



**2015 3rd QUARTER
OPERATING REVIEW
REPORT**

**GÜBRE FABRİKALARI TÜRK A. Ş.
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I. INTRODUCTION

A. REPORTING PERIOD

01.01.2015 - 30.09.2015

B. CORPORATE'S NAME

Gübre Fabrikaları Türk Anonim Şirketi (Gübretaş)

C. BOARD OF DIRECTORS

Title	Name	Date of appointment
Chairman	İrfan GÜVENDİ	17.12.2014
Vice Chairman	Kazım ÇALIŞKAN	28.05.2015
Member	Selahattin AYDOĞAN	30.12.2014
Member	Adem DANIŞIK	05.01.2015
Member	Veli ALTUNKAŞ	05.01.2015
Executive Member	Şükrü KUTLU	23.02.2015
Independent Member	Prof. Dr. Nuh BOYRAZ	16.04.2015
Independent Member	Av. Dr. Cahit SULUK	16.04.2015
Independent Member	Hasan SEZER	16.04.2015

Members of the Board of Directors resigning during the period:

Title	Name	Date of Appointment	Date of Completion
Member	Mustafa ÇIRAK	16.04.2014	05.01.2015
Member	İshak GÜNDÜZ	16.04.2014	05.01.2015
Member	Dr. Erol DEMİR	10.04.2009	19.01.2015
Executive Member	Osman BALTA	01.02.2012	31.01.2015
Independent Member	Prof. Dr. Lokman DELİBAŞ	26.04.2012	16.04.2015
Independent Member	Mustafa Fevzi YÜKSEL	16.04.2014	16.04.2015
Independent Member	Aydın BEDİR	16.04.2014	16.04.2015
Member	Kamil Kenan YENİCE	16.04.2015	28.05.2015

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

D. TOP MANAGEMENT

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

E. CAPITAL STRUCTURE

As of 30.09.2015 registered capital of the company is 1.000.000.000 TRY and paid capital is 334.000.000 TRY.

Tablo 1 : CAPITAL STRUCTURE

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

F. AFFILIATES AND SUBSIDIARIES

Table 2 : SUBSIDIARIES

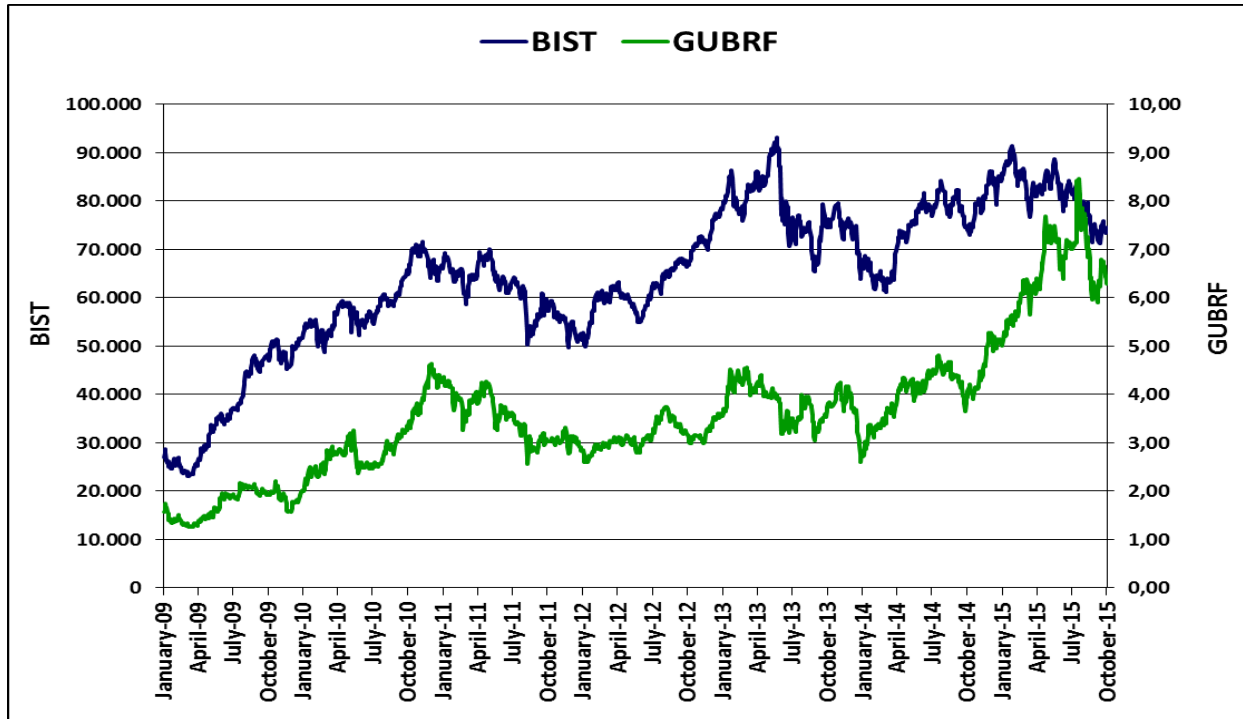
Company Name	Share %	Share Amount -TRY
Razi Petrochemical Co.	48,88	424.807.554

Table 3 : AFFILIATES

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

G. PERFORMANCE OF THE STOCK

Graph 1 : PERFORMANCE OF THE STOCK



II. TURKISH FERTILIZER INDUSTRY

A. PRODUCTION

Fertilizer production was 2.714.806 tons in the first nine months of 2014, it increased to 2.801.258 tons in the first nine months of 2015. Compound fertilizers' production corresponded to 45,98 % of total production.

Table 4 : SECTOR PRODUCTION BY PRODUCT-TON

PRODUCT	2015/9	2014/9	Change
COMPOUND	1.287.930	1.137.278	13,25%
CAN	415.448	522.793	-20,53%
AN	367.604	389.308	-5,58%
UREA	324.992	238.285	36,39%
AS	72.472	87.062	-16,76%
DAP	226.673	254.621	-10,98%
TSP	106.140	85.460	24,20%
TOTAL	2.801.258	2.714.807	3,18%

B. SALES

According to 2015 3rd quarter data, fertilizer consumption was 4.484.268 tons recording a 10,23 % increase while in the same period of the previous year, it was 4.068.040 tons.

As of September 30, 2015 exports decreased by 33,72 % to 153.341 tons and imports increased by 1,69 % to 2.042.845 tons.

Table 5: SECTOR SALES BY PRODUCT

PRODUCT	2015/9	2014/9	Change
COMPOUND	1.338.105	1.139.251	17,45%
UREA	967.003	820.018	17,92%
AN	806.797	746.811	8,03%
CAN	550.226	567.012	-2,96%
AS	430.618	378.896	13,65%
DAP	345.812	370.738	-6,72%
OTHER	45.707	45.314	0,87%
TOTAL	4.484.268	4.068.040	10,23%

III. GÜBRE FABRİKALARI T.A.Ş. ACTIVITIES

A. PRODUCTION

Gübretaş produced 106.140 tons of TSP and 402.809 tons of compound fertilizers totaling 508.949 tons in the first nine months of 2015. In addition, 5.578 tons of liquid and powder fertilizers were produced.

Solid fertilizer production increased by 35,68% and liquid-powder production increased by 10,24% in 2015 compared to 2014. Total fertilizer production including solid, liquid and powder also increased by 35,34%.

Some of the produced products were used as raw material in the production process. Capacity utilisation rate was 72,52% in the first nine months of 2015.

Table 6 : PRODUCTION BY PRODUCT-TON

Production	2015/9	2014/9	Change
Solid Fertilizer	508.949	375.121	35,68%
Liquid and Powder Fertilizer	5.578	5.060	10,24%
GRAND TOTAL	514.527	380.181	35,34%

B. SALES AND PURCHASES

Our Company sold 1.312.046 tons of solid, 14.750 tons of liquid and powder fertilizers in the first nine months of 2015. In the first three quarter of 2014, 1.228.838 tons of solid, 13.803 tons of liquid and powder fertilizers were sold.

Moreover our sales increased by 6,77% and our market share in the first nine months of 2015 was 29,28% while it was 30,20% in the same period of the previous year.

The volume of purchases was 1.089.247 tons in the first nine months of 2014, and it increased by 6,57% to 1.160.757 tons in the first three quarter of 2015.

Export has been 1.775 tons in the first nine months of 2015, while it was 2.005 tons in the same period of 2014.

Table 7 : SALES, IMPORT AND DOMESTIC PURCHASES-TON

	2015/9	2014/9	Change
Domestic Purchases	91.111	144.923	-37,13%
Import	1.069.646	944.324	13,27%
Total Purchases	1.160.757	1.089.247	6,57%
Sales	1.326.796	1.242.641	6,77%

Table 8 : SALES BY PRODUCT GROUPS-TON

Solid Chemical Fertilizer	2015/9	2014/9	Change
COMPOUND	508.535	421.212	20,73%
AN	194.704	186.819	4,22%
UREA	241.215	228.133	5,73%
CAN	110.866	149.843	-26,01%
AS	97.737	78.321	24,79%
DAP	155.363	161.562	-3,84%
Other	3.626	2.948	23,00%
Total Solid Fertilizer	1.312.046	1.228.838	6,77%
Total Liquid and Powder Fertilizer	14.750	13.803	6,86%
Grand Total	1.326.796	1.242.641	6,77%

C. INVESTMENTS

Our Company made 37.343.763 TRY of investment in the first nine months of 2015.

D. ADMINISTRATIVE ACTIVITIES

Number of Personnel

Our number of personnel increased by 6,59% to 453 persons in the first nine months of 2015.

Training Activities

Training activities are aimed at developing managerial, personal and professional capabilities of the staff. Education activities of 2.403 hours with participation of 100 employees were carried out in the first nine months of 2015.

IV. RAZİ PETROCHEMICAL CO. ACTIVITIES

A. PRODUCTION

In the first nine months of 2015, 1.308.496 tons of fertilizer and fertilizer raw materials were produced in Razi Petrochemical Co. and its subsidiary Arya Phosphoric Jonoub Co., capacity utilization rate was 47,92%.

Table 9 : RAZİ PETROCHEMICAL CO. PRODUCTION-TON

Product	2015/9	2014/9	Change	Capacity	2015/9 CUR
Ammonia	557.835	563.388	-1%	1.336.000	55,67%
Sulphur	229.972	272.582	-16%	508.000	60,36%
Urea	213.987	239.448	-11%	594.000	48,03%
Sulphuric Acid	187.403	151.575	24%	627.000	39,85%
DAP	64.112	19.202	234%	450.000	19,00%
Phosphoric Acid	55.187	34.174	61%	126.000	58,40%
Total	1.308.496	1.280.369	2%	3.641.000	47,92%

B. SALES

In the first nine months of 2015, 900.800 tons of fertilizer were sold and 1.045.692.707 TRY of revenue were achieved in Razi Petrochemical Co. and its subsidiary Arya Phosphoric Jonoub Co. Razi Petrochemical Co. and its subsidiaries exported 652.270 tons and sold 248.531 tons in the domestic market in the first nine months of 2015. Share of export in total sales was 72,41%.

Table 10 : RAZİ PETROCHEMICAL CO. SALES-TON

Product	2015/9	2014/9	Change
Ammonia	429.878	465.353	-8%
Urea	231.967	229.212	1%
Sulphur	134.633	222.786	-40%
DAP	48.480	6.779	615%
Phosphoric Acid	31.863	29.655	7%
Sulphuric Acid	23.979	44.553	-46%
Total	900.800	998.337	-10%

C. INVESTMENTS

Razi Petrochemical Co. and its subsidiaries Arya Phosphoric Jonoub Co. and Raintrade Petrochemical A.Ş. made 41.877.881 TRY of investment in the first nine months of 2015.

V. EVENTS AFTER BALANCE SHEET DATE

1. The consortium has imposed administrative fine against our Company in accordance with the Customs law numbered 4458 by Orta Akdeniz Gümrük ve Ticaret Bölge Müdürlüğü Mersin Gümrük Müdürlüğü allowing to challenge decision and judicial remedy and our Company is notified of this decision.

Our Company made an agreement to import fertilizer and “Fertilizer Import Conformity Certificate” was obtained which is valid for 6 months in order to realize this import. Fertilizer was delivered to Mersin Port and some part of fertilizer imported by obtaining TSE Certificate has been placed to the warehouse with store declaration and “Fertilizer Import Conformity Certificate” attached.

Afterwards, Mersin Customs Office took criminal action against our Company in accordance with Article 235 of Law numbered 4458 during the nationalism process carried out from store. As a result, an administrative fine at an amount of 47.026.819,74 TRY, which is twice of the total amount of the imported fertilizer (23.513.409,87 TRY), was imposed. In this context, a reconciliation request has been made to Ministry of Customs and Trade in order to be entrusted to Central Reconciliation Commission by our company on 05 October 2015.

2. It is decided unanimously by the participants to process sales transaction of our shares at a ratio of 40% owned by our Company in the name of Negmar Denizcilik Yatırım A.Ş. under the condition of collection of turnover in cash and transferring of all our liabilities belonging to our Company such as collateral, surety, guarantor, hypothec to Raintrade Petrokimya ve Dış Ticaret A.Ş. which is our associated partner at an against remuneration of 21.200.000 USD (twenty two million and two hundred thousand US Dollars) and to authorize company management to operate and complete all the required transactions in this context.
3. It is announced by our Company, with the material disclosure dated 30 January 2015, that Supreme Court has approved parts related to referring to receivables with rescission and evacuation because of obstinacy given by the local court as a result of eviction action filed against Denizciler Birliği Deniz Nakliyatı ve Tic. A.Ş. (Denizciler Birliği); with the material disclosure dated 27 April 2015 that discharge has begun since Denizciler Birliği's request of revision of decision shall not stop the discharge process; and with the material disclosure dated 03 June 2015 that discharge process carried out by Directorate of Execution in İskenderun Sariseki facility and İskenderun Sariseki facility has been taken over. Supreme Court verdict regarding the dismissal of revision of decision request of Denizciler Birliği has been notified to lawyers of our Company on 30 October 2015.

VI. FINANCIAL STRUCTURE

A. BALANCE SHEET ASSETS-TRY

ASSETS	30 September 2015	31 December 2014
Current Assets	1.941.476.397	1.911.282.250
Cash and Cash Equivalents	479.178.983	462.850.161
Financial Investments	-	7.690.360
Trade Receivables	380.710.900	432.767.323
- <i>Trade receivables from related parties</i>	60.518.540	114.642.648
- <i>Other trade receivables</i>	320.192.360	318.124.675
Other Receivables	185.734.071	154.673.329
- <i>Other receivables from related parties</i>	46.810	1.255.280
- <i>Other receivables</i>	185.687.261	153.418.049
Inventories	811.627.080	717.430.187
Prepaid expenses	26.847.158	73.787.779
Current tax assets	159.748	3.490.583
Other Current Assets	57.218.457	58.592.528
Fixed Assets	1.577.927.137	1.360.363.173
Financial Investments	2.737.515	2.737.515
Other receivables	210.852.362	164.267.699
- <i>Other receivables from related parties</i>	155.348.533	119.832.242
- <i>Other receivables from third parties</i>	55.503.829	44.435.457
Investments Valued by Equity Method	8.682.851	7.481.377
Investment Properties	103.334.153	103.334.153
Tangible Fixed Assets	1.029.625.543	906.904.862
Intangible Fixed Assets	176.320.528	148.426.924
- <i>Goodwill</i>	176.136.330	148.146.765
- <i>Other intangible assets</i>	184.198	280.159
Prepaid expenses	7.161.632	9.315.874
Deferred Tax Assets	39.198.537	17.876.267
Other Fixed Assets	14.016	18.502
TOTAL ASSETS	3.519.403.534	3.271.645.423

B. BALANCE SHEET LIABILITY-TRY

LIABILITIES	30 September 2015	31 December 2014
Short-term Liabilities	1.627.468.458	1.690.392.311
Financial Liabilities	793.958.943	662.343.462
- <i>Short-term borrowings</i>	758.763.777	632.983.748
- <i>Short-term portion of long-term borrowings</i>	35.195.166	29.359.714
Trade payables	617.556.903	728.864.552
- <i>Trade payables to related parties</i>	5.582.269	35.398
- <i>Other trade payables to third payables</i>	611.974.634	728.829.154
Payables for Employment Termination Benefits	15.007.321	6.601.077
Other Payables	36.167.490	113.324.555
Deferred Incomes	31.641.562	59.620.935
Current Tax Liabilities	36.685.772	37.723.102
Short-term provisions	96.450.467	81.914.628
- <i>Short-term provisions for employee benefits</i>	19.342.722	16.226.026
- <i>Provisions for payables</i>	77.107.745	65.688.602
Long-term Liabilities	330.453.123	302.840.755
Long-term borrowings	128.450.509	147.162.707
Provisions for employee benefits	163.192.839	123.041.034
Deferred tax liabilities	38.809.775	32.637.014
EQUITY CAPITAL	1.561.481.953	1.278.412.357
Paid-in Capital	334.000.000	334.000.000
Items not to be reclassified to profit or loss	-	-
Value Appreciation Funds	218.073.621	218.073.621
Foreign Currency Adjustments	(58.064.416)	(133.068.622)
Restricted Reserves From Profit	39.708.380	28.477.401
- <i>Legal Reserves</i>	38.325.728	27.094.749
- <i>Gains from fixed asset sales</i>	1.382.652	1.382.652
Previous Years Profit / (Loss)	416.698.169	267.419.383
Net Period Profit / (Loss)	47.814.055	210.609.765
Equities of Parent Company	998.229.809	925.511.548
Minority Shares	563.252.144	352.900.809
TOTAL LIABILITIES	3.519.403.534	3.271.645.423

C. INCOME STATEMENT-TRY

CONTINUING OPERATIONS	30 September 2015	30 September 2014
Sales (net)	2.268.181.808	2.016.303.627
Costs of Sales (-)	(1.828.227.522)	(1.576.290.737)
GROSS PROFIT	439.954.286	440.012.890
Administrative Expenses (-)	(87.497.056)	(85.336.692)
Marketing, Sales and Distribution Expenses (-)	(157.639.433)	(138.247.703)
Other Operating Incomes	373.101.471	250.320.684
Other Operating Expenses (-)	(306.125.766)	(183.764.050)
OPERATION PROFIT/(LOSS)	261.793.502	282.985.129
Shares in Profit/Loss of Investments Valued by Equity Method	3.950.155	(750.842)
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSE	265.743.657	282.234.287
Finance Expenses (-)	(78.143.885)	(14.943.459)
PRE-TAX PROFIT / LOSS FROM CONTINUING OPERATIONS	187.599.772	267.290.828
Tax Expenses on Continuing Operations	15.240.265	(38.053.110)
- Period Tax Income / Expense (-)	(6.029.700)	(30.515.139)
- Deferred Tax Income / Expense(-)	21.269.965	(7.537.971)
PERIOD PROFIT/ (LOSS)	202.840.037	229.237.718
Distribution of Period Profit / (Loss)		
Minority Shares	155.025.982	134.081.619
Parent Company's Shares	47.814.055	95.156.099
Earnings / (Loss) Per Share	0,0014	0,0028

VII. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

In accordance with Communiqué on Corporate Governance numbered II-17.1 published by Capital Markets Board in 3.1.2014, within 3rd quarter of 2015 covering the dates of 1.7.2015-30.9.2015, the following works have been realized by the Company in order to adjust to the principles issued in the related communique:

1. Regarding to the article 2.1.3 of Corporate Governance Principles, which are stated in the Annex-1 of the Corporate Governance Communique, our 2nd quarter financial statements expect footnotes have been announced in the Public Disclosure Platform both in Turkish and English simultaneously.

VIII. CONCLUSION

DEAR SHAREHOLDERS,

514.527 tons of various types of chemical fertilizer has been produced at our facilities in the first nine months of 2015. 1.160.757 tons of nitrogenous fertilizer at first which cannot be produced in our facilities and is consumed too much in our country is procured from domestic and foreign markets. On the other hand, 1.312.046 tons of solid, 14.750 tons of liquid and powder fertilizers has been sold in the first nine months of 2015. Net sale revenues realized as 1.297.123.288 TRY.

Also 1.308.496 tons of fertilizer has been produced, 1.045.692.707 TRY sale revenues has been got by sale of 900.800 tons of fertilizer and fertilizer raw material in our affiliated company Razi Petrochemical Co.

Our company reached to 2.268.181.808 TRY consolidated sales revenue. Beside, by adding 1.828.227.522 TRY cost of goods sold, 245.136.489 TRY operation expenses, 66.975.705 TRY net effect of other operating expenses, 3.950.155 TRY shares in loss of investments valued by equity method and 78.143.885 TRY financial expense; 187.599.772 TRY profit have been occurred before tax. 202.840.037 TRY consolidated profit has been occurred after deducting 21.269.965 TRY deferred tax income and 6.029.700 TRY current period tax. 47.814.055 TRY main shareholder profit has been occurred after deducting 155.025.982 TRY shares of minority shareholders.

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

**Best Regards,
BOARD OF DIRECTORS**

(Convenience translation of interim condensed consolidated financial statements
originally issued in Turkish)

Gübre Fabrikaları Türk Anonim Şirketi

**Interim condensed consolidated financial statements for
the period January 1 - September 30, 2015**

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

Gübre Fabrikaları Türk Anonim Şirketi

**Interim condensed consolidated statement of financial position
as of 30 September 2015**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated)

		Current Period	Prior Year
		Unaudited	Audited
	Notes	30 September 2015	31 December 2014
ASSETS			
Current assets:			
Cash and cash equivalents	4	479.178.893	462.850.161
Financial investments		-	7.690.360
Trade receivables			
- Trade receivables from related parties	16	60.518.540	114.642.648
- Trade receivables from third parties	6	320.192.360	318.124.675
Other receivables			
- Other receivables from related parties	16	46.810	1.255.280
- Other receivables from third parties	7	185.687.261	153.418.049
Inventories	8	811.627.080	717.430.187
Prepaid expenses		26.847.158	73.787.779
Assets related to the current period taxes		159.748	3.490.583
Other current assets		57.218.457	58.592.528
Total current assets		1.941.476.397	1.911.282.250
Non-current assets:			
Financial investments		2.737.515	2.737.515
Other receivables			
- Other receivables from related parties	16	155.348.533	119.832.242
- Other receivables from third parties	7	55.503.829	44.435.457
Investments valued by equity method		8.682.851	7.481.377
Investment properties		103.334.153	103.334.153
Property, plant and equipment	9	1.029.625.543	906.904.862
Intangible assets			
- Goodwill	10	176.136.330	148.146.765
- Other intangible assets	10	184.198	280.159
Prepaid expenses		7.161.632	9.315.874
Deferred tax assets		39.198.537	17.876.267
Other non-current assets		14.016	18.502
Total non-current assets		1.577.927.137	1.360.363.173
Total assets		3.519.403.534	3.271.645.423

The accompanying interim condensed consolidated financial statements as at 1 January – 30 September 2015 are approved by the Board of Directors on November 6, 2015.

The accompanying notes from an integral part of these interim condensed consolidated financial statements.

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

Gübre Fabrikaları Türk Anonim Şirketi

**Interim condensed consolidated statement of financial position
as of 30 September 2015**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated)

		Current Period	Prior Year
		Unaudited	Audited
	Notes	30 September 2015	31 December 2014
LIABILITIES			
Current liabilities:			
Short term borrowings	5	758.763.777	632.983.748
Current portion of long-term borrowings	5	35.195.166	29.359.714
Trade payables			
- Trade payables to related parties	16	5.582.269	35.398
- Trade payables to third parties	6	611.974.634	728.829.154
Employee benefit obligations		15.007.321	6.601.077
Other payables			
- Other payables to third parties	7	36.167.490	113.324.555
Deferred income		31.641.562	59.620.935
Current income tax liability		36.685.772	37.723.102
Short-term provisions			
- Short-term provisions for employee benefits		19.342.722	16.226.026
- Other short term provisions	12	77.107.745	65.688.602
Total current liabilities		1.627.468.458	1.690.392.311
Non-current liabilities:			
Long-term borrowings	5	128.450.509	147.162.707
Long-term provisions			
- Long-term provisions for employee benefits		163.192.839	123.041.034
Deferred tax liability		38.809.775	32.637.014
Total non-current liabilities		330.453.123	302.840.755
Total liabilities		1.957.921.581	1.993.233.066
Share capital		334.000.000	334.000.000
Other comprehensive income / expense not to be reclassified to profit or loss			
- Revaluation reserve		218.073.621	218.073.621
Other comprehensive income / expense to be reclassified to profit or loss			
- Foreign currency translation reserve		(58.064.416)	(133.068.622)
Restricted reserves assorted from profit			
- Legal reserves		38.325.728	27.094.749
- Gain on PPE added to equity		1.382.652	1.382.652
Retained earnings		416.698.169	267.419.383
Net profit for the period		47.814.055	210.609.765
Equity attributable to equity holders of the parent		998.229.809	925.511.548
Non-controlling interests		563.252.144	352.900.809
Total shareholders' equity		1.561.481.953	1.278.412.357
Total liabilities and equity		3.519.403.534	3.271.645.423

The accompanying notes from an integral part of these interim condensed consolidated financial statements.

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

Gübre Fabrikaları Türk Anonim Şirketi

Interim condensed consolidated statement of profit or loss as of 30 September 2015
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated)

	Notes	Current Period		Prior Period	
		Unaudited		Unaudited	
		1 January – 30 September 2015	1 July – 30 September 2015	1 January – 30 September 2014	1 July – 30 September 2014
Sales	13	2.268.181.808	745.262.965	2.016.303.627	752.771.129
Cost of sales (-)	13	(1.828.227.522)	(597.395.917)	(1.576.290.737)	(591.601.880)
Gross profit		439.954.286	147.867.048	440.012.890	161.169.249
General and administrative expense (-)		(87.497.056)	(28.796.447)	(85.336.692)	(20.051.408)
Marketing, selling and distribution expense (-)		(157.639.433)	(54.414.340)	(138.247.703)	(51.178.408)
Other operating income	14	373.101.471	236.254.901	250.320.684	125.595.553
Other operating expenses (-)	14	(306.125.766)	(207.765.505)	(183.764.050)	(139.020.388)
Operating profit		261.793.502	93.145.657	282.985.129	76.514.598
Profit from investments accounted by equity method		3.950.155	3.960.326	(750.842)	(1.594.798)
Operating profit before financial income / (expense)		265.743.657	97.105.983	282.234.287	74.919.800
Financial (income) /(expense)		(78.143.885)	(37.780.831)	(14.943.459)	3.190.390
Profit before tax from continuing operations		187.599.772	59.325.152	267.290.828	78.110.190
Current period tax expense		(6.029.700)	(2.785.238)	(30.515.139)	(2.348.947)
Deferred tax income/(expense)		21.269.965	10.018.667	(7.537.971)	(1.313.122)
Total tax (expense)/income		15.240.265	7.233.429	(38.053.110)	1.035.825
Net profit for the period		202.840.037	66.558.581	229.237.718	79.146.015
Distribution of net profit for the period					
Non-controlling interests		155.025.982	54.213.367	134.081.619	48.533.402
Equity holders of the parent		47.814.055	12.345.214	95.156.099	30.612.613
Earnings per share	15	0,0014	0,0004	0,0028	0,000915

The accompanying notes from an integral part of these interim condensed consolidated financial statements.

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

Gübre Fabrikaları Türk Anonim Şirketi

Interim condensed consolidated statement of profit or loss as of 30 September 2015
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated)

	Current Period		Prior Period	
	Unaudited		Unaudited	
	1 January – 30 September 2015	1 July – 30 September 2015	1 January – 30 September 2014	1 July – 30 September 2014
Profit for the period	202.840.037	66.558.581	229.237.718	79.146.015
Not to be reclassified to profit or loss				
Currency translation of investments valued by equity method	-	4.196.445	-	-
To be reclassified to profit or loss	153.439.072	92.562.648	(21.284.569)	19.795.961
Foreign currency translation reserve	153.439.072	92.562.648	(21.284.569)	19.795.961
Other comprehensive income	153.439.072	96.759.003	(21.284.569)	19.795.961
Total comprehensive income	356.279.109	163.317.674	207.953.147	98.941.976
Distribution of total comprehensive income				
Non-controlling interests	223.460.848	101.529.470	140.501.621	48.533.402
Equity holders of the parent	122.818.261	61.788.204	67.451.526	50.408.574
	356.279.109	163.317.674	207.953.147	98.941.976

The accompanying notes from an integral part of these interim condensed consolidated financial statements.

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

Gübre Fabrikaları Türk Anonim Şirketi

Interim condensed consolidated statement of changes in equity as of 30 September 2015

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated)

	Share capital	Other comprehensive income / expense not to be reclassified to profit or loss	Other comprehensive income / expense to be reclassified to profit or loss	Restricted reserves asserted from profit	Gain on PPE added to Equity	Retained Earnings		Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
		Revaluation reserves	Foreign currency translation reserve			Retained earnings	Net profit for the period			
1 January 2014	334.000.00	205.806.182	(125.735.921)	16.700.000	1.382.652	214.306.688	94.713.933	741.173.534	303.594.264	1.044.767.798
Transfer to retained earnings	-	-	-	-	-	94.713.933	(94.713.933)	-	-	-
Capital increase	-	-	-	10.394.749	-	-	-	10.394.749	-	10.394.749
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(223.329.375)	(223.329.375)
Dividend paid by parent company	-	-	-	-	-	(66.800.000)	-	(66.800.000)	-	(66.800.000)
Other comprehensive income	-	(3.044.786)	-	-	-	3.044.786	-	-	-	-
Total comprehensive income	-	-	(27.704.571)	-	-	-	95.156.099	67.451.528	140.501.620	207.953.146
30 September 2014	334.000.000	202.761.395	(153.440.492)	27.094.749	1.382.652	245.265.407	95.156.099	752.219.809	220.766.509	972.986.318
1 January 2015	334.000.00	218.073.621	(133.068.622)	27.094.749	1.382.652	267.419.383	210.609.765	925.511.548	352.900.809	1.278.412.357
Transfer to retained earnings	-	-	-	-	-	210.609.765	(210.609.765)	-	-	-
Restricted reserves asserted from profit	-	-	-	11.230.979	-	(11.230.979)	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(23.109.513)	(23.109.513)
Dividend paid by parent company	-	-	-	-	-	(50.100.000)	-	(50.100.000)	-	(50.100.000)
Total comprehensive income	-	-	75.004.206	-	-	-	47.814.055	122.818.261	233.460.848	356.279.109
30 September 2015	334.000.00	218.073.621	(58.064.416)	38.325.728	1.382.652	416.698.169	47.814.055	998.229.809	563.252.144	1.561.481.953

The accompanying notes from an integral part of these interim condensed consolidated financial statements.

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

Gübre Fabrikaları Türk Anonim Şirketi

Interim condensed consolidated statement of cash flows as of 30 September 2015
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated)

		Current Period	Prior Period
		Non - Audited	Non - Audited
		1 January – 30 September 2015	1 January – 30 September 2014
	Notes		
Cash Flows From Operating Activities:			
Profit for the period		202.840.037	229.237.717
<i>Adjustments to reconcile net profit/(loss) before tax to net cash provided by operating activities</i>			
Depreciation and amortization expense	9,10	43.340.381	48.799.504
Income / expenses from subsidiaries valued by equity method		(1.201.474)	750.843
Retirement pay provision, early retirement pay liability interest (income)/expense		41.274.353	37.319.144
Interest Income	14	(12.781.699)	(8.828.917)
Exchange rate difference income/expense		(27.989.565)	-
Loss on sales of tangible assets		-	2.994.350
Deferred financial income/expense		2.945.812	-
Provision for lawsuit /cancellation	12	905.594	-
Provisions for doubtful receivables	6	418.462	-
Current tax income/expense		(15.240.265)	38.053.111
Net cash provided by the operating activities before changes in the assets and liabilities		234.511.636	348.325.752
Changes in working capital (net):			
Increase/decrease in trade receivables		51.637.961	41.915.221
Increase /decrease in other receivables		(77.645.405)	100.963.869
Increase/decrease in inventories		(94.196.893)	(213.594.880)
Other current/non-current assets and liabilities		1.378.557	(21.055.562)
Increase/decrease in trade payables		(111.307.649)	2.326.444
Employee benefit obligations		8.406.244	(7.353.482)
Deferred income		(27.979.373)	62.168.645
Increase in prepaid expenses		49.094.863	19.742.794
Increase in other payables		(133.336.249)	(1.658.384)
Increase/decrease in debt provisions		13.630.245	4.437.572
Cash provided by the operations after the changes in working capital		(85.806.063)	336.217.989
Interest paid		(68.219.846)	(25.596.736)
Taxes paid		2.384.261	(28.154.639)
Severance paid		(1.122.548)	(25.993.004)
Cash flow regarding investment activities		(152.764.196)	256.473.610
Cash flows from investing activities:			
Purchases of property, plant and equipment and intangible assets	9,10	(79.221.644)	(96.432.411)
Sales of property, plant and equipment	9,10	456.953	150.150
Cash proceeds about financial investments		7.690.360	3.207.694
Interest collected	14	12.781.699	-
Net cash amount used in investment activities		(58.292.632)	(93.074.567)
Cash flows (used in)/from financing activities			
Proceeds from financial borrowings		240.671.023	-
Principle repayment of financial borrowings		(62.493.706)	(117.002.343)
Dividend paid to shareholders		-	(66.800.000)
Dividend paid to non-controlling interests		(17.030.329)	(223.329.375)
Interest collected		-	7.991.386
Net cash (used)/provided by financial activities		161.146.988	(399.140.332)
Change in pledge cash and cash equivalents		84.380.770	-
Net change in cash and cash equivalents		(49.909.840)	(235.741.289)
Cash and cash equivalents at the beginning of the period	4	378.469.391	568.223.098
Foreign currency translation		66.238.662	9.369.984
Cash and cash equivalents at the end of period	4	479.178.983	341.851.793

The accompanying notes from an integral part of these interim condensed consolidated financial statements.

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

Gübre Fabrikaları Türk Anonim Şirketi

Notes to the interim condensed consolidated financial statements as of 30 September 2015
(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated)

NOTE 1- GROUP’S ORGANIZATION AND NATURE OF OPERATIONS

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

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

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

The number of employees of the Company and its subsidiaries for the period ended 30 September 2015 is 1.591 (31 December 2014 – 1.522)

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

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

Name	30 September 2015		31 December 2014	
	Share %	Share amount	Share %	Share amount
Türkiye Tarım Kredi Kooperatifleri Merkez Birliği	75,95%	253.684.607	75,95%	253.684.607
Other	24,05%	80.315.393	24,05%	80.315.393
Total	100,00%	334.000.000	100,00%	334.000.000

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

Gübre Fabrikaları Türk Anonim Şirketi

Notes to the interim condensed consolidated financial statements as of 30 September 2015 (continued)

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated)

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

Subsidiaries

Gübretaş has invested in Razi Petrochemical Co., which is located in Iran and operates in the production and sales of fertilizer and fertilizer raw materials on May 24, 2008. The share of Gübretaş in the capital of Razi as of the date of balance sheet is 48,88% (December 31, 2014: 48,88). Razi is considered associate because Gübretaş has the right to select and nominate three of the five member Company Board of Razi. Also, it has the controlling power in the operational management of Razi.

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

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

Associates

On June 30, 2008, the Company has invested in Negmar Denizcilik Yatırım A.Ş., operating in sea transportation. As of the balance sheet date, the participation percentage is 40% (31 December 2014: 40%).

On April 13, 2009, the Company has invested in Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş. (Tarkim), operating in the production and sales of agricultural pesticide in Turkey. As of the balance sheet date, the participation percentage is 40% (31 December 2014: 40%).

Financial assets available for sale

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

The approval of the financial statements:

The consolidated financial statements have been approved by the Board of Directors and instructed to be issued on November 6, 2015. The General Assembly has the power to amend the financial statements.

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

Gübre Fabrikaları Türk Anonim Şirketi

Notes to the interim condensed consolidated financial statements as of 30 September 2015 (continued)

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of presentation

Applied financial reporting standards

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

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

The companies are free to prepare their interim financial statements either as full set or in condensed form as per the Turkish accounting standard no: 34 - “interim financial reporting”. In this regard, the Group has selected to prepare interim consolidated financial statements. Therefore, these interim condensed and consolidated financial statements should be evaluated together with the consolidated financial statements of the Group as of December 31, 2014.

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

Going concern:

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

Functional currency:

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

The functional currency of the associate in Iran is IRR. In accordance with TAS 21 Effects of the Changes in Foreign Exchange Rates, during consolidation, the assets and liabilities of the subsidiaries of the Group in foreign countries are converted into TRY using the parity as of the balance sheet date. Income and expense items are converted into TRY using the average conversion rates realized in the related period. The exchange differences occurred as a result of application of the closing and average rates are followed under the equity in the foreign currency translation reserve account. The translation differences occurred is recorded as income or expense at the end of the operation period.

The conversion rates used are as follows:

Currency	30 September 2015		31 December 2014	
	Period End	Period Average	Period End	Period Average
IRR / TRY	0,00010159	0,00009261	0,0000854	0,0000843

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

Gübre Fabrikaları Türk Anonim Şirketi

Notes to the interim condensed consolidated financial statements as of 30 September 2015 (continued)

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated)

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

2.2. Changes in Turkish Financial Reporting Standards (TFRS)

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at September 30, 2015 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2015. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2015 are as follows:

TAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

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

Annual Improvements to TAS/TFRSs

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

Annual Improvements - 2010–2012 Cycle

TFRS 2 Share-based Payment:

Definitions relating to performance and service conditions which are vesting conditions are clarified. The amendment is effective prospectively.

TFRS 3 Business Combinations

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

TFRS 8 Operating Segments

The changes are as follows: i) An entity must disclose the judgements made by management in applying the aggregation criteria in TFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are ‘similar’. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

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

Gübre Fabrikaları Türk Anonim Şirketi

Notes to the interim condensed consolidated financial statements as of 30 September 2015 (continued)

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated)

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

- i) **The new standards, amendments and interpretations which are effective as at January 1, 2015 are as follows: (Continued)**

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

The amendment to TAS 16.35(a) and TAS 38.80(a) clarifies that revaluation can be performed, as follows:

- i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

TAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. . In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment is effective retrospectively.

Annual Improvements – 2011–2013 Cycle

TFRS 3 Business Combinations

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

TFRS 13 Fair Value Measurement

The portfolio exception in TFRS 13 can be applied to financial assets, financial liabilities and other contracts within the scope of TAS 39 (or TFRS 9, as applicable). The amendment is effective prospectively.

TAS 40 Investment Property

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

The amendments did not have a significant impact on the interim condensed consolidated financial statements of the Group.

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

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
as of 30 September 2015 (continued)**

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated)

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

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

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

IFRS 9 Financial Instruments – Classification and measurement

As amended in December 2012 and February 2015, the new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to IFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is adopted by POA.

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

IFRS 11 is amended to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except for those principles that conflict with the guidance in this IFRS. In addition, the acquirer shall disclose the information required by IFRS 3 and other IFRSs for business combinations. These amendments are to be applied prospectively for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

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

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

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Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
as of 30 September 2015 (continued)**

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated)

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

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

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

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

In February 2015, Public Oversight Accounting and Auditing Standards Authority (POA) of Turkey issued an amendment to TAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity’s separate financial statements. Therefore, an entity must account for these investments either:

- At cost
 - In accordance with TFRS 9,
- Or
- Using the equity method defined in TAS 28

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

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

In February 2015, amendments issued to TFRS 10 and TAS 28, to address the acknowledged inconsistency between the requirements in TFRS 10 and TAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in TFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors’ interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after January 1, 2016. Earlier application is permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

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

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

In February 2015, amendments issued to TFRS 10, TFRS 12 and TAS 28, to address the issues that have arisen in applying the investment entities exception under TFRS 10 Consolidated Financial Statements. The amendments are applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

TAS 1: Disclosure Initiative (Amendments to TAS 1)

In February 2015, amendments issued to TAS 1. Those amendments include narrow-focus improvements in the following five areas: Materiality, Disaggregation and subtotals, Notes structure, Disclosure of accounting policies, Presentation of items of other comprehensive income (OCI) arising from equity accounted investments. The amendments are applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted. These amendments are not expected have significant impact on the notes to the consolidated financial statements of the Group.

Annual Improvements to TFRSs - 2012-2014 Cycle

In February 2015, POA issued, Annual Improvements to TFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- TFRS 5 Non-current Assets Held for Sale and Discontinued Operations – clarifies that changes in methods of disposal (through sale or distribution to owners) would not be considered a new plan of disposal, rather it is a continuation of the original plan
- TFRS 7 Financial Instruments: Disclosures – clarifies that i) the assessment of servicing contracts that includes a fee for the continuing involvement of financial assets in accordance with IFRS 7; ii) the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report
- TAS 19 Employee Benefits – clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located
- TAS 34 Interim Financial Reporting –clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report

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

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

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

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

Annual Improvements – 2010–2012 Cycle

TFRS 13 Fair Value Measurement

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

Annual Improvements – 2011–2013 Cycle

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity’s ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 original effective date was January 1, 2017. However, in July 2015, IASB decided to defer the effective date to reporting periods beginning on or after January 1, 2018, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

IFRS 9 Financial Instruments - Final standard (2014)

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

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NOTE 3 -SEGMENT REPORTING

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

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

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

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

The distribution of department assets and liabilities pertaining to the periods ending on 30 September 2015 and 31 December 2014 is as follows:

	Turkey	Iran	Consolidation Adjustments	Total
	30 September 2015	30 September 2015	30 September 2015	30 September 2015
Assests				
Current assets	831.625.758	1.219.885.400	(110.034.761)	1.941.476.397
Non-current assets	1.032.646.138	799.845.028	(254.564.029)	1.577.927.137
Total assests	1.864.271.896	2.019.730.428	(364.598.790)	3.519.403.534
Liabilities				
Short term liabilities	1.109.536.101	609.231.359	(91.299.001)	1.627.468.458
Long term liabilities	137.292.025	193.161.098	-	330.453.123
Equities	617.443.770	1.217.337.971	(273.299.788)	1.561.481.953
Total liabilities	1.864.271.896	2.019.730.428	(364.598.789)	3.519.403.534
	Turkey	Iran	Consolidation Adjustments	Total
	31 December 2014	31 December 2014	31 December 2014	31 December 2014
Assests				
Current assets	955.853.014	954.622.066	807.170	1.911.282.250
Non-current assets	992.307.960	650.541.562	(282.486.349)	1.360.363.173
Total assests	1.948.160.974	1.605.163.628	(281.679.179)	3.271.645.423
Liabilities				
Short term liabilities	1.052.890.346	637.546.325	(44.360)	1.690.392.311
Long term liabilities	144.193.663	158.647.092	-	302.840.755
Equities	751.076.965	808.970.211	(281.634.819)	1.278.412.357
Total liabilities	1.948.160.974	1.605.163.628	(281.679.179)	3.271.645.423

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**Notes to the interim condensed consolidated financial statements
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NOTE 4 -SEGMENT REPORTING (continued)

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

	Turkey	Iran	Consolidation Adjustments	Total
	1 Januray - 30 September 2015	1 Januray - 30 September 2015	1 Januray - 30 September 2015	1 Januray - 30 September 2015
Operating income				
Sales(Net)	1.297.123.288	1.045.692.707	(74.634.187)	2.268.181.808
Cost of sales (-)	(1.183.987.027)	(713.707.746)	69.467.251	(1.828.227.522)
Gross profit	113.136.261	331.984.961	(5.166.936)	439.954.286
Marketing, selling and distribution expense (-)	(72.737.929)	(84.901.504)	-	(157.639.433)
General and administrative expense (-)	(16.578.436)	(70.918.620)	-	(87.497.056)
Other operating income / expense (-)	(65.745.590)	132.721.295	-	66.975.705
Operating profit	(41.925.694)	308.886.132	(5.166.936)	261.793.502
Profit from investments	18.728.472	-	(18.728.472)	-
Profit / (loss) from investments accounted by equity method	3.950.155	-	-	3.950.155
Operating profit before financial income / (expense)	(19.247.067)	308.886.132	(23.895.408)	265.743.657
Financial (income) / expense	(84.575.653)	4.602.088	1.829.680	(78.143.885)
Profit before tax	(103.822.720)	313.488.220	(22.065.728)	187.599.772
Current period tax expense	-	(6.029.700)	-	(6.029.700)
Deferred tax income / (expense)	20.290.261	(53.683)	1.033.387	21.269.965
Profit / (loss) fort he period	(83.532.459)	307.404.837	(21.032.341)	202.840.037
	Turkey	Iran	Consolidation Adjustments	Total
	1 Januray - 30 September 2014	1 Januray - 30 September 2014	1 Januray - 30 September 2014	1 Januray - 30 September 2014
Operating income				
Sales(Net)	1.095.980.786	945.284.430	(24.961.586)	2.016.303.627
Cost of sales (-)	(966.621.246)	(634.631.080)	24.961.589	(1.576.290.737)
Gross profit	135.406.455	310.653.350	-	440.012.890
Marketing, selling and distribution expense (-)	(66.313.681)	(71.934.022)	-	(138.247.703)
General and administrative expense (-)	(20.244.986)	(65.091.706)	-	(85.336.692)
Other operating income / expense (-)	(18.628.078)	85.184.712	-	66.556.634
Operating profit	30.219.710	258.812.334	-	282.985.129
Profit from investments	169.814.084	-	(169.814.084)	-
Profit / (loss) from investments accounted by equity method	(750.842)	-	-	(750.842)
Operating profit before financial income / (expense)	193.236.037	258.812.334	(169.814.084)	282.234.287
Financial (income) / expense	(21.582.220)	6.638.759	-	(14.943.459)
Profit before tax	171.653.817	265.451.093	(169.814.084)	267.290.828
Current period tax expense	(27.456.333)	(3.058.806)	-	(30.515.139)
Deferred tax income / (expense)	(7.444.329)	(93.642)	-	(7.537.971)
Profit / (loss) fort he period	136.753.155	262.298.645	(169.814.084)	229.237.718

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**Notes to the interim condensed consolidated financial statements
as of 30 September 2015 (continued)**

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NOTE 4 -SEGMENT REPORTING (continued)

Investment expenditures

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

	1 January – 30 September 2015	1 January – 30 September 2014
Gubre Fabrikaları T.A.Ş.	37.343.763	66.917.045
Razi Petrochemical Co. and its subsidiary	41.877.881	29.330.047
	79.221.644	96.247.092

Depreciation and amortization

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

	1 January – 30 September 2015	1 January – 30 September 2014
Gubre Fabrikaları T.A.Ş.	6.213.562	11.593.822
Razi Petrochemical Co. and its subsidiary	37.126.819	37.178.985
	43.340.381	48.772.807

NOTE 4 - CASH AND CASH EQUIVALENTS

	30 September 2015	31 September 2014
Cash on hands	1.165.381	334.652
Bank	428.573.684	462.342.221
- demand deposits	134.427.547	100.824.070
- time deposits	294.146.137	361.518.151
State bonds and treasury notes	46.834.067	-
Other cash equivalents	2.605.851	173.288
Cash and cash Equivalents	479.178.983	462.850.161
Pledge cash and cash equivalents (*)	-	(84.380.770)
Cash and cash equivalents at the statement of cash flow	479.178.983	378.469.391

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

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NOTE 4 - CASH AND CASH EQUIVALENTS (continued)

Time Deposits:

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

Time Deposits (TRY):

Interest Rate (%)	Maturity	30 September 2015
9,50 – 12,00	October 2015	40.895.738

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

Time Deposits (Foreign Currency):

Interest Rate (%)	Maturity	Currency	Foreign currency amount	30 September 2015
				Amount in TRY
Libor + 0,5	October 2015	AVRO	1.010	3.454
0,25	October 2015	AVRO	500.000	1.710.600
17	October 2015	Mil. IRR	29.174	2.963.855
	October 2015	YEN	272	68.981
1,65- 2,00	October 2015	USD	81.655.936	248.503.509
				253.250.399

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

NOTE 5 – SHORT AND LONG TERM BORROWINGS

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

	30 September 2015	31 December 2014
Payable within 1 year	793.958.943	662.343.462
Payable within 1 – 5 years	128.450.509	147.162.707
	922.409.452	809.506.169

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NOTE 5 – FINANCIAL BORROWINGS (continued)

a) Short term borrowings

Bank Loans:

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

	30 September 2015	31 December 2014
Short term borrowings	758.763.777	632.983.748
Short term portion of long term borrowings	35.195.166	29.359.714
	793.958.943	662.343.462

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TRY
AVRO	October 2015	2,45 – 5,10	13.120.143	44.886.633
USD	October 2015	2,50 – 2,70	114.318.930	347.906.798
TRY	October 2015	10,20 – 10,60	-	203.123.750
				595.917.181

Other Financial Borrowings (*):

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TRY
AVRO	October 2015	Libor + 0,5	57.886.637	198.041.762

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

Bank Loans:

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

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

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NOTE 5 – FINANCIAL BORROWINGS (continued)

Other Financial Borrowings (*):

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

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

b) Long term borrowings

	30 September 2015	31 December 2014
Long term bank loans (Gübretaş)	128.450.509	136.162.882
Other long term bank loans (Razi)	-	10.999.825
	128.450.509	147.162.707

Bank Loans:

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

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TRY
Avro	January 2020	3,4	37.545.455	128.450.509

Bank Loans:

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

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

Other Financial Borrowings:

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

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES

	30 September 2015	31 December 2014
Trade receivables from third parties:		
Trade receivables	295.857.700	297.099.958
Notes receivables	125.380	313.450
Receivables from National Petrochemical Company ("NPC") (Razi)	28.058.482	24.142.007
Trade receivables from third parties (gross)	324.041.562	321.555.415
Allowance for doubtful receivables (-)	(3.849.202)	(3.430.740)
Trade receivables from third parties (net)	320.192.360	318.124.675

Group allocates provisions for doubtful receivables in case the receivables which are considered to be doubtful being without security and having a risk of collection.

As September 30, the movement of allowance for doubtful trade receivables is as follows:

	30 September 2015	30 September 2014
Balance at January 1	3.430.740	(2.927.460)
Provision for period	418.462	-
Balance at September 30	3.849.202	(2.927.460)

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

	30 September 2015	31 December 2014
Guarantee Letters	257.811.995	259.911.952
Collateral cheques and notes	60.782.521	61.205.266
	318.593.616	321.117.218

Overdue receivables

	Shorter than 1 month	Between 1 - 3 months	Between 3 - 12 months	Between 1 - 5 years	Total	Total of Contractual Cash Outflows
30 September 2015	6.310.964	4.178.394	5.312.128	3.499.960	19.121.446	65.843.450
31 December 2014	4.494.748	6.519.930	4.886.968	3.339.427	19.241.073	23.069.734

Trade payables to third parties

	30 September 2015	31 December 2014
Trade payables (Gübretaş)	375.762.121	545.812.533
Trade payables (Razi)	138.782.648	90.540.151
Payables to NPC (Razi)	90.235.752	88.928.849
Other trade payables	7.194.113	3.547.621
	611.974.634	728.829.154

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NOTE 7 – OTHER RECEIVABLES AND PAYABLES

Other receivables from third parties:

	30 September 2015	31 December 2014
Other miscellaneous receivables (Tabosan) (*)	36.318.789	46.994.091
VAT receivables (Razi)	63.784.341	40.116.182
Other various receivables	12.467.039	60.747.271
Due from non – controlling interests (Razi) (**)	52.428.453	-
Due from personnel	20.688.639	5.560.505
Other receivables from third parties	185.687.261	153.418.049

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

(**) The amount is Razi's receivables from non-controlling interests.

The total amount of capital receivables sourcing from payments made as co-guarantor and accrued interest receivable as of the report date of the Group is 36.318.790 TRY. The Group management have requested from the Bankruptcy Administration as of report date to realize share transfer of Razi shares owned by Tabosan at a rate of 1,31% corresponding to payments at an amount of 5.439.402 € made as co-guarantor. Since the aforementioned request was not accepted by the Bankruptcy Administration, the Group went to law and it is decided to pass a cautionary judgment on 27 June 2013 in order to avoid any savings on shares and distribution of 1,31% of Razi shares owned to Tabosan. Share transfer lawsuit brought by the Group to the court was dismissed and appealed by the Group and is still under Supreme Court investigation. Additionally, since the request of the Group regarding the recording of its other receivables sourcing from payments made as a co-guarantor to the bankruptcy estate was dismissed, the Group brought a lawsuit against Bankruptcy Administration regarding the recording of its receivables to the court. Bankruptcy Administration accepted the aforementioned lawsuit and the Court decided to accept the lawsuit regarding recording of receivables following this acceptance declaration.

Since the accumulated dividend receivables striking to 10,88% shares of Tabosan at Razi reverted to bankruptcy estate, the Bankruptcy Administration has made a payment to the Group at an amount of 25.278.225 TRY for its capital receivable. Balance receivable of the Group shall be paid under the condition that dividend receivable of Tabosan at Razi arise and revert to bankruptcy estate. Accrued interest receivables of the Group shall be paid under the condition that dividend receivable of Tabosan at Razi arise and revert to bankruptcy estate following the complete payment of capital debts of bankruptcy estate.

Accrued interest receivables of the Group shall be paid under the condition that dividend receivable of Tabosan at Razi arise and revert to bankruptcy estate following the complete payment of capital debts of bankruptcy estate. On the other hand, if the lawsuit brought by the Group to the court against Administration of Bankruptcy is lost, the Group shall apply to record its receivable subject to this lawsuit as receivable to the bankruptcy estate.

Other long term receivables:

	30 September 2015	31 December 2014
Deposits & guarantees given	40.798.338	34.019.804
Due from personnel (*)	14.705.491	10.415.653
Other long term receivables	55.503.829	44.435.457

(*) The amount consists of Razi's long term employee benefits.

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NOTE 7 – OTHER RECEIVABLES AND PAYABLES (continued)

Other short term payables:

	30 September 2015	31 December 2014
Dividend payables to non-controlling interests	6.079.184	84.380.770
Payables from investments accounted by equity method	6.095.716	8.844.396
Other payables	23.992.590	20.099.389
Other short term payables	36.167.490	113.324.555

NOTE 8 – INVENTORIES

	30 September 2015	31 December 2014
Raw materials and supplies	174.588.270	144.189.642
Finished goods	90.259.780	48.479.530
Trade goods	465.152.461	465.205.635
Other inventories	81.626.569	59.555.380
	811.627.080	717.430.187
Less: Provision for impairment on inventories	-	-
	811.627.080	717.430.187

NOTE 9 - TANGIBLE ASSETS

The depreciation cost and amortization of the company is 43.340.381 TRY as of 30 September 2015 and details are given below;

	Gübretaş	Razi	Total
Amortization cost	5.327.911	37.126.819	42.454.730
Depreciation cost	885.651	-	885.651
Total	6.213.562	37.126.819	43.340.381

30 September 2015: Out of the total of 43.340.381 TRY depreciation and amortization costs; 42.270.938 TRY have been included in General Production Costs, 719.883 TRY in Sales and Marketing Costs, 349.560 TRY in General Management Costs

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

Pledges and Mortgages on Assets

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

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NOTE 9 -TANGIBLE ASSETS (continued)

	Lands and Parcels	Land Improvements	Buildings	Machinery Installation and Equipment	Vehicles	Furniture and Fixtures	Leasehold Improvements	Construction in progress	Total
Cost Value									
Opening Balance on 1 January 2015	283.210.320	17.610.534	406.884.136	730.877.173	7.661.994	15.827.781	167.655	253.721.137	1.715.960.730
Translation Differences	21.213.532	-	15.464.692	128.164.667	769.881	1.786.091	-	11.160.460	178.559.323
Purchases	3.338.754	946.281	23.916.900	1.167.493	346.705	1.196.205	65.019	48.244.287	79.221.644
Sales	-	-	-	-	(86.300)	(370.653)	-	-	(456.953)
Transfer from construction in progress	-	-	-	-	(63.697)	(610)	-	-	(64.307)
Closing Balance on 30 September 2015	307.762.606	18.556.815	446.265.728	860.209.333	8.628.583	18.438.814	232.674	313.125.884	1.973.220.437
Accrued Depreciation									
Opening Balance on 1 January 2015	-	(11.833.908)	(303.222.702)	(482.203.668)	(4.744.306)	(7.017.816)	(33.469)	-	(809.055.869)
Translation Differences	-	-	(6.093.488)	(84.973.425)	(551.472)	(889.425)	-	-	(92.507.810)
Expenses for Current Period	-	(505.970)	(6.705.836)	(33.098.905)	(692.303)	(1.421.356)	(30.360)	-	(42.454.730)
Sales	-	-	-	-	80.902	342.613	-	-	423.515
Closing Balance on 30 September 2015	-	(12.339.878)	(316.022.026)	(600.275.998)	(5.907.179)	(8.985.984)	(63.829)	-	(943.594.894)
Net Book Value on 30 September 2015	307.762.606	6.216.937	130.243.702	259.933.335	2.271.404	9.452.830	168.845	313.125.884	1.029.625.543

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NOTE 9-TANGIBLE ASSETS (continued)

	Lands and Parcels	Land Improvements	Buildings	Machinery Installation and Equipment	Vehicles	Furniture and Fixtures	Leasehold Improvements	Construction in progress	Total
<u>Cost Value</u>									
Opening Balance on 1 January 2014	162.713.457	27.926.580	362.391.454	715.857.878	7.714.375	10.819.354	192.680	169.016.740	1.456.632.517
Translation Differences	652	(10.117.625)	(1.182.999)	26.768.905	(415.814)	455.794	(1)	(12.840.263)	3.668.649
Purchases	9.832.283	60.166	4.432.335	293.856	562.981	2.587.989	126.000	78.351.482	96.247.092
Sales	-	(450.470)	(663.808)	(4.371.708)	(167.266)	(379.645)	(166.492)	-	(6.199.389)
Transfer from construction in progress	-	-	-	1.991.773	36.404	606.726	-	(2.634.903)	-
Closing Balance on 30 September 2014	172.546.392	17.418.651	365.976.981	740.540.704	7.730.680	14.090.219	152.187	231.893.056	1.550.348.870
<u>Accrued Depreciation</u>									
Opening Balance on 1 January 2014	-	(11.848.753)	(278.235.884)	(432.838.428)	(4.025.672)	(5.858.272)	(97.733)	-	(732.904.742)
Translation Differences	-	-	543.006	(2.584.701)	(52.702)	(8.746)	2	-	(2.103.141)
Expenses of the Period	-	(512.499)	(11.233.392)	(35.249.879)	(709.912)	(1.018.531)	(2.571)	-	(48.726.784)
Sales	-	684.668	260.737	4.371.708	124.786	334.119	73.606	-	5.849.624
Closing Balance on 30 September 2014	-	(11.676.584)	(288.665.533)	(466.301.300)	(4.463.500)	(6.551.430)	(26.696)	-	(777.885.043)
Net Value on 30 September 2014	172.546.392	5.742.067	77.311.448	274.239.404	3.067.180	7.538.790	125.491	231.893.056	772.463.827

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NOTE 10 – OTHER INTANGIBLE ASSETS

Rights:

	30 September 2015	30 September 2014
Opening Balance on 1 January	660.747	453.386
Purchases	-	185.319
Closing Balance on 30 September	660.747	638.705

Accrued Depreciation

Opening Balance on 1 January	409.102	(316.050)
Expenses for Current Period	(885.651)	(46.023)
Closing Balance on 30 September	(476.549)	(362.073)
Net Book Value	184.198	276.632

Goodwill:

	30 September 2015	30 September 2014
Balances on 1 January	148.146.765	148.811.828
Translation Differences	27.989.565	(654.658)
Balance as of 30 September	176.136.330	148.157.170

NOTE 11 - COMMITMENTS

Razis’ Share Purchase

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

Purchasing Commitments

As of 30 September 2015 Group has 41.448.440 USD accredited purchasing commitment. (31 December 2014: 4.146.000 USD).

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short Term Debt Provision

	30 September 2015	31 December 2014
Provision for Expense Accruals	54.681.043	47.444.702
Provisions for Other Social Security Premium	20.623.244	17.346.036
Provision for lawsuit	1.803.458	897.864
Other Short Term Debt Provision	77.107.745	65.688.602

Lawsuit Provision:

	30 September 2015	30 September 2014
As of 1 January	897.864	1.571.674
Additon /Reversal of Provision	905.594	(447.585)
As of 30 September	1.803.458	1.124.089

In the current period, total lawsuit amount against the Group is 8.056.065 TRY. (2014:8.563.099 TRY). In the current period, Denizciler Birliği Deniz Nakliyatı ve Ticaret Anonim Şirketi has sued against the Group for 6.252.607 TRY profit loss. The Group Management has not made any provision for this lawsuit in the added consolidate financial tables according to recieved legal opinion but it has made 1.803.458 TRY (2014: 897.864 TRY) provision for other lawsuits.

Assurance- Pledge-Hypothecs ("APH")

As of 30 September 2015 and 31 December 2014, the tables related to the Group's tables related to Assurance- Pledge-Hypothecs position are as follows:

	30 September 2015			31 December 2014		
	Currency	Currency Amount	Amount in TRY	Currency	Currency Amount	Amount in TRY
APH Given by the Company						
A. Total amount of APH's given for own legal entity (Assurance)	TRY	-	8.981.338	TRY	-	5.231.936
B.Total Amount of APH's given for the Partnership included to full consolidation (hypethec)	-	-	-	-	-	-
C. APH given for guaranteeing the debts of other 3 rd parties for the performance of ordinary businesss activites	USD	35.520.955	108.100.922	USD	37.889.281	87.861.455
D. Total amount of other APH's given	-	-	-	-	-	-
i. Total amount of APH's given for main partner	-	-	-	-	-	-
ii. Total amount of APH's given for other group companies not falling into the scope of articles B and C (Assurance)	-	-	-	-	-	-
iii. Total amount of APH's given for 3rd parties not falling in to the scope of article	-	-	-	-	-	-
			117.082.260			93.093.391

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

Contingent Liabilities

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

Iran Tax Authority has performed tax assessments for the tax filings of Razi for the previous years .As a result of these assessments, the Iran Tax Authority has identified that Razi has recognized export sales as non-taxable income. The export sales were considered as taxable by the Iran Tax Authority and Razi was imposed to a total of 50 million TRY additional tax charges. Razi has protested against this claim. Based on the opinions of legal advisors and tax experts, the Group Management has not provided any provisions in the consolidated financial statements.

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

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

Tabosan Mühendislik İmalat ve Montaj A.Ş. ("Tabosan"), one of the consortium partners of the Group at the acquisition of Razi shares have filed a petition for adjournment of bankruptcy in 2011 but the bankruptcy court rejected the petition and decided on the bankruptcy of Tabosan and formation of a trustee committee to manage the assets of Tabosan. The Group becomes a co-guarantor in the name of Tabosan to Iran Privatization Administration and banks for the finance obtained during the acquisition process of Razi shares. The amounts which should be paid by Tabosan to banks and Iran Privatization Administration have been paid by the Group in scope of this surety. Receivables rising as a result of these transactions have been accounted in other receivables account. The Group management have not made a provision at this stage yet in the current period related to this receivable, taking hypothecs and deposits transferred to the Group by bank and its right to purchase shares owned by Tabosan at initial purchase price per share in accordance with the protocol concluded during the purchase of Razi shares with Tabosan into consideration.

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

The total amount of capital receivables sourcing from payments made as co-guarantor and accrued interest receivable as of the report date of the Group is 36.318.790 TRY. The Group management have requested from the Bankruptcy Administration as of report date to realize share transfer of Razi shares owned by Tabosan at a rate of 1,31% corresponding to payments at an amount of 5.439.402 € made as co-guarantor. Since the aforementioned request was not accepted by the Bankruptcy Administration, the Group went to law and it is decided to pass a cautionary judgment on 27 June 2013 in order to avoid any savings on shares and distribution of 1,31% of Razi shares owned to Tabosan. Share transfer lawsuit brought by the Group to the court was dismissed and appealed by the Group and is still under Supreme Court investigation. Additionally, since the request of the Group regarding the recording of its other receivables sourcing from payments made as a co-guarantor to the bankruptcy estate was dismissed, the Group brought a lawsuit against Bankruptcy Administration regarding the recording of its receivables to the court. Bankruptcy Administration accepted the aforementioned lawsuit and the Court decided to accept the lawsuit regarding recording of receivables following this acceptance declaration in 15 July 2015. Since the accumulated dividend receivables striking to 10,88% shares of Tabosan at Razide reverted to bankruptcy estate, the Bankruptcy Administration has made a payment to the Group at an amount of 25.278.225 TRY for its capital receivable in 8 July 2015. Balance receivable of the Group shall be paid under the condition that dividend receivable of Tabosan at Razide arise and revert to bankruptcy estate. Accrued interest receivables of the Group shall be paid under the condition that dividend receivable of Tabosan at Razide arise and revert to bankruptcy estate following the complete payment of capital debts of bankruptcy estate. On the other hand, if the lawsuit brought by the Group to the court against Administration of Bankruptcy results is lost, the Group shall apply to record its receivable subject to this lawsuit as receivable to the bankruptcy estate.

NOTE 13 – REVENUES AND COST OF SALES

Sales	1 January – 30 September 2015	1 July – 30 September 2015	1 January – 30 September 2014	1 July – 30 September 2014
Domestic Sales	1.511.145.006	524.255.380	1.243.216.840	389.725.065
Export Sales	774.352.825	231.893.943	783.108.233	365.833.797
Sales Returns(-)	(723.251)	(116.904)	(259.677)	(160.469)
Sales Discounts(-)	(16.202.902)	(10.620.954)	(7.705.022)	(2.339.653)
Other Discounts from Sales(-)	(389.870)	(148.500)	(2.056.747)	(287.610)
Total	2.268.181.808	745.262.965	2.016.303.627	752.771.129

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NOTE 13 – REVENUES AND COST OF SALES (continued)

Cost of Sales (-)	1 January – 30 September 2015	1 July – 30 September 2015	1 January – 30 September 2014	1 July – 30 September 2014
Cost of good produced	1.019.028.577	393.479.197	756.551.956	354.437.483
Change in the good inventory	(96.225.523)	(67.452.238)	(23.788.062)	(27.252.240)
-Goods at the beginning of the period	46.346.718	-	70.119.344	66.655.165
-Goods at the end of the period	(142.572.241)	(67.452.239)	(93.907.406)	(93.907.405)
Cost of good sold	922.803.054	326.026.959	732.763.894	327.185.243
-Merchandise inventory at the beginning of the period	469.424.512	-	264.799.911	259.411.485
-Purchases	782.182.939	307.989.917	994.124.915	420.529.442
-Merchandise inventory at the end of the period	(346.440.602)	(36.679.037)	(415.524.289)	(156.112.804)
Cost of merchandise sold	905.166.849	271.310.879	843.400.537	264.416.638
Cost of other sales	257.619	58.079	126.305	-
Total	1.828.227.522	597.395.917	1.576.290.737	591.601.880

NOTE 14 – OTHER OPERATING INCOME AND EXPENSES

Other Operating Income	1 January – 30 September 2015	1 July – 30 September 2015	1 January – 30 September 2014	1 July – 30 September 2014
Exchange difference income from commercial transactions	312.387.149	203.338.018	220.597.903	112.836.472
Interest incomes	12.781.699	4.006.911	7.853.575	2.708.335
Trade receivables interest income	8.743.028	547.278	6.587.726	1.651.225
Other income	39.189.595	28.362.694	15.281.480	8.399.521
	373.101.471	236.254.901	250.320.684	125.595.553
Other Operating Expenses	1 January – 30 September 2015	1 July – 30 September 2015	1 January – 30 September 2014	1 July – 30 September 2014
Exchange difference expenses from commercial transactions	279.015.125	196.444.209	151.143.113	120.097.684
Trade receivables interest expenses	3.774.702	243.120	5.267.251	663.997
Other expenses	23.335.939	11.078.176	27.353.686	18.258.707
	306.125.766	207.765.505	183.764.050	139.020.388

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NOTE 15 - EARNINGS PER SHARE

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

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

The weighted average of the shares and profit per share calculations of the company as of 30 September 2015 and 30 September 2014 are as follows.

	1 January- 30 September 2015	1 July – 30 September 2015	1 January- 30 September 2014	1 July – 30 September 2014
Net profit for the period	47.814.055	12.345.214	95.156.099	30.612.613
Weighted average number of ordinary shares outstanding during the year (each 1 kr)	33.400.000.000	33.400.000.000	33.400.000.000	33.400.000.000
Earnings per share (kr) (*)	0,0014	0,0004	0,002849	0,000915

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

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

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NOTE 16 - RELATED PARTIES TRANSACTIONS

(i) Balances Due from Related Parties

(a) Trade receivables and other receivables:

	30 September 2015	31 December 2014
<i>Main Partner</i>		
Central Union of Turkish Agricultural Credit Cooperatives	50.114.707	104.638.834
Other related parties	10.403.833	10.003.814
	60.518.540	114.642.648
<i>Associates and other related parties (Short Term)</i>		
Negmar Maritime Company	46.810	1.251.067
Tarnet A.Ş.	-	4.213
	46.810	1.255.280
<i>Associates and other related parties (Long Term)</i>		
Negmar Maritime Company	106.537.021	82.639.387
Other related parties	48.811.512	37.192.855
	155.348.533	119.832.242

(b) Trade payables:

	30 September 2015	31 December 2014
<i>Associates and other related parties</i>		
Negmar Denizcilik A.Ş	5.241.552	-
Tarnet A.Ş	12.800	-
Tarkim Bitki Koruma San. ve Tic. A.Ş.	327.917	35.398
	5.582.269	35.398

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. Receivables from subsidiaries and other related parties include amounts which is given by the Group for the transportation of Razi's productions.

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NOTE 16 - RELATED PARTIES TRANSACTIONS (continued)

(ii) Transactions with Related Party

Sales of Goods and Services:

	1 January – 30 September 2015	1 July – 30 September 2015	1 January – 30 September 2014	1 July – 30 September 2014
Main parent				
Central Union of Turkish Agricultural	972.534.605	368.342.464	916.584.684	314.548.211
Associates				
Negmar Maritime Company	1.567.600	524.431	1.679.845	844.634
Tarkim Bitki Koruma San. ve Tic. A.Ş.	46.550	18.900	19.300	11.200
Tarnet A.Ş.	126	252	83.450	83.013
	974.148.882	368.886.047	918.367.279	315.487.058

Purchase of Goods and Services:

	1 January – 30 September 2015	1 July – 30 September 2015	1 January – 30 September 2014	1 July – 30 September 2014
Associates				
Negmar Maritime Company	97.634.563	31.109.115	98.554.848	34.479.779
Tarkim Bitki Koruma San. Ve Tic. A.Ş.	579.786	296.400	223.994	54.216
Tarnet A.Ş.	1.360.394	579.170	2.214.581	1.210.432
	99.574.743	31.984.685	100.993.423	35.744.427

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

Benefits Provided to Top Management

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

	30 September 2015		31 September 2014	
	Gübretaş	Razi	Gübretaş	Razi
Short-term employee benefits (*)	1.238.267	2.736.287	1.256.196	3.153.882
	1.238.267	2.736.287	1.256.196	3.153.882

(*) The amount consists of attendance fee paid to Board of Directors.

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NOTE 17- NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

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 September 2015 is as follows;

	30 September 2015			
	TRY (functional currency)	USD	EURO	JPY
1 Trade receivables	234.627.306	77.103.919	-	-
2 Monetary financial assets (cash and bank accounts included)	270.826.247	85.186.614	799.038	2.715.102
3 Other current assets	4.021.050	92.429	1.102.670	-
4 Current assets (1+2+3)	509.474.603	162.382.962	1.901.708	2.715.102
5 Trade payables	439.423.098	143.796.385	568.630	-
6 Financial liabilities	514.486.037	112.540.000	50.272.727	-
7 Other short term liabilities, net	29.074	9.594	-	-
8 Short term liabilities (5+6+7)	953.938.209	256.345.979	50.841.357	-
9 Trade payables	-	-	-	-
10 Financial liabilities	-	-	-	-
11 Long term liabilities (9+10)	-	-	-	-
12 Total liabilities (8+11)	953.938.209	256.345.979	50.841.357	-
13 Net Foreign Exchange Asset/ (Liability) Position (4-12)	(444. 463.606)	(93.963.016)	(48.939.649)	2.715.102
14 Monetary Items Net Foreign Exchange Asset/(Liability) (4-12)	(444. 463.606)	(93.963.016)	(48.939.649)	2.715.102
15 Export listed sales	-	-	-	-
16 Import	514.520.008	191.534.828	-	-

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Notes to the interim condensed consolidated financial statements

as of 30 September 2015 (continued)

(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated)

NOTE 17- NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

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

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

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as of 30 September 2015 (continued)**

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated)

**NOTE 17 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS
(continued)**

In the terms ending on 30 September 2015 and 31 December 2014, 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:

	30 September 2015	
	Profit/(Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by %10 against TRY		
1- Assets/liability denominated in USD - net	(28.595.765)	28.595.765
2- The part hedged for USD risk (-)	-	-
3- The impact of TRY net profit for the period	(28.595.765)	28.595.765
Change of EUR by %10 against TRY		
1- Assets/liability denominated in EUR - net	(16.743.233)	16.743.233
2- The part hedged for EUR risk (-)	-	-
3- The impact of TRY net profit for the period	(16.743.233)	16.743.233
Change of JPY by %10 against TRY		
1- Assets/liability denominated in JPY - net	5.920	(5.920)
2- The part hedged for JPY risk (-)	-	-
3- The impact of TRY net profit for the period	5.920	(5.920)
	31 December 2014	
	Profit/(Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by %10 against TRY		
1- Assets/liability denominated in USD - net	(11.750.082)	11.750.082
2- The part hedged for USD risk (-)	-	-
3- The impact of TRY net profit for the period	(11.750.082)	11.750.082
Change of EUR by %10 against TRY		
1- Assets/liability denominated in EUR - net	(16.646.163)	16.646.163
2- The part hedged for EUR risk (-)	-	-
3- The impact of TRY net profit for the period	(16.646.163)	16.646.163
Change of JPY by %10 against TRY		
1- Assets/liability denominated in JPY - net	271.510	(271.510)
2- The part hedged for JPY risk (-)	-	-
3- The impact of TRY net profit for the period	271.510	(271.510)

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Gübre Fabrikaları Türk Anonim Şirketi

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(Amounts are expressed in Turkish Lira (“TRY”) unless otherwise indicated)

NOTE 17 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

As explained in Note 2, the Group management has used the rates published by the Foreign Exchange Center (“Center”) monitored by Central Bank of Iran Islam Republic. Had the Group used Turkish Lira /Iran Riyal market rate based on expected American Dollar/Iran Riyal market rate and the current Turkish Lira/ American Dollar rate net income would decrease by approximately 21 Million TRY and the foreign currency shareholders equity would decrease by 119 Million TRY.

NOTE 18 – SUBSEQUENT EVENTS

The consortium has imposed administrative fine against our Company in accordance with the Customs law numbered 4458 by Orta Akdeniz Gümrük ve Ticaret Bölge Müdürlüğü Mersin Gümrük Müdürlüğü allowing to challenge decision and judicial remedy and our Company is notified of this decision.

Our Company made an agreement to import fertilizer and “Fertilizer Import Conformity Certificate” was obtained which is valid for 6 months in order to realize this import. Fertilizer was delivered to Mersin Port and some part of fertilizer imported by obtaining TSE Certificate has been placed to the warehouse with store declaration and “Fertilizer Import Conformity Certificate” attached. Afterwards, Mersin Customs Office took criminal action against our Company in accordance with Article 235 of Law numbered 4458 during the nationalism process carried out from store. As a result, an administrative fine at an amount of 47.026.819,74 TRY, which is twice of the total amount of the imported fertilizer (23.513.409,87 TRY), was imposed. In this context, a reconciliation request has been made to Ministry of Customs and Trade in order to be entrusted to Central Reconciliation Commission by our company on 05 October 2015.

It is decided unanimously by the participants to process sales transaction of our shares at a ratio of 40% owned by our Company in the name of Negmar Denizcilik Yatırım A.Ş. under the condition of collection of turnover in cash and transferring of all our liabilities belonging to our Company such as collateral, surety, guarantor, hypothec to Raintrade Petrokimya ve Dış Ticaret A.Ş. which is our associated partner at an against remuneration of 21.200.000 USD (twenty two million and two hundred thousand US Dollars) and to authorize company management to operate and complete all the required transactions in this context.

It is announced by our Company, with the material disclosure dated 30 January 2015, that Supreme Court has approved parts related to referring to receivables with rescission and evacuation because of obstinacy given by the local court as a result of eviction action filed against Denizciler Birliği Deniz Nakliyatı ve Tic. A.Ş. (Denizciler Birliği); with the material disclosure dated 27 April 2015 that discharge has begun since Denizciler Birliği’s request of revision of decision shall not stop the discharge process; and with the material disclosure dated 03 June 2015 that discharge process carried out by Directorate of Execution in İskenderun Sarıseki facility and İskenderun Sarıseki facility has been taken over. Supreme Court verdict regarding the dismissal of revision of decision request of Denizciler Birliği has been notified to lawyers of our Company on 30 October 2015.