FIRST HALF 2012

OPERATING REVIEW

REPORT

GÜBRE FABRİKALARI TÜRK A. Ş.

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I. INTRODUCTION

A. REPORTING PERIOD

01.01.2012 - 30.06.2012

B. CORPORATE'S NAME

Gübre Fabrikaları Türk Anonim Şirketi (Gübretaş)

C. BOARD OF DIRECTORS

Title	Name	Start date of employment
Chairman	Abdullah KUTLU	19.04.2011
Vice Chairman	Necdet DİRİK	25.10.2005
Member	Dr. Erol DEMİR	10.04.2009
Member	Ahmet BOYRAZ	26.04.2012
Member	Ali SARI	31.07.2012
Member	Sertaç GÜRSOY	26.04.2012
Member	Osman BALTA	01.02.2012
Independent Member	Prof. Dr. Lokman DELİBAŞ	26.04.2012
Independent Member	İsmail TEKİN	26.04.2012

Quitted during the period:

Title	Name	Start date of employment	End date of employment
Member	Mehmet KOCA	19.04.2011	31.01.2012
Member	Naci BEDİR	26.04.2012	31.07.2012

D. BOARD OF AUDITORS

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

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

E. TOP MANAGEMENT

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

F. CAPITAL STRUCTURE

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

Table 1 : CAPITAL STRUCTURE

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

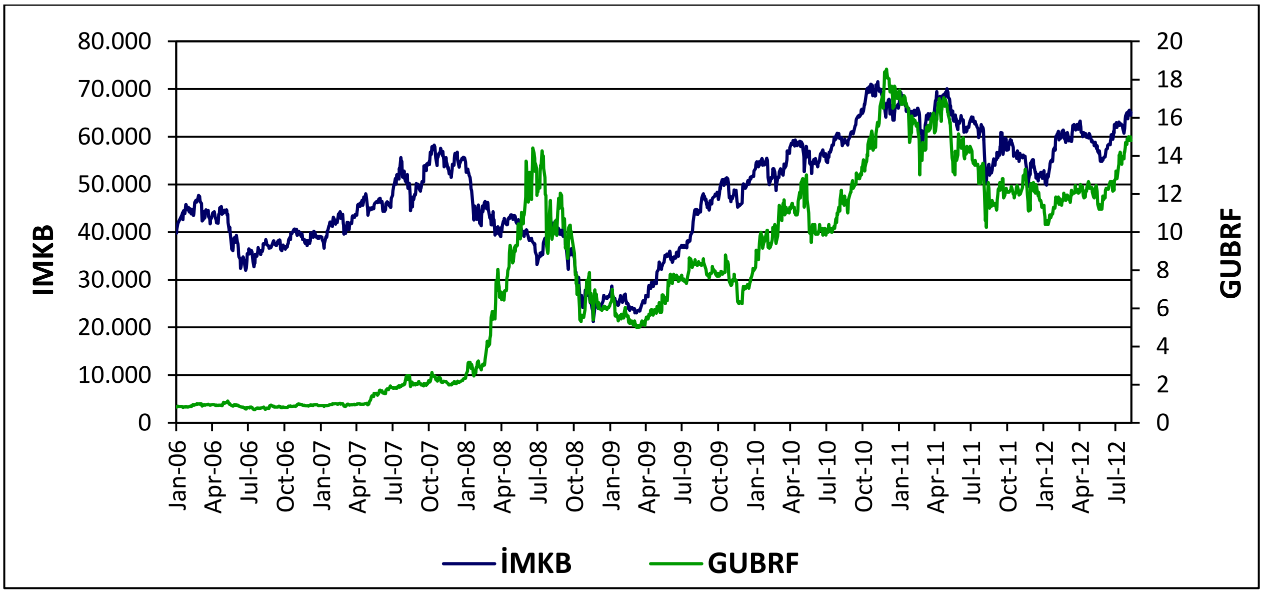
G. AFFILIATES AND SUBSIDIARIES

Table 2 : AFFILIATES AND SUBSIDIARIES

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

H. PERFORMANCE OF THE STOCK

Graph 1 : PERFORMANCE OF THE STOCK



II. TURKISH FERTILIZER INDUSRTY

A. PRODUCTION

Fertilizer production was 1.944.664 tons in first half of 2011, it decreased by 1,93% to 1.907.035 tons in first half of 2012. 34,39% of total production was compound fertilizers.

Table 3 : SECTOR PRODUCTION BY PRODUCT-TON

Product	2012/1H	2011/1H	Change
COMPOUND	655.891	696.431	-5,82%
AN	349.811	165.782	111,01%
UREA	264.119	278.120	-5,03%
CAN	332.007	499.083	-33,48%
AS	128.455	114.280	12,40%
DAP	123.912	135.948	-8,85%
TSP	52.840	55.020	-3,96%
TOTAL	**1.907.035**	**1.944.664**	**-1,93%**

B. SALES

According to 1H2012 data, fertilizer consumption was 3.341.400 tons recording a 12,19% increase while in the same period of the previous year it was 2.978.377 tons. Moreover our sales increased by 3,89% and our market share in first half of 2012 was 24,73% while it was 26,78% in first half of 2011. As of first half of 2012 exports increased by 5% to 1.315 tonnes and imports decreased by 15% to. 296.733 tons.

Table 4 : SECTOR SALES BY PRODUCT

Product	2012/1H	2011/1H	Change
COMPOUND	731.388	696.785	4,97%
AN	757.892	623.037	21,64%
UREA	619.042	576.156	7,44%
CAN	683.195	599.698	13,92%
AS	372.330	311.841	19,40%
DAP	144.669	126.677	14,20%
TSP	7.428	14.322	-48,14%
P.NITRATE	16.093	16.826	-4,36%
P.SULPHATE	9.363	13.035	-28,17%
TOTAL	**3.341.400**	**2.978.377**	**12,19%**

III. GÜBRE FABRİKALARI T.A.Ş. ACTIVITIES

There are seven regional sales directorates throughout Turkey. Gübretaş sells to every corner where there is agricultural production via 2.648 dealers, 1.678 of which belongs to Agricultural Credit Cooperatives and 970 to Gübretaş itself.

A. PRODUCTION

Gübretaş produced 52.840 tons TSP and 161.059 ton Compound fertilizers totaling 213.899 tons in first half of 2012. 827 tonnes of liquid fertilizer and 1.109 tonnes of powder fertilizer were produced.

Solid Fertilizer production decreased by 16,67% in 2012 comparing to 2011. Total Fertilizer production including solid, liquid and powder decreased by 16,43% in 2012 comparing to 2011.

179.143 tons of production sold, 34.756 tons of production were used as raw material. Capacity utilisation rate was 62% in first half of 2012.

Table 5 : PRODUCTION BY PRODUCT-TON

Product	2012/1H	2011/1H	Change
TSP	52.840	55.020	-3,96%
25.5.10/23.12.9	31.904	26.298	21,32%
12.30.12/13.24.12	16.074	53.681	-70,06%
15.15.15 ZN	19.389	26.263	-26,17%
20.20.0	26.647	27.226	-2,13%
20.20.0 ZN	35.075	41.066	-14,59%
Other	48.044	23.122	107,78%
TOTAL	**213.899**	**256.676**	**-16,67%**
Liquid Fertilizer	827	493	67,75%
Powder Fertilizer	1.109	1.088	1,93%
GRAND TOTAL	**215.835**	**258.257**	**-16,43%**

B. SALES AND PURCHASES

Our Company sold 827.483 tons of solid, 1.065 tonnes of liquid and 8.299 tonnes of powder fertilizer in first half of 2012. In first half of 2011, 798.641 tonnes of solid, 725 tons of liquid, 6.147 tonnes of powder fertilizer were sold. The volume of purchases reached 680.399

tonness in first half of 2011, and it increased by 0,2% to 682.352 tonnes in first half of 2012. Export was 1.250 tons in first half of 2011, while it was 1.315 tonnes in first half of 2012.

Table 6 : SALES, IMPORT AND DOMESTIC PURCHASES-TON

	2012/1H	2011/1H	Change
Domestic Purchases	205.394	187.079	9,79%
Import	476.958	493.320	-3,32%
Total Purchases	**682.352**	**680.399**	**0,29%**
Sales	**827.483**	**798.641**	**3,61%**

Table 3 : SALES BY PRODUCT GROUPS-TON

Fertilizer	2012/1H	2011/1H	Change
20.20.0	52.632	65.890	-20,12%
25.5.10/23.12.9	36.426	26.217	38,94%
15.15.15	41.518	53.334	-22,15%
15.15.15 Zn	24.640	27.955	-11,86%
12.30.12/13.24.12	19.534	53.928	-63,78%
20.20.0 Zn	28.498	33.457	-14,82%
Other Compound	18.134	6.329	186,52%
AN	181.500	140.061	29,59%
CAN	151.791	122.331	24,08%
UREA	102.495	120.097	-14,66%
AS	75.110	59.924	25,34%
GR.UREA	43.139	27.125	59,04%
DAP	43.146	44.534	-3,12%
Other	8.920	17.459	-48,91%
Total Fertilizer	**827.483**	**798.641**	**3,61%**
Liquid Fertilizer	**1.065**	**725**	**46,90%**
Powder Fertilizer	**8.299**	**6.147**	**35,01%**
Grand Total	**836.847**	**805.513**	**3,89%**

Table 8 : SALES BY CUSTOMER TYPES-TON

Sales Group	2012/1H	2011/1H	Change
Corporate Sales	574.461	552.534	3,97%
Vendor Sales	234.632	183.630	27,77%
Export	1.315	1.250	5,20%
Other	17.075	61.227	-72,11%
Total	**827.483**	**798.641**	**3,61%**

C. INVESTMENTS

Table 9 : INVESTMENTS-TRL

Investment	Amount
Ongoing Investments	6.497.723
Other	1.556.855
Total	**8.054.578**

D. RESEARCH AND DEVELOPMENT ACTIVITIES

Turkey Soil Productivity Map

Studies aiming to form Turkish soil fertility map within the framework of Soil Map Project is continued. GPS device is used for position detection and analyses from a total 4.360 locations were completed.

Product Development and Quality Studies

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

Number of Personnel

Table 10 : Personnel Status

PERSONNEL	2012/1H	2011/1H	Change
Head Office	91	87	4,60%
Yarımca Facilities	269	261	3,07%
Regional Sales Directorates	69	61	13,11%
TOTAL	**429**	**409**	**4,89%**

Training Activities

Training activities are aimed at developing managerial, personal and professional capabilities of the staff. Education activities of 6.383 hours with participation of 577 employees were carried out in first half of 2012.

E. EVENTS AFTER BALANCE SHEET DATE

Member of the Board Naci Bedir quitted on July 31, 2012 and Ali Sarı was elected as new Member of the Board.

IV. ACTIVITIES OF RAZİ PETROCHEMICAL CO.

A. PRODUCTION

Table 4 : RAZİ PETROCHEMICAL CO. PRODUCTION-TON

Product	2012/1H	2011/1H	Change	Capacity	CUR
Ammonia	371.861	491.226	-24,30%	1.336.500	55,65%
Urea	149.638	229.333	-24,72%	594.000	58,13%
Sulphur	168.431	202.637	-16,88%	508.000	66,31%
Sulphuric Acid	48.855	74.624	-34,53%	627.000	15,58%
DAP	0	21.395	-100,00%	450.000	-
Phosphoric Acid	0	0	-	255.000	-
Total	**738.785**	**1.019.215**		**3.770.500**	**39%**

In first half of 2012 738.785 tonnes of fertilizer and fertilizer raw materials produced, capacity utilization rate was 39%.

B. SALES

In first half of 2012, 663.132 tonnes of fertilizer sold and 464.537.364 TRL of revenue achieved.

Table 12 : RAZİ PETROCHEMICAL CO. SALES-TON

Product	2012/1H	2011/1H	Change
Ammonia	247.477	345.522	-28,38%
Urea	202.939	209.561	-3,16%
Sulphur	164.782	173.843	-5,21%
Sulphuric Acid	46.348	76.827	-39,67%
Phosphoric Acid	1.586	-	-
DAP	-	19.972	-
Total	**663.132**	**825.725**	**-19,69%**

Razi Petrochemical Co. exported 543.317 tonness, domesticly sold 119.815 tonnes in first half of 2012. Share of export in total sales was 82%.

V. CONCLUSION

DEAR SHAREHOLDERS,

213.899 tonnes of various types of chemical fertilizer has been produced at our facilities in first half of 2012 and 34.756 tonnes of produced fertilizer have been used as raw material. 682.352 tonnes 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. 827.483 tonnes of solid, 1.065 tonnes of liquid and 8.299 tonnes of powder fertilizers has been sold. And net sale revenues realized as 671.827.080 TRL.

Also 738.785 tonnes of fertilizer has been produced, 464.537.364 TRL sale revenues has been got by sale of 663.132 tonnes of fertilizer and fertilizer raw material in our affiliated company Razi Petrochemical Co.

Our company reached to 1.136.364.444 TRL consolidated sales revenue. Beside this 963.021.239 TRL cost of goods sold, 112.237.876 TRL operation expenses, 136.496.631 TRL net financing income have been occurred. 202.583.195 TRL profit occurred before tax by adding 4.981.235 TRL other income and expense affect. 166.410.779 TRL net consolidated profit has been occured after adding 595.485 TRL deferred tax and 35.576.931 TRL current period’s tax and other legal liability provisions. 61.909.045 TRL main shareholder profit has been occured after deducting 104.501.734 TRL shares of minority shareholders.

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

Best Regards,

BOARD OF DIRECTORS

**GÜBRE FABRİKALARI T.A.Ş. AND
ITS SUBSIDIARY COMPANY**

**CONSOLIDATED FINANCIAL STATEMENTS
AND LIMITED AUDIT REVIEW REPORT**

1 JANUARY – 30 JUNE 2012

REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Board of Directors of
GÜBRE FABRİKALARI T.A.Ş.
İstanbul

Introduction

We have reviewed the accompanying consolidated financial statements of Gübre Fabrikaları T.A.Ş. (the "Company") and its subsidiaries (collectively referred as, the "Group") which comprise the consolidated balance sheet as of 30 June 2012 and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the six-month interim period then ended and a summary of significant accounting policies and other explanatory notes. The Group management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with the financial reporting standards published by the Capital Market Board (the "CMB"). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with auditing standards published by the Capital Market Board. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards published by the Capital Market Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion based on our review.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not present fairly, in all material respects, in accordance with the financial reporting standards issued by the Capital Market Board.

Other Matters

Without qualifying our opinion we would like to emphasise the following matters:

As explained in Note 15, natural gas expenses which are a significant part of manufacturing costs in Razi Petrochemical Co.'nun ("Razi") are invoiced by Iran National Petroleum Company ("NIOC"). Every march NIOC decides on the gas prices for that year. On 21 March 2010, NIOC have decided that the price of natural gas will ve fifteen times the previous year's price. Razi has objected to this price increase and have not recognized the additional TRY 117 Million liability in the previous period. On 19 December 2010 the natural gas prices have been reassessed and the new gas price has been set at seven times the previous year's price. All natural gas expenses are invoiced based on the new price since 19 December 2010. With regards to the price dispute between 21 March 2010 and 19 December 2011, the Iran Presidential Special Delegate on Oil Affairs have decided to set the price approximately 67% higher than the previous year's price on 13 November 2011. Razi has accepted this and recognized the additional liability based on this price. NIOC have not yet accepted this decision and have not produced new invoices based on the new price set for the period. The Group management has not recognized any provision for this uncertainty since the process with the NIOC is ongoing and the outflow of economic benefits are not probable after the decision taken on 13 November 2011.

As explained in Note 15, Iran Tax Authority has performed tax assessments for the tax filings of Razi for the years ended in 2006, 2007, 2008 and 2009. 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 TRY 67 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.

As explained in Note 15, the sanctions imposed 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.

As explained in Note 15, İskenderun State Treasury Office ("Treasury") has filed a lawsuit against the Group in 2011 for the cancellation of its title deed and demanded enforced evacuation of Group's 79.350 m2 property located in the Sarıseki province of İskenderun within the city of Hatay claiming that the property is within the shoreline. The net book value of the property is TRY 61.749.595 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 considering the uncertainty of the outcome.

Other Matters (Cont.)

As explained in Note 8 and 15, 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 but the bankruptcy court rejected the petition and decided on the bankruptcy of Tabosan and formation of a trustee committee to manage the assets of Tabosan. The Group was the guarantor of Tabosan for the loans obtained from financial institutions during the acquisition of Razi shares. The group has paid 33.212.564 TL for the loan of Tabosan as the guarantor and and recognized this amount as an other receivable from Tabosan. The Group has also requested from the trustee committee to transfer of Razi shares in the amount of the payment made in the name of Tabosan.

As explained in Note 2 and 22, 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. The market exchange rate is 61% more than the fixed exchange rate as at the balance sheet date. Central Bank of Republic of Turkey use the fixed exchange rate when determining the indicative Turkish Lira and Iranian Riyal exchange rate. 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 Central Bank of Iran Islam Republic and Central Bank of Republic of Turkey.

İstanbul, 28 August 2012

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Saim Üstündağ
Responsible Partner Chief Auditor

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GÜBRE FABRİKALARI T.A.Ş. AND ITS SUBSIDIARY COMPANY
CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2012

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

		Current Period	Previous Period
		Independent Observed	Independent Audited
	Note	30 June 2012	31 December 2011
ASSETS			
Current Assets		**1.346.385.270**	**1.694.272.707**
Cash and Cash Equivalents	4	367.242.131	327.710.722
Financial Investments	5	37.171.173	-
Trade Receivables	7	452.902.352	574.509.287
- Trade receivables from related parties	*21*	*120.102.100*	*228.271.654*
- Other trade receivables	*7*	*332.800.252*	*346.237.633*
Other Receivables	8	61.452.777	169.924.819
- Other receivables from related parties		*1.034.219*	*106.360.030*
- Other receivables	*8*	*60.418.558*	*63.564.789*
Inventories	9	349.715.198	534.856.904
Other Current Assets		77.901.639	87.270.975
Fixed Assets		**1.100.082.379**	**1.273.230.864**
Other receivables	8	18.753.844	21.946.753
Financial Investments	5	2.737.515	2.737.515
Investments Valued by Equity Method	10	8.278.972	10.941.724
Investment Properties	11	61.749.595	61.749.595
Tangible Fixed Assets	12	752.012.582	876.498.158
Intangible Fixed Assets	13	362.981	270.331
Goodwill	14	243.507.759	279.484.282
Deferred Tax Assets		5.890.122	5.522.137
Other Fixed Assets		6.789.009	14.080.368
TOTAL ASSETS		**2.446.467.649**	**2.967.503.571**

GÜBRE FABRİKALARI T.A.Ş. AND SUBSIDIARY COMPANY
CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2012

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

		Current Period	Previous Period
		Independent Observed	**Independent Audited**
	Note	**30 June 2012**	**31 December 2011**
LIABILITIES			
Short-term Liabilities		**1.290.015.359**	**1.506.890.189**
Financial Liabilities	6	475.085.599	470.379.230
Trade payables	7	546.294.266	799.062.959
- Payables to related parties	*21*	*2.803.356*	*6.587.996*
- Other trade payables	*7*	*543.490.910*	*792.474.963*
Other Payables	8	142.999.413	136.166.006
Provisions for Employee Benefits		16.255.649	16.142.943
Provisions for Payables	15	56.806.418	63.062.977
Tax Liability for Current Period Profit		48.676.589	17.125.727
Other short term Liabilities		3.897.424	4.950.347
Long-term Liabilities		**173.697.416**	**258.998.473**
Financial Liabilities	6	50.617.816	99.287.100
Other Payables	8	-	40.754.944
Provisions for Employee Benefits		119.786.323	116.420.468
Deferred Tax Liabilities		3.293.277	2.535.961
EQUITY CAPITAL		**982.754.874**	**1.201.614.909**
Equities of Parent Company		**618.015.422**	**664.238.132**
Paid-in Capital		83.500.000	83.500.000
Value Appreciation Funds		145.133.540	145.133.540
Foreign Currency Adjustments		30.659.646	138.791.401
Restricted Reserves From Profit		10.863.518	9.051.867
Legal Reserves		*9.533.275*	*7.721.624*
Gains From Fixed Assets Accumulated Profit / Loss		*1.330.243*	*1.330.243*
Previous Years Profit / (Loss)		285.949.673	157.766.115
Net Period Profit / (Loss)		61.909.045	129.995.209
Minority Shares		**364.739.452**	**537.376.777**
TOTAL LIABILITIES		**2.446.467.649**	**2.967.503.571**

Added remarks are component parts of the financial statements.

GÜBRE FABRİKALARI T.A.Ş. AND ITS SUBSIDIARY COMPANY
COMPREHENSIVE CONSOLIDATED INCOME STATEMENT
FOR YEAR THAT ENDED AS OF 30 JUNE 2012

(Amounts are expressed in Turkish Lira unless otherwise stated.)

		Current Period		Previous Period	
		Independent Observed	Independent Audited	Independent Observed	Independent Audited
	Note	1 January – 30 June 2012	1 April – 30 June 2012	1 January – 30 June 2011	1 April – 30 June 2011
CONTINUING OPERATIONS					
Sales (net)	17	1.136.364.444	480.657.909	955.076.561	431.742.254
Costs of Sales (-)	17	(963.021.239)	(426.655.576)	(692.873.263)	(310.408.077)
GROSS PROFIT		**173.343.205**	**54.002.333**	**262.203.298**	**121.334.177**
Marketing, Sales and Distribution Expenses (-)		(73.582.950)	(36.195.569)	(47.684.789)	(18.824.527)
Administrative Expenses (-)		(38.654.926)	(29.467.833)	(23.569.393)	(10.168.082)
Other Operating Incomes		6.698.949	(701.646)	14.275.279	6.100.475
Other Operating Expenses (-)		(1.717.714)	7.548.777	(9.197.890)	(6.776.207)
OPERATION PROFIT		**66.086.564**	**(4.813.938)**	**196.026.505**	**91.666.197**
Shares in Profit/Loss of Investments Valued by Equity Method	10	(2.662.752)	(59.075)	(1.506.247)	(288.598)
Financial Incomes	18	217.606.674	13.093.617	31.563.299	20.552.723
Financial Expenses (-)	19	(78.447.291)	7.326.502	(95.726.143)	(54.499.437)
PRE-TAX PROFIT / LOSS FROM CONTINUING OPERATIONS		**202.583.195**	**15.547.106**	**130.357.414**	**57.430.885**
Tax Expenses on Continuing Operations		**(36.172.416)**	**9.777.763**	**(25.352.349)**	**3.404.101**
- Period Tax Expense (-)		(35.576.931)	3.859.414	(6.790.090)	3.157.268
- Deferred Tax Income		(595.485)	5.918.349	(18.562.259)	246.834
PERIOD PROFIT/ (LOSS)		**166.410.779**	**25.324.869**	**105.005.065**	**60.834.986**
PERIOD PROFIT/ (LOSS)		**166.410.779**	**25.324.869**	**105.005.065**	**60.834.986**
Distribution of Period Profit / (Loss)					
Minority Shares		104.501.734	21.560.850	77.880.314	39.563.094
Parent Company's Shares		61.909.045	3.764.019	27.124.751	21.271.892
Earnings / (Loss) Per Share	20	**0,74143**	**0,04508**	**0,32490**	**0,25480**

GÜBRE FABRİKALARI T.A.Ş. AND SUBSIDIARY COMPANY
COMPREHENSIVE CONSOLIDATED INCOME STATEMET
FOR PERIOD THAT ENDED AS OF 30 JUNE 2012

(Amount are expressed in Turkish Lira ("TL") unless otherwise stated.)

		Current Period		Previous Period	
		Independent Observed	Independent Audited	Independent Observed	Independent Audited
	Note	1 January – 30 June 2012	1 April – 30 June 2012	1 January – 30 June 2011	1 April - 30 June 2011
ONGOING ACTIVITIES					
PERIOD PROFIT / (LOSS)		**166.410.779**	**25.324.869**	**105.005.065**	**60.834.986**
- Change in Fixed Assets Value Appreciation		-	-	8.813.346	8.813.346
- Foreign Currency Adjustments		(151.773.020)	17.999.657	26.244.451	25.327.339
- Tax Incomes and Fiscal Charges Related to Other Comprehensive Income Items			-	(441)	(441)
OTHER COMPREHENSIVE AFTER-TAX INCOME / (EXPENSE)		**(151.773.020)**	**17.999.657**	**34.617.128**	**33.700.018**
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		**14.637.760**	**43.324.527**	**139.622.194**	**94.535.004**
Distribution of Total Comprehensive Income / (Expense):					
Minority Shares		60.860.470	21.510.622	84.053.178	45.735.957
Parent Company's Shares		(46.222.710)	21.813.905	55.569.016	48.799.047
		14.637.760	**43.324.527**	**139.622.194**	**94.535.004**

GÜBRE FABRİKALARI T.A.Ş. AND SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR PERIOD ENDED 30 JUNE 2012

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

	Note	Paid-in Capital	Growth Funds	Foreign Currency Conversation Adjustments	Limited Provisions Segregated from profit	Gains from Fixed Asset Sales	Previous Years' Profits / Losses	Net Period Profit / Loss	Equities of Parent Company	Minority Shares	Total Equities
1 January 2011		**83.500.000**	**136.760.862**	**65.434.276**	**5.645.297**	**881.151**	**40.392.144**	**119.899.390**	**452.513.120**	**364.782.582**	**817.295.702**
Previous Year Profit / Transfer (at loss)		-	-	-	-	-	119.899.390	(119.899.390)	-	-	-
Gains from fixed asset sales		-	-	-	-	449.092	(449.092)	-	-	-	-
Dividends ditributed to Minority shares		-	-	-	-	-	-	-	-	(134.273.860)	(134.273.860)
Total Comprehensive Income		-	8.372.678	20.071.587	-	-	-	27.154.751	55.569.016	84.053.178	139.622.194
30 June 2011		**83.500.000**	**145.133.540**	**85.505.863**	**5.645.297**	**1.330.243**	**159.842.442**	**27.154.751**	**508.082.136**	**314.561.900**	**822.644.036**
1 January 2012		**83.500.000**	**145.133.540**	**138.791.401**	**7.721.624**	**1.330.243**	**157.766.115**	**129.995.209**	**664.238.132**	**537.376.777**	**1.201.614.909**
Previous year profit / transfer		-	-	-	1.811.651	-	128.183.558	(129.995.209)	-	-	-
Dividends distributed to Minority shares		-	-	-	-	-	-	-	-	(233.497.795)	(233.497.795)
Total Comprehensive Income		-	-	(108.131.755)	-	-	-	61.909.045	(46.222.710)	60.860.470	14.637.760
30 June 2012		**83.500.000**	**145.133.540**	**30.659.646**	**9.533.275**	**1.330.243**	**285.949.673**	**61.909.045**	**618.015.422**	**364.739.452**	**982.754.874**

GÜBRE FABRİKALARI T.A.Ş. AND ITS SUBSIDIARY COMPANY
CONSOLIDATED CASH FLOW STATEMENT FOR
PERIOD THAT ENDED AS OF 30 JUNE 2012

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

		Current Period	**Previous Period**
		Independent	**Independent**
		Observed	**Audited**
Cash Flow From Operations	**Note**	**1 January - 30 June 2012**	**1 January - 30 June 2011**
Net period profit/ (loss)		166.410.779	105.005.065
Amendments to make the net cash amount used in business operations be in accord with the net period profit / (loss)			
Depreciation and Amortization		39.102.722	44.063.429
Incomes/Expenses from subsidiaries valued by Equity Method	10	2.662.752	1.506.247
Provisions for termination indemnities, permission and seniority-based incentives		136.085	19.150.993
Interest Income/ Expense		21.501.525	13.688.831
Exchange rate difference income / expense		(203.439.737)	63.616.572
Gain on sales of assets		-	(969.599)
Exchange Difference		(6.935.849)	7.089.396
Tax		36.172.416	25.352.349
Deferred Financial Income / Expense		(544.899)	886.462
Appreciation of investment properties		-	(1.580.000)
Provisions for Doubtful Receivable / Cancellation		-	(4.543)
Cash flows resulted from the operations before the change in the capital		**55.065.795**	**277.805.202**
Changes in the capital of the company			
Increase / Decrease in trade receivables		230.670.554	(105.197.257)
Increase / Decrease in other receivables		3.146.231	17.752.735
Increase / Decrease in Inventories		180.529.340	83.101.582
Increase / Decrease in Other Current / Fixed Assets		40.952.057	6.438.111
Increase / Decrease in commercial liabilities		(267.743.807)	(120.688.202)
Increase / Decrease in other liabilities		112.611.498	(11.524.258)
Increase / Decrease in Provisions for Liabilities		(6.256.559)	(7.622.871)
Increase / Decrease in Other Short-term and Long-term Liabilities		(1.052.920)	(23.300.568)
Cash resulted from or used in the operations after the change in the capital		**347.922.189**	**116.764.474**
Paid-up interest		(38.481.892)	(82.286.351)
Paid-up taxes		(28.523.584)	(10.408.012)
Paid-up termination indemnities		(12.324.308)	(11.414.682)
Net cash used in operations		**268.592.405**	**12.655.429**
Cash flows used in investments			
Purchase of Tangible and Intangible Asset		(9.117.467)	(8.063.308)
Cash gained from sales of tangible and intangible fixed assets		1.000.722	3.451.300
Equity increase payments of investments which assessed with equity method		-	(10.412.500)
Collected Interests		21.805.816	18.097.883
Financial Investment purchases		(37.171.174)	-
Dividends paid for minority shares		(233.497.795)	(134.273.859)
Cash used / gained from Investment activities		**(256.979.898)**	**(131.200.484)**
Cash Flows from financial activities			
Cash Flow related to financial liabilities		66.194.554	44.338.937
Principal Repayment of Financial Liabilities		(38.275.653)	(14.993.910)
Net Cash used / gained in financial activities		**27.918.901**	**29.345.027**
Net increase/decrease in cash and cash equivalents		39.531.409	(86.200.028)
Balance of Cash and Cash Equivalents at beginning of the year	**4**	**327.710.722**	**212.432.811**
Balance of Cash and Cash Equivalents at the period-end	**4**	**367.242.131**	**123.232.783**

Added remarks are component parts of the financial statements.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

1. GROUP'S ORGANIZATION AND MAIN BUSINESS ACTIVITY

Gübre Fabrikaları T.A.Ş. and its subsidiary company (together referred as" Group") consists of Gübre Fabrikaları T.A.Ş. ("Gübretaş" or "Company"), its subsidiary company and two partnerships. Gübre Fabrikaları T.A.Ş. is a company which was established in 1952 and has been operational in production and sales of chemical fertilizer.

The Company carries out a great deal of its operations in cooperation with the Agricultural Credit Cooperatives Central Union in Turkey. The central office of the Company is based in İstanbul, but there are other offices and production facilities as follows.

Unit	Main Activity
Yarımca Facilities	Production / Port/ Warehousing
İskenderun Facilities	Port/ Warehousing (on hire)
İzmir Regional Directorate of Sales	Sales-Marketing/ Liquid – Powder Fertilizer Production /Storage
Samsun Regional Directorate of Sales	Sales-Marketing / Warehousing
İskenderun Regional Directorate of Sales	Sales-Marketing / Warehousing
Tekirdağ Regional Directorate of Sales	Sales-Marketing / Warehousing
Ankara Regional Directorate of Sales	Sales-Marketing
Diyarbakır Regional Directorate of Sales	Sales-Marketing
Antalya Regional Directorate of Sales	Sales-Marketing

The Company and its subsidiaries have 1.433 employees as of 31 June 2012 (31 December 2011: 1.517)

% 25 out of the public shares of the Company is traded on İstanbul Stock Exchange (İMKB) and recorded at Capital Markets Board (SPK).

Here is the list of shareholders which own %10 or more share in the capital of the Company:

	30 June 2012		31 December 2011	
Name			**Share Rate**	**Share Amount**
Turkish Agricultural Credit Cooperatives	75,95%	63.421.152	75,95%	63.421.152
Others	24,05%	20.078.848	24,05%	20.078.848
TOTAL	**100,00%**	**83.500.000**	**100,00%**	**83.500.000**

Subsidiary Companies

Gübretaş participated in Razi Petrochemical Co. ("Razi") which produces and sells both chemical fertilizer and raw materials used for chemical fertilizer in 24 May 2008. Gübretaş has %48,88 out of the capital of Razi as the balance sheet date (31 December 2010: %47,81). Gübertaş has right to assign 3 names for the 5-member executive committee of Razi. So Razi is considered as an subsidiary company because Gübretaş controls the operational management.

Razi established Raintrade Petrokimya ve Dış Ticaret A.Ş. ("Raintrade") in Turkey for purpose of selling petrochemical goods outside Iran at the end of 2010. Raintrade started its activities in April 2011.Razi's share on Raintrade is 99% and Groups indirect share on Raintrade is 48,88%

1. GROUP'S ORGANIZATION AND MAIN BUSINESS ACTIVITY (Cont.)

Participants (Partners)

The Company participated in Negmar Denizcilik Yatırım A.Ş. ("Negmar") which is operational in sea transport in 30 June 2008. The participant rate is %40 as the balance sheet date. (31 December 2011: %40).

The Company participated in Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş. ("Tarkim") which produces and sells agricultural pesticide in Turkey. The participant rate is %40 as the balance sheet date. (31 December 2011: %40).

Approval of Financial statements:

The financial statements were approved to be disclosed 28 August 2012 by the executive committee. The General Board is authorized to amend the consolidated financial statements.

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS

2.1 Principles Pertaining to Presentation

Basis To Draft Financial Statements and Specific Accounting Policies

The Company and its participations based in Turkey draft and keep their legal records, books and financial statements in line with Turkish Trade Law ("TTL") and accounting principles defined by tax legislation. However the subsidiary company operating in Iran drafts its financial statements in currency of Iranian Riyal ("IRR") and in compliance with Iranian legislation.

The Capital Markets Board ("CMB"), Seri: XI, No: 29 "Communiqué of Financial Reporting Principles in Capital Markets" ("Seri: XI, No: 29 Communiqué") determines the principles, methods and basis in relation with the financial reports written by the companies as well as how to draft and present them. This communiqué has been put into force to affect the first interim financial statements of the accounting periods which start on and after 1 January 2008. And with this communiqué, the Seri: XI, No: 25 "Communiqué of Accounting Standards in Capital Market" was abolished.

According to this communiqué, the corporations should draft their financial statements in line with International Financial Reporting System ("IAS/IFRS") which is recognized and adapted by European Union. However, IAS/IFRS will be applied until Turkish Accounting Standards Board ("TASB") states the differences between IAS/IFRS adapted by EU and those adapted by International Accounting Standards Board ("IASB") . In this regard, Turkish Accounting / Financial Reporting Standards ("TAS/TFRS") will be taken as a basis.

Until TMSK declares the differences between IAS/IFRS adapted by EU and the standards by IASB; the financial statements drafted in line with CMB Series: XI, No: 29 Communiqué. Attached financial statements and the footnotes are submitted in accordance with obligatory formats declared by CMB on 17 April 2008 and 9 February 2009.

1st article of 2499 numbered law was cancelled with 660 numbered decree law which came into force upon publishing in 2 November 2011 dated official gazette, and public observation, accounting and audit standards institute (institution) was established. According to provisional 1st article of this decree law, applications of the current regulations about these subjects will continue until the standards and regulations become valid which will be published by the institution. Thus, the said situation does not make any change in certain accounting policies and preparation bases of financial tables which are explained in footnote of this consolidated financial tables by the issue date of the report.

Financial statements are drafted in line with historical cost accounting, apart from appraisal of fixed assets and investment properties. To determine the historical cost, it is needed to take a fair value of the amount paid for the assets as a basis. .

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.1 Principles Pertaining to Presentation (Cont.)

Current Currency in Use

Each Group company drafts its financial statements with the currency of the economic environment where it is operational and so we call this currency as functional currency. The currency used in the consolidated financial statements by the Company is Turkish Lira ("TL").

However, the functional currency is Iranian Riyal ("IRR") for the subsidiary company which operates in Iran. According to IAS 21 "The Effects of Changes in Foreign Exchange Rates"; the assets and liabilities of the Group's participations abroad are converted into Turkish Lira in line with the parity of exchange on the balance sheet date. Foreign currency conversion losses or gains are kept in account of foreign currency conversion adjustments in the equities. At the end of period, these differences are noted as gain or loss.

Hence Turkey's Central Bank ("TCB") began declaring Iranian Riyal rate in 2010, TCB rate was used at the financial statements dated on 30 June 2012.

Here are the rates used:

	30 June 2012		31 December 2011	
Foreign Currency	**End of Period**	**Grade Point Average**	**End of Period**	**Grade Point Average**
IRR	0,0001462	0,0001454	0,0001678	0,0001560

Significant Accounting Estimate

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. The market exchange rate is 61% more than the fixed exchange rate as at the balance sheet date. Central Bank of Republic of Turkey use the fixed exchange rate when determining the indicative Turkish Lira and Iranian Riyal exchange rate. 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 Central Bank of Iran Islam Republic and Central Bank of Republic of Turkey. The effect of using market rates has been disclosed in Note 22.

Amendment of Financial statements during High Inflation Periods

In accordance with the 17 March 2005 dated and 11/367 numbered decision by SPK, the inflation accounting was ended as of 1 January 2005 for the companies operational in Turkey and drafting financial statement in line with SPK Accounting Standards or IAS/IFRS. So 29 numbered "Financial Reporting in Highly Inflated Economies" Standard ("IAS/TAS 29") has not been applied since 1 January 2005.

Comparative Information and Amendment of Previous Periods' Financial Statements

In order to determine financial situation and performance trends; Group's consolidated financial statements are drafted in comparison with the previous period. The comparative information is re-classified if necessary to comply with the presentation of the current period consolidated financial statements and significant differences are stated.

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.1 Principles Pertaining to Presentation (Cont.)

Consolidation Principles

The consolidated financial statements include the financial statements of the corporations controlled by the Company and its subsidiaries or jointly controlled. The control is that a company has power on financial and operational policies in order to gain benefits from the operating activities.

If necessary, the accounting policies applied in the financial statements of the subsidiary companies are amended to comply with the accounting policies followed by the Group.

All operations, incomes, expenses and balances inside the Group are eliminated in the consolidation. .

Consolidated subsidiaries' shares in the net assets – excluding the parent company – are separately indicated within the equity of the Group.

Minority shares consist of the shares which are created during the first mergers and these consolidated equities of participations before the merging date.

At the attached financial statements, operating results, assets and liabilities of participations are accounted by using equity method. According to equity method, the participations are showed via the amount which is calculated by deducting any depreciation of the participation from the amount calculated in result of correcting net assets' value after the participation.

The amount exceeding the fare value of the purchase price as well as purchase time value of assets, liabilities and conditional payables of the participation is recorded as goodwill. The goodwill is included into investment book value and examined as a part of the investment in respect of depredation. The participation assets, liabilities and conditional payables which were defined at the time of purchase is revised by considering a fare value and exceeding amount is directly added into the income statement.

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.2 Amendments in Accounting Policy

Significant changes in the accounting policies are retroactively applied and the previous period' financial statements are revised. No significant change in accounting policies of the Group happened in the current period.

2.3 Amendments and Errors in Accounting Assumptions

If the amendments in accounting assumptions are related to one period, the amendment is applied in the current period. But, if the amendment is related to the future periods, it will be applied both in the current period and future periods. No significant change or amendment has happened in accounting assumptions of the Group over the current year. If any accounting mistake is found out; previous periods' financial statements will be revised

2.4 Offset / Deduction

Financial assets and liabilities are indicated as net in cases that there is required legal right, there is intention to evaluate these assets and liabilities as "net" or owning the assets follows performing liabilities.

2.5 Amendments in CMB Financial Reporting Standards

New and Revised International Financial Reporting Standards

a) New and Revised IFRSs affecting presentation and disclosure only

None.

b) New and Revised IFRSs affecting the reported financial performance and / or financial position

None.

c) New and Revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs have been adopted in these consolidated financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IAS 12 *Deferred Taxes – Recovery of Underlying Assets*

The amendment is effective for annual periods beginning on or after 1 January 2012. IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be, through sale. The amendment did not have any effect on the consolidated financial statements.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.5 CMB Amendments in Financial Reporting Standards (Cont.)

IFRS 7 (Amendments) "Financial Instruments: – "*Transfer of financial assets*"

The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The group management does not anticipate that these amendments to IFRS 7 will have a significant effect on the Group's disclosures. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

d) New and Revised IFRSs in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRS 7	*Disclosures – Offsetting of Financial Assets and Financial Liabilities*
IFRS 9	*Financial Instruments*
IFRS 10	*Consolidated Financial Statements*
IFRS 11	*Joint Arrangements*
IFRS 12	*Disclosure of Interests in Other Entities*
IFRS 13	*Fair Value Measurement*
Amendments to IAS 1	*Presentation of Items of Other Comprehensive Income*
IAS 19 (as revised in 2011)	*Employee Benefits*
IAS 27 (as revised in 2011)	*Separate Financial Statement*
IAS 28 (as revised in 2011)	*Investments in Associates and Joint Ventures*
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*
Amendments to IAS 32	*Financial Instruments: Presentation - Offsetting of Financial Assets and Financial Liabilities*

The amendments to IFRS 7 require an entity to disclose information about rights of offset and related agreements for financial instruments under an enforceable master netting agreement or similar arrangement. The new disclosures are required for annual or interim periods beginning on or after 1 January 2013.

IFRS 9 issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in October 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.5 CMB Amendments in Financial Reporting Standards (cont.)

d) New and Revised IFRSs in issue but not yet effective (Cont.)

Significant amendments to IFRS 9 are:

1. IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

2. The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

IFRS 9 was amended to defer the mandatory effective date of both the 2009 and 2010 versions of IFRS 9 to annual periods beginning on or after 1 January 2015. Prior to the amendments, application of IFRS 9 was mandatory for annual periods beginning on or after 1 January 2013. The amendments continue to permit early application. The amendments modify the existing comparative transition disclosures in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. Instead of requiring restatement of comparative financial statements, entities are either permitted or required to provide modified disclosures on transition from IAS 39 Financial Instruments: Recognition and Measurement to IFRS 9 depending on the entity’s date of adoption and whether the entity chooses to restate prior periods.

The group management anticipates that IFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2015 and that the application of IFRS 9 may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities (e.g. the Group's investments in redeemable notes that are currently classified as available-for-sale investments will have to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognised in profit or loss). However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Five standards issued on May 2011 which including IFRS 10, IFRS 11, IFRS 12, IAS 12, IAS 27 and IAS 28 about consolidation, agreements, affiliates and their presentation.

Significant amedements those five standards brought, written below:

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.5 CMB Amendments in Financial Reporting Standards (cont.)

d) New and Revised IFRSs in issue but not yet effective (Cont.)

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation – Special Purpose Entities has been withdrawn upon the issuance of IFRS 10. Under IFRS 10, there is only one basis for consolidation, which is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Venturers has been withdrawn upon the issuance of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The Group management anticipates that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. The application of IFRS 10 may result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated (e.g. the Group's investment in C Plus Limited that is currently classified as the Group's associate may become the Group's subsidiary based on the new definition of control and the related guidance in IFRS 10). In addition, the application of IFRS 11 may result in changes in the accounting of the Group's jointly controlled entity that is currently accounted for using proportionate consolidation. Under IFRS 11, a jointly controlled entity may be classified as a joint operation or joint venture, depending on the rights and obligations of the parties to the joint arrangement. However, the directors have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The directors anticipate that IFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the financial statements and result in more extensive disclosures in the financial statements

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.5 CMB Amendments in Financial Reporting Standards (cont.)

d) New and Revised IFRSs in issue but not yet effective (Cont.)

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to IAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The directors anticipate that the amendments to IAS 19 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the amendments to IAS 19 may have impact on amounts reported in respect of the Groups' defined benefit plans. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

It published the comment of IFRIC 20 Stripping Cost in the Production Phase of a Surface Mine which clarifies accounting of excavation expenses in production stage in surface mining business on 19 October 2011. Comment, clarifies it the time and conditions of excavations at production stage as asset, and first recording of accounted asset and the measurement way in further periods. Comment will be valid on 1 January 2013 or for financial periods which will start after that.

It is aimed to clarify the current application subjects with settlement rules and to decrease the differences in the current applications with the changes made in IAS 32. Changes will become valid on 1 January 2014 or for the financial periods which start after this period.

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(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.5 CMB Amendments in Financial Reporting Standards (Cont.)

d) New and Revised IFRSs in issue but not yet effective (Cont.)

Annual Amendments for 2009/2011 Period

In addition to aforementioned amendments, IASC issued five main standards on May 2012:

IFRS 1	*First time Adoption of International Financial Reporting Standards – Permission to repeated implementation of IFRS, borrowing cots for determined assets*
IAS 1	*Presentation of Financial Statments – Defining obligations for comperative information*
IAS 16	*Tangible Fixed Assets – Classification of maintenance material*
IAS 32	*Financial Instruments: Presentation - Defining obligation about accounting of tax effect of distribution to owners of equity instruments, in respect of IAS 12 Income Taxes Standard.*
IAS 34	*Interim Financial Reporting - Consistent to IFRS 8 Operating Segments Standard, defining reporting of total assets for segments in interim periods*

All those amendments will be effective as of January 1, 2013, but implementation earlier from this date is also possible. Group have not evaluated effects from implementing these standards for effects to consolidated financial statements yet.

2.6 Summary of Significant Accounting Policies

Interim period summary consolidated financial statements dated 30 June 2012 prepared in the scope of IAS 34 "Interim Financial Reporting" standard. 30 June 2012 dated interim period summary consolidated financial statements prepared in line with 31 December 2011 statements accounting policies. Hence this interim period summary consolidated financial statements shall be evaluated with consolidated financial statments dated 31 December 2011.

3. OPERATING SEGMENTS

Group started to implement IFRS 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

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

3. OPERATING SEGMENTS (cont.)

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

The amounts of domestic and export sales for period that ended as of 30 June 2012 and 30 June 2011 are given in note 17.

The distribution of department assets and liabilities pertaining to the periods ending on 30 June 2012 and 31 December 2011 is as follows

	Turkey	Iran	Consolidation Adjustments	Total
	30 June 2012	30 June 2012	30 June 2012	30 June 2012
ASSETS				
Current Assets	534.800.959	838.141.848	(26.557.537)	1.346.385.270
Fixed Assets	652.872.052	628.510.121	(181.299.795)	1.100.082.379
TOTAL ASSETS	**1.187.673.011**	**1.466.651.970**	**(207.857.332)**	**2.446.467.649**
LIABILITIES				
Short Term Liabilities	668.164.063	648.408.833	(26.557.537)	1.290.015.359
Long Term Liabilities	29.550.081	144.147.335	-	173.697.416
Equities	489.958.867	674.095.802	(181.299.795)	982.754.874
TOTAL LIABILITIES	**1.187.673.011**	**1.466.651.970**	**(207.857.332)**	**2.446.467.649**
	Turkey	**Iran**	**Consolidation Adjustments**	**Total**
	31 Aralık 2011	31 Aralık 2011	31 Aralık 2011	31 Aralık 2011
ASSETS				
Current Assets	761.100.869	1.060.884.082	(127.712.244)	1.694.272.707
Fixed Assets	657.079.461	761.474.675	(145.323.272)	1.273.230.864
TOTAL LIABILITIES	**1.418.180.330**	**1.822.358.757**	**(273.035.516)**	**2.967.503.571**
LIABILITIES				
Short Term Liabilities	996.791.229	637.811.204	(127.712.244)	1.506.890.189
Long Term Liabilities	96.494.409	162.504.064	-	258.998.473
Equities	324.894.692	1.022.043.489	(145.323.272)	1.201.614.909
TOTAL LIABILITIES	**1.418.180.330**	**1.822.358.757**	**(273.035.516)**	**2.967.503.571**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

3. OPERATING SEGMENTS (Cont.)

The distribution of income statements by departments for the periods ending on 30 June 2012 and 30 June 2011 is as follows:

	Turkey	Iran	Consolidation Adjustments	Total
	01 Ocak 2012-	01 Ocak 2012-	01 Ocak 2012-	01 Ocak 2012-
	30 Haziran 2012	30 Haziran 2012	30 Haziran 2012	30 Haziran 2012
MAIN ACTIVITY INCOMES				
Sales (Net)	671.827.080	464.537.364	-	1.136.364.444
Cost of Sales (-)	(655.464.036)	(307.557.203)	-	(963.021.239)
Gross main activity profit	**16.363.044**	**156.980.161**	**-**	**173.343.205**
Marketing, sales and distribution expenses	(34.491.829)	(39.091.121)	-	(73.582.950)
General management expenses	(8.688.214)	(29.966.712)	-	(38.654.926)
Other incomes	4.796.864	1.902.085	-	6.698.949
Other expenses	(1.706.961)	(10.753)	-	(1.717.714)
Activity profit	**(23.727.096)**	**89.813.660**	**-**	**66.086.564**
Shares in profit/loss of investments increase in value through equity method	(2.662.752)	-	-	(2.662.752)
Financial incomes	282.066.303	140.769.025	(205.228.654)	217.606.674
Financial expenses	(53.032.914)	(27.556.966)	2.142.589	(78.447.291)
Pre-tax profit from maintained activities	**202.643.541**	**203.025.719**	**(203.086.065)**	**202.583.195**
Tax expense	(34.286.090)	(1.290.841)	-	(35.576.931)
Deferred tax income / (expense)	(3.293.277)	2.697.792	-	(595.485)
Profit for the period	**165.064.174**	**204.432.670**	**(203.086.065)**	**166.410.779**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

3. OPERATING SEGMENTS (Cont.)

	Turkey	Iran	Consolidation Adjustments	Total
	01 Jan. 2011-	01 Jan. 2011-	01 Jan. 2011-	01 Jan. 2011-
	30 June 2011	30 June 2011	30 June 2011	30 June 2011
MAIN ACTIVITY INCOMES				
Sales (Net)	540.754.359	417.744.100	(3.421.898)	955.076.561
Cost of Sales (-)	(485.559.096)	(210.736.065)	3.421.898	(692.873.263)
Gross main activity profit	**55.195.263**	**207.008.035**	**-**	**262.203.298**
Marketing, sales and distribution expenses	(34.487.351)	(13.197.438)	-	(47.684.789)
General management expenses	(5.778.572)	(17.790.821)	-	(23.569.393)
Other activity incomes	4.885.654	9.389.625	-	14.275.279
Other activity expenses	(1.347.245)	(7.850.645)	-	(9.197.890)
Activity profit	**18.467.749**	**177.558.756**	**-**	**196.026.505**
Shares in profit/loss of investments increase in value through equity method	(1.506.247)	-	-	(1.506.247)
Financial incomes	148.245.498	14.181.294	(130.863.493)	31.563.299
Financial expenses	(63.796.304)	(34.392.472)	2.462.633	(95.726.143)
Pre-tax profit from maintained activities	**101.410.696**	**157.347.578**	**(128.400.860)**	**130.357.414**
Tax expense	(4.324.798)	(2.465.292)	-	(6.790.090)
Deferred tax income / (expense)	(16.034.199)	(2.528.060)	-	(18.562.259)
Profit for the period	**81.051.699**	**152.354.226**	**(128.400.860)**	**105.005.065**

Capital expenditures pertaining to department assets for the periods ending on 30 June 2012 and 30 June 2011 are as follows:

Capital Expenditure	**01 Jan. 2012-**	**01 Jan. 2011-**
	30 June 2012	**30 June 2011**
Turkey	1.159.492	2.734.259
İran	6.914.366	5.320.319
	8.073.858	**8.054.578**

Amortization/Depreciation expenses pertaining to department assets for the periods ending on 30 June 2012 and 30 Haziran 2011 are as follows:

Amortization / Depreciation	**01 Jan. 2012-**	**01 Jan. 2011-**
	30 June 2012	**30 June 2011**
Turkey	2.402.418	2.151.281
Iran	36.913.390	41.912.148
	39.315.808	**44.063.429**

Product based values of regional sales are given in Note 17.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

4. CASH AND CASH EQUIVALENT

	30 June 2012	31 December 2011
Cash	721.213	446.710
Received Checks	54.397	423.336
Banks- Demand deposits	22.369.039	7.746.025
Banks- Time deposits (< 3 months)	343.367.212	318.300.551
Government Bonds (Razi)	584.800	671.200
Other Liquid Assets	145.470	122.900
Cash and Cash Equivalent	**367.242.131**	**327.710.722**

The maturities of time deposits as of 30 June 2012 and 31 December 2011 are shorter than 3 months; their values assessed according to effective interest method are as follows:

Time Deposits: TL						
Interest Rate (%)	**Maturity**			**30 June 2012**		**31 December 2011**
3,25	July'2012			1.700.000		-
Toplam				**1.700.000**		**-**
Time Deposits: Currency						
			30 June 2012		**31 December 2011**	
Interest Rate (%)	**Maturity**	**Foreign Currency**	**Amount**	**Amount in TL**	**Amount**	**Amount in TL**
0,5 - Libor + 0,5	July'2012	EUR	663.949	1.509.953	2.138.252	5.225.460
6,00 - 9,00	July'2012	Mil. IRR	405.292	54.092.977	215.269	36.122.138
3,05 - 5,40	July'2012	USD	158.352.772	286.064.282	142.985.949	270.086.160
5,80	July'2012	EUR			2.809.883	6.866.793
Total				**341.667.212**		**318.300.551**
				343.367.212		**318.300.551**

<u>**Government Bonds**</u>

	30 June 2012		31 December 2011	
Currency	**Amount**	**Amount in TL**	**Amount**	**Amount in TL**
Mil. IRR	4.000	584.800	4.000	671.200
		584.800		**671.200**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

5. FINANCIAL INVESTMENTS

Short Term Financial Investments

Details of short term financial investments as of 30 June 2012 and 31 December 2011 are shown below:

Fair value difference profit / loss reflected Financial Assets	30 June 2012	31 December 2011
Private sector bonds and bills	37.171.173	-
Total	**37.171.173**	-

Long Term Financial Investments

Financial Assets Ready for Sale		30 June 2012		31 December 2011	
Title	Subject of Activity	Share (%)	Amount of Participation	Share (%)	Amount of Participation
İmece Prefabrik Yapı Tarım Makineleri Temizlik ve Güvenlik Hiz. San. Tic. A.Ş	Steel, Container, Tower, Crane and Spare part Manifacture	15,00	2.013.888	15,00	2.013.888
Tarnet Tarım Kredi Bilişim ve İletişim Hiz. A.Ş	Internet Service Provider etc	17,00	523.627	17,00	523.627
Tareksav	Agricultural Credit Cooperative Education Foundation		200.000		200.000
Total			**2.737.515**		**2.737.515**

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

6. FINANCIAL PAYABLES

	30 June 2012	31 December 2011
Short Term Bank Credits (Gübretaş)	247.234.069	219.984.857
Short Term Bank Credits (Tabosan)	-	13.416.977
Other Financial Payables (Razi)	227.851.530	236.977.396
Total Short Term Financial Payables	**475.085.599**	**470.379.230**
Long Term Bank Credits (Gübretaş)	20.215.087	32.583.977
Long Term Bank Credits (Tabosan)	-	17.612.226
Other Financial Payables (Razi)	30.402.729	49.090.897
Total Long Term Financial Payables	**50.617.816**	**99.287.100**

Short Term Financial Payables

Bank Credits			30 June 2012		31 December 2011	
Interest Rate (%)	Maturity	Foreign Currency	Amount	Amount in TL	Amount	Amount in TL
3,13-8,00	April 2012	EUR			9.856.667	24.087.723
5,95	January 2012	USD			10.181.628	19.232.078
12,20-16,00	January 2012 - July 2012	TL			-	176.665.056
2,40-8,16	October 2012	EUR	9.492.523	21.587.894		
5,15-6,60	July 2012 - September 2012	USD	34.431.816	62.201.075		
11,91-14,45	July 2012	TL	-	163.445.100		
Total				**247.234.069**	-	**219.984.857**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

6. FINANCIAL PAYABLES (Cont.)

Short Term Financial Payables

Other Financial Payables (*)			30 June 2012		31 December 2011	
Interest Rate (%)	Maturity	Foreign Currency	Amount	Amount in TL	Amount	Amount in TL
Libor+0,5	July 2012	EUR	80.564.544	183.219.887	77.118.856	188.463.060
16	July 2012	Milyon IRR	305.278	44.631.643	289.120	48.514.336
Total				**227.851.530**		**236.977.396**

Tabosan bank credits - short term			30 June 2012		31 December 2011	
Interest Rate (%)	Maturity	Foreign Currency	Amount	Amount in TL	Amount	Amount in TL
8,00	Ekim 2012	EUR	-	-	5.490.211	13.416.977
Total				-		**13.416.977**

Long Term Financial Payables

Bank Credits			30 June 2012		31 December 2011	
Interest Rate (%)	Maturity	Foreign Currency	Amount	Amount in TL	Amount	Amount in TL
2,99-8	April 2014	EUR	8.888.878	20.215.087	13.333.324	32.583.977
Total				**20.215.087**		**32.583.977**

Other Financial Payables (*)			30 June 2012		31 December 2011	
Interest Rate (%)	Maturity	Foreign Currency	Amount	Amount in TL	Amount	Amount in TL
Libor+0,5	Mart 2014	EUR	13.368.538	30.402.729	20.087.936	49.090.897
Total				**30.402.729**		**49.090.897**

Tabosan bank credits - long term			30 Haziran 2012		31 Aralık 2011	
Interest Rate (%)	Maturity	Foreign Currency	Amount	Amount in TL	Amount	Amount in TL
8,00	Nisan 2014	EUR	-	-	7.206.901	17.612.226
Total				**-**		**17.612.226**

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

Group alienates its receivables from Central Union of Turkish Agricultural Credit Cooperative as security for its long term credits.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

7. TRADE RECEIVABLES AND PAYABLES

Trade receivables

Short Term Trade Receivables

	30 June 2012	31 December 2011
Trade receivables	257.653.516	257.157.062
Trade receivables from related parties (Note 21)	120.102.100	228.271.654
Note receivable	-	1.440.420
Receivables from National Petrochemical Company ("NPC") (Razi)	75.434.960	87.928.375
Provisions for doubtful trade receivables	(288.224)	(288.224)
Short Term Trade Receivables	**452.902.352**	**574.509.287**

The details of transactions related to related parties are given in Footnote 21.

Guarantees related to undue receivables

	30 June 2012	31 December 2011
Letters of Guarantee	160.272.523	144.018.416
Collateral Checks /Notes	425.000	1.092.709
Total Amount	**160.697.523**	**145.111.125**

Analysis of the receivables which are overdue and impaired:

The company 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 data of the company regarding the doubtful receivables and allowances allocated regarding these receivables are as follows:

Doubtful Receivables

Overdue following the maturity	30 June 2012	31 December 2011
Between 0 – 3 months	-	-
More than 9 months	288.224	288.224
Total	**288.224**	**288.224**

Provision for doubtful receivables

	30 June 2012	31 December 2011
Opening balance	288.224	334.101
Expenses in period	-	-
Collection/adjusting in period	-	(45.877)
Closing balance	**288.224**	**288.224**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

7. TRADE RECEIVABLES AND PAYABLES (Cont.)

Trade Payables

	30 June 2012	31 December 2011
Suppliers (Gübretaş)	281.026.153	510.351.217
Suppliers (Razi)	126.973.092	123.087.676
Payables to related parties (Note 21)	2.803.356	6.587.996
Payables to NPC (Razi)	127.723.829	146.581.858
Other Trade Payables	7.767.836	12.454.212
Short Term Trade Payables	**546.294.266**	**799.062.959**

8. OTHER RECEIVABLES AND PAYABLES

Other Short Term Receivables

	30 June 2012	31 December 2011
Receivables from Razi (From Minority Shares) (*)	1.034.219	106.360.030
Other Various Receivables (Tabosan) (**)	33.212.564	37.785.597
Tax Receivables (Razi)	14.107.422	12.910.399
Other Various Receivables	9.356.605	6.251.106
Blocked Bank Account	-	3.886.695
Receivables from staff	3.741.966	2.730.992
Other Short Term Receivables	**61.452.777**	**169.924.819**

(*) Amount of Razi's receivables paid to Iranian Privatization Organization on behalf of minority shares, and also owed amount of minority shares

(**) Tabosan Mühendislik İmalat ve Montaj A.Ş. ("Tabosan") which is among consortium partners and bought Razi shares of the group together made application to the court with delay demand and the court rejected the demand and decided transferring of all operations to bankruptcy assets by constituting bankruptcy asset. Group Management demanded equal Tabosan's shares of Razi for paid amount from administration of bankruptcy. . Group became guarantor for Tabosan as consecutively for Tabosan to the banks which finance is provided during purchase of Razi shares. It paid the credit maturity which is amount of 33.212.564 TL and which must be paid by Tabosan under this guarantor with guarantor name. Group accounted this amount in other receivables. Group management, did not reserve any equivalent in this stage in the current period in relation to this receivable, according to protocol which it made during share purchase of Tabosan and Razi shares, by taking into account the purchase right on unit share value which are bought as first for the shares which Tabosan have and hypothecs and guarantees which will be transferred to it by the bank.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

8. OTHER RECEIVABLES AND PAYABLES (Cont.)

Other Long Term Receivables

	30 June 2012	31 December 2011
Given deposits and guarantees	2.466.287	2.821.077
Receivables from staff (*)	16.287.557	19.125.676
Other Long Term Receivables	**18.753.844**	**21.946.753**

(*) Long term receivables from staff are aids for Personal home ownership.

Other Short Term Payables

	30 June 2012	2011
Payables to Iranian Privatization Org. (*)	88.067.872	101.373.237
Advances taken	13.830.959	16.446.845
Dividend payables to Minority Shares	21.995.190	-
Payables to the staff	12.607.158	12.287.905
Other Payables and Liabilities	4.971.090	4.801.944
Payable Taxes, Funds and Other Liabilities	1.527.144	1.256.075
Other Short Term Payables	**142.999.413**	**136.166.006**

Other Long Term Payables

	30 June 2012	31 December 2011
Payables to Iranian Privatization Org. (*)	-	40.754.944
Other Long Term Payables	**-**	**40.754.944**

(*) In 2008, the consortium, also including the company, participated in the tender the Iranian Privatization Administration and purchased the shares of the Razi Petrochemical Co. Twenty percent of the sales price was paid in advance and the balance is being paid in six monthly equal installments. As of 30 June 2012, a sum of 88.076.872 TL is shown in short term trade payables. (31 December 2011: 101.373.237 TL)

9. INVENTORIES

	30 June 2012	31 December 2011
Raw Materials	147.907.787	165.920.539
Finished Goods	64.248.021	109.003.178
Commodities	120.859.033	243.964.456
Other Inventories	16.700.357	15.968.731
Total	**349.715.198**	**534.856.904**

Group carried out net realisable value analysis for inventories and regarding to conclusion of this analysis there is no provision for inventory losses in current period. (2011: None).

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

10. INVESTMENTS VALUED BY EQUITY METHOD

Subsidiaries' net asset amounts taking place in balance sheet, which are accounted by equity method, are as follows:

	Negmar Denizcilik Yatırım A.Ş.		Tarkim Bitki Koruma San.Tic.A.Ş.	
	30 June 2012	31 December 2011	30 June 2012	1 December 2011
Total Assets	13.738.691	23.680.515	23.600.237	18.935.059
Total Liabilities	169.327.410	116.875.848	5.434.204	6.713.581
Total Assets	**183.066.101**	**140.556.363**	**29.034.441**	**25.648.640**
Other Short Term Liabilities	72.358.800	45.659.316	11.380.243	9.248.820
Other Long Term Liabilities	107.664.070	83.942.557	-	-
Equities	3.043.231	10.954.490	17.654.198	16.399.820
Total Liabilities	**183.066.101**	**140.556.363**	**29.034.441**	**25.648.640**

	Negmar Denizcilik Yatırım A.Ş.		Tarkim Bitki Koruma San.Tic.A.Ş.	
	30 June 2012	31 December 2011	30 June 2012	1 December 2011
Net Sales	85.325.866	183.849.262	16.583.927	16.450.840
Net profit / loss	(13.428.138)	(9.252.821)	1.292.156	560.281

Subsidiaries' net asset amounts taking place in balance sheet, which are accounted by equity method, are as follows:

	30 June 2012	31 December 2011
Negmar Denizcilik Yatırm A.Ş.	1.217.293	4.381.796
Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş.	7.061.679	6.559.928
Total	**8.278.972**	**10.941.724**

Effects of subsidiaries accounted by equity method on activity results of the period are as follows

	30 June 2012	30 June 2011
Negmar Denizcilik Yatırım A.Ş	(3.164.503)	(1.863.477)
Tarkim Bitki Koruma San.Tic.A.Ş	501.751	357.230
Total	**(2.662.752)**	**(1.506.247)**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

11. INVESTMENT PROPERTIES

Group's properties including lands, buildings, port and warehouses at İskenderun Sarıseki leased for 25 years to Denizciler Birliği Deniz Nakliyatı ve Ticaret Anonim Şirketi regarding to agreement signed on 30.04.2007. Afterwards leasing agreement increased to 30 years with collateral contract. Neither we nor our Group Companies have no association with Denizciler Birliği Deniz Nakliyatı ve Ticaret Anonim Şirketi. But regarding to our transfer of operating rights handling job activities (like ship discharge, interval transport to warehouse, storage,bagging, entruck etc.) in İskenderun Facilities outsourced to Denizciler Birliği. (Footnote: 15)

The fair value of investment properties of Group on 30 June 2012, was obtained through an assessment made in June 2011 by Yetkin Real Estate Assessment and Consulting Inc. Co. which has no relation with Group and is an independent appraisal company. Appraisal Company is an independent appraisal company which has been authorized by Capital Markets Board

As of balance sheet date, there is no restriction about salability of investment properties and no liabilities arising from purchasing, constructing or improving, maintenance, repair or rehabilitation contracts.

	30 June 2012			30 June 2011		
	Lands and Parcels	Buildings	Total	Lands and Parcels	Buildings	Total
Net Value at the beginning of period	51.530.000	10.219.595	**61.749.595**	50.340.000	9.829.595	**60.169.595**
Rise in fair value	-	-	**-**	1.190.000	390.000	**1.580.000**
Net Value at the end of period	**51.530.000**	**10.219.595**	**61.749.595**	**51.530.000**	**10.219.595**	**61.749.595**

The Company had lease income amounting to 895.466 TL from its investment properties and 256.291 TL due to yield contract with Denizciler Birliği in the period ending on the date of 30 June 2012, and paid no maintenance cost. (31 June 2011:792.166TL lease income, 258.618 TL contract yield)

12. TANGIBLE FIXED ASSETS

The depreciation cost and amortization of the company is 39.315.808 TL as of 30 June 2012, and details are given below.

	Gübretaş	Razi	Total	
Amortization Cost	2.348.197	36.913.390	39.261.587	
Depreciation Cost	54.221	-	54.221	
Total Amount	**2.402.418**	**36.913.390**	**39.315.808**	

Out of the total of 39.315.808 TL depreciation and amortization costs; 37.657.827 TL have been included in General Production Costs, 392.000 TL in Sales and Marketing Costs, 1.052.895 TL in General Administrative Costs, and 213.086 TL remained in inventories.

30 June 2011: Out of the total of 44.063.429 TL depreciation and amortization costs; 42.581.499 TL have been included in General Production Costs, 337.550 TL in Sales and Marketing Costs, 974.492 TL in General Management Costs, and 169.888 TL remained in inventories.)

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 2012 and 31 December 2011.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

12. TANGIBLE FIXED ASSETS (Cont.)

	Land	Surface and Underground	Buildings	Facility, Machinery and Devices	Vehicles	Fixtures	Special Costs	Ongoing Investments	Total
Cost Value									
Opening balance on 1 January 2012	**112.881.326**	**12.019.576**	**137.425.917**	**1.264.580.033**	**9.019.933**	**13.076.256**	**-**	**40.751.084**	**1.589.754.125**
Translation differences	(467.489)	-	(6.571.260)	(155.714.119)	(918.301)	(1.340.515)	-	(4.958.561)	**(169.970.246)**
Purchases	-	421.296	1.056.801	702.253	170.310	625.697	190.892	4.906.608	**8.073.858**
Sales	-	-	(103.363)	(27.433)	(671.927)	(197.999)	-	-	**(1.000.722)**
Closing Balance on 30 June 2012	**112.413.837**	**12.440.872**	**131.808.095**	**1.109.540.734**	**7.600.015**	**12.163.439**	**190.892**	**40.699.131**	**1.426.857.015**
Accrued depreciation									
Opening balance on 1 January 2012	**-**	**(9.259.200)**	**(83.474.195)**	**(606.750.294)**	**(6.160.941)**	**(7.611.336)**	**-**	**-**	**(713.255.967)**
Translation differences	-	-	3.624.040	71.755.593	698.854	697.896	-	-	**76.776.383**
Expenses for the period	-	(139.902)	(2.360.465)	(35.814.266)	(324.488)	(575.624)	(46.843)	-	**(39.261.587)**
Sales / Cancellation	-	-	33.334	27.433	648.603	187.368	-	-	**896.737**
Closing Balance on 30 June 2012	**-**	**(9.399.102)**	**(82.177.286)**	**(570.781.534)**	**(5.137.972)**	**(7.301.696)**	**(46.843)**	**-**	**(674.844.432)**
Net value on 30 June 2012	**112.413.837**	**3.041.770**	**49.630.809**	**538.759.200**	**2.462.043**	**4.861.743**	**144.049**	**40.699.131**	**752.012.582**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

12. TANGIBLE FIXED ASSETS (Cont.)

	Land	Surface and Underground Improvement	Buildings	Facility, Machinery and Devices	Vehicles	Fixtures	Ongoing Investments	Total
Opening Balance on 1 Jan. 2011	**105.296.758**	**9.857.738**	**118.557.977**	**1.118.913.890**	**7.213.505**	**10.934.378**	**14.676.484**	**1.385.450.730**
Translation Differences	73.586	-	1.014.703	24.447.710	131.940	198.676	332.394	26.199.009
Revaluation Differences (*)	4.843.630	-	12.003.320	-	-	-	-	16.846.950
Purchases	-	38.494	165.597	800.967	268.874	282.923	6.497.723	8.054.578
Sales	-	-	(3.275.430)	(77.224)	(59.773)	(374.236)	-	(3.786.663)
Closing Balance on 30 June 2011	**110.213.974**	**9.896.232**	**128.466.167**	**1.144.085.343**	**7.554.546**	**11.041.741**	**21.506.601**	**1.432.764.604**
Accured Depreciation								
Opening Balance on 1 Jan. 2011	**-**	**(9.095.976)**	**(68.699.473)**	**(459.702.370)**	**(4.913.609)**	**(6.009.373)**	**-**	**(548.420.801)**
Translation Differences	-	-	(578.269)	(10.547.005)	(105.749)	(123.624)	-	(11.354.647)
Revaluation Differences (*)	-	-	(7.807.033)	-	-	-	-	(7.807.033)
Expenses for the period	-	(57.600)	(2.216.845)	(40.758.831)	(303.200)	(670.175)	-	(44.006.651)
Sales / Cancellation	-	-	847.036	38.384	44.593	374.950	-	1.304.963
Closing Balance on 30 June 2011		**(9.153.576)**	**(78.454.584)**	**(510.969.822)**	**(5.277.965)**	**(6.428.222)**	**-**	**(610.284.169)**
Net Value as of 30 June 2011	**110.213.974**	**742.656**	**50.011.583**	**633.115.521**	**2.276.581**	**4.613.519**	**21.506.601**	**822.480.435**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

13. INTANGIBLE FIXED ASSETS

Rights	30 June 2012	30 June 2011
Opening Balance on 1 January	362.523	213.292
Purchases	146.871	8.730
Closing Balance on 30 June	**509.394**	**222.022**
Accured Depreciation		
Opening Balance on 1 January	(92.192)	(23.050)
Amortization expenses for current period	(54.221)	(56.778)
Closing Balance on 30 June	**(146.413)**	**(79.828)**
Net Book Value	**362.981**	**142.194**

14. GOODWILL

	Goodwill	
Amount as of 31 December 2010	246.672.361	
Conversation difference	32.811.921	
Amount as of 31 December 2011	279.484.282	
Conversation difference	(35.976.523)	
Amount as of 31 June 2012	243.507.759	

15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Debt Provisions

Short Term Debt Provision

	30 June 2012	31 December 2011	
Provisions for Expense Accurals	54.908.866	61.350.197	
Provisions for Lawsuit and other debts	1.897.552	1.712.780	
Other short term liabilities	**56.806.418**	**63.062.977**	

Lawsuit Provision;

	30 June 2012	
As of 1 January 2012	1.712.780	
Additional / Provision Cancellation	184.772	
As of 30 June 2012	1.897.552	

The total lawsuit amount commenced against the group is 7.705.919 TL in the current period. (31 December 2011: 7.521.147 TL). In the current period, a lawsuit was commenced by the Maritime Affairs Union Marine Transport and Trade Joint Stock Company against the Group related to the 5.808.367 TL profit loss. The Group management has not provided a Provision in the consolidated financial tables by taking the uncertainties related to this lawsuit into consideration as a result of the legal negotiations it made, 1.897.552 TL (31 December 2011: 1.712.780 TL) of provision was made related to other lawsuits.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont.)

Assurance- Pledge-Hypothecs ("APH")

As from 30 June 2012 and 31 December 2011, the tables related to the Group's tables related to Assurance- Pledge-Hypothecs position are as follows:

	30 June 2012			31 December 2011		
APH Given by the Company	Currency	Currency Amount	Amount in TL	Currency	Currency Amount	Amount in TL
A. Total amount of APH's given for own legal entity (Assurance)	TL		7.140.801	TL		6.343.272
	EUR	17.777.770	40.430.205	EUR	35.319.912	86.314.800
B. Total amount of APH's given for the partnerships included to full consolidation	-	-	-	-	-	-
C. APH given for guaranteeing the debts of other 3rd parties for the performance of ordinary business activities (*) (**)	USD	37.078.700	66.982.672	USD	22.236.270	42.002.090
	EUR	10.023.843	22.796.224	EUR	12.003.045	29.333.041
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 C	-	-	-	-	-	-
Total			**137.349.902**			**163.993.203**

(*) The amount of joint and several guarantee issued by the Group on behalf of the consortium partners for the acquisition of Razi is 20.215.091 TL (2011: 27.153.316 TL).

There is no other APH given by the Group. (31 December 2011: None).

15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont.)

Contingent Liabilities

Natural gas expenses which are a significant part of manufacturing costs in Razi Petrochemical Co.'nun ("Razi") are invoiced by Iran National Petroleum Company ("NIOC"). Every march NIOC decides on the gas prices for that year. On 21 March 2010, NIOC have decided that the price of natural gas will ve fifteen times the previous year's price. Razi has objected to this price increase and have not recognized the additional TRY 117 Million liability in the previous period. As of balance sheet date conflict continues. Hence this progress continues and there is possibility for cash outflow about this liability, Group did not account any provision for this amount. . On 19 December 2010 the natural gas prices have been reassessed and the new gas price has been set at seven times the previous year's price. All natural gas expenses are invoiced based on the new price since 19 December 2010.

Iran Tax Authority has performed tax assessments for the tax filings of Razi for the years ended in 2006, 2007, 2008 and 2009. 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 TRY 67 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 on Iran by United Nations may have an effect on the operations of the subsidiary of the Group. The economic stability of the Iran depends on the measures that will be taken by the government and the outcome of the legal, administrative and political processes. These processes are beyond the control of the companies established in the country. Consequently, the entities operating within Iran must consider risks that may not necessarily be observable in other markets. These consolidated financial statements contain the Group management's estimations on the economic and financial positions of its subsidiaries and affiliates operating in Iran. The future economic situation of Iran might differ from the Group's expectations.

İskenderun State Treasury Office ("Treasury") has filed a lawsuit against the Group in 2011 for the cancellation of its title deed and demanded enforced evacuation of Group's 79.350 m2 property located in the Sarıseki province of İskenderun within the city of Hatay claiming that the property is within the shoreline. The net book value of the property is TRY 61.749.595 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 considering the uncertainty of the outcome.

Tabosan Mühendislik İmalat ve Montaj A.Ş. ("Tabosan") which is among consortium partners and bought Razi shares of the group together made application to the court with delay demand and the court rejected the demand and decided transferring of all operations to bankruptcy assets by constituting bankruptcy asset. Group Management demanded transfer of shares of Razi for equal payment to bankruptcy administration. Group became guarantor for Tabosan as consecutively for Tabosan to the banks which finance is provided during purchase of Razi shares. It paid the credit maturity which is amount of 33.212 564 TL and which must be paid by Tabosan. And the amount accounted as other short term receivables.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont.)

Contingent Liabilities (Cont.)

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. The market exchange rate is 61% more than the fixed exchange rate as at the balance sheet date. Central Bank of Republic of Turkey use the fixed exchange rate when determining the indicative Turkish Lira and Iranian Riyal exchange rate. 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 Central Bank of Iran Islam Republic and Central Bank of Republic of Turkey.

16. COMMITMENTS

Razis' Share Purchase

Regarding to Razis' purchase agreement, all shares of Razi are put in pledge by Iranian Privatization Organisation until Group and other consortium members pay all of debts. Group and consortium members have agreed that they have no right to make any implement or change within period of pledge. Moreover, Group and consortium members gave right to Iran Privatization Organisation for selling or taking over companys' shares without any condition if any contrary to the agreement like abusing companys' rights and harm to collection of its receivables happens, with an unsubmitted notarised letter of attorney. Group and consortium members have no right for changing articles of association of company, transffering and selling assets unless they pay all of debts or have written permission from Iranian Privatization Organization.

Forward Contracts

As of 30 June 2012, the company finalized 4 foreign currency purchasing contracts with financial institutions against currency exchange risk. The maturity date of the contracts was July 2012, and the total nominal value of contracts is US$ 25.000.000.

(As of 31 December 2011, the company finalized 10 foreign currency purchasing contracts with financial institutions against currency exchange risk. The maturity date of the contracts was January 2012, and the total nominal value of contracts is US$ 57.000.000.)

Operational Lease

The company has operational lease contracts amounting to a total of 34.895 TL (31 December 2011: 44.980 TL). The future payment terms and amounts belonging to these transactions, which completely belong to vehicle leasing, are as follows:

Year	TL
2012	20.645
2013	11.400
2014	2.850
Total	**34.895**

Purchasing Commitments

Group has US$ 1.031.005 accredited purchasing commitment as of 30 June 2012. (31 December 2011: US$ 19.813.700).

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

17. SALES AND COST OF SALES

Sales Income

	01.01.2012 30.06.2012	01.04.2012 30.06.2012	01.01.2011 30.06.2011	01.04.2011 30.06.2011
Domestic Sales	744.501.510	331.657.713	625.028.214	240.426.449
Overseas Sales	411.305.278	151.450.278	333.916.532	192.954.199
Sales Returns (-)	(207.776)	(203.638)	(275.535)	(70.004)
Sales Discounts (-)	(4.090.725)	(1.874.090)	(3.123.608)	(1.139.856)
Other discounts from sales (-)	(15.143.843)	(372.354)	(469.042)	(428.534)
Net Sales	**1.136.364.444**	**480.657.909**	**955.076.561**	**431.742.254**

Sales Amounts

		Unit	01.01.2012 30.06.2012	01.04.2012 30.06.2012	01.01.2011 30.06.2011	01.04.2011 30.06.2011
a)	**Gübre Fabrikaları T.A.Ş.**	**Unit**				
	TSP Triple Superphosphate	Ton	6.054	1.338	11.877	3.593
	NPK Compound Fertilizer	Ton	221.382	99.922	267.110	104.213
	Urea	Ton	145.634	67.882	147.222	48.631
	Ammonium Nitrate	Ton	181.500	65.475	140.061	35.808
	DAP	Ton	43.146	29.128	44.534	20.986
	Ammonium Sulphate	Ton	75.110	41.660	59.924	18.035
	CAN	Ton	151.791	44.786	122.331	26.073
	Potasium Sulphate	Ton	2.029	556	4.847	669
	Map	Ton	233	77	175	87
	Other	Ton	604	196	562	147
	Total		**827.483**	**351.020**	**798.643**	**258.242**
	Liquid Fertilizer	**Lt**	**1.065.329**	**494.061**	**725.270**	**274.682**
	Powder Fertilizer	**Kg**	**8.298.899**	**3.810.739**	**6.147.322**	**2.671.257**
			01.01.2012 30.06.2012	**01.04.2012 30.06.2012**	**01.01.2011 30.06.2011**	**01.04.2011 30.06.2011**
b)	**Razi Co.**	**Unit**				
	Sulphur	Ton	164.782	64.165	173.843	54.929
	Ammonia	Ton	247.477	68.051	345.522	177.181
	Sulphuric Acid	Ton	46.348	23.924	76.827	22.117
	Urea	Ton	202.939	65.940	209.561	144.639
	Dap	Ton	-	-	19.972	13.828
	Phosphoric Acid	Ton	1.586	171	-	
	Total		**663.132**	**222.251**	**825.725**	**412.694**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

17. SALES AND COST OF SALES (Cont.)

Cost of Sales (-)

	01.01.2012	01.04.2012	01.01.2011	01.04.2011
	30.06.2012	30.06.2012	30.06.2011	30.06.2011
Cost of Goods Produced	**369.133.737**	**161.491.504**	**386.919.046**	**207.051.706**
Change in the goods inventory	44.755.157	(11.828.564)	(22.889.771)	(849.670)
-Goods at the beginning of the period	109.003.178	52.419.457	31.336.899	53.377.000
- Goods at the end of the period	(64.248.021)	(64.248.021)	(54.226.670)	(54.226.670)
Cost of Goods Sold	**413.888.894**	**149.662.940**	**364.029.275**	**205.352.366**
- Merchandise inventories at the beginning of the period	243.964.456	128.148.330	96.325.038	69.613.511
-Purchases	424.847.717	268.659.693	285.760.920	88.769.142
- Merchandise inventories at the end of the period	(120.859.033)	(120.859.033)	(53.523.383)	(53.523.383)
Cost of Merchandise Sold	**547.953.140**	**275.948.990**	**328.562.575**	**104.859.270**
Cost of other sales	**1.179.205**	**1.043.646**	**281.413**	**196.441**
Total Cost of Sales	**963.021.239**	**426.655.576**	**692.873.263**	**310.408.077**

Production Amounts

			01.01.2012	01.04.2012	01.01.2011	01.04.2011
a)	**Gübre Fabrikaları T.A.Ş.**	**Unit**	**30.06.2012**	**30.06.2012**	**30.06.2011**	**30.06.2011**
	TSP Triple Superphosphate	Ton	52.840	29.600	55.020	28.480
	NKP Compound Fertilizer	Ton	161.059	87.118	197.656	94.354
	Total	**Ton**	**213.899**	**116.718**	**252.676**	**122.834**
	Liquid Fertilizer	Lt	827.233	392.409	493.382	204.034
	Powder Fertilizer	Kg	1.109.035	614.053	1.392.924	871.734
			01.01.2012	**01.04.2012**	**01.01.2011**	**01.04.2011**
b)	**Razi Co.**	**Unit**	**30.06.2012**	**30.06.2012**	**30.06.2011**	**30.06.2011**
	Sulphur	Ton	168.431	81.100	202.637	101.645
	Ammonia	Ton	371.861	131.013	491.226	251.085
	Sulphuric Acid	Ton	48.855	23.470	74.624	22.048
	Urea	Ton	149.638	49.803	229.333	118.113
	Dap	Ton	-	-	21.395	21.395
	Total	**Ton**	**738.785**	**285.386**	**1.019.215**	**514.286**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

18. FINANCIAL INCOMES

	01.01.2012 30.06.2012	01.04.2012 30.06.2012	01.01.2011 30.06.2011	01.04.2011 30.06.2011
Interest incomes	22.146.547	7.984.366	18.097.883	13.993.163
Foreign exchange profits	188.021.314	2.629.906	11.447.391	6.545.128
Sales delay interest	-	-	1.992.401	14.432
Other financial incomes	7.438.813	2.479.345	25.624	-
Total	**217.606.674**	**13.093.617**	**31.563.299**	**20.552.723**

19. FINANCIAL EXPENSES (-)

	01.01.2012 30.06.2012	01.04.2012 30.06.2012	01.01.2011 30.06.2011	01.04.2011 30.06.2011
Credit Interest and Foreign exchange difference costs (net)	25.779.576	5.783.116	29.374.108	10.681.807
Foreign exchange differences	47.455.380	(13.101.511)	59.060.567	43.615.192
Other interest costs	386.883	(2.189.225)	2.878.863	(468.638)
Purchase delay interest	4.825.452	2.181.118	4.412.605	671.076
Total	**78.447.291**	**(7.326.502)**	**95.726.143**	**54.499.437**

20. EARNINGS PER SHARE

The weighted average of the shares and profit per share calculations of the company as of 30 June 2012 and 30 June 2011 are as follows:

	30.06.2012	30.06.2011
Net Profit / (loss) of the period	61.909.045	27.124.751
Number of weighted average shares	83.500.000	83.500.000
Profit/ loss per share (TL)	**0,74143**	**0,32490**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

21. STATEMENTS OF RELATED PARTIES

Transactions realized with related parties within the period

Trade receivables and payables

Trade Receivables (Main Shareholder)	**30.06.2012**	**31.12.2011**
Central Union of Turkish Agricultural Credit Cooperatives	106.593.995	228.271.654
Total	**106.593.995**	**228.271.654**
Trade Payables (Affiliates)		
Negmar Denizcilik A.Ş.	13.508.105	-
Total	**13.508.105**	**-**
Trade Payables (Affiliates)		
Tarkim Bitki Koruma San.ve Tic.A.Ş.	37.795	47.259
Negmar Denizcilik A.Ş.	2.760.080	6.436.487
Tarnet A.Ş	5.481	104.250
Total	**2.803.356**	**6.587.996**

Average maturity of sales to Central Union of Turkish Agricultural Credit Cooperatives are 15 days. Hence there aren't any delays in collection of revenues, there aren't interest rate implemented. Other receivables are amount of Razi's receivables paid to Iranian Privatization Organization on behalf of minority shares, and also owed amount of minority shares

Sales – Purchases

Sales (Main Shareholder)	**Type**	**30.06.2012**	**30.06.2011**
Agricultural Credit Coop. Central Union	Goods	483.351.017	367.792.343
Sales (Subsidiaries)			
Tarkim Bitki Koruma San.ve Tic.A.Ş.	Goods	120.653	124.992
Total		**483.471.670**	**367.917.335**
Purchases (Subsidiaries)	**Cinsi**	**30.06.2012**	**30.06.2011**
Tarkim Bitki Koruma San.ve Tic.A.Ş.	Goods	172.509	244.122
Negmar Denizcilik A.Ş. And Subsidiaries (*)	Service	42.493.544	1.801.029
Tarnet A.Ş	Service	122.062	127.214
Total		**42.788.115**	**2.172.365**

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

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

21. STATEMENTS OF RELATED PARTIES (Cont.)

Benefits Provided to Top Management

The total benefits the company has provided to its top managers as of 31 June 2012 shown below table:

	30 June 2012		30 June 2011	
	Gübretaş	Razi	Gübretaş	Razi
Short term benefits to employees	596.108	723.939	584.360	614.257
Post employment benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Dismissal benefits	-	-	-	-
Stock based payments	-	-	-	-
Total	**596.108**	**723.939**	**584.360**	**614.257**

22. THE CHARACTERISTICS AND THE LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Receivables and payables of Razi which have been consolidated on Gübretaş financial statements and not been subjected to elimination are also indicated on foreign exchange position table.

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 2012 and 31 December 2011 is as follows;

22. THE CHARACTERISTICS AND THE LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)

Foreign Exchange Position

Current Period (30.06.2012)	In TL (Functional currency)	In US Dollar	EUR	Million IRR
1.Trade receivables	290.662.973	7.663.050	9.965.067	1.738.421
2a. Monetary financial assets (including cash, bank accounts)	402.630.524	189.387.052	1.406.068	391.964
2b.Non-monetary financial assets	-	-	-	-
3.Other	-	-	-	-
4.Current assets (1+2+3)	**693.293.497**	**197.050.102**	**11.371.135**	**2.130.385**
5. Trade receivables	18.718.614	-	-	128.034
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7.Other	-	-	-	-
8.Fixed assets (5+6+7)	**18.718.614**	**-**	**-**	**128.034**
9.Total assets (4+8)	**712.012.111**	**197.050.102**	**11.371.135**	**2.258.419**
10.Trade payables	661.170.004	151.436.775	1.293	2.651.139
11.Financial liabilities	311.640.501	34.431.816	90.057.067	305.278
12a.Monetary other liabilities	291.443	143.194	14.400	0
12b. Non-monetary other liabilities	-	-	-	-
13.Short term liabilities (10+11+12)	**973.101.948**	**186.011.785**	**90.072.760**	**2.956.417**
14. Trade payables	-	-	-	-
15. Financial liabilities	50.617.816	-	22.257.416	-
16a. Monetary other liabilities	-	-	-	-
16b. Non-monetary other liabilities	-	-	-	-
17. Long term liabilities (14+15+16)	**50.617.815**	**-**	**22.257.416**	**-**
18.Total liabilities (13+17)	**1.023.719.764**	**186.011.785**	**112.330.176**	**2.956.417**
19.Net Asset/ (liability) position of off-balance sheet derivative financial instruments over foreign currency (19a-19b)	**-**	**-**	**-**	**-**
19a. Amount of off-balance sheet derivative products having active character and over foreign currency	**45.162.500**	**25.000.000**	**-**	**-**
19b. Amount of off-balance sheet derivative products having passive character and over foreign currency	**45.162.500**	**25.000.000**	**-**	**-**
20. Net Foreign Exchange Asset/ (liability) Position (9-18+19)	**(311.707.653)**	**11.038.317**	**(100.959.041)**	**(697.998)**
21.Monetary items net foreign exchange asset/ (liability) position (IFRS 7.B23 (=1+2a+5+6a-10-11-12a-14-15-16a)	**(311.707.653)**	**11.038.317**	**(100.959.041)**	**(697.998)**
22.Total fair value of financial instruments used in foreign currency hedge	**-**	**-**	**-**	**-**
23.Amount of hedged portion of foreign currency assets	**-**	**-**	**-**	**-**
24. Amount of hedged portion of foreign currency liabilities	**-**	**-**	**-**	**-**
25.Export	**404.826.095**	**224.094.157**	**-**	**-**
26.Import	**326.879.927**	**179.484.245**	**1.161.568**	**-**

22. THE CHARACTERISTICS AND THE LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)

Foreign Exchange Position (Cont.)

Previous Period (31.12.2011)	In TL (Functional currency)	In US Dollar	EUR	Million IRR
1.Trade receivables	410.806.141	181.170	2.765.323	2.405.876
2a. Monetary financial assets (including cash, bank accounts)	358.009.527	143.861.540	17.801.764	254.860
2b.Non-monetary financial assets	-	-	-	-
3.Other	-	-	-	-
4.Current assets (1+2+3)	**768.815.668**	**144.042.710**	**20.567.087**	**2.660.736**
5. Trade receivables	21.915.519	-	-	130.605
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7.Other	-	-	-	-
8.Fixed assets (5+6+7)	**21.915.519**	**-**	**-**	**130.605**
9.Total assets (4+8)	**790.731.187**	**144.042.710**	**20.567.087**	**2.791.341**
10.Trade payables	808.721.717	264.377.903	711.497	1.833.132
11.Financial liabilities	413.967.225	10.000.000	75.733.853	1.251.489
12a.Monetary other liabilities	532.155	262.986	14.479	-
12b. Non-monetary other liabilities	-	-	-	-
13.Short term liabilities (10+11+12)	**1.223.221.097**	**274.640.889**	**76.459.829**	**3.084.621**
14. Trade payables	136.542.749	-	-	813.723
15. Financial liabilities	99.287.100	-	40.628.161	-
16a. Monetary other liabilities	-	-	-	-
16b. Non-monetary other liabilities	-	-	-	-
17. Long term liabilities (14+15+16)	**235.829.849**	**-**	**40.628.161**	**813.723**
18.Total liabilities (13+17)	**1.459.050.946**	**274.640.889**	**117.087.990**	**3.898.344**
19.Net Asset/ (liability) position of off-balance sheet derivative financial instruments over foreign currency (19a-19b)	**107.667.300**	**57.000.000**	**-**	**-**
19a. Amount of off-balance sheet derivative products having active character and over foreign currency	**107.667.300**	**57.000.000**	**-**	**-**
19b. Amount of off-balance sheet derivative products having passive character and over foreign currency	**-**	**-**	**-**	**-**
20. Net Foreign Exchange Asset/ (liability) Position (9-18+19)	**(560.652.459)**	**(73.598.179)**	**(96.520.903)**	**(1.107.003)**
21.Monetary items net foreign exchange asset/ (liability) position (IFRS 7.B23 (=1+2a+5+6a-10-11-12a-14-15-16a)	**(432.940.215)**	**(73.598.179)**	**(96.520.903)**	**(345.905)**
22.Total fair value of financial instruments used in foreign currency hedge	**-**	**-**	**-**	**-**
23.Amount of hedged portion of foreign currency assets	**-**	**-**	**-**	**-**
24. Amount of hedged portion of foreign currency liabilities	**-**	**-**	**-**	**-**
25.Export	**942.390.210**	**489.787.165**	**7.051.000**	**-**
26.Import	**1.004.600.522**	**531.844.206**	**-**	**-**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise stated.)

22. THE CHARACTERISTICS AND THE LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)

Gübretaş's and fully consolidated Razi's assets and liabilities, which are in foreign exchange other than TL that is reporting currency unit, have been evaluated in foreign exchange and indicated in the tables.

In the years ending on 30 June 2012 and 31 December 2011, in case there is a (+)/(-)10% change in foreign exchange rates when the other variables are kept fixed according to the net foreign exchange position on the balance sheet of the company, the change on the pre-tax profit is as follows:

Foreign Exchange Rate Sensitivity Analysis Table

	Current Period (30.06.2012)		Previous Period (31.12.2011)	
	Profit / Loss		Profit / Loss	
	Foreign Currency Appreciates	Foreign Currency Depreciates	Foreign Currency Appreciates	Foreign Currency Depreciates
In case US Dollar currency appreciates/ depreciates by 10 percent:				
1- Net asset/liability of US dollar	1.994.072	(1.994.072)	(13.901.960)	13.901.960
2- Value secured against US dollar (-)			-	-
3- Net Effect of US dollar (1+2)	**1.994.072**	**(1.994.072)**	**(13.901.960)**	**13.901.960**
In case Euro currency appreciates/ depreciates by 10 percent:				
4- Net asset/liability of Euro	(22.960.105)	22.960.105	(23.587.778)	23.587.778
5- Value secured against Euro (-)			-	-
6- Net Effect of Euro (4+5)	**(22.960.105)**	**22.960.105**	**(23.587.778)**	**23.587.778**
In case Iranian Riyal currency appreciates/depreciates by 10 percent:				
7- Net asset/liability of Iranian Riyal	(10.204.732)	10.204.732	(18.575.512)	18.575.512
8- Value secured against Iranian Riyal (-)	-	-	-	-
9- Net Effect of Iranian Riyal (7+8)	**(10.204.732)**	**10.204.732**	**(18.575.512)**	**18.575.512**
10- Net effect of other foreign currencies				**-**
TOTAL (3+6+9+10)	**(31.170.765)**	**31.170.765**	**(56.065.250)**	**56.065.250**

In addition to the analysis above, as elaborative explained in Note 2, indicator Exchange rates from Iran Islamic Republic Central Bank and Central Bank of the Republic of Turkey were used in consolidated financial statements. If Iran Islamic Republic's US$ / IRR rate and its steady Turkey's TL/US$ were used instead as of balance sheet date, with fair re-calculated TL/IRR, parent company net profit would be 8 million TL lower and translation would be approximate 143 million TL lower.

23. EVENTS AFTER BALANCE SHEET DATE

On July 20, 2012 Razi signed an agreement for transfer of 87,5% shares of Arya Phosphoric Jonoob, residant in same region, has been operating since 2010 and has 116.000 tonnes/year production capacity, with amount of US$ 15.500.000. Stock transfer realized on August 25, 2012.