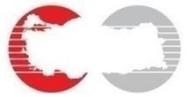


Turkey Maritime Organization INC.
Privatization of TDI Taşucu Port
Introductory Document
April 2018





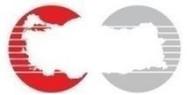
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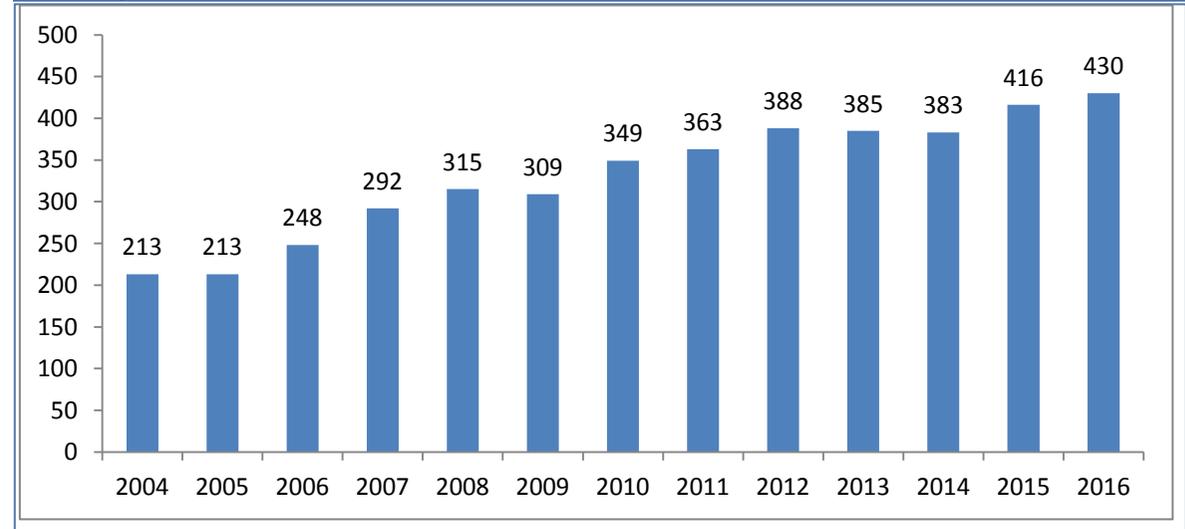
Turkish Maritime Sector

Healthy Growth in Tandem with Burgeoning Trade

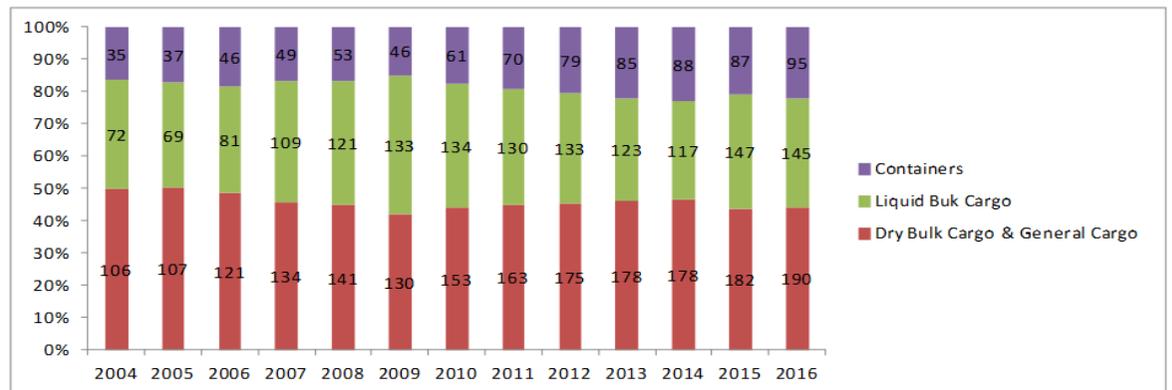
Turkish Trade and Maritime Sector

- In the international trade of Turkey, maritime transport like many other countries dominates with a great weight. By the year of 2016, 55.2% of Turkey's value-based exports and 65.0% of its imports were carried out by sea.
- In Turkey, as of 2015 there were 179 ports and scaffoldings, 135 of which are operated by the private sector, 21 by the public and 23 by the municipalities.
- Total cargo handled in the sector reached 430.2 million tons in 2016 with an increase of 3.4% compared to the previous year. The amount of cargo handled at Turkish Ports that achieved a significant growth rate of 6.0% on average for 12 years was positively affected by the growth of both foreign trade and transit freight.
- Turkey's foreign trade (import - export) activities play an important role in this volume with a share of 72.0%. The volume of foreign trade-driven handling, which has reached an average growth rate of 4.7% in the last 12 years, has reached 310 million tons as of the end of 2016. Parallel to the growth of foreign trade, which is one of the main growth strategies of Turkey, it is expected that the volume of foreign trade-related freight will increase more in the forthcoming period.
- Looking at the distribution of the overall cargo handled in Turkish ports, we observe the increasing share of the containers. This led to further investments by many ports to container handling equipments. As of year-end, total of the 430 million tons of the cargo handled, 22% is container, 34% is liquid bulk cargo and 44% is dry bulk cargo and general cargo.

Total Cargo Handled in Turkish Ports (Million Tons)



Breakdown of Handling Volumes (Million tons 2004-2016)

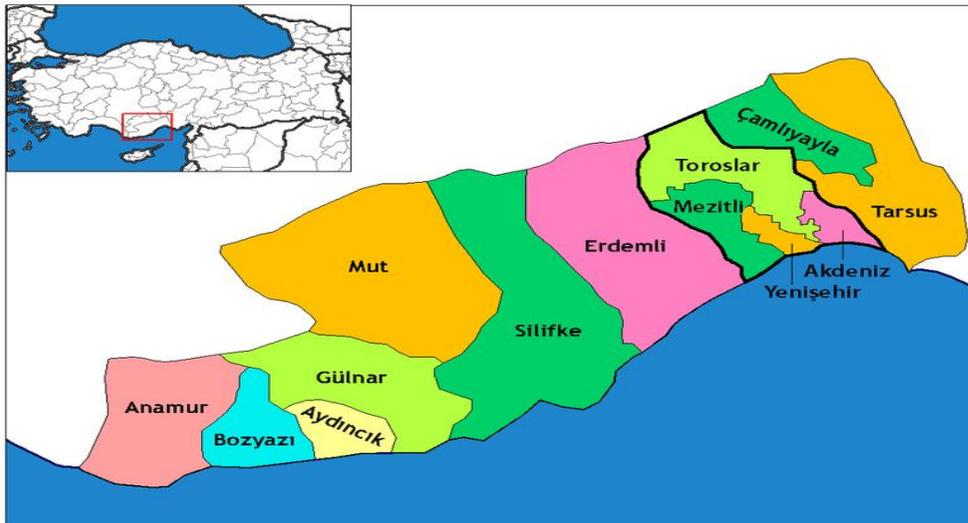


Maritime Sector and Industry in Mersin

Location of Mersin & Maritime Activities in the City

- Located in the Mediterranean Region, the south of Turkey, Mersin is positioned very strategically of state highway network which connects Southeastern Anatolia, Eastern and Western Mediterranean and the inner and western Anatolia.
- Mersin International Port ("MIP"), the only other port of the city along with Taşucu, Turkey's largest foreign trade port, has the advantages of geographical location, capacity, wide hinterland and domestic & international multimodal connectivity. As such, MIP is positioned as one of the most important ports not only the Turkey but also in Middle East and Eastern Mediterranean.
- The Mersin Free Zone is adjacent to the Mersin International Port and is connected by a road called "corridor" within the port. Mersin International Port's proximity to the free zone affects the freight traffic positively and saves time for freight owners. Mersin International Port is the only port in Turkey that can be connected with a free zone corridor.
- Mersin International Port aims at turning into a container port and focuses mainly on containers, Taşucu Port, having a similar hinterland with MIP, could expand its volume by focusing on general cargo and dry bulk cargo.

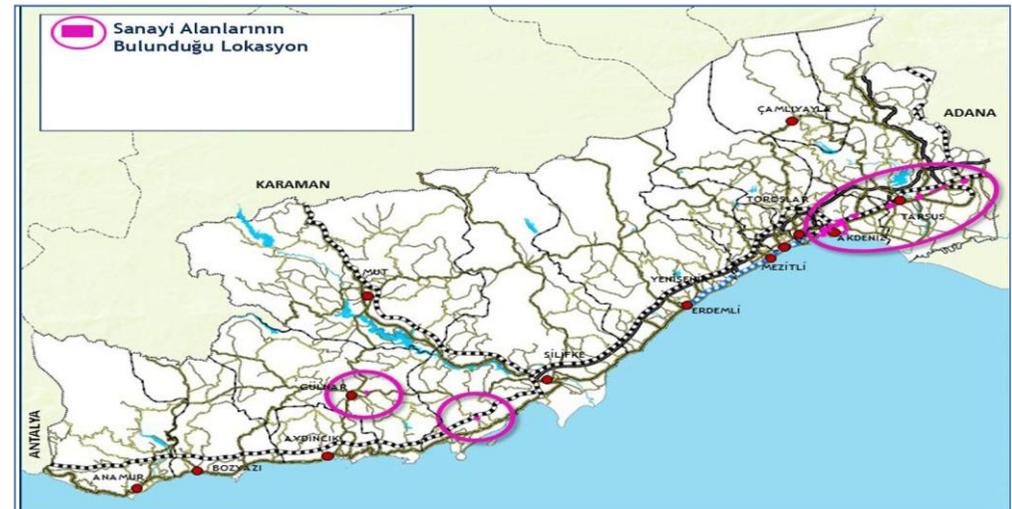
Location of Mersin and Provinces



Industrial Activities/Logistics Sector in Mersin

- Mersin is one of the most developed cities of Turkey in several fields. The reasons this are the fact that the land is fertile, that it is advanced in terms of industry, rich in natural and underground resources as well as the existences of the Mersin Port and Mersin Oil Refinery.
- The total exports of Mersin Province increased by 4.8% on an annual basis in 2016, amounting to US \$ 1.49 billion. In addition, total trade volume of the Mersin Free Zone is approximately 15% of the total volume of the free zones in Turkey.
- In the logistics sector of Mersin, food sector based mostly on agriculture and tourism are at the forefronts. The city has an important logistic advantage with the proximity of the industrial areas to the city center of the city, with its international port, free zone and maritime trade.
- The widespread incentives of the government in the industrial sector have the potential to increase industrial concentration in the region.
- As per the 1/100.000 scale environmental plan revision of Ministry of Environment and Urbanization presented below, one of the three industrial regions in Mersin is close to the Taşucu Port.

Industrial Regions in Mersin as per the 1/100.000 Scale Environmental Plan Revision



TDI Taşucu Port

Location and Current Situation

Location and Current Situation



Location, History, and Characteristics

- TDI Taşucu Port is located in the Mediterranean region which is the second largest region in terms of freight transport of Turkey and is the second largest port of Mersin province.
- Taşucu District is within the borders of Silifke County. Silifke is surrounded by Erdemli in the east, Mut and Gülnar districts in the west, the city of Karaman in the north, and the Mediterranean Sea in the south.
- Taşucu District is at the junction of Adana - Antalya State Highway network which connects Southeastern Anatolia, West Mediterranean and Inner Anatolia.
- Taşucu District is at a distance of 7km from Silifke County and 90km from Mersin City Center. The nearest airport to the neighborhood is Adana; the nearest railway station is Mersin. Taşucu is one of the sea customs gates in Turkey.
- Taşucu District is the most developed town of Silifke County. Taşucu has plenty of historical places and cultural tourism in the historical harbor castle and its vicinity. The western part of the Taşucu coasts is covered by the "Taşucu-Boğsak Tourism Center".
- According to the Ministry of Environment and Urbanization's 1/100.000 scaled environmental planning plan regarding the Mersin-Adana Planning Region, the area just north of the Taşucu Port is one of the three logistics centers of the city of Mersin.
- There are residential areas on the west side of the area, which is about 100 meters from the northeast by the D-400 highway, while there are vineyards and agricultural areas on the east side
- As one of the enterprises belonging to Türkiye Selüloz ve Kağıt Fabrikası (SEKA), it had been operating as "SEKA Akdeniz Facility Paper Factory" starting 1984 and its activities have been interrupted since 2003. As a result of the privatization efforts made as paper mills, they were transferred to Sümer Holding. With the Decision No 2009/64 of the Higher Board of Privatization, all activities in "Sümer Holding Inc. Taşucu Paper Industry Establishment" were terminated and the operations was closed.

TDI Taşucu Port

Current Situation

Current Situation of TDI Taşucu Port

- The Taşucu port is the passenger entrance-exit gate with the decision of the Council of Ministers No. 98/12199, and regular Ro-Ro passenger services with Kyrenia 3 days a week. Currently, the port which has ferry and Ro-Ro services to Turkish Republic of Northern Cyprus customs infrastructure.
- The used hinterland area is 186.183 square meters. There are 118,000 square meters of concrete open storage area and three closed warehouses with a total area of 9,000 square meters. The theoretical load handling capacity with the existing qualities of the port is calculated as 1,200,000 tons / year. At the same time, one 20.000 dwt and four 3,000 dwt cargo ships and one Ro-Ro ship can approach the port.
- Total loading/unloading at the Taşucu Port was around 92k tons in 2014; 139k tons in 2015, and 38k tons in 2016. Of the 38k ton total, 26k tons was loading and 12k ton was unloading.
- Looking at the revenues of the port in the last 4 years, we observe that they rose to 8.8 million Turkish Lira at the end of 2016 from 3.9 million Turkish Lira in 2012 by growing 22.7% CAGR. In 2016, vehicles revenues constituted 33% of the total revenues; towing revenues made up 18% of total while pilotage income was 13% of total revenues.

Current Situation of TDI Taşucu Port



TDI Taşucu Port's Berths

Berth Number	Length (m)	Depth (m)
1	83	6
2	77	6
3	120	6
4	130	6
5	180	10
6	20	10

Characteristics of the TDI Taşucu Port

- The harbor is surrounded by two jetties and the port entrance between jetties is 230 meters. The marine area within the jetties has maneuvering circle with 400 m diameter and 10 m depth.
- The port has 6 berths and total berth length of 610 meters. 1. 2. and 3. Berths, serving as passenger berths, have length of 280 meters and depth of 6 meters. The 4th berth is 130 meters long and 6 meters deep, 5th berth is 180 meters long and 10 meters deep. The 6th berth is 20 meters long and 9.6 meters deep and is used as Ro-Ro berth.

Development Plan of TDI Taşucu Port

Unleashing the Potential of the Port's Hinterland

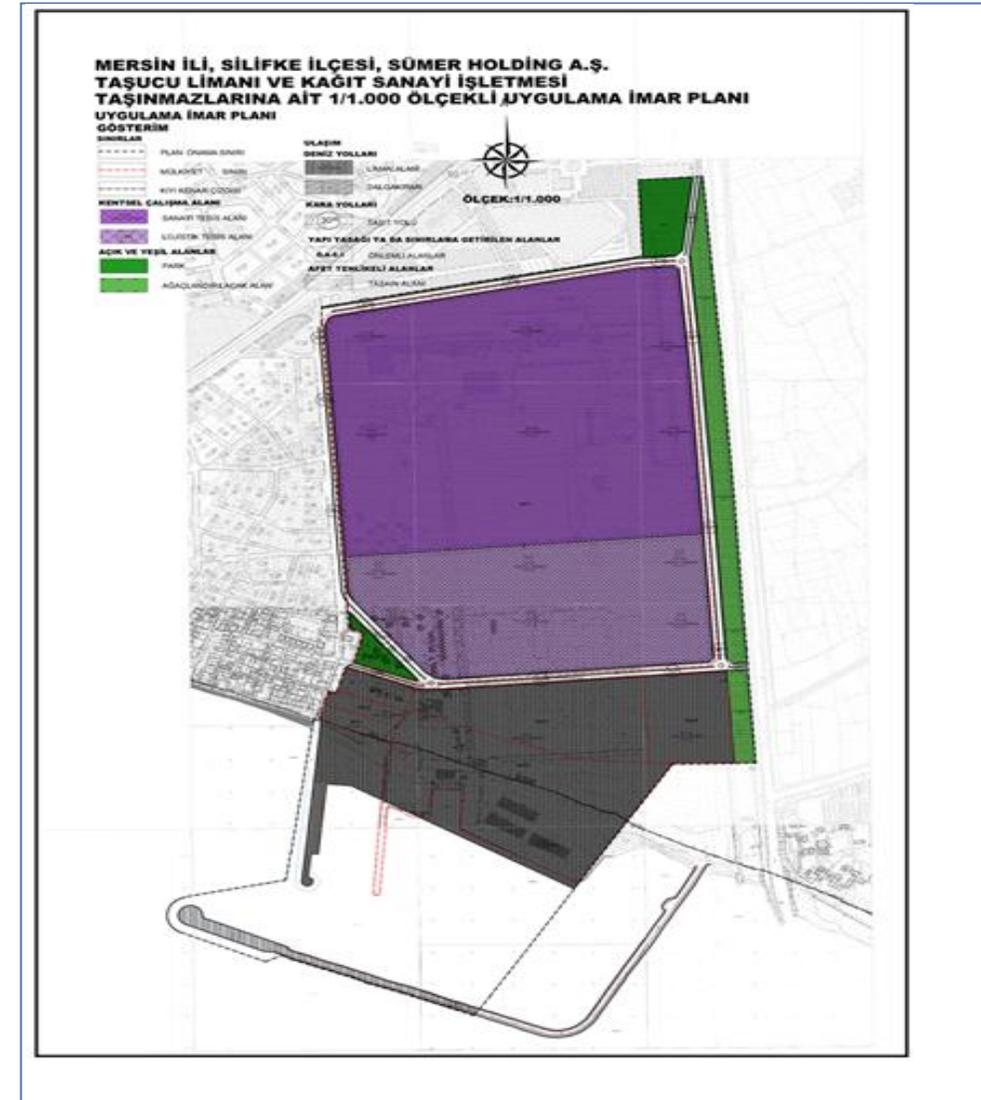
Planning Decisions

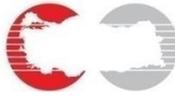
- According to the Decision of Higher Board of Privatization dated 28.12.2016 and numbered 2016/111, the new Zoning Plan of Taşucu Port and the Real Estate in its Hinterland is introduced.
- With the new zoning plan, the 'Logistics Facility Area' connected to the port to the north the 'Industrial Facility Area' to the north of the old factory area were arranged.
- The sea and land side lines of the port are arranged in accordance with the Layout Plan prepared in line with the Modeling and Technical Infrastructure reports. The berth is designed in accordance with the Layout Plan prepared within context of the Technical Infrastructure Report.
- Port is designed so as to enable loading, unloading and lashing of all types of cargo, bulk cargo, general cargo and liquid cargo vessels as well as including technical and social infrastructure facilities along with management, maintenance, repair and warehouse units.
- To the north of the port, the Logistics Area connected to the port is reserved.
- The northern part of the old factory area has been proposed as the Industrial Area without pollutant effect.
- The existing roads passing through the north and south direction from east and west of the planning area will be enlarged to further improve the connectivity of the port.

Distribution of Functions According the New Zoning Plan

Usage	Area (sqm)	Share
Port Area	454,419.91	21.42%
Logistics Facility Area	329,508.68	15.53%
Industrial Facility Area	714,182.88	33.67%
Park	124,560.30	5.88%
Roads	126,281.33	5.95%
Jetty	22,571.49	1.06%
Sea	349,767.42	16.49%
Total	2,121,292.01	100%

TDI Taşucu Port - 1:1,000 Scale Development Plan Amendments





TDI Taşucu Port's Privatization Process

Highlights

Increasing Trade and Maritime Activities in Turkey and Mersin

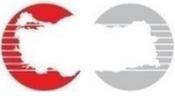
- Turkey, which is located in a very strategic region in the middle of global trade routes, has become one of the most powerful and stable economies of the world. The total amount of cargo handled in the Turkish port industry reached a significant growth rate of 6.0% on average over the 12 years between 2004 and 2016 thanks to the growth of both foreign trade and transit freight.
- With its geographical location, economic, social and cultural capacity and wide hinterland along with multiple connections to other regions and abroad, the city of Mersin is positioned as one of the most important logistic centers of the Middle East and Eastern Mediterranean. MIP, Mersin Free Zone and 2 Organized Industrial Regions in the city support the maritime sector and the industrial development.

Attractive Positioning and Strengths of the Taşucu Port

- The location of the port very convenient in terms of proximity to transportation networks. In addition, the existing roads passing through the north and south direction from east and west of the planning area will be enlarged to further improve the connectivity of the port.
- As the Mersin International Port aims at turning into a container port and focuses mainly on containers, Taşucu Port, having a similar hinterland with MIP, could expand its volume by focusing on general cargo and dry bulk cargo.
- According to the 1/100.000 scale environmental plan revision for Mersin-Adana Planning Region by the Ministry of Environment and Urban Planning, one of the three logistic regions in the city of Mersin is located in the north of Taşucu Port.

TDI Taşucu Port's New Zoning Plan

- "Industrial facility area ", " logistics facility area ", " park "and" road " functions were introduced with 1/100.000 scale Environmental Plan Zoning Change , 1/5000 scale Master Plan and 1/1000 Zoning Plan.
- Port is designed so as to enable loading, unloading and lashing of all types of cargo, bulk cargo, general cargo and liquid cargo vessels as well as including technical and social infrastructure facilities along with management, maintenance, repair and warehouse units.
- As a result of these plan changes, Taşucu Port and its hinterland is expected to provide port services in line with global standards, competing with the other ports in Mediterranean and Middle East, supporting Turkey's maritime trade whereas the industrial facility is to help production and growth in the economy and the logistics facility should satisfy the needs to region in terms of logistics.
- Within the framework of this privatization, the Taşucu Port (Port Area and Logistics Facility Area) located in Mersin, Silifke County is to be privatized through the delivery of operating rights for 36 years and its hinterland (Industrial Facility Area) is to be privatized through an asset sale. Interested parties should offer their bids for the sum of the 36 years operating rights and asset sale within the framework of the provisions of Law No.4046.



Contact Information

Contact Information

Privatization Administration

Name: Ahmet Hamdi Boyacı
Title: Project Group Head
Tel: +90 312 585 8080
Fax: +90 312 585 8307
e-mail: hboyaci@oib.gov.tr

Name: Seçkin Turan
Title: Specialist
Tel: +90 312 585 8351
Fax: +90 312 585 8307
e-mail: sturan@oib.gov.tr

Name: Gizem Güler
Title: Assistant Specialist
Tel: +90 312 585 8174
Fax: +90 312 585 8307
e-mail: gguler@oib.gov.tr

Name: Şenol Erdem
Title: Specialist
Tel: +90 312 585 8453
Fax: +90 312 585 8307
e-mail: serdem@oib.gov.tr

Name: Figen Ceylan
Title: Specialist
Tel: +90 312 585 8396
Fax: +90 312 585 8307
e-mail: fceylan@oib.gov.tr

Tera Yatirim Inc.

Name: Metin Seyhan
Title: EVP
Tel: +90 212 365 1077
Fax: +90 212 290 6995
e-mail: mseyhan@terayatirim.com

Name: Hasan Demir
Title: Research Director
Tel: +90 212 365 1045
Fax: +90 212 290 6995
e-mail: hdemir@terayatirim.com

- The Financial Advisor represents the PA in the Proposed Privatization. Thus, any inquiries for additional data and questions concerning the Teaser and the Proposed Privatization shall be addressed to the above indicated representatives of the PA or the Financial Advisor