



**2018 2nd QUARTER
OPERATING REVIEW
REPORT**

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

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I. INTRODUCTION

A. REPORTING PERIOD

01.01.2018 - 30.06.2018

B. COMMERCIAL TITLE

Gübre Fabrikaları Türk Anonim Şirketi (Gübretaş)

C. TRADE REGISTER NUMBER

Gübre Fabrikaları T.A.Ş. is registered to the İstanbul Trade Registry with the registry number 47535.

D. CONTACT INFORMATION

HEAD OFFICE

The address of our headquarters, which is registered to the trade registry, is “İstanbul Kadıköy Bora Sk. Nida Kule Göztepe İşm. No.1 K.12 (Bölüm: 42, 45) K. 30 - 31”.

The telephone, fax, e-mail and web address of Gübretaş are as below:

Tel: +90 (216) 468 50 50

Fax: +90 (216) 407 10 11

E-mail address: gubretas@gubretas.com.tr

Web address: www.gubretas.com.tr

Also, the contact information of production facilities and regional offices are listed below;

YARIMCA FACILITIES

Address: Atalar Mahallesi Hayat Sokak No: 30 41740 Körfez / KOCAELİ

Phone : +90 (262) 528 46 40

Fax : +90 (262) 528 21 31

İZMİR FACILITIES

Address: Fatih Mah. Atatürk Cad.No: 28 Aliğa / İZMİR

Phone : +90 (232) 627 91 59

Fax : +90 (232) 627 91 59

FOÇA FACILITIES

Address: Bağarası Köyü Hacıveli Mh. Foça-İzmir Karayolu No: 401 Foça / İZMİR

Phone: +90 (232) 822 81 48

İSKENDERUN FACILITIES

Address: Sarıseki Mah. 12 Eylül Caddesi E-5 Karayolu Altı No: 1 İskenderun / HATAY

Phone : +90 (326) 656 22 88

Fax : +90 (326) 656 22 80

TEKİRDAĞ REGIONAL OFFICE

Address: Turgut Mah. Ördeklidere Cad. No: 16/1 TEKİRDAĞ

Phone : +90 (282) 262 76 50 / +90 (282) 262 47 94

Fax : +90 (282) 262 98 51

İSKENDERUN REGIONAL OFFICE

Address: Sarıseki Mah. E-5 Üzeri Cad. Port Center İş Merkezi No: 146/10-11 Sarıseki-İskenderun / HATAY

Phone : +90 (326) 626 14 42 - 44 - 49

Fax : +90 (326) 626 14 50

ANKARA REGIONAL OFFICE

Address: Emek Mah. Kazakistan Cad. (4. Cadde) No: 139 Çankaya / ANKARA

Phone : +90 (312) 212 75 75

Fax : +90 (312) 231 92 99

İZMİR REGIONAL OFFICE

Address: Kırlar Mevkii Fatih Mah. Atatürk Cad. Helvacı / Aliğa - İZMİR

Phone : +90 (232) 627 91 59

Fax : +90 (232) 627 91 60

SAMSUN REGIONAL OFFICE

Address: Kamalı Mah. 4043 Sok. No.1/A Atakum / SAMSUN

Phone : +90 (362) 266 40 10

Fax : +90 (362) 266 68 25

DİYARBAKIR REGIONAL OFFICE

Address: Kayapınar Mah. Urfa Yolu 3. km DİYARBAKIR

Phone : +90 (412) 251 12 46 - 251 15 46

Fax : +90 (412) 251 18 55

ANTALYA REGIONAL OFFICE

Address: Yeşilbahçe Mah. Portakal Çiçeği Bulvarı Kepez Mehmet Sitesi A Blok No: 35 Kat: 2
Daire: 8 Muratpaşa/ANTALYA

Phone : +90 (242) 311 43 73 - 83

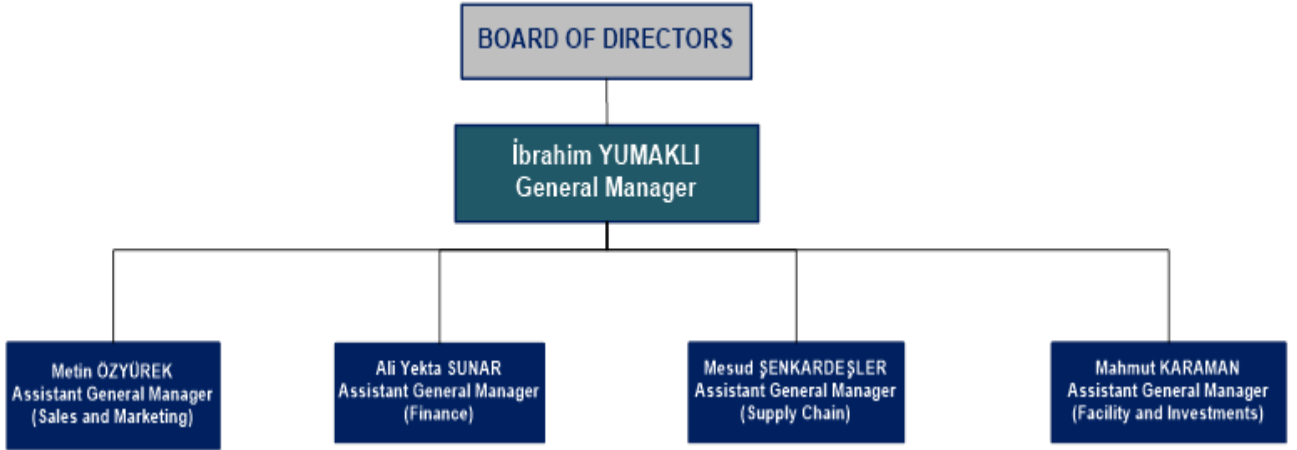
Fax : +90 (242) 311 43 93

ŞANLIURFA REGIONAL OFFICE

Address: Ulubağ Mh. Recep Tayyip Erdoğan Blv. Tarım Kredi St. No.305/5 Haliliye
/ŞANLIURFA

Phone : +90 (326) 626 14 44

Fax : +90 (326) 626 14 44

E. ORGANIZATION CHART**F. CAPITAL STRUCTURE**

As of 30.06.2018 authorized capital of the company is 1.000.000.000 ₺ and issued capital is 334.000.000 ₺. There has not been any change in terms of capital and shareholder structure of Gübretas within the fiscal period.

The Company does not have any preferred shares or has not acquired any of its shares.

“Capital loss” or “Indebtedness” situations, which are defined in 376th article of TCC, has not been observed.

Tablo 1 : CAPITAL STRUCTURE

Shareholders	Share Amount -₺	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

G. BOARD OF DIRECTORS

Title	Name	Date of Election
Chairman	Fahrettin POYRAZ	19.12.2017
Vice Chairman	Ahmet BAĞCI	03.05.2018
Executive Member	İbrahim YUMAKLI	28.10.2016
Member	Ramazan BİLGİÇ	03.05.2018
Member	Halim ALTUNKAL	03.05.2018
Member	Mehmet TUNÇAK	03.05.2018
Independent Member	Murat YAŞA	11.05.2017
Independent Member	Seyfullah ARSLANTÜRK	28.02.2018
Independent Member	Mehmet BULUT	30.03.2018

Members of the Board of Directors, which resigned during the period and after balance sheet date:

Title	Name	Date of Appointment	Date of Election
Executive Member	Mesud ŞENKARDEŞLER	07.03.2017	04.01.2018
Independent Member	Ali Rıza ÖZDEMİR	17.06.2016	26.02.2018
Independent Member	Bahattin YILDIZ	13.04.2016	03.03.2018
Member	Ertekin ÇOLAK	24.06.2016	26.04.2018
Vice Chairman	Mahmut GÜNGÖR	27.07.2016	03.05.2018
Member	Fatih Zekeriya YERLİKAYA	04.01.2018	03.05.2018
Executive Member	Ali Yekta SUNAR	10.07.2017	03.05.2018

The members of Board of Directors have the rights which are noted in the Articles of Association and Turkish Commercial Code. In the footnotes numbered 16 of financial tables, informations about the benefits provided to the Board of Directors and top management are provided.

H. TOP MANAGEMENT

Title	Name	Date of Appointment
General Manager	İbrahim YUMAKLI	28.10.2016
Assistant GM - Facility and Investments	Dr. Mahmut KARAMAN	04.02.2015
Assistant GM - Supply Chain	Mesud ŞENKARDEŞLER	30.09.2016
Assistant GM - Sales & Marketing	Metin ÖZYÜREK	10.07.2017
Assistant GM - Finance	Ali Yekta SUNAR	05.05.2017

İ. ADMINISTRATIVE ACTIVITIES

Number of Personnel

As of 30.06.2018, our number of personel increased by 6,7% to 572 people compared to the same date a year before.

Training Activities

Training activities are aimed at developing managerial, personal and professional capabilities of the staff. Education activities of 2.769 hours with participation of 202 employees were carried out in the first six months of 2018.

II. GÜBRE FABRİKALARI T.A.Ş. ACTIVITIES

A. PRODUCTION

Gübretaş produced 256.553 tons of compound fertilizers, 71.705 tons of nitrogen-based fertilizers, 26.540 tons of phosphate-based fertilizers, and a total of 354.798 tons in the first six months of 2018. In addition, 13.483 tons of liquid and powder fertilizers were produced.

Solid fertilizer production increased by 8,44% and liquid-powder production also increased by 4,89% in 2018 compared to 2017. Total fertilizer production including solid, liquid and powder increased by 8,31%.

Some of the products were used as raw material in the production process. Capacity utilisation rate was 75,46% in the first six months of 2018.

Table 2: PRODUCTION BY GROUP-TON

Production	2018/6	2017/6	Change
Solid Fertilizer	354.798	327.169	8,44%
Liquid - Powder Fertilizer	13.483	12.854	4,89%
GRAND TOTAL	368.281	340.023	8,31%

B. SALES AND PURCHASES

Our Company sold 1.075.517 tons of solid, 28.680 tons of liquid and powder fertilizers in the first six months of 2018. In the first six months of 2017, 1.134.283 tons of solid, 29.371 tons of liquid and powder fertilizers were sold.

The sales decreased by 5,18% in the first six months of 2018, compared to the same period of the year before.

The volume of purchases was 1.111.191 tons in the first six months of 2017, and it decreased by 7,59% to 1.026.904 tons in first six months of 2018. Export has been 889 tons in the first six months of 2018, while it was 1.698 tons in the same period of 2017.

Table 3: PURCHASES BY GROUP-TON

	2018/6	2017/6	Change
Raw Material	343.622	282.347	21,70%
Commodity	683.282	828.844	-17,56%
Total Purchases	1.026.904	1.111.191	-7,59%

Table 4: SALES BY PRODUCT GROUPS-TON

Solid Chemical Fertilizer	2018/6	2017/6	Change
Compound	357.766	311.199	14,96%
Nitrogen-based	649.538	716.971	-9,41%
Phosphate-based and others	68.213	106.113	-35,72%
Total Solid Fertilizer	1.075.517	1.134.283	-5,18%
Total Liquid - Powder Fertilizer	28.680	29.371	-2,36%
Grand Total	1.104.197	1.163.654	-5,11%

C. INVESTMENTS

In Turkish operations, our company spent 34.089.180 ₺ for capital expenditure in the first half of 2017, while this figure was 21.665.694 ₺ in the same period of 2018.

III. AFFILIATES AND SUBSIDIARIES

Table 5: SUBSIDIARIES

Company Name	Share %
Razi Petrochemical Co.	48,88
Nbulkgas Deniz İşletmeciliği Ltd. Şti.	40,00

Table 6: AFFILIATES

Company Name	Share %
Tarkim Bitki Koruma San. ve Tic. A.Ş.	40,00
Tarnet Tar. Kre.Bil .Hiz.San Tic .A.Ş.	15,78

IV. RAZİ PETROCHEMICAL CO. ACTIVITIES

A. PRODUCTION

In the first half of 2018, 974.378 tons of fertilizer and fertilizer raw materials were produced in Razi Petrochemical Co. and its subsidiary Arya Phosphoric Jonoub Co., capacity utilization rate was 53,52%.

Table 7: RAZİ PETROCHEMICAL CO. PRODUCTION-TON

PRODUCT	2018/6	2017/6	Change	Capacity	2018/6 CUR
Ammonia	442.531	421.715	4,94%	1.336.000	66,25%
Urea	227.492	178.737	27,28%	594.000	76,60%
Sulphur	129.944	133.064	-2,34%	508.000	51,16%
Sulphuric Acid	108.746	79.563	36,68%	627.000	34,69%
Phosphoric Acid	34.636	24.437	41,74%	126.000	54,98%
DAP	31.029	14.306	116,90%	450.000	13,79%
Total	974.378	851.821	14,39%	3.641.000	53,52%

B. SALES

In the first half of 2018, 858.067 tons of fertilizer were sold and 962.251.632 ₺ of revenue were achieved in Razi Petrochemical Co. and its subsidiaries. Razi Petrochemical Co. exported 695.316 tons and sold 162.751 tons in the domestic market in the first six months of 2018. Share of export in total sales was 81,03%.

Table 8: RAZI PETROCHEMICAL CO. SALES-TON

PRODUCT (Razi & Arya)	2018/6	2017/6	Değişim
Ammonia	339.804	308.117	10,28%
Urea	253.995	158.728	60,02%
Sulphur	118.654	84.309	40,74%
DAP	29.296	26.206	11,79%
Phosphoric Acid	18.703	19.608	-4,62%
Sulphuric Acid	14.973	10.597	41,30%
Subtotal	775.425	607.565	27,63%
Urea	47.702	93.498	-48,98%
Ammonium Sulphate	34.940	75.326	-53,61%
Other Sales	82.642	168.824	-51,05%
TOTAL	858.067	776.389	10,52%

C. INVESTMENTS

In Iran operations, our company spent 32.671.693 ₺ for capital expenditure in the first half of 2017, while this figure was 3.405.299 ₺ in 2018.

V. REVIEW

The upward trend in fertilizer and raw material prices, which began at the end of 2017, continues in 2018.

In ammonia, the lowest prices of the year were observed in April, followed by maintenance works in some production facilities. Thus, supply became deficient and prices increased. Similarly, the price of Urea softened in 2nd quarter ve recovered after. The price of ammonium sulphate was stable throughout the year.

High raw material prices and demand increased the phosphate-based fertilizers like DAP, MAP etc. since the beginning of the year. Prices are expected to be firm till the end of year, when the demand will be lower. The prices are also firm in potassium market, in which there are fewer producers compared to other nutrients and producers have more power to dictate prices.

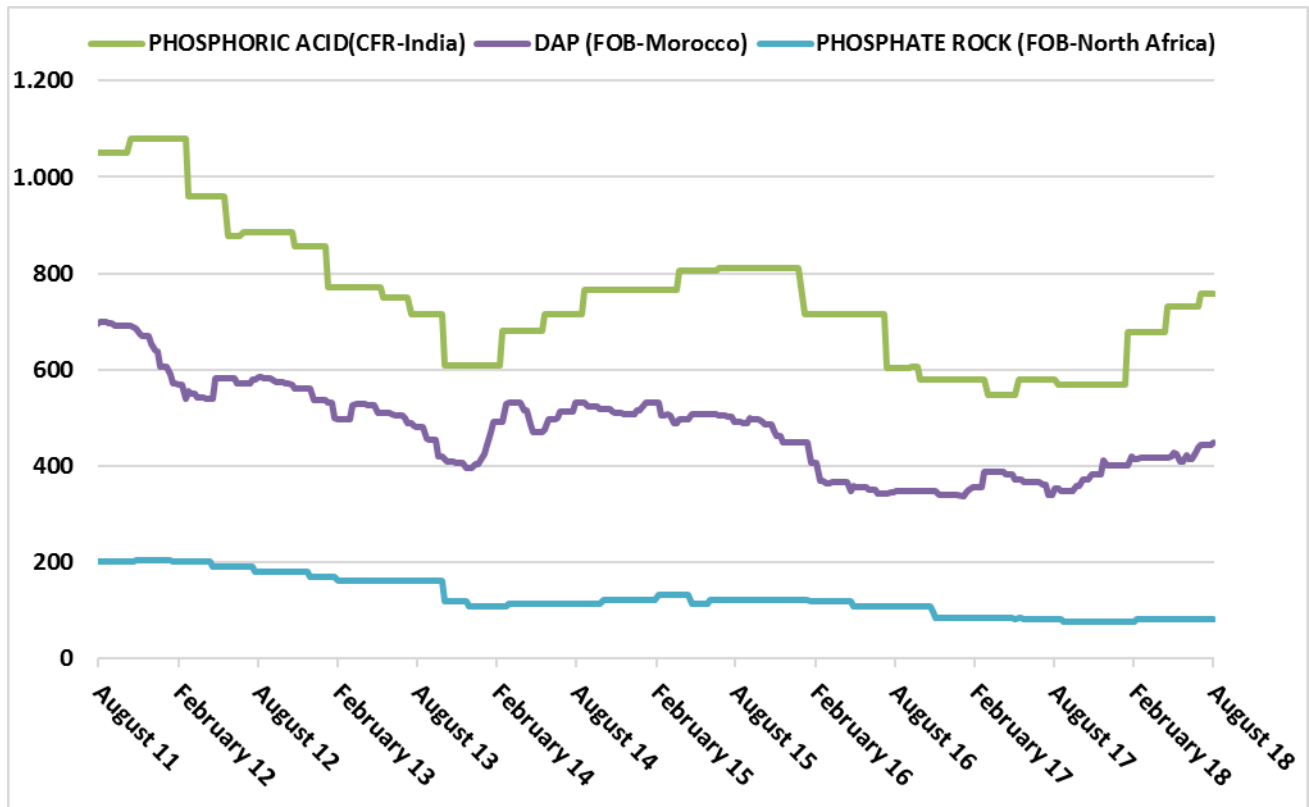
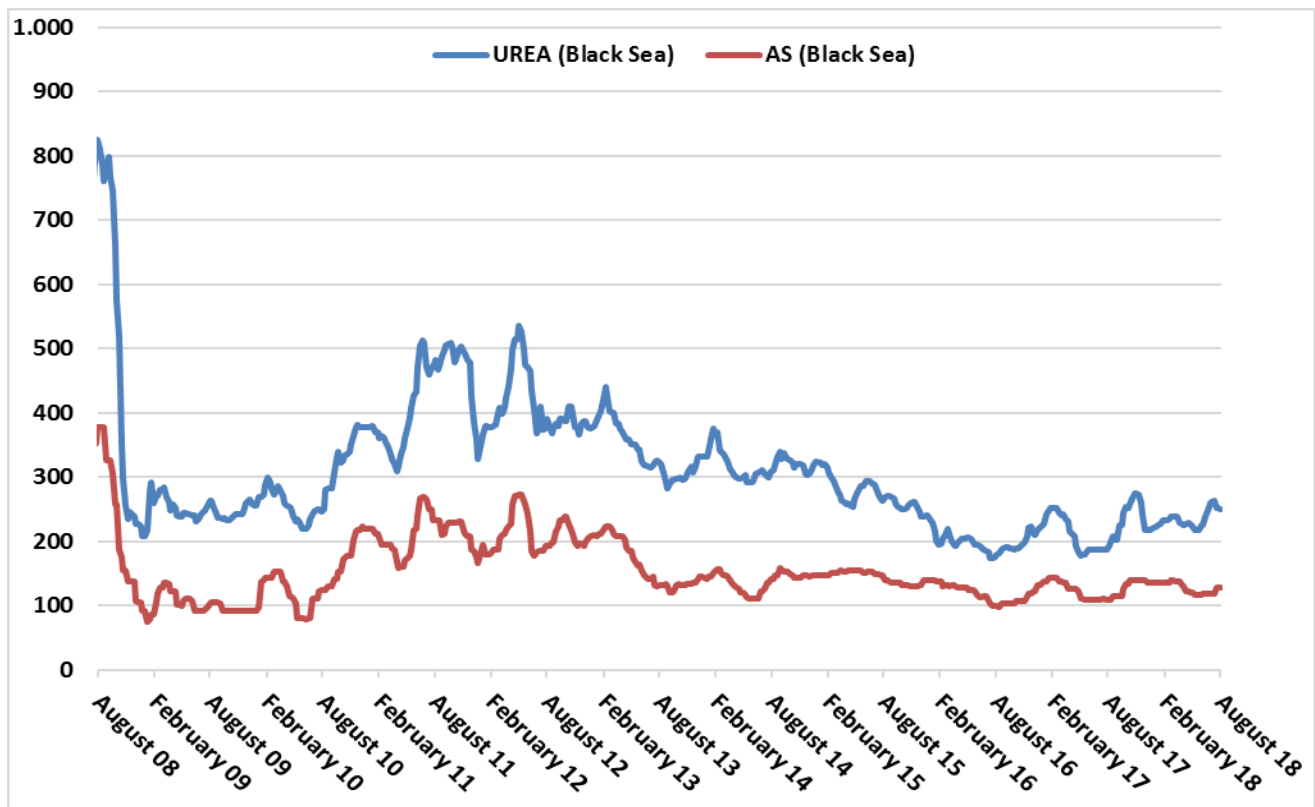
Higher prices in raw materials like phosphoric acid and ammonia keeps the compound fertilizer prices also firm.

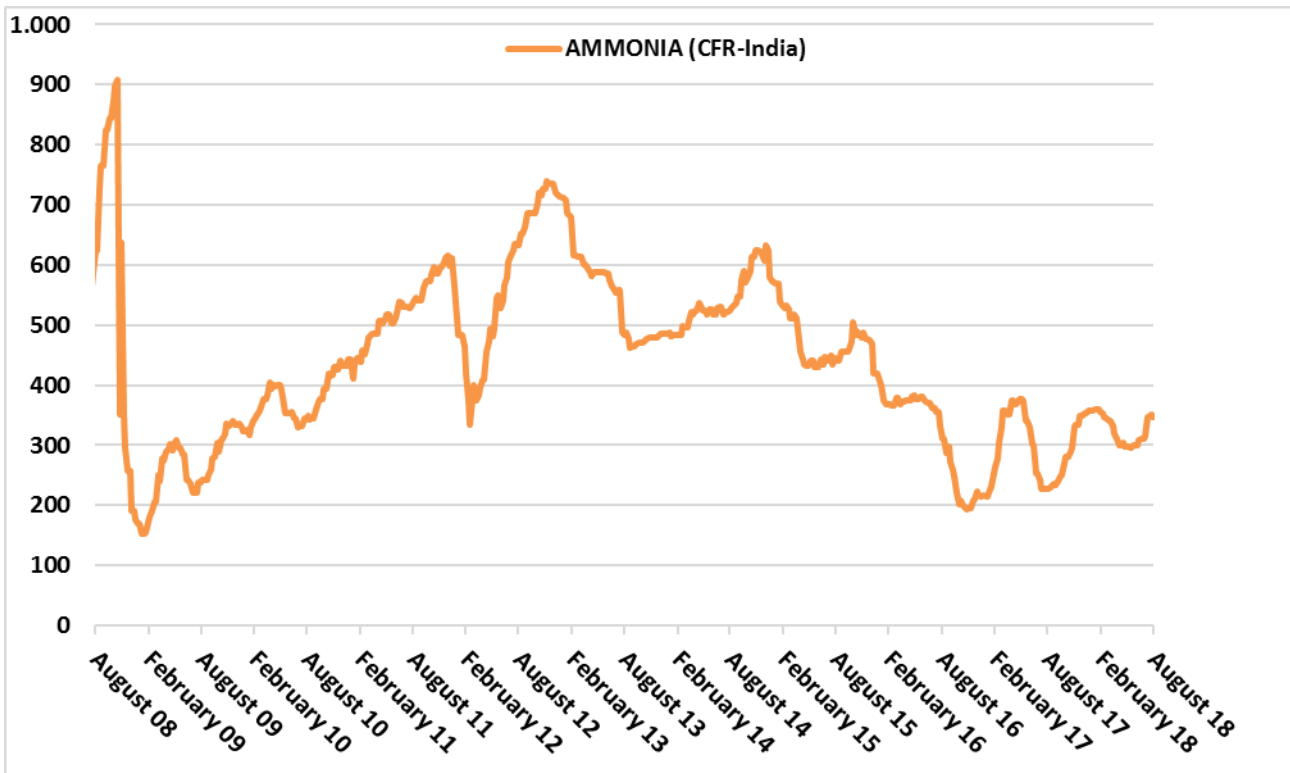
According to the initial estimates of TurkStat, there will be a limited decrease in herbal production. Fruit production is expected to increase while the production of vegetables and cereals are expected to be lower. The production becomes more oriented towards products with higher profitability. The increase of fuel-oil support up to 50 percent is an important development in producer income.

The exports to Russia and European Union, which are major export markets, continues smoothly. The positive trend in tourism contributes to the domestic demand for agricultural products. The appreciation of foreign currencies will effect the exported products positively.

In the first half of the year, the fertilizer consumption was realized within expectations. In the upcoming period, increasing fertilizer prices and appreciating Turkish Lira will become the two most important headlines in terms of the trend of fertilizer consumption.

Gübretaş continues to carry out its operations in line with budget targets and reinforces its leading position in the market.

Graph 1 : FERTILIZER PRICES IN INTERNATIONAL MARKETS - US\$/TON

Graph 2 : FERTILIZER PRICES IN INTERNATIONAL MARKETS - FOB US\$/TON


Graph 3 : FERTILIZER PRICES IN INTERNATIONAL MARKETS - FOB US\$/TON


VI. FINANCIAL STRUCTURE

A. CONSOLIDATED BALANCE SHEET -₺

ASSETS	30 June 2018	31 December 2017
Current Assets	2.499.661.913	1.989.501.174
Cash and Cash Equivalents	473.654.973	227.960.860
Financial Investments	43.309.418	79.972.354
Trade Receivables	548.725.263	414.159.582
- Trade receivables from related parties	45.175.135	66.765.089
- Other trade receivables	503.550.128	347.394.493
Other Receivables	282.637.868	198.841.575
- Other receivables from related parties	13.450	132.977
- Other receivables	282.624.418	198.708.598
Inventories	1.065.085.418	972.164.142
Prepaid expenses	51.836.963	68.232.462
Derivative Instruments	13.572.000	85.916
Current tax assets	838.619	482.023
Other Current Assets	20.001.395	27.602.260
Fixed Assets	2.176.989.719	1.708.485.990
Financial Investments	43.517.301	42.585.948
Other receivables	111.545.224	74.395.878
- Other receivables from related parties	-	60.276.145
- Other receivables from third parties	111.545.224	14.119.733
Investments Valued by Equity Method	17.311.276	12.879.760
Investment Properties	69.638.999	69.638.999
Tangible Fixed Assets	1.605.450.807	1.222.887.066
Intangible Fixed Assets	213.999.729	210.282.198
- Goodwill	185.570.050	181.331.891
- Other intangible assets	28.429.679	28.950.307
Prepaid expenses	23.350.784	19.837.304
Deferred Tax Assets	92.175.599	55.978.837
TOTAL ASSETS	4.676.651.636	3.697.987.164

LIABILITIES	30 June 2018	31 December 2017
Short-term Liabilities	2.645.466.099	2.179.867.692
Financial Liabilities	695.383.799	912.317.544
Short-term portion of long-term borrowings	192.694.335	54.914.049
Trade payables	1.452.668.545	832.398.546
- <i>Trade payables to related parties</i>	1.239.460	17.417.334
- <i>Other trade payables to third parties</i>	1.451.429.085	814.981.212
Payables for Employment Termination Benefits	46.947.192	33.663.131
Other payables to third parties	117.115.539	221.497.832
Deferred Incomes	25.693.407	16.541.386
Current Tax Liabilities	10.247.680	17.143.787
Short-term provisions	104.715.604	91.391.417
- <i>Short-term provisions for employee benefits</i>	27.561.026	42.251.136
- <i>Provisions for payables</i>	77.154.578	49.140.281
Long-term Liabilities	683.950.480	310.608.385
Long-term borrowings	90.889.892	72.295.391
Long-term Other payables to third parties	345.394.251	-
Long-term provisions for employee benefits	207.104.041	196.320.157
Deferred tax liabilities	40.562.296	41.992.837
EQUITY CAPITAL	1.347.235.053	1.207.511.087
Paid-in Capital	334.000.000	334.000.000
Accumulated other comprehensive income / expense not to be reclassified to profit or loss	261.256.903	260.481.934
- <i>Revaluation gains/losses on property, plant and equipment</i>	261.940.485	261.940.485
- <i>Actuarial gain/(loss) arising from defined benefit plans</i>	(683.582)	(1.458.551)
Accumulated other comprehensive income / expense to be reclassified to profit or loss	(47.519.956)	(96.764.296)
- <i>Foreign currency translation reserve</i>	(47.519.956)	(68.388.089)
- <i>Shares to be classified as profit / loss from other comprehensive income of investments accounted for by the equity method</i>	-	(28.376.207)
Restricted Reserves From Profit	52.295.108	52.295.108
Retained earnings	420.473.851	387.155.939
Net Period Profit / (Loss)	(23.906.488)	33.317.912
Equity attributable to equity holders of the parent	996.599.418	970.486.597
Minority Shares	350.635.637	237.024.490
TOTAL LIABILITIES	4.676.651.636	3.697.987.164

B. CONSOLIDATED INCOME STATEMENT-₺

CONTINUING OPERATIONS	1 Jan - 30 June 2018	1 Jan - 30 June 2017
Sales (net)	2.269.852.199	2.066.047.871
Costs of Sales (-)	(1.796.618.834)	(1.814.971.869)
GROSS PROFIT	473.233.365	251.076.002
Administrative Expenses (-)	(80.058.598)	(97.497.942)
Marketing, Sales and Distribution Expenses (-)	(169.363.125)	(137.805.959)
Other Operating Incomes	166.912.294	167.326.709
Other Operating Expenses (-)	(246.943.403)	(133.926.110)
OPERATION PROFIT/(LOSS)	143.780.533	49.172.700
Income From Investment Activities	(7.781.223)	-
Shares in Profit/Loss of Investments Valued by Equity Method	4.431.516	(14.337.929)
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSE	140.430.826	34.834.771
Finance Expenses (-)	(126.426.356)	(1.504.776)
PRE-TAX PROFIT / LOSS FROM CONTINUING OPERATIONS	14.004.470	33.329.995
Total Tax Income / Expense (-)	37.412.492	(6.164.618)
- Period Tax Income / Expense (-)	(1.639.793)	(3.922.718)
- Deferred Tax Income / Expense(-)	39.052.285	(2.241.900)
PERIOD PROFIT/ (LOSS)	51.416.962	27.165.377
<u>Distribution of Period Profit / (Loss)</u>		
Minority Shares	75.323.450	2.152.515
Parent Company's Shares	(23.906.488)	25.012.862
Earnings / (Loss) Per Share (kr)	(0,0007)	0,0007

VII. EVENTS AFTER BALANCE SHEET DATE

1. The investment related expanding the port of our company located in the Yarımca facilities has been taken under the scope of "**Large Scale Investment**" by T.C. The Ministry of Economy General Directorate of Incentive Implementation and Foreign Investments and an incentive certificate for investment has been issued. Investment amount subject to the incentive is 235 million TRY and the elements to be benefited are;

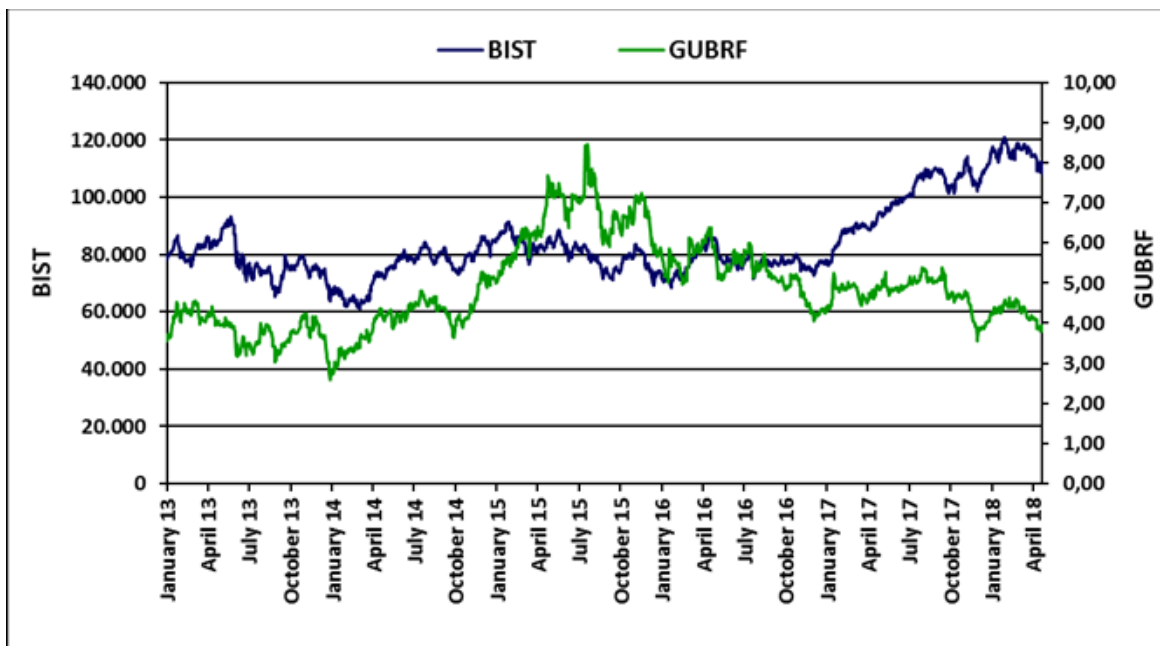
- Tax Reduction: 50%, Investment Contribution Rate 25%
- VAT Exemption
- Employer's National Insurance Contribution Support: 2 years

Investment related the modernization of our company's TSP plant in Iskenderun facilities to produce compound fertilizer, has been taken under the scope of "**Regional Incentive Practice**" by T.C. The Ministry of Economy General Directorate of Incentive Implementation and Foreign Investments and an incentive certificate for investment has been issued. Investment amount subject to the incentive is 84 million TRY and the elements to be benefited are;

- Tax Reduction: 70%, Investment Contribution Rate 30%
- Interest Support
- VAT Exemption

VIII. PERFORMANCE OF THE STOCK

Graph 4 : PERFORMANCE OF THE STOCK



IX. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

In accordance with Communiqué on Corporate Governance, which is numbered II-17.1 and published by Capital Markets Board in 3.1.2014, within the second three months of 2018 covering the dates of 1.4.2018 - 30.6.2018, the following works have been realized by the Company in order to be compliant with the principles issued in the related communique:

1. 66th Ordinary General Meeting of Gübretaş, which belongs to the 2017 accounting period, was held in our headquarters Merdivenköy Mahallesi Bora Sokak No: 1 Nida Kule İş Merkezi Göztepe, Kadıköy/İstanbul in May 3, 2018, 10:00. The General Meeting was held in the conference hall of the headquarters with the participation of around %77,1 of the total 334m TRY capital and according to the regulations of Capital Markets Law, the meeting has been held both in physical and electronical media simultaneously.
2. The Minutes of the 66th Ordinary General Meeting, Attendance list and Profit Distribution Table has been announced both in Public Disclosure Platform and company official website in May 3, 2018. The minutes of the meeting have been registered by İstanbul Trade Registry Office and have been announced in the Turkish Trade Registry Gazette no. 9598, which is dated June 12, 2018. These minutes have also been brought to the investors and public attention at e-Company portal.
3. After the 66th Ordinary General Meeting, the committees that perform under Board of Directors, has been formed and the Board members of the committees announced in the Public Disclosure Platform.
4. Regarding to the article 2.1.3 of Corporate Governance Principles, which are stated in the Annex-1 of the Corporate Governance Communique, our 1st quarter financial statements including footnotes have been announced in the Public Disclosure Platform both in Turkish and English.

X. CONCLUSION

DEAR SHAREHOLDERS,

In the first six months of 2018, 1.026.904 tons of fertilizers and raw materials were procured from domestic and foreign markets and 354.798 tons of various types of chemical solid fertilizer were produced at our facilities. On the other hand, 1.104.197 tons of solid, liquid and powder fertilizers were sold in the first six months of 2018. Net sale revenues realized as 1.354.461.607 ₺.

Also 974.378 tons of fertilizer and fertilizer raw materials were produced 962.251.632 ₺ sale revenues were realized by the sale of 858.067 tons of fertilizer and fertilizer raw material in our affiliated company Razi Petrochemical Co and its subsidiaries.

Our company reached to 2.269.852.199 ₺ consolidated sales revenue. Beside, by deducting cost of goods sold, operation expenses, other operating expenses-income and financial expenses; 14.004.470 ₺ profit realized before tax. 51.416.962 ₺ consolidated profit occurred after adding 37.412.492 ₺ net tax income. 23.906.488 ₺ loss to shareholders has occurred after deducting 75.323.450 ₺ shares of minority shareholders.

We would kindly like to ask you to evaluate the results mentioned above regarding our first six months of 2018 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 – June 30, 2018**

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1-2
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(Convenience translation of a report and interim condensed consolidated financial statements originally issued in Turkish)

Gübre Fabrikaları Türk Anonim Şirketi

Interim consolidated statement of financial position as of 30 June 2018

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

		Unaudited	Audited
	Notes	30 June 2018	31 December 2017
ASSETS			
Current assets:			
Cash and cash equivalents	4	473.654.973	227.960.860
Financial investments		43.309.418	79.972.354
Trade receivables			
- Trade receivables from related parties	16	45.175.135	66.765.089
- Trade receivables from third parties	6	503.550.128	347.394.493
Other receivables			
- Other receivables from related parties	16	13.450	132.977
- Other receivables from third parties	7	282.624.418	198.708.598
Inventories	8	1.065.085.418	972.164.142
Prepaid expenses		51.836.963	68.232.462
Assets related to the current period taxes		13.572.000	85.916
Derivative Instruments		838.619	482.023
Other current assets		20.001.395	27.602.260
Total current assets		2.499.661.917	1.989.501.174
Non-current assets:			
Financial investments		43.517.301	42.585.948
Other receivables			
- Other receivables from related parties	16	-	60.276.145
- Other receivables from third parties	7	111.545.224	14.119.733
Investments valued by equity method		17.311.276	12.879.760
Investment properties		69.638.999	69.638.999
Property, plant and equipment	9	1.605.450.807	1.222.887.066
Intangible assets	10		
- Goodwill		185.570.050	181.331.891
- Other intangible assets		28.429.679	28.950.307
Prepaid expenses		23.350.784	19.837.304
Deferred tax assets		92.175.599	55.978.837
Total non-current assets		2.176.989.719	1.708.485.990
Total assets		4.676.651.636	3.697.987.164

The interim condensed consolidated financial statements for the year ended 30 June 2018 have been approved by the Board of Directors on 17 August 2018.

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

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

Gübre Fabrikaları Türk Anonim Şirketi

Interim consolidated statement of financial position as of 30 June 2018

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

		Unaudited	Audited
	Notes	30 June 2018	31 December 2017
LIABILITIES			
Current liabilities:			
Short term borrowings	5	695.383.799	912.317.544
Current portion of long-term borrowings	5	192.694.335	54.914.049
Trade payables			
- Trade payables to related parties	16	1.239.460	17.417.334
- Trade payables to third parties	6	1.451.429.085	814.981.212
Employee benefit obligations		46.947.192	33.663.131
Other payables			
- Other payables to third parties	7	117.115.539	221.497.832
Deferred income		25.693.407	16.541.386
Current income tax liability		10.247.680	17.143.787
Short-term provisions			
- Short-term provisions for employee benefits		27.561.026	42.251.136
- Other short term provisions		77.154.578	49.140.281
Total current liabilities		2.645.466.101	2.179.867.692
Non-current liabilities:			
Long-term borrowings	5	90.889.892	72.295.391
Long-term Other payables to third parties		345.394.251	-
Long-term provisions			
- Long-term provisions for employee benefits		207.104.041	196.320.157
Deferred tax liability		40.562.296	41.992.837
Total non-current liabilities		683.950.480	310.608.385
Total liabilities		3.329.416.581	2.490.476.077
Shareholders' equity:			
Share capital		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		261.940.485	261.940.485
- Actuarial gain/(loss) arising from defined benefit plans		(683.582)	(1.458.551)
- Foreign currency translation reserve		(53.242.933)	(68.388.089)
- Shares to be classified as profit / loss from other comprehensive income of investments accounted for by the equity method		-	(28.376.207)
Restricted reserves			
- Legal reserves		52.295.108	52.295.108
Retained earnings		420.473.851	387.155.939
Net income or expense		(23.906.488)	33.317.912
Equity attributable to equity holders of the parent		996.599.418	970.486.597
Non-controlling interests		350.635.637	237.024.490
Total shareholders' equity		1.347.235.055	1.207.511.087
Total liabilities and equity		4.676.651.636	3.697.987.164

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

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

Gübre Fabrikaları Türk Anonim Şirketi

Interim consolidated statement of profit or loss and other comprehensive income as of 30 June 2018

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

	Notes	Current Period		Previous Period	
		Reviewed	Not Reviewed	Reviewed	Not Reviewed
		January 1 – June 30, 2018	April 1 – June 30, 2018	January 1 – June 30, 2017	April 1 – June 30, 2017
Sales	13	2.269.852.199	1.012.245.709	2.066.047.871	950.502.306
Cost of sales (-)	13	(1.796.618.834)	(801.154.325)	(1.814.971.869)	(831.061.410)
Gross profit		473.233.365	211.091.384	251.076.002	119.440.896
General and administrative expense (-)		(80.058.598)	(41.427.597)	(97.497.942)	(67.252.628)
Marketing, selling and distribution expense (-)		(169.363.125)	(77.326.609)	(137.805.959)	(52.463.750)
Other operating income	14	166.912.294	113.170.398	167.326.709	60.817.298
Other operating expenses (-)	14	(246.943.403)	(182.280.029)	(133.926.110)	(45.404.134)
Operating profit		143.780.533	23.227.547	49.172.700	15.137.682
Expenses from investing activities		(7.781.223)	(1.108.383)	-	-
Profit / (loss) from investments accounted by equity method		4.431.516	3.115.397	(14.337.929)	(682.390)
Financial income/(expense) before operating profit		140.430.826	25.234.561	34.834.771	14.455.292
Financial income / (expense)		(126.426.356)	(21.929.487)	(1.504.776)	1.658.897
Profit before tax from continuing operations		14.004.470	3.305.074	33.329.995	16.114.189
Current period tax income/expense		(1.639.793)	(1.639.793)	(3.922.718)	(2.883.765)
Deferred tax income/(expense)		39.052.285	34.619.199	(2.241.900)	1.617.999
Total tax (expense)/income		37.412.492	32.979.406	(6.164.618)	(1.265.766)
Net profit for the period		51.416.962	36.284.480	27.165.377	14.848.423
Distribution of income for the period					
Non-controlling interests		75.323.450	51.402.781	2.152.515	573.955
Equity holders of the parent		(23.906.488)	(15.118.301)	25.012.862	14.274.468
Other comprehensive income					
Items not to be reclassified to profit or loss					
Actuarial gain/(loss) arising from defined benefit plans		968.711	945.681	(40.343)	259.997
Tax effect of other comprehensive income/expense not to be reclassified to profit or loss		(193.742)	(189.136)	8.069	(51.999)
Items to be reclassified to profit or loss					
Changes in currency translation differences		23.298.178	24.795.555	(811.697)	(26.330.930)
Changes in currency translation difference from investments accounted by equity method		-	-	2.401.315	2.783.294
Other comprehensive income / (expense)		24.073.147	25.552.100	1.557.344	(23.339.638)
Total comprehensive income		75.490.109	61.836.580	28.722.721	(8.491.215)
Distribution of total comprehensive income					
-Non-controlling interests		77.753.495	60.352.702	(1.021.058)	(10.343.783)
-Equity holders of the parent		(2.263.386)	1.483.878	29.743.779	1.852.568
Earnings per share	15	(0,0007)	(0,003)	0,0007	0,0004

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

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

Gübre Fabrikaları Türk Anonim Şirketi

Interim consolidated statement of changes in equity as of 30 June 2018

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

	Items not to be reclassified to profit or loss			Items to be reclassified to profit or loss			Retained earnings		Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Share capital	Revaluation reserves	Actuarial gain/(loss) arising from defined benefit plans	Changes in currency translation differences from investments accounted by equity method	Foreign currency translation reserve	Restricted reserves	Retained earnings	Net profit for the period			
January 1, 2017	334.000.000	262.570.832	(945.335)	(25.428.512)	(62.489.158)	41.378.380	466.809.637	(68.736.970)	947.158.874	254.459.191	1.201.618.065
Transfers	-	-	-	-	-	-	(68.736.970)	68.736.970	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	(1.081.549)	(1.081.549)
Total comprehensive income/ (expense)	-	-	(32.274)	2.401.315	2.361.876	-	-	25.012.862	29.743.779	(1.021.058)	28.722.721
June 30, 2017	334.000.000	262.570.832	(977.609)	(23.027.197)	(60.127.282)	41.378.380	398.072.667	25.012.862	976.902.653	252.356.584	1.229.259.237
January 1, 2018	334.000.000	261.940.485	(1.458.551)	(28.376.207)	(68.388.089)	52.295.108	387.155.939	33.317.912	970.486.597	237.024.490	1.207.511.086
Associates acquisition	-	-	-	-	-	-	-	-	-	35.857.652	35.857.652
Disposals due subsidiary sale	-	-	-	28.376.207	-	-	-	-	28.376.207	-	28.376.207
Transfers	-	-	-	-	-	-	33.317.912	(33.317.912)	-	-	-
Total comprehensive income / (expense)	-	-	774.969	-	20.868.133	-	-	(23.906.488)	(2.263.386)	77.753.495	75.490.109
June 30, 2018	334.000.000	261.940.485	(683.582)	-	(47.519.956)	52.295.108	420.473.851	(23.906.488)	996.599.418	350.635.637	1.347.235.055

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

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

Gübre Fabrikaları Türk Anonim Şirketi

Interim consolidated statement of cash flows as of 30 June 2018

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

		Current Period Reviewed	Previous Period Reviewed
	Notes	January 1 – June 30, 2018	January 1 – June 30, 2017
Cash Flows From Operating Activities:			
Profit for the period		51.416.962	27.165.377
<i>Adjustments to reconcile net profit/(loss) for the period</i>			
Depreciation and amortization expense	9, 10	35.945.611	34.402.492
Income / expenses from subsidiaries valued by equity method		(4.431.516)	14.337.929
Retirement pay provision, early retirement pay liability interest (income)/expense		48.472.363	54.039.572
Interest expense		70.166.158	28.777.490
Interest income		(14.311.452)	(979.815)
Impairment on inventories		133.331	16.944.270
Deferred financial income/expense		(591.516)	3.350.120
Provision for lawsuit /cancellation	12	1.008.049	1.570.812
Current tax income/expense		(37.412.492)	6.164.618
Adjustments related to doubtful receivables		2.294.632	-
Adjustments related to losses (gains) on sale of property, plant and equipments	9, 10	-	(499.052)
Adjustments related to fair value losses (gains) on derivative financial instruments		(13.486.084)	(2.479.647)
Net cash provided by the operating activities before changes in the assets and liabilities		139.204.046	182.794.166
<i>Changes in working capital (net):</i>			
Increase / decrease in trade receivables		(132.600.665)	(53.362.717)
Increase / decrease in other receivables		(68.209.725)	7.070.979
Increase / decrease in inventories		(98.671.158)	(4.859.675)
Increase / decrease in trade payables		240.695.967	183.275.009
Employee benefit obligations		13.278.040	(10.231.445)
Deferred income		4.705.336	(15.040.619)
Increase / decrease in prepaid expenses		13.611.992	59.382.081
Increase /decrease in other payables		232.552.430	17.178.813
Other increase / decrease in working capital		43.448.206	4.808.179
Cash provided by the operations after the changes in working capital		388.014.469	371.014.771
Interest received		-	979.815
Interest paid		(70.174.440)	(12.411.363)
Taxes paid		(2.659.606)	(16.135.503)
Severance paid		(44.659.633)	(38.458.198)
Cash flow regarding investment activities		270.520.790	304.989.522
Cash flows from investing activities:			
Cash outflows from the purchase of property, plant and equipment and intangible assets	9, 10	(25.070.993)	(66.760.873)
Cash inflows from the sales of property, plant and equipment and intangible assets	9	5.924.580	2.076.248
Other cash inflows / outflows		50.043.037	(8.175.456)
Net cash amount used in investment activities		30.896.624	(72.860.081)
Cash flows (used in)/from financing activities			
Cash inflows from financial borrowings		1.313.544.139	1.498.965.644
Principle repayment of financial borrowings		(1.374.388.791)	(1.571.412.948)
Dividends paid		-	(1.081.549)
Net cash (used)/provided by financial activities		(60.844.652)	(73.528.853)
Change in cash and cash equivalents		240.572.762	158.600.588
Cash and cash equivalents as of January 1	4	223.188.075	125.519.427
Foreign currency translation		9.552.083	(2.852.148)
Cash and cash equivalents as of June 30	4	473.312.920	281.267.867

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

Gübre Fabrikaları Türk Anonim Şirketi

Notes to the interim condensed consolidated financial statements as of 30 June 2018
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1- GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

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

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

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

The number of employees of the Company and its subsidiaries for the year ended 30 June 2018 is 1.622 (31 December 2017 – 1.676)

25,4% of the shares of the Company are traded in the Istanbul Stock Exchange and is registered to the Capital Market Board (CMB).

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

Name	30 June 2018		31 December 2017	
	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

Gübre Fabrikaları Türk Anonim Şirketi

Notes to the interim condensed consolidated financial statements as of 30 June 2018
(Amounts expressed in thousands of Turkish Lira ("TL") 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 subsidiary 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 2010 year end, 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 subsidiary of Razi Petrochemical Co. The Group's indirect ownership is 48,88%.

The Company and its Subsidiaries together will be referred to as "the Group"

Associates

The company, located in maritime transport activities in Turkey June 30, 2008 Negmar Maritime Investment A.Ş. ("Negmar") have participated. As of December 31, 2017, the participation rate is 40%. On March 5, 2018, Gübretaş transferred 40% of the shares in Negmar in the direction of the "Sharing Agreement" signed between Gübretaş and other partners of Negmar.

Group, its subsidiaries and its subsidiary Tarnet the dominant partner affiliates established in Turkey outside the Agricultural Credit Information and Communication Services Inc. has a participation rate of 15.78%.

The company in Turkey April 13, 2009 Tarkim in agrochemical manufacture and sale of the Plant Protection Industry and Trade A.Ş. ("Tarkim") have participated. As of the balance sheet date, the participation rate is 40% (31 December 2017: 40%).

Financial assets available for sale

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

The approval of the financial statements:

The interim condensed consolidated financial statements have been approved by the Board of Directors and instructed to be issued on May 9, 2017. The General Assembly has the power to amend the financial statements.

Gübre Fabrikaları Türk Anonim Şirketi

Notes to the interim condensed consolidated financial statements as of 30 June 2018

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of Presentation

Applied Financial Reporting Standards

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

The accompanying condensed 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, 2016

The interim condensed consolidated financial statements have been prepared with historical cost principal excluding the revaluation of land and buildings presented in 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 condensed consolidated financial statements considering the going concern concept.

Gübre Fabrikaları Türk Anonim Şirketi

Notes to the interim condensed consolidated financial statements as of 30 June 2018

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

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

Functional currency

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

The functional currency of the subsidiary in Iran is Iranian Rial (IRR). In accordance with IAS 21 Effects of the Changes in Foreign Exchange Rates, during consolidation, the assets and liabilities of the subsidiaries of the Group in foreign countries are converted into TL using the parity as of the balance sheet date.

Income and expense items are converted into TL using the average conversion rates realized in the related period. The exchange differences occurred as a result of application of the closing and average rates are followed under the equity in the foreign currency translation reserve account. The translation differences occurred is recorded as income or expense at the end of the operation period. Currency translation differences resulted from closing and average rate usage is accounted under currency translation difference under equity. These translation differences are booked as income or loss at the period operations end.

The conversion rates used are as follows:

Currency	30 June 2018		31 December 2017	
	Period end	Perod average	Period end	Perod average
IRR/TL	0,000107034	0,000103723	0,00010458	0,000010969
USD/TL	4,5607	4,0860	-	-

2.2 Amendments in Turkish Financial Reporting Standards

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at June 31, 2018 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, 2018. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

a) The new standards, amendments and interpretations which are effective as at January 1, 2018 are as follows:

- TFRS 15 Revenue from Contracts with Customers
- TFRS 9 Financial Instruments
- TFRS 4 Insurance Contracts (Amendments)
- TFRIC 22 Foreign Currency Transactions and Advance Consideration
- TFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments)
- TAS 40 Investment Property: Transfers of Investment Property (Amendments)
- Annual Improvements to TFRSs - 2014-2016 Cycle

All borrowing instruments of the Group are recorded impairment losses on loans and receivables as 12-month expected credit losses or expected life expectancies. The Company has applied simplified method and recognized the expected life-time losses on trade receivables. The effects of TFRS 9 has evaluated as of January 1, 2018 and additional provision for trade receivable impairment amounting to TRY 1.648.289 has been recorded as of June 31, 2018.

Gübre Fabrikaları Türk Anonim Şirketi

Notes to the interim condensed consolidated financial statements as of 30 June 2018
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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

2.2 Amendments in Turkish Financial Reporting Standards (continued)

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

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

- TFRS 16 Leases
- Amendments to TAS 28 Investments in Associates and Joint Ventures (Amendments)
- TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)
- TFRIC 23 Uncertainty over Income Tax Treatments

Excluding TAS 28, The Group is in the process of assessing the impact of the interpretation on financial position or performance of the Group. The amendments in TAS 28 are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

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

- Annual Improvements – 2010–2012 Cycle
- Annual Improvements – 2011–2013 Cycle
- IFRIC 23 Uncertainty over Income Tax Treatments
- IFRS 17 - The new Standard for insurance contracts
- Prepayment Features with Negative Compensation (Amendments to IFRS 9)
- Annual Improvements – 2015–2017 Cycle
- Plan Amendment, Curtailment or Settlement" (Amendments to IAS 19)

2.3 Basis of consolidation

a) Consolidated financial statements have been prepared in accordance with principles stated on consolidated financial statements for the period ended 30 June 2017 and include financial statements of Gübretaş and its Subsidiaries.

b) As of 30 June 2016, there are no changes in voting rights or proportion of effective interest on Subsidiaries that are subject to consolidation from the information stated on consolidated financial statements for the year ended 31 December 2016.

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Notes to the interim condensed consolidated financial statements as of 30 June 2018
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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

The statement of financial position and statement of comprehensive income of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Company is eliminated against the related equity. Intercompany transactions and balances between the Company and its subsidiaries are eliminated on consolidation. The cost of and the dividends arising from, shares held by the Company in its subsidiaries are eliminated from equity and income for the year, respectively.

c) The Group's significant interest in affiliates is accounted for with equity method. Affiliates accounted by equity method are presented in consolidated statement of financial position with additions or deductions of changes on share of the Group on net assets of the affiliate and with deduction of provisions for the decline in the value. The comprehensive income statement presents shares of financial results of the Group's affiliates. The changes of the amount, not reflected on income or loss of the affiliate, on the equity of the affiliate can requisite an adjustment on the net book value of the affiliate in proportion of the Group's share. The share of the Group from these changes is directly accounted under the Group's equity.

d) Other investments in which the Group has interest below 20%, or over which the Group does not exercise a significant influence, or which are immaterial, are classified as available-for-sale. Available-for-sale investments that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value.

e) The non-controlling shareholders' share of the net assets and results for the period for the subsidiaries are classified separately in the consolidated statement of financial position and statements of comprehensive income as non-controlling interest.

2.4 Summary of significant accounting policies

Condensed consolidated financial statements for the period ended 30 June 2017, have been prepared in compliance with IAS 34, the IFRS standard on interim financial reporting. Furthermore, condensed consolidated financial statements as of 30 June 2018 have been prepared applying accounting policies which are consistent with the accounting policies used for the preparation of consolidated financial statements for the year ended 31 December 2017. Thus, these condensed consolidated financial statements must be evaluated together with the consolidated financial statements for the year ended 31 December 2017.

2.5 Company acquisition

In a cumulative business combination, the Group is remeasured at the date of acquisition (that is, the date the Group takes control) in order to bring the equity value previously held in the acquired business to fair value, and if so, in the resulting profit / loss statement It accounted for. The amount attributable to the acquirer that is accounted for in other comprehensive income before the date of acquisition is transferred to profit or loss on the assumption that such shares are derecognised.

On March 5, 2018, Gübretaş acquired 60% of Nbulkgas shares and 10% additional shares of Anka and Dicle companies, which are 50% owned by Nbulkgas, for a consideration of TL 37.182.063. This transaction was made through the exchange of shares during the sale of the Negmar subsidiary. The assets and liabilities of Nbulkgas, Anka and Dicle are acquired with their fair values and certain tangible and intangible assets as of the acquisition date.

As of June 30, 2018, the fair values of identifiable assets acquired and liabilities assumed that are acquired within the scope of the business combination are determined and reported in the financial statements at the consol- idation.

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

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	Nbulkgas	IGLC Anka	IGLC Dicle	Fair value on acquisiton TL
Cash and cash equivalance	12.780	1.621.966	207.850	1.842.596
Trade receivables	-	5.458.471	1.195.157	6.653.628
Other receivables	3.609.639	12.157.879	32.329.635	48.097.153
Inventories	-	2.100.401	648.910	2.749.311
Other current assets	1.131	321.441	289.326	611.898
Tangible assets	-	160.889.024	180.031.669	340.920.693
Deferred tax assets	46.615	-	-	46.615
Total asset	3.670.165	182.549.182	214.702.547	400.921.894
Financial liabilities	39.313	45.158	45.158	129.629
Trade payables	53.381	2.028.094	829.702	2.911.177
Other payables	2.083.251	173.850.719	144.029.934	319.963.904
Other short term liabilities	169.808	1.030.057	3.677.603	4.877.468
Total liability	2.345.753	176.954.028	148.582.397	327.882.178
Net asset on acquisition date	1.324.412	5.595.154	66.120.150	73.039.716
Non-Controlling Interest on acquisition date	-	2.797.577	33.060.075	35.857.652
Parent company	1.324.412	2.797.577	33.060.075	37.182.064
Purchase Amount				37.182.064
Goodwill				-

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Notes to the interim condensed consolidated financial statements as of 30 June 2018
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 3 -SEGMENT REPORTING

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

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

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

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

The distribution of segment assets and liabilities pertaining to the periods ending on 30 June 2018 and 31 December 2017 is as follows:

	Turkey		Iran		Consolidation Adjustments		Total	
Assets	30 June 2018	30 June 2018	30 June 2018	30 June 2018	30 June 2018	30 June 2018	30 June 2018	
Current assets	1.473.573.601	1.093.438.885			(67.350.569)		2.499.661.917	
Non-current assets	1.709.607.237	713.917.106			(246.534.624)		2.176.989.719	
Total assets	3.183.180.838	1.807.355.991			(313.885.193)		4.676.651.636	
Liabilities								
Short term liabilities	1.838.979.361	848.408.771			(41.922.033)		2.645.466.099	
Long term liabilities	447.699.260	236.251.220			-		683.950.480	
Equities	896.502.217	722.696.000			(271.963.160)		1.347.235.057	
Total liabilities	3.183.180.838	1.807.355.991			(313.885.193)		4.676.651.636	

	Turkey		Iran		Consolidation Adjustments		Total	
Assets	31 December 2017	31 December 2017	31 December 2017	31 December 2017	31 December 2017	31 December 2017	31 December 2017	
Current assets	1.097.834.828	891.666.346			-		1.989.501.174	
Non-current assets	1.252.246.568	706.845.545			(250.606.123)		1.708.485.990	
Total assets	2.350.081.396	1.598.511.891			(250.606.123)		3.697.987.164	
Liabilities								
Short term liabilities	1.350.507.560	803.931.617			25.428.515		2.179.867.692	
Long term liabilities	84.226.869	226.381.516			-		310.608.385	
Equities	915.346.967	568.198.758			(276.034.638)		1.207.511.087	
Total liabilities	2.350.081.396	1.598.511.891			(250.606.123)		3.697.987.164	

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Notes to the interim condensed consolidated financial statements as of 30 June 2018

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

NOTE 3 -SEGMENT REPORTING (continued)

The distribution of income statements by segments for the periods ending on 30 June 2018 and 30 June 2017 is as follows:

	Turkey		Iran		Consolidation Adjustments	Total
Operating income	1 January 2018 30 June 2018	1 January 2018 30 June 2018	1 January 2018 30 June 2018	1 January 2018 30 June 2018	1 January 2018 30 June 2018	1 January 2018 30 June 2018
Sales (Net)	1.354.461.607	962.251.632	(46.861.040)		2.269.852.199	
Cost of sales (-)	(1.220.433.896)	(623.045.978)	46.861.040		(1.796.618.834)	
Gross profit	134.027.711	339.205.654	-		473.233.365	
Marketing, selling and distribution expense (-)	(71.112.549)	(98.250.576)	-		(169.363.125)	
General and administrative expense (-)	(18.557.876)	(61.500.722)	-		(80.058.598)	
Other operating income / expense (-)(net)	(49.851.801)	(30.179.308)	-		(80.031.109)	
Operating profit	(5.494.515)	149.275.048	-		143.780.533	
Income / (expense) from investments	(7.781.223)	-	-		(7.781.223)	
Profit / (loss) from investments accounted by equity method	4.431.516	-	-		4.431.516	
Operation profit before financial income / (expense)	(8.844.222)	149.275.048	-		140.430.826	
Financial income / (expense)	(114.250.258)	(12.176.098)	-		(126.426.356)	
Profit before tax	(123.094.480)	137.098.950	-		14.004.470	
Tax expense	-	(1.639.793)	-		(1.639.793)	
Deferred tax income / (expense)	33.384.887	5.667.397	-		39.052.284	
Profit / (loss) for the period	(89.709.593)	141.126.554	-		51.416.961	

	Turkey		Iran		Consolidation Adjustments	Total
Operating income	January 1, 2017 June 30, 2017	January 1, 2017 June 30, 2017	January 1, 2017 June 30, 2017	January 1, 2017 June 30, 2017	January 1, 2017 June 30, 2017	January 1, 2017 June 30, 2017
Sales (Net)	1.264.054.554	955.946.032	(153.952.715)		2.066.047.871	
Cost of sales (-)	(1.146.413.889)	(821.936.146)	153.378.166		(1.814.971.869)	
Gross profit	117.640.665	134.009.886	(574.549)		251.076.002	
Marketing, selling and distribution expense (-)	(66.119.689)	(71.686.270)	-		(137.805.959)	
General and administrative expense (-)	(13.222.239)	(84.275.703)	-		(97.497.942)	
Other operating income / expense (-)(net)	31.959.880	1.435.726	4.993		33.400.599	
Operating profit	70.258.617	(20.516.361)	(569.556)		49.172.700	
Profit / (loss) from investments accounted by equity method	(14.337.929)	-	-		(14.337.929)	
Operation profit before financial income / (expense)	55.920.688	(20.516.361)	(569.556)		34.834.771	
Financial income / (expense)	(28.516.600)	26.970.956	40.868		(1.504.776)	
Profit before tax	27.404.088	6.454.595	(528.688)		33.329.995	
Tax expense	-	(3.922.718)	-		(3.922.718)	
Deferred tax income / (expense)	(4.495.453)	2.138.643	114.910		(2.241.900)	
Profit / (loss) for the period	22.908.635	4.670.520	(413.778)		27.165.377	

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NOTE 3 - SEGMENT REPORTING (continued)

Investment expenditures:

Investment expenditures pertaining to segment assets for the periods ending on 30 June 2018 and 30 June 2017 are as follows:

	1 January - 30 June 2018	1 January – 30 June 2017
Gübre Fabrikaları T.A.Ş.	21.665.694	34.089.180
Razi Petrochemical Co. and its subsidiary	3.405.299	32.671.693
Total	25.070.993	66.760.873

Depreciation and amortization:

Depreciation and amortization expenditures pertaining to segment assets for the periods ending on 30 June 2018 and 30 June 2017 are as follows:

	1 January - 30 June 2018	1 January – 30 June 2017
Gübre Fabrikaları T.A.Ş.	14.158.298	8.709.834
Razi Petrochemical Co. and its subsidiary	21.787.313	25.692.658
Total	35.945.611	34.402.492

NOTE 4 - CASH AND CASH EQUIVALENTS

	30 June 2018	31 December 2017
Cash on hands	1.767.026	455.770
Bank	470.512.514	223.009.623
- Demand deposits	85.182.470	32.835.443
- Time deposits	385.330.044	190.174.180
Other cash equivalents(*)	1.375.433	4.495.467
Total	473.654.973	227.960.860
Pledge cash and cash equivalents	(342.053)	(4.772.785)
Cash and cash equivalents at the statement of cash flow	473.312.920	223.188.075

(*) As of 30 June 2018 and 31 December 2017, other cash equivalents consist of Gübretaş's receivables from the sales by credit card.

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NOTE 4 - CASH AND CASH EQUIVALENTS (continued)

Time Deposits

As of June 30, 2018 and December 31, 2017 the maturity of time deposits are less than 3 months and values with effective interest method are as below:

Time Deposits (Local Currency):

Interest Rate (%)	Maturity	30 June 2018
10,00	July 2018	201.767.382
Total		201.767.382
Interest Rate (%)	Maturity	31 December 2017
10,00	January 2018	2.000.000
Total		2.000.000

Time Deposits (Foreign Currency):

Interest Rate (%)	Maturity	Currency	Foreign currency amount	30 June 2018 Amount in TL
Libor+0,5	July 2018	EUR	23.022.182	122.229.369
10-22	July 2018	Mil. IRR	196.271	21.007.584
10,00%	July 2018	USD	8.842.000	40.325.709
Total				183.562.662
Interest Rate (%)	Maturity	Currency	Foreign currency amount	31 December 2017 Amount in TL
Libor+0,5	Ocak 2018	EUR	3.034	13.701
10 - 20	Ocak 2018	Mil. IRR	741.837	77.588.037
2,26 - 2,49	Ocak 2018	USD	29.314.786	110.572.442
Total				188.174.180

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NOTE 5 – FINANCIAL BORROWINGS

As of June 30, 2018 and December 31, 2017, details of short and long term borrowings are as follows:

	30 June 2018	31 December 2017
Short term borrowings	693.506.280	910.740.757
Short term portion of long term borrowings	192.694.335	54.914.049
Short term leasing	1.877.519	1.576.787
Long term borrowings (Gübretaş)	88.440.804	68.741.400
Long term leasing	2.449.088	3.553.991
Total	978.968.026	1.039.526.984

Short and long term borrowings	30 June 2018	31 December 2017
Payable within 1 year	888.078.134	967.231.593
Payable within 1 – 5 years	90.889.892	72.295.391
Total	978.968.026	1.039.526.984

a) Short term borrowings and short term portion of long term borrowings

As of June 30, 2018 details of short term borrowings and short term portion of long term borrowings are as follows:

Bank Loans:

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
EUR	May 2019	2,85	46.460.738	246.669.352
USD	July 2018	14,52-15,61	286.295.277	286.295.277
TL	May 2019	2,09-4,55	31.408.092	143.242.884
Total				676.207.513

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
EUR	April 2018	2,65-3,40	54.858.790	247.714.866
USD	January 2018	3,25	19.147.289	72.221.661
TL	March 2018	13-15,75	481.361.899	481.361.899
Total				801.298.426

Other Financial Borrowings (*):

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
EUR	July 2018	Libor+0,5	39.552.683	209.993.102
Total				209.993.102

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NOTE 5 – FINANCIAL BORROWINGS (continued)

As of December 31, 2017 details of short term borrowings and short term portion of long term borrowings are as follows:

Other Financial Borrowings (*):

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
EUR	January 2018	Libor+0,5	36.398.268	164.356.380
Total				164.356.380

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

Short term Leasing:

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
TL	December 2018	19	1.576.787	1.576.787
Total				1.576.787

Para birimi	Vade	Ortalama etkin yıllık faiz oranı (%)	Orijinal tutar	TL tutar
TL	Eylül 2020	19	3.553.991	3.553.991
Toplam				3.553.991

b) Long term borrowings

As of June 30, 2018 details of long term borrowings are as follows:

Bank Loans:

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
EUR	January 2020	3,40%	16.658.028	88.440.804
Total				88.440.804

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Notes to the interim condensed consolidated financial statements as of 30 June 2018
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NOTE 5 – FINANCIAL BORROWINGS (continued)

As of December 31, 2017 details of long term borrowings are as follows:

Bank Loans:

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
EUR	January 2020	3,40	15.223.430	68.741.400
Total				68.741.400

Long term leasing:

As of June 30, 2018 and December 31, 2017 details of long term borrowings are as follows:

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
TL	Eylül 2020	19	2.449.088	2.449.088
Toplam				2.449.088
Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
TL	September 2020	19	3.553.991	3.553.991
Toplam				3.553.991

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

Short term trade receivables:

	30 June 2018	31 December 2017
Trade receivables	411.561.659	256.058.016
Notes receivables	4.188.497	1.951.173
Receivables from National Petrochemical Company ("NPC") (Razi)	98.893.016	98.183.716
Trade receivables from third parties (gross)	514.643.172	356.192.905
Allowance for doubtful receivables (-)	(11.093.044)	(8.798.412)
Trade receivables from third parties (net)	503.550.128	347.394.493

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

The details of the Group's regarding the doubtful receivables and allowances allocated regarding these receivables are as follows:

Overdue following the maturity	30 June 2018	30 June 2017
More than 9 months	11.093.044	4.365.809
Total	11.093.044	4.365.809

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Notes to the interim condensed consolidated financial statements as of 30 June 2018
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (continued)

The movement of allowance for doubtful trade receivables is as follows:

	June 30, 2018	June 30, 2017
Balance at January 1	8.798.412	4.365.809
Payments during the period	2.294.632	-
Balance at June 30	11.093.044	4.365.809

As of June 30, 2018 and December 31, 2017 guarantees related to not overdue receivables are as follows:

	30 June 2018	31 December 2017
Guarantee Letters	283.917.590	268.519.609
Collateral cheques and notes	58.922.006	60.787.401
Total	342.839.596	329.307.010

Short term trade payables:

	30 June 2018	31 December 2017
Trade payables (Gübretaş)	1.073.565.969	494.382.879
Trade payables (Razi)	66.569.309	43.944.978
Payables to NIOC (Razi)	295.805.011	249.958.136
Other trade payables	15.488.796	26.695.219
Total	1.451.429.085	814.981.212

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NOTE 7 – OTHER RECEIVABLES AND PAYABLES

Other short term receivables:

	30 June 2018	31 December 2017
VAT receivables (Razi)	148.602.291	110.967.323
Other various receivables (Tabosan) (*)	33.956.268	25.078.121
Due from personnel	7.855.747	9.244.740
Other various receivables (**)	92.210.112	53.418.414
Other short term receivables	282.624.418	198.708.598

- (*) 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 TL. 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 EURO 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. The share transfer file brought to the court by the Group has been rejected and appealed by the Group but the decision of the court is approved by the Supreme Court. Therefore the Group has made a request of revision of the decision. The Group shall apply to record the receivable subject to the aforementioned case in the Bankruptcy estate if the case with a share transfer request which was brought to court by the Group to the Bankruptcy Administration is resulted in a negative manner.

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 TL for its capital receivable. The aforementioned registration acceptance file has been finalized. Balance receivable of the Group, which a registration acceptance decision is made, shall be paid provided that a dividend receivable of Tabosan in Razi arisen and reverted to Bankruptcy Estate. Accrued interest receivable of the Group shall be paid provided that a dividend receivable of Tabosan in Razi arisen and reverted to Bankruptcy Estate following the complete payment of capital receivables of the Bankruptcy Estate.

- (**) As of 30 June 2018, 33.956.268TL of Group's other various receivables consist of the receivables of Gübretaş regarding VAT returns.

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Notes to the interim condensed consolidated financial statements as of 30 June 2018
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 7 – OTHER RECEIVABLES AND PAYABLES (Continued)

Other long term receivables:

	30 June 2018	31 December 2017
Other long term receivables	108.029.814	10.381.720
Due from personnel (*)	3.515.410	3.738.013
Other long term receivables	111.545.224	14.119.733

(*) Due from personnel is composed of funds given to Razi employees.

Other short term payables:

	30 June 2018	31 December 2017
Dividend payables to non-controlling interests	63.399.831	97.512.149
Payables from investments accounted by equity method	-	43.642.840
Other payables	53.715.708	80.342.843
Other short term payables	117.115.539	221.497.832

NOTE 8 – INVENTORIES

	30 June 2018	31 December 2017
Raw materials and supplies	338.687.115	307.564.906
Finished goods	145.207.225	190.011.290
Trade goods	489.173.875	407.533.261
Other inventories	100.984.247	75.888.398
Total	1.074.052.462	980.997.855
Minus: Impairment of inventories	(8.967.044)	(8.833.713)
Toplam	1.065.085.418	972.164.142

Group carried out net realisable value analysis for inventories and regarding to conclusion of this analysis there is no provision for inventory losses in current period. (2017).

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

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Notes to the interim condensed consolidated financial statements as of 30 June 2018 (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 9 –PROPERTY, PLANT AND EQUIPMENT

The depreciation cost and amortization of the company is TL as of 30 June 2018 and 30 June 2017 details are given below;

	30 June 2018		
	Gübretaş	Razi	Total
Amortization Cost	13.161.310	21.787.313	34.948.623
Depreciation Cost	996.988	-	996.988
Total	14.158.298	21.787.313	35.945.611

30 June 2018: Out of the total of 35.945.611 TL depreciation and amortization costs; 34.305.590 TL have been included in General Production Costs, 650.665 TL in Sales and Marketing Costs, 989.356 TL in General Management Costs.

	June 30, 2017		
	Gübretaş	Razi	Total
Amortization Cost	8.676.937	25.692.659	34.369.596
Depreciation Cost	32.896	-	32.896
Total	8.709.833	25.692.659	34.402.492

30 June 2018: Out of the total of 34.402.492 TL depreciation and amortization costs; 33.268.114 TL have been included in General Production Costs, 280.495 TL in Sales and Marketing Costs, 853.883 TL in General Management Costs.

Pledges and Mortgages on Assets

There are pledges on the property, plant and equipment of the company in the amount of 301.844.085 as of the dates 30 June 2018 and 31 December 2017.

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Notes to the interim condensed consolidated financial statements as of 30 June 2018

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

NOTE 9 –PROPERTY, PLANT AND EQUIPMENT (Continued)

	Lands and parcels	Land improvement	Buildings	Facility, machinery and equipment	Vehicles	Fixtures	Leasehold improvements	Construction in progress	Total
Cost Value									
Opening balance on January 2018	467.703.378	125.964.958	327.708.330	1.118.941.632	10.857.084	32.882.870	1.018.158	59.072.463	2.144.148.873
Foreign currency translation differences	3.382.017	-	2.582.499	21.214.884	219.147	433.991	-	901.858	28.734.396
Additions	8.442.174	388.840	1.592.950	1.004.742	591.315	2.706.861	-	10.344.111	25.070.993
Subsidiary additions	-	-	-	-	497.184.860	-	-	-	497.184.860
Sales/Cancellations	(331.500)	-	(4.261.799)	(282.676)	(477.016)	(408.551)	-	-	(5.761.542)
Transfer from construction in progress	-	-	26.394.454	1.477.307	-	723.975	-	(28.595.736)	-
Closing Balance on 30 June 2018	479.196.069	126.353.798	354.016.434	1.142.355.889	508.375.390	36.339.146	1.018.158	41.722.696	2.689.377.580
Accrued Depreciation									
Opening balance on January 2018	-	(46.433.852)	(127.478.338)	(724.560.768)	(7.018.239)	(15.427.880)	(342.730)	-	(921.261.807)
Foreign currency translation differences	-	-	(2.165.899)	(17.972.534)	(31.188.572)	(1.150.579)	-	-	(52.477.584)
Expenses of the period	-	(4.705.840)	(4.315.361)	(23.492.488)	(530.499)	(1.823.735)	(80.700)	-	(34.948.623)
Subsidiary additions	-	-	-	-	(76.348.776)	-	-	-	(76.348.776)
Sales/Cancellations	-	-	613.382	(56.840)	233.788	319.687	-	-	1.110.017
Closing Balance on 30 June 2018	-	(51.139.692)	(133.346.216)	(766.082.630)	(114.852.298)	(18.082.507)	(423.430)	-	(1.083.926.773)
Net Book Value on 30 June 2018	479.196.069	75.214.106	220.670.218	376.273.259	393.523.092	18.256.639	594.728	41.722.696	1.605.450.807

As of 30 June 2018, TL within construction in progress is capitalized interest and foreign currency exchange difference (31 December 2017 – TL).

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NOTE 9 –PROPERTY, PLANT AND EQUIPMENT (Continued)

	Lands and parcels	Land improvements	Buildings	Facility, machinery and equipment	Vehicles	Fixtures	Leasehold improvements	Construction in progress	Total
Cost Value									
Opening balance on January 2017	460.149.818	59.895.278	334.392.130	1.133.978.599	10.230.291	27.012.387	1.018.158	88.846.999	2.115.523.660
Foreign currency translation differences	(1.042.973)	-	(795.107)	(6.345.492)	(94.574)	(124.019)	-	(778.614)	(9.180.779)
Additions	1.622.260	12.556	38.046	18.039.051	322.964	800.803	-	45.781.573	66.617.253
Sales/Cancellations	-	(7.010.449)	-	(909.095)	(913.431)	(2.133.705)	-	-	(10.966.680)
Transfer from construction in progress	-	-	-	1.813.322	-	-	-	(1.813.322)	-
Closing Balance on June 30, 2017	460.729.105	52.897.385	333.635.069	1.146.576.385	9.545.250	25.555.466	1.018.158	132.036.636	2.161.993.454
Accrued Depreciation									
Opening balance on January 2017	-	(49.754.294)	(119.448.834)	(706.506.946)	(6.763.208)	(12.919.553)	(225.106)	-	(895.617.941)
Foreign currency translation differences	-	-	(507.905)	2.735.637	51.716	80.430	-	-	2.359.878
Expenses of the period	-	(491.340)	(4.916.074)	(26.766.356)	(647.089)	(1.489.835)	(58.902)	-	(34.369.596)
Sales/Cancellations	-	6.999.077	718.191	703.384	97.078	871.757	-	-	9.389.487
Closing Balance on June 30, 2017	-	(43.246.557)	(124.154.622)	(729.834.281)	(7.261.503)	(13.457.201)	(284.008)	-	(918.238.172)
Net Book Value on June 30, 2017	460.729.105	9.650.828	209.480.447	416.742.104	2.283.747	12.098.265	734.150	132.036.636	1.243.755.282

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NOTE 10 – INTANGIBLE ASSETS

Rights:

	30 June 2018	30 June 2017
Opening Balance on 1 January	30.393.260	29.914.969
Foreign currency translation differences	639.398	(344.839)
Additions	-	143.618
Canceled Sales	(163.038)	-
Closing Balance on 30 June	30.869.620	29.713.748

Accumulated Amortization

Opening Balance on 1 January	(1.442.953)	(785.165)
Amortization Expenses for Current Period	(996.988)	(32.896)
Closing Balance on 30 June	(2.439.941)	(818.061)
Net Book Value	28.429.679	28.895.687

Goodwill:

	30 June 2018	30 June 2017
Opening balance on January 1	181.331.891	188.461.258
Foreign currency translation differences	4.238.159	(1.306.997)
Balance as of June 30	185.570.050	187.154.261

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. As of the date of the report, 1.225.559.793 shares out of purchased 1.368.698.169 shares of the Group have been delivered and the delivery of remaining shares amounting 143.138.376 is in the process.

Purchasing Commitments

As of 30 June 2018 Group has USD 213.949.288 accredited purchasing commitment. (31 December 2017: USD).

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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short Term Debt Provision:

	30 June 2018	31 December 2017
Provision for cost expenses	66.607.520	39.485.509
Provisions for law suits	9.992.329	8.984.280
Other short term provisions	554.729	670.492
Other Short Term Debt Provision	77.154.578	49.140.281

Law suit Provision:

	30 June 2018	30 June 2017
As of 1 January	8.984.280	3.378.518
Addition / Cancellation	1.008.049	(27.348)
As of 30 June	9.992.329	3.351.170

As from 30 June 2018 and 31 December 2017, the tables related to the Group's tables related to Assurance- Pledge-Hypothecs position are as follows:

	30 June 2018			31 December 2017		
	Currency	Currency Amount	Amount in TL	Currency	Currency Amount	Amount in TL
APH Given by the Company						
A. Total amount of APH's given for own legal entity (Assurance)	TL	-	12.134.191	TL	19.842.647	19.842.647
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	15.472.663	70.566.174	USD	27.614.532	104.159.252
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 3 rd parties not falling in to the scope of article	-	-	-	-	-	-
			82.700.365			124.001.899

Contingent Liabilities

The Joint Comprehensive Plan of Action (JCPOA), signed between Iran and the P5 + 1 countries (five permanent members of the United Nations Security Council and Germany) in July 2015, The United Nations Security Council's nuclear activities include the abolition of economic sanctions imposed on Iran. After Iran's confirmation of its fulfillment of its obligations under the Treaty of the International Atomic Energy Agency, the treaty was introduced as of January 2016 and sanctions imposed on Iran by the United Nations nuclear activities were abolished.

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Notes to the interim condensed consolidated financial statements as of 30 June 2018

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

However, the parties of the agreement stated that the US was withdrawn from the agreement on 8 May 2018 and that it would start to reapply the sanctions that were lifted before 90 and 180 days later in 2 pieces. The first part of sanctions that have been reinstated has been put into effect on August 6, 2018 and the second group of sanctions to be imposed on November 4, 2018 will be the sanction of Iran's oil, petroleum products and petrochemicals trade. The economic stability of the Islamic Republic of Iran; It depends on the measures taken against these sanctions imposed by the United States and the effects of legal, administrative and political developments. These developments are not under the control of the companies operating in the country. As a result, companies operating in this country have to consider some risks that are not generally observed in other markets. The financial statements included in the attached Consolidated Financial Statements include the assumptions made by the Group Management regarding the effects of the current sanctions imposed on Iran on the operations and financial condition of the partnership. The future economic situation of the Islamic Republic of Iran may be different from the Group management's assumptions.

In Razi's financial statements dated June 30, 2018, NIOC debt to RMB 2.764 billion (vs. RMB 68.3 million) in view of natural gas purchases appears. In response to the agreement that Razi signed with the NIOC and the Iranian Petroleum Ministry's declaration dated October 20, 2014, natural gas unit prices will be calculated and billed as the Iranian Riyal. In spite of this agreement and regulation, however, NIOC calculates and bills the production of natural gas in USD. As of April 9, 2018, the Islamic Republic of Iran fixed the exchange rates of the Central Bank. While the NIOC does not say that it accepts this, Razi has taken the relevant foreign exchange debt from the fixed exchange rate. Negotiations with natural gas suppliers are ongoing to negotiate with Razi and NIOC directors. As of June 30, 2018, uncertainty regarding the subject continued in the Consolidated Financial Statements, so no corrections were made.

Razi's case for excessive gas consumption has been filed by the Mahshahr General and Revolutionary Court ("Mahshahr General and Revolutionary Court") for a total of TL 66.8 million. In line with the opinions of the legal advisors, the Group Management has not made provision for this matter at this stage in the financial tables on the grounds that the result of the court is uncertain. The Group management has not provided any provision for the past years and the current period related to this matter, taking into consideration the dividend amount that Tabosan will receive in return for Razi highs and the mortgages and guarantees transferred to it by the bank.

Razi, a subsidiary of the Company, has a value added tax of TL 157 million. Despite the fact that in the case of Iran, the value added tax exemption over sales subject to export is in question and the paid person is obliged to extradite in case of declaration of the required documents, it has not yet been accepted by the Razi Administration as of the date of the return request report. There is an uncertainty regarding the collection time of this receivable which is accounted in other short term receivables and the Group Management has not provided any provision in the financial statements.

Razi has employees who started working before 2007 and are subject to the National Iranian Oil Company ("NIOC") Pension Fund System. The system provides employees with additional benefits of up to 3% in case of early retirement or 6 months in case of death. The Company allocates severance indemnities for these employees, but does not allocate an additional provision for the additional rights provided by this system. Actuarial estimates and calculations did not provide a provision in the Consolidated Financial Statements because the missing provision that could be affected by the calculations could not be identified in the Consolidated Financial Statements.

By the end of 2016, Razi's tax declarations were examined by the tax authority of the Islamic Republic of Iran. As a result of this review, an additional tax of TL 8.9 million was accrued to Razi, the tax authority. Razi has objected to this decision and has not made any provision in the Consolidated Financial Statements because the uncertainty regarding this matter continues at this stage in line with the views of the Group Management lawyers.

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

In November 2011, in accordance with the Regulation Regarding the Implementation of the Coastal Law and the provisions of the Coastal Property Directorate ("Treasury"), Iskenderun Property Directorate located within the borders of Hatay, Iskenderun and Sarısaki, and the area of 79.350 m2 area owned by the Group, the real estate which is the subject of this case has a total net book value of TL 93,772,946 as of the balance sheet date. The Group objected to the case within the legal period and demanded the reorganization of the expert report prepared for the determination of the Coastal Line which constitutes the basis of the cancellation request and also filed a counterclaim for the compensation of the right of ownership considering the possibility of the case being concluded favorably by the Treasury. In March of 2017, Iskenderun 3. Asliye Civil Court partially accepted the case opened by the Property Directorate and decided to cancel the title deed registration of 78.674,76 sqm of the immovable property located in Hatay, Iskenderun and Sarıseki borders, the court ruled that the applicant had been denied the registration with the abandonment as a line and rejected the request concerning the surplus and rejected the case against the group. Within the legal period, the group applied for the appeal law, the group was accepted as an appeal, and the Gaziantep District Court of Justice removed the decisions made by the Law Department of the 15th Law Department and the Group's cases, and returned the case to the local court for reconsideration. As of the balance sheet date, the legal process is in progress. In line with the views of the legal advisors, the Group Management has not provided any provision for this matter in the financial statements at this time.

Tososan Engineering Manufacturing and Montage A.Ş., a consortium partner of the Group, has purchased Razi shares. ("Tabosan") was requested to work and Tososan's bankruptcy suspension request was rejected in 2011 and the bankruptcy of Tososan and the bankruptcy desk were decided to be devolved to the bankruptcy desk of all transactions. The Group has been a joint guarantor on behalf of Tabosan to the Bank financed during the purchase of Razi shares and the Iranian Privatization Administration. Within the scope of this guarantee, the Bank pays the debts amounting to TL 46.994.091 which is due to be paid to Teposan Bank and the Privatization Administration of Iran, as a guarantor and accounted for the receivables arising as a result of these transactions in the accounts of other receivables. Taking into account the protocol made during the purchase of Tabosan and Razi shares by the Group management, taking into consideration the right to receive the shares of Tososan from the value of the initial purchased unit shares and the mortgages and guarantees transferred to it by the bank, It has not allocated. In addition, the Group Management made a request for the transfer of 1.31% of shares from the Rasqi shares belonging to Tabosan to the Bankruptcy Administration as of the report date, corresponding to the partial payment made on the bail. The Group appealed to the Court for not accepting this request in the Bankruptcy Administration and on 27 June 2013 the applicant was ordered to intervene in order to ensure that 1.31% of the Razi shares of Tabosan were not distributed to the buyers of the tabosan and that no savings were made. The share transfer case opened by the Group was rejected and appealed by the Group, but the Court of Cassation upheld the court ruling. The Court of Appeals rejected the application for rectification of the decision of the Supreme Court regarding the share transfer case by the Group. Upon this, the group has made the necessary application to register the share issue as a receivable on the bankruptcy desk to collect the amount subject to the transfer case. In addition, the Group has now filed a receipt acceptance application against the bankruptcy administrative authority, as the Group's bankruptcy administrative request has been rejected by the bankruptcy administrative request for other receivables from bailment payments. The Bankruptcy Administration has accepted the claim for the receipt of the claim filed by the Group and upon this declaration the Court has decided to accept the record acceptance case filed by the Group on 15 July 2016. Bankruptcy Administration has paid the Group 25.278.225 TL principal amount on 8 July 2016 since Tabosan's 10,88% share in Razi has been transferred to the bankruptcy desk. The Bankruptcy Administration has paid the Group's principal amount of TL 5.548.880 to the Group on 4 August 2016. The total amount of the interest to be received by the Group as of the date of the report will be 24,952,165 TL. The Bankruptcy Administration will be able to pay the Group's balance receivables to the extent that Tabosan will receive a dividend at Razi, which will also be transferred to the bankruptcy desk, and to the extent that the Group pays its balance receivables.

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NOTE 13 – REVENUE AND COST OF SALES

Sales	1 January- 30 June 2018	1 April - 30 June 2018	1 January- 30 June 2017	1 April - 30 June 2017
Domestic Sales	1.580.541.709	626.624.216	1.698.777.024	750.584.243
Export Sales	732.290.372	398.238.594	404.156.100	214.492.370
Service Sales	1.458.900	1.458.900	-	-
Sales Return (-)	(6.578.552)	(1.823.237)	(2.834.327)	(2.396.361)
Sales Rediscount (-)	(36.524.119)	(12.086.810)	(33.695.445)	(12.068.048)
Other Discount from Sales (-)	(1.336.111)	(165.954)	(355.481)	(109.898)
Total	2.269.852.199	1.012.245.709	2.066.047.871	950.502.306
Cost of Sales (-)	1 January- 30 June 2018	1 April - 30 June 2018	1 January- 30 June 2017	1 April - 30 June 2017
Cost of Good Produced	935.031.778	468.363.079	773.033.775	365.396.075
Change in the Good Inventory	44.804.065	2.029.826	21.698.025	(22.968.527)
-Goods at the beginning of the Period	190.011.290	(9.835.723)	142.129.647	97.463.095
-Goods at the end of the Period	(145.207.225)	11.865.549	(120.431.622)	(120.431.622)
Cost of Good Sold	979.835.843	470.392.905	794.731.800	342.427.548
-Merchandise Inventory at the beginning of the Period	407.533.261	211.665.930	408.573.898	285.881.988
-Purchases	864.998.127	577.219.226	967.721.018	559.814.729
-Merchandise Inventory at the end of the Period	(489.173.875)	(489.173.875)	(358.487.683)	(358.487.683)
Cost of merchandise Sold	783.357.513	299.711.281	1.017.807.233	487.209.034
Cost of Other Sales	31.447.631	29.255.302	1.962.780	1.231.801
Cost of Services Sold	1.977.847	1.794.837	470.056	193.027
Total	1.796.618.834	801.154.325	1.814.971.869	831.061.410

NOTE 14 – OTHER OPERATING INCOME AND EXPENSES

Other Operating Income:	1 January- 30 June 2018	1 April 30 June 2018	1 January- 30 June 2017	1 April - 30 June 2017
Exchange difference income arising from commercial transactions	138.685.245	100.532.019	151.511.288	57.170.161
Interest income	3.963.775	1.520.693	1.133.891	767.305
Delay interest income arising from commercial transactions	21.964.578	10.331.786	12.039.289	3.364.008
Other income	2.298.696	785.900	2.642.241	(484.176)
Total	166.912.294	113.170.398	167.326.709	60.817.298

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NOTE 14 – OTHER OPERATING INCOME AND EXPENSES (Continued)

Other Operating Expenses:	1 January- 30 June 2018	1 April -30 June 2018	1 January- 30 June 2017	1 April – 30 June 2017
Exchange difference expenses arising from commercial transactions	212.634.169	160.451.617	107.076.350	34.800.267
Delay interest expenses arising from commercial transactions	3.865.963	3.515.130	-	-
Interest expenses	6.760.502	4.146.904	6.514.608	489.685
Other expenses	23.682.769	14.166.378	20.335.152	10.114.182
Total	246.943.403	182.280.029	133.926.110	45.404.134

NOTE 15 - EARNINGS PER SHARE

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

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

The weighted average of the shares and profit per share calculations of the company as of 30 June 2017 and 30 June 2016 are as follows.

	Januray 1 – June 30, 2018	April 1 – June 30, 2018	January 1 – June 30, 2017	April 1 – June 30, 2017
Net profit for the period	(23.906.488)	(15.118.301)	25.012.862	14.274.468
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) (*)	(0,0007)	(0,0005)	0,0007	0,0004

(*) 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.

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NOTE 16 - RELATED PARTIES TRANSACTIONS

(i) Balances due from related parties

(a) Trade and other receivables

	30 June 2018	31 December 2017
Main parent		
Türkiye Tarım Kredi Kooperatif Merkez Birliği	45.175.135	66.765.089
Other related parties	-	-
Total	45.175.135	66.765.089
Affiliates and other related parties (Short Term)		
Negmar Denizcilik A.Ş.	-	132.977
Tarkim Bitki Koruma San. ve Tic. A.Ş.	13.450	-
Total	13.450	132.977
Affiliates and other related parties (Long Term)		
Negmar Denizcilik A.Ş.	-	60.276.145
Total		60.276.145

(b) Trade payables:

	30 June 2018	31 December 2017
Affiliates and other related parties		
Tarkim Bitki Koruma San. ve Tic. A.Ş.	980.848	16.770.652
Negmar Denizcilik A.Ş.	-	253.706
Tarnet A.Ş.	129.662	354.966
Other related parties	128.950	38.010
Total	1.239.460	17.417.334

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 affiliates and other related parties include deposits and guarantees which is given by the Group for the transportation of Razi's productions.

Sales of Goods and Services:

	Januray 1 – June 30, 2018	April 1 – June 30, 2018	January 1 – June 30, 2017	April 1 – June 30, 2017
Main parent				
Tarım Kredi Koop. Merkez Birliği	930.137.075	273.475.283	849.804.661	306.507.007
Subsidiaries				
Negmar Maritime Company	-	-	896.989	498.748
Tarkim Bitki Koruma San. ve Tic. A.Ş.	293.641	102.043	443.759	137.992
Raintrade Petrokimya ve Dış.Ticaret A.Ş.	46.861.040	44.325	269.611	157.786
Tarnet A.Ş.	170.632	120.068	58.258	57.628
Total	977.462.389	273.741.720	850.576.289	306.860.413

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NOTE 16 - RELATED PARTIES TRANSACTIONS (continued)

(ii) Transactions with Related Parties

Purchase of Goods and Services:

	Januray 1 – June 30, 2018	April 1 – June 30, 2018	January 1 – June 30, 2017	April 1 – June 30, 2017
Main parent				
Tarım Kredi Koop. Merkez Birliđi	5.867.423	1.459.667	256.162	140.926
Subsidiaries				
Raintrade Petrokimya ve Dış Ticaret A.Ş.	158.295.280	69.277.591	153.683.104	39.596.622
Negmar Maritime Company	-	-	71.670.431	25.081.002
Tarkim Bitki Koruma San. ve Tic. A.Ş.	1.304.256	480.297	31.591.920	10.203.768
Tarnet A.Ş.	1.573.272	761.714	539.607	296.345
Total	167.040.231	71.979.269	186.070.793	50.237.661

Remuneration of board of directors and executive management:

The total benefits the company has provided to its board of directors and executive management as of 30 June 2018 shown below table:

	30 June 2018		30 June 2017	
	Gübretaş	Razi	Gübretaş	Razi
Short-term employee benefits (*)	638.055	3.689.090	1.037.477	3.159.554
Total	638.055	3.689.090	1.037.477	3.159.554

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

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

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Notes to the interim condensed consolidated financial statements as of 30 June 2018

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

NOTE 17- FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Foreign exchange position table of the foreign asset and liabilities of the company in terms of original and Turkish Lira currency units as of 30 June 2018 is as follows;

		30 June 2018	
	TL (functional currency)	USD	EURO
1 Trade receivables	13.965.975	2.687.778	321.673
2 Monetary financial assets (cash and bank accounts included)	234.023.649	18.335.330	28.328.507
3 Other current assets	6.205.527	384.764	838.306
4 Current assets (1+2+3)	254.195.152	21.407.872	29.488.486
5 Trade payables	628.929.294	44.813.241	79.964.881
6 Financial liabilities	536.891.630	30.933.086	74.552.683
7 Other short term liabilities, net	36.554	-	6.885
8 Short term liabilities (5+6+7)	1.165.857.483	75.746.328	154.524.449
9 Trade payables	-	-	-
10 Financial liabilities	113.906.470	-	21.454.545
11 Long term liabilities (9+10)	113.906.470	-	21.454.545
12 Total liabilities (8+11)	1.279.763.953	75.746.328	175.978.994
13 Net Foreign Exchange Asset/ (Liability) Position (4-12)	(1.025.568.802)	(54.338.455)	(146.490.509)
14 Monetary Items Net Foreign Exchange Asset/(Liability) (4-12)	(1.025.568.802)	(54.338.455)	(146.490.509)

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Notes to the interim condensed consolidated financial statements as of 30 June 2018

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

NOTE 17- FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (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 2017 is as follows;

	31 December 2017		
	TL (functional currency)	USD	EURO
1 Trade receivables	81.635.739	14.850.039	5.674.428
2 Monetary financial assets (cash and bank accounts included)	117.790.197	31.031.043	164.811
3 Other current assets	59.432.903	14.179.453	1.317.557
4 Current assets (1+2+3)	258.858.839	60.060.535	7.156.796
5 Trade payables	458.778.694	120.949.500	568.991
6 Financial liabilities	484.292.907	19.147.289	91.257.058
7 Other short term liabilities, net	56.369	14.945	-
8 Short term liabilities (5+6+7)	943.127.970	140.111.734	91.826.049
9 Trade payables	-	-	-
10 Financial liabilities	68.741.400	-	15.223.430
11 Long term liabilities (9+10)	68.741.400	-	15.223.430
12 Total liabilities (8+11)	1.011.869.370	140.111.734	107.049.479
13 Net Foreign Exchange Asset/ (Liability) Position (4-12)	(753.010.531)	(80.051.199)	(99.892.683)
14 Monetary Items Net Foreign Exchange Asset/(Liability) (4-12)	(753.010.531)	(80.051.199)	(99.892.683)

Gübre Fabrikaları Türk Anonim Şirketi

Notes to the interim condensed consolidated financial statements as of 30 June 2018

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

NOTE 17- FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

In the years ending on 30 June 2018 and 30 June 2017, in case there is a (+) / (-) 20% 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 June 2018	
	Profit/(Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 20% against TL		
1- Assets/liability denominated in USD - net	(49.564.279)	49.564.279
2- The part hedged for USD risk (-)	-	-
3- The impact of TL net profit for the period	(49.564.279)	49.564.279
Change of EUR by 20% against TL		
1- Assets/liability denominated in EUR - net	(155.549.482)	155.549.482
2- The part hedged for EUR risk (-)	-	-
3- The impact of TL net profit fort the period	(155.549.482)	155.549.482

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 TL41 Milyon, and the foreign currency adjustments would decrease by 175 Million TL.

	June 30, 2017	
	Profit/(Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL		
1- Assets/liability denominated in USD - net	(46.914.342)	46.914.342
2- The part hedged for USD risk (-)	-	-
3- The impact of TL net profit for the period	(46.914.342)	46.914.342
Change of EUR by 10% against TL		
1- Assets/liability denominated in EUR - net	(26.353.327)	26.353.327
2- The part hedged for EUR risk (-)	-	-
3- The impact of TL net profit fort the period	(26.353.327)	26.353.327

NOTE 18 - SUBSEQUENT EVENTS

None.