



FIRST QUARTER 2012 OPERATING REVIEW REPORT

GÜBRE FABRİKALARI TÜRK A. Ş.
ESENTEPE, KASAP SOKAK, NO:22, 34394 ŞİŞLİ/İSTANBUL

T: (+90 212) 376 50 27

F: (+90 212) 272 56 78

E: byi@gubretas.com.tr

I. INTRODUCTION	3
A. REPORTING PERIOD.....	3
B. CORPORATE’S NAME	3
C. BOARD OF DIRECTORS.....	3
D. BOARD OF AUDITORS	3
E. TOP MANAGEMENT	4
F. CAPITAL STRUCTURE	4
G. AFFILIATES AND SUBSIDIARIES	4
H. PERFORMANCE OF THE STOCK.....	5
II. TURKISH FERTILIZER INDUSRTY	5
A. PRODUCTION	5
B. SALES	6
III. GÜBRE FABRİKALARI T.A.Ş. ACTIVITIES.....	6
A. PRODUCTION	6
B. SALES AND PURCHASES	7
C. INVESTMENTS	8
D. RESEARCH AND DEVELOPMENT ACTIVITIES.....	9
E. EVENTS AFTER BALANCE SHEET DATE	9
IV. ACTIVITIES OF RAZİ PETROCHEMICAL CO.....	10
A. PRODUCTION	10
B. SALES	10
V. FINANCIAL STATEMENTS.....	11
A. BALANCE SHEET – ASSETS - TRL	11
B. BALANCE SHEET- LIABILITIES - TRL.....	12
C. INCOME STATEMENT-TRL	13
VI. CONCLUSION	14

I. INTRODUCTION

A. REPORTING PERIOD

01.01.2012 - 31.03.2012

B. CORPORATE'S NAME

Gübre Fabrikaları Türk Anonim Şirketi (Gübretaş)

C. BOARD OF DIRECTORS

Title	Name	Start date of employment
Chairman	Abdullah KUTLU	19.04.2011
Vice Chairman	Necdet DİRİK	25.10.2005
Member	Dr. Erol DEMİR	10.04.2009
Member	Ahmet BOYRAZ	26.04.2012
Member	Naci BEDİR	26.04.2012
Member	Sertaç GÜRSOY	26.04.2012
Member	Osman BALTA	01.02.2012
Independent Member	Prof. Dr. Lokman DELİBAŞ	26.04.2012
Independent Member	İsmail TEKİN	26.04.2012

D. BOARD OF AUDITORS

Title	Name	Start date of employment
Member	Bülent İŞKÜR	13.06.2011
Member	Namık Kemal BAYAR	10.04.2009

The members of the Board of Directors and Auditors are entitled to use the powers provided in the articles of the association and the Turkish Commercial Code.

E. TOP MANAGEMENT

Title	Name	Start date of employment
General Manager	Osman BALTA	01.02.2012
Assistant General Manager (Administration & Financing)	Ferhat ŞENEL	09.02.2004
Assistant General Manager (Sales & Marketing)	Tahir OKUTAN	20.01.2006
Assistant General Manager (Supply Chain & Purchasing)	İsmail BABACAN	22.06.2009
Assistant General Manager (Facilities)	Yakup GÜLER	01.03.2012

F. CAPITAL STRUCTURE

As of 31.03.2012 registered capital of the company is 200.000.000 TRL and issued capital is 83.500.000 TRL.

Table 1 : CAPITAL STRUCTURE

Shareholders	Amount of Share-TRL	Share
Central Union of Turkish Agricultural Credit Cooperatives	63.421.152	75,95%
Other	20.078.848	24,05%
Total	83.500.000	100,00%

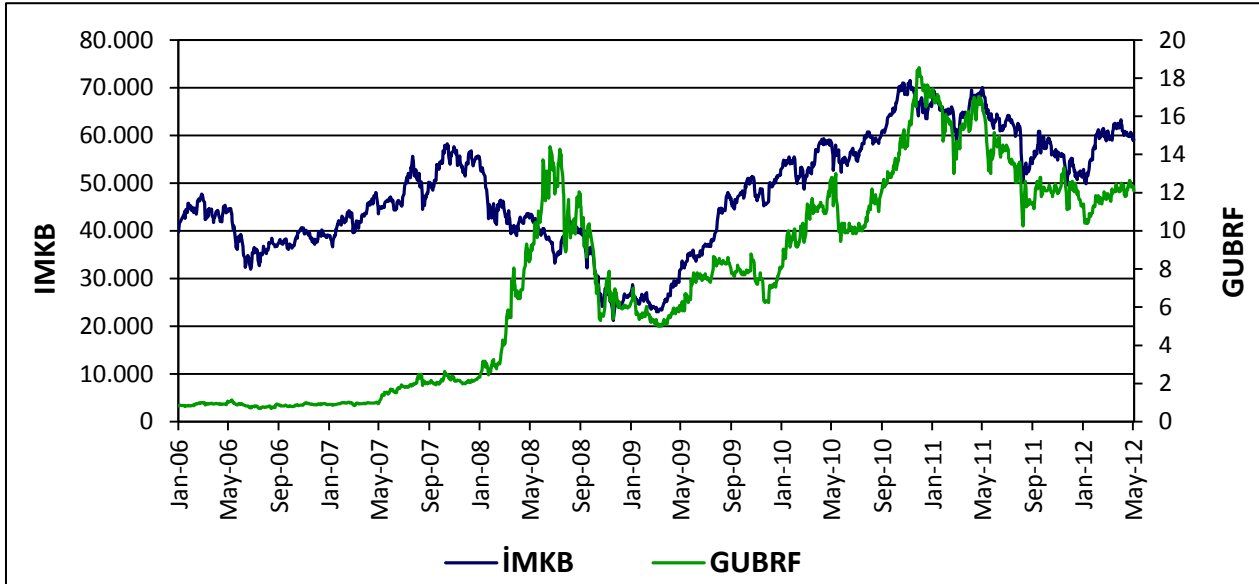
G. AFFILIATES AND SUBSIDIARIES

Table 2 : AFFILIATES AND SUBSIDIARIES

Company Name	Partnership Type	Share %	Amount of Share-TL
Razi Petrochemical Co.	Affiliate	48,88	424.807.554
Negmar Denizcilik Yatırım A.Ş.	Subsidiary	40,00	12.000.000
Tarkim Bitki Koruma San. ve Tic. A.Ş.	Subsidiary	40,00	6.400.000
Tarnet Tar. Kre.Bil .Hiz.San Tic .A.Ş.	Subsidiary	17,00	523.627
İmece Pref. Yapı Tar.Mak.Tmz.Güv. Hiz.San.Tic.A.Ş.	Subsidiary	15,00	2.013.888

H. PERFORMANCE OF THE STOCK

Graph 1 : PERFORMANCE OF THE STOCK



II. TURKISH FERTILIZER INDUSTRY

A. PRODUCTION

Fertilizer production was 1.049.474 tons in first quarter of 2011, it decreased by 11,85% to 925.084 tons in first quarter of 2012. 18,69% of total production was compound fertilizers.

Table 3 : SECTOR PRODUCTION BY PRODUCT-TON

Product	2012/1Q	2011/1Q	Change
COMPOUND	301.113	370.335	-18,69%
AN	159.992	68.708	132,86%
UREA	133.437	136.725	-2,40%
CAN	205.482	320.826	-35,95%
AS	60.685	71.673	-15,33%
DAP	41.135	54.667	-24,75%
TSP	23.240	26.540	-12,43%
TOTAL	925.084	1.049.474	-11,85%

B. SALES

According to 1Q2012 data, fertilizer consumption was 1.873.537 tons recording a 7,85% decrease while in the same period of the previous year it was 2.033.128 tons. Moreover our sales decreased by 12% and our market share in first quarter of 2012 was 28,81% while it was 23,37% in first quarter of 2011. As of first quarter of 2012 exports increased by 7% to 152.336 tons and imports decreased by 1% to. 142.005 tons.

Table 4 : SECTOR SALES BY PRODUCT

Product	2012/1Q	2011/1Q	Change
COMPOUND	289.650	627.398	-53,83%
AN	471.784	399.407	18,12%
UREA	376.407	339.554	10,85%
CAN	476.834	428.465	11,29%
AS	191.258	145.555	31,40%
DAP	62.022	83.810	-26,00%
TSP	5.582	8.939	-37,56%
P.NITRATE	6.528	8.441	-22,66%
P.SULPHATE	6.434	10.355	-37,86%
TOTAL	1.873.537	2.033.128	-7,85%

III. GÜBRE FABRİKALARI T.A.Ş. ACTIVITIES

There are seven regional sales directorates throughout Turkey. Gübretaş sells to every corner where there is agricultural production via 2.619 dealers, 1.689 of which belongs to Agricultural Credit Cooperatives and 930 to Gübretaş itself.

A. PRODUCTION

Gübretaş produced 23.240 tons TSP and 73.941 ton Compound fertilizers totaling 97.181 tons in first quarter of 2012. 435 tons of liquid fertilizer and 625 tons powder fertilizer were produced.

Solid Fertilizer production decreased by 25,2% in 2012 comparing to 2011. Total Fertilizer production including solid, liquid and powder decreased by 24,8% in 2012 comparing to 2011.

85.380 tons of production sold, 11.801 tons of production were used as raw material. Capacity utilisation rate was 57% in first quarter of 2012.

Table 5 : PRODUCTION BY PRODUCT-TON

Product	2012/1Q	2011/1Q	Change
TSP	23.240	26.540	-12,4%
25.5.10/23.12.9	25.676	19.267	33,3%
12.30.12/13.24.12	10.881	38.506	-71,7%
15.15.15 ZN	10.703	15.692	-31,8%
20.20.0	10.283	11.623	-11,5%
20.20.0 ZN	6.934	7.264	-4,5%
Other	9.464	10.950	-13,6%
TOTAL	97.181	129.842	-25,2%
Liquid Fertilizer	435	289	50,5%
Powder Fertilizer	495	521	20,0%
GRAND TOTAL	98.111	130.652	-24,8%

B. SALES AND PURCHASES

Our Company sold 476.463 tons of solid, 571 tons of liquid and 4.488 tons of powder fertilizer in first quarter of 2012. In first quarter of 2011, 540.401 tons of solid, 451 tons of liquid, 3.476 tons of powder fertilizer were sold. The volume of purchases reached 441.569 tons in quarter of 2011, and it decreased by 31% to 306.575 tons in first quarter of 2012. Export was 1.267 tons in first quarter of 2011, while it was 1.293 tons in first quarter of 2012.

Table 6 : SALES, IMPORT AND DOMESTIC PURCHASES-TON

	2012/1Q	2011/1Q	Change
Domestic Purchases	119.882	97.529	23%
Import	186.693	344.040	-46%
Total Purchases	306.575	441.569	-31%
Sales	476.463	540.401	-12%

Table 3 : SALES BY PRODUCT GROUPS-TON

Fertilizer	2012/1Q	2011/1Q	Change
20.20.0	27.422	37.810	-27%
25.5.10/23.12.9	27.734	18.222	52%
15.15.15	23.307	42.591	-45%
15.15.15 Zn	14.746	17.369	-15%
12.30.12/13.24.12	14.062	36.448	-61%
20.20.0 Zn	8.040	7.510	7%
Other Compound	10.866	11.231	-3%
AN	116.025	104.253	11%
CAN	107.005	96.258	11%
UREA	57.985	83.125	-30%
AS	33.450	41.889	-20%
GR.UREA	19.767	15.466	28%
DAP	14.018	23.548	-40%
Other	2.037	4.681	-56%
Total Fertilizer	476.463	540.401	-12%
Liquid Fertilizer	571	451	27%
Powder Fertilizer	4.488	3.476	29%
Grand Total	481.522	544.328	-12%

Table 8 : SALES BY CUSTOMER TYPES-TON

Sales Group	2012/1Q	2011/1Q	Change
Corporate Sales	336.957	381.246	-12%
Vendor Sales	127.864	111.287	15%
Export	1.293	1.267	2%
Other	10.349	46.601	-78%
Total	476.463	540.401	-12%

C. INVESTMENTS

Table 9 : INVESTMENTS-TRL

Investment	Amount
Ongoing Investments	3.312.409
Other	344.863
Total	3.657.272

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. GPS device is used for position detection and analyses from a total 4.220 locations were completed.

Product Development and Quality Studies

Gübretaş Yarımca Laboratory found competent according to Turkish Standards Institution Subcontractor Laboratory Criterion and the other relevant TSI regulations, related with tests stated in the scope.

Number of Personnel

Table 40 : Personnel Status

PERSONNEL	2012/1Q	2011/1Q	Change
Head Office	89	85	5 %
Yarımca Facilities	268	261	3 %
Regional Sales Directorates	70	61	15 %
TOTAL	427	407	5 %

Training Activities

Training activities are aimed at developing managerial, personal and professional capabilities of the staff. Education activities of 4.455 hours with participation of 472 employees were carried out in first quarter of 2012.

E. EVENTS AFTER BALANCE SHEET DATE

Amendments in 4-K, 15, 32, 36, 40 and 53 items of Articles of Association which have Capital Markets Board, Ministry of Customs and Ministry of Commerce permissions have been approved by General Assembly on April 26, 2012.

IV. ACTIVITIES OF RAZİ PETROCHEMICAL CO.

A. PRODUCTION

Table 5 : RAZİ PETROCHEMICAL CO. PRODUCTION-TON

Product	2012/1Q	2011/1Q	Change	Capacity	CUR
Ammonia	240.848	168.341	43%	1.336.500	72%
Urea	99.835	64.922	54%	594.000	67%
Sulphur	87.331	118.914	-27%	508.000	69%
Sulphuric Acid	25.385	54.710	-54%	627.000	16%
DAP		6.144	-100%	450.000	0%
Phosphoric Acid				255.000	0%
Total	453.399	413.031	10%	3.770.500	48%

In first quarter of 2012 453.399 tons of fertilizer and fertilizer raw materials produced, capacity utilization rate was 48%.

B. SALES

In first quarter of 2012, 440.881 tons of fertilizer sold and 287.356.119 TRL of revenue achieved.

Table 12 : RAZİ PETROCHEMICAL CO. SALES-TON

Product	2012/1Q	2011/1Q	Change
Ammonia	179.426	168.341	7%
Urea	136.999	64.922	111%
Sulphur	100.617	118.914	-15%
Sulphuric Acid	22.424	54.710	-59%
Phosphoric Acid	1.415		
DAP		6.144	
Total	440.881	413.031	7%

Razi Petrochemical Co. exported 383.109 tons, domesticly sold 57.772 tons in first quarter of 2012. Share of export in total sales was 87%.

V. FINANCIAL STATEMENTS

A. BALANCE SHEET – ASSETS - TRL

ASSETS	31 Mar. 2012	31 Dec. 2011
Current Assets	1.490.338.316	1.694.272.707
Cash and Cash Equivalents	507.626.651	327.710.722
Trade Receivables	549.156.776	574.509.287
Other Receivables	60.409.078	169.924.819
Inventories	328.077.918	534.856.904
Other Current Assets	45.067.893	87.270.975
Fixed Assets	1.093.671.084	1.273.230.864
Other Receivables	18.552.674	21.946.753
Financial Investments	2.737.515	2.737.515
Investments Valued by Equity Method	8.338.048	10.941.724
Investment Properties	61.749.602	61.749.595
Tangible Fixed Assets	755.637.881	876.498.158
Intangible Fixed Assets	357.172	270.331
Goodwill	238.844.136	279.484.282
Deferred Tax Asset	-	5.522.137
Other Fixed Assets	7.454.055	14.080.368
TOTAL ASSETS	2.584.009.400	2.967.503.571

B. BALANCE SHEET- LIABILITIES - TRL

LIABILITIES	31 Mar. 2012	31 Dec. 2011
Short-term Liabilities	1.412.371.629	1.506.890.189
Financial Liabilities	486.940.482	470.379.230
Trade Payables	582.455.506	799.062.959
Other Payables	220.250.051	136.166.006
Provisions for Employee Benefits	14.070.442	16.142.943
Provisions for Payables	51.791.025	63.062.977
Tax Liabilities for Current Period Profit	52.786.539	17.125.727
Other Current Liabilities	4.077.585	4.950.347
Long-term Liabilities	232.207.422	258.998.473
Financial Liabilities	95.990.768	99.287.100
Other Payables	34.828.718	40.754.944
Provisions for Employee Benefits	98.130.522	116.420.468
Deferred Tax Liabilities	3.257.414	2.535.961
EQUITY CAPITAL	939.430.349	1.201.614.909
Equities of Parent Company	596.201.517	664.238.132
Paid-in Capital	83.500.000	83.500.000
Revaluation Fund	145.133.540	145.133.540
Foreign Currency Translation Differences	12.609.760	138.791.401
Restricted Reserves From Profit	9.051.867	9.051.867
-Legal Reserves	7.721.624	7.721.624
-Gains From Fixed Assets Accumulated Profit	1.330.243	1.330.243
Previous Years Profit	287.761.324	157.766.115
Net Period Profit	58.145.026	129.995.209
Minority Shares	343.228.832	537.376.777
TOTAL LIABILITIES	2.584.009.400	2.967.503.571

C. INCOME STATEMENT-TRL

	1 Jan. – 31 Mar. 2012	01 Jan. – 31 Mar. 2011
Sales Revenue (Net)	655.706.535	523.334.306
Cost of Sales (-)	(536.365.663)	(382.465.185)
GROSS PROFIT	119.340.872	140.869.121
Marketing, Sales and Distribution Expenses (-)	(37.387.381)	(28.860.262)
Administrative Expenses (-)	(9.187.093)	(5.369.934)
Other Operating Income	7.400.595	8.174.804
Other Operating Expenses (-)	(9.266.491)	(10.453.421)
OPERATING PROFIT	70.900.502	104.360.308
Shares in Profit/Loss Of Investments Accounted With Equity Method	(2.603.677)	(1.217.649)
Financial Income	204.513.057	11.010.576
Financial Losses (-)	(85.773.793)	(41.226.706)
PROFIT / (LOSS) BEFORE TAX	187.036.089	72.926.529
Tax Expenses on Continuing Operations	(45.950.179)	(28.756.450)
- <i>Period Tax Expense (-) / Income</i>	(39.436.345)	(9.947.357)
- <i>Deferred Tax Expense (-) / Income</i>	(6.513.834)	(18.809.093)
NET PROFIT / (LOSS)	141.085.910	44.170.079
Distribution of Period Profit		
Minority Shares	82.940.884	38.317.221
PARENT COMPANY SHARES	58.145.026	5.852.858
Earnings / (Loss) Per Share	0,0070	0,0007

VI. CONCLUSION

DEAR SHAREHOLDERS,

97.181 tons of various types of chemical fertilizer has been produced at our facilities in first quarter of 2012 and 11.801 tons of produced fertilizer have been used as raw material. 306.575 tons of nitrogenous fertilizer at first which cannot be produced in our facilities and is consumed too much in our country is procured from domestic and foreign markets. 476.463 tons of solid, 571 tons of liquid and 4.488 tons of powder fertilizers has been sold. And net sale revenues realized as 368.350.416 TRL.

Also 453.399 tons of fertilizer has been produced, 287.356.119 TRL sale revenues has been got by sale of 440.881 tons of fertilizer and fertilizer raw material in our affiliated company Razi Petrochemical Co.

Our company reached to 655.706.535 TRL consolidated sales revenue. Beside this 536.365.663 TRL cost of goods sold, 46.574.474 TRL operation expenses, 116.135.587 TRL net financing income have been occurred. 187.036.089 TRL profit occurred before tax by adding 1.865.896 TRL other income and expense affect. 141.085.910 TRL net consolidated profit has been occurred after adding 6.513.834 TRL deferred tax and 39.436.345 TRL current period's tax and other legal liability provisions. 58.145.026 TRL main shareholder profit has been occurred after deducting 82.940.884 TRL shares of minority shareholders.

We would kindly like to ask you to evaluate the results mentioned above regarding our first quarter of 2012 activities.

Best Regards,

BOARD OF DIRECTORS