



**2018 3rd QUARTER
OPERATING REVIEW
REPORT**

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

T: (+90 216) 468 50 50

F: (+90 216) 407 10 11

E: ir@gubretas.com.tr

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I. INTRODUCTION

A. REPORTING PERIOD

01.01.2018 - 30.09.2018

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 Haciveli 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 88

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

ANTALYA REGIONAL OFFICE

Address: Kızıltoprak Mah. Aspendos Bulvarı, Çam Plaza, No:19 Daire:3 Muratpaşa/ANTALYA

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

Fax : +90 (242) 311 43 93

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

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

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

ŞANLIURFA REGIONAL OFFICE

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

Phone : +90 (414) 341 08 08

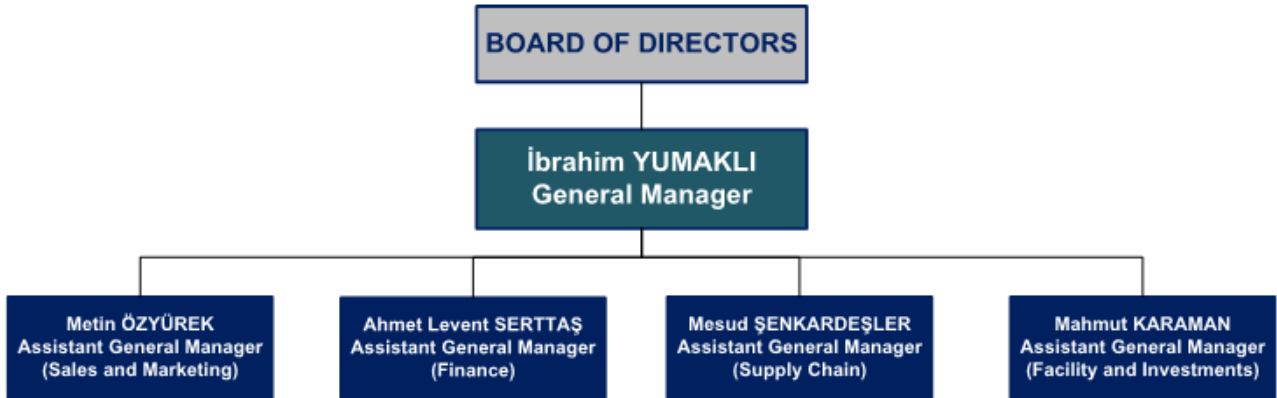
Fax : +90 (414) 381 08 10

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

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

As of 30.09.2018, 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 Coop.	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	Ahmet Levent SERTTAŞ	24.09.2018

Members of top managers, which resigned during the period:

Title	Name	Date of Appointment	Date of Resignation
Assistant GM - Finance	Ali Yekta SUNAR	05.05.2017	13.09.2018

I. ADMINISTRATIVE ACTIVITIES

Number of Personnel

As of 30.09.2018, our number of personel increased by 6,3% to 570 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 4.723 hours with participation of 440 employees were carried out in the first nine months of 2018.

II. GÜBRE FABRİKALARI T.A.Ş. ACTIVITIES

A. PRODUCTION

Gübretaş produced 377.226 tons of compound fertilizers, 76.920 tons of nitrogen-based fertilizers, 44.840 tons of phosphate-based fertilizers, and a total of 498.986 tons in the first nine months of 2018. In addition, 16.623 tons of liquid and powder fertilizers were produced.

Solid fertilizer production increased by 5,29% and liquid-powder production also increased by 0,40% in 2018 compared to 2017. Total fertilizer production including solid, liquid and powder increased by 5,12%.

Some of the products were used as raw material in the prodcuton process. Capacity utilisation rate was 69,67% in the first nine months of 2018.

Table 2: PRODUCTION BY GROUP-TON

Production	2018/9	2017/9	Change
Solid Fertilizer	498.986	473.926	5,29%
Liquid - Powder Fertilizer	16.623	16.557	0,40%
GRAND TOTAL	515.609	490.483	5,12%

B. SALES AND PURCHASES

Our Company sold 1.355.313 tons of solid, 36.745 tons of liquid and powder fertilizers in the first nine months of 2018. In the first nine months of 2017, 1.451.774 tons of solid, 34.531 tons of liquid and powder fertilizers were sold.

The sales decreased by 6,64% in the first nine months of 2018, compared to the same period of the year before.

The volume of purchases was 1.503.985 tons in the first nine months of 2017, and it decreased by 9,23% to 1.365.237 tons in first six months of 2018. Export has been 17.388 tons in the first nine months of 2018, while it was 2.000 tons in the same period of 2017.

Table 3: PURCHASES BY GROUP-TON

	2018/9	2017/9	Change
Raw Material	472.557	441.187	7,11%
Commodity	892.680	1.062.798	-16,01%
Total Purchases	1.365.237	1.503.985	-9,23%

Table 4: SALES BY PRODUCT GROUPS-TON

Solid Chemical Fertilizer	2018/9	2017/9	Change
Compound	500.753	463.702	7,99%
Nitrogen-based	700.358	765.972	-8,57%
Phosphate-based and others	154.202	222.100	-30,57%
Total Solid Fertilizer	1.355.313	1.451.774	-6,64%
Total Liquid - Powder Fertilizer	36.745	34.531	6,41%
Grand Total	1.392.058	1.486.305	-6,34%

C. INVESTMENTS

In Turkish operations, our company spent 51.639.014 ₺ for capital expenditure in the first nine months of 2017, while this figure was 44.193.874 ₺ 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. ACTIVITIES OF IRAN

A. PRODUCTION

In the first nine months of 2018, 1.423.794 tons of fertilizer and fertilizer raw materials were produced in Razi Petrochemical Co. and its subsidiary Arya Phosphoric Jonoub Co., capacity utilization rate was 52,14%.

Table 7: RAZİ PETROCHEMICAL CO. PRODUCTION-TON

PRODUCT	2018/9	2017/9	Change	Capacity	2018/9 CUR
Ammonia	661.896	622.554	6,32%	1.336.000	66,06%
Urea	295.635	263.249	12,30%	594.000	66,36%
Sulphur	190.788	200.856	-5,01%	508.000	50,08%
Sulphuric Acid	178.479	135.636	31,59%	627.000	37,95%
Phosphoric Acid	48.678	27.292	78,36%	450.000	14,42%
DAP	48.318	38.943	24,08%	126.000	51,13%
Total	1.423.794	1.288.530	10,50%	3.641.000	52,14%

B. SALES

In the first three quarters of 2018, 1.228.828 tons of fertilizer were sold and 1.501.159.077 ₺ of revenue were achieved in Razi Petrochemical Co. and its subsidiaries. Razi Petrochemical Co. exported 984.361 tons and sold 244.467 tons in the domestic market in the first nine months of 2018. Share of export in total sales was 80,11%.

Table 8: RAZI PETROCHEMICAL CO. SALES-TON

PRODUCT (Razi & Arya)	2018/9	2017/9	Değişim
Ammonia	504.754	469.680	7,47%
Urea	338.991	250.070	35,56%
Sulphur	156.106	190.957	-18,25%
DAP	42.265	39.832	6,11%
Sulphuric Acid	32.324	16.290	98,43%
Phosphoric Acid	24.497	29.916	-18,12%
Subtotal	1.098.937	996.745	10,25%
Urea	94.951	93.498	1,55%
Ammonium Sulphate	34.940	75.326	-53,61%
Other Sales	129.891	168.824	-23,06%
TOTAL	1.228.828	1.165.569	5,43%

C. INVESTMENTS

In Iran operations, our company spent 27.599.482 ₺ for capital expenditure in the first nine months of 2017, while this figure was 13.030.092 ₺ in 2018.

V. REVIEW

In January-September 2018, fertilizer prices were generally higher than last year.

The inadequacies in supply caused the increase in the prices of ammonia, the main input of nitrogenous fertilizers, steadily since the first quarter of the year. Especially, with the slowing of the demand in the Asian continent, the prices are expected to become more horizontal in the coming days. Phosphoric acid used in phosphate fertilizers and compound fertilizers and sulfuric acid prices used in ammonium sulphate and compound fertilizers have also followed an upward trend. Both the increase in input prices and in freight prices have also increased the final product prices.

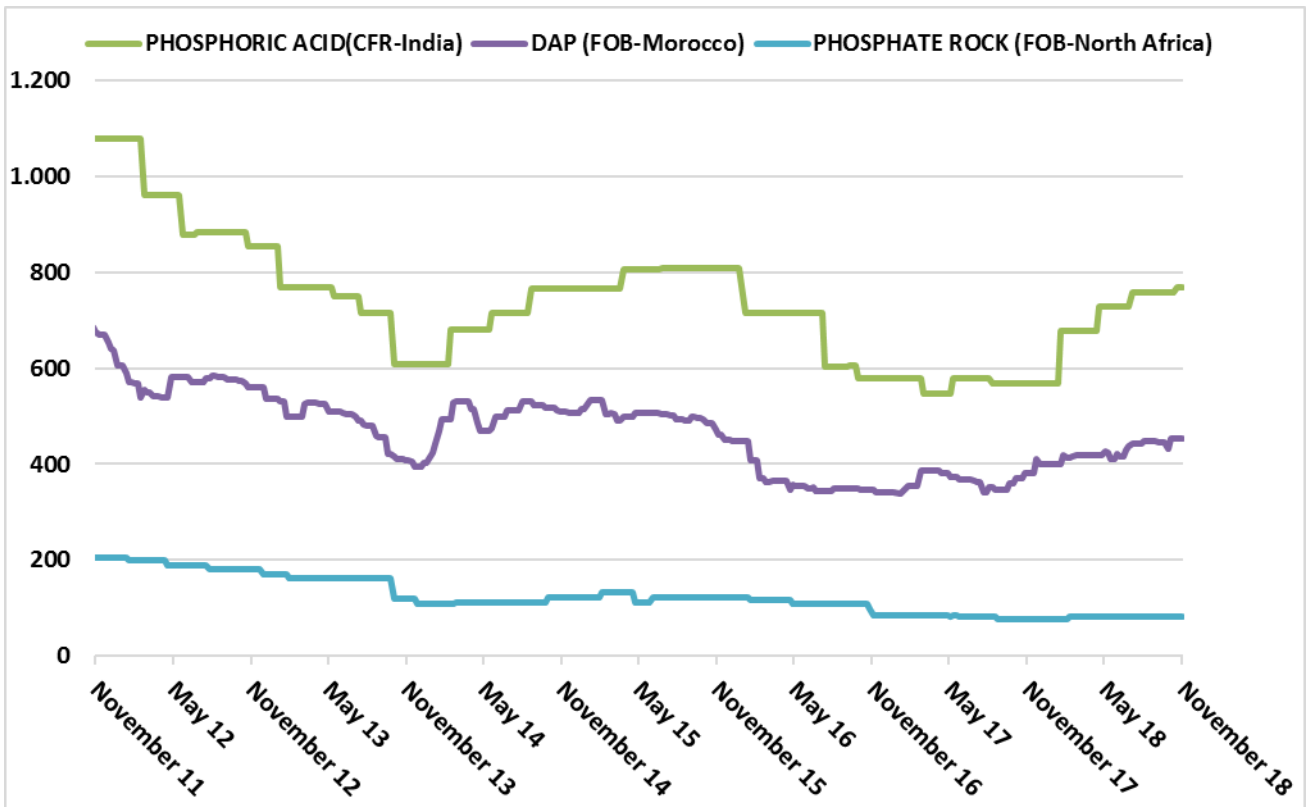
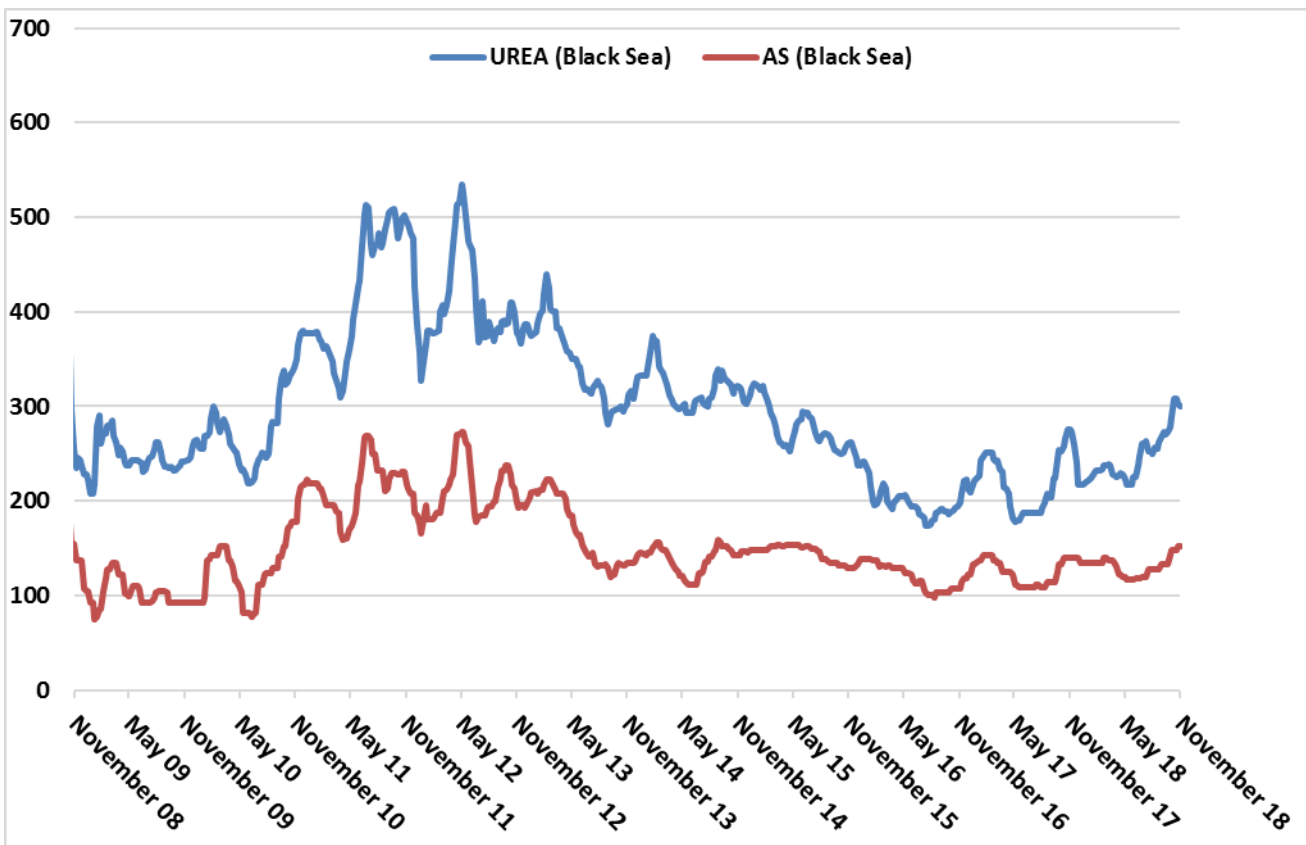
The weak demand in Europe, Turkey and South America has led to the decrease of urea prices. In addition, the uncertainty of exchange rate has delayed the demand in Turkey and shifted the season preparations to the end of year. In the coming months, prices are expected to rise again with the increase in demand. On the other hand, prices are expected to be more horizontal for DAP fertilizer.

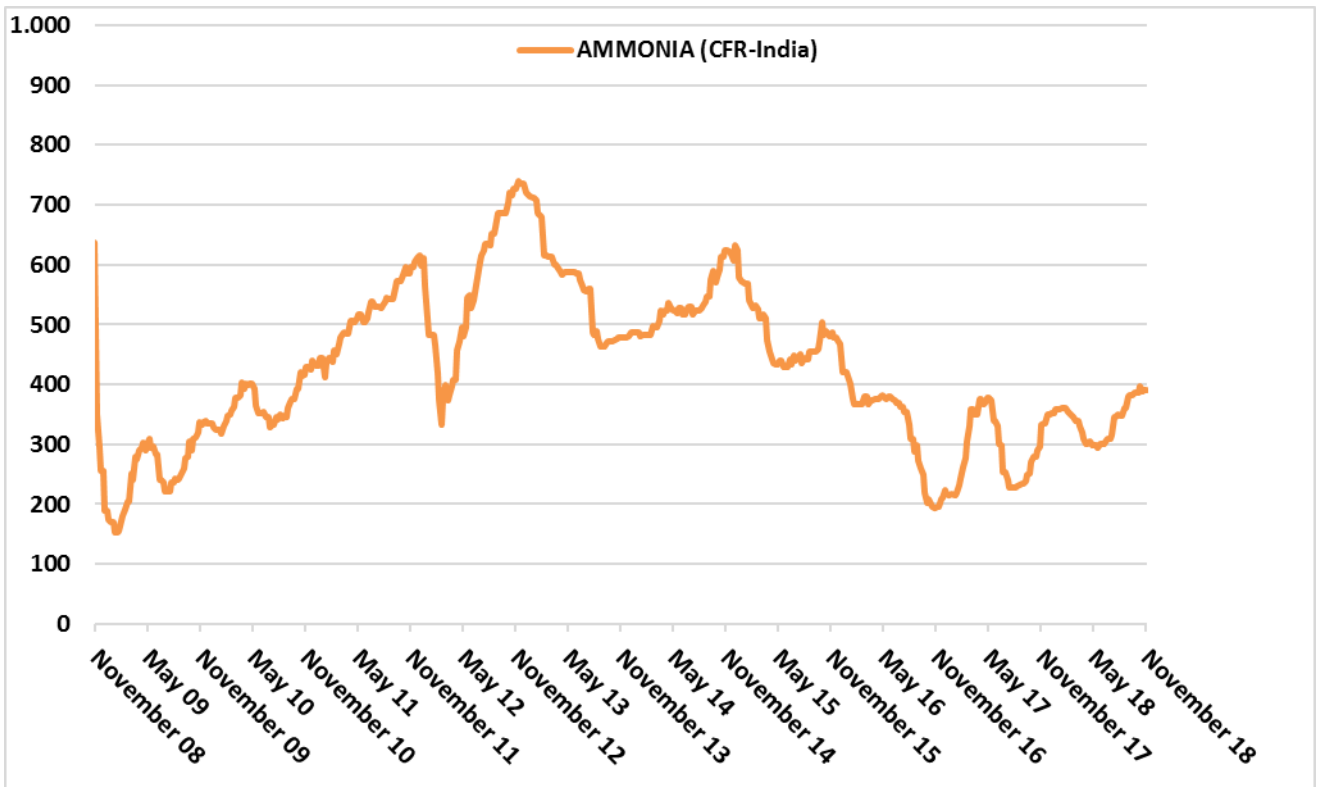
According to the 2nd estimate of Turkey Statistical Institute for 2018, the amount of plant production will show a limited decrease compared to last year. Along with drought, the effect of plant diseases and pests caused by sudden heat changes come to the forefront for the decrease in plant production. The decrease in wheat production areas also adversely affected agricultural production. The decrease in wheat production areas also adversely affected agricultural production. Some producers have preferred alternative products generating more revenue instead of cereals.

The depreciation of TL increased the competitiveness of agricultural products in foreign markets. The presence of buyers in the foreign markets is important. Because they will decrease the negative impact of the demand shrinking due to price increases in the domestic market.

The reflection of the increases in exchange rates on chemical fertilizer prices have put pressure on the demand for chemical fertilizers in autumn. Some producers, who could not obtain the desired income this year, preferred to use fewer fertilizers, while some producers preferred to use the replacement fertilizers.

Our company continues to be the market leader.

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 September 2018	31 December 2017
Current Assets	2.752.662.020	1.989.501.174
Cash and Cash Equivalents	531.105.722	227.960.860
Financial Investments	40.304.781	79.972.354
Trade Receivables	870.303.084	414.159.582
- <i>Trade receivables from related parties</i>	<i>302.143.018</i>	<i>66.765.089</i>
- <i>Other trade receivables</i>	<i>568.160.066</i>	<i>347.394.493</i>
Other Receivables	210.692.233	198.841.575
- <i>Other receivables from related parties</i>	-	<i>132.977</i>
- <i>Other receivables</i>	<i>210.692.233</i>	<i>198.708.598</i>
Inventories	1.022.535.007	972.164.142
Prepaid expenses	30.290.221	68.232.462
Derivative Instruments	27.100.829	85.916
Current tax assets	1.345.249	482.023
Other Current Assets	18.984.894	27.602.260
Fixed Assets	2.221.207.954	1.708.485.990
Financial Investments	69.025.381	42.585.948
Other receivables	71.028.714	74.395.878
- <i>Other receivables from related parties</i>	-	<i>60.276.145</i>
- <i>Other receivables from third parties</i>	<i>71.028.714</i>	<i>14.119.733</i>
Investments Valued by Equity Method	16.776.884	12.879.760
Investment Properties	69.638.999	69.638.999
Tangible Fixed Assets	1.584.913.307	1.222.887.066
Intangible Fixed Assets	206.021.305	210.282.198
- <i>Goodwill</i>	<i>183.718.102</i>	<i>181.331.891</i>
- <i>Other intangible assets</i>	<i>22.303.202</i>	<i>28.950.307</i>
Prepaid expenses	15.914.629	19.837.304
Deferred Tax Assets	187.888.736	55.978.837
TOTAL ASSETS	4.973.869.974	3.697.987.164

LIABILITIES	30 September 2018	31 December 2017
Short-term Liabilities	3.176.498.872	2.179.867.692
Financial Liabilities	1.190.221.243	912.317.544
Short-term portion of long-term borrowings	58.523.965	54.914.049
Trade payables	1.228.045.921	832.398.546
- <i>Trade payables to related parties</i>	1.157.224	17.417.334
- <i>Other trade payables to third parties</i>	1.226.888.697	814.981.212
Payables for Employment Termination Benefits	30.250.510	33.663.131
Other payables to third parties	98.842.170	221.497.832
Deferred Incomes	391.898.005	16.541.386
Derivative Instruments	42.627.176	-
Current Tax Liabilities	11.053.419	17.143.787
Short-term provisions	125.036.463	91.391.417
- <i>Short-term provisions for employee benefits</i>	23.583.261	42.251.136
- <i>Provisions for payables</i>	101.453.202	49.140.281
Long-term Liabilities	661.773.796	310.608.385
Long-term borrowings	67.943.621	72.295.391
Long-term Other payables to third parties	407.932.620	-
Long-term provisions for employee benefits	155.887.787	196.320.157
Deferred tax liabilities	30.009.768	41.992.837
EQUITY CAPITAL	1.135.597.306	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	260.030.104	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>	(1.910.381)	(1.458.551)
Accumulated other comprehensive income / expense to be reclassified to profit or loss	(134.828.154)	(96.764.296)
- <i>Foreign currency translation reserve</i>	(134.828.154)	(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)	(142.264.937)	33.317.912
Equity attributable to equity holders of the parent	789.705.972	970.486.597
Minority Shares	345.891.334	237.024.490
TOTAL LIABILITIES	4.973.869.974	3.697.987.164

B. CONSOLIDATED INCOME STATEMENT-₺

CONTINUING OPERATIONS	1 Jan - 30 Sept 2018	1 Jan - 30 Sept 2017
Sales (net)	3.213.707.790	2.547.999.866
Costs of Sales (-)	(2.408.684.331)	(2.204.391.362)
GROSS PROFIT	805.023.459	343.608.504
Administrative Expenses (-)	(110.142.898)	(117.719.619)
Marketing, Sales and Distribution Expenses (-)	(251.297.396)	(211.909.784)
Other Operating Incomes	969.546.900	222.715.787
Other Operating Expenses (-)	(1.254.721.172)	(212.593.193)
OPERATION PROFIT/(LOSS)	158.408.893	24.101.695
Income From Investment Activities	(7.710.775)	-
Shares in Profit/Loss of Investments Valued by Equity Method	3.897.124	(16.092.637)
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSE	154.595.242	8.009.058
Finance Expenses (-)	(276.690.922)	(4.841.966)
PRE-TAX PROFIT / LOSS FROM CONTINUING OPERATIONS	(122.095.680)	3.167.092
Total Tax Income / Expense (-)	126.957.681	(387.851)
- Period Tax Income / Expense (-)	(7.938.832)	(3.114.041)
- Deferred Tax Income / Expense(-)	134.896.513	2.726.190
PERIOD PROFIT/ (LOSS)	4.862.001	2.779.241
<u>Distribution of Period Profit / (Loss)</u>		
Minority Shares	147.126.938	(7.148.339)
Parent Company's Shares	(142.264.937)	9.927.580
Earnings / (Loss) Per Share (kr)	(0,004)	0,0003

VII. EVENTS AFTER BALANCE SHEET DATE

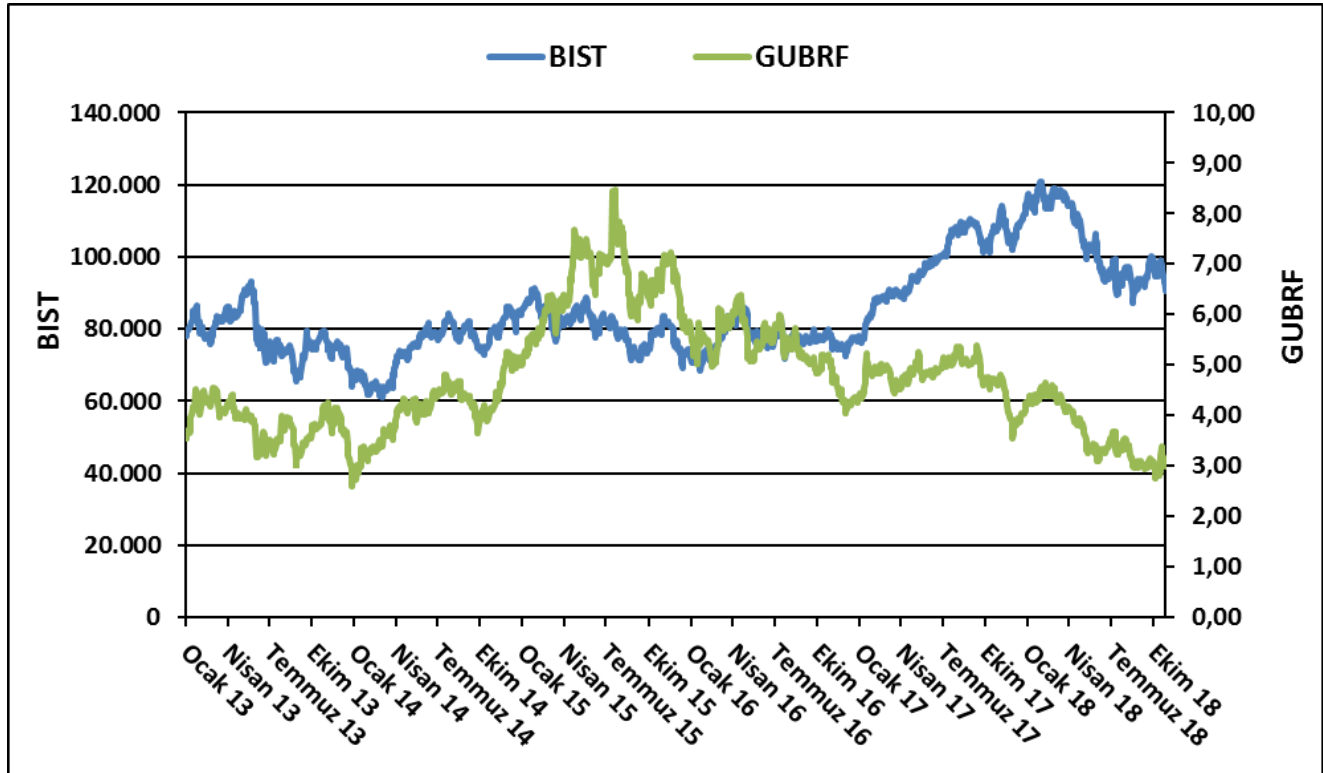
1. The last trial of ongoing case, related to mining operation areas located in Kızılsaray, Söğüt, Bilecik between our Company and Koza Altın İşletmeleri A.Ş. was realized on November 1, 2018 within the scope of the following issues:

- the termination of contract,
- the getting back the areas by our company together with the evacuation of “the defendant” Koza Altın İşletmeleri A.Ş.,
- the registration of business licenses records on behalf of our company.

The next trial is on December 27, 2018.

VIII. PERFORMANCE OF THE STOCK

Graph 4 : PERFORMANCE OF THE STOCK



IX. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

In accordance with Communiqué on Corporate Governance, 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 1.7.2018 - 30.9.2018, the Company has realized the following works in order to be compliant with the principles issued in the related communique:

1. Regarding to the article 2.1.3 of Corporate Governance Principles, stated in the Annex-1 of the Corporate Governance Communique, our 2nd quarter financial statements excluding footnotes have been announced in the Public Disclosure Platform both in Turkish and in English.
2. The document of ***“The Working Principles for the Board Committees”***, prepared regarding to the article 4.5.2 of Corporate Governance Principles, stated in the Annex-1 of the Corporate Governance Communique and included the working principles of our company’s “Committee of Audit”, “Committee of Early Determination of the Risk” and “Committee of Corporate Governance”, was published on the Public Disclosure Platform.

X. CONCLUSION

DEAR SHAREHOLDERS,

In the first nine months of 2018, 1.365.237 tons of fertilizers and raw materials were procured from domestic and foreign markets and 498.986 tons of various types of chemical solid fertilizer were produced at our facilities. On the other hand, 1.355.313 tons of solid fertilizers were sold in the first nine months of 2018. Net sale revenues realized as 1.972.982.606 ₺.

Also 1.423.794 tons of fertilizer and fertilizer raw materials were produced and 1.240.725.184 ₺ sale revenues were realized by the sale of 1.098.937 tons of fertilizer –excluding in-group sales- and fertilizer raw material in our affiliated company Razi Petrochemical Co and its subsidiaries.

Our company reached to 3.213.707.790 ₺ consolidated sales revenue. Beside, by deducting cost of goods sold, operation expenses, other operating expenses-income and financial expenses; 122.095.680 ₺ profit realized before tax. 4.862.001 ₺ consolidated profit occurred after adding 126.957.681 ₺ net tax income. 142.264.937 ₺ loss to shareholders has occurred after deducting 147.126.938 ₺ shares of minority shareholders.

We would kindly like to ask you to evaluate the results mentioned above regarding our first nine 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 –
September 30, 2018**

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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 September 2018

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

		Unaudited	Audited
	Notes	30 September 2018	31 December 2017
ASSETS			
Current assets:			
Cash and cash equivalents	4	531.105.722	227.960.860
Financial investments		40.304.781	79.972.354
Trade receivables			
- Trade receivables from related parties	16	302.143.018	66.765.089
- Trade receivables from third parties	6	568.160.066	347.394.493
Other receivables			
- Other receivables from related parties	16	-	132.977
- Other receivables from third parties	7	210.692.233	198.708.598
Inventories	8	1.022.535.007	972.164.142
Prepaid expenses		30.290.221	68.232.462
Derivative Instruments		27.100.829	85.916
Assets related to the current period taxes		1.345.249	482.023
Other current assets		18.984.894	27.602.260
Total current assets		2.752.662.020	1.989.501.174
Non-current assets:			
Financial investments		69.025.381	42.585.948
Other receivables			
- Other receivables from related parties	16	-	60.276.145
- Other receivables from third parties	7	71.028.714	14.119.733
Investments valued by equity method		16.776.884	12.879.760
Investment properties		69.638.999	69.638.999
Property, plant and equipment	9	1.584.913.307	1.222.887.066
Intangible assets	10		
- Goodwill		183.718.102	181.331.891
- Other intangible assets		22.303.202	28.950.307
Prepaid expenses		15.914.629	19.837.304
Deferred tax assets		187.888.736	55.978.837
Total non-current assets		2.221.207.954	1.708.485.990
Total assets		4.973.869.974	3.697.987.164

The interim condensed consolidated financial statements for the year ended 30 September 2018 have been approved by the Board of Directors on 9 November 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 profit or loss and other comprehensive income as of 30 September 2018

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

		Unaudited	Audited
	Notes	30 September 2018	31 December 2017
LIABILITIES			
Current liabilities:			
Short term borrowings	5	1.190.221.243	912.317.544
Current portion of long-term borrowings	5	58.523.965	54.914.049
Trade payables			
- Trade payables to related parties	16	1.157.224	17.417.334
- Trade payables to third parties	6	1.226.888.697	814.981.212
Employee benefit obligations		30.250.510	33.663.131
Other payables			
- Other payables to third parties	7	98.842.170	221.497.832
Deferred income	16.(ii)	391.898.005	16.541.386
Derivative Instruments		42.627.176	-
Current income tax liability		11.053.419	17.143.787
Short-term provisions			
- Short-term provisions for employee benefits		23.583.261	42.251.136
- Other short term provisions	12	101.453.202	49.140.281
Total current liabilities		3.176.498.872	2.179.867.692
Non-current liabilities:			
Long-term borrowings	5	67.943.621	72.295.391
Other payables			
Long-term Other payables to third parties	7	407.932.620	-
Long-term provisions			
- Long-term provisions for employee benefits		155.887.787	196.320.157
Deferred tax liability		30.009.768	41.992.837
Total non-current liabilities		661.773.796	310.608.385
Total liabilities		3.838.272.668	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		(1.910.381)	(1.458.551)
Accumulated other comprehensive income / expense to be reclassified to profit or loss			
- Foreign currency translation reserve		(134.828.154)	(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		(142.264.937)	33.317.912
Equity attributable to equity holders of the parent		789.705.972	970.486.597
Non-controlling interests		345.891.334	237.024.490
Total shareholders' equity		1.135.597.306	1.207.511.087
Total liabilities and equity		4.973.869.974	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 financial position as of 30 September 2018

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

	Notes	Current Period		Previous Period	
		Not Reviewed January 1 – September 30, 2018	Not Reviewed July 1 – September 30, 2018	Not Reviewed January 1 – September 30, 2017	Not Reviewed July 1 – September 30, 2017
Sales	13	3.213.707.790	943.855.591	2.547.999.866	481.951.995
Cost of sales (-)	13	(2.408.684.331)	(612.065.497)	(2.204.391.362)	(389.419.493)
Gross profit		805.023.459	331.790.094	343.608.504	92.532.502
General and administrative expense (-)		(110.142.898)	(30.084.300)	(117.719.619)	(20.221.677)
Marketing, selling and distribution expense (-)		(251.297.396)	(81.934.271)	(211.909.784)	(74.103.825)
Other operating income	14	969.546.900	802.634.606	222.715.787	55.389.078
Other operating expenses (-)	14	(1.254.721.172)	(1.007.777.769)	(212.593.193)	(78.667.083)
Operating profit		158.408.893	14.628.360	24.101.695	(25.071.005)
Profit / (loss) from investments accounted by equity method		3.897.124	(534.392)	(16.092.637)	(1.754.708)
Loss from investment activities		(7.710.775)	70.448	-	-
Financial income/(expense) before operating profit		154.595.242	14.164.416	8.009.058	(26.825.713)
Financial income / (expense)		(276.690.922)	(150.264.566)	(4.841.966)	(3.337.190)
Profit before tax from continuing operations		(122.095.680)	(136.100.150)	3.167.092	(30.162.903)
Current period tax income/expense		(7.938.832)	(6.299.039)	(3.114.041)	808.677
Deferred tax income/(expense)		134.896.513	95.844.228	2.726.190	4.968.090
Total tax (expense)/income		126.957.681	89.545.189	(387.851)	5.776.767
Net profit for the period		4.862.001	(46.554.961)	2.779.241	(24.386.136)
Distribution of income for the period					
Non-controlling interests		147.126.938	71.803.488	(7.148.339)	(9.300.854)
Equity holders of the parent		(142.264.937)	(118.358.449)	9.927.580	(15.085.282)
Other comprehensive income					
Items not to be reclassified to profit or loss					
Actuarial gain/(loss) arising from defined benefit plans		(564.788)	(1.533.499)	(50.840)	(10.497)
Tax effect of other comprehensive income/expense not to be reclassified to profit or loss		112.958	306.700	10.168	2.099
Items to be reclassified to profit or loss					
Changes in currency translation differences		(140.557.811)	(163.855.989)	(17.867.465)	(17.055.768)
Changes in currency translation difference from investments accounted by equity method		-	-	891.635	(1.509.680)
Other comprehensive income / (expense)		(141.009.641)	(165.082.788)	(17.016.502)	(18.573.846)
Total comprehensive income		(136.147.640)	(211.637.749)	(14.237.261)	(42.959.982)
Distribution of total comprehensive income					
-Non-controlling interests		73.009.192	(4.744.303)	(16.595.956)	(15.574.898)
-Equity holders of the parent		(209.156.832)	(206.893.446)	2.358.695	(27.385.084)
Earnings per share	15	(0,004)	(0,0034)	0,0003	(0,0005)

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 September 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		Restricted reserves	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	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	-	-	-	-	-	-	-	-	-	(1.081.548)	(1.081.548)
Total comprehensive income/ (expense)	-	-	(40.672)	891.635	(8.419.848)	-	-	9.927.580	2.358.695	(16.595.956)	(14.237.261)
September 30, 2017	334.000.000	262.570.832	(986.007)	(24.536.877)	(70.909.006)	41.378.380	398.072.667	9.927.580	949.517.569	236.781.687	1.186.299.256
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	1.207.511.087
Subsidiary acquirement (Note 2.5)	-	-	-	-	-	-	-	-	-	35.857.652	35.857.652
Exit due to participation sold	-	-	-	28.376.207	-	-	-	-	28.376.207	-	28.376.207
Transfers	-	-	-	-	-	-	33.317.912	(33.317.912)	-	-	-
Total comprehensive income / (expense)	-	-	(451.830)	-	(66.440.065)	-	-	(142.264.937)	(209.156.832)	73.009.192	(136.147.640)
September 30, 2018	334.000.000	261.940.485	(1.910.381)	-	(134.828.154)	52.295.108	420.473.851	(142.264.937)	789.705.972	345.891.334	1.135.597.306

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 September 2018

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

		Current Period Not Reviewed	Previous Period Not Reviewed
		January 1 – September 30, 2018	January 1 – September 30, 2017
	Notes		
Cash flows from operating activities:			
Profit for the period		4.862.001	2.779.241
<i>Adjustments to reconcile net profit/(loss) for the period</i>			
Depreciation and amortization expense	9, 10	53.929.750	56.959.489
Income / expenses from subsidiaries valued by equity method		(3.897.124)	16.092.637
Retirement pay provision, early retirement pay liability interest (income)/expense		60.971.166	75.905.697
Interest expense		302.119.535	43.943.444
Interest income		(18.604.324)	(2.013.259)
Provision for lawsuit /cancellation		7.481.530	1.810.374
Current tax income/expense		(126.957.681)	387.851
Deferred financial income/expense		(3.337.673)	790.181
Impairment on inventories		(527.278)	(167.155)
Adjustments related to losses (gains) on sale of property, plant and equipments		2.539.036	4.432.603
		999.399	85.200
Adjustments related to fair value losses (gains) on derivative financial instruments		15.612.263	15.258.298
Net cash provided by the operating activities before changes in the assets and liabilities		295.190.600	216.264.601
Changes in working capital (net):			
Increase / decrease in trade receivables		(449.530.967)	51.942.479
Increase / decrease in other receivables		44.864.126	(5.995.890)
Increase / decrease in inventories		28.730.976	85.812.057
Increase / decrease in trade payables		13.635.546	109.055.490
Employee benefit obligations		(3.418.642)	(5.092.868)
Deferred income		370.909.996	85.180.350
Increase / decrease in prepaid expenses		42.594.884	43.606.501
Increase /decrease in other payables		276.817.430	26.880.526
Other increase / decrease in working capital		46.648.906	(4.724.378)
Cash provided by the operations after the changes in working capital		666.442.855	602.928.868
Interest received		18.604.323	2.013.259
Interest paid		(284.845.708)	(38.084.161)
Taxes paid		(6.953.594)	(16.501.286)
Severance paid		(62.474.820)	(57.711.892)
Cash flow regarding investment activities		330.773.056	492.644.788
Cash flows from investing activities:			
Cash outflows from the purchase of property, plant and equipment and intangible assets	9, 10	(57.223.966)	(79.238.495)
Cash inflows from the sales of property, plant and equipment and intangible assets	9, 10	3.803.991	14.555.897
Other cash inflows / outflows		21.327.570	(28.258.551)
Net cash amount used in investment activities		(32.092.405)	(92.941.149)
Cash flows (used in)/from financing activities			
Dividends paid		-	(1.081.549)
Cash inflows from financial borrowings		2.327.410.848	2.149.106.905
Principle repayment of financial borrowings		(2.257.209.624)	(2.463.337.988)
Net cash (used)/provided by financial activities		70.201.224	(315.312.632)
Change in cash and cash equivalents before foreign currency translation		368.881.875	84.391.007
Cash and cash equivalents as of January 1	4	223.188.075	125.519.427
Foreign currency translation		(61.233.787)	(22.136.730)
Cash and cash equivalents as of September 30	4	530.836.163	187.773.704

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 September 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 six 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
Şanlıurfa Regional Office	Sales-marketing

The number of employees of the Company and its subsidiaries for the year ended 30 September 2018 is 1.627 (31 December 2017 – 1.531)

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 September 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
Public Access	%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 September 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, 2017: %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%.

According to division agreement signed on 5th of March 2018, Gübretaş transferred its %40 shares on Negmar Denizcilik Yatırım A.Ş to Etis Denizcilik Yatırım A.Ş. At the same time, Nbulkgas Deniz İşletmeciliği Limited Şirketi ("Nbulkgas") whose %100 shares are owned by Negmar is transferred to Gübretaş. because of these transactions mentioned above, Gübretaş indirectly owns %50 of IGLC Anka Shipping Investment S.A. ("IGLC Anka") and IGLC Dicle Shipping Investment S.A. ("IGLC Dicle") since two companies are subsidiary of Nbulkgas. Since Gübretaş has controlling power on Nbulkgas, all companies are considered as subsidiary and they are being full consolidated in consolidated financial statements. The Group's indirect ownership, with control power, on IGLC Anka ve IGLC Dicle is %50 and . The Group's ownership on Nbulkgas is %100. Nbulkgas which was established in Turkey on 26th of December, 2014 and bulunan IGLC Anka ve IGLC Dicle, which were established in Panama on 19th of September, 2013, they both operates in seaways Transport Sector.

Associates

Gübretaş, has invested in Negmar Denizcilik Yatırım A.Ş. ("Negmar") which operates in seaways Transport Sector and located in Turkey, on 30th of December, 2008. 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.

Other than subsidiaries and participations that are mentioned above, Gübretaş has a participation rate of 15.78% on Tarnet Tarım Kredi Bilişim ve İletişim Hizmetleri A.Ş that located in Turkey which is subsidiary of Gübretaş's controlling shareholder.

The company has invested in Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş.'ye ("Tarkim") which operates in agrochemical manufacture and sales Sector that located in Turkey. As of the balance sheet date, the participation rate is 40% (31 December 2017: 40%).

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

Gübre Fabrikaları Türk Anonim Şirketi

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

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

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

Financial assets available for sale

On October 5, 2016, İmece Tahmil Temizlik ve Güvenlik Hizmetleri A.Ş. Company has merged to Tarnet Agricultural Credit Information and Communication Services Industry and Trade Inc. within its assets and liabilities as a whole in accordance with the provisions of the Turkish Commercial Code and other relevant legislation related to the merger. After the transfer process, Tarnet Tarım Kredi Bilişim ve İletişim Hizmetleri A.Ş. shareholding rate changed to 15.78%.

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 November 9, 2018. The General Assembly has the power to amend the financial statements.

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

Gübre Fabrikaları Türk Anonim Şirketi

Notes to the interim condensed consolidated financial statements as of 30 September 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 September 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 September 2018		31 December 2017	
	Period end	Period average	Period end	Period average
IRR/TL	0,000079869	0,000098680	0,00010458	0,000010969
USD/TL	5,9902	4,6020	-	-

2.2 Amendments in Turkish Financial Reporting Standards

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at September 30, 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 September 30, 2018.

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
as of 30 September 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 September 2017 and include financial statements of Gübretaş and its Subsidiaries.
- b) As of 30 September 2018, 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 2017.

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
as of 30 September 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 September 2018, have been prepared in compliance with IAS 34, the IFRS standard on interim financial reporting. Furthermore, condensed consolidated financial statements as of 30 September 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.

Gübre Fabrikaları Türk Anonim Şirketi

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

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

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

As of September 30, 2018, the fair values of the identifiable assets and identifiable liabilities acquired in the aforementioned business combination have been determined on a temporary basis and they are reported on the temporary amounts in the consolidated financial statements. The time required to make adjustments and additions to the fair values of assets, liabilities and contingent liabilities is limited to 12 months from the date of purchase.

As of September 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 consolidation.

	Nbulkgas	IGLC Anka	IGLC Dicle	Fair value on acquisition TL
Cash and cash equivalence	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				-

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
as of 30 September 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 September 2018 and 31 December 2017 is as follows:

	Turkey	Iran	Consolidation Adjustments	Total
	30 September 2018	30 September 2018	30 September 2018	30 September 2018
Assets				
Current assets	1.745.725.913	1.007.907.353	(971.246)	2.752.662.020
Non-current assets	1.926.146.642	541.595.937	(246.534.625)	2.221.207.954
Total assets	3.671.872.555	1.549.503.290	(247.505.871)	4.973.869.974
Liabilities				
Short term liabilities	2.462.074.617	689.967.003	24.457.252	3.176.498.872
Long term liabilities	488.192.246	173.581.550	-	661.773.796
Equities	721.605.692	685.954.737	(271.963.123)	1.135.597.306
Total liabilities	3.671.872.555	1.549.503.290	(247.505.871)	4.973.869.974

	Turkey	Iran	Consolidation Adjustments	Total
	31 December 2017	31 December 2017	31 December 2017	31 December 2017
Assets				
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

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
as of 30 September 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 September 2018 and 30 September 2017 is as follows:

1 January 2018- 30 September 2018	Turkey	Iran	Consolidation Adjustments	Total
Operating income				
Sales (Net)	1.972.982.606	1.501.159.077	(260.433.893)	3.213.707.790
Cost of sales (-)	(1.695.603.146)	(973.515.078)	260.433.893	(2.408.684.331)
Gross profit	277.379.460	527.643.999	-	805.023.459
Marketing, selling and distribution expense (-)	(92.746.167)	(158.551.229)	-	(251.297.396)
General and administrative expense (-)	(28.759.204)	(81.383.694)	-	(110.142.898)
Other operating income / expense (-)(net)	(281.395.354)	(3.778.918)	-	(285.174.272)
Operating profit	(125.521.265)	283.930.158	-	158.408.893
Income / (expense) from investments	(7.710.775)	-	-	(7.710.775)
Profit / (loss) from investments accounted by equity method	3.897.124	-	-	3.897.124
Operation profit before financial income / (expense)	(129.334.916)	283.930.158	-	154.595.242
Financial income / (expense)	(273.248.710)	(3.442.212)	-	(276.690.922)
Profit before tax	(402.583.626)	280.487.946	-	(122.095.680)
Tax expense	-	(7.938.832)	-	(7.938.832)
Deferred tax income / (expense)	128.379.050	6.517.463	-	134.896.513
Profit / (loss) for the period	(274.204.576)	279.066.577	-	4.862.001

	Turkey	Iran	Consolidation Adjustments	Total
	January 1, 2017 September 30, 2017	January 1, 2017 September 30, 2017	January 1, 2017 September 30, 2017	January 1, 2017 September 30, 2017
Operating income				
Sales (Net)	1.665.673.617	1.036.278.964	(153.952.715)	2.547.999.866
Cost of sales (-)	(1.514.837.322)	(842.932.206)	153.378.166	(2.204.391.362)
Gross profit	150.836.295	193.346.758	(574.549)	343.608.504
Marketing, selling and distribution expense (-)	(86.372.230)	(125.537.554)	-	(211.909.784)
General and administrative expense (-)	(20.251.880)	(97.467.739)	-	(117.719.619)
Other operating income / expense (-) (net)	24.557.853	(14.440.252)	4.993	10.122.594
Operating profit	68.770.038	(44.098.787)	(569.556)	24.101.695
Profit / (loss) from investments accounted by equity method	(16.092.637)	-	-	(16.092.637)
Operation profit before financial income / (expense)	52.677.401	(44.098.787)	(569.556)	8.009.058
Financial income / (expense)	(40.176.184)	35.334.218	-	(4.841.966)
Profit before tax	12.501.217	(8.764.569)	(569.556)	3.167.092
Tax expense	-	(3.114.041)	-	(3.114.041)
Deferred tax income / (expense)	4.257.050	(1.645.770)	114.910	2.726.190
Profit / (loss) for the period	16.758.267	(13.524.380)	(454.646)	2.779.241

Gübre Fabrikaları Türk Anonim Şirketi

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

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

NOTE 3 -SEGMENT REPORTING (continued)

Investment expenditures:

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

	1 January - 30 September 2018	1 January – 30 September 2017
Gübre Fabrikaları T.A.Ş.	44.193.874	51.639.014
Razi Petrochemical Co. and its subsidiary	13.030.092	27.599.481
Total	57.223.966	79.238.495

Depreciation and amortization:

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

	1 January - 30 September 2018	1 January – 30 September 2017
Gübre Fabrikaları T.A.Ş.	21.906.482	19.874.790
Razi Petrochemical Co. and its subsidiary	32.023.268	37.084.699
Total	53.929.750	56.959.489

30 September 2018: Out of the total of 53.929.750 TL depreciation and amortization costs; 51.538.210 TL have been included in General Production Costs, 1.028.265 TL in Sales and Marketing Costs, 1.363.275 TL in General Management Costs

30 September 2017: Out of the total of 56.959.489 TL depreciation and amortization costs; 55.209.874 TL have been included in General Production Costs, 419.802 TL in Sales and Marketing Costs, 1.329.813 TL in General Management Costs.

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

Gübre Fabrikaları Türk Anonim Şirketi

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

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

NOTE 4 - CASH AND CASH EQUIVALENTS

	30 September 2018	31 December 2017
Cash on hands	1.061.292	455.770
Bank	530.024.411	223.009.623
- Demand deposits	120.135.978	32.835.443
- Time deposits	409.888.433	190.174.180
Other cash equivalents(*)	20.019	4.495.467
Total	531.105.722	227.960.860
Pledge cash and cash equivalents	(269.559)	(4.772.785)
Cash and cash equivalents at the statement of cash flow	530.836.163	223.188.075

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

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

NOTE 4 - CASH AND CASH EQUIVALENTS (continued)

Time Deposits

Time Deposits (Local Currency):

Interest Rate (%)	Maturity	30 September 2018
20-26,7%	October 2018	268.374.713
Total		268.374.713

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

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

Time Deposits (Foreign Currency):

				30 September 2018	
Interest Rate (%)	Maturity	Currency	Foreign currency amount	Amount in TL	
Libor+0,5	October 2018	EUR	3.101.501	21.556.982	
10-22	October 2018	Mil. IRR	635.972	50.794.660	
3,4	October 2018	USD	11.545.871	69.162.078	
Total				141.513.720	

				31 December 2017	
Interest Rate (%)	Maturity	Currency	Foreign currency amount	Amount in TL	
Libor+0,5	January 2018	EUR	3.034	13.701	
10 - 20	January 2018	Mil. IRR	741.837	77.588.037	
2,26 - 2,49	January 2018	USD	29.314.786	110.572.442	
Total				188.174.180	

Gübre Fabrikaları Türk Anonim Şirketi

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

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

	30 September 2018	31 December 2017
Short Term		
Short term borrowings	1.188.737.478	910.740.757
Short term leasing	1.483.765	1.576.787
Short term portion of long term borrowings	58.523.965	54.914.049
	1.248.745.208	967.231.593
Long term		
Long term borrowings	65.522.511	68.741.400
Long term leasing	2.421.110	3.553.991
Total Borrowings	67.943.621	72.295.391

a) Short term borrowings

As of September 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
TL	August 2019	18-32	780.557.368	783.103.759
EUR	August 2019	2,75-2,92	45.091.453	313.408.143
USD	October 2018	2,9	6.187.573	37.064.798
Total				1.133.576.700

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
EUR	October 2018	Eurobor+0,5	16.356.340	113.684.743
Total				113.684.743

Gübre Fabrikaları Türk Anonim Şirketi

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

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:

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

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

Long term borrowings

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

Currency	Maturity	Average effective annual Interest Rate (%)	Original Amount	Amount in TL
EUR	January 2020	3,40	9.427.021	65.522.511
Total				65.522.511

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

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

Payment Maturity dates summary for Short-long term Borrowings are as follows:

Short and long term borrowings	30 September 2018	31 December 2017
Payable within 1 year	1.248.745.208	967.231.593
Payable within 1 – 5 years	67.943.621	72.295.391
Total	1.316.688.829	1.039.526.984

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
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NOTE 6 - TRADE RECEIVABLES AND PAYABLES

Short term trade receivables:

	30 September 2018	31 December 2017
Trade receivables	504.409.590	256.058.016
Notes receivables	1.781.054	1.951.173
Receivables from National Petrochemical Company ("NPC") (Razi)	73.306.870	98.183.716
Short Term Trade Receivables (gross)	579.497.514	356.192.905
Allowance for doubtful receivables (-)	(11.337.448)	(8.798.412)
Short Term Trade Receivables (net)	568.160.066	347.394.493

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

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

	September 30, 2018	September 30, 2017
Balance at January 1	8.798.412	4.365.809
Payments during the period	2.539.036	4.432.603
Balance at September 30	11.337.448	8.798.412

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

	30 September 2018	31 December 2017
Guarantee Letters	277.828.845	268.519.609
Collateral cheques and notes	790.000	60.787.401
Total	278.618.845	329.307.010

Short term trade payables:

	30 September 2018	31 December 2017
Trade payables (Gübretaş)	855.972.737	494.382.879
Trade payables (Razi)	28.222.148	43.944.978
Payables to NIOC (Razi)	338.418.905	249.958.136
Other trade payables	4.274.907	26.695.219
Total	1.226.888.697	814.981.212

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
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NOTE 7 – OTHER RECEIVABLES AND PAYABLES

Other short term receivables:

	30 September 2018	31 December 2017
VAT receivables (Razi)	121.802.810	110.967.323
Other various receivables (Tabosan) (*)	34.952.027	25.078.121
Due from personnel	8.430.602	9.244.740
Other various receivables (**)	45.506.794	53.418.414
Other short term receivables	210.692.233	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 34.952.027 TL 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 5.439.402 EURO made as co-guarantor. Since the aforementioned request was not accepted by the Bankruptcy Administration, the Group sued the case 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 was 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 sued 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 2016. Since the accumulated dividend receivables striking to 10,88% shares of Tabosan at Razi reverted to bankruptcy estate, the Bankruptcy Administration has made a payment to the Group at an amount of 25.278.225 TL on 8th of July, 2016 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 which is 5.548.880 TL was paid on 4th of August 2016. 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 September 2018, 24.836.224 TL of Group’s other various receivables consist of the receivables of Gübretaş regarding VAT returns.

Gübre Fabrikaları Türk Anonim Şirketi

**Notes to the interim condensed consolidated financial statements
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NOTE 7 – OTHER RECEIVABLES AND PAYABLES (Continued)

Other long term receivables:

	30 September 2018	31 December 2017
Other long term receivables	67.985.772	10.381.720
Due from personnel (*)	3.042.942	3.738.013
Other long term receivables	71.028.714	14.119.733

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

Other short term payables:

	30 September 2018	31 December 2017
Dividend payables to non-controlling interests	-	97.512.149
Payables from investments accounted by equity method	-	43.642.840
Other payables	98.842.170	80.342.843
Other short term payables	98.842.170	221.497.832

Other long term payables

	30 Eylül 2018	31 Aralık 2017
Negmar	407.932.620	-
	407.932.620	-

NOTE 8 – INVENTORIES

	30 September 2018	31 December 2017
Raw materials and supplies	347.818.740	307.564.906
Finished goods	179.592.715	190.011.290
Trade goods	469.068.837	407.533.261
Other inventories	33.861.150	75.888.398
Total	1.030.341.442	980.997.855
Minus: Impairment of inventories	(7.806.435)	(8.833.713)
Toplam	1.022.535.007	972.164.142

Group carried out net realisable value analysis for inventories and regarding to conclusion of this analysis there is 7.806.435 TL provision for inventory impairment losses in current period. (2017: 8.833.713).

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

NOTE 9 –PROPERTY, PLANT AND EQUIPMENT

	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	(34.200.316)	-	(26.100.805)	(218.822.658)	(2.285.573)	(4.396.399)	-	(10.632.383)	(296.438.134)
Additions	9.809.076	474.666	26.782.387	1.382.620	992.719	3.845.565	254.848	12.003.524	55.545.405
Subsidiary additions	-	-	-	3.544.582	486.277.026	449.668	-	-	490.271.276
Sales/Cancellations	(331.500)	-	(4.346.039)	(7.395.204)	(528.089)	(301.987)	-	-	(12.902.819)
Transfer from construction in progress	-	-	160.857	1.037.183	-	540.236	-	(1.738.276)	-
Closing Balance on 30 September 2018	442.980.638	126.439.624	324.204.730	898.688.155	495.313.167	33.019.953	1.273.006	58.705.328	2.380.624.601
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	-	-	11.583.420	154.148.185	1.592.597	2.229.186	-	-	169.553.388
Expenses of the period	-	(7.287.710)	(6.487.797)	(34.272.471)	(819.076)	(3.111.247)	(124.003)	-	(52.102.304)
Sales/Cancellations	-	-	611.698	6.900.767	267.277	319.687	-	-	8.099.429
Closing Balance on 30 September 2018	-	(53.721.562)	(121.771.017)	(597.784.287)	(5.977.441)	(15.990.254)	(466.733)	-	(795.711.294)
Net Book Value on 30 September 2018	442.980.638	72.718.062	202.433.713	300.903.868	489.335.726	17.029.699	806.273	58.705.328	1.584.913.307

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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									
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	(5.015.252)	-	(3.823.360)	(30.691.521)	(265.382)	(594.136)	-	(2.251.960)	(42.641.611)
Additions	1.637.260	12.556	1.279.877	3.752.505	381.537	6.582.559	-	65.358.363	79.004.657
Sales/Disposals	-	(7.010.450)	-	(4.355.624)	(913.432)	(2.276.392)	-	-	(14.555.898)
Transfer from construction in progress	-	93.428.827	-	18.055.998	-	386.785	-	(111.871.610)	-
Closing balance at September 30, 2017	456.771.826	146.326.211	331.848.647	1.120.739.957	9.433.014	31.111.203	1.018.158	40.081.792	2.137.330.808
Accumulated Depreciation									
Opening balance on January 2017	-	(49.754.294)	(119.448.834)	(706.506.946)	(6.763.208)	(12.919.553)	(225.105)	-	(895.617.940)
Foreign currency translation differences	-	-	433.937	18.756.477	137.411	328.828	-	-	19.656.653
Expenses of the period	-	(3.705.103)	(8.784.749)	(41.537.471)	(1.064.436)	(2.602.943)	(117.624)	1.373.877	(56.438.449)
Sales/Cancellations	-	6.999.077	136.342	4.296.329	749.107	618.776	-	-	12.799.631
Closing balance at September 30, 2017	-	(46.460.320)	(127.663.304)	(724.991.611)	(6.941.126)	(14.574.892)	(342.729)	1.373.877	(919.600.105)
Net book value at September 30, 2017	456.771.826	99.865.891	204.185.343	395.748.346	2.491.888	16.536.311	675.429	41.455.669	1.217.730.703

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NOTE 10 – INTANGIBLE ASSETS

Rights:

30 September 2018	Rights	Research and Development Activities	Total
Opening Balance on 1 January	30.393.260	-	30.393.260
Foreign currency translation differences	(6.498.220)	-	(6.498.220)
Additions	-	1.678.561	1.678.561
Closing Balance on 30 September	23.895.040	1.678.561	25.573.601

Accumulated Amortization:

Opening Balance on 1 January	(1.442.953)	-	(1.442.953)
Amortization Expenses for Current Period	(1.827.446)	-	(1.827.446)
Closing Balance on 30 September	(3.270.399)	-	(3.270.399)
Net Book Value	20.624.641	-	22.303.202

31 December 2017	Rights	Research and Development Activities	Total
Opening Balance on 1 January	29.914.969	-	29.914.969
Foreign currency translation differences	(1.028.219)	-	(1.028.219)
Additions	233.839	-	233.839
Closing Balance on 30 September	29.120.589	-	29.120.589

Accumulated Amortization:

Opening Balance on 1 January	(785.165)	-	(785.165)
Amortization Expenses for Current Period	(521.040)	-	(521.040)
Closing Balance on 30 September	(1.306.205)	-	(1.306.205)
Net Book Value	27.814.384	-	27.814.384

Goodwill:

	30 September 2018	30 September 2017
Opening balance on January 1	181.331.891	188.461.258
Foreign currency translation differences	2.386.211	(6.284.840)
Balance as of September 30	183.718.102	182.176.418

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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 September 2018 Group has USD 143.723.809,71 accredited purchasing commitment. (31 December 2017: 169.008.961 USD).

NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short Term Debt Provision:

	30 September 2018	31 December 2017
Provision for cost expenses	96.466.660	39.485.509
Provisions for law suits	1.502.750	8.984.280
Other short term provisions	3.483.792	670.492
Other Short Term Debt Provision	101.453.202	49.140.281

Law suit Provision:

	30 September 2018	30 September 2017
As of 1 January	8.984.280	3.378.518
Addition / Cancellation	(7.481.530)	212.214
As of 30 September	1.502.750	3.590.732

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

	30 September 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	-	13.641.900	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			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 3rd parties not falling in to the scope of article	-	-	-	-	-	-
			13.641.900	-	-	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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NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

However, one the parties of the agreement, The USA, stated that US has withdraw 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 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 September 30, 2018, NIOC debt to IRR 4.237 billion (vs. USD 58,4 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 September 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 49,8 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 122 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.

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 6,5 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, 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 93,059,454 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 Sariseki 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, 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

	1 Ocak- 30 Eylül 2018	1 Temmuz - 30 Eylül 2018	1 Ocak- 30 Eylül 2017	1 Temmuz - 30 Eylül 2017
Sales	3.213.707.790	943.855.591	2.547.999.866	481.951.995
Cost of Good Produced (-)	2.408.684.331	612.065.497	2.204.391.362	389.419.493
Gross Income	805.023.459	331.790.094	343.608.504	92.532.502

NOTE 14 – OTHER OPERATING INCOME AND EXPENSES

Other Operating Income	1 January- 30 September 2018	1 July 30 September 2018	1 January- 30 September 2017	1 July - 30 September 2017
Exchange difference income arising from commercial transactions	948.551.863	809.866.618	204.208.905	52.697.617
Other income	20.995.037	(7.232.012)	2.167.334	2.691.461
	969.546.900	802.634.606	222.715.787	55.389.078
Other Operating Expenses	1 January- 30 September 2018	1 July 30 September 2018	1 January- 30 September 2017	1 July - 30 September 2017
Exchange difference expenses arising from commercial transactions	1.251.514.444	1.038.880.275	152.323.279	45.246.929
Other expenses	3.206.728	(31.102.506)	60.269.914	33.420.154
Total	1.254.721.172	1.007.777.769	212.593.193	78.667.083

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.

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

	Januray 1 – September 30, 2018	July 1 – September 30, 2018	January 1 – September 30, 2017	Jul 1 – September 30, 2017
Net profit for the period	(142.264.937)	(118.358.449)	9.927.580	(15.085.282)
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) (*)	(0,0043)	(0,0035)	0,0003	(0,0005)

(*) 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.

NOTE 16 - RELATED PARTIES TRANSACTIONS

(i) Balances due from related parties

(a) Trade and other receivables

	30 September 2018	31 December 2017
Main parent		
Türkiye Tarım Kredi Kooperatif Merkez Birliği	302.143.018	66.765.089
Total	302.143.018	66.765.089
Affiliates and other related parties (Short Term)		
Negmar Denizcilik A.Ş.	-	132.977
Total	-	132.977
Affiliates and other related parties (Long Term)		
Negmar Denizcilik A.Ş.	-	60.276.145
Total	-	60.276.145

(b) Trade payables:

	30 September 2018	31 December 2017
Affiliates and other related parties		
Tarkim Bitki Koruma San. ve Tic. A.Ş.	934.082	16.770.652
Negmar Denizcilik A.Ş.	-	253.706
Tarnet A.Ş.	185.126	354.966
Other related parties	38.016	38.010
Total	1.157.224	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.

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NOTE 16 - RELATED PARTIES TRANSACTIONS (Continued)

Sales of Goods and Services:

	Januray 1 – September 30, 2018	July 1 – September 30, 2018	January 1 – September 30, 2017	July 1 – September 30, 2017
Main parent				
Tarım Kredi Koop. Merkez Birliđi	1.761.227.518	831.090.443	1.172.130.245	322.325.584
Subsidiaries				
Negmar Maritime Company	-	-	1.054.358	157.369
Tarkim Bitki Koruma San. ve Tic. A.Ş.	1.530.727	1.237.085	507.715	63.956
Raintrade Petrokimya ve Dış.Ticaret A.Ş.	70.109.136	23.248.096	269.611	-
Tarnet A.Ş.	256.124	85.492	58.258	-
Total	1.833.123.505	855.661.116	1.174.020.187	322.546.909

(ii) Transactions with Related Parties

Purchase of Goods and Services:

	Januray 1 – September 30, 2018	July 1 – September 30, 2018	January 1 – September 30, 2017	July 1 – September 30, 2017
Main parent				
Tarım Kredi Koop. Merkez Birliđi	7.724.318	1.856.895	3.110.240	2.854.078
Subsidiaries				
Raintrade Petrokimya ve Dış Ticaret A.Ş.	260.433.893	102.138.613	153.683.104	--
Negmar Maritime Company	-	-	93.247.171	21.576.740
Tarkim Bitki Koruma San. ve Tic. A.Ş.	2.512.029	1.207.773	37.760.247	6.168.327
Tarnet A.Ş.	2.723.761	1.150.489	1.072.946	533.339
Total	273.394.001	106.353.770	288.873.708	31.132.484

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 September 2018 shown below table:

	30 September 2018		30 September 2017	
	Gübretaş	Razi	Gübretaş	Razi
Short-term employee benefits (*)	1.616.039	5.209.153	1.462.701	4.279.287
Total	1.616.039	5.209.153	1.462.701	4.279.287

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

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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 September 2018 is as follows;

	30 September 2018		
	TL (functional currency)	USD	EURO
1 Trade receivables	247.709.086	34.755.530	5.675.131
2 Monetary financial assets (cash and bank accounts included)	159.435.004	16.770.467	8.469.870
3 Other current assets	9.983.362	1.176.699	421.465
4 Foreign Exchange Current assets (1+2+3)	417.127.452	52.702.696	14.566.466
5 Trade payables	859.460.426	140.972.089	2.155.565
6 Short Term Financial liabilities	376.644.207	36.671.344	22.543.913
7 Other short term liabilities, net	102.490	17.110	-
8 Foreign Exchange Short term liabilities (5+6+7)	1.236.207.123	177.660.543	24.699.478
9 Long Term Trade payables	-	-	-
10 Long Term Financial liabilities	65.641.291	-	9.427.021
11 Foreign Exchange Long term liabilities (9+10)	65.641.291	-	9.427.021
12 Foreign Exchange Total liabilities (8+11)	1.122.252.029	140.989.178	39.881.469
13 Net Foreign Exchange Asset/ (Liability) Position (4-12)	(705.124.576)	(88.286.481)	(25.315.003)
14 Monetary Items Net Foreign Exchange Asset/(Liability) (4-12)	(705.124.576)	(88.286.481)	(25.315.003)

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(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)

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

In the years ending on 30 September 2018 and 30 September 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 September 2018	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 20% against TL		Profit/(Loss)
1- Assets/liability denominated in USD - net	(105.770.736)	105.770.736
2- The part hedged for USD risk (-)	-	-
3- The impact of TL net profit for the period	(105.770.736)	105.770.736
Change of EUR by 20% against TL		
1- Assets/liability denominated in EUR - net	(35.254.179)	35.254.179
2- The part hedged for EUR risk (-)	-	-
3- The impact of TL net profit for the period	(35.254.179)	35.254.179

In addition to this analysis, as explained in detail in Note 2, the foreign exchange rates disclosed by the foreign exchange operations center under the supervision of the Central Bank of the Islamic Republic of Iran have been taken into account in the accompanying consolidated financial statements.

	September 30, 2017	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL		Profit/(Loss)
1- Assets/liability denominated in USD - net	(31.634.263)	31.634.263
2- The part hedged for USD risk (-)	-	-
3- The impact of TL net profit for the period	(31.634.263)	31.634.263
Change of EUR by 10% against TL		
1- Assets/liability denominated in EUR - net	(23.751.231)	23.751.231
2- The part hedged for EUR risk (-)	-	-
3- The impact of TL net profit for the period	(23.751.231)	23.751.231

NOTE 18 - SUBSEQUENT EVENTS

"Mining operating license rights on The mining site located in Kızılsaray village of Söğüt, Bilecik province belonging to the Group, has been Transferred to Koza Altın İşletmeleri A.Ş. with the price and royalty fee stated on the agreement dated 02/07/2007.

Relevant contract On 07/09/2015, Koza Altın does not fulfill its contractual obligations and exhibit acts and operations contrary to the contract. the reasons were terminated unilaterally and the notification was sent to the related company by a notary. Koza Altın has rejected the Group's grounds for termination with a reply of 02/10/2015 and stated that it will not fulfill its requirements. The Group has requested the fulfillment of the demands in the notice of termination and the failure to transfer the issue to the judiciary with the resignation sent on 30/10/2015.

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NOTE 18 - SUBSEQUENT EVENTS (Continued)

As of 29/12/2015, in the competent ground court; for the cancellation of the operating licenses for the mine site, and for the registration on behalf of the Group again at the General Directorate of Mining Affairs of the Ministry of Energy and Natural Resources. The litigation process continues as of the balance sheet date.