2014

ANNUAL REPORT

GÜBRE FABRİKALARI TÜRK A. Ş.

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I. INTRODUCTION

A. REPORTING PERIOD

01.01.2014 - 31.12.2014

B. CORPORATE'S NAME

Gübre Fabrikaları Türk Anonim Şirketi (Gübretaş)

C. BOARD OF DIRECTORS

Title	Name	Start date of employment
Chairman	İrfan GÜVENDİ	17.12.2014
Vice Chairman	Selahattin AYDOĞAN	30.12.2014
Member	Adem DANIŞIK	05.01.2015
Member	Veli ALTUNKAŞ	05.01.2015
Member	Şükrü KUTLU	23.02.2015
Independent Member	Prof. Dr. Lokman DELİBAŞ	26.04.2012
Independent Member	Mustafa Fevzi YÜKSEL	16.04.2014
Independent Member	Aydın BEDİR	16.04.2014

Members of the Board of Directors quiting during the period:

Title	Name	Date of Appointment	Date of Completion
Member	Ahmet BOYRAZ	26.04.2012	16.04.2014
Member	Ali SARI	31.07.2012	16.04.2014
Member	Hamdi GÖNÜLLÜ	20.09.2012	16.04.2014
Independent Member	İsmail TEKİN	26.04.2012	16.04.2014
Chairman	Abdullah KUTLU	19.04.2011	30.09.2014
Chairman	Ali Namık BOSTANCI	30.09.2014	17.12.2014
Vice Chairman	Necdet DİRİK	25.10.2005	30.12.2014
Member	Mustafa ÇIRAK	16.04.2014	05.01.2015
Member	İshak GÜNDÜZ	16.04.2014	05.01.2015
Member	Dr. Erol DEMİR	10.04.2009	19.01.2015
Member	Osman BALTA	01.02.2012	31.01.2015

The members of Board of Director belong benefits which are noted in Articles of Association and Turkish Commercial Code.

D. TOP MANAGEMENT

Title	Name	Start Date of Employment
General Manager	Şükrü KUTLU	23.02.2015
Deputy General Manager (Financing)	Ferhat ŞENEL	09.02.2004
Deputy General Manager (Sales & Marketing)	Tahir OKUTAN	20.01.2006
Deputy General Manager (Supply Chain Management)	Dr. Şenol DUMAN	08.01.2015
Deputy General Manager (Facilities and Investments)	Dr. Mahmut KARAMAN	04.02.2015

Members of Top Management quiting during the period:

Title	Name	Date of Appointment	Date of Completion
Deputy General Manager (Supply Chain Management)	İsmail BABACAN	22.06.2009	02.01.2015
Deputy General Manager (Facilities and Investments)	Yakup GÜLER	01.03.2012	02.01.2015

E. CAPITAL STRUCTURE

As of 31.12.2014 registered capital of the company is 200.000.000 TRL and paid capital is 334.000.000 TRL.

Tablo 1 : CAPITAL STRUCTURE

Shareholders	Share Amount -TRL	Share
Central Union of Turkish Agricultural Credit Cooperatives	253.673.000	75,95%
Other	80.327.000	24,05%
Total	**334.000.000**	**100,00%**

F. INFORMATION ABOUT OUR FACILITIES

Our Company reached a total real estate area of 409.263 m², out of which is 144.303 m² closed area including warehouses, business buildings and lands, convenient to be improved.

Yarımca Facilities has 685.000 tons/year fertilizer production capacity, İzmir Facilities has 25.000 tons/year liquid and powder fertilizer production capacity, Gübretaş has 710.000 tons/year fertilizer production capacity in total.

The total capacity of our warehouses is 400.000 tons.

Table 2 : REAL ESTATES

Office	Closed Area m²
Head Office	2.250
Yarımca Facilities - Office	2.410
İzmir Facilities - Office	570
Ankara Office	120
Samsun Office	210
Total	**5.560**
Production Facilities	**Closed Area m²**
Kocaeli Yarımca Facilities	23.616
İskenderun Facilities	15.581
İzmir Facilities	1.750
Foça Facilities	200
Total	**41.147**

Warehouses	Closed Area m²
Kocaeli Yarımca Warehouses	22.381
Samsun Warehouses	6.211
Kocaeli Köseköy Warehouses	6.424
İzmir Helvacı Warehouses	22.671
İskenderun Akçay Warehouses	10.923
İskenderun Sarıseki Warehouses	18.474
Tekirdağ Warehouses	7.189
İzmir Foça Warehouses	1.733
Total	**96.006**
Previous Head Office	1.590
Grand Total	**144.303 m²**

Table 3 : GÜBRETAŞ FERTILIZER PRODUCTION AND WAREHOUSE CAPACITY - TONS

Yarımca Facilities	Capacity-Tons
TSP	185.000
NPK 1 (Compound Fertilizer)	200.000
NPK 2 (Compound Fertilizer)	300.000
Total	**685.000**
İzmir	**Capacity-Tons**
Liquid and Powder Fertilizer	25.000
Grand Total	**710.000**

Region	Capacity-Tons
Yarımca Warehouses	121.000
İskenderun Warehouses	119.000
İzmir Warehouses	65.000
Samsun Warehouses	30.000
Tekirdağ Warehouses	30.000
İzmir Liquid Warehouses	3.000
Toplam	**400.000**

G. AFFILIATES AND SUBSIDIARIES

Razi Petrochemical Co. (RAZI)

Razi Petrochemical Co., founded in 1968, is one of the leading companies in Iran which produces fertilizers and fertilizer raw materials. Razi has 3.515.000 tons/year production capacity of both fertilizers and fertilizer raw materials and exports most of its products.

Gübretaş with its 48,88% stake in Razi, started to disclose its financial reports on the consolidated base since June 2008.

Raintrade Petrokimya ve Dış Ticaret A.Ş., based in İstanbul which is 100% subsidiary company of Razi Petrochemical Co. manages Razi's foreign trade.

Arya Phosphoric Jonoob Co., which is 100% subsidiary of Razi, has 126.000 tons/year of production plant of phosphoric acid; it produces and sells phosphoric acid.

Negmar Denizcilik Yatırım A.Ş.

Established in 2008, Negmar Denizcilik Yatırım A.Ş. operates in shipping industry.

In addition, İstanbul Lines Denizcilik Yatırım A.Ş., operating in Ro-Ro shipping, and Etis Lojistik A.Ş., operating in logistics business are also Negmar Denizcilik ve Yatırım A.Ş.' affiliates.

Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş.

Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş. was established in 2009 and is operating in the field of plant protection products. Tarkim has a production capacity of 12.000 tons/year.

İmece Prefabrik Yapı Tarım Makineleri Temizlik ve Güvenlik Hizmetleri San. Tic. A.Ş.

İmece Prefabrik Yapı Tarım Makineleri Temizlik ve Güvenlik Hizmetleri San. Tic. A.Ş. was established in 1974, and since then it is operating in the reinforced concrete and steel structure construction including construction services and mould production business.

Tarnet Tarım Kredi Bilişim ve İletişim Hizmetleri A.Ş.

Tarnet Tarım Kredi Bilişim ve İletişim Hizmetleri A.Ş. was established in 1996 and it operates in Information Technology industry.

Table 4 : SUBSIDIARIES

Company Name	Share %
Razi Petrochemical Co.	48,88

Table 5: AFFILIATES

Company Name	Share %
Negmar Denizcilik Yatırım A.Ş.	40,00
Tarkim Bitki Koruma San. ve Tic. A.Ş.	40,00
Tarnet Tar. Kre.Bil .Hiz.San Tic .A.Ş.	17,00
İmece Pref. Yapı Tar.Mak.Tem.Güv. Hiz. San.Tic.A.Ş.	15,00

H. DISTRIBUTION OF DIVIDENDS

Cash dividend (gross) ratios paid per 1 TRY nominal shares are shown in Table 6:

Table 6 : DIVIDEND RATIO PER SHARES IN YEARS

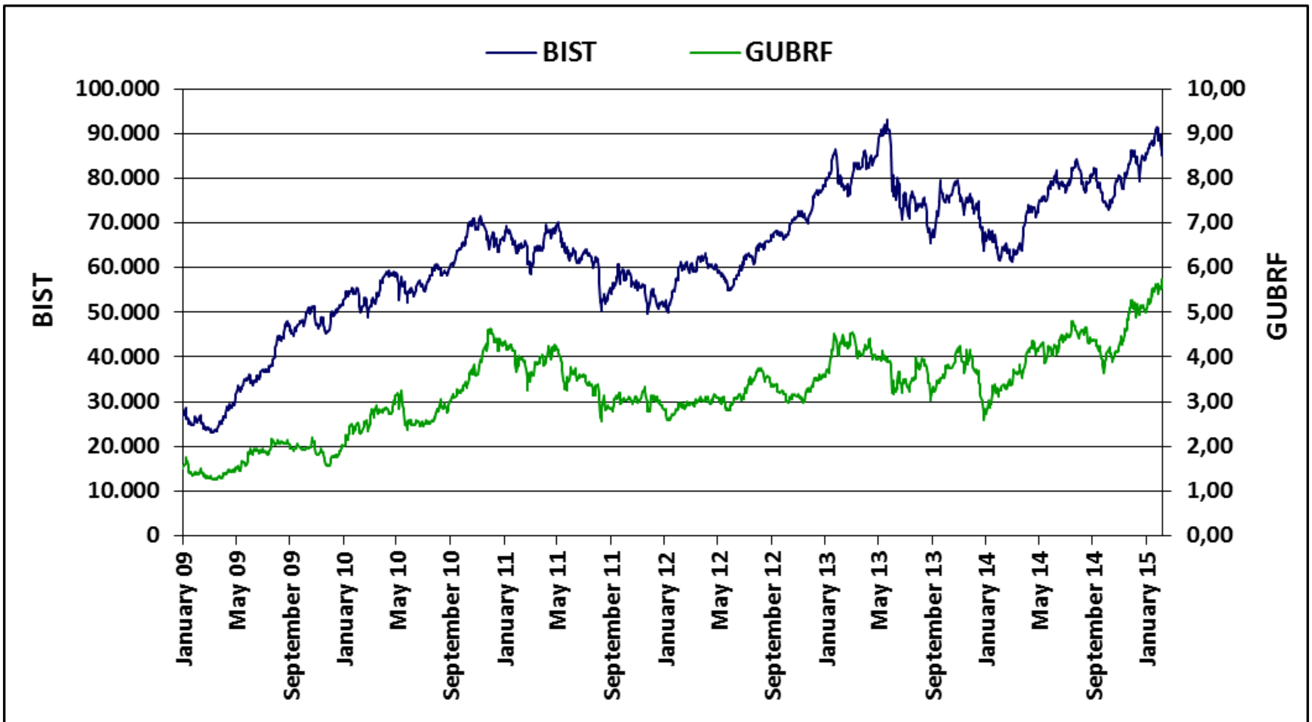
2013	2012	2011	2010	2009
%20	-	-	-	-

İ. PERFORMANCE OF THE STOCK

Our shares, traded on the Istanbul Stock Exchange, closing prices of three month periods in 2014 are as follows:

02.01.2014	31.03.2014	30.06.2014	30.09.2014	31.12.2014
2,72	3,78	4,48	3,92	5,02

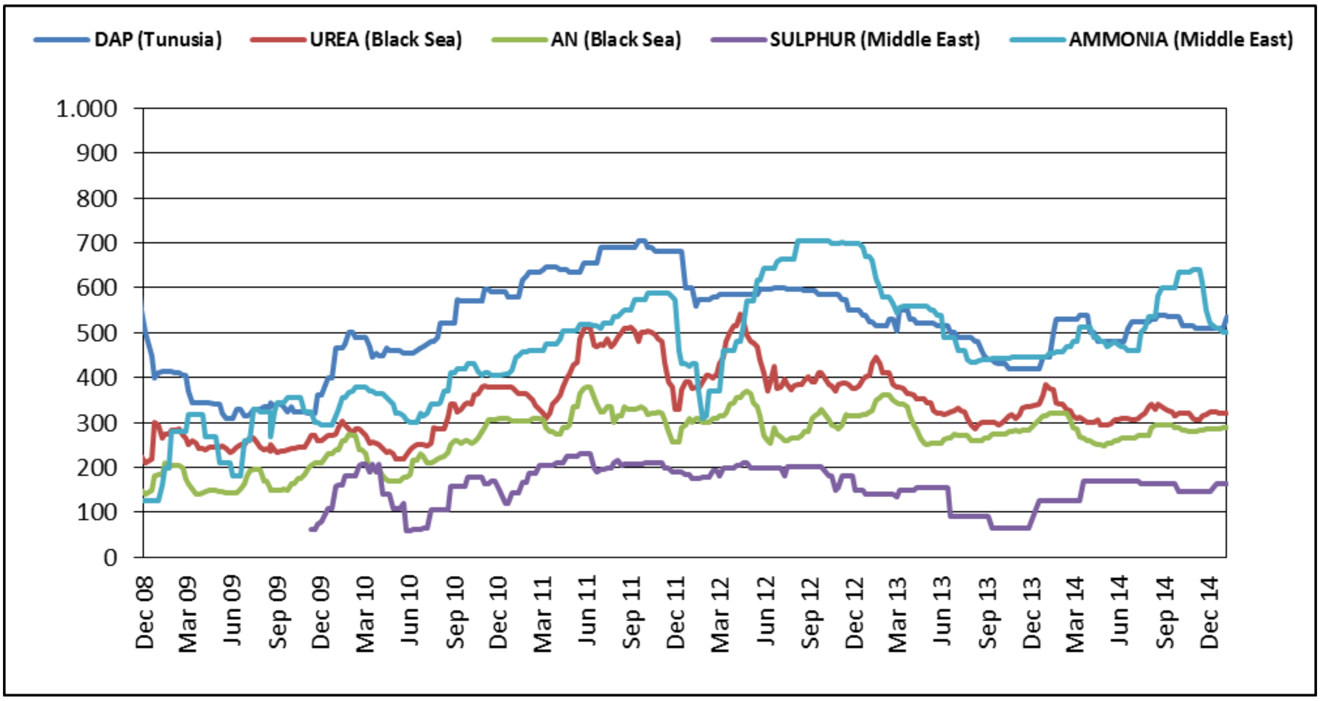
Graph 1 : PERFORMANCE OF THE STOCK



II. TURKISH FERTILIZER INDUSTRY AND POSITION OF GÜBRETAŞ

Turkey does not have the raw material resources used in production of chemical fertilizers. 95% of main inputs such as natural gas, phosphate rock, potassium salts are procured from foreign markets. Due to dependence on foreign markets, international market conditions and exchange rates, are major effects on our sector.

Graph 2 : FERTILIZER PRICES IN INTERNATIONAL MARKETS - FOB US$/TON



A. TURKISH FERTILIZER SECTOR PRODUCTION

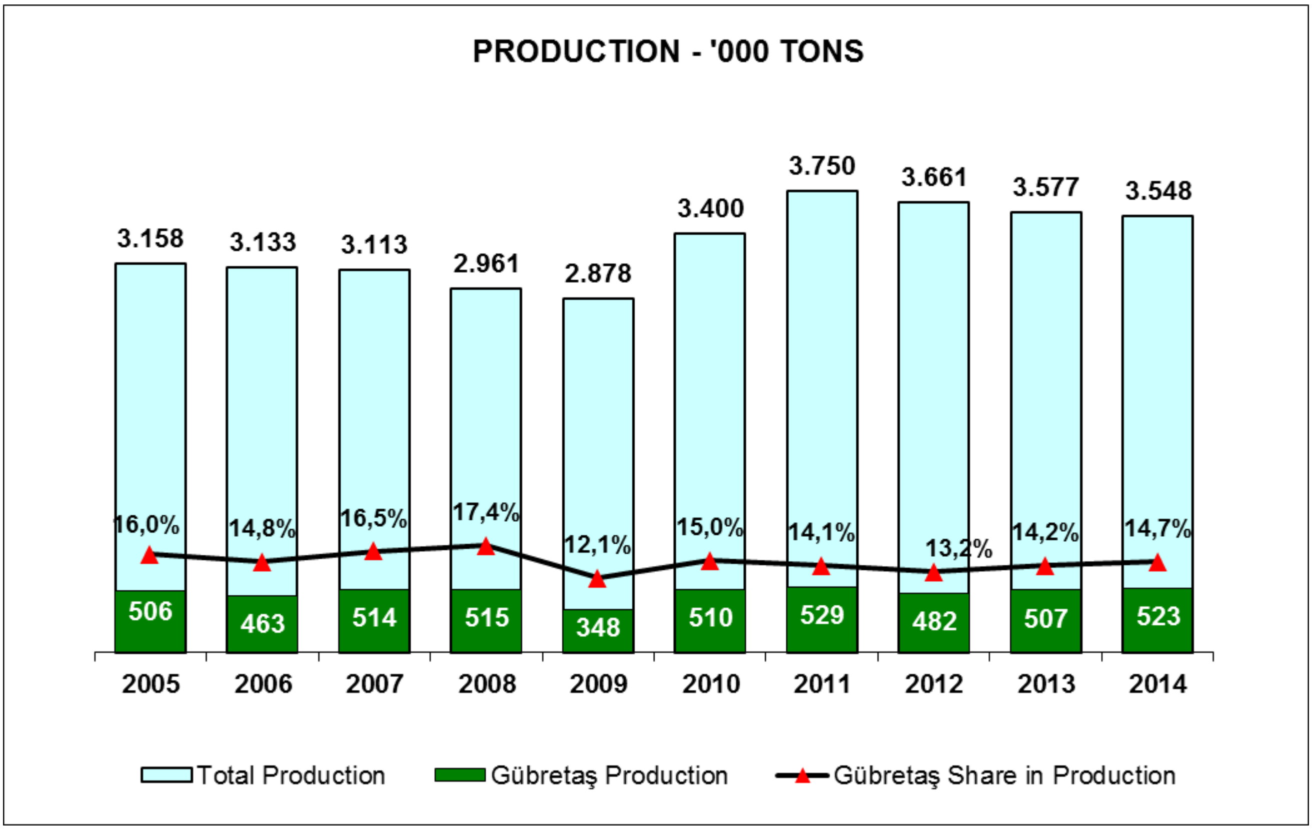
Turkey produces intermediate goods and compound fertilizers; however, inputs for these are imported since Turkey lacks the necessary natural resources.

Table 7 : TURKISH FERTILIZER SECTOR PRODUCTION CAPACITY –TONS

Year	2014	2013	2012	2011	2010	2009
Capacity	5.734.900	5.714.000	5.714.000	5.714.000	5.474.000	5.474.000

Fertilizer production was 3.576.598 tons in 2013; however, at the end of year 2014 it has dropped by 0,81% to 3.547.796 tons. Compound fertilizers represent 43,84% of total production.

Graph 3 : TURKISH FERTILIZER PRODUCTION AND GÜBRETAŞ' SHARE IN PRODUCTION



B. TURKISH FERTILIZER SECTOR SALES

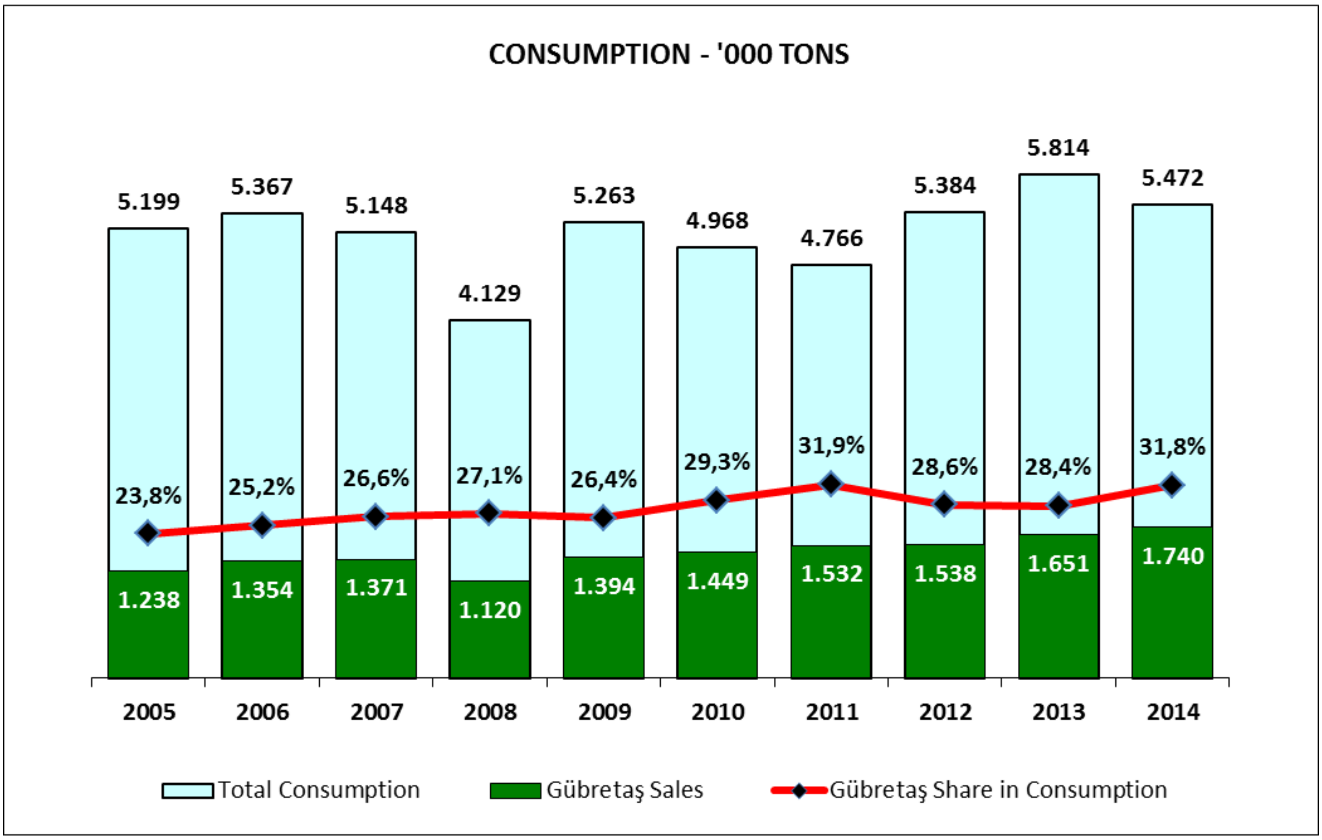
According to 2013 data, fertilizer consumption was 5.813.612 tons. At the end of 2014, this figure has augmented to 5.471.518 tons, recording a 5,88% increase.

Table 8: SECTOR SALES BY PRODUCT - TONS

Product	2014	2013	Change
KOMPOZE	1.713.415	1.694.630	1,11%
ÜRE	1.074.122	1.100.864	-2,43%
AN	945.454	1.040.160	-9,10%
CAN	736.495	798.594	-7,78%
AS	431.857	499.101	-13,47%
DAP	505.565	615.745	-17,89%
P.NİTRAT	28.324	22.700	24,78%
TSP	25.457	26.166	-2,71%
P.SÜLFAT	8.731	13.707	-36,30%
NSP	2.098	1.945	7,76%
Total	**5.471.518**	**5.813.612**	**-5,88%**

Moreover our sales increased by 5,38% and our market share in 2014 was 31,80% while it was 28,40% in 2013. In 2014, exports decreased by 57,81% to 286.520 tons and imports increased by 7,95% to 3.167.431 tons.

Graph 4 : FERTILIZER CONSUMPTION IN TURKEY AND GÜBRETAŞ' SHARE IN SALES



III. GÜBRE FABRİKALARI T.A.Ş. ACTIVITIES

Gübretaş is the first and pioneer company in chemical fertilizer industry established in Turkey. An important portion of the sales of the company, with its 31,80% market share, is realized through Agricultural Credit Cooperatives. There are 7 regional sales directorates throughout Turkey. Gübretaş sells to every corner where there is agricultural production via 2.765 dealers, 1.820 of which belongs to Agricultural Credit Cooperatives, 945 private distributors.

A. PRODUCTION

Gübretaş produced 117.700 tons of TSP and 405.313 tons of compound fertilizers, totaling 523.013 tons in 2014. In addition, 6.268.036 lt-kg of liquid and powder fertilizers were produced.

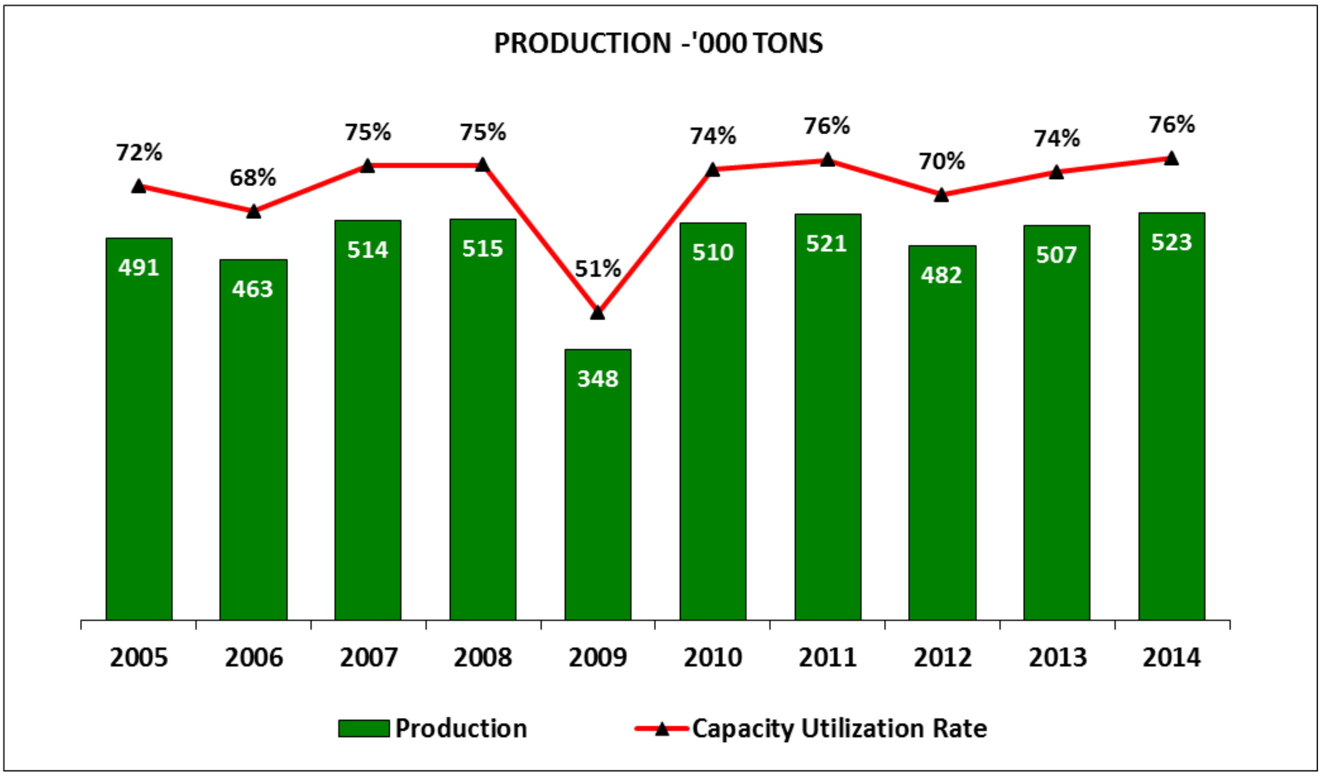
Solid fertilizer production increased by 3,16% in 2014 compared with 2013. Total fertilizer production including solid, liquid and powder increased by 3,31% in 2014 compared with 2013.

Some of the produced products were used as raw material in the prodcution process. Capacity utilisation rate was 76,35 % in 2014.

Table 9: PRODUCTION BY PRODUCT-TONS

Product	2014	2013	Change
Solid Fertilizer Total	523.013	507.000	3,16%
Liquid and Powder Fertilizer	6.268	5.342	17,33%
Grand Total	**529.281**	**512.342**	**3,31%**

Graph 5 : PRODUCTION AND CAPACITY UTILIZATION RATES BY YEARS



B. SALES AND PURCHASES

Our Company sold 1.740.012 tons of solid, 19.141.493 lt-kg of liquid and powder fertilizer in 2014. 1.651.237 tons of solid, 16.169.849 lt-kg of liquid and powder fertilizer were sold in 2013.

The volume of purchases reached 1.904.845 tons in 2013, and it decreased by % 1,45 to 1.877.179 tons in 2014. Export was 10.908 tons in 2013, while it was 14.765 tons in 2014.

Table 10: SALES, IMPORT AND DOMESTIC PURCHASES-TONS

	2014	2013	Change
Domestic Purchases	250.988	309.006	-18,78%
Import	1.626.191	1.595.839	1,90%
Total Purchases	**1.877.179**	**1.904.845**	**-1,45%**
Sales	**1.740.012**	**1.651.237**	**5,38%**

Table 11 : SALES BY PRODUCT GROUPS-TONS

Solid Chemical Fertilizers	2014	2013	Change
COMPOUND	599.356	587.737	1,98%
AN	290.127	306.597	-5,37%
CAN	232.435	214.380	8,42%
UREA	318.812	258.330	23,41%
DAP	204.392	186.654	9,50%
AS	90.054	91.611	-1,70%
Other	4.836	5.929	-18,43%
Solid Fertilizer Total	**1.740.012**	**1.651.237**	**5,38%**
Liqiud and Powder Fertilizer	19.141	16.169	18,37%
Grand Total	**1.759.153**	**1.667.407**	**5,50%**

C. INVESTMENTS

In Yarımca Facility, twin NPK-DAP plant whose production capacity is 500.000 tons/year and ammonia tank whose capacity is 25.000 tons are under construction. It is planning to launch Twin NPK-DAP plant in April 2015.

Table 12 : INVESTMENTS IN 2014-TL

Investment	Amount
Land	11.201.123
Surface and Underground, Improvements	1.091.659
Buildings	4.385.403
Facility, Machinery and Device	1.024.717
Vehicles	779.499
Fixtures	2.681.972
Special Costs	141.467
Ongoing investment	67.399.842
Total	**88.705.683**

D. RESEARCH AND DEVELOPMENT ACTIVITIES

Turkey Soil Productivity Map

Studies aiming to form Turkish soil fertility map within the framework of “Soil Map Project” is continued. In this respect, current qualitative and quantative information is categorized according to locational data, by means of a mapping software and is input as data into subcategorizes under each different location. GPS device is used for position detection and analyses from a total 7.000 locations are completed. Also, soil samples that are received from farmers are being analyzed, reports that include fertilization suggestions are sent to landowners.

Product Development and Quality Studies

In the context of product development process, the studies on a compund fertilizer specific to hazelnut have been completed in accordance with the needs of the plant and regional conditions. Thus, the production of “Çotanak Fertil” for East Black Sea and “Süper Çotanak” for West Black Sea has been started.

The studies for slow release and controlled release fertilizers have been continued. There have been new registry studies about our solid, liquid and powder fertilizers.

Izmir Laboratory continues to serve with its recently added analysis features. İskenderun laboratory had been transferred to our new building in Sarıseki and it has started to its operations

E. ADMINISTRATIVE ACTIVITIES

Company’s Top Management

Şükrü KUTLU–General Manager

Lawyer – Manager

Şükrü KUTLU was born in Amasya, in 1970. After he graduated from Faculty of Law, Ankara University in 1991, he completed his master education in Departmant of Private Law, Gazi University.

In 1992, he started to his career as Auditor Assistant in Court of Accounts and during this period, he continued to his audit career as Auditor and Head Auditor in head and other offices of the related institutions.

In 2003, he started to Türk Telekom A.Ş. as Deputy General Manager and throughout 12 years in Türk Telekom, he put into practice lots of successful projects as Deputy General Manager responsible from Human Resources, Regulation and Support Services. Especially, he led lots of successful projects such as the transformation and change projects of human resources, the redesigning of the company organizational structure based on segments and efficiency-oriented and taking practice, the reducing the number of workers covered by labor transformation project, the shift to performance-based human resources system, the implementation of the career management system. He managed the process of adaptation to competition and regulation of Türk Telekom A.Ş. which was privatized and unmonopolized at that time. He also played an important role in the reducing the cost of support services and in the continuation of the company's profitability with optimization projects implemented for the assessment of real estates. In addition to these duties, he carried out following tasks between 2003 and 2014.

- The Membership of the Board of Directors of Turkish Republic State Railways
- The Membership of the Board of Directors of TÜRKSAT Satellite and Communication Company
- The Membership of the Board of Directors of Turkish Public Employers Union
- The Membership of the Board of Directors of Turkish Table Tennis Federation
- The Founder and the Chairman of the Board of Directors of Türk Telekom Health and Social Aid Foundation
- The Membership of Board of Directors and Deputy Chairman of Türk Telekom Sports Club

He is Gübretaş General Manager as of 23.02.2015. He is also the members of the Board of Directors of Razi Petrochemical Co. and Raintrade Petrokimya A.Ş.; the chairman of the Board of Director of Arya Fosforik Jonoub Co.. He has certification of Advocacy, Notariate and Certified Public Accountant as well as professional management. Şükrü KUTLU is married and has three children.

Ferhat ŞENEL – Deputy General Manager

Manager

Ferhat Şenel was born on 01.12.1960 in Tokat. He graduated from the Istanbul University Business Administration Faculty in 1984. He started his career at Turkish Development Bank and served at several positions until 1998. He assumed top management position in several organizations between 1998-2004 and started to serve as Assistant General Manager at Gübre

Fabrikaları T.A.Ş. in 2004. Mr. Şenel is the Chairman of the Board of Directors of Arya Phosphoric Jonoob Co., a member of the Board of Directors of Razi Petrochemical Co.. He knows English. He is married and has two children.

Tahir OKUTAN – Deputy General Manager

Agricultural Engineer – Manager

Tahir Okutan was born in Afyon on 03.02.1966. After finishing his university education at Atatürk University Agricultural Faculty in 1988, he graduated from Anadolu University Faculty of Economics in 1998. He then completed master study at Dumlupınar University Institute of Social Sciences Business Administration Management and Organization department. He started his career at Turkish Agriculture Credit Cooperatives and served at several positions till 2006 and started to serve as Assistant General Manager to Gübre Fabrikaları T.A.Ş in 2006. Tahir OKUTAN is also a member of the Board of Directors Tarkim Bitki Koruma San. Ve Tic. A.Ş.. He knows English. He is married and has two children.

Dr. Şenol DUMAN – Deputy General Manager

Academician – Manager

He was born in Konya-Karapınar, in 1968. He was graduated from Departmant of Public Administration, Faculty of Political Sciences, Ankara University in 1990. He was made his master and postgraduate studies in the area of Public Administration and International Relation in abroad. He completed his postgraduate education with the study of privatization in University of Pittsburgh. He came back to Turkey in 2003. In the years of 2003-2004, he was the lecturer and Assistant Dean in Management Faculty, Atılım University. Then, he was the member of the Board of Directors in the foundation of TÜRKSAT A.Ş. and between 2004 and 2008 he was Deputy General Manager. He worked in the telecommunications field in the private sector in Istanbul between 2008-2014. After working as an Assistant Professor in the area of Public Administration at Gaziantep University, he started to serve as Deputy General Manager responsible from Supply Chain Mananagement in Gübretaş as of January 8, 2015. He is also the member of The Board Directors of Raintrade Petrokimya A.Ş.. He knows English and Arabic. Şenol DUMAN is married and has two children.

Dr. Mahmut KARAMAN – Deputy General Manager

Mechanical Engineer – Manager

He was born in İstanbul, in 1969. He was graduted from the departmen of Mechanicak Engineering, Yıldız Technical University in 1990. He completed his master and postgraduated education in the area Control Systems in USA, 1997. He finished his management master program in Colorado Üniversitesi Boulder, Leeds School of Business in 2007. Between 1998 and 2008, he carried out works in the area of Control Systems, R&D and design in SEAGATE TECHNOLOGY which is the world's leading harddisk manufacturer. He served as the chairman of Income Management in Turkish Airlines and Qatar Airlines respectively between 2008 and 2013. After working as General Manager of Yıldız Technology Development Area between 2013 and 2015, he started to serve as Deputy General Manager responsible from Facilities and Investments in Gübretaş as of February 4, 2015. He knows English. He is married and has three children.

Number of Personnel

In 2014, changes in number of personnel are shown below in Table 13:

Table 13 : Personnel Status

PERSONNEL	2014	2013	Change
Head Office	90	89	1,12%
Yarımca Facilities	257	271	-5,17%
Regional Sales Directorates	77	68	13,24%
TOTAL	**424**	**428**	**-0,93%**

Collective Labor Agreement

Current collective bargaining agreement involves the years of 2013 and 2014. Collective Bargaining Agreement was signed in 2013 for 2 years. In 2014, nothing negative was experienced in the employer union – worker relationship.

Training Activities

Training activities are aimed at developing managerial, personal and professional capabilities of the staff. Education activities of 7.597 hours with participation of 781 employees were carried out in 2014.

IV. ACTIVITIES OF RAZI PETROCHEMICAL CO.

A. PRODUCTION

Razi Petrochemical Co. (Razi) is the biggest fertilizer and fertilizer raw materials production facility with 877.000 m2 total area. Total capacity of Razi is 3.641.000 tons/year with its subsidiary Arya Phosphoric Jonoub Co. which has 126.000 tons/year. In Razi and its subsidiary Arya Phosphoric Jonoub Co., total production was 1.712.689 tons and the capacity utilisation rate was 47% in 2014.

Table 14: RAZI PETROCHEMICAL CO. PRODUCTION-TONS

Product	2014	2013	Change	Capacity	2014 CUR
Ammonia	777.187	674.620	15,20%	1.336.000	58,17%
Sulphur	356.304	355.717	0,17%	508.000	70,14%
Urea	306.840	424.880	**-27,78%**	594.000	51,66%
Sulphuric Acid	196.036	143.842	36,29%	627.000	31,27%
Phosphoric Acid	45.513	30.695	48,27%	126.000	36,12%
DAP	30.809	2.169	1.320,42%	450.000	6,85%
Total	**1.712.689**	**1.631.923**	**4,95%**	**3.641.000**	**47,04%**

B. SALES

In 2014, Razi and its subsidiaries sold 1.431.175 tons of fertilizer and achieved a revenue of 1.308.410.465 TL. Razi exported 1.068.971 tons and domesticly sold 362.204 tons in 2014. Share of export in total sales was 74,69%.

Table 15 : RAZI PETROCHEMICAL CO. SALES-TONS

Product	2014	2013	Change
Ammonia	661.308	478.214	38,29%
Sulphur	330.916	261.127	26,73%
Urea	300.404	449.292	**-33,14%**
Sulphuric Acid	56.223	52.518	7,05%
Phosphoric Acid	45.204	32.739	38,07%
DAP	37.120	9.344	297,26%
Total	**1.431.175**	**1.283.234**	**11,53%**

C. INVESTMENTS

In Razi facilities, it has realized the renovation investments and the investments relating to the productivity increase of current facilities. In addition, ammonia tank, which has 30.000 tons capacity, is presently under construction.

Table 17: RAZİ PETROCHEMICAL CO. INVESTMENT-TRL

INVESTMENT	AMOUNT-TRL
Buildings	5.192.104
Plants Machinery and Equipment	1.162.243
Vehicles	40.362
Fixtures	370.909
Ongoing Investments	32.035.392
TOTAL	**38.801.010**

V. FINANCIAL STRUCTURE

A. BALANCE SHEET ASSETS-TRL

ASSETS	31 December 2014	31 December 2013
Current Assets	**1.911.282.250**	**1.753.759.239**
Cash and Cash Equivalents	462.850.161	568.223.098
Financial Investments	7.690.360	3.207.694
Trade Receivables	432.767.323	406.565.014
- Trade receivables from related parties	*114.642.648*	*75.727.185*
- Other trade receivables	*318.124.675*	*330.837.829*
Other Receivables	154.673.329	171.609.213
- Other receivables from related parties	*1.255.280*	*1.945.063*
- Other receivables	*153.418.049*	*169.664.150*
Inventories	717.430.187	505.850.794
Prepaid expenses	73.787.779	34.817.480
Corporate Tax Assets	3.490.583	4.761.811
Other Current Assets	58.592.528	58.724.135
Fixed Assets	**1.360.363.173**	**1.293.468.091**
Other receivables	164.267.699	164.673.423
- Other receivables from related parties	*119.832.242*	*118.039.402*
- Other receivables	*44.435.457*	*46.634.021*
Financial Investments	2.737.515	2.737.515
Investments Valued by Equity Method	7.481.377	7.057.522
Investment Properties	103.334.153	103.334.153
Tangible Fixed Assets	906.904.862	832.045.970
Intangible Fixed Assets	148.426.924	148.949.164
- Goodwill	*148.146.765*	*148.811.828*
- Other Intangible Fixed Assets	*280.159*	*137.336*
Prepaid expenses	9.315.874	30.143.512
Deferred Tax Assets	17.876.267	4.522.794
Other Fixed Assets	18.502	4.038
TOTAL ASSETS	**3.271.645.423**	**3.047.227.330**

B. BALANCE SHEET LIABILITY-TRL

LIABILITIES	31 December 2014	31 December 2013
Short-term Liabilities	**1.690.392.311**	**1.622.217.341**
Financial Liabilities	632.983.748	680.148.796
Short Term Installments of Long Term Payables	29.359.714	22.023.750
Trade payables	728.864.552	645.354.835
- Payables to related parties	*35.398*	*9.259.739*
- Other trade payables	*728.829.154*	*636.095.096*
Other Payables	113.324.555	109.763.815
Deferred Incomes	59.620.935	48.927.711
Payables for Employee Benefits	6.601.077	13.599.788
Short Term Provisions	81.914.628	101.382.484
- Short-term provisions for employee benefits	*16.226.026*	*13.321.706*
- Other Short Term Provisions	*65.688.602*	*88.060.778*
Tax Liability for Current Period Profit	37.723.102	1.016.162
Long-term Liabilities	**302.840.755**	**299.003.611**
Financial Liabilities	147.162.707	179.982.133
Provisions for Employee Benefits	123.041.034	91.941.954
Deferred Tax Liabilities	32.637.014	27.079.524
EQUITY CAPITAL	**1.278.412.357**	**1.126.006.378**
Paid-in Capital	334.000.000	334.000.000
Value Appreciation Funds	218.073.621	209.923.776
Foreign Currency Adjustments	-133.068.622	-125.735.921
Restricted Reserves From Profit	28.477.401	18.082.652
-Legal Reserves	*27.094.749*	*16.700.000*
-Profit on real estate sales	*1.382.652*	*1.382.652*
Previous Years Profit / (Loss)	267.419.383	249.900.199
Net Period Profit / (Loss)	210.609.765	94.713.933
Minority Shares	**352.900.809**	**345.121.739**
TOTAL LIABILITIES	**3.271.645.423**	**3.047.227.330**

C. INCOME STATEMENT-TRL

CONTINUING OPERATIONS	31 December 2014	31 December 2013
Sales (net)	2.848.230.035	2.265.437.409
Costs of Sales (-)	(2.125.449.593)	(1.683.267.296)
GROSS PROFIT	**722.780.442**	**582.170.113**
Administrative Expenses (-)	(105.065.597)	(84.344.878)
Marketing, Sales and Distribution Expenses (-)	(199.631.603)	(166.243.163)
Other Operating Incomes	243.238.931	361.102.384
Other Operating Expenses (-)	(142.421.557)	(293.898.582)
OPERATION PROFIT/(LOSS)	**518.900.616**	**398.785.874**
Income from Investment Activities	16.521.346	52.814.347
Expenses from Investment Activities (-)	(25.691.938)	(61.666.133)
Shares in Profit/Loss of Investments Valued by Equity Method	851.843	(16.421.908)
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSE	**510.581.867**	**373.512.180**
Financial Expenses (-)	(11.734.825)	(97.451.106)
PRE-TAX PROFIT/LOSS FROM CONTINUING OPERATIONS	**498.847.042**	**276.061.074**
- Period Tax Expense (-)/Income	(71.806.592)	(3.315.313)
- Deferred Tax Expense(-)/Income	13.823.880	8.005.857
PERIOD PROFIT/ (LOSS)	**440.864.330**	**280.751.618**

Distribution of Period Profit / (Loss)		
Minority Shares	230.254.565	186.037.685
Parent Company's Shares	210.609.765	94.713.933
Earnings / (Loss) Per Share (kr)	**0,0063**	**0,0028**

D. RATIOS

	2014	2013	2012	2011	2010
LIQUIDITY RATIOS					
Current Ratio	1,13	1,08	1,08	1,12	0,93
Acid Test Ratio	0,71	0,77	0,82	0,77	0,60
FINANCIAL RATIOS					
Financial Leverage Ratio	0,61	0,63	0,61	0,60	0,62
Equity / Asset	0,39	0,37	0,39	0,40	0,38
PRODUCTIVITY					
Inventory Turnover	3,47	4,10	3,72	3,58	5,08
Debt Collection Period	53,78	63,46	78,33	68,44	57,32
Asset Turnover	0,87	0,74	1,03	0,77	0,64
PROFITABILITY RATIOS					
Gross Profit Ratio	0,25	0,26	0,29	0,31	0,31
Operating Profit Ratio	0,15	0,15	0,22	0,23	0,24
EBITDA Ratio	0,17	0,17	0,24	0,27	0,29

VI. EVENTS AFTER BALANCE SHEET DATE

1. Deputy General Manager Mr. İsmail BABACAN who is responsible from Supply Chain Management and Deputy General Manager Mr. Yakup Güler who is responsible from Facilities and Investments resigned from their duties on the date of 02.01.2015. Mr. Dr. Şenol DUMAN was appointed to the duty of Deputy General Manager responsible from Supply Chain Management on the date of 08.01.2015; Mr. Dr. Mahmut KARAMAN was appointed to the duty of Deputy General Manager responsible from Facilities and Investments on the date of 04.02.2015
2. The members of the Board of Directors of the Company, Mr. İshak GÜNDÜZ and Mr. Mustafa ÇIRAK were resigned from their duties as of 05.01.2015.; Mr. Adem DANIŞIK and Mr. Veli ALTUNKAŞ were elected to the Board of Directors as members on behalf of quitters.
3. The members of the Board of Directors of the Company, Mr. Dr. Erol DEMİR reisgned from his duty on the date of 19.01.2015.
4. In the Board Meeting of our company dated 21.01.2015, the following articles were decided;

- To be elected of Mr. Adem DANIŞIK ve Mr. Veli ALTUNKAŞ who are the members of Board of Directors to the committee of Nomination and committee of Remuneration on the behalf of Mr. İshak GÜNDÜZ ve Mr. Mustafa ÇIRAK because of their resignation from the Board,
- To be elected of Mr. Selahattin AYDOĞAN, who is the member of Board of Directors, to the vacant committee memberships because of resignation of Mr. Dr. Erol DEMİR, who is the member of the committee of Corporate Governance and committee of Early Determination of the Risk

5. Following the resolution of the Board of Directors, our application related to the amendment to the Articles of Association and the increase of authorized capital to 1 billion TL from the current 200 million TL was approved by the SPK (CMB - Capital Markets Board) on January 29, 2015. With respect to the approval of the SPK, our application related to amendments of the article 7 and 14 was approved by T.C. Gümrük ve Ticaret Bakanlığı (T.R. Ministry of Customs and Trade) on February 6, 2015.
6. The negotiations between the Company and Petrol-İş Sendikası about Collective Bargaining Agreement which will be valid for the years of 2015-2016 were started as of 23.01.2015 and the negotiations has been continued.
7. General Manager and the member of the Board of the Company Mr. Osman BALTA resigned from his duties on the date of 31.01.2015 and Mr. Şükrü KUTLU was appointed to vacant positions.

VII. CONCLUSION OF AFFILIATION REPORT

The conclusion of the Affiliation Report prepared in reliance upon Article 199 of the Turkish Commercial Code No. 6102 for the period of 01.01.2014-31.12.2014 was presented below:

"In the Affiliation Report prepared by the Board of Directors of the Company, all transactions realized in the 2014 fiscal year with controlling shareholders of our company and subsidiaries of controlling shareholders, at the time that transactions made or that precautions taken or avoided, according to status and conditions known by us, each transaction is balanced with an appropriate counter-performance, and that there are not any precautions taken or avoided which causes a loss for company and in this context, it has been reached to the result that there are not any transactions or precautions that require equalization."

VIII. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

A. SECTION I - CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

Gübre Fabrikaları T.A.Ş. (Gübretaş) carries out its activities in accordance with the Corporate Governance Principles issued by the Capital Market Board. Gübretaş believes that corporate governance practices are among the main principles for the sustainable growth of companies. Therefore, Gübretaş carries out its relations with stakeholders, employees, customers and all the other parties with an active management and supervision in accordance with accountability, equality, transparency ve responsibility, which are the universal components of corporate governance. In this direction, our company has been in accordance with all the principles that are mandatory in corporate governance in 2014. With this aim, the main activities that have to be carried out by Investor Relations Department according to Corporate Governance Communique article 11 were performed very carefully.

Matters that are not implemented yet according to the non-obligatory principles have been explained in the related parts of the compliance report. In our company, there is not any conflict of interest resulting from the non-obligatory principles that are not yet implemented. The studies continue for the adaptation of these principles and if there will be a significant change in these matters, amendments and adaptation studies will be included in interim operational reports.

B. SECTION II - SHAREHOLDERS

2.1. Investor Relations Department

In our company, Investor Relations activities are maintained by our Budget, Reporting, Investor and Subsidiary Relations Directorate, which reports to the Deputy Genel Manager responsible for financial affairs. The department has undertaken company responsibilities for Capital Market Board (SPK), Istanbul Stock Exchange (BIST) and Central Registry Agency (MKK) and operates within the scope of Corporate Governance Communique numbered II-17.1. In this direction, main activities being carried out by our directorate are as follows;

- Carrying out and supervising the all the responsibilities originating from Capital Markets legislations, including all the matters related to corporate governance and public disclosure
- Replying shareholders' written requests about our company

- Ensuring the correspondences and records related to other information between the company and shareholders are kept safe and up-to-date
- Preparing the General Assembly documents that have be to provided to shareholders for information and examination, taking precautions that makes sure the General Assembly is carried out in accordance with legislations, company's articles of association and other regulations within the company
- Supervising the interim financial reports are prepared in accordance with Capital Markets legislation and making sure they are announced to public in anticipated legal periods
- Reporting to Board of Directors about the studies of Investor Relations Directorate.
- Informing the current and potential investors about the activities of company, financial situation and strategies regularly and in a correct and complete way
- Meeting the verbal and written information requests of domestic and foreign investment and portfolio companies that are making researches about us, introducing our company in the best possible way
- Preparing the "investor presentation" in a correct and complete way
- Regularly updating the investor relations part of our corporate website to make sure our shareholders have access to correct and complete information
- Preparing the information and documents requested by institutions like İstanbul Stock Exchange and Central Registry Agency ve making sure these informations are provided to them in the anticipated periods

In 2014, 41 meetings were held for giving detailed information to investors about the activities of the company and 2 investor conferences were participated to abroad. In addition, our shareholders were informed by responses to around 400 investor demands that are received via telephone and e-mail, excluding confidential business information and in the way that does not lead to information inequality.

Budget, Reporting, Investor and Subsidiary Relations Directorate prepared 4 Investor Relations Operational Reports about the activities being carried out and the reports mentioned were presented to Board of Directors at 22.05.2014, 20.08.2014, 05.11.2014 ve 21.01.2015.

The list of directors, responsible employees in these directorates and their contact information is as follows:

Deputy General Manager-Financial Affairs

Ferhat ŞENEL

Phone: +90 216 468 50 30

Fax: +90 216 407 10 13

E-Mail: fsenel@gubretas.com.tr

Budget, Reporting, Investor and Subsidiary Relations Manager

Hüseyin KARAKUŞ

Phone: +90 216 468 51 70

Fax: +90 216 407 10 17

E-Mail: hkarakus@gubretas.com.tr

License Information: Capital Markets Activities License Level 3 - 207652
Corporate Governance Rating License - 701210

Investor Relations Assistant Specialist

Kadir BUDAK

Phone: +90 216 468 51 73

Fax: +90 216 407 10 17

E-Mail: kbudak@gubretas.com.tr

License Information: Capital Markets Activities License Level 3 - 207182

2.2. Use of Shareholders' Rights to Obtain Information

All written and verbal information requests from the shareholders are replied, except confidential business information and the information which is not publicly announced.

In the direction of shareholders' rights to obtain information, announcements are being made through Public Disclosure Platform (www.kap.gov.tr), company's website (www.gubretas.com.tr) and Central Registry Agency e-Company Portal. It is possible to access up-to-date and retroactive detailed information and statistics regarding shareholders, in Turkish and English. We have not received any complaint or appeal regarding shareholders' rights use to obtain information.

In the article 17 of our articles of association, under the heading of "audit", the statement about assigning a special auditor is, *"In the matters about the financial reporting, independent audit and audit of the company, all the sentences of legislation are valid, starting with the regulations of Capital Markets legislation and Turkish Commercial Code. "*

and according to this article, the right of any shareholder to assign a special auditor will be protected. We have not received any request from shareholders on this subject.

2.3. Information on General Assembly

General Assembly Meetings of the company are held in accordance with the Turkish Commercial Code and the Capital Market Law.

62nd Ordinary General Assembly Meeting for the accounting period 2013 was held at 10:00 a.m. on 16 April 2014 in the meeting Hall of our head office located at the address of Kasap Sk. Hilmi Hak İş Merkezi No: 22 Esentepe, Şişli - İstanbul with participation of about 83.7 % of the total company capital of 334.000.000,00 TL. 62nd Ordinary General Assembly Meeting was held in electronic media synchronically with physical media according to the "Regulation of Joint Stock Companies' General Assemblies in Electronic Media", dated 28th August 2012 and published in Official Gazette number 28395, and "Communique of Electronic General Assembly System for Joint Stock Companies' General Assemblies", dated 29th August 2012 and published in Official Gazette number 28396.

Stakeholders and media representatives also attended the assembly meeting.

Invitation for the meeting was made within its deadline; in the issue 8539 of Trade Registry Gazette of Turkey dated 31 March 2014, Dünya and Star newspapers on 25 March 2014 and the address www.kap.gov.tr of Public Disclosure Platform, the electronic general assembly system of Central Registry Agency www.gubretas.com.tr address of Gübre Fabrikaları T.A.Ş. on 24 March 2014.

23 days before the General Assembly, the General Assembly Information Document which also includes information on Board Member nominees, annual report, financial tables, auditor reports and profit distribution proposalwere disclosed at the web address of www.gubretas.com.tr and were made available at the head office of our company.

During the general assembly meeting, shareholders are asked if they have a say on the article discussed before the voting takes place. Also, at the 'wishes and recommendations' session of the meeting, questions of the participants are answered by the company authorities on the matters discussed and there has not been any question unanswered.

"Gübre Fabrikaları T.A.Ş. Donation and Aid Policy", which is one of the articles of General Assembly and has been prepared in accordance with Capital Markets Board regulations, was submitted for shareholders' approval and accepted with majority of votes. Information was given as a separate agenda item at the General Assembly regarding donations and aids during the period 01.01.2013-31.12.2013. Gübretaş donated 36.538,70 TL for the construction Gübretaş Primary School, located İskenderun Denizciler town, to Ministry of National Education. As an addition to this construction, 15.000 TL was donated for book and stationery requirements. 133.650,00,-TL was donated as educational grant to 99 students from Agriculture Faculties of various universities for 2012-2013 education period. 50.000 TL was donated to Agricultural Credit Cooperatives Education, Culture and Health Foundation (TAREKSAV). 22.400,00 TL was donated as food aid for subcontractors who are implementing company operations. In addition to these donations and aids, it was relieved in the amount of 39.240 TL to other institutions for social aid.

Minutes of the General Assembly were published in the issue 8561 of the Trade Registry Gazette dated 2 May 2014 and they are also made available to shareholders at the web address of www.gubretas.com.tr.

As an addition to the articles mentioned, the General Assembly was informed that there has not been any situation of shareholders having the control of management, board members, directors having administrative responsibility and spouses and 2nd degree relatives and in-laws,

made a significant operation that can create a conflict of interest with company or its subsidiaries,

made a commercial operation on his/her or somebody elses's behalf that is also in the same field of operations of company or its subsidiaries.

went into a partnership, which has the same field of operations, as the partner with unlimited liability.

2.4. Voting Rights and Minority Rights

In our company, practices that makes voting rights' use difficult are avoided, and possibility equal, easy and applicable voting are made possible to all shareholders. There are no privileged rights on voting because there is no preferential stock issued.

In accordance with the articles of association, the minority rights are not recognized to the shareholders that has lower then five percent of our total shares. Minority shareholders are nor represented in Board.

2.5. Dividend Rights

The dividend policy of our company was prepared in accordance with Turkish Commercial Code, Capital Markets Law and the articles of association and was submitted for General Assembly's approval. "Dividend Policy" is included in the operational report and was submitted for investors' and public information in our corporate website, both in Turkish and English. Dividend distribution has been realised in 2014 and there is no privilege our company has regarding dividend distribution.

2.6. Transfer of Shares

There is no clause that restricts transfer of shares in articles of association of the company.

C. SECTION III - PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. The Company's Website and Its Contents

Website of our Company can be accessed through the address of www.gubretas.com.tr, data presented here are prepared both in Turkish and English and submitted for public information.

In the website both the mandatory information according to the related legislation and details mentioned in corporate governance principles are provided. In this direction, data in our website are as follows;

- Trade registry informations,
- Shareholding and management structure,
- Up-to-date version of the articles of association with the Trade Registry Gazette date and numbers in which the amendments are published,
- Corporate governance principles compliance report,
- Material disclosure,
- Financial and operational results,
- Annual reports,
- Agenda of the General Assembly meetings, attendance sheets and minutes of the meetings,
- Power of attorney,
- Profit distribution policy and dividend information,
- Information policy,
- Information society services,

- Investor presentations,
- Stock information,

In accordance with the Capital Markets legislation, our financial except footnotes are announced in Public Disclosure Platform in English simultaneously with Turkish.

General principles regarding the management of our corporate website is included in article 5.6 of our information policy.

3.2. Annual Report

Our financial report includes the data mentioned in Capital Markets Board corporate governance principles and has been prepared with the level of detail that enables the public to access complete and correct information about our activities. The report is submitted for public information in Turkish and English both printed and electronical.

D. SECTION IV - STAKEHOLDERS

4.1. Informing Stakeholders

Gübre Fabrikaları T.A.Ş. provides guarantee in order to protect the interests of the corporations and stakeholders who are involved in the process of reaching Gübretaş' goals and activities, whether their rights are protected by legislations or not. A balanced approach is adopted in order to minimize the conflict of interest that can occur between company and stakeholders or among stakeholders and all the rights are considered seperately.

Stakeholders consist from shareholders, employees, creditors, customers, suppliers, trade unions, non-governmental organizations and savers who consider to invest or to do business with the state and the company.

Starting with the Public Disclosure Platform and our corporate website, these public disclosure tools, that are listed in article 5 of Information Policy and mentioned below, are also used while informing the stakeholders,

- Press releases made parallel to significant events through year via written, visual, aural and digital media.
- Explanations provided to data distribution corporations,
- Meetings, tele-conferences or one-on-one meetings with shareholders, investors and capital markets experts and informing and presentation tools like investor presentation.

- Communication methods and tools like phone, e-mail, fax.

Also, the corporate communication directorate prepares the periodical “verim”, an internal magazine that is being followed by employees, dealers and customers.

The members of the Board of Directors and Managers avoid disposals that will inflict loss on the stakeholders or reduce assets. They manage the business based on coherent balance between the company and stakeholders benefits.

In terms of accordance with corporate governance principles, the studies about compensation, recruitment and training policies continue.

4.2. Participation of the Stakeholders in the Management

In order to provide more effective, efficient, better quality products and services, the company holds meetings with stakeholders and the ideas are considered while shaping the company decisions and policies.

4.3. Human Resources Policy

We do not discriminate on the ground of ethnic, language, religion, gender, color or political opinion when hiring personnel. Our only criterion is to find people who can share the sense of “us” which Gübretaş adopts, take responsibility, have business ethics, are idealist, are captious, are suitable for team work, renew and improve himself, have analytical thinking.

We do evaluate people according to their productivity, their adoption to the corporate culture and objective success criteria. When we encounter the lack of knowledge and experience among our employees after applying professional methods and techniques, we provide all the necessary activities to develop their skills and educations.

We encourage personnel who demonstrate development horizontally and vertically, reward them materially and spiritually.

We give importance to exchange ideas with personal and trade union representatives when taking decisions on personnel.

We prepare social and physical place that our personnel can realize their duties at highest level by meeting requirements of all their material and spiritual needs.

Our human resources policy in Gübretaş is based on five fundamental principles:

- Equality
- Participative management and transparency

- Continious improvement of working conditions
- Productivity-based fees
- Respecting human rights

In our company, the criaterias for personnel recruitment has been identified and studies about the recruitment policy, job descriptions and distributions of employees and the criaterias for performance and rewarding continue. There has not been any complaint from any employee about discrimination.

4.4. Ethical Rules and Social Responsibility

A. Ethical Rules

Operations of our company are conducted within the framework of the following ethical rules:

- Deep respect to human and consciousness of “human first”
- Customer oriented thinking and working
- Sense of responsibility towards the society and respect to the environment
- Continuous improvement, systematical and logical thinking
- Having a free atmosphere where opinions are expressed freely
- Equality at management, transparency, accountability and responsibility
- Merging high ethical and moral values with the corporate identity
- Service without discrimination on religious, language, race and gender
- Forming a corporate and corporate culture that is remembered with the word of ‘Trust’

Besides, a more comprehensive study of our company about “ethical rules” continue.

B. Social Responsibility

❖ **Turkey Soil Efficiency Map Project**

The project initiated in 2005 as a social responsibility issue of Gübretaş, has been carried out with all own opportunities.

The main objectives of Gübretaş in this Project are:

1) To provide conscious fertilizer consumption to partners of Turkish Agricultural Cooperatives and determine fertilizer type regarding to land type.

2) To provide farmers solutions if there is a problem in their land accourding to soil analysis report conclusion.

3) To provide data to Gübretaş's product specialized fertilizers to develop new formulates in R&D studies.

4) To create a database of efficiency map regarding to macro and micro nutrient elements by our country's geographic regions and be a source for further studies.

5) To combine Gübretaş's studies conclusions with studies of Ministry of Agriculture and Universities and contribute to build a huge database for our country's agriculture.

6) To provide applied training to minimum 10 thousand major farmers about agricultural issues like getting soil examples, fertilizer and fertilizer use with this project.

- **Scholarships**

Gübretaş is granting scholarships to the students of 31 Agricultural Faculties in Turkey, 109 of beneficiaries in total.

- **Training**

Our training activities aimed at supporting Turkish Farmers growing more efficient and high quailty agricultural products that can be competitive globally and achieving higher profilibility via optimizing costs of inputs such as fertilizers continue. Company's Regional Sales Directorates inform farmers in all aspects of agriculture in seminar meetings organized in cooperation with Turkish Agricultural Credit Cooperatives. Specialist agricultural engineers enlighten farmers in these meetings on principles of balanced and regulary fertilizer usage, plant nutriation techics and also soil analysis.

- **School Buildings**

In Kocaeli, Başiskele county, "Başiskele GÜBRETAŞ Primary School", which has 24 classrooms with 720 student capacity, was opened in September to be in service for educational year 2014-2015.

E. SECTION V - BOARD OF DIRECTORS

5.1. The Structure and Composition of the Board of Directors and Independent Members

In our company; Board of Directors are elected under the framework of the Articles of Association, Turkish Commercial Code and Capital Market Law during the General Assembly.

They fulfill their duties in accordance with Turkish Commercial Code and Capital Market Legislation. Current members of the Board of Directors are:

Title	Name	Start Date of Employment
Chairman	İrfan GÜVENDİ	17.12.2014
Vice Chairman	Selahattin AYDOĞAN	30.12.2014
Member	Adem DANIŞIK	05.01.2015
Member	Veli ALTUNKAŞ	05.01.2015
Executive Member	Şükrü KUTLU	23.02.2015
Independent Member	Prof. Dr. Lokman DELİBAŞ	26.04.2012
Independent Member	Mustafa Fevzi YÜKSEL	16.04.2014
Independent Member	Aydın BEDİR	16.04.2014

İrfan GÜVENDİ

Curriculum Vitae

Mr. GÜVENDİ graduated from International Relations Department in the Faculty of Political Sciences, Ankara University in 1991. He completed his master education in Departmant of Public Administration, Selçuk University (2006). His doctorate education continues in Yıldırım Beyazıt University.

In 1992, he started his career as Auditor Assistant in Court of Accounts and in 1994-1995, he worked under the World Bank project of the Restructuring the Public Financial Managament of the Republic of Turkey. He then worked as auditor in Court of Accounts (1994-2000), as lead auditor in Court of Accounts (2000-2002), as consultant in the General Secretariat of the Grand National Assembly of Turkey (2001-2003), as Deputy General Manager in the Central Union of Agricultural Credit Cooperatives (2003-2009), as vice chairman in the board of Gübre Fabrikaları T.A.Ş. (2003-2009), as chairman of the board of Güven Sigorta (2003-2006), as vice chairman of the board of Tarım Sigorta A.Ş. (2006-2007), as the executive director and vice chairman of the board of Razi Petrochemical Co. (2008-2009), as the chairman of the board of HAY-SÜT A.Ş.(Süt Hayvancılık-Besi Hayvancılık Ve Bitkisel Üretim) (2010-2014), as general manager and vice chairman of the board of Lokman Hekim Engürüsağ A.Ş. (2009-2014) and as the specialist auditor of Court of Accounts (2014).

In addition to being the General Manager of the Central Union of the Agricultural Credit Cooperatives since 16th December, 2014, Mr. GÜVENDİ is also the chairman of the Board of Gübre Fabrikaları T.A.Ş. and Raintrade Petrokimya ve Dış Ticaret A.Ş.

Duties Carried Out Within The Last 10 Years

Ongoing Duties

Central Union of the Agricultural Credit Coop. General Manager

Gübre Fabrikaları T.A.Ş	Chairman of the Board
Raintrade Petrokimya ve Dış Ticaret A.Ş.	Chairman of the Board

Duties Ended

Güven Sigorta	Chairman of the Board	(2003-2006)
Gübre Fabrikaları T.A.Ş.	Vice Chairman of the Board	(2003-2009)
Tarım Sigortaları A.Ş.	Vice Chairman of the Board	(2006-2007)
Razi Petro Kimya Şirketi	Executive Director and Vice Chairman	(2008-2009)
Lokman Hekim Engürüsağ A.Ş.	General Manager and Vice Chairman	(2009-2014)
HAY-SÜT A.Ş.	Chairman of the Board	(2010-2014)

Selahattin AYDOĞAN

Curriculum Vitae

Mr. AYDOĞAN started his career as Assistant Inspector in the Central Union of Turkish Agricultural Credit Cooperatives at 14/01/1988. He became inspector in 01/08/1991. While working as inspector, he was appointed as the vice president of Board of Inspection at 28/07/2003 and then the president of the Board of Inspection at 30/10/2005. Mr. AYDOĞAN, who successfully fulfilled this duty, has worked as consultant inspector since 30/05/2011.With the resolution of the board of Central Union dated 26/12/2014 no. 473, Mr. AYDOĞAN has been appointed to the presidency of the Board of Counselling and Inspection.

Birth Date and Place: 1966 – Bolu

Graduation: Graduated from Business Administration Department in the Faculty of Economics and Administrative Sciences, Gazi University, 1987.

Foreign Language: German

Marital Status: Married, 3 Children.

Duties Carried Out Within The Last 10 Years

Ongoing Duties

President of the Board of Counselling and Inspection at the Central Union of Agricultural Credit Cooperatives

Vice Chairman of the Board of Gübre Fabrikaları T.A.Ş.

Duties Ended

President of the Board of Ins. at the Cen. Union of Agricul. C. Coop.	(2005-2011)
Member of the Board of Audit at Gübre Fabrikaları T.A.Ş.	(2005-2011)
Consultant Inspector at the Central Union of Agricultural Credit Coop.	(2011-2014)

Adem DANIŞIK

Curriculum Vitae

Adem Danışık completed his undergraduate education at Departmant of Plant Protection, Faculty of Agriculture, Ankara University in 1988 and then he started to his career as officer in Ankara Region Union of Agricultural Credit Cooperatives in 1989. He served in Keskin Agricultural Credit Cooperative numbered 252 bounded Ankara Region Union between 1989 and 1991 and in Akyurt Agricultural Credit Cooperative numbered 1528 bounded Ankara Region Union between 1991 and 1994. He was appointed to Internal Purchase Management bounded Department of Supply and Marketing Central Union of Agricultural Credit Cooperative in 1994.

Adem Danışık served in different units of Head of Department of Supply and Marketing and then Management of Plant Nutrition and Protection. While he was working in Management of Plant Nutrition and Protection, he was appointed as chief to Department of Plant Protection in 2004.

While he was working as chief in Management of Plant Nutrition and Protection, he was appointed as manager to Management of Plant Nutrition and Protection in 2010.

Duties Carried Out Within The Last 10 Years

Ongoing Duties

Central Union of Agricultural Credit Coop. - Head of Marketing Department
Gübre Fabrikaları T.A.Ş. – The member of the Board of Director

Veli ALTUNKAŞ

Curriculum Vitae

He completed his undergraduate education in Department of Agricultural Economy, Faculty of Agriculture, Atatürk University.

He started to his career as officer in Ankara Region Union of Agricultural Credit Cooperatives in 1989. He served as chief in the same region union between 1992 and 2001 and then as assistant manager between 2001 and 2007. After he served as Manager of Trabzon Region Union of Agricultural Credit Cooperatives between 2007 and 2011, he was Manager of Sakarya Region Union of Agricultural Credit Cooperatives in the years of 2011-
2012. He was the manager of Agricultural Credits Cooperatives Officers Retirement Fund Foundation between 2012 and 2014.

He started as manager in Ankara Region Union of Agricultural Credits Cooperatives in 2015.

Duties Carried Out Within The Last 10 Years

Ongoing Duties

Gübre Fabrikaları T.A.Ş. The member of the Board of Directors

Duties Ended

TACC İmece Yem A.Ş.	The member of the Board of Directors	(2001-2007)
TACC Social Aid Foundation		(2008-2011)
TACC Officers Retirement Fund Foundation		(2008-2011)

Şükrü KUTLU

Curriculum Vitae

Şükrü KUTLU was born in Amasya, in 1970. After he graduated from Faculty of Law, Ankara University in 1991, he completed his master education in Departmant of Private Law, Gazi University.

In 1992, he started to his career as Auditor Assistant in Court of Accounts and during this period, he continued to his audit career as Auditor and Head Auditor in head and other offices of the related institutions.

In 2003, he started to Türk Telekom A.Ş. as Deputy General Manager and throughout 12 years in Türk Telekom, he put into practice lots of successful projects as Deputy General Manager responsible from Human Resources, Regulation and Support Services. Especially, he led lots of successful projects such as the transformation and change projects of human resources, the redesigning of the company organizational structure based on segments and efficiency-oriented and taking practice, the reducing the number of workers covered by labor transformation project, the shift to performance-based human resources system, the implementation of the career management system. He managed the process of adaptation to competition and regulation of Türk Telekom A.Ş. which was privatized and unmonopolized at that time. He also played an important role in the reducing the cost of support services and in the continuation of the company's profitability with optimization projects implemented for the assessment of real estates.

Duties Carried Out Within The Last 10 Years

Ongoing Duties

Gübre Fabrikaları T.A.Ş. General Manager

Duties Ended

- The Membership of the Board of Directors of Turkish Republic State Railways

- The Membership of the Board of Directors of TÜRKSAT Satellite and Communication Company
- The Membership of the Board of Directors of Turkish Public Employers Union
- The Membership of the Board of Directors of Turkish Table Tennis Federation
- The Founder and the Chairman of the Board of Directors of Türk Telekom Health and Social Aid Foundation
- The Membership of Board of Directors and Deputy Chairman of Türk Telekom Sports Club

Prof. Dr. Lokman DELİBAŞ

Curriculum Vitae

Lokman DELİBAŞ completed his license degree in Agriculture Faculty of Ataturk University in 1980 and he worked as Senior Agriculture Engineer in the 9th Regional Directorate of Erzurum Topraksu for 6 months and then he started to work as an assistant in Agriculture Faculty of Ataturk University in 1981 and he completed his Phd education in Culture-technic Department of Sciences Institution of Ataturk University in 1984.

In 1987 he was appointed as the Vice Assistant Professor to the Department of Culture-technic Department of Tekirdağ Agriculture Faculty of Trakya University. On 20 October 1989 he was granted the title of Assistant Professor of the University due to his studies which he performed regarding Culture-technic matters and accordingly he was appointed as Assistant Professor to the Culture-technic Department of Tekirdağ Agriculture Faculty of Trakya University.

He conducted his duties as a member of the Commission of Purchase of the Faculty and as a member of the Commission of Education-Learning in Tekirdağ Agriculture Faculty between the years 1988 - 1990.

In 1993 he was appointed as the Founding Manager to the Lüleburgaz Vacational School of Higher Education which was established under the Trakya University and he held office until 1996. He was appointed as the Professor on 13 January 1995. He took office as the Head of the Department of Agricultural Constructions and Irrigation of Tekirdağ Agriculture Faculty between the years 1995-1997.

Lokman DELİBAŞ took office as Faculty Member under the title of Assistant Docent between the years 1987-1990, under the title of Assistant Professor between the years 1990-1995, under the title Professor between the years 1995-2006 in Tekirdağ Agriculture Faculty of Trakya

University. He was appointed to Namık Kemal University by transfer in 2006 and he has been carrying out the duty of Faculty Member in Tekirdağ Agriculture Faculty which has been joined to Namık Kemal University.

He has made a range of scientific publishing since 1987 and taught a range of license and masters degree lectures. In the same period, several times he worked as a jury member regarding foreign language and science, as a jury member regarding the duty of assistant professor, as a director for masters degrees and Phd thesis and as a arbitrator in various scientific magazines.

Duties Carried Out Within The Last 10 Years

Ongoing Duties

Namık Kemal University - Academician

Namık Kemal University Faculty of Agriculture - Head of Department of Biosystem Engineering Land and Water Resources

Gübre Fabrikaları T.A.Ş. - Independent Member of the Board of Director

Mustafa Fevzi YÜKSEL

Curriculum Vitae

He became Mechanical Engineer after completing his undergraduate study in İstanbul Technical University. After a while later he worked in 12th Regional Directorate; he completed his military service as Technical Officer in Bursa Işıklar Military High School.

He started to work as engineer in Konya Şeker Factory in 1976 and contributed to duplicate the capacity of factory. Respectively; he worked as administrator in Eskişehir, Elbistan, Afyon, Elazığ, agaşn Afyon and Adapazarı Şeker factories and he retired after 1999 earthquake.

He worked as engagement director in assembly process and test campaign from beginning to end at Elbistan sugar company.

After he worked as General Manager in private sector, in 2000 he started again his duty as administrator in Konya Şeker Company. He took in charge orders of project, machine plant and tender works of Çumra Şeker Factory, he worked as engagement director in assembly process and test campaign of factory which has the biggest capacity in Turkey, he worked as Deputy General Manager and Project and Investment Coordinator.

Between 2006 and 2011 he was the membership of the Board of Şeker and he was the membership of the company which Konya Şeker had share.

Duties Carried Out Within The Last 10 Years

Ongoing Duties

Gübre Fabrikaları T.A.Ş. – Independent Member of the Board of Director

Duties Ended

Adapazarı Şeker Fabrikası Operating Manager	1999	Retired
Private Sector General Manager	2000	Resignation
Konya Şeker Vice General Manager	2009	Duty Change
Konya Şeker Deputy General Manager	2010	Duty Change
Konya Şeker Project Investment Coordinator	2011	Resignation
Panplast The Membership of the Board of Directors	2007	Ending of Duty
The Membership of the Board of Şeker	2011	Ending of Duty

Aydın BEDİR

Curriculum Vitae

After he graduated from Gazi University School of Vocational Education Management Accounting Department in 1982, he worked as vocational courses teacher in Çanakkale Trade High School between 1984 and 1988. He gave general accounting and cost accounting as vocational courses.

He started to work as Controller of Tekirdağ Regional Union in 1988 after passing the exam which was opened within the body of The Central Union of Turkish Agricultural Credit Cooperatives in 1987.

Until 1995, in the line of his duty, he made the audit, analiyzed the accounts of Agricultural Credit Cooperatives which is in the body of Tekirdağ Regional Union and he made examinations and investigations about its employees. Also, he audited the results of year.

He was assigned as Regional Assistant Manager to Agricultural Credit Cooperatives Erzurum Regional Union with the decision of the Board of Directors in 1995. In the same time, he made the membership of the Board of Directors in Baysan Bayburt Yem Sanayi ve Ticaret A.Ş. which is within the body of The Central Union.

After he worked as Specialist and Controller in Agricultural Credit Cooperatives Sakarya Regional Union in 1998, again he was appointed as Controller to Agricultural Credit Cooperatives Tekirdağ Regional Union. With decision of the Central Union, he made inspections in Agricultural Credit Cooperatives which is within the body of Regional Union. He had continued the subjects of other audit, accounting, examination and investigation until 2007. He retired from Agricultural Credit Cooperatives Tekirdağ Regional Union in 2007.

Duties Carried Out Within The Last 10 Years

Ongoing Duties

Gübre Fabrikaları T.A.Ş. - Independent Member of the Board of Director

Duties Ended

Agricultural Credit Cooperatives Tekirdağ Regional Union Regional Controller 1998-2007 Retired

DECLARATION OF INDEPENDENCY

I hereby declare that I am a candidate to take office as an independent member of the Board of Directors of Gübre Fabrikaları T.A.Ş. (the Company) within the scope of the legislation, the articles of association and criteria specified under the Corporate Governance Principals which have been published by the Capital Market Board and in this context I declare that;

a) Within the last five years; I, my wife and my second degree consanguine and my relatives by marriage have not been in a relationship of employment that will take important duties or responsibilities, have not had more than 5 percent of shares, voting rights or privileged shares with or without somebody or had substantial trading with the Company, partnerships which the company has management control or significant effect, the shareholders which have significant effect over company or the legal entities which are controlled by these shareholders.

b) Within the last five years, I have not worked or been a board member or partner in the companies which have significant goods or service purchase or sales with the company while these goods or services were traded, primarily the companies which conduct auditing (including tax audit, legal audit and internal audit), ranking and consultancy of the Company.

c) I have the professional education, knowledge and experience to conduct the duties which I will undertake due to being an independent member of the board of directors,

ç)According to the legislation i am bound, I will not work full-time in the public agencies and institutions with the exception of being an academic staff.

d) I am respected as a resident of Turkey under the Income Tax Law, dated 31/12/1960 and no. 193,

e) I have strong ethic standarts, Professional reputation and experience in order to provide positive contributions to the activities of the company, remain objective in cases of conflicting interests to be emerged between of the shareholders of the company, make my decision freely taking into account the interests of the stakeholders,

f) I will allocate time for the company works to be able to follow up the the processes of the company's activities and fullfil the duties which I have undertaken to the fullest extent.

g)I have not been a board member of the company more than 6 years in the last 10 years,

ğ) I am not an independent board member more than 3 companies that the company or shareholders who controls the company have the management control or 5 companies that are listed in total,

h) I am registered or declared for the Corporation that has been elected as board member.

In 2014, there has not been any case that eliminates the independency of an independent board member.

In 2014, 3 independent board members have been nominated for the nomination committee. The report that shows our nominees have the specialities for independency has been prepared in 17/03/2014 and has been presented to the Board in 23/03/2014.

There is not any principle set for our Board members about taking duties outside of company.

Also, there is not any target ratio or time set for female members in the Board.

5.2. Principles of Activity of the Board of Directors

Provisions of the Articles of Association, Turkish Commercial Code and Capital Market Law are complied with for the meetings and meeting quorums of the Board of Directors. Office Directorate has been constituted to conduct the works with regard to the meetings of the Board of Directors of the Company and to service the members of the board of directors under the General Manager. Directorates of the company prepare their motions for the works regarding which resolutions (which are regarding the departments of the Company) are needed and they transmit it to the Office Directorate upon obtaining the approval of the General Directorate. An agenda regarding these motions is formed and it is transmitted to the chairman of the board of directors with the invitation letter for the meeting of the board of directors. The chairman of the board of directors signs the invitation letter and sends the invitation letter to the members together with the agenda. The resolutions which were taken in the meeting are sent to the relevant departments after the meeting. The members of the board of directors do not have dominant voting right and negative veto right. The decisions are made with the majority of Board and the questions asked and statements made by the members are not recorded into minutes. Principally, the members of the board of directors attend each meeting. The Board of Directors meets regularly and within the framework of the provisions of the articles of association at least once a month and the Board of Directors meets when necessary without complying with such timetable. The losses resulting from the faults of board members are not underwritten.

5.3. Numbers, Structures And Independencies Of The Committees Constituted By The Board Of Directors

The Board of Directors has formed Committee of Audit, Committee of Corporate Governance, Committee of Nomination, Committee of Early Determination of the Risk, and Committee of Remuneration for the purposes of performance of its duties and responsibilities wholesomely in accordance with the current position of the company and the needs of the company. These Committees conduct their activities without a special procedure but in accordance with the communiqués of the Capital Market Board.

Committee of Audit

Name	Title	Duty
Prof. Dr. Lokman Delibaş	Head of Committee	Board Member -Independent
Mustafa Fevzi Yüksel	Committee Member	Board Member -Independent
Aydın Bedir	Committee Member	Board Member -Independent

Committee of Audit has been constituted by the resolution of the Board of Directors dated 26.04.2012 pursuant to the Turkish Commercial Law, articles of association of the Company and the Communiqué regarding Corporate Governance Principals of the Capital Market Board. The Committee is composed of three members of the Board of Directors. Independent member Prof. Dr. Lokman Delibaş is the Chairman of the Committee. Other members of the Committee are Fevzi Yüksel and Aydın Bedir.

Duties and responsibilities of the Committee are as follows;

- To audit the financial statements and footnotes, both of which are disclosed to public, in terms of compliance with the current legislation and international accounting standards,
- To review the activity report and to review the information indicated in the activity report in terms of their accuracy and consistency compared to the information of the Committee,
- To examine the complaints which are serious enough to affect the financial statement submitted by the shareholders and stakeholders,
- To review the efficiency of the internal audit activities,
- To make sure that the important problems which are determined during or as a result of the audits of the internal audit department of the company and to make sure that relevant proposals for elimination of these problems are notified to the Committee on time,
- To observe whether the activities of the company are conducted in accordance with the current legislation and internal regulations of the company.

In 2014, Committee made 5 meetings and in this direction, presented 5 reports to the Board.

Committee of Corporate Governance

Name	Title	Duty
Mustafa Fevzi Yüksel	Head of Committee	Board Member -Independent
Selahattin Aydoğan	Committee Member	Vice Chairman
Aydın Bedir	Committee Member	Board Member -Independent
Hüseyin Karakuş	Committee Member	Budget, Reporting, Investor and Subsidiary Relations Manager

Committee of Corporate Governance has been constituted by the resolution of the Board of Directors dated 26.04.2012 pursuant to the Turkish Commercial Law, articles of association of the Company and the Communiqué regarding Corporate Governance Principals of the Capital Market Board.

The Committee is composed of four people, three members of the Board of Directors and Budget, Reporting, Investor and Subsidiary Relations Manager. Independent member Mustafa

Fevzi Yüksel is the Chairman of the Committee. Other members of the Committee are Selahattin Aydoğan, Aydın Bedir and Hüseyin Karakuş.

Duties and responsibilities of the Committee are as follows;

- To provide the constitution and adaptation of the importance and benefits of the Corporate Governance Principals within the structure of the company,
- To determine whether the Corporate Governance Principals are being applied or not and if they are not applied, to determine the reasons and to determine the conflicting interests due to noncompliance with these principals accurately and to submit reformatory recommendations to the Board of Directors regarding the procedures of the corporate governance applications.

In 2014, Committee made 2 meetings and in this direction, presented 2 reports to the Board.

Committee of Nomination

Name	Title	Duty
Aydın Bedir	Head of Committee	Board Member-Independent
Adem Danışık	Committee Member	Board Member
Veli Altunkaş	Committee Member	Board Member

Committee of Nomination has been constituted by the resolution of the Board of Directors dated 26.04.2012 pursuant to the Turkish Commercial Law, articles of association of the Company and the Communiqué regarding Corporate Governance Principals of the Capital Market Board.

The Committee is composed of three members of the Board of Directors. Independent member Aydın Bedir is the Chairman of the Committee. Other members of the Committee are Adem Danışık and Veli Altunkaş.

Duties and responsibilities of the Committee are as follows;

- To form a transparent system for the determination, assessment and training of the appropriate candidates for the Board of Directors and to determine policies and strategies in this regard,
- To make regular assessments regarding the structure and efficiency of the board of directors and to submit recommendations to the Board of Directors regarding changes in this regard,

- To determine approaches, principals and procedures regarding the performance assessment and career planning of the members of the Board of Directors and the senior managers and to make supervision in this regard,

In 2014, Committee made 1 meeting and in this direction, presented 1 report to the Board.

Committee of Early Determination of The Risk

Name	Title	Duty
Prof. Dr. Lokman Delibaş	Head of Committee	Board Member - Independent
Selahattin Aydoğan	Committee Member	Vice Chairman
Mustafa Fevzi Yüksel	Committee Member	Board Member - Independent
Ertuğrul Köse	Committee Member	Risk Management Director

Committee of Early Determination of the Risk has been constituted by the resolution of the Board of Directors dated 26.04.2012 pursuant to the Turkish Commercial Law, articles of association of the Company and the Communiqué regarding Corporate Governance Principals of the Capital Market Board, for the purposes of early determination of the risks which may jeopardize existence, development and continuance of the Company, application of the necessary measures regarding the determined risks and management of the risk.

The Committee is composed of four people, three members of the Board of Directors and the risk management director. Independent member Prof. Dr. Lokman Delibaş is the Chairman of the Committee. Other members of the Committee are Selahattin Aydoğan, Mustafa Fevzi Yüksel ve Ertuğrul Köse.

Duties and responsibilities of the Committee are as follows;

- To prepare the risk management strategies and policies to be followed up by the Company and to submit them for the approval of the Board of Directors and to follow up the applications closely,
- To submit proposals to the Board of Directors in order to determine the limits with regard to the major risks that the Company carries and track the limit violations,
- To submit proposals to the Board of Directors with regard to making changes in the risk management policies,
- To provide the conduct of the tracking and communication during the process of risk determination, identification, measurement, assessment and management.

- To form a basis for the provision of the accuracy and reliability of the method and results and of the risk.

In 2014, Committee made 6 meetings and in this direction, presented 6 reports to the Board.

Committee of Remuneration

Name	Title	Duty
Prof. Dr. Lokman Delibaş	Head of Committee	Board Member - Independent
Adem Danışık	Committee Member	Board Member
Veli Altunkaş	Committee Member	Board Member

Committee of Remuneration has been constituted by the resolution of the Board of Directors dated 26.04.2012 pursuant to the Turkish Commercial Law, articles of association of the Company and the Communiqué regarding Corporate Governance Principals of the Capital Market Board.

The Committee is composed of three members of the Board of Directors. Independent member Prof.Dr. Lokman Delibaş is the Chairman of the Committee. Other members of the Committee are Adem Danışık and Veli Altunkaş.

Duties and responsibilities of the Committee are as follows;

- To determine the proposals regarding the principals of the remuneration system of the members of the Board of Directors and the senior managers taking into consideration the long term targets of the company,
- To determine the criteria which may be used for the remuneration system taking into account the performance of the Company and the member,
- To submit the proposals regarding the remunerations which will be paid to the members of the Board of Directors and the senior managers, to the Board of Directors, taking into consideration their level of meeting with the criteria.

Committee has not made any meetings in 2014.

5.4. Risk Management and Internal Control Mechanism

Works related to the early determination of the risks which may jeopardize existence, development and continuance of Gübre Fabrikaları T.A.Ş. and application of the necessary measures regarding the determined risks and management of the risk are being carried out under the coordination of Department of Risk Management. Companywide, risks are tracked on the basis of four categories which are financial risks, strategic risks, operational risks and other risks. Daily and monthly reports are produced with regard to the risk management. Moreover, Department of Internal Audit, which conducts its activities under the General Directorate of the Company, periodically audits the activities of our company and submits its reports to the General Directorate.

5.5. Strategic Goals Of The Company

To be a company that benefits from contemporary technological changes as much as possible, grounding on quality consciousness, efficient resource management, continous improvement, productivity and customer oriented management; to be a leading company for Turkish agriculture by creating synergy together with the academic world, relevant institutions and Agriculture Credit Cooperatives.

To become the leading company that can drive its sector with its infrastructure and well known trademark name “Gübretaş”; to attain global competitive power with its production technology.

Adopting the motto of ‘Human First’, to be a company which provides physical and social facilities to its workers, both spiritual and material, keeps environment consciousness and human health foreground, supports social projects.

To be a company which provides to customers different possibilities and alternatives in agriculture sector, to provide product variety, information bank and accredited laboratories for the need of farmers, to emphasize R & D works by following up the modern developments in the world.

Encouraged by the company’s origin and past, to make manufacturing and procuring of chemical fertilizer with best quality at our well equipped factories with our expert staff and managements, creating the best marketing and distribution network to our customers,

To keep market advantage and preserving sustainable growth trend in accordance with “highest quality, reasonable cost” approach.

To emphasize advertisement and public relations works by establishing communication channels and bridges between Gübretaş - Public and Farmers and to do image development activities convenient to Gübretaş's corporate structure and spread them in and outside the company,

To reach the quality that could compete with the world in sense of productivity, efficiency and the world standards, procuring its raw material needs itself, efficient resource management, having production and infrastructure establishments within the country and abroad and adopting relevant policies.

To be a company that measures its success with the customer satisfaction who could find a fast and best quality solutions to the needs of the customers.

5.6. Remuneration of the Board of Directors

The remuneration policy, that put the remuneration principles of board members and managers with administrative responsibility in writing, was submitted for shareholders information as an article in the 62nd General Assembly. The policy has been explained based on Board of Directors and top management and announced in our corporate website, both in Turkish and English.

The amounts of the attendance fees and and travel allowances to be paid to the Members of the Board of Directors of our Company are determined by the General Assembly, and such amounts are determined in accordance with the international standards and legal liabilities and taking into account the members of the board of directors, top managers, economic data in the market, current remuneration system policies in the market, company size and experiences, education levels and of the people, their contributions to the company and their current positions. Stock options or payment plans based on the performance of the company are not used for the remuneration system of the independent members of the board of directors.

Our company has not provided any credit or lend, have not used any credit under "personel loans" through 3rd parties or have not provided any collaterals like guarantees to the members of the Board of Directors or managers with administrative responsibilities.

IX. CONCLUSION

DEAR SHAREHOLDERS,

523.013 tons of various types of chemical fertilizer has been produced at our facilities in 2014. 1.877.179 tons of fertilizers are procured from domestic and foreign markets, mainly the nitrogenous fertilizers which can not be produced in our facilities and are consumed heavily in our country. On the other hand, 1.740.012 tons of solid, 19.141.493 tons/litres of liquid and powder fertilizers has been sold in 2014. Net sale revenues realized as 1.565.151.883 TRL.

Also 1.712.689 tons of fertilizers and fertilizer raw materials have been produced and 1.308.410.465 TRL sale revenues has been realized by the sale of 1.431.175 tons of fertilizers and fertilizer raw materials in our affiliated company Razi Petrochemical Co and its subsidiaries.

Our company reached to 2.848.230.035 TRL consolidated sales revenue. Besides this, by adding 2.125.449.593 TRL cost of goods sold, 304.697.200 TRL operation expenses, 11.734.825 TRL financial expenses and 92.498.626 TL net effect of other income and expenses, a profit figure of 498.847.042 TRL profit have occurred before tax. 440.864.331 TRL net consolidated profit has been realized after adding 13.823.880 TRL deferred tax income and 71.806.592 TRL current period’s tax expense. 210.609.765 TRL profit for the period attributable to equity holders of Gübretaş has been realized after deducting 230.254.565 TRL profit attributable to non-controlling interests.

We would kindly like to ask you to evaluate the results mentioned above regarding 2014 activities.

Best Regards,

BOARD OF DIRECTORS

Gübre Fabrikaları Türk Anonim Şirketi and its subsidiaries

Consolidated financial statements for the period of 1 January - 31 December 2014 together with the independent auditor’s report

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Independent auditors' report on the consolidated financial statements

To the Shareholders of Gübre Fabrikaları T.A.Ş.

We have audited the accompanying consolidated balance sheet of Gübre Fabrikaları T.A.Ş. (the Company) and its Subsidiaries (together will be referred to as the ''Group'') as at 31 December 2014 and the related consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Management's responsibility for the financial statements

Group's; management is responsible for the preparation and fair presentation of financial statements in accordance with the Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") of Turkey and for such internal controls as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to error and/or fraud.

Independent auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey and standards on auditing issued by POA. Those standards require that ethical requirements are complied with and that the independent audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

Independent audit involves performing independent audit procedures to obtain independent audit evidence about the amounts and disclosures in the financial statements. The independent audit procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error and/or fraud. In making those risk assessments, the Company's internal control system is taken into consideration. Our purpose, however, is not to express an opinion on the effectiveness of internal control system, but to design independent audit procedures that are appropriate for the circumstances in order to identify the relation between the financial statements prepared by the Group and its internal control system. Our independent audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained during our independent audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Gübre Fabrikaları T.A.Ş. and its Subsidiaries as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with the Turkish Accounting Standards.

Other matters

Without qualifying our opinion we would like to draw your attention to following matters:

Iran Tax Authority has performed tax assessments for the tax filings of Razi for the previous years .As a result of these assessments, the Iran Tax Authority has identified that Razi has recognized export sales as non-taxable income. The export sales were considered as taxable by the Iran Tax Authority and Razi was imposed to a total of TL 15 million additional tax charge. Razi has protested against this claim. Based on the opinions of legal advisors and tax experts, the Group Management has not provided any provisions in the consolidated financial statements.

The sanctions imposed since 2010 on Iran by United Nations may have an effect on the operations of the subsidiary of the Group. The economic stability of the Iran depends on the measures that will be taken by the government and the outcome of the legal, administrative and political processes. These processes are beyond the control of the companies established in the country. Consequently, the entities operating within Iran must consider risks that may not necessarily be observable in other markets. These consolidated financial statements contain the Group management's estimations on the economic and financial positions of its subsidiaries and affiliates operating in Iran. The future economic situation of Iran might differ from the Group's expectations

İskenderun State Treasury Office ("Treasury") has filed a lawsuit against the Group in 2011 for the cancellation of its title deed and demanded enforced evacuation of Group's 79.350 m2 property located in the Sarıseki province of İskenderun within the city of Hatay claiming that the property is within the shoreline. The net book value of the property is 103.334.153 TL and has been accounted as investment property in the accompanying consolidated financial statements. The Group has objected the lawsuit asked for a new expert report for the determination of shoreline and at the same time filed another lawsuit for a compensation of its ownership right of the property. The litigation process is ongoing as of the report date. Based on the opinions of legal advisors, the Group Management has not provided any provisions in the consolidated financial statements for this lawsuit.

As explained in Notes 8 and 16; one of the consortium partners that bought shares of Razi, Tabosan Manufacturing Engineering and Construction, Inc. (Tabosan) in 2011, has applied to the court to postpone its bankruptcy claim, the court rejected the request and and has decided to transfer the entire process to bankruptcy estate. During the purchase of Razi shares, Group funded banks as the joint guarantor on behalf of Tabosan to the Iranian Privatization Administration. Within this scope, Group has paid the debt of Tabosan amounting to TL 46,994,091 to the banks and the Iranian Privatization Administration as the guarantor and accounted this amount to other receivables. Based on the protocol made during the acquisition process of Razi between Tabosan and Group, and by taking initial price purchase rights of Tabosan's Razi shares and mortgages / guarantees handed to Group by the bank into account, no provision has been set by the Group. Bankruptcy talks with the bankruptcy administration continues as of the report date.

Other matters (continued)

As explained in Note 2 and 35, Central Bank of Iran Islam Republic has been applying a fixed exchange rate regime since 28 January 2012. All foreign currency transactions are accounted using the fixed exchange rate which differs significantly from the market exchange rates in current period. In September 2012 Iran Islam Republic government has incorporated a Foreign Exchange Center ("Center") monitored by Central Bank of Iran Islam Republic which announce foreign currency rates that are more close to the market rates. IAS 21 requires companies to use the rate that the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date. The Group management, considering the unreliability of the market rates and the uncertainty in determining the rate that the future cash flows will be settled has used the indicative rates published by the Center. Similarly market rates and the Center rates are used in determining the average rate.

Group's 31 December 2013 consolidated financial statements prepared according to Turkey Accounting Standards (TAS) issued by Public Oversight Group Accounting and Auditing Standards Agency; has been audited by another audit company. An unqualified opinion has been declared as of March 11, 2014 on the related audit report.

Reports on other responsibilities arising from regulatory requirements

1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 378 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on 11 March 2015.

2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January – 31 December 2014 and financial statements are not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Kaan Birdal, SMMM
Partner

11 March 2015
İstanbul, Türkiye

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Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries
Consolidated statement of financial position as at 31 December 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

	Notes	Audited 31 December 2014	Audited - Restated 31 December 2013
ASSETS			
Current assets:			
Cash and cash equivalents	5	**462.850.161**	568.223.098
Financial investments	30	**7.690.360**	3.207.694
Trade receivables			
-Trade receivables from related parties	29	**114.642.648**	75.727.185
- Trade receivables from third parties	7	**318.124.675**	330.837.829
Other receivables			
- Other receivables from related parties	29	**1.255.280**	1.945.063
- Other receivables from third parties	8	**153.418.049**	169.664.150
Inventories	9	**717.430.187**	505.850.794
Prepaid expenses	10	**73.787.779**	34.817.480
Assets related to the current period taxes	27	**3.490.583**	4.761.811
Other current assets	18	**58.592.528**	58.724.135
Total current assets		**1.911.282.250**	**1.753.759.239**
Non-current assets:			
Financial investments	30	**2.737.515**	2.737.515
Other receivables			
- Other receivables from related parties	29	**119.832.242**	118.039.402
- Other receivables from third parties	8	**44.435.457**	46.634.021
Investments valued by equity method	3	**7.481.377**	7.057.522
Investment properties	11	**103.334.153**	103.334.153
Property, plant and equipment	12	**906.904.862**	832.045.970
Intangible assets			
-Goodwill	13	**148.146.765**	148.811.828
-Other intangible assets	13	**280.159**	137.336
Prepaid expenses	10	**9.315.874**	30.143.512
Deferred tax assets	27	**17.876.267**	4.522.794
Other non-current assets		**18.502**	4.038
Total non-current assets		**1.360.363.173**	**1.293.468.091**
Total assets		**3.271.645.423**	**3.047.227.330**

The accompanying consolidated financial statements are approved by the Board of Directors on March 11, 2015.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries
Consolidated statement of financial position as at 31 December 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

	Notes	Audited 31 December 2014	Audit - Restated (Note 34) 31 December 2013
Liabilities			
Current liabilities:			
Short term borrowings	6	**632.983.748**	680.148.796
Current portion of long-term borrowings	6	**29.359.714**	22.023.750
Trade payables			
- Trade payables to related parties	29	**35.398**	9.259.739
- Trade payables to third parties	7	**728.829.154**	636.095.096
Employee benefit obligations	17	**6.601.077**	13.599.788
Other payables			
- Other payables to third parties	8	**113.324.555**	109.763.815
Deferred income	10	**59.620.935**	48.927.711
Current income tax liability	27	**37.723.102**	1.016.162
Short-term provisions			
- Short-term provisions for employee benefits	17	**16.226.026**	13.321.706
- Other short term provisions	16	**65.688.602**	88.060.778
Total current liabilities		**1.690.392.311**	**1.622.217.341**
Non-current liabilities:			
Long-term borrowings	6	**147.162.707**	179.982.133
Long-term provisions			
- Long-term provisions for employee benefits	17	**123.041.034**	91.941.954
Deferred tax liability	27	**32.637.014**	27.079.524
Total non-current liabilities		**302.840.755**	**299.003.611**
Total liabilities		**1.993.233.066**	**1.921.220.952**
Shareholders' equity:			
Share capital	19	**334.000.000**	334.000.000
Other comprehensive income / expense not to be reclassified to profit or loss			
- Value appreciation funds	26	**218.073.621**	209.923.776
Other comprehensive income / expense to be reclassified to profit or loss			
- Foreign currency translation reserve		**(133.068.622)**	(125.735.921)
Restricted reserves			
- Legal reserves	19	**27.094.749**	16.700.000
- Gain on valuation of PPE	19	**1.382.652**	1.382.652
Retained earnings		**267.419.383**	249.900.199
Net profit for the year		**210.609.765**	94.713.933
Equity attributable to equity holders of the parent		**925.511.548**	780.884.639
Non-controlling interests		**352.900.809**	345.121.739
Total shareholders' equity		**1.278.412.357**	**1.126.006.378**
Total liabilities and equity		**3.271.645.423**	**3.047.227.330**

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries
Consolidated statement of profit or loss for the year ending 31 December 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

	Not	Audited 1 January –31 December 2014	Audited – Restated (Not 34) 1 January –31 December 2013
Sales	20	**2.848.230.035**	2.265.437.409
Cost of sales (-)	20	**(2.125.449.593)**	(1.683.267.296)
Gross profit		**722.780.442**	**582.170.113**
General and administrative expense (-)	21	**(105.065.597)**	(84.344.878)
Marketing, selling and distribution expense (-)	21	**(199.631.603)**	(166.243.163)
Other operating income	23	**243.238.931**	361.102.384
Other operating expenses (-)	23	**(142.421.557)**	(293.898.582)
Operating profit		**518.900.616**	**398.785.874**
Income from investment activities	24	**16.521.346**	52.814.347
Expense from investment activities (-)	24	**(25.691.938)**	(61.666.133)
Profit / (loss) from investments accounted by equity method	3	**851.843**	(16.421.908)
Financial income / (expense) before operating profit		**510.581.867**	**373.512.180**
Financial income / (expense)	25	**(11.734.825)**	(97.451.106)
Profit before tax from continuing operations		**498.847.042**	**276.061.074**
Tax income / (expense) from continuing operations	27	**(71.806.592)**	(3.315.313)
- Current period tax income / expense	27	**13.823.880**	8.005.857
- Deferred tax income / (expense)		**(57.982.712)**	**4.690.544**
Profit for the period from continuing operations			
		440.864.330	**280.751.618**
Profit for the period			
Profit / loss for the period attributable to		**230.254.565**	186.037.685
- Non-controlling interests		**210.609.765**	94.713.933
Earnings per share	28	**0,0063**	**0,0028**

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries
Consolidated statement of other comprehensive income for the year ending 31 December 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

	Audited	Audited – Restated
	1 January - 31 December 2014	**1 January – 31 December 2013**
Profit for the period	**440.864.330**	**280.751.618**
Items not to be reclassified to profit or loss	**16.672.460**	**47.632.464**
Gain in revaluation of fixed assets	**22.229.947**	50.139.436
Tax effect of other comprehensive income/expense not to be reclassified to profit or loss	**(5.557.487)**	(2.506.972)
	(15.001.435)	**105.379.148**
Items to be reclassified to profit or loss	**(15.001.435)**	105.379.148
Foreign currency translation reserve		
	1.671.025	**153.011.612**
Other comprehensive income / (expense)		
Total comprehensive income	**442.535.355**	**433.763.230**
Total comprehensive income attributable to		
-Non-controlling interests	**231.108.446**	230.114.437
-Equity holders of the parent	**211.426.909**	**203.648.793**

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries
Consolidated statement of changes in equity for the year ending 31 December 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

		Items not to be reclassified to profit or loss	Items to be reclassified to profit or loss			Retained Earnings				
	Share Capital	Revaluation reserves	Foreign currency translation reserve	Restricted reserves	Gain on PPE added to Equit	Retained earnings	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
1 January 2013 (Restated)	**83.500.000**	**122.580.207**	**(187.038.317)**	**9.533.275**	**1.330.243**	**321.543.184**	**189.788.214**	**541.236.806**	**291.857.646**	**833.094.452**
Transfer from retained earnings	-	-	-	7.166.725	-	182.621.489	(189.788.214)	-	-	-
Share capital increase	250.500.000	-	-	-	-	(250.500.000)	-	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(214.553.092)	(214.553.092)
Purchase of non-contolling interest	-	-	-	-	-	(3.712.065)	-	(3.712.065)	(3.824.727)	(7.536.792)
Transfer gain on PPE to equity	-	-	-	-	52.409	(52.409)	-	-	-	-
Total comprehensive income	-	47.632.464	61.302.396	-	-	-	94.713.933	203.648.793	230.114.437	433.763.230
31 December 2013 (Restated)	**334.000.000**	**170.212.671**	**(125.735.921)**	**16.700.000**	**1.382.652**	**249.900.199**	**94.713.933**	**741.173.534**	**303.594.264**	**1.044.767.798**
Adjustment effect (Note 34)										
1 January 2014	**-**	**39.711.105**	**-**	**-**	**-**	**-**	**-**	**39.711.105**	**41.527.475**	**81.238.580**
Transfer from retained earnings	**334.000.000**	**209.923.776**	**(125.735.921)**	**16.700.000**	**1.382.652**	**249.900.199**	**94.713.933**	**780.884.639**	**345.121.739**	**1.126.006.378**
Share capital increase										
Dividend paid to non-controlling interests	**334.000.000**	**209.923.776**	**(125.735.921)**	**16.700.000**	**1.382.652**	**249.900.199**	**94.713.933**	**780.884.639**	**345.121.739**	**1.126.006.378**
Dividend paid by parent company	-	-	-	-	-	94.713.933	(94.713.933)	-	-	-
Total comprehensive income	-	-	-	10.394.749	-	(10.394.749)	-	-	-	-
31 December 2014	-	-	-	-	-	-	-	-	(223.329.376)	(223.329.376)
1 January 2013 (Restated)	-	-	-	-	-	(66.800.000)	-	(66.800.000)	-	(66.800.000)
Transfer from retained earnings	**-**	**8.149.845**	**(7.332.701)**	**-**	**-**	**-**	**210.609.765**	**211.426.909**	**231.108.446**	**442.535.355**
Share capital increase	**334.000.000**	**218.073.621**	**(133.068.622)**	**27.094.749**	**1.382.652**	**267.419.383**	**210.609.765**	**925.511.548**	**352.900.809**	**1.278.412.357**

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries
Consolidated statement of cash flows for the year ending 31 December 2014
(Currency - Turkish Lira (TL) unless otherwise indicated)

		Audited	**Audited – Restated**
	Not	**1 January – 31 December 2014**	**1 January – 31 December 2013**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		**440.864.330**	280.751.618
Adjustments to reconcile net profit/(loss) for the period			
Depreciation and amortization expense	12,13,22	**68.760.119**	62.029.486
(Gain) / loss on equity investments	3	**(851.843)**	16.421.908
Retirement pay provision, early retirement pay liability	17	**61.500.454**	43.123.551
interest (income) / expense	25	**7.766.335**	3.268.203
Foreign exchange (income) / expense		**(6.918.452)**	7.871.112
Profit on sale of plant, property and equipment	12	**3.493.771**	(52.040)
Tax income	27	**57.982.712**	(4.690.544)
Deferred financial income / expense		-	1.865.458
Impairment of property, plant and equipment		-	16.136.427
Increase in value of investment property		-	(20.515.132)
Allowance for / reversal of doubtful receivable	7	**503.280**	970.406
Net cash provided by the operating activities before changes in the assets and liabilities		**633.100.706**	**407.180.453**
Changes in working capital (net):			
Increase / decrease in trade receivables		**(26.705.589)**	(13.599.807)
Increase / decrease in other receivables		**23.761.072**	(142.841.908)
Increase / decrease in inventories		**(211.579.393)**	(205.437.943)
Other current / non-current assets and liabilities		**2.321.127**	(22.685.738)
Increase / decrease in trade payables		**83.509.717**	167.533.040
Employee benefit obligations		**(6.998.711)**	3.137.264
Deferred income		**10.693.225**	27.991.650
Increase in prepaid expenses		**(18.142.661)**	(29.797.362)
Increase / decrease in other payables		**(80.820.030)**	45.004.974
Increase / decrease in debt provisions		**(22.372.177)**	44.462.207
Cash provided by the operations after the changes in working capital		**386.767.286**	**280.946.830**
Interest paid	24	**(13.638.357)**	(20.653.087)
Taxes paid	27	**(35.099.652)**	(11.912.535)
Severance paid	17	**(37.478.120)**	(35.421.645)
Cash flow regarding investment activities		**300.551.157**	**212.959.563**
Cash flows from investing activities:			
Cash outflows from the purchases of property, plant and equipment and intangible assets	12, 13	**(128.281.344)**	(194.514.159)
Proceeds from sales of property, plant and equipment	12	**389.026**	2.824.754
Cash proceeds about financial investments	3	**(4.482.666)**	26.457.495
Interest collected	23	**6.825.188**	17.934.165
Cash paid for the purchase of associate		-	(7.536.792)
Net cash amount used in investment activities		**(125.549.796)**	**(154.834.537)**
Cash flows (used in) / from financing activities			
Dividend paid by parent company		**(66.800.000)**	-
Dividend paid to non-controlling interests		**(138.948.604)**	(214.533.092)
Cash flow related to borrowings		-	266.053.446
Principle repayment of borrowings		**(72.648.510)**	(18.013.875)
Net cash (used) / provided by financial activities		**(278.397.114)**	**33.506.479**
Change in pledge cash and cash equivalents	5	**(84.380.770)**	-
Net change in cash and cash equivalents		**(103.395.753)**	91.631.505
Cash and cash equivalents as of January 1		**568.223.098**	**430.098.290**
Foreign currency translation difference		**(1.977.184)**	46.493.303
Cash and cash equivalents as of December 31	**5**	**378.469.391**	**568.223.098**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 1- GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

Gübre Fabrikaları T.A.Ş. and its subsidiaries (altogether referrred to as "the Group") are composed of three subsidiaries and two associates. Gübretaş, established in 1952, operates in the field of production and marketing of chemical fertilizers.

The Company performs the majority of its operations together with Türkiye Tarım Kredi Kooperatifleri Merkez Birliği. The registered head Office is in Istanbul and the information about the locations of the other production facilities and offices are summarised here below:

Operational units	**Operation details**
Yarımca Facilities Directorate	Production / Liman / Storage
İzmir Regional Office	Sales-marketing / Liquid-powder fertilizer production / Storage
Samsun Regional Office	Sales-marketing / Storage
İskenderun Regional Office	Sales-marketing / Port facilities / Storage
Tekirdağ Regional Office	Sales-marketing / Storage
Ankara Regional Office	Sales-marketing
Diyarbakır Regional Office	Sales-marketing
Antalya Regional Office	Sales-marketing

The number of employees of the Company and its subsidiaries for the year ended 31 December 2014 is 1.522 (31 December 2013 – 1.534)

24,05% of the shares of the Company are traded in the Istanbul Stock Exchange and is registered to the Capital Market Board (CMB).

The shareholders who hold 10% and above of the Company are listed here below:

	31 December 2014		**31 December 2013**	
Name	**Share %**	**Share amount**	**Share %**	**Share amount**
Türkiye Tarım Kredi Kooperatifleri Merkez Birliği	75,95%	253.684.607	75,95%	253.684.607
Other	24,05%	80.315.393	24,05%	80.315.393
Total	**100,00%**	**334.000.000**	**100,00%**	**334.000.000**

NOTE 1- GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Associates

Gübretaş has invested in Razi Petrochemical Co., which is located in Iran and operates in the production and sales of fertilizer and fertilizer raw materials on May 24, 2008. The share of Gübretaş in the capital of Razi as of the date of balance sheet is 48,88% (December 31, 2013: 48,88). Razi is considered associate because Gübretaş has the right to select and nominate three of the five member Company Board of Razi. Also, it has the controlling power in the operational management of Razi.

At the 2010, Razi has established Raintrade Petrokimya ve Dış Ticaret A.Ş. ("Raintrade") in Turkey in order to conduct its sales activities outside Iran. Raintrade has commenced its operations in April 2011. Razi has 100% share in Raintrade; therefore the Group has an indirect ownership of 48,88% in Raintrade.

In 2012, Razi Petrochemical Co. has purchased 87,5% of Arya Phosphoric Jonoob Co.,which operates in the same region and has a production facility with an annual production capacity of 126.000 tons of phosphoric acid. In 2013, Razi has purchased the remaining 12,5% of the shares and fully owns Arya Phosphoric Jonoob Co. Consequently, Arya Phosphoric Jonoob Co has become the associate of Razi Petrochemical Co. The Group's indirect ownership is 48,88%.

Subsidiaries

On June 30, 2008, the Company has invested in Negmar Denizcilik Yatırım A.Ş., operating in sea transportation. As of the balance sheet date, the participation percentage is 40% (31 December 2013: 40%).

On April 13, 2009, the Company has invested in Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş. (Tarkim), operating in the production and sales of agricultural pesticide in Turkey. As of the balance sheet date, the participation percentage is 40% (31 December 2013: 40%).

Financial assets available for sale

Other than its associates and subsidiaries, the Group has invested in İmece Prefabrik Yapı Tarım Makineleri Temizlik ve Güvenlik Hizmetleri Tic. A.Ş. and Tarnet Tarım Kredi Bilişim ve İletişim Hizmetleri A.Ş. in Turkey with shares of 15% of 17% respectively that are the associates of its controlling shareholder.

The approval of the financial statements:

The consolidates financial statements have been approved by the Board of Directors and instructed to be issued on March 11, 2015. The General Assembly has the power to amend the financial statements.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of presentation

Applied financial reporting standards

The Company and its subsidiaries located in Turkey record and prepare their statutory books and statutory financial statements in line with the Turkish Commercial Code and accounting principles stated by the tax legislation. The associate company in Iran keeps its books and accounting entries as per the Iranian legislation in the currency of Iranian rial (IRR).

The accompanying consolidated financial statements of the Group have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" (the Communiqué) announced by Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") on 13 June 2013 which is published on Official Gazette numbered 28676 in order to comply with Turkish Accounting Standards / Turkish Financial Reporting Standards and interpretations prepared in compliance with international standards. These standards are updated in parallel to the changes made in International Financial Reporting Standards (IFRS).

The consolidated financial statements have been prepated accounding to historical cost principal excluding the revaluation of property plant and equipment and investment properties. In the calculation of the historical cost, the fair value of the amount paid for the assets are generally considered.

The Group has prepared its consolidated financial statements considering the going concern concept.

Functional currency:

The financial statements of the entities of the Group are presented in local currencies (functional currency) of the economic zones they operate in. All of the financial position and operational results of the entities are presented in Turkish Lira (TL) which is the currency of the consolidated financial statements.

The functional currency of the associate in Iran is Iranian Rial (IRR). In accordance with IAS 21 Effects of the Changes in Foreign Exchange Rates, during consolidation, the assets and liabilities of the subsidiaries of the Group in foreign countries are converted into TL using the parity as of the balance sheet date.

Income and expense items are converted into TL using the average conversion rates realized in the related period. The exchange differences occurred as a result of application of the closing and average rates are followed under the equity in the foreign currency translation reserve account. The translation differences occurred are recorded as income or expense at the end of the operation period.

The conversion rates used are as follows:

	31 December 2014		**31 December 2013**	
Currency	**Period End**	**Period Average**	**Period End**	**Period Average**
IRR	0,0000854	0,0000843	0,0000858	0,0000769

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.2. Changes in Turkish Financial Reporting Standards (TFRS)

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2014 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2014. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at 1 January 2014 are as follows:

TAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the TAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments did not have an impact on the consolidated financial statements of the Group.

TFRS Interpretation 21 Levies

The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached. The interpretation is not applicable for the Group and did not have any impact on the financial position or performance of the Group.

TAS 36 Impairment of Assets (Amended) - Recoverable Amount Disclosures for Non-Financial assets

As a consequential amendment to TFRS 13 Fair Value Measurement, some of the disclosure requirements in TAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets has been modified. The amendments required additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal. These amendments did not have an impact on the consolidated financial statements of the Group.

TAS 39 Financial Instruments: Recognition and Measurement (Amended)- Novation of Derivatives and Continuation of Hedge Accounting

Amendments provides a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations. These amendments did not have an impact on the consolidated financial statements of the Group.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2. Changes in Turkish Financial Reporting Standards (TFRS) (continued)

i) The new standards, amendments and interpretations which are effective as at 1 January 2014 are as follows: (continued)

TFRS 10 Consolidated Financial Statements (Amendment)

TFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with TFRS. This amendment does not have any impact on the financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

TFRS 9 Financial Instruments – Classification and measurement

As amended in December 2012, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new TFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is adopted by POA.

TAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

TAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. These amendments are to be retrospectively applied for annual periods beginning on or after 1 July 2014. The amendments will not have an impact on the financial position or performance of the Group.

TFRS 11 Acquisition of an Interest in a Joint Operation (Amendment)

TFRS 11 is amended to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in TFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in TFRS 3 and other TFRSs except for those principles that conflict with the guidance in this TFRS. In addition, the acquirer shall disclose the

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2. Changes in Turkish Financial Reporting Standards (TFRS) (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

information required by TFRS 3 and other TFRSs for business combinations. These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

TAS 16 and TAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to TAS 16 and TAS 38)

The amendments to TAS 16 and TAS 38, have prohibited the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortisation for intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

TAS 16 Property, Plant and Equipment and TAS 41 Agriculture (Amendment) – Bearer Plants

TAS 16 is amended to provide guidance that bearer plants, such as grape vines, rubber trees and oil palms should be accounted for in the same way as property, plant and equipment in TAS 16. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates. Because their operation is similar to that of manufacturing, either the cost model or revaluation model should be applied. The produce growing on bearer plants will remain within the scope of TAS 41, measured at fair value less costs to sell. Entities are required to apply the amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Annual Improvements to TAS/TFRSs

In September 2014, Public Oversight Authority (POA) has issued the below amendments to the standards in relation to "Annual Improvements - 2010–2012 Cycle" and "Annual Improvements - 2011–2013 Cycle. The changes are effective for annual reporting periods beginning on or after 1 July 2014.

Annual Improvements - 2010–2012 Cycle

TFRS 2 Share-based Payment:

Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2. Changes in Turkish Financial Reporting Standards (TFRS) (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

TFRS 3 Business Combinations

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of TFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

TFRS 8 Operating Segments

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

TAS 16 Property, Plant and Equipment and TAS 38 Intangible Assets

The amendment to TAS 16.35(a) and TAS 38.80(a) clarifies that revaluation can be performed, as follows:
i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

TAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. The amendment is effective retrospectively.

Annual Improvements – 2011–2013 Cycle

TFRS 3 Business Combinations

The amendment clarifies that: i) Joint arrangements are outside the scope of TFRS 3, not just joint ventures ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is effective prospectively.

Amendment to the Basis for Conclusions on TFRS 13 Fair Value Measurement

The portfolio exception in TFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective prospectively.

TAS 40 Investment Property

The amendment clarifies the interrelationship of TFRS 3 and TAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively.

The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2. Changes in Turkish Financial Reporting Standards (TFRS) (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

Annual Improvements – 2010–2012 Cycle

IFRS 13 Fair Value Measurement

As clarified in the Basis for Conclusions short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment is effective immediately.

Annual Improvements – 2011–2013 Cycle

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity’s ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 is effective for reporting periods beginning on or after 1 January 2017, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2. Changes in Turkish Financial Reporting Standards (TFRS) (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

IFRS 9 Financial Instruments - Final standard (2014)

In July 2014 the IASB published the final version of IFRS 9 Financial Instruments. The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 addresses the so-called 'own credit' issue, whereby banks and others book gains through profit or loss as a result of the value of their own debt falling due to a decrease in credit worthiness when they have elected to measure that debt at fair value. The Standard also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

IAS 27 Equity Method in Separate Financial Statements (Amendments to IAS 27)

In August 2014, IASB issued an amendment to IAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either:
• At cost
• In accordance with IFRS 9 (or IAS 39),
Or
• Using the equity method

The entity must apply the same accounting for each category of investments. The amendment is effective for annual periods beginning on or after 1 January 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2. Changes in Turkish Financial Reporting Standards (TFRS) (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

Annual Improvements to IFRSs - 2012-2014 Cycle

In September 2014, IASB issued their annual cycle of improvements to IFRSs, Annual Improvements to IFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures – servicing contracts; applicability of the amendments to IFRS 7 to condensed interim financial statements
- IAS 19 Employee Benefits – regional market issue regarding discount rate
- IAS 34 Interim Financial Reporting – disclosure of information ‘elsewhere in the interim financial report’

The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application permitted. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In September 2014, IASB issued amendments to IFRS 10 and IAS 28, to address the acknowledged inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors’ interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group. or The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2. Changes in Turkish Financial Reporting Standards (TFRS) (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

IAS 1: Disclosure Initiative (Amendments to IAS 1)

In December 2014, IASB issued amendments to IAS 1. Those amendments include narrow-focus improvements in the following five areas: Materiality, Disaggregation and subtotals, Notes structure, Disclosure of accounting policies, Presentation of items of other comprehensive income (OCI) arising from equity accounted investments. The amendments are applicable for annual periods beginning on or after1 January 2016. Earlier application is permitted. These amendments are not expected have significant impact on the notes to the consolidated financial statements of the Group.

2.3 Summary of the significant accounting policies

Income

Incomes are calculated via fair value of the received or receivable amount.

The income from the sale of the goods is calculated after the following conditions are in place:

- The Group hands over the property right, risks and gains to the buyer
- Group has no longer effective control over the sold-out goods and administrative contribution linked to the property right.
- Income amount is reliably calculated.
- Economical benefits related to the operation are possible to flow in the company.
- The costs resulted / to-be resulted from the operation is reliably calculated.

Dividend and interest income

The interest income is realized at the related period at rate of the effective interest reducing the assumed cash input gained from the related financial asset with the remaining principal amount over its expected life to the recorded value of the asset.

Dividends from the share investments are recorded when the shareholders get right to receive the dividend

Lease Income

The rental income from the real estate is accounted in accordance with linear method during the related leasing contract is in effect.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.3 Summary of the significant accounting policies (continued)

Inventories

Inventories are calculated with the lower one of the cost or net realizable value. The costs including a part of fixed and changeable general production expenses are calculated with a method which the inventories depend on and generally first-input-first-output method.

Net realizable value is calculated by deducting the completion cost and assumed costs for sale from the assumed sale price fixed under normal commercial conditions. When the net realizable value of inventories falls below its cost, the inventories value is reduced to net realizable value and reflected to the income statement as an expense on the year when the value decrease happened. If the conditions causing the inventories to reduce to the net realizable value are no more effective or if the net realizable value increase due to changing economical conditions; the provision for decrease in value of the stocks is cancelled. The cancelled amount is limited with the earlier determined amount of decrease in value of the inventories.

The inventories have no share from the loan costs.

The processing cost is used as a cost system. In the inventories, the first-in-first-output costing method is applied for first material and goods as well as monthly moving average costing method is applied for the aids and spare parts.

Investment Properties

The investment properties are presented for rental income or/and value growth gain and they are initially valued with their main cost as well as operational cost. Following the initial accounting, the investment properties are evaluated with the fair values reflecting market realities as at the balance sheet date. Gains / losses from the fair value amendments are included in the income statement during the period when they occurred.

The real estate used by the owner has been considered as amortized until they become investment properties shown on the basis of fair value. Since then no amortization has been calculated.

To determine a fair value of the investment property, the value of machinery and instruments used in leased factory should also been accounted for. Such assets are also separately displayed in the investment property account.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.3 Summary of the significant accounting policies (continued)

Tangible Fixed Assets

Landed properties and buildings that are held in use for the purpose of delivering product /service or for administrative purposes are expressed with their re-evaluated value. Re-evaluated value is determined by subtracting accrued depreciation and accrued depredation that occur within the next period from fair value measured at the re-evaluation date. The re-evaluations are done on a regular basis in such a way that it will not differ from book value of fair value that is to be determined at the re-evaluation date.

Increase resulting from the re-evaluation of the aforementioned landed properties and buildings is recorded to re-evaluation fund in equity. If there is a deprecation that has been showed previously in income statement concerning the tangible-fixed assets, increment value resulting from the re-evaluation is recorded to income statement at the rate of said depreciation. Decrease in book value resulting from the re-evaluation of mentioned landed property and building is recorded to the income statement in case the asset exceeds its balance in re-evaluation fund relating its previous re-evaluation.

Depreciation of re-evaluated building is included in income statement. When the re-evaluated real estate is sold or upon its retirement, remaining balance in re-evaluation fund is transferred to profits which are not distributed directly. Unless the asset is excluded from the balance sheet, it shall not be transferred from re-evaluation fund to profits which are not distributed directly.

Machines and equipments are shown on the basis of the amount which is after subtracting the accrued depreciation and accrued depredation from their cost value.

Machines and equipments are shown on the basis of the amount which is after subtracting the accrued depreciation and accrued depredation from their cost value.

Except the lands and ongoing investments, cost value or valued amounts of tangible-fixed assets are subject to deprecation by using the straight-line method according to their expected useful life. Expected useful life, residual value and depreciation method are reviewed every year for possible effects of changes in estimations and if there is a change in estimations, they are accounted in advance.

Proceeds and losses resulting from disposal or retirement of tangible-fixed assets are determined as a difference between missing sale revenue and book value of the asset and included in income statement.

Except for lands having unrestricted use life, depreciation has been calculated over the inflation adjusted values of fixed asset and according to ordinary depreciation method and on basis of prorate depreciation. Tangible-fixed assets are amortized considering below-mentioned economic lives. (Note 12)

Buildings, underground and aboveground systems	5-50 Years
Machines, facilities and devices	3-40 Years
Vehicles	4-10 Years
Flooring and fixtures	3-25 Years
Special costs	5 Years

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.3 Summary of the significant accounting policies (continued)

Intangible-Fixed Assets

Intangible-fixed asset is accounted in case expected future economic benefits are possible for the business and the cost of the asset can be measured reliably.

Intangible assets are accounted with their cost value at the initial recognition. The cost of a separately acquired intangible asset is calculated by deducting all discounts from the purchase price and including import taxes and non-refundable purchase taxes as well as all other kind of costs linked to the asset in order to operationalize it.

As of the purchase date, the historical costs of the intangible assets have been finally adjusted for the inflation rates on 31 December 2004. In the current period, the intangible assets are redeemed with straight line method according to their economical life based on the cost value. The amount noted at the financial statement is redeemed in 5 years. (Note 13)

Goodwill

The acquisition of subsidiary is accounted for using the purchase method. The cost of business combination is calculated according to the aggregate of the assets given at the combination date, liabilities which are arising or committed and the fair value of equity instruments which are issued to obtain the control of the subsidiary and other costs which are directly related to the business combination. The assets, liabilities and contingent liabilities of the acquisited entity which are corresponding the terms of recording according to the IFRS 3 “Business Combinations” are recorded based on their fair values. The goodwill arising on the acquisition is determined as the excess of the acquisition cost over the Group’s share in the identifiable assets, liabilities and contingent liabilities of the acquired entity and recorded first on the cost basis.

Impairment of non-financial assets

The carrying values of non-financial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement for items carried at cost. The recoverable amount of property, plant and equipment is the greater of fair value less cost to sell and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm’s length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit. Impairment losses of continuing operations are recognized in the income statement in those expense categories consistent with the function of the impaired asset.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.3 Summary of the significant accounting policies (continued)

Financial Instruments

Financial Assets

The financial assets - apart from those recorded at fair value and grouped as financial tools of which fair value difference reflected as loss or profit - are accounted based on total amount of the expenses directly related to purchase transaction and fair market value. The assets are recorded or charged off at the date of transaction in result of purchase or sale of the financial assets linked to a contract indicating the delivery conditions of investment tools, such as the deadline determined in line with market conditions.

Financial assets are classified as "financial assets of which fair value difference is reflected as profit or loss", "financial assets which will be held till the due term", "financial assets which are ready for sale" and "credits and receivables". The classification is determined at the first record as to qualifications and acquirement goals of the financial asset.

Effective interest method

The effective interest method is a way to evaluate the financial asset with the amortised cost and to distribute the related interest income to the related period. The effective interest method is the rate reducing the assumed total receivable cash to its current net value as long as it is available over the life of financial tool.

The classified financial assets except from those of which fair value difference is reflected to profit or loss are accounted by using the effective interest method.

Financial assets of which fair value difference reflected to profit or loss

The financial assets of which fair value difference reflected to profit or loss, are the financial tools held for commerce. When a financial asset is acquired for sale, it is classified in this category. These financial assets constituting the derivatives which have not been designed as protective tool against financial risk are also categorized as financial asset of which fair value difference reflected to profit or loss.

Held-to-maturity financials assets

Investments in debt securities with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortized cost using the effective interest methodless impairment, with revenue recognized on an effective yield basis.

Financial assets ready for sale

The equity instruments that are held by the Group and that are quoted on the stock exchange and transacted at an active market as well as some debt securities are categorized as financial assets ready for sale and are recorded with their fair value. The Group has also other equity instruments that are ready for sale, but neither quoted on the stock exchange nor transacted at an active market. So they are recorded with their cost value as their fair value cannot be determined via a trustable way.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.3 Summary of the significant accounting policies (continued)

Credits and receivables

The commercial and other receivables that are not transacted and that have fixed and determinable payments as well as the credits are classified in this category. The credits and receivables are recorded by deducting the decrease in value from the cost amortised via effective interest method.

Impairment of financial assets

The financial assets or asset groups, except from the financial assets of which fair value difference reflected to profit or loss, are evaluated on each balance sheet date as to whether there is any indication of being affected by decrease in value. If more than one event happen after the initial recognition and there is a sideless indication of that the future cash flows of the financial asset or asset group have been subjected to the decrease in value, the impairment loss takes place. For the financial assets recorded with their amortised value, the amount of the decrease in value is difference between its book value and current value accounted by reducing the expected future cash flows at the rate of effective interest.

Decrease in value of all financial assets, except for trade receivables of which book value was decreased through usage of a reserve account, is directly deducted from registered value of relevant financial asset. In case trade receivable cannot be collected, the amount in question is written off by being deducted from reserve account. Changes in reserve account are accounted in income statement.

Except for equity instruments ready for sale, in case that loss due to decrease in value reduces in the following period and this reduction can be connected with an event occurred after accounting the loss due to decrease in value, loss due to decrease in value which has been accounted before is deleted from income statement in a way so as not to exceed amortized cost which decrease in value of investment would reach on the date decrease in value would be cancelled in case it would not have been accounted at any time.

Increase in fair value of equity instruments ready for sale which occurred after decrease in value is directly accounted in equities.

Cash and Cash equivalent

Cash and cash equivalent values are the short term investments made up of cash, demand deposits and other short term investments with original maturities of 3 months or less, eligible to be immediately converted into cash without being subjected to the risk of steep value changes and have high liquidity.

Financial liabilities

Financial liabilities and equity instruments of Group are designated in accordance with contractual arrangements and description of a financial liability and an instrument based on equity. The contract representing right in assets remained after all payables of Group are deducted is a financial instrument based on equity. Accounting policies applied for specific financial liabilities and financial instruments based on equity are explained below.

Financial liabilities are classified as financial liabilities of which fair value deficit is reflected on profit or loss and other financial liabilities.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.3 Summary of the significant accounting policies (continued)

Financial liabilities which reflected to profit / loss as fair value difference

Financial liabilities of which fair value deficit is reflected on profit or loss are registered with their fair value and reevaluated with their fair value at balance sheet date in each reporting period. Changes in their fair value are accounted in income statement. Net income or loss which is accounted in income statement also includes interest rate paid for financial liability in question.

Other financial liabilities

Other financial liabilities are accounted with their fair values which are freed from transaction costs in the beginning, including financial payables.

Other financial liabilities are accounted over amortized cost amount by using effective interest method along with interest expense calculated over effective interest rate in the following periods.

Effective interest method is the one in which amortized costs of financial liability are calculated and relevant interest expense is distributed to related period. Effective interest rate is the one which reduces estimated cash payments to be performed in future during the anticipated lifespan of financial instrument or a shorter period of time, in case suitable, to exactly net present value of related financial liability.

Derivative financial instruments

Activities of Group actually expose the enterprise to financial risks caused by changes in exchange and interest rates. Group uses derivative financial instruments (essentially exchange rate forward contracts) in order to avoid financial risks associated with exchange rate fluctuations depending on specific binding commitments and anticipated future transactions.

Derivative financial instruments are calculated with their fair values at contract date and recalculated with their fair values in the following reporting periods.

Leasing- Group as Lessor

Leasing procedure in which a significant portion of risk and benefit arising from owning an asset belongs to lessor is categorized as financial leasing. Other leasing procedures are categorized as operating lease.

There is no financial leasing transaction of Group in the current period.

Leasing incomes of operating lease are accounted by straight-line method during relevant leasing period. Straight-line initial costs borne during leasing procedure and negotiation are added to cost of leased asset and it is amortized during leasing period by straight-line method.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.3 Summary of the significant accounting policies (continued)

Leasing - Group as Tenant

Leasing procedure in which a significant portion of risk and benefit arising from owning an asset belongs to tenant is categorized as financial leasing, while other leasing procedures are categorized as operating lease.

There is no financial leasing transaction of Group in the current period.

Payments performed for operating lease (incentives received or to be received from lessor for carrying out leasing transaction are recorded in income statement by straight-line method during leasing period), are recorded in income statement by straight-line method during leasing period.

Impacts of Exchange Rate

Financial statements of each enterprise of Group are presented with currency unit (functional currency unit) which is valid for basic economic environment that they operate. Financial situation and operation results of each enterprise are indicated as TRY which is valid currency unit for company and presentation unit for consolidated financial statements.

Foreign currency unit based transactions (other currencies than TRY) made during the preparation of financial statement of each enterprise are recorded based on foreign exchange rates that are applicable on the date of transaction. The monetary assets and liabilities indexed to foreign currency used in balance sheet are converted to Turkish Lira by using foreign exchange bid rates valid on balance sheet date. Those non-monetary items which are followed with their fair value and recorded in foreign currency unit are converted to TRY based on exchange rates on the date fair values are determined. Non-monetary items in foreign currency unit of which date is calculated over cost are not subjected to conversion again.

Exchange rate differences, except for the conditions listed below, are accounted as profit or loss in the period which they come into existence:

- Exchange rate differences which are handled with as adjustment item to interest costs on payables that are associated with assets constructed in order to use in future and indicated in foreign currency unit and which are included in costs of such assets,

- Exchange rate differences caused by transactions made in order to provide financial protection against risks arising from foreign currency unit (accounting policies related to providing financial protection against risks are explained below),

- Exchange rate differences arising from monetary payables and receivables which compose a part of net investment in foreign operation, are accounted in conversion reserve, are associated with profit and loss in net investment sale and derive from foreign operation of which there is no payment intention or possibility.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.3 Summary of the significant accounting policies (continued)

Impacts of Exchange Rate (continued)

Assets and liabilities of Group in its foreign operations are expressed in consolidated financial statements in TL by using exchange rates valid on the date of balance sheet. Income and expense items are converted by using average exchange rates during the period, in case that no substantial fluctuation has been occurred on foreign exchange rates
during the period in which exchange rates valid on the date of transaction should be used (in case a substantial fluctuation occurs, exchange rates on transaction date are used). Exchange rate difference which has occurred is classified as equity and transferred to Group's conversion fund. Conversion differences in question are recorded on income statement in the period when foreign operations are sold out.

Goodwill and fair value adjustments arising from foreign operation purchase are considered as assets and liabilities of foreign operation and converted by using period-end exchange rate.

Earnings per Share

Earnings per share stated in consolidated income statement is calculated by dividing net profit by weighted average number of share certificate which exists in market during the year.

In Turkey companies increase their capitals by means of "non-paid up shares" which they distributed from their previous year profit to their shareholders. Such kind of "non-paid up shares" distribution is evaluated as exported shares in calculation of earnings per share. According to this, weighted average number of shares used in this calculation is found by taking into account past effects of share distribution in question.

Events after Balance Sheet Date

Even though the events after balance sheet date have come up after any announcement made about profit or any public announcement about other selected financial information, they cover all the events occurred between balance sheet date and date of authorization for balance sheet publication. In case that the events requiring adjustment have come up after balance sheet date, Group adjusts the amounts included in financial statements in compliance with this new situation.

Provisions, Conditional Assets and Liabilities

A provision is reserved in financial statements, in case that there is a current liability arising from past events, it is possible to carry out the liability and the amount of liability in question can be estimated in a safe way.

The amount reserved as provision is calculated by estimating in the safest way the expense to be made in order to fulfill the liability as of balance sheet date by taking into account risks and uncertainties about liability.

In case that provision is measured by using estimated cash flow required for meeting current liability, the book value of provision in question is equal to present value of relevant cash flows.

In case that either a part or whole of economic benefit required for paying the provision is expected to be met by third parties, the amount to be collected is accounted in case that the collection of relevant amount is almost certain and can be measured in a safe way.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.3 Summary of the significant accounting policies (continued)

Taxes Calculated On The Basis of The Company's Earnings

Since Turkish tax legislation does not allow preparation of consolidated tax statement of a main company with its subsidiary, tax provisions are calculated separately based on each enterprise as it is reflected on attached consolidated financial statements.

Expense of income tax consists of sum of current tax and deferred tax expense.

Current Tax

Current year tax liability is calculated over the part of period income which is subjected to tax. The profit subjected to tax is different than the profit included in income statement since it excludes the items which is taxable in other years or is tax deductable as well as those which are impossible to tax or could not be tax deductable. Current tax liability of Group has been calculated by using tax rate which has become legal as of the date of balance sheet or become legal at a considerable extend.

Deferred Tax

Deferred tax liability or asset is found out by calculating temporary differences between the amounts of assets and liabilities shown in financial statement and the amounts taken into consideration in calculation of legal tax base by balance sheet method taking into account legalized tax rates of tax effects. While deferred tax liabilities are calculated for all of taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that benefiting from the differences in question is highly-likely by making profit subjected to tax in future. The mentioned assets and liabilities are not accounted in case that they arise from inclusion of temporary difference, goodwill related to transaction not affecting commercial or financial profit/loss or other assets and liabilities in the financial statement for the first time (except for business enterprise merger).

Deferred tax liabilities are calculated for all of taxable temporary differences which are associated with investments in subsidiaries and affiliates and shares in joint ventures except for the conditions under which Group is able to control removal of temporary differences and under which possibility of removal of these differences in near future is low. Deferred tax assets arising from taxable temporary differences which are associated with such kind of investments and shares are calculated provided that benefiting from the differences in question is highly-likely by making sufficient profit subjected to tax in near future and removal of relevant differences in future is possible.

Recorded value of deferred tax asset is reviewed as of each balance sheet date. Recorded value of deferred tax asset is reduced at extend to which it is impossible to obtain financial profit which will enable to benefit from it partially or wholly.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.3 Summary of the significant accounting policies (continued)

Deferred Tax (continued)

Deferred tax assets and liabilities are calculated over tax rate which has become legal or become legal at a considerable extend (tax regulations) as of the date of balance sheet and which is expected to be valid in the period during which assets will realize or liabilities will be fulfilled. During the calculation

of deferred tax assets and liabilities, tax results of methods anticipated for Group assets' regaining their book value or fulfilling its liabilities as of balance sheet date are taken into consideration.

Deferred tax assets and liabilities are deducted in case that there is a legal right related to deducting current tax assets and current tax liabilities or assets and liabilities in question are associated with income tax collected by the same taxation authority or Group has the intention to pay it by way of clarifying its current tax assets and liabilities.

Current and deferred tax of the period

Current tax except for those which are associated with the items accounted as receivable or payable directly in equity (under these circumstances deferred tax related to relevant items are accounted directly in equity) or those which arises from first recording of business enterprise mergers as well as deferred tax of the period are accounted as income or expense in income statement. Tax effect is taken into account during business enterprise mergers, calculation of cost control or determination of purchase-cost exceeding part of share obtained by purchaser at the fair value of identifiable asset, liability and contingent payables of purchased subsidiary.

Benefits for employees

Seniority Inventive

In accordance with provisions of current laws and collective labor agreements in Turkey, termination indemnity is made in case of retirement or displacement. In compliance with IAS 19 Employee Benefits Standard ("IAS 19") which has been updated, such payments in question are described as identified retirement benefit plans. In fact, Turkish and Iranian seniority indemnity systems are similar, there are not core differences between them. Moreover while period of Razi's privatization, the right of early retirement is given to employees and responsibility is accounted in the scope of IAS 19 by Razi.

Termination indemnity liability which was accounted in balance sheet was calculated according to net present value of estimated amount of liability which was expected to arise in future due to retirement of all employees and reflected on financial statements. All calculated actuarial incomes and losses were reflected on income statement.

Seniority Incentive Premium; In accordance with the prevailing collective labor agreement, Termination indemnity premium is paid to the staff within the scope of agreement in the years when they complete certain Termination indemnity periods. The liability calculated for incentive premium in question is reflected on records. (Note 17)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.3 Summary of the significant accounting policies (continued)

Vacation Pay Provision; The company makes a provision for the wages corresponding to the unused portion of vacation allowances of its employees in the previous years. (Note 17)

Statement of Cash Flow

The cash flows pertaining to the period are classified and reported in a manner that will include the costs of main activities, investments and financing.

Cash flows originating from main activities indicate cash flow of Group arising from activities of fertilizer and petro chemical products sale.

Cash flows related to investment operations indicate Group’s cash flow used in and obtained through investment operations (fixed investments and financial investments).

Cash flows related to finance operations indicate resources of Group used in finance operations and repayment of these resources.

Cash and cash equivalent values are the short term investments made up of cash, demand deposits and other short term investments with original maturities of 3 months or less, eligible to be immediately converted into cash without being subjected to the risk of steep value changes and have high liquidity.

Capital and Dividends

Ordinary shares are classified as equity capital. Dividends distributed on ordinary shares are recorded by deducting from the accumulated profit in the period that the dividend payment decision is reached.

Critical accounting estimates and judgements

At the process of preparing of consolidated financial statements pursuant to Capital Market Board’s Financial Reporting Standards, The Group’s management should make critical accounting estimates and judgments that determines as date of reporting period, amount of income and expenses and amount of probable liabilities and guarantees that may be occurred as date of balance sheet. Although these forecasts and assumptions, is depend on the groups’ well knowledge that is associated current event and transactions, may differ from actual results. Forecasts are reviewed on a regular basis, required adjustments is made and reflected to periods’ income statement. In the next financial period, forecasts and assumptions that may risk of adjustment of assets and liabilities’ registered values, are shown as follows:

Net Realizable Value

Stock is valued at lover of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

Goodwill impairment

The Group reviews goodwill for impairment annually. Razi has been identified as the cash generating unit since the goodwill balance has been recognized through the acquisition of Razi. The value in use calculations are based on post-tax Turkish Lira cash flow projections as approved the Group management. 24% discount rate and 1% growth rate (31 December 2013: discount 20%, growth 1%) have been used in calculations of the value in use. Discount rate before tax for presentation is about 24% (31 December 2013: 21%)The discount rate represents the risk associated with the entity. Based on the impairment analysis performed by Group management, no impairment of goodwill has been identified. As of 31 December 2013, the Group does not determine impairment in goodwill amount according to results of value impairment tests which was made by using the above assumptions

Deferred Tax

Group, recognized deferred tax asset and liability for temporary timing difference arising from difference between its financial statement which constitute the basis of Tax and financial statement is prepared according to IFRS. Deferred tax assets' partially or whole recoverable amount is estimated in current circumstances. While evaluating, projections of future profits, occurred loss in current period, deadline of use of inappropriate loss and other tax assets and tax planning strategies can be used if necessary has been taken into account. In the light of data obtained, if group's taxable profit will be obtained in future is not enough to meet all deferred tax assets, partially or whole of deferred tax is reserved. If operating results in future excess Group's expectations, it may be required to enroll unregistered/recorded deferred tax assets.

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 3 - SHARES IN OTHER BUSINESSES

Condensed balance sheet and income statement of subsidiaries recognizing according to equity methods is as follows:

	Negmar Denizcilik Yatırım A.Ş.		**Tarkim Bitki Koruma San. ve Tic. A.Ş.**	
	31 December 2014	**31 December 2013**	**31 December 2014**	**31 December 2013**
Current Assets	86.081.729	33.483.502	35.357.375	32.296.606
Fixed Assets	360.391.103	378.477.031	6.906.697	8.937.609
Short Term Liabilities	105.887.822	100.713.557	17.393.098	8.628.237
Long Term Liabilities	362.696.001	334.427.939	6.167.531	15.472.148
Net (Liabilities)/Assets	**(22.110.991)**	**(23.180.963)**	**18.703.443**	**17.133.830**

	Negmar Denizcilik Yatırm A.Ş.		**Tarkim Bitki Koruma San. ve Tic. A.Ş.**	
	31 December 2014	**31 December 2013**	**31 December 2014**	**31 December 2013**
Net Sales	385.316.994	211.952.653	38.844.601	28.415.130
Net (loss) / profit	3.406.764	(32.603.224)	1.569.614	351.420

Condensed balance sheet and income statement of subsidiaries recognizing according to equity methods is as follows:

	31 December 2014	**31 December 2013**
Negmar Denizcilik Yatırım A.Ş.	(8.844.396)	(9.272.385)
Tarkim Bitki Koruma San. ve Tic. A.Ş.	7.481.377	7.057.523
Total Net (Liabilities)/Assets	(1.363.019)	(2.214.862)

Condensed balance sheet and income statement of subsidiaries recognizing according to equity methods is as follows:

	31 December 2014	**31 December 2013**
Negmar Denizcilik Yatırım A.Ş.	427.989	(16.601.145)
Tarkim Bitki Koruma San. ve Tic. A.Ş.	423.854	179.237
Total	851.843	(16.421.908)

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOT 3 - SHARES IN OTHER BUSINESSES (Continued)

	2014		**2013**	
	Negmar Denizcilik Yatırım A.Ş.	Tarkim Bitki Koruma San. ve Tic. A.Ş.	Negmar Denizcilik Yatırım A.Ş	Tarkim Bitki Koruma San. ve Tic. A.Ş.
Participation rate	%40	%40	%40	%40
Investment total	(22.110.991)	18.703.443	(23.180.963)	17.133.830
1 January	(9.272.385)	7.057.523	7.328.760	6.878.286
Current year income / (expense)	427.989	423.854	(16.601.145)	179.237
31 December	**(8.844.396)**	**7.481.377**	**(9.272.385)**	**7.057.523**

NOTE 4 -SEGMENT REPORTING

Group started to implement TFRS 8 Operating Segments as of 1 January 2009, and operation departments were designated based on internal reports regularly reviewed by the competent authority of making decision on Group’s activities.

Group’s competent authority of making decision reviews the results and activities based on geographical divisions in order to make decision on resources to be allocated to departments and evaluate the performance of these departments. The company operates in Turkey; whereas Razi, a subsidiary, operates in Iran.

The company undertakes chemical fertilizer production sales throughout Turkey. Razi Company on the other hand, performs the production and sales of chemical fertilizer raw materials.

Since Company management evaluates operation results and performance through financial statements prepared in accordance with TFRS, TFRS financial statements are used to prepare reports by departments.

The distribution of department assets and liabilities pertaining to the periods ending on 31 December 2014 and 31 December 2013 is as follows:

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 4 -SEGMENT REPORTING (continued)

As of 31December 2014 and 31 December 2013, the distribution of balance sheet by departments is as follows:

	Turkey	Iran	Consolidation Adjustments	Total
	31 December 2014	**31 December 2014**	**31 December 2014**	**31 December 2014**
ASSESTS				
Current assets	955.853.014	954.622.066	807.170	1.911.282.250
Non-current assets	992.307.960	650.541.562	(282.486.349)	1.360.363.173
TOTAL ASSESTS	**1.948.160.974**	**1.605.163.628**	**(281.679.179)**	**3.271.645.423**
LIABILITIES				
Short term liabilities	1.052.890.346	637.546.325	(44.360)	1.690.392.311
Long term liabilities	144.193.663	158.647.092	-	302.840.755
Equities	751.076.965	808.970.211	(281.634.819)	1.278.412.357
TOTAL LIABILITIES	**1.948.160.974**	**1.605.163.628**	**(281.679.179)**	**3.271.645.423**

	Turkey	Iran	Consolidation Adjustments	Total
	31 December 2013	**31 December 2013**	**31 December 2013**	**31 December 2013**
ASSESTS				
Current assets	962.182.913	890.453.142	(98.876.816)	1.753.759.239
Non-current assets	920.772.589	654.542.916	(281.847.414)	1.293.468.091
TOTAL ASSESTS	**1.882.955.502**	**1.544.996.058**	**(380.724.230)**	**3.047.227.330**
LIABILITIES				
Short term liabilities	1.041.329.042	659.467.039	(78.578.740)	1.622.217.341
Long term liabilities	180.631.376	118.372.235	-	299.003.611
Equities	660.995.084	767.156.784	(302.145.490)	1.126.006.378
TOTAL LIABILITIES	**1.882.955.502**	**1.544.996.058**	**(380.724.230)**	**3.047.227.330**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 4 -SEGMENT REPORTING (continued)

The distribution of income statements by departments for the periods ending on 31 December 2014 and 31 December 2013 is as follows:

	Turkey	Iran	Consolidation Adjustments	Total
	1 January 2014 - 31 December 2014	1 January 2014 - 31 December 2014	1 January 2014 - 31 December 2014	1 January 2014 - 31 December 2014
Operating income				
Sales	1.565.151.883	1.308.410.465	(25.332.313)	2.848.230.035
Cost of sales (-)	(1.386.400.809)	(764.381.097)	25.332.313	(2.125.449.593)
Gross profit	**178.751.074**	**544.029.368**	**-**	**722.780.442**
Marketing, selling and distribution expense (-)	(95.103.568)	(104.528.035)	-	(199.631.603)
General and administrative expense (-)	(25.106.554)	(79.959.043)	-	(105.065.597)
Other operating income / expense (-)	(17.116.387)	117.933.761	-	100.817.374
Operating profit	**41.424.565**	**477.476.051**	**-**	**518.900.616**
Income / (expense) from investments	160.643.493	-	(169.814.085)	(9.170.592)
Profit / (loss) from investments accounted by equity method	851.843	-	-	851.843
Financial income / (expense) before operating profit	**202.919.901**	**477.476.051**	**(169.814.085)**	**510.581.867**
Financial income / (expense)	(25.660.027)	13.925.202	-	(11.734.825)
Profit before tax	**177.259.874**	**491.401.253**	**(169.814.085)**	**498.847.042**
Tax expense	(30.346.597)	(41.459.995)	-	(71.806.592)
Deferred tax income / (expense)	13.327.106	496.774	-	13.823.880
Profit / (loss) fort he period	**160.240.383**	**450.438.032**	**(169.814.085)**	**440.864.330**

	Turkey	Iran	Consolidation Adjustments	Total
	1 January 2014 - 31 December 2014	1 January 2014 - 31 December 2014	1 January 2014 - 31 December 2014	1 January 2014 – 31 December 2014
Operating income				
Sales	1.367.557.790	922.314.666	(24.435.047)	2.265.437.409
Cost of sales (-)	(1.217.051.314)	(490.651.029)	24.435.047	(1.683.267.296)
Gross profit	**150.506.476**	**431.663.637**	**-**	**582.170.113**
Marketing, selling and distribution expense (-)	(83.964.964)	(82.278.199)	-	(166.243.163)
General and administrative expense (-)	(27.606.839)	(56.738.039)	-	(84.344.878)
Other operating income / expense (-)	(39.863.951)	113.342.211	(6.274.458)	67.203.802
Operating profit	**(929.278)**	**405.989.610**	**(6.274.458)**	**398.785.874**
Income / (expense) from investments	164.415.570	580.689	(173.848.045)	(8.851.786)
Profit / (loss) from investments accounted by equity method	(16.421.908)	-	-	(16.421.908)
Financial income / (expense) before operating profit	**147.064.384**	**406.570.299**	**(180.122.503)**	**373.512.180**
Financial income / (expense)	(58.064.023)	(39.387.083)	-	(97.451.106)
Profit before tax	**89.000.361**	**367.183.216**	**(180.122.503)**	**276.061.074**
Tax expense	-	(3.315.313)	-	(3.315.313)
Deferred tax income / (expense)	7.935.486	70.371	-	8.005.857
Profit / (loss) fort he period	**96.935.847**	**363.938.274**	**(180.122.503)**	**280.751.618**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 4 -SEGMENT REPORTING (continued)

Investment expenditures

Investment expenditures pertaining to department assets for the periods ending on 31 December 2014 and 31 December 2013 are as follows:

	1 January - 31December 2014	1 January – 31December 2013
Turkey	88.937.521	148.563.483
Iran	39.343.823	45.950.676
	128.281.344	**194.514.159**

Depreciation and amortization

	1 January - 31December 2014	1 January – 31December 2013
Turkey	14.801.338	15.151.359
Iran	53.958.781	46.878.127
	68.760.119	**62.029.486**

NOTE 5 - CASH AND CASH EQUIVALENTS

	31 December 2014	31 December 2013
Cash on hands	334.652	108.246
Bank	462.342.221	555.159.319
- demand deposits	100.824.070	13.796.139
- time deposits	361.518.151	541.363.180
State bonds and treasury notes	-	7.206.460
Other cash equivalents	173.288	5.749.073
	462.850.161	**568.223.098**
Pledge cash and cash equivalents (*)	(84.380.770)	-
Cash and cash equivalents at the statement of cash flow	**378.469.391**	**568.223.098**

(*)Tabosan Mühendislik İmalat ve Montaj A.Ş. ("Tabosan"), one of the consortium partners of the Group at the acquisition of Razi shares's dividend debt are blocked the Group's accounts.

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 5 - CASH AND CASH EQUIVALENTS (continued)

Time Deposits (TL):

The details of time deposit as of December 31, 2013 and 2012 are as below:

Interest Rate (%)	Maturity	31 December 2014
1,84 - 1,97	January 2015	191.474.219
		191.474.219

Interest Rate (%)	Maturity	31 December 2013
8,50-9,60	January 2014	268.670.000
		268.670.000

Time Deposits (Foreign Currency):

			31 December 2014	
Interest Rate (%)	**Maturity**	**Currency**	**Foreign currency amount**	**Amount in TL**
Libor + 0,5	January 2015	AVRO	132.223	372.961
17,00	January 2015	Mil. IRR	1.635.563	139.756.321
1,06	January 2015	USD	12.900.362	29.914.650
				170.043.932

			31 December 2013	
Interest Rate (%)	**Maturity**	**Currency**	**Foreign currency amount**	**Amount in TL**
0,5-Libor+0,5	January 2014	AVRO	131.444	385.987
7,00-8,00	January 2014	Mil. IRR	549.069	47.127.723
0,5-4,65	January 2014	USD	105.505.070	225.179.470
				272.693.180

The details of state bonds are shorter than 3 months:

		31 December 2013	
Interest Rate (%)	**Currency**	**Foreign currency amount**	**Amount in TL**
17,00-20,00	Mil. IRR	83.960	7.206.460
			7.206.460

NOTE 6 – FINANCIAL BORROWINGS

As of December 31, 2014 and December 31, 2013, details of short and long term borrowings are as follows:

	31December 2014	31 December 2013
Short term borrowings	632.983.748	680.148.796
Short term portion of long term borrowings	29.359.714	22.023.750
	662.343.462	**702.172.546**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 6 – FINANCIAL BORROWINGS (continued)

a) Short term borrowings and short term portion of long term borrowings

	31December 2014	31 December 2013
Short term borrowings and short term portion of long term borrowings (Gübretaş)	448.186.900	438.740.736
Other short term borrowings (Razi)	214.156.562	263.431.810
	662.343.462	**702.172.546**

Bank Loans:

As December 31,2014 details of bank loans are as follows:

	31December 2014	31 December 2013
Payable within 1 year	662.343.462	702.172.546
Payable within 1 – 5 years	147.162.707	179.982.133
	809.506.169	**882.154.679**

As December 31, 2014 details of short term bank loans are as follows:

Currency	Maturity	Average effetive annual Interest Rate (%)	Original Amount	Amount in TL
Avro	January 2015 – February	2,40 - 5,10	20.108.205	56.719.215
USD	January 2015 – February	2,30 - 2,80	69.946.713	162.199.433
TL	January 2015	10,50 -10,75	-	229.268.252
				448.186.900

Other Finansal Borrowings (*):

Currency	Maturity	Average effetive Interest Rate (%)	Original Amount	Amount in TL
Avro	January 2015	Libor + 0,5	75.923.190	214.156.562
				214.156.562

As December 31, 2013 details of short term bank loans are as follows:

Bank Loans:

Currency	Maturity	Average effective Interest Rate (%)	Original Amount	Amount in TL
Avro	January 2014	3,56 – 5,76	31.271.957	91.830.101
USD	January 2014	3,35 – 4,18	162.540.709	346.910.635
				438.740.736

NOTE 6 – FINANCIAL BORROWINGS (continued)

Other Financial Borrowings (*):

Currency	Maturity	Average effective Interest Rate (%)	Original Amount	Amount in TL
Avro	January 2014	Libor + 0,5	78.963.040	231.874.967
IRR (million)	January 2014	12,00 – 16,00	367.658	31.556.843
				263.431.810

(*) Other financial payable amounts that take place within the short and long-term financial payables show the payable amount which was taken from NPC as the previous owner of Razi Petrochemical Co. prior to privatization.

a) Long term borrowings

	31 December 2014	31 December 2013
Long term bank loans (Gübretaş)	136.162.882	173.253.500
Other long term bank loans (Razi)	10.999.825	6.728.633
	147.162.707	**179.982.133**

As December 31, 2014 details of long term bank loans are as follows:

Bank Loans

Currency	Maturity	Average effective Interest Rate (%)	Original Amount	Amount in TL
Avro	January 2020	5,10	48.272.727	136.162.882
				136.162.882

Other Financial Borrowings (*):

Currency	Maturity	Average effective Interest Rate (%)	Original Amount	Amount in TL
Avro	March 2016	4,5%	3.899.679	10.999.825
				10.999.825

As December 31, 2013 details of long term bank loans are as follows:

Bank Loans

Currency	Maturity	Average effective Interest Rate (%)	Original Amount	Amount in TL
Avro	January 2020	5,16 - 5,68	59.000.000	173.253.500
				173.253.500

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 6 – FINANCIAL BORROWINGS (continued)

Other Financial Borrowings (*):

Currency	Maturity	Average effective Interest Rate (%)	Original Amount	Amount in TL
Avro	Mart 2015	4,5	2.291.378	6.728.633
				6.728.633

(*) Other financial payable amounts that take place within the short and long-term financial payables show the payable amount which was taken from NPC as the previous owner of Razi Petrochemical Co. prior to privatization.

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	31 December 2014	31 December 2013
Trade receivables from third parties:		
Trade receivables	297.099.958	280.928.014
Notes receivables	313.450	501.520
Receivables from National Petrochemical Company ("NPC") (Razi)	24.142.007	52.335.755
Trade receivables from third parties (gross)	**321.555.415**	**333.765.289**
Allowance for doubtful receivables (-)	(3.430.740)	(2.927.460)
Trade receivables from third parties (net)	**318.124.675**	**330.837.829**

Group allocates provisions for doubtful receivables in case the receivables which are considered to be doubtful being without security and having a risk of collection. The details of the Group's regarding the doubtful receivables and allowances allocated regarding these receivables are as follows:

Overdue following the maturity	31 December 2014	31 December 2013
More than 9 months	3.430.740	2.927.460
Total	**3.430.740**	**2.927.460**

The movement of allowance for doubtful trade receivables is as follows:

	2014	2013
Balance at January 1	**2.927.460**	**1.957.054**
Period cost	523.682	973.307
Collection	(20.402)	(2.901)
Balance at December 31	**3.430.740**	**2.927.460**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (continued)

As December 31, 2014 guarantees related to not overdue receivables are as follows:

	31 December 2014	31 December 2013
Guarantee Letters	259.911.952	240.924.896
Collateral cheques and notes	61.205.266	3.171.401
	321.117.218	**244.096.297**

Trade payables from third parties

	31 December 2014	31 December 2013
Trade payables (Gübretaş)	545.812.533	439.424.356
Trade payables (Razi)	90.540.151	90.099.287
Payables to NPC (Razi)	88.928.849	69.555.812
Other trade payables	3.547.621	37.015.641
	728.829.154	**636.095.096**

NOTE 8 – OTHER RECEIVABLES AND PAYABLES

Other receivables from third parties:

	31 December 2014	31 December 2013
Other various receivables (Tabosan) (*)	46.994.091	48.722.651
VAT receivables (Razi)	40.116.182	20.569.052
Other various receivables	60.747.271	5.855.260
Due from personnel	5.560.505	2.579.635
Receivables from Non-controlling interests (Razi) (**)	-	91.937.552
Other receivables from third parties	**153.418.049**	**169.664.150**

(*)Tabosan Mühendislik İmalat ve Montaj A.Ş. ("Tabosan"), one of the consortium partners of the Group at the acquisition of Razi shares have filed a petition for adjournment of bankruptcy in 2011 but the bankruptcy court rejected the petition and decided on the bankruptcy of Tabosan and formation of a trustee committee to manage the assets of Tabosan. The Group was the guarantor of Tabosan for the loans obtained from financial institutions during the acquisition of Razi shares. The group has paid 46.994.091 TL for the loan of Tabosan as the guarantor and recognized this amount as other receivable from Tabosan. The Group has not provided any provision for this receivable considering its right to buy Razi shares at the initial acquisition share price and the pledged assets of Tabosan which are transferred from the financial institutions.
(**) The amount is Razi's receivables from non-controlling interests.

Other long term receivables	31 December 2014	31 December 2013
Deposits & guarantees given	34.019.804	37.372.915
Due from personnel (*)	10.415.653	9.261.106
	44.435.457	**46.634.021**

(*)Deposits and guarantees are given to related parties by "Group" for transporting the products which belong to Razi.

Other short term payables:

	31 December 2014	31 December 2013
Dividend payables to non-controlling interests	84.380.770	77.400.777
Payables from investments accounted by equity method	8.844.396	9.272.385
Other payables	20.099.389	23.090.653
	113.324.555	**109.763.815**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 9 – INVENTORIES

	31 December 2014	31 December 2013
Raw materials and supplies	144.189.642	123.764.581
Finished goods	48.479.530	98.584.210
Trade goods	465.205.635	260.613.825
Other inventories	59.555.380	22.888.178
Total	**717.430.187**	**505.850.794**

Group carried out net realisable value analysis for inventories and regarding to conclusion of this analysis there is no provision for inventory losses in current period. (2013: None). The inventories of Group which recorded as expense through cost have been explained in Note 20.

NOTE 10 - PREPAID EXPENSES VE DEFERRED INCOME

Short Term Prepaid Expenses	31 December 2014	31 December 2013
Advance Given to Suppliers	72.070.608	27.290.060
Prepaid Expenses	1.717.171	7.527.420
Total	**73.787.779**	**34.817.480**

Long Term Prepaid Expenses	31 December 2014	31 December 2013
Advance Given for Fixed Asset	9.315.874	30.143.512
Total	**9.315.874**	**30.143.512**

Short Term Deferred Income	31 December 2014	31 December 2013
Received order Advances	59.620.935	48.927.711
Total	**59.620.935**	**48.927.711**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 11- INVESTMENT PROPERTIES

Group's properties including lands, buildings, port and warehouses at İskenderun Sarıseki leased for 25 years to Denizciler Birliği Deniz Nakliyatı ve Ticaret Anonim Şirketi regarding to agreement signed on 30.04.2007. Afterwards leasing agreement increased to 30 years with collateral contract. The fair value of investment properties of Group on 31 December 2013, was obtained through an assessment made in December 2014 by Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş. which has no relation with Group and is an independent appraisal company. Appraisal Company is an independent appraisal company which has been authorized by Capital Markets Board. Valuation methods of properties were comparison approach which realize with illustrative value for lands and cost of reconstruction approach for buildings in this report. Because of revaluation value of the investment properties are similar between 2014 and 2013, there is not any increment and decrement records was reflected to financials. As of balance sheet date, there is no restriction about salability of investment properties and no liabilities arising from purchasing, constructing or improving, maintenance, repair or rehabilitation contracts. The Group has cancelled the rent contract with Denizciler biriliği in 2012. Denizciler Birliği did npot accept the cancellation and the Group filed a lawsuit requesting evacuation in October 2012. The negotiations have been ongoing between the Group and Denizciler Birliği as of the date of this report.

	31 December 2014			**31 December 2013**		
	Lands and Parcels	**Buildings**	**Total**	**Lands and Parcels**	**Buildings**	**Total**
Net Value at the Beginning of Period	89.488.850	13.845.303	103.334.153	64.365.000	18.454.021	82.819.021
Rise in Fair Value	-	-	-	25.123.850	(4.608.718)	20.515.132
Total	**89.488.850**	**13.845.303**	**103.334.153**	**89.488.850**	**13.845.303**	**103.334.153**

The Company had not got any rent income from its investment properties in the period ending on the date of 31 June 2014 (31 December 2013: 289.755 TL rent income)

NOTE 12-TANGIBLE FIXED ASSETS

The depreciation cost and amortization of the company is 68.760.119 TL as of 31 December 2014 and details are given below;

	Gübretaş	**Razi**	**Total**
Amortization Cost	14.708.286	53.958.781	68.667.067
Depreciatipon Cost	93.052	-	93.052
Total	**14.801.338**	**53.958.781**	**68.760.119**

31 December 2014: Out of the total of 68.760.119 TL depreciation and amortization costs; 58.057.647 TL have been included in General Production Costs, 1.415.963 TL in Sales and Marketing Costs, 9.286.509 TL in General Management Costs

31 December 2013: Out of the total of 62.439.055 TL depreciation and amortization costs; 51.645.178 TL have been included in General Production Costs, 1.087.294 TL in Sales and Marketing Costs, 9.706.583 TL in General Management Costs

Pledges and Mortgages on Assets

There are no pledges or mortgages on the fixed tangible fixed assets of the company as of the dates 31 December 2014 and 31 December 2013.

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 12-TANGIBLE FIXED ASSETS (continued)

	Lands and Parcels	Surface and Underground Improvement	Buildings	Facility, Machinery and Devices	Vehicles	Fixtures	Special Costs	Ongoing Investments	Total
Cost Value									
Opening Balance on January 2014	**256.192.850**	**17.808.955**	**387.164.279**	**723.259.262**	**7.258.435**	**11.294.091**	**192.680**	**169.016.740**	**1.572.187.292**
Translation Differences	(431.208)	-	(455)	711.199	(25.066)	(36.300)	-	(219.868)	(1.698)
Valuation Differences (*)	16.247.555	-	9.336.028	-	-	-	-	-	25.583.583
Purchases	11.201.123	1.091.659	9.803.000	2.186.961	825.996	3.370.201	141.467	99.435.234	128.055.641
Sales/Cancellations	-	(1.290.080)	(3.140.878)	(4.371.708)	(438.728)	(456.202)	(166.492)	-	(9.864.088)
Transfer from ongoing Investments	-	-	3.722.162	9.091.459	41.357	1.655.991	-	(14.510.969)	-
Closing Balance on 31 December 2014	**283.210.320**	**17.610.534**	**406.884.136**	**730.877.173**	**7.661.994**	**15.827.781**	**167.655**	**253.721.137**	**1.715.960.730**
Accrued Depreciation									
Opening Balance on January 2014	**-**	**(11.848.754)**	**(285.727.483)**	**(432.531.892)**	**(4.074.927)**	**(5.860.534)**	**(97.732)**	**-**	**(740.141.322)**
Translation Differences	-	-	169.128	(3.030.435)	(4.597)	(9.229)	-	-	(3.075.133)
Valuation Differences	-	-	(3.353.636)	-	-	-	-	-	(3.353.636)
Expenses of the Period	-	(669.822)	(14.571.448)	(51.013.049)	(921.235)	(1.482.170)	(9.343)	-	(68.667.067)
Sales/Cancellations	-	684.668	260.737	4.371.708	256.453	334.119	73.606	-	5.981.291
Closing Balance on 31 December 2014	**-**	**(11.833.908)**	**(303.222.702)**	**(482.203.668)**	**(4.744.306)**	**(7.017.816)**	**(33.469)**	**-**	**(809.055.868)**
Net Value on 31 December 2014	**283.210.320**	**5.776.626**	**103.661.434**	**248.673.505**	**2.917.688**	**8.809.966**	**134.186**	**253.721.137**	**906.904.862**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 12-TANGIBLE FIXED ASSETS (continued)

	Lands and Parcels	Surface and Underground Improvement	Buildings	Facility, Machinery and Devices	Vehicles	Fixtures	Special Costs	Ongoing Investments	Total
Cost Value									
Opening Balance on January 2013	**110.082.687**	**15.876.775**	**216.071.647**	**627.974.894**	**5.795.782**	**8.082.360**	**192.680**	**26.797.802**	**1.010.874.627**
Translation Differences	465.133	-	4.883.058	104.688.004	627.200	1.017.904	-	4.698.806	116.380.105
Valuation Differences (*)	45.404.638	1.879.430	113.228.175	-	-	-	-	-	160.512.243
Adjustment Effect of Changing on Accounting Policy (Note 34)	93.479.393	-	22.075.381	-	-	-		-	115.554.774
Purchase	6.963.846	52.750	24.513.972	4.146.548	1.450.407	1.760.434	-	155.551.474	194.439.431
Sales/Cancellations	-	-	(2.754.271)	(79.000)	(702.125)	(119.183)	-	-	(3.654.580)
Depredation	-	-	-	(16.136.427)	-	-	-	-	(16.136.427)
Trasnfer from Ongoing Investments	-	-	10.117.626	7.420.182	18.797	474.737	-	(18.031.342)	-
Transfer from TFA to Goodwill	(202.848)	-	(971.309)	(4.754.938)	68.374	77.839	-	-	(5.782.882)
Closing Balance on 31 December 2013	**256.192.850**	**17.808.955**	**387.164.279**	**723.259.262**	**7.258.435**	**11.294.091**	**192.680**	**169.016.740**	**1.572.187.292**
Accrued Depreciations									
Opening Balance on January 2013	**-**	**(10.478.736)**	**(151.307.527)**	**(330.874.728)**	**(3.300.661)**	**(4.738.239)**	**(63.808)**	**-**	**(500.763.699)**
Translation Differences	-	-	(2.696.054)	(57.067.807)	(454.307)	(645.996)	-	-	(60.864.163)
Valuation Differences (*)	-	(489.451)	(109.883.356)	-	-	-	-	-	(110.372.807)
Adjustment Effect of Changing on Accounting Policy (Note 34)	-	-	(7.236.667)	-	-	-	-	-	(7.236.667)
Expenses for the Period	-	(880.566)	(14.617.039)	(45.435.123)	(720.956)	(586.588)	(33.925)	-	(62.274.198)
Sales/Cancellations	-	-	294.554	13.167	458.018	116.128	-	-	881.866
Transfer from TFA to Goodwill	-	-	(26.440)	526.101	(7.774)	(3.540)	-	-	488.347
Closing Balance on 31 December 2013		**(11.848.753)**	**(285.472.529)**	**(432.838.391)**	**(4.025.680)**	**(5.858.236)**	**(97.733)**	**-**	**(740.141.322)**
Net Value as of 31 December 2013	**256.192.850**	**5.960.202**	**101.691.750**	**290.420.871**	**3.232.755**	**5.435.855**	**94.947**	**169.016.740**	**832.045.970**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 13 – OTHER INTANGIBLE FIXED ASSETS

Rights:

	31 December 2014	31 December 2013
Opening Balance on 1 January	463.558	388.830
Purchases	225.703	74.728
Closing Balance on 31 December	**689.261**	**463.558**
Accrued Depreciation		
Opening Balance on 1 January	(316.050)	(151.193)
Amortization Expenses for Current Period	(93.052)	(164.857)
Closing Balance on 31 December	**(409.102)**	**(316.050)**
Net Book Value	**280.159**	**137.336**

Goodwill:

	31 December 2014	31 Aralık 2013
Cost Value at the Beginning of Period	148.811.828	120.811.461
Translation Differences	(665.063)	22.705.812
Arya Goodwill	-	5.294.555
Balance as of 31 December	**148.146.765**	**148.811.828**

Razi completed purchase of 2010 established, 126.000 tons/year capacity phosphoric acid plant Arya Phosphoric Jonoob Co.'s ("Arya") 87,5% of shares as of end of August 2012. The Group has realized the purchasing in the remaining (12,5%) non controlling shares as of balance sheet date. Arya Phosphoric JonoobCo has become subsidiary of Razi Petrochemical Co. after this acquisition.

NOTE 14- COMMITMENTS

Razis' Share Purchase

Regarding to Razis' purchase agreement, all shares of Razi are put in pledge by Iranian Privatization Organisation until Group and other consortium members pay all of debts. Group and consortium members have agreed that they have no right to make any implement or change within period of pledge. Moreover, Group and consortium members gave right to Iran Privatization Organisation for selling or taking over companys' shares without any condition if any contrary to the agreement like abusing companys' rights and harm to collection of its receivables happens, with an unsubmitted notarised letter of attorney. Group and consortium members have no right for changing articles of association of company, transffering and selling assets unless they pay all of debts or have written permission from Iranian Privatization Organization. Group and other consortium members has disclaimed to their rights about chaging on articles of incorporation ,transfering and selling the financial assets of Razi unless having written acknowledgement from Privatization Administration. As of balance sheet date, the Group and other consortium members has paid all debts related to the purchase of shares to Iran Privatization Organisation. Application has been made for removing pledges on shares, relevant process is ongoing as of the date of this report

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 14- COMMITMENTS (continued)

Purchasing Commitments

As of 31 December 2014 Group has USD 4.146.00 accredited purchasing commitment. (31 December 2013: USD 15.449.501).

NOTE 15 - GOVERNMENT INCENTIVE AND GRANTS

May 03,2013 dated and 110061 numbered investment incentive certificate is obtained based upon 29099 numbered application which realized on March 27,2013 from Ministry of Economy. The investment incentive certificate is valid for three years round and include 170.000.000 TL worth fixed assets investment plans. The support elements fort the investmenst are Support of the Insurance Premium Payment Employer's Share, Privilege of the Custom Duty , Rate of Tax Deduction (50%),Content Rate of Investment (15%) and VAT Exemption. (31 December 2013: None)

NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short Term Debt Provision

	31 December 2014	31 December 2013
Provision for Expense Accruals	44.784.814	69.065.196
Provisions for Other Social Security Premium	17.346.035	17.423.908
Provision for Lawsuit and Other Debts	3.557.752	1.571.674
Other Short Term Debt Provision	**65.688.601**	**88.060.778**

Lawsuit Provision:

	31 December 2014	31 December 2013
As of 1 January 2014	1.571.674	1.920.233
(Reversal of Provision)/Additon	(673.810)	(348.559)
As of 31 December 2014	**897.864**	**1.571.674**

In the current period, total lawsuit amount against the Group is 8.563.099 TL. (2013: 7.728.600 TL). In the current period, Denizciler Birliği Deniz Nakliyatı ve Ticaret Anonim Şirketi has sued against the Group for 7.743.057 TL profit loss. The Group Management has not made any provision for this lawsuit in the added consolidate financial tables according to recieved legal opinion but it has made 897.864 TL (2013: 1.571.674 TL) provision for other lawsuits.

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

Assurance- Pledge-Hypothecs ("APH")

As from 31 December 2014 and 31 December 2013, the tables related to the Group's tables related to Assurance- Pledge-Hypothecs position are as follows:

	31 December 2014			**31 December 2013**		
	Currency	**Currency Amount**	**Amount in TL**	**Currency**	**Currency Amount**	**Amount in TL**
APH Given by the Company						
A. Total amount of APH's given	TL	-	5.231.936			
for own legal entity (Assurance)	EUR	-	-	TL	-	5.463.494
B.Total Amount of APH's given for the Partnership included to full consolidation (hypethec)	IRR Mil	-	-	IRR mil	1.870.000	160.505.952
C. APH given for guaranteeing the debts of other 3rd parties for the performance of ordinary businesss activites	USD	37.889.281	87.861.455	USD	43.783.492	93.447.106
	-	-	-	-	-	-
D. Total amount of other APH's given	-	-	-	-	-	-
i. Total amount of APH's given for main partner	-	-	-	-	-	-
ii. Total amount of APH's given for other group companies not falling into the scope of articles B and C (Assurance)	-	-	-	-	-	-
iii. Total amount of APH's given for 3rd parties not falling in to the scope of article	-	-	-	-	-	-
			93.093.391			**259.416.552**

There is no other APH given by the Group.(31 December 2013:None)

As of 31 December 2014, "Other APH given by the Group/ the Group equity = 0%" (31 December 2013: 0%).

Contingent Liabilities

The cost of natural gas which took a significant part of production costs of Razi Petrochemical Co. was determined by National Iranian Oil Company (NOIC) at the rate of cubic meter. NOIC is determine the price of natural gas in March of evey year. NOIC was decided to increase the cost of natural gas as far as fifteen times of Razi's original costs in 21 March of 2010 and realize the billing with this price level. Razi has protest this price decision, and did not record the liability worth as 65 Million TL which was formed by the price discrimination as a result of NOIC decision. The price of the natural gas was rearranged in 19 December 2010 and unit price on the basis of cubic meter was increased as far as seven times of Razi's original costs. All of the billing has realize over this price level since 19 December 2010. Special Envoy of Petroleum Affairs of Islamic Rebublic of Iran was decided about price which was rated with 21 March 2010 and 19 December 2010 period at 13 November 2011. So invoces was calculated over 67% of Razi's original costs for mentioned period. Based on this the effect of the increase on the price was recorded in current period but the NOIC has not applied this decision yet and has not started to billing on new price. The group management did not make any additional provision as a result continuation of the process.

NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

Iran Tax Authority has performed tax assessments for the tax filings of Razi for the previous years .As a result of these assessments, the Iran Tax Authority has identified that Razi has recognized export sales as non-taxable income. The export sales were considered as taxable by the Iran Tax Authority and Razi was imposed to a total of TL 15 million additional tax charge. Razi has protested against this claim. Based on the opinions of legal advisors and tax experts, the Group Management has not provided any provisions in the consolidated financial statements.

The sanctions imposed since 2010 on Iran by United Nations may have an effect on the operations of the subsidiary of the Group. The economic stability of the Iran depends on the measures that will be taken by the government and the outcome of the legal, administrative and political processes. These processes are beyond the control of the companies established in the country. Consequently, the entities operating within Iran must consider risks that may not necessarily be observable in other markets. These consolidated financial statements contain the Group management's estimations on the economic and financial positions of its subsidiaries and affiliates operating in Iran. The future economic situation of Iran might differ from the Group's expectations

İskenderun State Treasury Office ("Treasury") has filed a lawsuit against the Group in 2011 for the cancellation of its title deed and demanded enforced evacuation of Group's 79.350 m2 property located in the Sarıseki province of İskenderun within the city of Hatay claiming that the property is within the shoreline. The net book value of the property is 103.334.153 TL and has been accounted as investment property in the accompanying consolidated financial statements. The Group has objected the lawsuit asked for a new expert report for the determination of shoreline and at the same time filed another lawsuit for a compensation of its ownership right of the property. The litigation process is ongoing as of the report date. Based on the opinions of legal advisors, the Group Management has not provided any provisions in the consolidated financial statements for this lawsuit.

Tabosan Mühendislik İmalat ve Montaj A.Ş. ("Tabosan"), one of the consortium partners of the Group at the acquisition of Razi shares have filed a petition for adjournment of bankruptcy in 2011 but the bankruptcy court rejected the petition and decided on the bankruptcy of Tabosan and formation of a trustee committee to manage the assets of Tabosan.

As explained in Notes 8 and 16; one of the consortium partners that bought shares of Razi, Tabosan Manufacturing Engineering and Construction, Inc. (Tabosan) in 2011, has applied to the court to postpone its bankruptcy claim, the court rejected the request and and has decided to transfer the entire process to bankruptcy estate. During the purchase of Razi shares, Group funded banks as the joint guarantor on behalf of Tabosan to the Iranian Privatization Administration. Within this scope, Group has paid the debt of Tabosan amounting to TL 46,994,091 to the banks and the Iranian Privatization Administration as the guarantor and accounted this amount to other receivables. Based on the protocol made during the acquisition process of Razi between Tabosan and Group, and by taking initial price purchase rights of Tabosan's Razi shares and mortgages / guarantees handed to Group by the bank into account, no provision has been set by the Group. Bankruptcy talks with the bankruptcy administration continues as of the report date.

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 17 - EMPLOYEE BENEFITS

Payables within the context of Employee Benefits

	31 December 2014	31 December 2013
Personnel Salaries	4.325.587	12.222.260
Social Security Premiums Payable	2.275.490	1.377.528
Total	**6.601.077**	**13.599.788**

Short Term

	31 December 2014	31 December 2013
Provision for Allowance and Employee Termination Benefits	5.969.717	5.022.124
Provision for Early Retirement Salary (*)	9.145.889	7.293.665
Provision for Premium	1.110.420	1.005.917
Total	**16.226.026**	**13.321.706**

Long Term

	31 December 2014	31 December 2013
Allowance for Retirement Pay (Gübretaş)	8.030.781	7.377.875
Allowance for Retirement Pay (Razi)	55.426.191	34.861.292
Provision for Early Retirement Salary(*)	59.584.061	49.702.787
Total	**123.041.034**	**91.941.954**

(*)While period of Razi's privatization, the right of early retirement is provided to employees and responsibility is accounted in the scope of IAS 19 by Razi.

As of 31 December 2014, termination indemnity liability of the company has been calculated with and annual inflation of 7,00 % and discount rate of 11 %, and by using 3,74 % real discount rate (31 December 2013; 3,58%). As the termination indemnity cap of the company's provision for termination indemnities is adjusted on every six months basis, it is calculated as 3.541 TL, which is valid as of the date of 1 January 2015 onwards (31 December 2013: 3.429 TL).

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 17 - EMPLOYEE BENEFITS (continued)

The Termination Indeminity of Razi has not discounted as a result of considering rate of Islamic Republic of Iran.

The movement of provision for termination indemnity throughout the year is as follows

	1 January – 31 December 2014	1 January -31 December 2013
Provisions as of 1 January	91.941.954	61.711.396
Service Cost	70.650.724	34.017.791
Interest Cost	5.667.961	4.331.097
Payed termination Indeminty	(44.395.915)	(35.421.645)
Conversation Differences	(823.690)	27.303.315
Provision as of 31 December	**123.041.034**	**91.941.954**

NOTE 18 - OTHER ASSETS AND LIABILITIES

Other Current Assets	31 December 2014	31 December 2013
Deferred VAT	53.616.746	33.129.279
Cash Advance	4.828.967	16.707.065
Restrict Bank Deposits	-	8.790.853
Other Various Current Assets	146.815	96.938
Total	**58.592.528**	**58.724.135**

NOTE 19 - CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS

Paid-in capital

The equity structure as of 31 December 2014 and 31 December 2013 is as follows:

	%	31 December 2014	%	31 December 2013
Central Union of Agricultural Credit Cooperatives of Turkey	75,95%	253.648.607	75,95%	253.648.607
Other	24,05%	80.315.393	24,05%	80.315.393
Total	**100,00%**	**334.000.000**	**100,00%**	**334.000.000**

Company's capital is formed 33.400.000.000 pieces stocks. (2013: 33.400.000.000 pieces) Stocks' nominal value is 0,01 TL. (2013: 0,01 TL)

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 19 - CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (continued)

Reserves on Retained Earnings

The legal reserves consist of first and second composition of legal reserves according to the Turkish Code of Commerce. The first composition of legal reserves is composed of 5% of the previous period's commercial profits until the date it reaches 20% of the paid capital. The second composition of legal reserves is allocated as 10% of the total cash dividend distributions following the first composition of legal reserves and dividends.

The retained earnings that were reclassified consist of the below items as of 31 December 2014 and 31 December 2013:

	31 December 2014	31 December 2013
Legal Reserves	27.094.749	16.700.000
Real Estate Sales Gain to be Added to Capital	1.382.652	1.382.652
Total	**28.477.401**	**18.082.652**

Regarding to legal records of company, sum of sources available for distribute is 157.894.626 TL(2013: 107.694.984 TL).

NOTE 20 – REVENUES

Sales	31 December 2014	31 December 2013
Domestic Sales	1.845.897.157	1.552.889.032
Overseas Sales	1.016.417.264	731.330.313
Sales Returns(-)	(681.274)	(446.446)
Sales Discounts(-)	(11.165.165)	(9.011.263)
Other Discounts from Sales(-)	(2.237.947)	(9.324.227)
Total	**2.848.230.035**	**2.265.437.409**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 20 – REVENUES (continued)

Sales Amount

a) Gübre Fabrikaları T.A.Ş.	**Unit**	**1 January – 31 December 2014**	**1 January – 31 December 2013**
NPK Compaund Fertilizer	Ton	575.442	564.725
Urea	Ton	318.812	258.330
Ammonium Nitrate	Ton	290.127	306.597
CAN	Ton	232.435	214.380
DAP	Ton	204.392	186.654
Ammonium Sulphate	Ton	90.054	91.611
TSP Tripe Superphospate	Ton	23.914	23.012
Other	Ton	4.835	5.928
Total		**1.740.012**	**1.651.237**
Powder Fertilizer	Kg.	17.010.318	14.342.919
Liquid Fertilizer	Lt.	2.131.175	1.826.930

b) Razi Co.	**Unit**	**1 January – 31 December 2014**	**1 January – 31 December 2013**
Ammonia	Ton	661.308	478.214
Sulphur	Ton	330.916	261.127
Urea	Ton	300.404	449.292
Sulphuric Acid	Ton	56.223	52.518
Phosporic Acid (P2O5)	Ton	45.204	32.739
Dap	Ton	37.120	9.344
Total		**1.431.175**	**1.283.234**

Cost of Sales (-)	**31 December 2014**	**31 December 2013**
Cost of Good Produced	971.833.511	688.466.045
Change in the Good Inventory	27.366.432	11.965.070
-Goods at the beginning of the Period	70.119.343	82.084.413
-Goods at the end of the Period	(42.752.910)	(70.119.343)
Cost of Good Sold	999.199.944	700.431.115
-Merchandise Inventory at the beginning of the Period	264.799.911	142.037.341
-Purchases	1.330.747.945	1.168.212.893
-Merchandise Inventory at the end of the Period	(469.424.512)	(328.344.763)
Cost of merchandise Sold	1.126.123.344	981.905.471
Cost of Other Sales	126.305	930.710
Total	**2.125.449.593**	**1.683.267.296**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 20 – REVENUES (continued)

Production Amount

a) Gübre Fabrikaları T.A.Ş.

	Unit	1 January – 31 December 2014	1 January – 31 December 2013
NPK Compound Fertilizer	Ton	405.313	396.000
TSP Triple Superphospate	Ton	117.700	111.000
Total	**Unit**	**523.013**	**507.000**
Powder Fertilizer	Kg.	5.141.067	4.244.354
Liquid Fertilizer	Lt.	1.126.969	1.097.810

b) Razi Co.

	Unit	1 January – 31 December 2014	1 January – 31 December 2013
Ammonia	Ton	777.187	674.620
Sulphur	Ton	356.304	355.717
Urea	Ton	306.840	424.880
Sulphuric Acid	Ton	196.036	143.842
Phospric Acid (P2O5)	Ton	45.513	30.695
Dap	Ton	30.809	2.169
Total	**Ton**	**1.712.689**	**1.631.923**

NOTE 21 - GENERAL ADMINISTRATION EXPENSES AND MARKETING EXPENSES

	31 December 2014	31 December 2013
General Administrative Expenses	105.065.597	84.344.878
Marketing Expenses	199.631.603	166.243.163
Total	**304.697.200**	**250.588.041**

General Administrative Expenses	31 December 2014	31 December 2013
Personnel Expenses	73.656.301	53.491.102
Outsourced Utilities and Services (*)	6.743.891	4.216.416
Amortization	9.739.679	9.969.874
Taxes,Duties and Levies	718.948	3.869.119
Various Expenses	14.206.778	12.798.367
Total	**105.065.597**	**84.344.878**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 21 - GENERAL ADMINISTRATION EXPENSES AND MARKETING EXPENSES (continued)

Marketing Expenses	**31 December 2014**	**31 December 2013**
Personnel Expenses	7.802.905	6.999.446
Outsourced Utilities and Services (*)	181.187.487	143.795.226
Amortization	1.415.963	1.087.294
Taxes,Duties and Levies	115.130	199.857
Various Expenses	9.110.118	14.161.340
Total	**199.631.603**	**166.243.163**

(*)The benefits and services providing from the outside are formed mainly by the transportation costs, maintenance-repair expenses, energy, fuel, water and communication costs.

NOTE 22 - OPERATING EXPENSES (BASED ON THEIR NATURE)

	31 December 2014	**31 December 2013**
Personnel expenses	81.459.206	60.490.548
Outsourced benefits and services	187.931.378	148.011.642
Amortization	68.760.119	62.029.486
Tax, duties and charges expenses	834.078	4.068.976
Various Expenses	23.316.896	26.959.707
Cost of goods sold	999.199.944	649.458.797
Cost of trade goods sold	1.126.123.344	981.905.471
Cost of other sales	126.305	930.710
Total	**2.487.751.270**	**1.933.855.337**

NOTE 23 – OTHER OPERATING INCOME AND EXPENSES

Other Operating Income	**1 January- 31 December 2014**	**1 January- 31 December 2013**
Exchange Difference Income	213.246.835	288.591.848
Investment Properties Appreciation	-	20.515.132
Interest Incomes	6.825.188	18.187.944
Trade Receivables Delay Interest	10.055.172	14.596.698
Other Income	13.111.736	19.210.762
	243.238.931	**361.102.384**

Other Operating Expenses	**1 January- 31 December 2014**	**1 January- 31 December 2013**
Exchange Difference Expenses	115.617.369	218.390.589
Interest Expenses	953.166	1.865.458
Trade Receivables Delay Expenses	11.043.839	15.399.759
Other Expenses	14.807.184	58.242.776
	142.421.558	**293.898.582**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 24 - INVESTMENT INCOME AND EXPENSES

	31 December 2014	**31 December 2013**
Interest Income :		
-Assest to be Held Until Maturity	-	-
Gains on Marketable Securities Sales	-	715.063
Exchange Difference Income Related to Investment	16.521.346	52.099.284
Total	**16.521.346**	**52.814.347**

	31 December 2014	**31 December 2013**
Interest Expenses:		
-Interest Expenses Arising from Investment	-	7.218.122
Exchange Difference Expenses Related to Investment	25.691.937	54.448.011
Total	**25.691.937**	**61.666.133**

NOTE 25 - FINANCIAL EXPENSES

	31 December 2014	**31 December 2013**
Interest Expenses:		
- Interest Expenses on Bank Loans	13.638.357	24.068.645
- Other Interest Expenses	-	950.178
Total Interest Expenses	13.638.357	25.018.823
(-): Amont Including to Fixed Assets Cost	-	(4.365.737)
	13.638.357	20.653.087
Net Exchange Difference Expenses	743.401	81.718.463
(-): Amont Including to Fixed Assets Cost	-	(5.279.756)
	743.401	76.438.707
Other Financial Expenses	(2.646.933)	359.312
	11.734.824	**97.451.106**

NOTE - 26 OTHER COMPREHENSIVE INCOME

	31 December 2014	**31 December 2013**
Fixed Assest Revaluation Fund	218.010.022	209.860.177
Inflation Adjustment on Equity	63.599	63.599
	218.073.621	**209.923.776**

NOTE 27-INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Corporate Tax

The company is subjected to the corporate tax on the basis of the legislation applicable in Turkey. Turkish tax law does not allow a main company and its subsidiaries to make a consolidated tax statement. Therefore, tax provisions included in attached consolidated financial statements were calculated on basis of considering each consolidated company as separate legal entities.

The rate of corporate tax to be imputed over company's earning which is subjected to taxation is calculated over the remaining tax-basis after the expenses which are not deducted from tax basis recorded as expense during the calculation of commercial earning are included and tax exempt earnings, incomes not subjected to taxation and other discounts (if any, previous year losses and investment discount benefited in case they are preferred) are deducted.

Effective tax rate applied in the year 2014 was 20% (2013: 20%).

In Turkey, a provisional tax is calculated and imputed in quarterly periods. A provisional tax of 20% over company earnings was calculated at the stage of taxation of company earnings (2013: 20%).

The losses may be carried forward maximum 5 years provided that it will be deducted from taxable profit to be obtained in future years. However, the losses accrued may not be retrospectively deducted from the profit obtained in previous years.

In Turkey, there is not an accurate and definite agreement procedure pertaining to tax assessment. Companies prepare their tax statements between 1-25 April of the year following the balancing payment period of relevant year (for the companies having special accounting period, it is between 1-25 of the fourth month following the balancing payment period). These statements and accounting records on which the statements are based may be inspected and changed by Tax Office within 5 year-period.

In accordance with Corporate Tax Law numbered 5520, corporate tax and provisional tax rates are applied as 20% (year 2013: 20%). The corporate tax rate calculated according to Iranian legislation is 25%. (2013:%25)

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 27 - INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES) (continued)

Tax provision included in the balance sheet belonging to the period 31 December 2014 and 2013 is as follows:

	31 December 2014	31 December 2013
Provision for corporate tax	(65.877.741)	3.360.898
Prepaid tax	28.154.639	(2.344.736)
	(37.723.102)	**1.016.162**

Deferred Tax Assets and Liabilities

Group is accounting deferred tax assets and liabilities on the basis of the temporary timing differences arising from the difference between financial statements that are prepared in accordance with IFRS and the statements prepared as setting the basis for tax obligations. In general the subject matter differences result from some income and expense amounts included in the tax based statements to take place in different periods in the financial statements that are prepared in accordance with IFRS.

	31 December 2014		31 December 2013	
Reflected to the income statement Deferred Tax	**Provisional differences**	**Deferred tax, assets and liab.**	**Provisional differences**	**Deferred tax, assets and liab.**
Investment Allowance	170.000.000	16.830.000	562.640	112.528
Stock Adjustment	15.272.440	3.054.488	10.812.936	2.162.587
Exchange Difference of Investment Advance	14.804.003	2.960.801	188.278.159	9.413.908
Other	9.252.485	1.850.497	3.354.354	670.871
Provisions for termination indemnity	8.156.136	1.631.227	8.448.695	1.689.739
Receivables rediscount	4.088.012	817.602	4.978.658	995.732
Expense accruals	1.641.241	328.248	1.571.674	314.335
Loss of previous year			40.958.810	8.191.762
Deferred tax assets	**223.214.317**	**27.472.863**		
Assets Current Value Valuation Difference	188.278.159	9.413.908		
Payables rediscount	522.355	104.471		
Other	391.086	78.217		
Deferred Tax Liabilities	**189.191.600**	**9.596.596**	**190.084.076**	**9.775.091**
Net Deferred Tax Asset (Liability		**17.876.267**		**4.249.934**
Razi Co. Deferred Tax Asset / (Liability) (*)		**(32.637.014)**		**272.860**
Total Deferred Tax Asset / (Liability)		**(14.760.747)**		**4.522.794**

(*) The balance is arise from the deferred tax effect of the Investment Property Adjustment of the Razi

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 27 - INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES) (continued)

Information related to deferred tax transaction table:

	31 December 2014	**31 December 2013**
Opening Balance on 1 January	4.522.794	(1.194.758)
Impact of Conversion Differences of Deferred Tax of Razi	539.970	218.667
Sub Total	**5.062.764**	**(976.091)**
Deferred Tax income /(expense)	(22.540.126)	8.005.857
Deferred Tax Expense of Appreciation Related with Tangible Assets Accounted Directly in Equity	2.716.615	(2.506.972)
Balance Sheet Outstanding at the end of period	**(14.760.747)**	**4.522.794**

Tax provision agreement:

	1 January - 31 December 2014	**1 January - 31 December 2013**
Pre-tax profit/ (loss)	498.847.042	276.061.075
	%20	%20
Calculated Tax	(99.769.408)	(55.212.215)
Impact of Foreign Subsidiaries Subjected to Different Tax rates	(23.513.126)	(14.552.275)
Impact of Expenditure Tax Not Recognized Legally	(103.370.353)	(105.791.662)
Tax Effects of Discount and Exemptions	226.675.861	183.998.938
Tax Effect of Royalty Elimination	(42.710.500)	-
Previous Period Tax Expenditure of Razi	(36.364.006)	-
Total Discounts of Investment Incentives	16.830.000	-
Other Differencences Unrelated to Tax	4.238.821	(3.752.242)
Tax Income/ Expense	**57.982.712**	**4.690.544**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 28 - EARNINGS PER SHARE

Earnings per share stated in the income statement are calculated by dividing the net income to the weighted average number of ordinary shares outstanding during the year.

Companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders from statutory retained earnings and statutory revaluation surplus. For the purpose of earnings per share computations, the weighted average number of shares in existence during the year has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

The weighted average of the shares and profit per share calculations of the company as of 31 December 2014 and 31 December 2013 are as follows.

	1 January-31 December 2014	1 January-31 December 2013
Net profit for the period	210.609.765	94.713.933
Weighted average number of ordinary shares outstanding during the year (each 1 kr)	33.400.000.000	33.400.000.000
Earnings per share (kr) (*)	**0,0063**	**0,0028**

NOTE 29 - RELATED PARTIES DISCLOSURES

(i) Balances Due from Related Parties

(a) Trade Receivables (Parent Company)

	31 December 2014	31 December 2013
Main Partner		
Central Union of Turkish Agricultural Credit Cooperatives	104.638.834	67.249.148
Other related parties	10.003.814	8.478.037
	114.642.648	**75.727.185**
Other Receivables (Subsidiaries and other related parties) (Short Term)		
Negmar Maritime Company	1.251.067	1.945.063
Tarnet A.Ş.	4.213	-
	1.255.280	**1.945.063**
Other Receivables (Subsidiaries and other related parties) (Long Term)		
Negmar Maritime Company	82.639.387	70.147.828
Other related parties	37.192.855	47.891.574
	119.832.242	**118.039.402**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 29 - RELATED PARTIES DISCLOSURES (continued)

(b) Trade payables:

	31 December 2014	**31 December**
Subsidiaries and other related parties		
Negmar Maritime Company	-	9.182.646
Tarnet A.Ş	-	67.172
Tarkim Pesticide Company	35.398	9.920
	35.398	**9.259.738**

Average maturity of sales to Central Union of Turkish Agricultural Credit Cooperatives are 25 days. Hence there aren't any delays in collection of revenues, there aren't interest rate implemented. Receivables from subsidiaries and other related parties include deposits and guarantees which is given by the Group for the transportation of Razi's productions.

(ii) Transactions with Related Party

Sales of Goods and Services:

	1 January-31 December 2014	**1 January-31 December 2013**
Main parent		
Central Union of Turkish Agricultural	1.168.066.117	1.019.964.900
Subsidiaries		
Negmar Maritime Comp. and Affiliates	2.115.379	1.558.062
Tarkim Pesticide Company	31.300	129.917
Tarnet A.Ş	92.475	8.079.356
	1.170.305.271	**1.029.732.234**

Purchase of Goods and Services:

	1 January-31 December 2014	**1 January-31 December 2013**
Main parent		
Central Union of Turkish Agricultural	-	18.000
Subsidiaries		
Negmar Maritime Comp. and Affiliates	137.961.620	118.054021
Tarkim Pesticide Company	248.211	319.460
Tarnet A.Ş	2.739.572	548.477
Other	-	81.972.193
	140.949.403	**200.912.151**

(*) Group gets service for logistics and handling from Negmar Denizcilik A.Ş. and its affiliates. Service's due payment is 7 days.

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 29 - RELATED PARTIES DISCLOSURES (continued)

Benefits Provided to Top Management

The total benefits the company has provided to its top managers as of 31 December 2014 shown below table:

	31 December 2014		31 December 2013	
	Gübretaş	**Razi**	**Gübretaş**	**Razi**
Short-term employee benefits (*)	1.591.385	3.849.842	1.520.398	3.367.348
	1.591.385	**3.849.842**	**1.520.398**	**3.367.348**

(*) inc. attendance fees to the Board of Directors too.

NOTE 30 - FINANCIAL INSTRUMENTS

Financial Investments

Short Term Financial Investments:

The detail of financial investments are shown as of 31 December 2014 and 31 December 2013 as below:

Financial instruments that has been reflected to profit/loss over fair value	**1 January 2014 - 31 December 2014**	**1 January 2013 - 31 December 2013**
Private sector bonds and notes	-	3.207.694
Total	**-**	**3.207.694**

Long Term Financial Investments:

The detail of marketable securities are shown as of 31 December 2014 and 31 December 2013 as below:

Title	**Subject of Activities**	**31 December 2014**		**31 December 2013**	
		% Share	**Amount of participant**	**% Share**	**Amount of participant**
İmece Prefabrik Yapı Tarım Makineleri Temizlik ve Güvenlik Hizmetleri San. A.Ş.	Steel, Container,Tower,Crane and Spare Part Manifacture	15%	2.013.888	15,00	2.013.888
Tarnet Tarım Kredi Bilişim ve İletişim Hizmetleri A.Ş.	Internet Service Provider etc.	17%	523.627	17,00	523.627
Tareksav	Agricultural Credit Cooperative Education Foundation		200.000		200.000
Total			**2.737.515**		**2.735.515**

Financial investments ready for sale are valued with cost since they do not have an active market. Group does not expect a value decrease in financial investments.

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 31- THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS

The Group focus on the manage of the various financial risks which includes price , fx rates and interest rate changes on monatery and capital markets as a result of its own activity.Besides the Group aimed to decrease potential negative effects of market fluctuations with its risk management programme.

Capital Management

In capital management, the Group tries to ensure the continuity of its activities, while it, on the other hand, aims at increasing its profit by using its payable and equity capital balance in the most effective way. The capital structure of the company is comprised of equity capital items such as payables, cash and cash equivalents and other equity capital items including issued capital, capital reserves and profit reserves, which are defined in footnote 20.

Top management of the Group continuously evaluates the risks associated with each capital level together with capital cost and manages capital by trying to ensure the most appropriate payable/equity capital balance. Payables/equity capital ratio is calculated dividing net payables by total capital. Net payable is calculated by deducting cash and cash equivalent values from total payable amount.

Net payable/total capital ratio as of 31 December 2014 and 31 December 2013 is as follows:

	31 December 2014	**31 December 2013**
Total Debt	1.993.233.065	1.921.220.953
Cash and Cash Equivalents (-)	470.540.521	568.223.098
Net Debt	**1.522.692.544**	**1.325.997.855**
Total Shareholder's Equity	1.278.412.356	1.126.006.378
Net Debt/Total Capital Ratio	**%119**	**%120**

Derivative Financial Assets Held For Cash Flow Hedges

Liquidity Risk

The management of the company has formed an appropriate liquidity risk management for the short-, mid- and long-term funding and liquidity requirements. The company manages the liquidity risk by providing the continuation of sufficient funds and borrowing reserves by regularly following up the estimated and actual cash flows and by matching the maturities of financial assets and liabilities.

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 31- THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS (continued)

The management of the medium-term and long-term liquidities are realize with sector dynamics, and cashflow cycle is also followed and tested according to various scenarios by Group.

31 December 2014	**Book Value**	**Total of Contractual Cash Outflows**	**Shorter than 3 Months**	**Between 3-12 Months**	**Longer Than 5 Years**
Non-derivative Financial Liablities					
Financial Payables	809.506.169	808.104.692	671.941.810	136.162.882	-
Trade payables	853.082.706	950.047.191	605.494.944	344.552.247	-
Other Payables	2.719.095	2.719.095	1.936.296	78	782.722
Other Liablities	86.890	86.890	86.890	-	-
Total	**1.665.394.860**	**1.760.957.867**	**1.279.459.939**	**480.715.206**	**782.722**

31 December 2013	**Book Value**	**Total of Contractual Cash Outflows**	**Shorter than 3 Months**	**Between 3-12 Months**	**Longer Than 5 Years**
Non-Derivatives Financial Liablities					
Financial Payables	882.154.679	882.530.801	709.277.301	173.253.500	-
Trade payables	761.689.098	761.261.200	461.708.953	344.552.247	-
Other Payables	2.393.190	2.393.191	1.730.606	78	-
Other Liablities	2.425.677	2.425.677	2.425.677	-	-
Total	**1.648.662.644**	**1.648.610.869**	**1.648.610.869**	**517.805.825**	**-**

Interest rate risk

The Group because of its activities is being subjected to financial risks regarding the changes on exchange rate and interest rate. In order to control the risks associated with exchange rate and interest rate, company uses the financial instruments.

Besides sales prices are determined over TL, the sector is substantially dependent on import inputs; therefore, changes in exchange rates affect the product sale prices directly. The "fixed interest/variable interest" and "long-term/short-term" balances were monitored and interest changing period of financial debits and credits were harmonized for minising the effect of interest rate fluctuations.

Fixed Interest Financial Instruments	**31 December 2014**	**31 December 2013**
Financial Liablities	418.890.735	617.302.892

Floating Rate Financial Instruments	**31 December 2014**	**31 December 2013**
Financial Liablities	162.488.668	266.082.270

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 31- THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS (continued)

Financial instruments categories and fair values

31 December 2014	Credit and Receivables (Cash And Cash Equivalents Included)	Financial Assests Available for Sale	Valuation Differences Reflected Financial Investments	Financial Liablities Indicated Over its Amortized Value	Book Value	Note
Financial Assets						
Cash And Cash Equivalents	470.540.521	-	-	-	470.540.521	
Trade Receivables	318.124.675	-	-	-	318.124.675	
Receivables from Related Parties	235.730.170	-	-	-	235.730.170	
Other Receivables	197.853.506	-	-	-	197.853.506	
Other Financial Assets	-	2.737.515	3.207.694	-	5.945.209	
Financial Liablities						
Financial Payables	-	-	-	809.506.170	809.506.170	
Trade Payables	-	-	-	728.838.366	728.838.366	
Liablities to Relevant Parties	-	-	-	35.398	35.398	
Other Financial Liablities	-	-	-	126.361.326	126.361.326	

31 December 2013	Credit and Receivables (Cash And Cash Equivalents Included)	Financial Assests Available for Sale	Valuation Differences Reflected Financial Investments	Financial Liablities Indicated Over its Amortized Value	Book Value	Note
Financial Assets						
Cash And Cash Equivalents	568.223.098	-	-	-	568.223.098	
Trade Receivables	330.837.829	-	-	-	330.837.829	
Receivables from Related Parties	75.727.185	-	-	-	75.727.185	
Other Receivables	340.014.786	-	-	-	340.014.786	
Other Financial Assets	-	2.737.515	3.207.694	-	5.945.209	
Financial Liablities						
Financial Payables	-	-	-	882.154.680	882.154.680	
Trade Payables	-	-	-	633.765.521	633.765.521	
Liablities to Relevant Parties	-	-	-	9.259.739	9.259.739	
Other Financial Liablities	-	-	-	120.130.271	120.130.271	

NOTE 31- THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS (continued)

Since floating rated liabilities are sensitive to changes on interest limits as of reporting date, just these financial instruments have gone through a sensitivity analysis. In the sensitivity analysis performed, if the interest over Euro currency unit was high/low by 100 base point (1%) on 31.12.2013 and all other variables remained fixed, the profit/loss before taxation and consolidated equity of participations would be low/high by 1.141.484 TL (31 December 2013: 1.230.484 TL).

Funding Risk

Risk of funding for existing and possible loan requirements in future is managed by perpetuated the access with adequate and high quality credit provider.

Credit Risk

The Group is subject with credit risk as a result of trade receivables of Credit sales and bank deposits.

The Group aimed the highest possible guarantee for the management of collection risk of trade receivables .

In this context the methods are ;

- Bank Guarantee (Guarantee Letter ,Letters of Credit, etc.),
- Credit Insurance (Global Insurance Policy, Eximbank and Factoring Insurance, etc.),
- Mortgage,
- Cheque-bond.

Credit Risk Management

The Group is subjected to credit risk because of its trade receivables arising from the forward sales of the Group. Management decreases the credit risk to minimum level regarding its receivables by taking securities (such as bank letter of guarantee, mortgage, etc.) from customers (except for related parties). These credit risks are monitored continuously by the Group and evaluated by considering the quality of the trade receivables, past experiences and current economic condition and expressed in the balance sheet by its net amount after allowance for doubtful receivables is allocated for the receivables not to be collected. (Footnote: 7). Approximately 75% of Group sales are related to the main shareholder Turkish Agricultural Credit Cooperatives Central Union.

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 31- THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS (continued)

Credit Risk Management(Cont)

The credit risks being subjected by the financial instrument types as of 31 December 2014 and 31 December 2013 are as follows:

31 December 2014	Receivables						
	Trade Receivables		Other Receivables				
	Related Party	Other Party	Related Party	Other Party	Deposit in Bank	Derivative Financial Insturements	Cash and Cash Equivalent
Minimum Credit Risk Exposed as of Reporting Date (A+B+C+D)	**114.642.648**	**318.124.675**	**121.087.522**	**197.853.506**	**377.961.451**	**-**	**8.198.299**
-Part of Maximum Risk Secured by guarantee,etc.		321.117.217					
A) Net Book Value of Financial Assets Which are Undue or not Exposed to Depredation	114.642.648	316.707.077	121.087.522	197.853.506	377.961.451	-	8.198.299
B) Net Book Value of Assets Which are Overdue but not Exposed to Depredation	-	19.241.073	-	-	-	-	-
C) Net Book Value of Assets Which are Exposed to Depredation	-	-	-	-	-	-	-
-Overdue (Gross Book Value)	-	3.430.740	-	-	-	-	-
-Value Decrease (-)	-	(3.430.740)	-	-	-	-	-
- Part of Net Value Secured by Guarantee, etc.	-	-	-	-	-	-	-
-Undue (Gross Book Value)	-	-	-	-	-	-	-
- Value Decrease (-)	-	-	-	-	-	-	-
- Part of Net Value Secured by Guarantee, etc	-	23.069.734	-	-	-	-	-
D) Off-Balance Sheet Elements Carring Credit Risk	-	-	-	-	-	-	-

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 31- THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS (continued)

Credit Risk Management(Cont)

31 December 2013	Receivables: Trade Receivables: Related Party	Receivables: Trade Receivables: Other Party	Receivables: Other Receivables: Related Party	Receivables: Other Receivables: Other Party	Deposit in Bank Related Party	Derivative Financial Instureme nts Other Party	Cash and Cash Equivalent Trade Receivables Related Party
Minimum Credit Risk Exposed as of Reporting Date (A+B+C+D)	**75.727.185**	**330.837.829**	**211.922.017**	**77.726.598**	**555.159.319**	**-**	**13.063.779**
-Part of Maximum Risk Secured by guarantee,etc.		244.096.297					
A) Net Book Value of Financial Assets Which are Undue or not Exposed to Depredation	75.727.185	316.707.077	211.922.017	77.726.598	555.159.319	-	13.063.779
B) Net Book Value of Assets Which are Overdue but not Exposed to Depredation	-	11.203.292	-	-	-	-	-
C) Net Book Value of Assets Which are Exposed to Depredation	-	-	-	-	-	-	-
-Overdue (Gross Book Value)	-	2.927.460	-	-	-	-	-
-Value Decrease (-)	-	(2.927.460)	-	-	-	-	-
- Part of Net Value Secured by Guarantee, etc.	-	-	-	-	-	-	-
-Undue (Gross Book Value)	-	-	-	-	-	-	-
- Value Decrease (-)	-	-	-	-	-	-	-
- Part of Net Value Secured by Guarantee, etc	-	10.886.715	-	-	-	-	-
D) Off-Balance Sheet Elements Carring Credit Risk	-	-	-	-	-	-	-

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 31- THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS (continued)

Table indicating the ages of assets which are overdue but not exposed to depredation:

31 December 2014	**Trade Receivables**	**Total**
1-30 Days Overdue	4.494.748	**4.494.748**
1-3 Months Overdue	6.519.930	**6.519.930**
3-12 Months Overdue	4.886.968	**4.886.968**
1-5 years Overdue	3.339.427	**3.339.427**
Total	19.241.073	**19.241.073**
Part of Asset Secured by Guarantee, etc.	23.069.734	**23.069.734**

31 December 2013	**Trade Receivable**	**Total**
1-30 Days Overdue	1.971.324	**1.971.324**
1-3 Months Overdue	3.927.642	**3.927.642**
3-12 Months Overdue	2.833.572	**2.833.572**
1-5 years Overdue	2.470.754	**2.470.754**
Total	11.203.292	**11.203.292**
Part of Asset Secured by Guarantee, etc.	10.886.715	**10.886.715**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 31- THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS (continued)

Foreign exchange position table of the foreign asset and liabilities of the company in terms of original and Turkish Lira currency units as of 31 December 2014 is as follows;

	EURO	USD	JPY	TL (Functional Currency)
Current Assets	**14.944.266**	**151.179.847**	**2.715.102**	**392.776.767**
Trade Receivables	-	32.112.790	-	74.466.348
Monatery Financial Assets	340.566	112.088.242	2.715.102	260.934.586
Non-Monatery Financial Assets	-	6.417.800	-	14.882.236
Other	14.603.700	561.016	-	42.493.597
Non-Current Assets	**39.667.244**	**-**	**-**	**111.889.394**
Trade Receivables	-	-	-	-
Monatery Financial Assets	35.637.322	-	-	100.522.196
Non-Monatery Financial Assets	4.029.921	-	-	11.367.199
Other	-	-	-	-
Total Assets	**54.611.509**	**151.179.847**	**2.715.102**	**504.666.161**
Short Term Liablities	**101.555.564**	**311.994.242**	**-**	**1.009.941.227**
Trade Payables	5.524.169	240.900.482	-	574.206.151
Financial Liablities	96.031.395	69.946.713	-	433.075.189
Non Monatery other Liablities	-	1.147.047	-	2.659.887
Long Term Liablities	**52.172.406**	**-**	**-**	**147.162.706**
Financial Liablities	52.172.406	-	-	147.162.706
Total Liablities	**153.727.970**	**311.994.242**		**1.157.103.933**
Net Financial Position	**-**	**-**	**-**	**-**
Net Foreign Exchange Asset/ (Liablity) Position	**(99.116.461)**	**(160.814.395)**	**2.715.102**	**(652.437.772)**
Monatery Items Net Foreign Exchange Asset/(Liablity)	(117.750.082)	(166.646.163)	2.715.102	(718.520.916)

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 31- THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS (continued)

Foreign exchange position table of the foreign asset and liabilities of the company in terms of original and Turkish Lira currency units as of 31 December 2013 is as follows;

	EURO	USD	JPY	TL (Functional Currency)
Current Assets	**16.376.268**	**141.028.252**	**2.715.101**	**349.140.462**
Trade Receivables	14.602.867	25.724.832	-	97.785.828
Monatery Financial Assets	340.250	107.530.707	2.715.101	230.556.884
Non-Monatery Financial Assets	1.433.151	7.772.713	-	20.797.750
Non-Current Assets	**8.994.164**	**55.305.909**	**-**	**144.450.764**
Non-Monatery Financial Assets	8.994.164	55.305.909	-	144.450.764
Total Assets	**25.370.432**	**196.334.161**	**2.715.101**	**493.591.226**
Short Term Liablities	**118.161.188**	**360.858.155**	**-**	**1.117.159.889**
Trade Payables	7.926.191	198.308.246	-	446.524.550
Financial Liablities	110.234.997	162.540.709	-	670.615.704
Monatery other Liablities	-	9.200	-	19.636
Long Term Liablities	**61.291.378**	**-**	**-**	**179.982.131**
Financial Liablities	61.291.378	-	-	179.982.131
Total Liablities	**179.452.566**	**360.858.155**	**-**	**1.297.142.021**
Net Financial Position				
Net Foreign Exchange Asset/ (Liablity) Position	**(154.082.134)**	**(164.523.994)**	**2.715.101**	**(803.550.795)**
Monatery Items Net Foreign Exchange Asset/(Liablity)	(164.509.449)	(227.602.617)	2.715.101	(968.799.309)

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 31- THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS (continued)

In the years ending on 31 December 2014 and 31 December 2013, in case there is a (+)/(-)10% change in foreign exchange rates when the other variables are kept fixed according to the net foreign exchange position on the balance sheet of the company, the change on the pre-tax profit is as follows:

	Profit /(Loss)	
31 December 2014	**In Case US Dollar Currency (10%)**	
	Appreciates	**Depreciates**
Net Asset/Liablity of US Dollar	(37.291.250)	37.291.250
Value Secured Against US Dollar (-)		
Net Effect of US Dollar	**(37.291.250)**	**37.291.250**
Net Asset/ Liablityof Euro	(27.957.780)	27.957.780
Value Secured Against Euro (-)		
Net Effect of Euro	**(27.957.780)**	**27.957.780**
Net Asset/Liablity of Iranian Riyal	12.224.774	(12.224.774)
Value Secured Against Iranian Riyal(-)		
Net Effect of Iranian Riyal	**12.224.774**	**(12.224.774)**
Net Effect of Other Foreign Currency	5.253	(5.253)
Value Secured Against Other Foreign Currency		
Net Effect of Other Foreign Currency	**5.253**	**(5.253)**
	(53.019.003)	**53.019.003**

As explained in Note 2, the Group management has used the rates published by the Foreign Exchange Center (“Center”) monitored by Central Bank of Iran Islam Republic. Had the Group used Turkish Lira /Iran Riyal market rate based on expected American Dollar/Iran Riyal market rate and the current Turkish Lira/ American Dollar rate net income would decrease by approximately 95 Million TL and the foreign currency adjustments would increase by 179 Million TL.

	Profit /(Loss)	
31 December 2013	**In Case US Dollar Currency (10%)**	
	Appreciates	**Appreciates**
Net Asset/Liablity of US Dollar	(48.577.226)	48.577.226
Value Secured Against US Dollar (-)	-	-
Net Effect of US Dollar	**(48.577.226)**	**48.577.226**
Net Asset/ Liablityof Euro	(48.308.200)	48.308.200
Value Secured Against Euro (-)		
Net Effect of Euro	**(48.308.200)**	**48.308.200**
Net Asset/Liablity of Iranian Riyal	(12.120.189)	12.120.189
Value Secured Against Iranian Riyal(-)		
Net Effect of Iranian Riyal	**(12.120.189)**	**12.120.189**
Net Effect of Other Foreign Currency	5.493	5.493
Value Secured Against Other Foreign Currency		
Net Effect of Other Foreign Currency	**5.493**	**(5.493)**
	(109.000.122)	**109.000.122**

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 32 - FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND EXPLANATIONS WITHIN THE FRAME OF HEDGE ACCOUNTING)

Fair values of financial instruments

The fair value of financial assets and liabilities are determined as follows:

- First level: Financial assets and liabilities are valued over stock exchange prices used in active market for assets and liabilities which are similar.

- Second level: Financial assets and liabilities are valued over the inputs used to find out observable price of relevant asset or liability directly or indirectly in the market other than its stock exchange price specified in first level.

- Third level: Financial assets and liabilities are valued over the inputs not based on an observable data in the market, which is used to find out fair value of asset and liability.

Level classification of financial assets and liabilities indicated with their fair values is as follows:

	31 December 2014	**Level 1**	**Level 2**	**Level 3**
Financial Assets Ready for Sale	2.737.515	-	-	2.737.515
Financial Assets , of Which Fair Value Difference is Reflected on Profit/Loss	-	-	-	-
Derivative Financial Instruments	-	-	-	
Total	**2.737.515**	**-**	**-**	**2.737.515**

	31 December 2013	**Level 1**	**Level 2**	**Level 3**
Financial Assets Ready for Sale	2.737.515	-	-	2.737.515
Financial Assets , of Which Fair Value Difference is Reflected on Profit/Loss	3.207.694	-	3.207.694	-
Derivative Financial Instruments	-	-	-	-
Total	**5.945.209**	**-**	**3.207.694**	**2.737.515**

NOTE 33 - EVENTS AFTER THE BALANCE SHEET DATE

The Ordinary General Meeting of the Razi Petrochemical Co.(subsidiary of Group) which established on Iran in Tehran/Iran 04 March 2015. 10,03% part of total distributable profit which is calculated with retained earnings ,excess reserves and current year income of Razi Petrochemical Co. has decided to distributed according to apportionment in OGM. Total Disributed Profit 501.200.000.000 IRR, share of the partner is 244.996.972.251 IRR.(03 March 2015 TCMB rate is 100 IRR= 0,00902 is 244.996.972.251 IRR=22.098.727 TL). Board of Manager of Razi Petrochemical Co. has authorized to decide about payment date of this dividend.

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 34 – OTHER MATTERS AFFECTING THE FINANCIAL STATEMENTS OR THAT NEED TO BE EXPLAINED

Adjustments and Classifications on Trial Balance Account

Lands and buildings of Gübre Fabrikaları T.A.Ş. that is used on the purpose of production , service or administrative redempted with revaluated amount as of 31 December 2013 .But the Lands and buildings of Razi Petrochemical Co. carried at cost.

All of the Lands and Buildings of Razi Petrochemical Co. was subjected to revaluation as of 31 December 2014.The Effects of the Adjustments and classifications (the values are related with the nominal rate of interest of Islamic Republic of Iran) which are backwardly realized in 31 December 2013 dated consolidated financial statement summarized in the table below;

	31 December 2013	31 December 2013	
	Before Accounting Policy Adjustment	After Accounting Policy Adjustment	Difference
Property, Plant And Equipment	723.727.864	832.045.970	108.318.106
Deferred Tax	-	27.079.526	(27.079.526)
Revaluation and measurement Profit/ Loss	205.806.181	245.517.287	(39.711.106)
Non-Controlling Shares	303.594.264	345.121.738	(41.527.474)

Reclassifications:

Revaluation fund

Investment property revaluation difference of 35.593.511 TL has been reclassified from revaluation funds to retained earnings.

Other receivables

Razi’s recaiveble amount noncontrolling interests amounting to 91.937.552 TL has been reclassified from related party receivables to other receivables.