



**2015 2nd QUARTER
OPERATING REVIEW
REPORT**

**GÜBRE FABRİKALARI TÜRK A. Ş.
MERDİVENKÖY MAHALLESİ, BORA SOKAK, NO:1, 34732 KADIKÖY/İSTANBUL**

T: (+90 216) 468 50 50

F: (+90 216) 407 10 11

E: byi@gubretas.com.tr

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I. INTRODUCTION

A. REPORTING PERIOD

01.01.2015 - 30.06.2015

B. CORPORATE'S NAME

Gübre Fabrikaları Türk Anonim Şirketi (Gübretaş)

C. BOARD OF DIRECTORS

Title	Name	Date of appointment
Chairman	İrfan GÜVENDİ	17.12.2014
Vice Chairman	Kazım ÇALIŞKAN	28.05.2015
Member	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. Nuh BOYRAZ	16.04.2015
Independent Member	Av. Dr. Cahit SULUK	16.04.2015
Independent Member	Hasan SEZER	16.04.2015

Members of the Board of Directors resigning during the period:

Title	Name	Date of Appointment	Date of Completion
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
Executive Member	Osman BALTA	01.02.2012	31.01.2015
Independent Member	Prof. Dr. Lokman DELİBAŞ	26.04.2012	16.04.2015
Independent Member	Mustafa Fevzi YÜKSEL	16.04.2014	16.04.2015
Independent Member	Aydın BEDİR	16.04.2014	16.04.2015
Member	Kamil Kenan YENİCE	16.04.2015	28.05.2015

The members of Board have the rights which are noted in Articles of Association and Turkish Commercial Code.

D. TOP MANAGEMENT

Title	Name	Date of appointment
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

E. CAPITAL STRUCTURE

As of 30.06.2015 registered capital of the company is 1.000.000.000 TRY and paid capital is 334.000.000 TRY.

Tablo 1 : CAPITAL STRUCTURE

Shareholders	Share Amount -TRY	Share
Central Union of Turkish Agricultural Credit Cooperatives	253.684.606,88	75,95%
Other	80.315.393,12	24,05%
Total	334.000.000,00	100,00%

F. AFFILIATES AND SUBSIDIARIES

Table 2 : SUBSIDIARIES

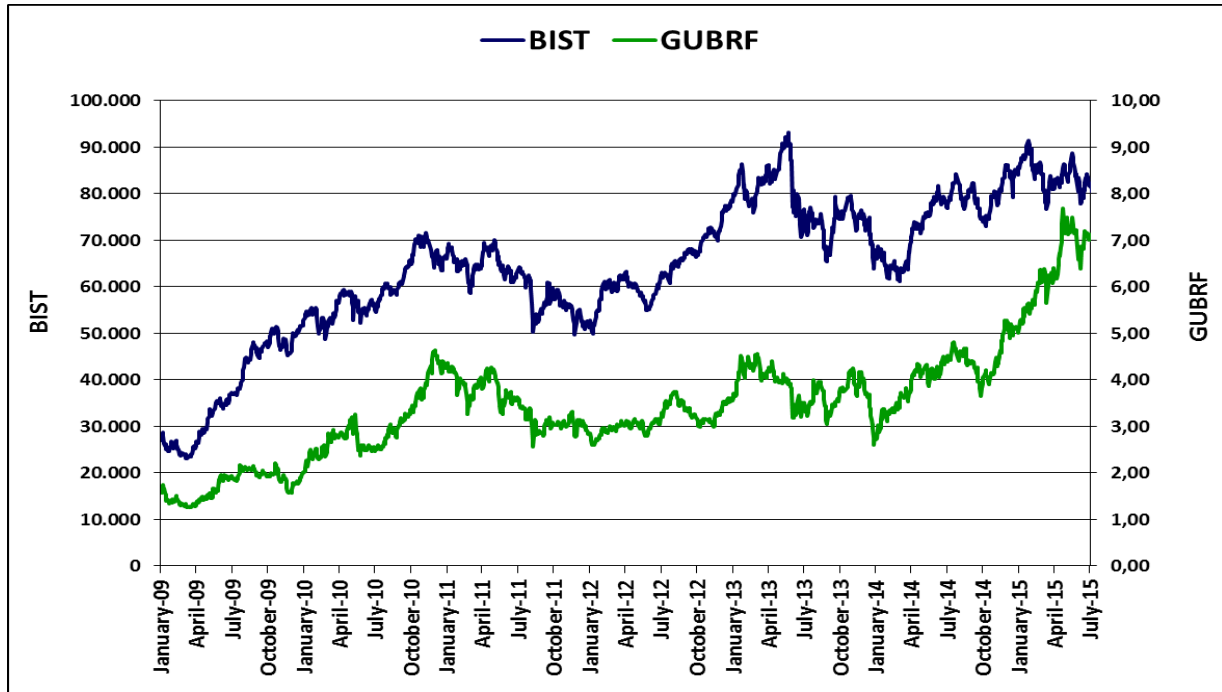
Company Name	Share %	Share Amount -TRY
Razi Petrochemical Co.	48,88	424.807.554

Table 3 : AFFILIATES

Company Name	Share %	Share Amount -TRY
Negmar Denizcilik Yatırım A.Ş.	40,00	22.800.000
Tarkim Bitki Koruma San. ve Tic. A.Ş.	40,00	6.400.000
Tarnet Tar. Kre.Bil .Hiz.San Tic .A.Ş.	17,00	425.000
İmece Pref. Yapı Tar.Mak.Tem.Güv. Hiz. San.Tic.A.Ş.	15,00	1.050.000

G. PERFORMANCE OF THE STOCK

Graph 1 : PERFORMANCE OF THE STOCK



II. TURKISH FERTILIZER INDUSTRY

A. PRODUCTION

Fertilizer production was 1.907.469 tons in the first six months of 2014, it increased to 1.962.586 tons in the first six months of 2015. Compound fertilizers' production corresponded to 42,27 % of total production.

Table 4 : SECTOR PRODUCTION BY PRODUCT-TON

PRODUCT	2015/6	2014/6	Change
COMPOUND	829.616	760.981	9,02%
CAN	268.448	372.831	-28,00%
AN	343.091	296.342	15,78%
UREA	261.634	207.496	26,09%
AS	48.675	67.712	-28,11%
DAP	150.952	154.226	-2,12%
TSP	60.170	47.880	25,67%
TOTAL	1.962.586	1.907.469	2,89%

B. SALES

According to 2015 2nd quarter data, fertilizer consumption was 3.543.643 tons recording a 13,54 % increase while in the same period of the previous year, it was 3.121.078 tons.

As of June 30, 2015 exports decreased by 34,08 % to 108.486 tons and imports increased by 22,84 % to 1.448.981 tons.

Table 5: SECTOR SALES BY PRODUCT

PRODUCT	2015/6	2014/6	Change
COMPOUND	908.445	741.456	22,52%
UREA	837.338	688.792	21,57%
AN	714.816	656.104	8,95%
CAN	518.631	521.149	-0,48%
AS	372.588	319.683	16,55%
DAP	164.689	164.490	0,12%
OTHER	27.136	29.404	-7,71%
TOTAL	3.543.643	3.121.078	13,54%

III. GÜBRE FABRİKALARI T.A.Ş. ACTIVITIES

A. PRODUCTION

Gübretas produced 60.170 tons of TSP and 242.968 tons of compound fertilizers totaling 303.138 tons in the first six months of 2015. In addition, 3.656.696 lt-kg of liquid and powder fertilizers were produced.

Solid fertilizer production increased by 36,02% and liquid-powder production increased by 1,95% in 2015 compared to 2014. Total fertilizer production including solid, liquid and powder increased by 35,48% in 2015 compared to 2014.

Some of the produced products were used as raw material in the production process. Capacity utilisation rate was 76,62% in the first six months of 2015.

Table 6 : PRODUCTION BY PRODUCT-TON

Production	2015/6	2014/6	Change
Solid Fertilizer	303.138	222.866	36,02%
Liquid and Powder Fertilizer	3.657	3.584	2,03%
GRAND TOTAL	306.795	226.450	35,48%

B. SALES AND PURCHASES

Our Company sold 933.033 tons of solid, 11.132.958 lt-kg of liquid and powder fertilizers in the first six months of 2015. In the first half of 2014, 857.134 tons of solid, 10.777.494 lt-kg of liquid and powder fertilizers were sold.

Moreover our sales increased by 8,85% and our market share in the first six months of 2015 was 26,34% while it was 27,46% in the same period of the previous year.

The volume of purchases was 691.963 tons in the first six months of 2014, and it increased by 6,08% to 734.037 tons in the first half of 2015.

Export has been 1.625 tons in the first six months of 2015, while it was 1.560 tons in the same period of 2014.

Table 7 : SALES, IMPORT AND DOMESTIC PURCHASES-TON

	2015/6	2014/6	Change
Domestic Purchases	81.677	101.687	-19,68%
Import	652.360	590.276	10,52%
Total Purchases	734.037	691.963	6,08%
Sales	933.033	857.134	8,85%

Table 8 : SALES BY PRODUCT GROUPS-TON

Solid Chemical Fertilizer	2015/6	2014/6	Change
COMPOUND	287.511	225.446	27,53%
AN	183.594	170.892	7,43%
UREA	212.110	190.799	11,17%
CAN	107.099	141.641	-24,39%
AS	83.463	67.390	23,85%
DAP	48.479	50.533	-4,06%
Other	10.777	10.434	3,29%
Total Solid Fertilizer	933.033	857.134	8,85%
Total Liquid and Powder Fertilizer	11.133	10.778	3,29%
Grand Total	944.166	867.912	8,79%

C. INVESTMENTS

Table 9 : INVESTMENTS-TRY

INVESTMENT	AMOUNT - TRY
Land	2.912.394
Surface and Underground, Improvements	508.745
Buildings	1.973.578
Facility, Machinery and Devices	986.534
Vehicles	189.748
Fixtures	701.198
Special Costs	65.019
Ongoing investment	7.736.965
TOTAL	15.074.181

D. ADMINISTRATIVE ACTIVITIES

Number of Personnel

Table 10 : Personnel Status

PERSONNEL	2015/6	2014/6	Change
Head Office	90	90	%0,00
Yarımcı Facilities	267	260	% 2,69
Regional Sales Directorates	76	73	%4,11
TOTAL	433	423	%2,36

Training Activities

Training activities are aimed at developing managerial, personal and professional capabilities of the staff. Education activities of 1.544 hours with participation of 64 employees were carried out in the first six months of 2015.

Collective Labor Agreement

Collective bargaining agreement between our company and Petrol-İş Sendikası, which involves the years of 2015 and 2016, has been ended up by an agreement in May 27, 2015.

IV. RAZİ PETROCHEMICAL CO. ACTIVITIES

A. PRODUCTION

In the first half of 2015, 824.918 tons of fertilizer and fertilizer raw materials were produced in Razi Petrochemical Co. and its subsidiary Arya Phosphoric Jonoub Co., capacity utilization rate was 45,31%.

Table 11 : RAZİ PETROCHEMICAL CO. PRODUCTION-TON

Product	2015/6	2014/6	Change	Capacity	2015/6 CUR
Ammonia	344.473	344.359	0,03%	1.336.000	51,57%
Sulphur	148.845	180.051	-17,33%	508.000	58,60%
Sulphuric Acid	127.897	89.636	42,68%	627.000	40,80%
Urea	127.193	171.175	-25,69%	594.000	42,83%
DAP	40.954			450.000	18,20%
Phosphoric Acid	35.556	20.180	76,19%	126.000	56,44%
Total	824.918	805.401	2,42%	3.641.000	45,31%

B. SALES

In the first six months of 2015, 645.157 tons of fertilizer were sold and 740.444.957 TRY of revenue were achieved in Razi Petrochemical Co. and its subsidiary Arya Phosphoric Jonoub Co. Razi Petrochemical Co. and its subsidiaries exported 467.724 tons and sold 177.433 tons in the domestic market in the first six months of 2015. Share of export in total sales was 72,50%.

Table 12 : RAZİ PETROCHEMICAL CO. SALES-TON

Product	2015/6	2014/6	Change
Ammonia	279.427	287.311	-2,74%
Urea	186.704	160.296	16,47%
Sulphur	98.795	191.044	-48,29%
DAP	40.932	455	8896,04%
Phosphoric Acid	22.240	19.549	13,77%
Sulphuric Acid	17.059	30.693	-44,42%
Total	645.157	689.348	-6,41%

C. YATIRIMLAR

Table 13 : INVESTMENTS-TRY

INVESTMENTS	AMOUNT-TRY
Surface and Underground, Improvements	21.888.322
Vehicles	66.335
Fixtures	33.258
Ongoing Investment	10.941.548
TOTAL	32.929.464

V. EVENTS AFTER BALANCE SHEET DATE

1. Our company and other consortium members are the joint guarantor to each other for all privatization debt of Tabosan to Iran Privatization Organization (IPO) on the subject of purchasing Razi Petrochemical Co.'s shares. Also our company are the joint debtor and joint guarantor of downpayment loan which was used by Tabosan for privatization downpayment from Turkish banks.

In March, 2011, decree of insolvency was taken against Tabosan, the consortium member, and bankrupt's estate was established over the file numbered 2011/1 of Kocaeli 7th Bankruptcy Department. Decree of insolvency against Tabosan was finalized judicially in March, 2013.

For the reason that our company is the joint debtor and joint guarantor of downpayment loan which used by Tabosan from banks, our company as a guarantor has made payments to banks on behalf of bankrupt Tabosan in various dates. Again, our company as a guarantor has paid a part of non-paid instalment debts of bankrupt Tabosan to IPO.

Thus, because of the suretyship to debts of bankrupt Tabosan, our company was obliged to make payment in the amount of 42.694.783,76-TRY to Turkish banks and IPO.

Our receivables, 5.439.672,28-Euro (12.102.126,13-TRY as of bankruptcy date), was included to the subject of our case related to 1,31% Tabosan shares' transfer to our company in Razi. The legal process about this issue continues.

Our company requested credit entry from administration of bankruptcy for the amount of 30.592.657,63-TRY which is our balance receivable excluding our receivable related to the case of share transfer. As the result of sharing dividend receivable accumulated due to bankrupt Tabosan's shares in Razi, the amount of 25.278.225-TRY which is the principal part of our receivable was devolved by administration of bankruptcy to our account in July 8, 2015. Payment collection process of our balance receivable continues.

2. 50.100.000 TRY, dividend amount of 2014 activities, which was calculated according to Communique on Dividends numbered II-19.1 has been paid out to our shareholders as of July 31, 2015.

VI. FINANCIAL STRUCTURE

A. BALANCE SHEET ASSETS-TRY

ASSETS	30 June 2015	31 December 2014
Current Assets	1.776.523.090	1.911.282.250
Cash and Cash Equivalents	528.604.572	462.850.161
Financial Investments	-	7.690.360
Trade Receivables	409.233.567	432.767.323
- <i>Trade receivables from related parties</i>	71.049.110	114.642.648
- <i>Other trade receivables</i>	338.184.457	318.124.675
Other Receivables	160.673.016	154.673.329
- <i>Other receivables from related parties</i>	1.479.853	1.255.280
- <i>Other receivables</i>	159.193.163	153.418.049
Inventories	600.831.748	717.430.187
Prepaid expenses	20.485.673	73.787.779
Current tax assets	127.221	3.490.583
Other Current Assets	56.567.293	58.592.528
Fixed Assets	1.459.545.274	1.360.363.173
Financial Investments	2.737.515	2.737.515
Other receivables	192.104.390	164.267.699
- <i>Other receivables from related parties</i>	143.097.032	119.832.242
- <i>Other receivables from third parties</i>	49.007.358	44.435.457
Investments Valued by Equity Method	8.312.512	7.481.377
Investment Properties	103.334.153	103.334.153
Tangible Fixed Assets	958.528.646	906.904.862
Intangible Fixed Assets	159.100.141	148.426.924
- <i>Goodwill</i>	158.852.245	148.146.765
- <i>Other intangible assets</i>	247.896	280.159
Prepaid expenses	4.175.192	9.315.874
Deferred Tax Assets	31.237.135	17.876.267
Other Fixed Assets	15.590	18.502
TOTAL ASSETS	3.236.068.364	3.271.645.423

B. BALANCE SHEET LIABILITY-TRY

LIABILITIES	30 June 2015	31 December 2014
Short-term Liabilities	1.527.918.125	1.690.392.311
Financial Liabilities	808.202.341	662.343.462
- <i>Short-term borrowings</i>	780.705.524	632.983.748
- <i>Short-term portion of long-term borrowings</i>	27.496.817	29.359.714
Trade payables	482.510.109	728.864.552
- <i>Trade payables to related parties</i>	43.985	35.398
- <i>Other trade payables to third payables</i>	482.466.124	728.829.154
Payables for Employment Termination Benefits	13.350.539	6.601.077
Other Payables	91.616.723	113.324.555
Deferred Incomes	17.266.303	59.620.935
Current Tax Liabilities	29.560.565	37.723.102
Short-term provisions	85.411.545	81.914.628
- <i>Short-term provisions for employee benefits</i>	20.648.394	16.226.026
- <i>Provisions for payables</i>	64.763.151	65.688.602
Long-term Liabilities	309.985.960	302.840.755
Long-term borrowings	127.963.491	147.162.707
Provisions for employee benefits	145.986.314	123.041.034
Deferred tax liabilities	36.036.155	32.637.014
EQUITY CAPITAL	1.398.164.279	1.278.412.357
Paid-in Capital	334.000.000	334.000.000
Items not to be reclassified to profit or loss	(4.196.445)	-
Value Appreciation Funds	218.073.621	218.073.621
Foreign Currency Adjustments	(103.310.961)	(133.068.622)
Restricted Reserves From Profit	39.708.380	28.477.401
- <i>Legal Reserves</i>	38.325.728	27.094.749
- <i>Gains from fixed asset sales</i>	1.382.652	1.382.652
Previous Years Profit / (Loss)	416.698.169	267.419.383
Net Period Profit / (Loss)	35.468.841	210.609.765
Equities of Parent Company	936.441.605	925.511.548
Minority Shares	461.722.674	352.900.809
TOTAL LIABILITIES	3.236.068.364	3.271.645.423

C. INCOME STATEMENT-TRY

CONTINUING OPERATIONS	30 June 2015	30 June 2014
Sales (net)	1.522.918.843	1.453.108.638
Costs of Sales (-)	(1.230.831.605)	(1.174.264.997)
GROSS PROFIT	292.087.238	278.843.641
Administrative Expenses (-)	(58.700.609)	(65.285.284)
Marketing, Sales and Distribution Expenses (-)	(103.225.093)	(87.069.295)
Other Operating Incomes	136.846.570	124.725.131
Other Operating Expenses (-)	(98.360.261)	(44.743.662)
OPERATION PROFIT/(LOSS)	168.647.845	206.470.531
Shares in Profit/Loss of Investments Valued by Equity Method	(10.171)	843.956
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSE	168.637.674	207.314.487
Finance Expenses (-)	(40.363.054)	(18.133.850)
PRE-TAX PROFIT / LOSS FROM CONTINUING OPERATIONS	128.274.620	189.180.637
Tax Expenses on Continuing Operations	8.006.836	(39.088.934)
- Period Tax Income / Expense (-)	(3.244.462)	(32.864.087)
- Deferred Tax Income / Expense(-)	11.251.298	(6.224.847)
PERIOD PROFIT/ (LOSS)	136.281.456	150.091.703
Distribution of Period Profit / (Loss)		
Minority Shares	100.812.615	85.548.217
Parent Company's Shares	35.468.841	64.543.486
Earnings / (Loss) Per Share	0,0011	0,0019

VII. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

In accordance with Communiqué on Corporate Governance numbered II-17.1 published by Capital Markets Board in 3.1.2014, within the first six months of 2015 covering the dates of 1.1.2015-30.6.2015, the following works have been realized by the Company in order to adjust to the principles issued in the related communiqué:

1. 63rd Ordinary General Meeting of Gübretas, which belongs to the 2014 accounting period, was held in our headquarters Merdivenköy Mahallesi Bora Sokak No: 1 Nida Kule İş Merkezi Göztepe, Kadıköy/İstanbul in April 16, 2014, 10:00. The General Meeting was held in the conference hall of the headquarters with the participation around %90,4 of the total 334m TRY capital and according to the regulations of Capital Markets Law, the meeting has been held both in physical and electronical media simultaneously.
2. The Minutes of the 63rd Ordinary General Meeting, Attendance list and Profit Distribution Table has been announced both in Public Disclosure Platform and company official website in April 16, 2015. The minutes of the meeting have been registered by İstanbul Trade Registry Office and have been announced in the Turkish Trade Registry Gazette no. 8815, which is dated 7th May 2015. These minutes have also been brought to the investors and public attention at e-Company portal.
3. Amendments related to the articles 7 and 14 of the Articles of Association which was realized within the scope of the adaptation to Turkish Commercial Code and Capital Markets Board due to the increasing upper limit of authorised capital.
4. Regarding to the article 2.1.3 of Corporate Governance Principles, which are stated in the Annex-1 of the Corporate Governance Communiqué, our 1st quarter financial statements including footnotes have been announced in the Public Disclosure Platform both in Turkish and English.
5. Regarding to the article 11.1 of Corporate Governance Principles, Investor Relations Department has prepared "Investor Relations 2015 - 1st Half Year Operating Report" related to activities of the first six months of 2015, and presented it to the Board.
6. After the 63rd Ordinary General Meeting, the committees that will perform under Board of Directors has been formed as;

Committee of Audit

Name	Title	Duty
Prof. Dr. Nuh Boyraz	Committee Chairman	Independent Board Member
Av. Dr. Cahit Suluk	Committee Member	Independent Board Member
Hasan Sezer	Committee Member	Independent Board Member

Committee of Corporate Governance

Name	Title	Duty
Hasan Sezer	Committee Chairman	Independent Board Member
Selahattin Aydođan	Committee Member	Board Member
Av. Dr. Cahit Suluk	Committee Member	Independent Board Member
Hüseyin Karakuş	Committee Member	Budget Reporting Investor and Subsidiary Relations Manager

Committee of Nomination

Name	Title	Duty
Prof. Dr. Nuh Boyraz	Committee Chairman	Independent Board Member
Adem Danışık	Committee Member	Board Member
Veli Altunkaş	Committee Member	Board Member

Committee of Early Determination of the Risk

Name	Title	Duty
Hasan Sezer	Committee Chairman	Independent Board Member
Kazım Çalıřkan*	Committee Member	Vice Chairman of the Board
Av. Dr. Cahit Suluk	Committee Member	Independent Board Member
Ertuđrul Köse	Committee Member	Risk Management Manager

* In the Board Meeting of our company dated 28.05.2015, **Mr. Kazım ÇALIŐKAN** was elected to the vacant membership of the committee of Early Determination of the Risk due to the resignation of Mr. Kamil Kenan YENİCE.

Committee of Remuneration

Name	Title	Duty
Prof. Dr. Nuh Boyraz	Committee Chairman	Independent Board Member
Veli Altunkaş	Committee Member	Board Member
Hasan Sezer	Committee Member	Independent Board Member

VIII. CONCLUSION

DEAR SHAREHOLDERS,

306.792 tons of various types of chemical fertilizer has been produced at our facilities in the first six months of 2015. 734.037 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. On the other hand, 933.033 tons of solid, 11.132.958 tons/litres of liquid and powder fertilizers has been sold in the first half of 2015. Net sale revenues realized as 849.537.491 TRY.

Also 823.918 tons of fertilizer has been produced, 740.444.957 TRY sale revenues has been got by sale of 645.157 tons of fertilizer and fertilizer raw material in our affiliated company Razi Petrochemical Co.

Our company reached to 1.522.918.843 TRY consolidated sales revenue. Beside, by adding 1.230.831.605 TRY cost of goods sold, 161.925.702 TRY operation expenses, 38.486.309 TRY net effect of other operating expenses, 10.171 TRY shares in loss of investments valued by equity method and 40.363.054 TRY financial expense; 128.274.620 TRY profit have been occurred before tax. 136.281.456 TRY consolidated profit has been occurred after deducting 11.251.298 TRY deferred tax income and 3.244.462 TRY current period tax. 35.468.841 TRY main shareholder profit has been occurred after deducting 100.812.615 TRY shares of minority shareholders.

We would kindly like to ask you to evaluate the results mentioned above regarding our first six months of 2015 activities.

**Best Regards,
BOARD OF DIRECTORS**

(Convenience translation of the independent auditor's review report into English together with interim condensed consolidated financial statements originally issued in Turkish)

Gübre Fabrikaları Türk Anonim Şirketi

Interim condensed consolidated financial statements together with independent auditors' review report for the interim period January 1 - June 30, 2015

Review Report on the Interim Financial Information

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

Introduction

We have reviewed the accompanying condensed consolidated financial statements of Gübre Fabrikaları T.A.Ş. ("the Company") and its subsidiaries (all together referred to as "the Group") as of June 30, 2015, which comprise the statement of condensed consolidated financial position and the condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month-period then ended. The management of the Company is responsible for the preparation and fair presentation of these interim financial information in accordance with TAS 34 Interim Financial Reporting ("TAS 34"). Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of a Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Turkish Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention which may cause us to believe that the accompanying interim condensed (consolidated) financial information are not prepared, in all material respects, in accordance with TAS 34.

Other 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 50 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 Sariseki 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 Note 12; 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 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 to the banks and the Iranian Privatization Administration as the guarantor and accounted this amount to other receivables. The portion of \$ 25.2 million receivable amount was collected on July 8, 2015, respectively. 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.

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.

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

Kaan Birdal, SMMM
Partner

18 August 2015
İstanbul, Turkey

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(Convenience translation of a report and interim condensed consolidated financial statements into English originally issued in Turkish)

Gübre Fabrikaları Türk Anonim Şirketi

**Interim condensed consolidated statement of financial position
as at 30 June 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

		Current Period	Prior Year
		Reviewed	Audited
	Notes	30 June 2015	31 December 2014
ASSETS			
Current assets:			
Cash and cash equivalents	4	528.604.572	462.850.161
Financial investments		-	7.690.360
Trade receivables			
-Trade receivables from related parties	16	71.049.110	114.642.648
-Trade receivables from third parties	6	338.184.457	318.124.675
Other receivables			
- Other receivables from related parties	16	1.479.853	1.255.280
- Other receivables from third parties	7	159.193.163	153.418.049
Inventories	8	600.831.748	717.430.187
Prepaid expenses		20.485.673	73.787.779
Assets related to the current period taxes		127.221	3.490.583
Other current assets		56.567.293	58.592.528
Total current assets		1.776.523.090	1.911.282.250
Non-current assets:			
Financial investments		2.737.515	2.737.515
Other receivables			
- Other receivables from related parties	16	143.097.032	119.832.242
- Other receivables from third parties	7	49.007.358	44.435.457
Investments valued by equity method		8.312.512	7.481.377
Investment properties		103.334.153	103.334.153
Property, plant and equipment	9	958.528.646	906.904.862
Intangible assets			
-Goodwill	10	158.852.245	148.146.765
-Other intangible assets	10	247.896	280.159
Prepaid expenses		4.175.192	9.315.874
Deferred tax assets		31.237.135	17.876.267
Other non-current assets		15.590	18.502
Total non-current assets		1.459.545.274	1.360.363.173
Total assets		3.236.068.364	3.271.645.423

The accompanying interim condensed consolidated financial statements as at 1 January – 30 June 2015 are approved by the Board of Directors on August 18, 2015.

The accompanying policies and explanatory notes on pages 9 through 41 from an integral part of these interim condensed consolidated financial statements.

(Convenience translation of a report and interim condensed consolidated financial statements into English originally issued in Turkish)

Gübre Fabrikaları Türk Anonim Şirketi

**Interim condensed consolidated statement of financial position
as at 30 June 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

		Current Period	Prior Year
		Reviewed	Audited
	Notes	30 June 2015	31 December 2014
Liabilities			
Current liabilities:			
Short term borrowings	5	780.705.524	632.983.748
Current portion of long-term borrowings	5	27.496.817	29.359.714
Trade payables			
- Trade payables to related parties	16	43.985	35.398
- Trade payables to third parties	6	482.466.124	728.829.154
Employee benefit obligations		13.350.539	6.601.077
Other payables			
- Other payables to third parties	7	91.616.723	113.324.555
Deferred income		17.266.303	59.620.935
Current income tax liability		29.560.565	37.723.102
Short-term provisions			
- Short-term provisions for employee benefits		20.648.394	16.226.026
- Other short term provisions	12	64.763.151	65.688.602
Total current liabilities		1.527.918.125	1.690.392.311
Non-current liabilities:			
Long-term borrowings	5	127.963.491	147.162.707
Long-term provisions			
- Long-term provisions for employee benefits		145.986.314	123.041.034
Deferred tax liability		36.036.155	32.637.014
Total non-current liabilities		309.985.960	302.840.755
Total liabilities		1.837.904.085	1.993.233.066
Shareholders' equity:			
Share capital		334.000.000	334.000.000
Other comprehensive income / expense not to be reclassified to profit or loss		(4.196.445)	-
- Value appreciation funds		218.073.621	218.073.621
Other comprehensive income / expense to be reclassified to profit or loss			
- Foreign currency translation reserve		(103.310.961)	(133.068.622)
Restricted reserves			
- Legal reserves		38.325.728	27.094.749
- Gain on valuation of PPE		1.382.652	1.382.652
Retained earnings		416.698.169	267.419.383
Net profit for the year		35.468.841	210.609.765
Equity attributable to equity holders of the parent		936.441.605	925.511.548
Non-controlling interests		461.722.674	352.900.809
Total shareholders' equity		1.398.164.279	1.278.412.357
Total liabilities and equity		3.236.068.364	3.271.645.423

The accompanying policies and explanatory notes on pages 9 through 41 from an integral part of these interim condensed consolidated financial statements.

(Convenience translation of a report and interim condensed consolidated financial statements into English originally issued in Turkish)

Gübre Fabrikaları Türk Anonim Şirketi

**Interim condensed consolidated statement of profit or loss
for the year ending 30 June 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

	Notes	Current Period		Previous Period	
		Reviewed		Reviewed	
		1 January – 30 June 2015	1 April – 30 June 2015	1 January – 30 June 2014	1 April – 30 June 2014
Sales	13	1.522.918.843	610.933.352	1.453.108.638	592.189.544
Cost of sales (-)	13	(1.230.831.605)	(524.896.002)	(1.174.264.997)	(483.270.320)
Gross profit		292.087.238	86.037.350	278.843.641	108.919.224
General and administrative expense (-)		(58.700.609)	(40.940.961)	(65.285.284)	(37.900.690)
Marketing, selling and distribution expense (-)		(103.225.093)	(50.591.401)	(87.069.295)	(33.711.137)
Other operating income	14	136.846.570	33.573.900	124.725.131	51.551.464
Other operating expenses (-)	14	(98.360.261)	27.823.266	(44.743.662)	(10.139.053)
Operating profit		168.647.845	55.902.154	206.470.531	78.719.808
Income from investment activities		-	(657.431)	-	-
Profit / (loss) from investments accounted by equity method		(10.171)	4.290.520	843.956	2.821.608
Financial income/(expense) before operating profit		168.637.674	59.535.243	207.314.487	81.541.416
Financial income / (expense)		(40.363.054)	(48.446.178)	(18.133.850)	1.420.989
Profit before tax from continuing operations		128.274.620	11.089.065	189.180.637	82.962.405
Current period tax income/expense		(3.244.462)	4.094.634	(32.864.087)	2.537.635
Deferred tax income/(expense)		11.251.298	6.060.806	(6.224.847)	794.975
Total tax (expense)/income		8.006.836	10.155.440	(39.088.934)	3.332.610
Net profit for the period		136.281.456	21.244.505	150.091.703	86.295.015
Distribution of income for the period					
Non-controlling interests		100.812.615	18.595.064	85.548.217	40.987.437
Equity holders of the parent		35.468.841	2.649.442	64.543.486	45.307.578
Earnings per share	15	0,0011	0,0001	0,0019	0,0013

The accompanying policies and explanatory notes on pages 9 through 41 from an integral part of these interim condensed consolidated financial statements.

(Convenience translation of a report and interim condensed consolidated financial statements into English originally issued in Turkish)

Gübre Fabrikaları Türk Anonim Şirketi

**Interim condensed consolidated statement of profit or loss
for the year ending 30 June 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

	Current Period		Previous Period	
	Reviewed		Reviewed	
	1 January – 30 June 2015	1 April – 30 June 2015	1 January – 30 June 2014	1 April – 30 June 2014
Profit for the period	136.281.456	21.244.505	150.091.703	86.295.015
Items not to be reclassified to profit or loss				
Currency translation of investments valued by equity method	(4.196.445)	(4.196.445)	-	-
Items to be reclassified to profit or loss	60.876.424	(20.032.667)	(41.080.532)	(30.640.381)
Foreign currency translation reserve	60.876.424	(20.032.667)	(41.080.532)	(30.640.381)
Other comprehensive income	56.679.979	(24.229.112)	(41.080.532)	(30.640.381)
Total comprehensive income	192.961.435	(2.984.607)	109.011.171	55.654.634
Distribution of total comprehensive income				
Non-controlling interests	131.931.378	8.353.099	91.043.762	55.465.356
Equity holders of the parent	61.030.057	(11.337.708)	17.967.409	189.278

The accompanying policies and explanatory notes on pages 9 through 41 from an integral part of these interim condensed consolidated financial statements.

(Convenience translation of a report and interim condensed consolidated financial statements into English originally issued in Turkish)

Gübre Fabrikaları Türk Anonim Şirketi

Interim condensed consolidated statement of changes in equity

for the year ending 30 June 2015

(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	Other comprehensive income not to be reclassified to profit/loss of equity method investments	Foreign currency translation reserve	Restricted reserves	Gain on PPE added to Equity	Retained earnings	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
1 January 2014	334.000.000	205.806.182	-	(125.735.921)	16.700.000	1.382.652	214.306.688	94.713.933	741.173.534	303.594.264	1.044.767.798
Transfer from retained earnings	-	-	-	-	-	-	94.713.933	(94.713.933)	-	-	-
Capital increase	-	-	-	-	10.394.749	-	-	-	10.394.749	-	10.394.749
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(223.329.375)	(223.329.375)
Dividend paid by parent company	-	-	-	-	-	-	(66.800.000)	-	(66.800.000)	-	(66.800.000)
Total comprehensive income	-	-	-	(46.576.077)	-	-	-	64.543.486	17.967.409	91.043.761	109.011.170
30 June 2014	334.000.000	205.806.182	-	(172.311.998)	27.094.749	1.382.652	242.220.621	64.543.486	702.735.692	171.308.650	874.044.342
1 January 2015	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
Transfer from retained earnings	-	-	-	-	-	-	210.609.765	(210.609.765)	-	-	-
Reserves on retained earnings	-	-	-	-	11.230.979	-	(11.230.979)	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(23.109.513)	(23.109.513)
Dividend paid by parent company	-	-	-	-	-	-	(50.100.000)	-	(50.100.000)	-	(50.100.000)
Total comprehensive income	-	-	(4.196.445)	29.757.661	-	-	-	35.468.841	61.030.057	131.931.378	192.961.435
30 June 2015	334.000.000	218.073.621	(4.196.445)	(103.310.961)	38.325.728	1.382.652	416.698.169	35.468.841	936.441.605	461.722.674	1.398.164.279

The accompanying policies and explanatory notes on pages 9 through 41 from an integral part of these interim condensed consolidated financial statements.

(Convenience translation of a report and interim condensed consolidated financial statements into English originally issued in Turkish)

Gübre Fabrikaları Türk Anonim Şirketi

**Interim condensed consolidated statement of cash flows
for the year ending 30 June 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

		Current Period	Previous Period
		Reviewed	Reviewed
		1 January –	1 January –
	Notes	30 June 2015	30 June 2014
Cash Flows From Operating Activities:			
Profit for the period		136.281.456	150.091.703
<i>Adjustments to reconcile net profit/(loss) for the period</i>			
Depreciation and amortization expense	9,10	29.485.946	32.109.185
Income / expenses from subsidiaries valued by equity method		(831.135)	(843.956)
Retirement pay provision, early retirement pay liability interest (income)/expense		41.621.499	49.666.877
Interest Income	14	(8.774.788)	(5.145.240)
Exchange rate difference income/expense		(10.705.480)	2.418.151
Loss on sales of tangible assets		-	442.599
impairment on inventories	8	3.416.076	-
Deferred financial income/expense		2.945.812	1.629.139
Provision for lawsuit /cancellation	12	736.275	(493.423)
Provisions for doubtful receivables	6	456.606	-
Current tax income/expense		(8.006.836)	39.088.935
Net cash provided by the operating activities before changes in the assets and liabilities		186.625.430	268.963.970
<i>Changes in working capital (net):</i>			
Increase/decrease in trade receivables		23.077.150	39.294.113
Increase in other receivables		(33.836.378)	112.558.121
Increase in inventories		113.182.363	(22.614.155)
Other current/non-current assets and liabilities		2.028.147	(5.293.339)
Increase/decrease in trade payables		(246.354.443)	(166.026.377)
Employee benefit obligations		6.749.462	(8.609.037)
Deferred income		(42.354.632)	(25.300.562)
Increase in prepaid expenses		58.442.788	14.772.573
Increase in other payables		(77.290.471)	14.930.613
Increase/decrease in debt provisions		2.760.642	(11.365.524)
Cash provided by the operations after the changes in working capital		(6.969.942)	211.310.397
Interest paid		(68.219.846)	(2.262.611)
Taxes paid		(6.754.066)	(31.480.347)
Severance paid		(18.676.219)	(16.874.967)
Cash flow regarding investment activities		(100.620.073)	160.692.472
Cash flows from investing activities:			
Purchases of property, plant and equipment and intangible assets	9,10	(48.003.645)	(43.189.462)
Sales of property, plant and equipment	9,10	449.646	442.599
Cash proceeds about financial investments		7.690.360	2.570.278
Interest collected	14	8.774.788	5.437.380
Net cash amount used in investment activities		(31.088.851)	(34.739.205)
Cash flows (used in)/from financing activities			
Proceeds from financial borrowings		240.671.023	-
Principle repayment of financial borrowings		(48.737.326)	(138.812.883)
Capital dividend to shareholders		-	(66.800.000)
Capital dividend to non-controlling interests		(17.626.874)	(223.329.375)
Net cash (used)/provided by financial activities		174.306.823	(428.942.258)
Change in pledge cash and cash equivalents		(6.097.578)	-
Net change in cash and cash equivalents		42.597.899	(302.988.991)
Cash and cash equivalents as of January 1	4	378.469.391	568.223.098
Foreign currency translation		23.156.512	(51.514.497)
Cash and cash equivalents as of June 30	4	438.126.224	213.719.609

The accompanying policies and explanatory notes on pages 9 through 41 from an integral part of these interim condensed consolidated financial statements.

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
for the year ending 30 June 2015
(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 referred 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 30 June 2015 is 1.594 (31 December 2014 – 1.522)

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:

Name	30 June 2015		31 December 2014	
	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

(Convenience translation of a report and interim condensed consolidated financial statements into English originally issued in Turkish)

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
for the year ending 30 June 2015 (continued)
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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, 2014: 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 2014, 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 2014: 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 2014: 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 consolidated financial statements have been approved by the Board of Directors and instructed to be issued on August 18, 2015. The General Assembly has the power to amend the financial statements.

(Convenience translation of a report and interim condensed consolidated financial statements into English originally issued in Turkish)

Gübre Fabrikaları Türk Anonim Şirketi

Notes to the interim condensed consolidated financial statements for the year ending 30 June 2015 (continued) (Currency - Turkish Lira (TL) unless otherwise indicated)

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 2014 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 prepared according 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 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 is recorded as income or expense at the end of the operation period.

The conversion rates used are as follows:

Currency	30 June 2015		31 December 2014	
	Period End	Period Average	Period End	Period Average
IRR / TL	0,0000916	0,0000909	0,0000854	0,0000843

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
for the year ending 30 June 2015 (continued)
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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 interim condensed consolidated financial statements as at 30 June 2015 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 2015. 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 2015 are as follows:

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 amendment did not have [a significant] an impact on the consolidated financial statements of the Group.

Annual Improvements to TAS/TFRSs

In September 2014, POA 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 performance and service conditions which are vesting conditions are clarified. The amendment is effective prospectively.

TFRS 3 Business Combinations

The amendment clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39 (or IFRS 9, as applicable). The amendment is effective for business combinations prospectively.

TFRS 8 Operating Segments

The changes are as follows: i) An entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. 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.

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
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(Currency - Turkish Lira (TL) unless otherwise indicated)**

**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 2015 are as follows: (continued)**

Annual Improvements - 2010–2012 Cycle (continued)

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. . In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. 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.

TFRS 13 Fair Value Measurement

The portfolio exception in TFRS 13 can be applied to financial assets, financial liabilities and other contracts within the scope of IAS 39 (or IFRS 9, as applicable). 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 amendments did not have a significant impact on the interim condensed consolidated financial statements of the Group.

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Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
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(Currency - Turkish Lira (TL) unless otherwise indicated)

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

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim condensed 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 and February 2015, the new standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. 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.

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 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.

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
for the year ending 30 June 2015 (continued)
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

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.

AS 27 Equity Method in Separate Financial Statements (Amendments to TAS 27)

In February 2015, Public Oversight Accounting and Auditing Standards Authority (POA) of Turkey issued an amendment to TAS 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
- Using the equity method defined in TAS 28

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.

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

In February 2015, amendments issued to TFRS 10 and TAS 28, to address the acknowledged inconsistency between the requirements in TFRS 10 and TAS 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 TFRS 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.

TFRS 10, TFRS 12 and TAS 28: Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 and IAS 28)

In February 2015, amendments issued to TFRS 10, TFRS 12 and TAS 28, to address the issues that have arisen in applying the investment entities exception under TFRS 10 Consolidated Financial Statements. The amendments are applicable 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.

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
for the year ending 30 June 2015 (continued)
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

TAS 1: Disclosure Initiative (Amendments to TAS 1)

In February 2015, amendments issued to TAS 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 after 1 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.

TFRS 14: Regulatory Deferral Accounts

TFRS 14 permits first-time adopter rate regulated entities to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt TFRS. Existing TFRS preparers are prohibited from adopting this Standard. The Standard will be applied on a full retrospective basis and is effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The Standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Annual Improvements to TFRSs - 2012-2014 Cycle

In February 2015, POA issued, Annual Improvements to TFRSs 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 – clarifies that changes in methods of disposal (through sale or distribution to owners) would not be considered a new plan of disposal, rather it is a continuation of the original plan
- IFRS 7 Financial Instruments: Disclosures – clarifies that i) the assessment of servicing contracts that includes a fee for the continuing involvement of financial assets in accordance with IFRS 7; ii) the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report
- IAS 19 Employee Benefits – clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located
- IAS 34 Interim Financial Reporting –clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within 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.

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.

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**Notes to the interim condensed consolidated financial statements
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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 1 First-time Adoption of International Financial Reporting An entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment is effective immediately.

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 original effective date was 1 January 2017. However, in July 2015, IASB decided to defer the effective date to 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.

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.

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
for the year ending 30 June 2015 (continued)
(Currency - Turkish Lira (TL) unless otherwise indicated)**

NOTE 3 -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 30 June 2015 and 31 December 2014 is as follows:

	30 June 2015	30 June 2015	30 June 2015	30 June 2015
	Turkey	Iran	Consolidation Adjustments	Total
Assests				
Current assets	785.906.937	997.016.564	(6.400.411)	1.776.523.090
Non-current assets	1.005.749.068	724.717.230	(270.921.024)	1.459.545.274
Total assests	1.791.656.005	1.721.733.794	(277.321.435)	3.236.068.364
Liabilities				
Short term liabilities	999.995.439	527.922.686	-	1.527.918.125
Long term liabilities	137.086.645	172.899.315	-	309.985.960
Equities	654.573.921	1.020.911.793	(277.321.435)	1.398.164.279
Total liabilities	1.791.656.005	1.721.733.794	(277.321.435)	3.236.068.364
	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

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Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
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(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 4 -SEGMENT REPORTING (continued)

The distribution of income statements by departments for the periods ending on 30 June 2015 and 31 December 2014 is as follows:

	Turkey		Iran		Consolidation Adjustments		Total	
	1 Januray 2015 30 June 2015	1 Januray 2015 30 June 2015	1 Januray 2015 30 June 2015	1 Januray 2015 30 June 2015	1 Januray 2015 30 June 2015	1 Januray 2015 30 June 2015	1 Januray 2015 30 June 2015	1 Januray 2015 30 June 2015
Operating income								
Sales	849.537.491	740.444.957	(67.063.605)	1.522.918.843				
Cost of sales (-)	(767.715.363)	(523.779.434)	60.663.192	(1.230.831.605)				
Gross profit	81.822.128	216.665.523	(6.400.413)	292.087.238				
Marketing, selling and distribution expense (-)	(49.079.794)	(54.145.299)	-	(103.225.093)				
General and administrative expense (-)	(10.772.266)	(47.928.343)	-	(58.700.609)				
Other operating income / expense (-)	(52.134.562)	90.620.869	2	38.486.309				
Operating profit	(30.164.494)	205.212.750	(6.400.411)	168.647.845				
Income / (expense) from investments	18.728.470	-	(18.728.472)	-				
Profit / (loss) from investments accounted by equity method	(10.171)	-	-	(10.171)				
Financial income / (expense) before operating profit	(11.446.193)	205.212.750	(25.128.883)	168.637.674				
Financial income / (expense)	(40.924.246)	561.192	-	(40.363.054)				
Profit before tax	(52.370.439)	205.773.942	(25.128.883)	128.274.620				
Tax expense	-	(3.244.462)	-	(3.244.462)				
Deferred tax income / (expense)	10.164.576	(193.360)	1.280.082	11.251.298				
Profit / (loss) fort he period	(42.205.863)	202.336.120	(23.848.801)	136.281.456				

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
for the year ending 30 June 2015 (continued)
(Currency - Turkish Lira (TL) unless otherwise indicated)**

NOTE 4 -SEGMENT REPORTING (continued)

	Turkey	Iran	Consolidation Adjustments	Total
	1 January 2014 30 June 2014	1 January 2014 30 June 2014	January 2014 30 June 2014	1 January 2014 30 June 2014
Operating income				
Sales	732.820.708	745.249.519	(24.961.589)	1.453.108.638
Cost of sales (-)	(637.466.729)	(554.770.612)	17.972.344	(1.174.264.997)
Gross profit	95.353.979	190.478.907	(6.989.245)	278.843.641
Marketing, selling and distribution expense (-)	(46.059.681)	(41.009.614)	-	(87.069.295)
General and administrative expense (-)	(13.127.773)	(52.157.511)	-	(65.285.284)
Other operating income / expense (-)	(3.438.142)	83.419.612	-	79.981.469
Operating profit	32.728.383	180.731.394	(6.989.245)	206.470.531
Profit / (loss) from investments accounted by equity method	843.956	-	-	843.956
Financial income / (expense) before operating profit	33.572.339	180.731.394	(6.989.245)	207.314.487
Financial income / (expense)	(11.903.760)	(6.230.092)	-	(18.133.850)
Profit before tax	21.668.579	174.501.302	(6.989.245)	189.180.637
Tax expense	(31.387.493)	(1.476.594)	-	(32.864.087)
Deferred tax income / (expense)	(7.531.128)	(91.569)	1.397.849	(6.224.847)
Profit / (loss) for the period	(17.250.042)	172.933.139	(5.591.396)	150.091.703

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**Notes to the interim condensed consolidated financial statements
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(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 30 June 2015 and 30 June 2014 are as follows:

	1 January – 30 June 2015	1 January – 30 June 2014
Turkey	15.074.181	44.207.940
Iran	32.929.464	21.459.270
	48.003.645	65.667.210

Depreciation and amortization

Depreciation and amortization expenditures pertaining to department assets for the periods ending on 30 June 2015 and 31 December 2014 are as follows:

	1 January - 30 June 2015	1 January – 30 June 2014
Turkey	4.348.465	7.894.461
Iran	25.137.481	24.259.973
	29.485.946	32.154.434

NOTE 4 - CASH AND CASH EQUIVALENTS

	30 June 2015	31 December 2014
Cash on hands	483.111	334.652
Bank	478.746.721	462.342.221
- demand deposits	392.207.214	100.824.070
- time deposits	86.539.507	361.518.151
State bonds and treasury notes	42.238.286	-
Other cash equivalents	7.136.454	173.288
Cash and cash Equivalents	528.604.572	462.850.161
Pledge cash and cash equivalents (*)	(90.478.348)	(84.380.770)
Cash and cash equivalents at the statement of cash flow	438.126.224	378.469.391

(*) 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.

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**Notes to the interim condensed consolidated financial statements
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NOTE 4 - CASH AND CASH EQUIVALENTS (continued)

Time Deposits:

The details of time deposit as of June 30 2015 and December 31, 2014 are as below:

Time Deposits (TL):

Interest Rate (%)	Maturity	30 June 2015
8,50 - 9,60	July 2015	64.211.173
Interest Rate (%)	Maturity	31 December 2014
1,84 - 1,97	January 2015	191.474.219

Time Deposits (Foreign Currency):

Interest Rate (%)	Maturity	Currency	Foreign currency amount	30 June 2015 Amount in TL
Libor + 0,5	April 2015	AVRO	110.713	22.328.334
Interest Rate (%)	Maturity	Currency	Foreign currency amount	31 December 2014 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

NOTE 5 – FINANCIAL BORROWINGS

As of June 30, 2015 and December 31, 2014, details of short and long term borrowings are as follows:

	30 June 2015	31 December 2014
Short term borrowings	780.705.524	632.983.748
Short term portion of long term borrowings	27.496.817	29.359.714
	808.202.341	662.343.462

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**Notes to the interim condensed consolidated financial statements
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NOTE 5 – FINANCIAL BORROWINGS (continued)

a) Short term borrowings

Bank Loans:

As June 30, 2015 details of short term bank loans are as follows:

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
Avro	July 2015	2,45 - 5,10	18.442.259	54.998.505
USD	July 2015	2,50 - 2,70	65.359.511	175.575.253
TL	July 2015	10,20-10,60	-	395.100.000
				625.673.758

Other Financial Borrowings (*):

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
Avro	July 2015	Libor + 0,5	61.206.017	182.528.583

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

As June 30, 2015 details of bank loans are as follows:

	30 June 2015	31 December 2014
Payable within 1 year	808.202.341	662.343.462
Payable within 1 – 5 years	127.963.491	147.162.707
	936.165.832	809.506.169

Bank Loans:

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

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

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NOTE 5 – FINANCIAL BORROWINGS (continued)

Other Financial Borrowings (*):

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

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

b) Long term borrowings

	30 June 2015	31 December 2014
Long term bank loans (Gübretaş)	127.963.491	136.162.882
Other long term bank loans (Razi)	-	10.999.825
	127.963.491	147.162.707

Bank Loans:

As June 30, 2015 details of long term bank loans are as follows:

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
Avro	January 2020	5,10	42.909.091	127.963.491

Bank Loans:

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

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

Other Financial Borrowings:

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
Avro	March 2016	0,05	3.899.679	10.999.825

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES

	30 June 2015	31 December 2014
Trade receivables from third parties:		
Trade receivables	315.997.986	297.099.958
Notes receivables	188.070	313.450
Receivables from National Petrochemical Company ("NPC") (Razi)	25.885.747	24.142.007
Trade receivables from third parties (gross)	342.071.803	321.555.415
Allowance for doubtful receivables (-)	(3.887.346)	(3.430.740)
Trade receivables from third parties (net)	338.184.457	318.124.675

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 movement of allowance for doubtful trade receivables is as follows:

	30 June 2015	30 June 2014
Balance at January 1	3.430.740	2.927.460
Period cost	456.606	-
Balance at June 30	3.887.346	2.927.460

As June 30, 2015 guarantees related to not overdue receivables are as follows:

	30 June 2015	31 December 2014
Guarantee Letters	265.509.686	259.911.952
Collateral cheques and notes	60.822.641	61.205.266
	326.332.327	321.117.218

	Overdue receivables					Total	Total of Contractual Cash Outflows
	Shorter than 1 month	Between 1 - 3 months	Between 3 - 12 months	Between 1 - 5 years			
30 June 2015	3.948.253	3.019.004	5.536.111	3.534.921	16.038.289	23.069.734	
31 December 2014	4.494.748	6.519.930	4.886.968	3.339.427	19.241.073	23.069.734	

Trade payables from third parties

	30 June 2015	31 December 2014
Trade payables (Gübretaş)	300.446.138	545.812.533
Trade payables (Razi)	97.526.094	90.540.151
Payables to NPC (Razi)	76.254.765	88.928.849
Other trade payables	8.239.126	3.547.621
	482.466.124	728.829.154

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NOTE 7 – OTHER RECEIVABLES AND PAYABLES

Other receivables from third parties:

	30 June 2015	31 December 2014
Other various receivables (Tabosan) (*)	54.927.625	46.994.091
VAT receivables (Razi)	51.835.905	40.116.182
Other various receivables	36.804.197	60.747.271
Due from personnel	15.625.436	5.560.505
Other receivables from third parties	159.193.163	153.418.049

(*) This credit balance is belonged to Tabosan Mühendislik İmalat ve Montaj A.Ş. ("Tabosan"), one of the consortium partners of the Group at the acquisition of Razi. Detailed description of this issue is included in Note 12.

Group's accrued receivable amount (including the interest) from the bail payment is 54,963,090 TL as of the reporting date. Group has submitted a request for the realization of the 1.31% Tabosan share transfer to the Bankruptcy Administration.

This request was referred to the court for the adoption of the Bankruptcy Administration. The transfer of shares has been appealed by the Group and is still in the Supreme Court review.

In addition; since registration request was rejected by the board of administration of bankruptcy; the Group has filed for registration acceptance at this time against the bankruptcy administration. Administration has decided to approve the admission date of the court case in which the Group opened on July 15, 2015.

The Group fully accrued interest receivables after payment of the principal amount of debt and it may be paid on condition that it meets the criteria. On the other hand; if the Group's demand of the transfer of shares is against the group, the Group, as a creditor would take issue to the court.

Other long term receivables

	30 June 2015	31 December 2014
Deposits & guarantees given	34.408.423	34.019.804
Due from personnel (*)	14.598.935	10.415.653
	49.007.358	44.435.457

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

NOTE 7 – OTHER RECEIVABLES AND PAYABLES (continued)

Other short term payables:

	30 June 2015	31 December 2014
Dividend payables to non-controlling interests	5.482.639	84.380.770
Payables from investments accounted by equity method	14.931.258	8.844.396

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Other payables	71.202.825	20.099.389
	91.616.723	113.324.555

NOTE 8 – INVENTORIES

	30 June 2015	31 December 2014
Raw materials and supplies	100.267.774	144.189.642
Finished goods	58.747.412	48.479.530
Trade goods	406.550.699	465.205.635
Other inventories	38.681.939	59.555.380
	604.247.824	717.430.187
Less: Provision for impairment on inventories	(3.416.076)	-
	600.831.748	717.430.187

NOTE 9 - TANGIBLE FIXED ASSETS

The depreciation cost and amortization of the company is 29.663.866 TL as of 30 June 2015 and details are given below;

	Gübretaş	Razi	Total
Amortization Cost	3.526.512	25.137.481	29.663.993
Depreciation Cost	821.953	-	821.953
Total	4.348.465	25.137.481	29.845.946

30 June 2015: Out of the total of 29.663.866 TL depreciation and amortization costs; 28.249.833 TL have been included in General Production Costs, 800.620 TL in Sales and Marketing Costs, 613.413 TL in General Management Costs

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

Pledges and Mortgages on Assets

There are no pledges or mortgages on the fixed tangible fixed assets of the company as of the dates 30 June 2015 and 31 December 2014.

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Gübre Fabrikaları Türk Anonim Şirketi

Notes to the interim condensed consolidated financial statements
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NOTE 9 -TANGIBLE FIXED ASSETS (continued)

	Lands and Parcels	Land Improvements	Buildings	Facility, Machinery and Devices	Vehicles	Furniture and Fixtures	Special Costs	Construction in progress	Total
Cost Value									
Opening Balance on 1 January 2015	279.717.778	21.927.229	413.105.436	725.324.950	7.586.194	15.528.993	167.654	238.413.824	1.701.772.059
Translation Differences	11.621.351	-	8.474.985	54.514.972	408.497	1.045.922	-	4.522.709	80.588.435
Purchases	2.912.394	22.397.067	1.973.578	986.534	256.083	734.457	65.019	18.678.513	48.003.645
Sales	-	-	-	-	(86.300)	(363.346)	-	-	(449.646)
Transfer from construction in progress	-	-	-	-	(57.448)	57.448	-	-	-
Closing Balance on 30 June 2015	294.251.523	44.324.297	423.553.998	780.826.455	8.107.027	17.003.473	232.674	261.615.046	1.829.914.493
Accrued Depreciation									
Opening Balance on 1 January 2015	-	(11.971.331)	(302.130.621)	(468.715.504)	(4.639.364)	(6.860.781)	(33.469)	-	(794.351.070)
Translation Differences	-	-	(3.164.044)	(44.853.427)	(312.911)	(520.465)	-	-	(48.850.847)
Expenses of the Period	-	(444.911)	(4.982.695)	(21.826.647)	(456.694)	(933.168)	(19.879)	-	(28.663.993)
Sales	-	-	-	-	137.617	342.445	-	-	480.062
Closing Balance on 30 June 2015	-	(12.416.242)	(310.277.360)	(535.395.578)	(5.271.351)	(7.971.968)	(53.348)	-	(871.385.847)
Net Value on 30 June 2015	294.251.523	31.908.054	113.276.638	245.430.877	2.835.676	9.031.505	179.326	261.615.046	958.528.646

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NOTE 8-TANGIBLE FIXED ASSETS (continued)

	Lands and Parcels	Land Improvements	Buildings	Facility, Machinery and Devices	Vehicles	Furniture and Fixtures	Special Costs	Construction in progress	Total
Cost Value									
Opening Balance on 1 January 2014	162.713.457	27.926.580	362.391.454	715.857.878	7.714.375	10.819.354	192.680	169.016.740	1.456.632.518
Translation Differences	(92.882)	(10.117.625)	(1.479.018)	2.742.957	(548.119)	202.936	(1)	(14.372.916)	(23.664.668)
Purchases	9.832.283	60.166	3.168.469	127.982	396.646	1.372.778	-	50.708.886	65.667.210
Sales	-	-	-	-	(124.126)	(332.200)	(30.992)	-	(487.318)
Transfer from construction in progress	-	-	-	1.929.446	35.264	587.741	-	(2.552.451)	-
Closing Balance on 30 June 2014	172.452.858	17.869.121	364.080.905	720.658.263	7.474.040	12.650.609	161.687	202.800.259	1.498.147.742
Accrued Depreciation									
Opening Balance on 1 January 2014	-	(11.848.753)	(278.235.861)	(432.838.391)	(4.025.680)	(5.858.236)	(97.733)	-	(732.904.654)
Translation Differences	-	-	559.250	7.979.618	31.811	108.586	2	-	8.679.267
Expenses of the Period	-	(418.673)	(7.488.395)	(23.039.476)	(464.807)	(683.969)	(13.864)	-	(32.109.184)
Sales	-	-	-	-	94.108	329.391	19.100	-	442.599
Closing Balance on 30 June 2014	-	(12.267.426)	(285.165.006)	(447.898.249)	(4.364.568)	(6.104.228)	(92.495)	-	(755.891.972)
Net Value on 30 June 2014	172.452.858	5.601.695	78.915.899	272.760.014	3.109.472	6.546.381	69.192	202.800.259	742.255.770

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NOTE 10 – OTHER INTANGIBLE FIXED ASSETS

Rights:

	30 June 2015	30 June 2014
Opening Balance on 1 January	660.747	453.386
Purchases	-	261.390
Closing Balance on 30 June	660.747	714.776
Accrued Depreciation		
Opening Balance on 1 January	409.102	(316.050)
Amortization Expenses for Current Period	(821.953)	(45.250)
Closing Balance on 30 June	(412.851)	(361.300)
Net Book Value	247.896	353.476

Goodwill:

	30 June 2015	30 June 2014
Balances on 1 January	148.146.765	148.811.828
Translation Differences	10.705.480	352.798
Balance as of 30 June	158.852.245	149.164.626

NOTE 11 - 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, transferring 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 ,transferring 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

Purchasing Commitments

As of 30 June 2015 Group has 46.390.840 USD accredited purchasing commitment. (31 December 2014: 4.146.000 USD).

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**Notes to the interim condensed consolidated financial statements
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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short Term Debt Provision

	30 June 2015	31 December 2014
Provision for Expense Accruals	44.529.507	44.784.814
Provisions for Other Social Security Premium	18.599.505	17.346.035
Provision for lawsuit	1.634.139	897.864
Other Short Term Debt Provision	64.763.151	65.688.602

Lawsuit Provision:

	30 June 2015	30 June 2014
As of 1 January	897.864	1.571.674
Additon /Reversal of Provision	736.275	(493.423)
As of 30 June	1.634.139	1.078.251

In the current period, total lawsuit amount against the Group is 8.473.146 TL. (2014: 8.563.099 TL). In the current period, Denizciler Birliği Deniz Nakliyatı ve Ticaret Anonim Şirketi has sued against the Group for 6.090.593 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 1.634.139 TL (2014: 897.864 TL) provision for other lawsuits.

Assurance- Pledge-Hypothechs (“APH”)

As from 30 June 2015 and 31 December 2014, the tables related to the Group’s tables related to Assurance- Pledge-Hypothechs position are as follows:

	30 June 2015			31 December 2014		
	Currency	Currency Amount	Amount in TL	Currency	Amount	Amount in TL
APH Given by the Company						
A. Total amount of APH's given for own legal entity (Assurance)	TL	-	5.942.966	TL	-	5.231.936
B.Total Amount of APH's given for the Partnership included to full consolidation (hypethec)	-	-	-	-	-	-
C. APH given for guaranteeing the debts of other 3 rd parties for the performance of ordinary businesss activites	USD	36.634.229	98.410.531	USD	37.889.281	87.861.455
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	-	-	-	-	-	-
			104.353.497			93.093.391

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

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 every 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 Republic of Iran was decided about price which was rated with 21 March 2010 and 19 December 2010 period at 13 November 2011. So invoices 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.

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 charges. 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 Sariseki 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. 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 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.

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

The principal payment and accrued interest receivable made for the bail as of reporting date is 54,963,090 TL. Group management, as of the date of the Bankruptcy Administration Tabosan owned shares of Razi, has made a share transfer request for the realization of the shares corresponding to 1.31% (5,439,402 EUR equivalent). In addition; since registration request was rejected by the board of administration of bankruptcy; the Group has filed for registration acceptance at this time against the bankruptcy administration. Administration has decided to approve the admission date of the court case in which the Group opened on July 15, 2015.

NOTE 13 – REVENUES AND COST OF SALES

Sales	1 Januray – 30 June 2015	1 April – 30 June 2015	1 January – 30 June 2014	1 April – 30 June 2014
Domestic Sales	986.889.626	321.268.000	853.491.775	233.447.525
Overseas Sales	542.458.882	292.382.300	606.850.576	361.025.329
Sales Returns(-)	(606.347)	(350.837)	(99.208)	(52.227)
Sales Discounts(-)	(5.581.948)	(2.140.204)	(5.365.369)	(877.669)
Other Discounts from Sales(-)	(241.371)	(225.908)	(1.769.136)	(1.353.414)
Total	1.522.918.843	610.933.352	1.453.108.638	592.189.544

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NOTE 13 – REVENUES AND COST OF SALES (continued)

Cost of Sales (-)	1 January – 30 June 2015	1 April – 30 June 2015	1 January – 30 June 2014	1 April – 30 June 2014
Cost of Good Produced	625.549.380	294.373.481	402.114.473	201.055.437
Change in the Good Inventory	(28.773.285)	3.850.027	3.464.178	(2.997.736)
-Goods at the beginning of the Period	46.346.717	-	70.119.343	63.657.429
-Goods at the end of the Period	(75.120.002)	3.850.027	(66.655.165)	(66.655.165)
Cost of Good Sold	596.776.095	298.223.508	405.578.651	198.057.701
-Merchandise Inventory at the beginning of the Period	469.424.512	-	264.799.911	491.546
-Purchases	474.193.022	306.784.328	757.676.067	376.867.656
-Merchandise Inventory at the end of the Period	(309.761.565)	(80.267.121)	(259.411.485)	(97.768.436)
Cost of merchandise Sold	633.855.970	226.517.208	768.560.039	285.086.312
Cost of Other Sales	199.540	155.286	126.307	126.307
Total	1.230.831.605	524.896.002	1.174.264.997	483.270.320

NOTE 14 – OTHER OPERATING INCOME AND EXPENSES

Other Operating Income	1 January – 30 June 2015	1 April – 30 June 2015	1 January – 30 June 2014	1 April – 30 June 2014
Exchange difference income from commercial transactions	109.049.131	17.670.080	107.761.431	49.301.062
Interest incomes	8.774.788	6.861.230	5.145.240	148.261
Trade receivables delay interest income	8.195.750	4.927.392	4.936.501	1.020.988
Other income	10.826.899	4.115.196	6.881.959	1.081.153
	136.846.570	33.573.900	124.725.131	51.551.464
Other Operating Expenses	1 January – 30 June 2015	1 April – 30 June 2015	1 January – 30 June 2014	1 April – 30 June 2014
Exchange difference expenses from commercial transactions	82.570.916	(36.629.094)	31.045.429	4.342.670
Interest expenses	-	(2.648.409)	1.139.344	225.685
Trade receivables delay expenses	3.531.582	2.163.781	4.603.254	1.142.139
Other expenses	12.257.763	9.290.456	7.955.635	4.428.559
	98.360.261	(27.823.266)	44.743.662	10.139.053

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NOTE 15 - 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 30 June 2015 and 30 June 2014 are as follows.

	1 January- 30 June 2015	1 April – 30 June 2015	1 January- 30 June 2014	1 April – 30 June 2014
Net profit for the period	35.468.841	2.649.442	64.543.486	45.307.578
Weighted average number of ordinary shares outstanding during the year (each 1 kr)	33.400.000.000	33.400.000.000	33.400.000.000	33.400.000.000
Earnings per share (kr) (*)	0,0011	0,0001	0,0019	0,0013

(*) The earnings and dividends paid per diluted and basic shares do not differ since the shareholders have equal rights on the shares and there is no preferred share.

(**) At the 63. Ordinary General Meeting on 16 April 2015 approved that date from 31 July 2015 to pay 50.100.000 TL (1 TL nominal value share: Gross 0,1500 TL, Net 0,1275 TL) cash from profit of 2014 year (2014:0,00020 TL)

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**Notes to the interim condensed consolidated financial statements
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NOTE 16 - RELATED PARTIES DISCLOSURES

(i) Balances Due from Related Parties

(a) Trade receivables and other receivables:

	30 June 2015	31 December 2014
<i>Main Partner</i>		
Central Union of Turkish Agricultural Credit Cooperatives	62.068.062	104.638.834
Other related parties	8.981.048	10.003.814
	71.049.110	114.642.648
<i>Subsidiaries and other related parties (Short Term)</i>		
Negmar Maritime Company	1.479.853	1.251.067
Tarnet A.Ş.	-	4.213
	1.479.853	1.255.280
<i>Subsidiaries and other related parties (Long Term)</i>		
Negmar Maritime Company	100.011.446	82.639.387
Other related parties	43.085.586	37.192.855
	143.097.032	119.832.242

(b) Trade payables:

	30 June 2015	31 December 2014
<i>Subsidiaries and other related parties</i>		
Tarnet A.Ş.	12.467	-
Tarkim Bitki Koruma San. ve Tic. A.Ş.	31.518	35.398
	43.985	35.398

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 amounts which is given by the Group for the transportation of Razi's productions.

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NOTE 16 - RELATED PARTIES DISCLOSURES (continued)

(ii) Transactions with Related Party

Sales of Goods and Services:

	1 January – 30 June 2015	1 April – 30 June 2015	1 January – 30 June 2014	1 April – 30 June 2014
Main parent				
Central Union of Turkish Agricultural	604.192.141	218.679.545	602.036.473	170.021.707
Subsidiaries				
Negmar Maritime Company	1.043.169	359.381	835.211	262.112
Tarkim Bitki Koruma San. ve Tic. A.Ş.	27.650	27.650	8.100	8.100
Tarnet A.Ş.	126	(52.491)	437	(9.363)
	605.263.086	219.014.085	602.880.221	170.282.556

Purchase of Goods and Services:

	1 January – 30 June 2015	1 April – 30 June 2015	1 January – 30 June 2014	1 April – 30 June 2014
Subsidiaries				
Negmar Maritime Company	66.525.448	29.223.708	64.075.069	23.685.717
Tarkim Bitki Koruma San. ve Tic. A.Ş.	283.386	53.810	169.778	159.656
Tarnet A.Ş.	781.224	400.178	1.004.149	709.300
	67.590.059	29.677.697	65.248.996	24.554.673

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

Benefits Provided to Top Management

The total benefits the company has provided to its top managers as of 30 June 2015 shown below table:

	30 June 2015		31 December 2014	
	Gübretaş	Razi	Gübretaş	Razi
Short-term employee benefits (*)	943.977	1.576.016	1.591.385	3.849.842
	943.977	1.576.016	1.591.385	3.849.842

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

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**Notes to the interim condensed consolidated financial statements
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NOTE 17- THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS

Foreign exchange position table of the foreign asset and liabilities of the company in terms of original and Turkish Lira currency units as of 30 June 2015 is as follows;

	30 June 2015			
	TL (functional currency)	USD	EURO	JPY
1 Trade receivables	180.770.665	67.293.551	-	-
2 Monetary financial assets (cash and bank accounts included)	282.069.750	104.579.621	359.897	2.715.102
3 Other current assets	13.640.449	253.778	4.350.827	-
4 Current assets (1+2+3)	476.480.864	172.126.949	4.710.724	2.715.102
5 Trade payables	332.580.482	121.217.210	2.328.359	-
6 Financial liabilities	356.245.154	65.300.000	60.636.364	-
7 Other short term liabilities, net	2.037.759	758.597	6	-
8 Short term liabilities (5+6+7)	690.863.394	187.275.807	62.964.728	-
9 Trade payables	-	-	-	-
10 Financial liabilities	-	-	-	-
11 Long term liabilities (9+10)	-	-	-	-
12 Total liabilities (8+11)	690.863.394	187.275.807	62.964.728	-
13 Net Foreign Exchange Asset/ (Liability) Position (4-12)	(214.382.530)	15.148.859)	(58.254.004)	2.715.102
14 Monetary Items Net Foreign Exchange Asset/(Liability) (4-12)	(214.382.530)	(15.148.859)	(58.254.004)	2.715.102
15 Export listed sales	-	-	-	-
16 Import	514.520.008	191.534.828	-	-

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**Notes to the interim condensed consolidated financial statements
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NOTE 17- 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;

	31 December 2014			
	TL (functional currency)	USD	EURO	JPY
1 Trade receivables	74.466.348	32.112.790	-	-
2 Monetary financial assets (cash and bank accounts included)	361.456.782	112.088.242	35.637.322	2.715.102
3 Other current assets	68.743.032	6.978.816	18.633.621	-
4 Current assets (1+2+3)	504.666.162	151.179.848	54.270.943	2.715.102
5 Trade payables	574.206.151	240.900.482	5.524.169	-
6 Financial liabilities	580.237.895	69.946.713	148.203.801	-
7 Other short term liabilities, net	2.659.887	1.147.047	-	-
8 Short term liabilities (5+6+7)	1.157.103.933	311.994.242	153.727.970	-
9 Trade payables	-	-	-	-
10 Financial liabilities	-	-	-	-
11 Long term liabilities (9+10)	-	-	-	-
12 Total liabilities (8+11)	1.157.103.933	311.994.242	153.727.970	-
13 Net Foreign Exchange Asset/ (Liability) Position (4-12)	(652.437.771)	(160.814.394)	(99.457.027)	2.715.102
14 Monetary Items Net Foreign Exchange Asset/(Liability) (4-12)	(652.437.771)	(160.814.394)	(99.457.027)	2.715.102
15 Export listed sales	-	-	-	-
16 Import	-	-	-	-

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NOTE 17 - THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS (continued)

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 34 Million TL and the foreign currency adjustments would decrease by 193 Million TL.

NOTE 18 - EVENTS AFTER THE BALANCE REPORTING DATE

As explained in Note 12, the Group has collected 25.278.225 TL of a part of receivables from Tabosan on 8 July 2015 and the process of collecting balance receivables proceeds.