

(Convenience translation of the independent auditor's report and consolidated financial statements originally issued in Turkish)

**Gübre Fabrikaları Türk Anonim Şirketi**

**Consolidated statement of financial position as at 31 December 2017**

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

		Current year	Prior year
		Audited	Audited
	Notes	31 December 2017	31 December 2016
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	5	227.960.860	136.519.570
Financial investments	31	79.972.354	24.961.482
Trade receivables			
- Trade receivables from related parties	30	66.765.089	85.191.486
- Trade receivables from third parties	7	347.394.493	301.308.388
Other receivables			
- Other receivables from related parties	30	132.977	2.756.403
- Other receivables from third parties	8	198.708.598	167.768.077
Inventories	9	972.164.142	814.012.500
Prepaid expenses	10	68.232.462	75.887.364
Derivative financial instruments	20	85.916	16.743.178
Assets related to the current period taxes	28	482.023	5.687.893
Other current assets	18	27.602.260	17.452.274
<b>Total current assets</b>		<b>1.989.501.174</b>	<b>1.648.288.615</b>
<b>Non-current assets:</b>			
Financial investments	31	42.585.948	44.152.656
Other receivables			
- Other receivables from related parties	30	60.276.145	94.567.063
- Other receivables from third parties	8	14.119.733	23.074.100
Investments valued by equity method	3	12.879.760	9.025.166
Investment properties	11	69.638.999	57.028.000
Property, plant and equipment	12	1.222.887.066	1.219.905.720
Intangible assets			
-Goodwill	13	181.331.891	188.461.258
-Other intangible assets	13	28.950.307	29.129.804
Prepaid expenses	10	19.837.304	40.975.917
Deferred tax assets	28	55.978.837	28.524.082
<b>Total non-current assets</b>		<b>1.708.485.990</b>	<b>1.734.843.766</b>
<b>Total assets</b>		<b>3.697.987.164</b>	<b>3.383.132.381</b>

The consolidated financial statements for the year ended 31 December 2017 have been approved by the Board of Directors on 12 March 2018.

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		Current year	Prior year
		Audited	Audited
	Notes	31 December 2017	31 December 2016
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Short term borrowings	6	912.317.544	798.391.047
Current portion of long-term borrowings	6	54.914.049	42.297.246
Trade payables			
- Trade payables to related parties	30	17.417.334	5.224.461
- Trade payables to third parties	7	814.981.212	627.026.512
Employee benefit obligations	17	33.663.131	35.667.368
Other payables			
- Other payables to third parties	8	221.497.832	153.941.939
Deferred income	10	16.541.386	34.436.793
Current income tax liability	28	17.143.787	53.959.350
Short-term provisions			
- Short-term provisions for employee benefits	17	42.251.136	24.212.339
- Other short term provisions	16	49.140.281	79.923.906
<b>Total current liabilities</b>		<b>2.179.867.692</b>	<b>1.855.080.961</b>
<b>Non-current liabilities:</b>			
Long-term borrowings	6	72.295.391	99.492.773
Long-term provisions			
- Long-term provisions for employee benefits	17	196.320.157	185.422.202
Deferred tax liability	28	41.992.837	41.518.380
<b>Total non-current liabilities</b>		<b>310.608.385</b>	<b>326.433.355</b>
<b>Total liabilities</b>		<b>2.490.476.077</b>	<b>2.181.514.316</b>
<b>Shareholders' equity:</b>			
Share capital	19	334.000.000	334.000.000
Accumulated other comprehensive income / expense not to be reclassified to profit or loss			
- Revaluation gains/losses on property, plant and equipment	27	261.940.485	262.570.832
- Actuarial gain/(loss) arising from defined benefit plans		(1.458.551)	(945.335)
- Foreign currency translation reserve		(68.388.089)	(62.489.158)
- Shares to be classified as profit / loss from other comprehensive income of investments accounted for by the equity method	3	(28.376.207)	(25.428.512)
Restricted reserves			
-Legal reserves	19	52.295.108	41.378.380
Retained earnings		387.155.939	466.809.637
Net income or expense		33.317.912	(68.736.970)
<b>Equity attributable to equity holders of the parent</b>		<b>970.486.597</b>	<b>947.158.874</b>
Non-controlling interests		237.024.490	254.459.191
<b>Total shareholders' equity</b>		<b>1.207.511.087</b>	<b>1.201.618.065</b>
<b>Total liabilities and equity</b>		<b>3.697.987.164</b>	<b>3.383.132.381</b>