik Üretim San. ve Tic. A.Ş. (100% Subsidiary)

- Konya Ilgın was established to extract lignite from its coal mine to produce and sell electricity.
- Ilgın lignite field has an mineable 138 million tons of lignite ore with an average heat value of 2069 kcal/kg, and the ore to be extracted from the field will be used for the plant with the thermal power of 500 MWe, with a supercritical circulating fluidized bed technology.
- Konya Ilgın lignite field was initially discovered by drilling done by the MTA in the 1980s. With the drilling and reserve works performed by North American Coal Company that holds the operating rights of the field in subsequent years, the amount of lignite reserves in the field was found out.
- In 2011, Konya Ilgın took over operational rights of the field until 2043, which may be extended upon request. Since 2011, Konya Ilgın have made drillings to confirm existing mining data and have worked towards creating a safe and sustainable mine plan by examining the area's geology and reserves. In this context, confiscation process related to the land are continuing.
- Konya Ilgın have conducted technical studies with domestic and foreign consultant firms including Vattenfall GmbH, FugroSial, Istanbul Technical University especially for reserve calculations and mine planning.

Investment Facts of Ilgın Thermal Power Plant Project

- Investment in Konya Ilgın is estimated to start in 2018 and will take 43 months to be completed.
- Estimated total investment amount for Konya Ilgın thermal power plant is around USD 650 million, where EPC contract amount is USD 597million
- The EPC contract amount is planned to be externally financed by 85%.
- Estimated tax reduction for the investment is around USD 170 million due to heavy tax incentives granted for domestic coal using thermal power plants.
- So far, only preparation works have been done such as dewatering in the construction site, acquiring of construction and environmental licenses from local governmental agencies.

Projected Electricity Production of Konya Ilgın PP

- According to feasibility studies projected gross and net electricity production amount of the power plant will be as given in the table below.

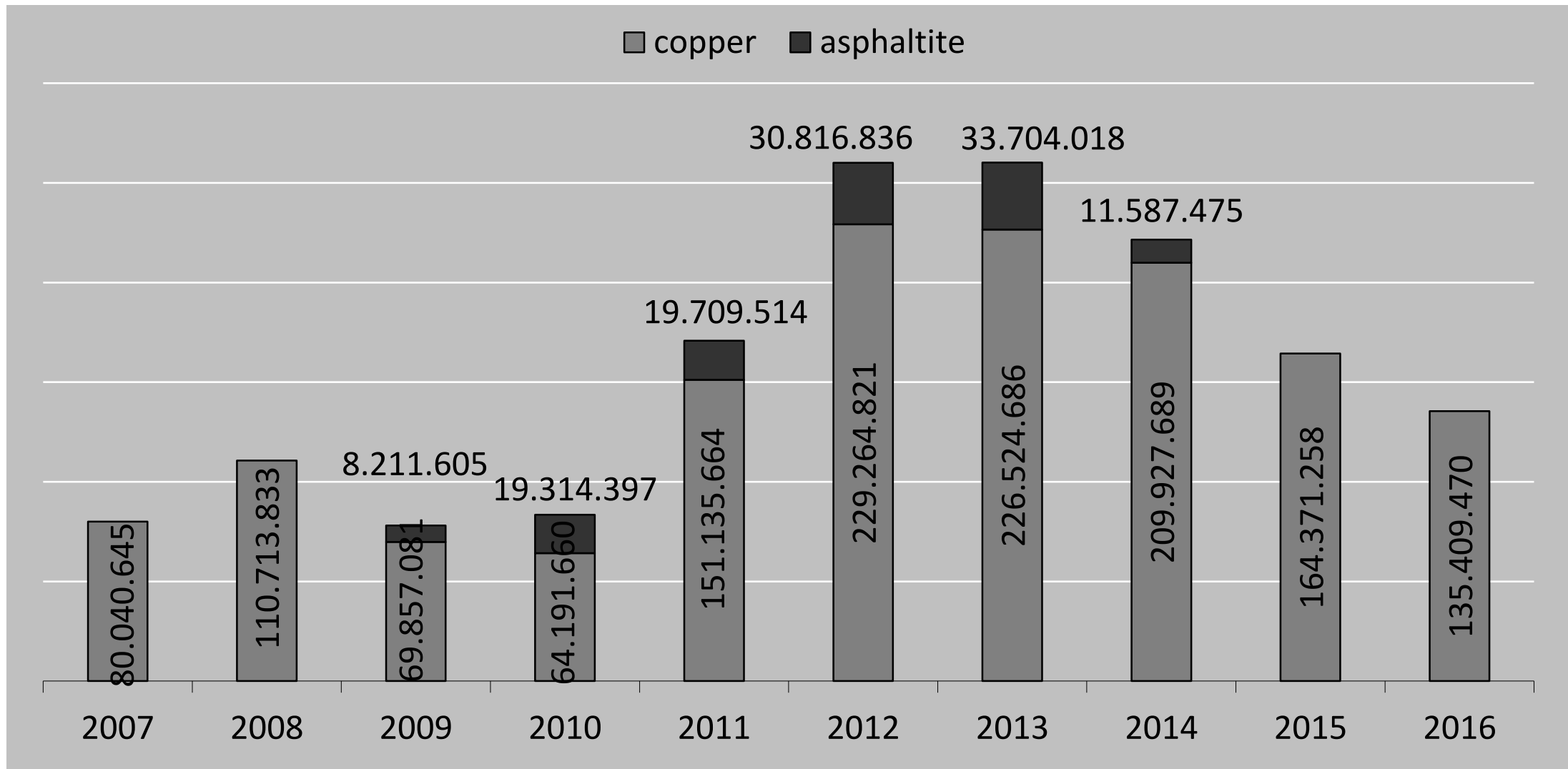
Projected Annual Electricity Production	
Working Hour (Hour/year)	7,600
Capacity (MWe)	500
Gross Electricity Production (kWh/year)	3,800,000,000
Primer (kWh)	19,000,000
Primer Loss	0.5%
Gross Electricity Production (kWh/year)	3,781,000,000
Internal Consumption (kWh/Year)	434,815,000
Internal Con. Rate	11.5%
Net Electricity Production (kWh/Year)	3,346,185,000

Park Termik Elektrik San. ve Tic. A.Ş. (10% minority share)

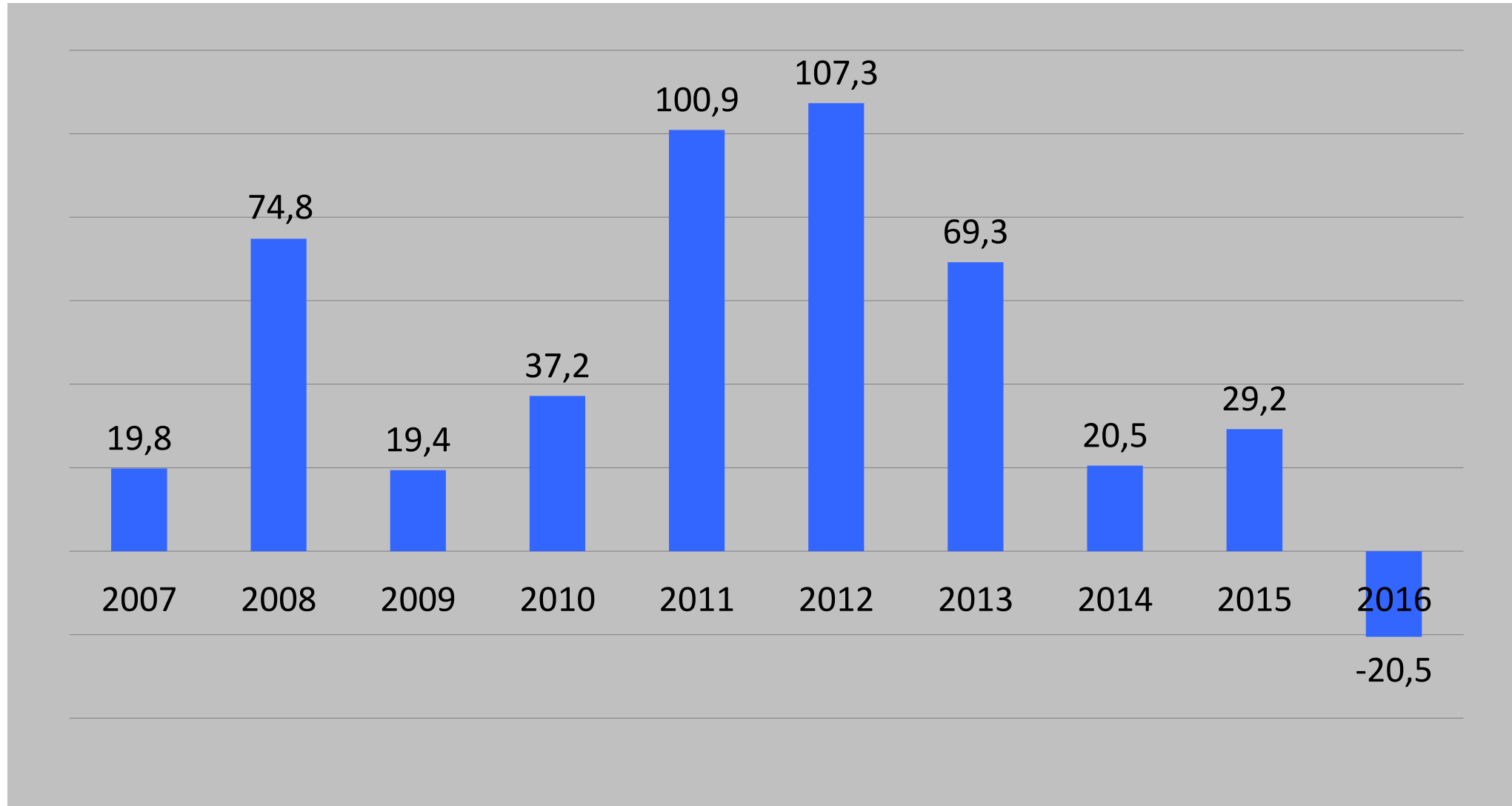
- Park Elektrik has 10% stake in Park Termik Elektrik San. ve Tic. A.S., a Ciner Group company which is involved in thermal power generation in Çayırhan, Ankara.
- Park Termik has operating rights of Çayırhan Thermal Power Plant which has a total production capacity of 620 MW, in four units.
- The plant is an integrated power generator which procures coal of its own lignite mines.
- In 2015, Park Elektrik gained approximately TL7mn dividend income from Park Termik. There was no dividend income from Park Termik in 2016.

IV. Financial Figures

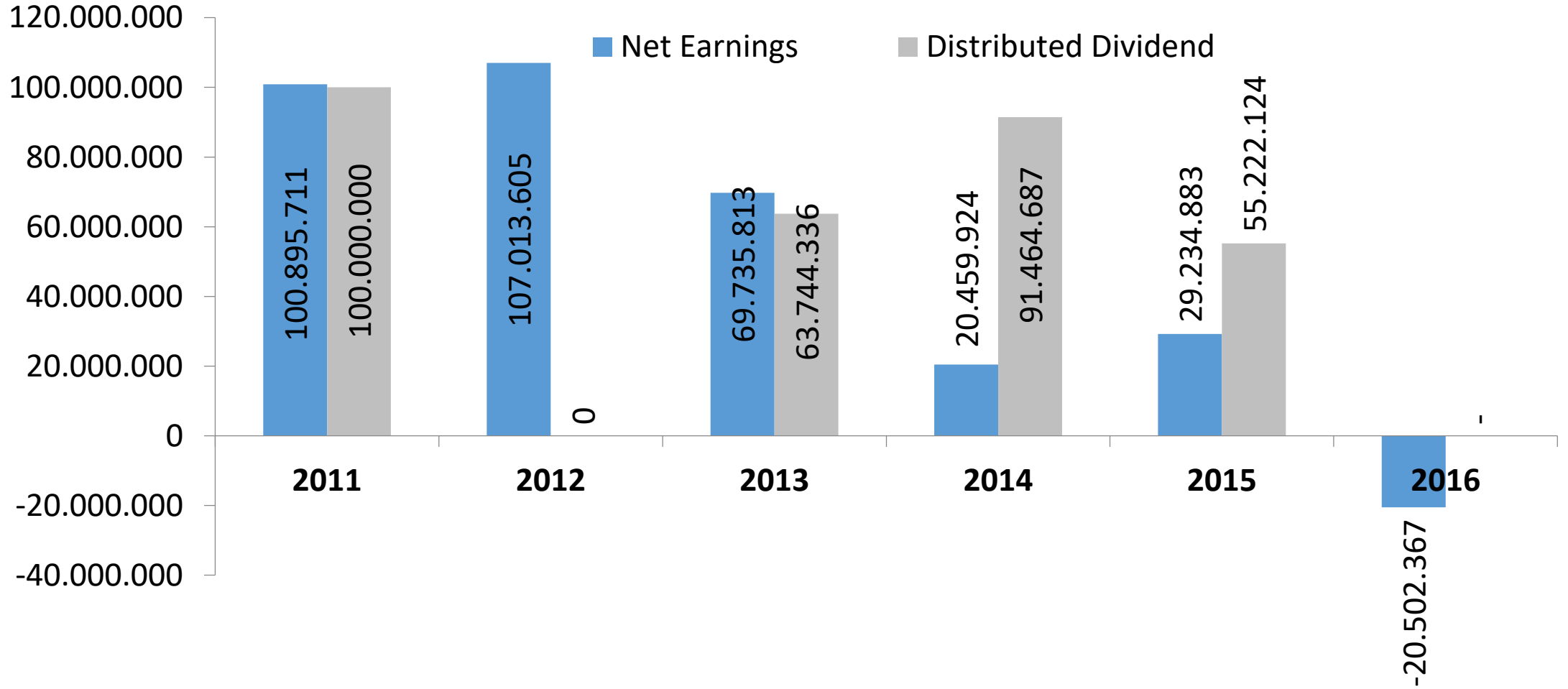
Sales Revenues



Net Earnings

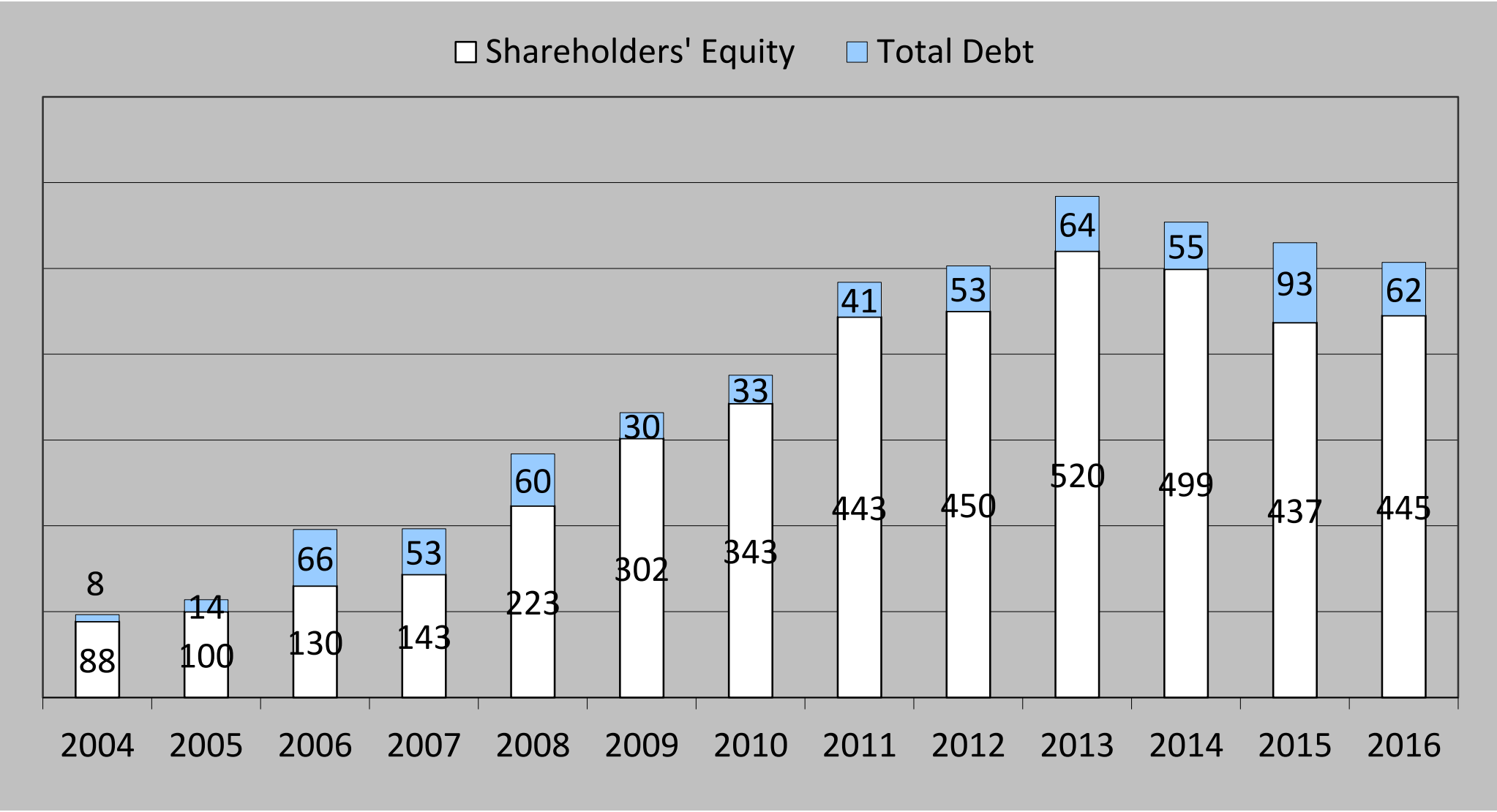


Dividend Distribution



	2011	2012	2013	2014	2015	2016
Dividend Rate	99%	0%	91%	447%	189%	0%
Dividend Yield	24%	0%	15%	22%	13%	0%

Sources of Financing



Annual Margin Comparison

(TL mn)	2010	2011	2012	2013	2014	2015	2016
Sales	84	173	265	261	223	165	135
Gross Profit	44	107	134	72	24	31	1
Gross Margin	52%	62%	51%	28%	11%	19%	1%
EBITDA	42	112	165	147	121	104	55
EBITDA Margin	50%	65%	62%	57%	54%	63%	41%
Net Earnings	37	101	107	70	20	29	-21
Net Margin	44%	58%	40%	27%	9%	18%	-

V. Evaluation of the Latest Financial Results

Evaluation of 1H17 Financial Results

- In 1H17, Park Elektrik announced consolidated financial statements for the first time in its history following its purchase of 100% shares of Konya Ilgın Elektrik Üretim A.Ş.
- In this consolidated 1H results, Park Elektrik's copper related financial results were classified under the name of «Discontinued Operations» as it sold all of its copper assets and halted its copper operations as of March 17, 2017. As seen in deep note 21, the company had TL495mn of net profits from discontinued operations due to sale of copper assets to Cengiz Holding. Thanks to one-time gain from sale of its coppers assets, the Company recorded TL 473 million net profits in 1H17.
- As of 1H17 Park Elektrik has TL162 million equivalent cash in TL deposit as a result of the difference between sale of copper assets and purchase of Konya Ilgın shares.
- On the other hand, purchase of Konya Ilgın shares was treated as a «business combination under common control» and the difference between the purchase price and the net equity at the date of acquisition is classified under equity under the name of «Effects of Consolidations involving Enterprises or Enterprises Subject to Joint Control».

Summary Income Statement

	1H16*	1H17	%
Operating Income	-6.564.498	-6.652.461	1%
Income From Investments	279.784	645.731	131%
Income Before Financial Exp.	-6.284.714	-6.006.730	-4%
Financial Income	1.203.512	3.681.600	206%
Financial Expenses	-226.871	-19.296.408	8405%
Profit Before Tax	-5.308.073	-21.621.538	307%
Deferred Tax Income / Expense	-36.376	-3.689	-90%
Net Profit/Loss From Ongoing Operations	-5.344.449	-21.625.227	305%
Net Profit/Loss From Discontinued Operations	-1.975.560	495.021.732	-25157%
Net Profit/Loss	-7.320.009	473.396.505	-6567%

**Restated due to consolidation and discontinued operations aspect. (Deep note 2.1)*

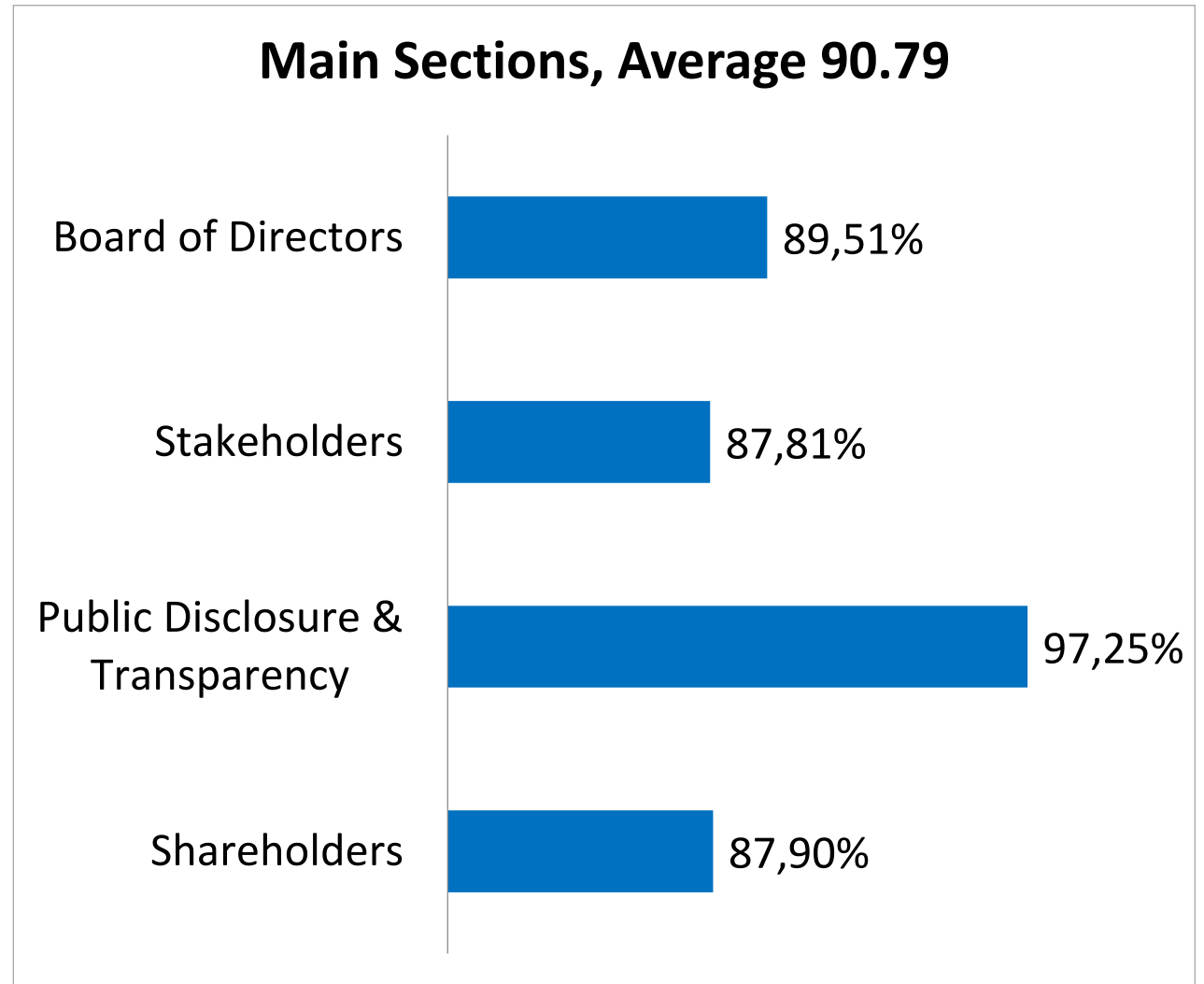
Summary Balance Sheet

	YE2016	1H2017
Current Assets	134,474,729	201,317,354
Fixed Assets	430,365,633	279,212,771
TOTAL ASSETS	564,840,362	480,530,125
Short Term Liabilities	35,785,791	21,745,181
Long Term Liabilities	27,306,767	26,083,896
Shareholders Equity	501,747,804	432,701,048
TOTAL LIABILITIES	564,840,362	480,530,125

VI. Corporate Governance Rating

Corporate Governance Rating

Park Elektrik's corporate governance rating is determined as **9.08** according to a recent report conducted by SAHA Corporate Rating Agency in June 2017. Based on the report, the rating means that the company performs "**very good**" in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified and actively managed all significant corporate governance risks through comprehensive internal controls and management systems. The company's performance is considered to represent best practice, and it had no deficiencies in any of the areas rated.



THANK YOU.

CONTACT

Yesim Bilginturan

IR Manager

Phone: +90 216 531 25 33

y.bilginturan@cinergroup.com.tr

www.parkelektrik.com.tr

www.cinergroup.com.tr