



**2015 1st 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: byi@gubretas.com.tr

I. INTRODUCTION	2
A. REPORTING PERIOD	2
B. CORPORATE'S NAME	2
C. BOARD OF DIRECTORS	2
D. TOP MANAGEMENT.....	3
E. CAPITAL STRUCTURE.....	3
F. AFFILIATES AND SUBSIDIARIES	3
G. PERFORMANCE OF THE STOCK	4
II. TURKISH FERTILIZER INDUSRTY	4
A. PRODUCTION	4
B. SALES	5
III. GÜBRE FABRİKALARI T.A.Ş. ACTIVITIES.....	6
A. PRODUCTION	6
B. SALES AND PURCHASES	6
C. INVESTMENTS	7
D. ADMINISTRATIVE ACTIVITIES	8
IV. RAZİ PETROCHEMICAL CO. ACTIVITIES.....	8
A. PRODUCTION	8
B. SALES	9
C. YATIRIMLAR.....	9
V. EVENTS AFTER BALANCE SHEET DATE.....	9
VI. FINANCIAL STRUCTURE.....	11
A. BALANCE SHEET ASSETS-TRY	11
B. BALANCE SHEET LIABILITY-TRY	12
C. INCOME STATEMENT-TRY	13
VII. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT	14
VIII. CONCLUSION	15

I. INTRODUCTION

A. REPORTING PERIOD

01.01.2015 - 31.03.2015

B. CORPORATE'S NAME

Gübre Fabrikaları Türk Anonim Şirketi (Gübretaş)

C. BOARD OF DIRECTORS

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

Members of the Board of Directors resigning during the period and after balance sheet date:

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

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

D. TOP MANAGEMENT

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

E. CAPITAL STRUCTURE

As of 31.03.2015 registered capital of the company is 200.000.000 TRY and paid capital is 334.000.000 TRY.

On the purpose of increasing of the Company authorized capital to 1 billion TRY from the current 200 million TRY, the necessary prior authorizations were obtained from Capital Market Boards on the date of 29.01.2015 and from Custom and Trade Ministry on the date of 05.02.2015. The aforementioned change was approved by 63rd Ordinary General Assembly dated April 16, 2015. Authorized capital of Company which approved by General Assembly has been registered by İstanbul Trade Registry Office on April 30, 2015 and announced at Turkish Trade Registry Gazette on May 7, 2015.

Tablo 1 : CAPITAL STRUCTURE

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

F. AFFILIATES AND SUBSIDIARIES

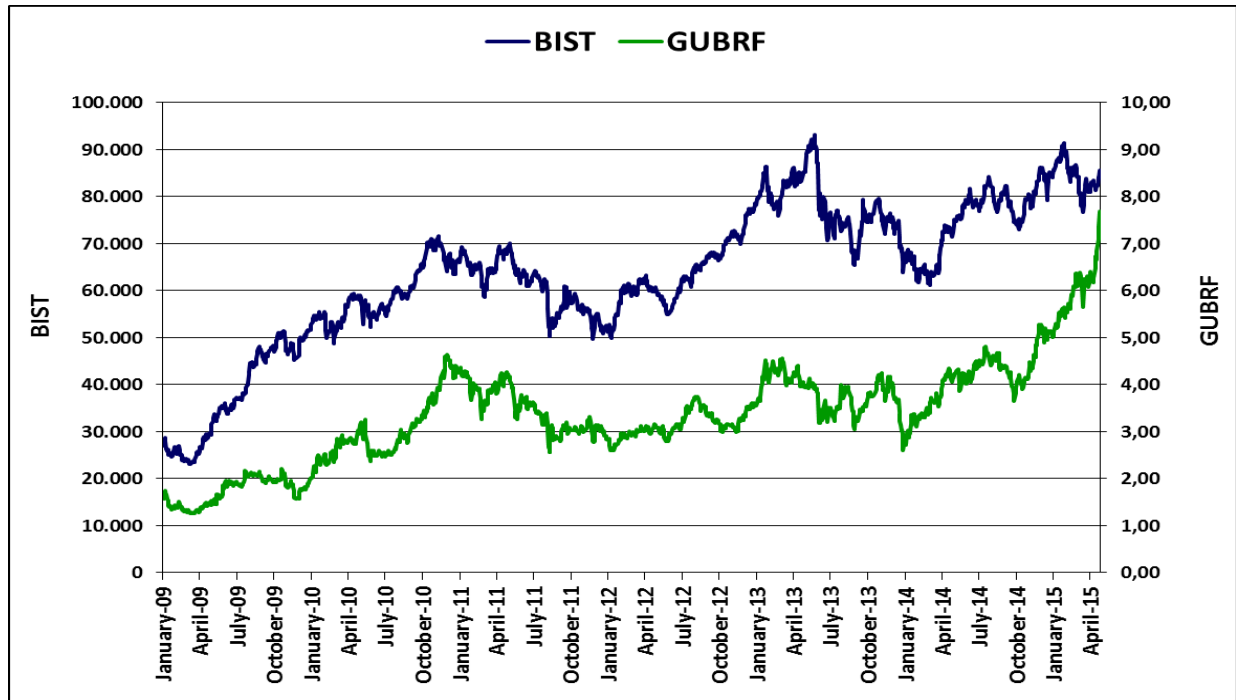
Table 2 : SUBSIDIARIES

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

Table 3 : AFFILIATES

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

G. PERFORMANCE OF THE STOCK

Graph 1 : PERFORMANCE OF THE STOCK


II. TURKISH FERTILIZER INDUSTRY

A. PRODUCTION

Fertilizer production was 1.039.865 tons in the first three months of 2014, it increased to 1.053.498 tons in the first three months of 2015. Compound fertilizers' production corresponded to 43,83 % of total production.

Table 4 : SECTOR PRODUCTION BY PRODUCT-TON

PRODUCT	2015/3	2014/3	Change
COMPOUND	461.791	439.643	5,04%
CAN	212.900	228.400	-6,79%
AN	157.687	139.420	13,10%
UREA	128.086	132.166	-3,09%
AS	26.315	28.392	-7,32%
DAP	44.460	49.373	-9,95%
TSP	22.260	22.470	-0,93%
TOTAL	1.053.498	1.039.865	1,31%

B. SALES

According to 2015 1st quarter data, fertilizer consumption was 2.154.131 tons recording a 1,32 % increase while in the same period of the previous year, it was 2.125.977 tons.

As of March 31, 2015 exports decreased by 23,91 % to 62.008 tons and imports decreased by 21,64 % to 580.472 tons.

Table 5: SECTOR SALES BY PRODUCT

PRODUCT	2015/3	2014/3	Change
COMPOUND	523.640	531.880	-1,55%
UREA	474.897	398.482	19,18%
AN	466.655	442.169	5,54%
CAN	381.286	438.699	-13,09%
AS	195.205	190.252	2,60%
DAP	99.013	106.622	-7,14%
OTHER	13.435	17.873	-24,83%
TOTAL	2.154.131	2.125.977	1,32%

III. GÜBRE FABRİKALARI T.A.Ş. ACTIVITIES

A. PRODUCTION

Gübretaş produced 22.260 tons of TSP and 116.232 tons of compound fertilizers totaling 138.492 tons in the first three months of 2015. In addition, 1.544.521 lt-kg of liquid and powder fertilizers were produced.

Solid fertilizer production increased by 9,81% and liquid-powder production decreased by 17,81% in 2015 compared to 2014. Total Fertilizer production including solid, liquid and powder increased by 9,41% in 2015 compared to 2014.

Some of the produced products were used as raw material in the production process. Capacity utilisation rate was 81,95% in the first three months of 2015.

Table 6 : PRODUCTION BY PRODUCT-TON

Production	2015/3	2014/3	Change
Compound Fertilizer	138.492	126.117	9,81%
Liquid - Powder Fertilizer	1.545	1.879	-17,81%
GRAND TOTAL	140.037	127.996	9,41%

B. SALES AND PURCHASES

Our Company sold 599.573 tons of solid, 5.747.748 lt-kg of liquid and powder fertilizers in the first three months of 2015. In the first three months of 2014, 676.925 tons of solid, 6.287.424 lt-kg of liquid and powder fertilizers were sold.

Moreover our sales decreased by 11,43% and our market share in the first three months of 2015 was 27,79% while it was 31,83% in the same period of the previous year.

The volume of purchases was 459.729 tons in the first three months of 2014, and it decreased by 43,66% to 259.021 tons in first three months of 2015.

Export has been 1.480 tons in the first three months of 2015, while it was 1.575 tons in the same period of 2014.

Table 7 : SALES, IMPORT AND DOMESTIC PURCHASES-TON

	2015/3	2014/3	Change
Domestic Purchases	53.870	81.567	-33,96%
Import	205.151	378.162	-45,75%
Total Purchases	259.021	459.729	-43,66%
Sales	599.573	676.924	-11,43%

Table 8 : SALES BY PRODUCT GROUPS-TON

Solid Chemical Fertilizer	2015/3	2014/3	Change
COMPOUND	158.030	180.914	-12,65%
AN	140.836	135.522	3,92%
UREA	130.374	139.867	-6,79%
CAN	83.103	132.038	-37,06%
AS	54.374	48.341	12,48%
DAP	31.078	38.828	-19,96%
Other	1.778	1.414	25,74%
Total Solid Fertilizer	599.573	676.924	-11,43%
Total Liquid - Powder Fertilizer	5.747	6.287	-8,60%
Grand Total	605.320	683.211	-11,43%

C. INVESTMENTS

Table 9 : INVESTMENTS-TRY

INVESTMENT	AMOUNT - TRY
Land	2.471.754
Surface and Underground, Improvements	2.750
Buildings	1.101.600
Facility, Machinery and Devices	62.920
Vehicles	179.267
Fixtures	403.358
Special Costs	65.019
Ongoing investment	5.364.700
TOTAL	9.651.368

D. ADMINISTRATIVE ACTIVITIES

Number of Personnel

Table 10 : Personnel Status

PERSONNEL	2015/3	2014/3	Change
Head Office	89	90	-1,11%
Yarımca Facilities	272	261	4,21%
Regional Sales Directorates	76	73	4,11%
TOTAL	437	424	3,07%

Training Activities

Training activities are aimed at developing managerial, personal and professional capabilities of the staff. Education activities of 984 hours with participation of 48 employees were carried out in the first three months of 2015.

Collective Labor Agreement

Collective bargaining agreement between our company and Petrol-İş Sendikası, which will involve the years of 2015 and 2016, has been started as of 23.01.2015 and the negotiations are still in progress.

IV. RAZİ PETROCHEMICAL CO. ACTIVITIES

A. PRODUCTION

In the first quarter of 2015, 467.639 tons of fertilizer and fertilizer raw materials were produced in Razi Petrochemical Co. and its subsidiary Arya Phosphoric Jonoub Co., capacity utilization rate was 51,37%.

Table 11 : RAZİ PETROCHEMICAL CO. PRODUCTION-TON

Product	2015/3	2014/3	Change	Capacity	2015/3 CUR
Ammonia	204.080	153.650	32,82%	1.336.000	61,10%
Sulphur	77.586	88.240	-12,07%	508.000	61,09%
Urea	77.338	67.136	15,20%	594.000	52,08%
Sulphuric Acid	64.284	62.241	3,28%	627.000	41,01%
Phosphoric Acid	17.070	13.351	27,85%	126.000	54,19%
DAP	27.281	-	-	450.000	24,25%
Total	467.639	384.618	21,59%	3.641.000	51,37%

B. SALES

In the first three months of 2015, 267.723 tons of fertilizer were sold and 450.488.360 TRY of revenue were achieved in Razi Petrochemical Co. and its subsidiary Arya Phosphoric Jonoub Co. Razi Petrochemical Co. exported 167.214 tons and sold 100.509 tons in the domestic market in the first three months of 2015. Share of export in total sales was 62,46%.

Table 12 : RAZİ PETROCHEMICAL CO. SALES-TON

Product	2015/3	2014/3	Change
Ammonia	136.033	83.877	62,18%
Sulphur	32.851	88.269	-62,78%
Urea	53.316	49.108	8,57%
Sulphuric Acid	11.298	18.696	-39,57%
Phosphoric Acid	11.368	9.314	22,92%
DAP	22.857	84	27110,71%
Total	267.723	249.348	7,37%

C. YATIRIMLAR

Table 13 : INVESTMENTS-TRY

INVESTMENTS	AMOUNT-TRY
Facility, Machinery and Devices	23.792
Fixtures	14.857
Ongoing Investment	3.607.253
TOTAL	3.645.902

V. EVENTS AFTER BALANCE SHEET DATE

- 63rd Ordinary General Meeting of Gübretaş, belonging to financial year 2014, has been carried out at company headquarters (Merdivenköy Mahallesi Bora Sokak No: 1 Nida Kule İş Merkezi Göztepe, Kadıköy / İstanbul) in 16th April, 2015, 10:00 am.
- In the 63rd Ordinary General Meeting, it has been decided with the majority of shares that 66.800.000,-TRY, the distributable profit resulting from 2014 operations and defined according to the Dividend Communique Series II No:19-1, will be distributed to our shareholders as cash starting with 31st July, 2015 and remaining 149.278.785,90 TRY after allocating of the 2nd composition of legal reserves will be added to extraordinary reserves.

3. In the 63rd Ordinary General Meeting, the article 7 and 14 of the Article of Association, which amended in the scope of compliance to Turkish Commercial Code and to Capital Market Law because of the increasing of authorized capital, was accepted by majority voting. Authorized capital of company which approved by General Assembly has been registered by İstanbul Trade Registry Office on April 30, 2015 and announced at Turkish Trade Registry Gazette on May 7, 2015.
4. Mine operating license rights, which belong to our company, and located in the town of Bilecik/Kızılsaray was transferred to Koza Altın İşletmeleri A.Ş with royalty contract dated 02.07.2007. During this process Koza Altın İşletmeleri A.Ş. did not fulfill their obligations under the contract. Therefore to protect the interest of our company, it was decided at Boards of Directors meeting dated 16.04.2015 to take back mine license by extinguish the agreement with authorize the necessary legal processes included bring a suit.
5. In our material disclosure dated 30.01.2015 and subjected "İskenderun Sarıseki Plant action for evacuation; As a result of the eviction lawsuit against Denizciler Birliği Deniz Nakliyatı ve Tic. A.Ş., termination of the contract due to the relief for part of our receivables by the local court had been approved by the Court of Cassation. Since the defendants' appeal request will not stop the eviction process; at the request of our company, Legal followup management made a decision on 03.12.2015 against the defendants' eviction and gave time for delivery of our company. Nevertheless, for the defendant not fulfilling the eviction process, proceedings have been initiated as of 27.04.2015 through the Followup Management.
6. Petrol-İş Union organized within our Company, has decided to start strike on May 07, 2015.

VI. FINANCIAL STRUCTURE

A. BALANCE SHEET ASSETS-TRY

ASSETS	31 March 2015	31 December 2014
Current Assets	1.903.269.661	1.911.282.250
Cash and Cash Equivalents	731.717.943	462.850.161
Financial Investments		7.690.360
Trade Receivables	354.399.851	432.767.323
- <i>Trade receivables from related parties</i>	33.613.376	114.642.648
- <i>Other trade receivables</i>	320.786.475	318.124.675
Other Receivables	156.812.411	154.673.329
- <i>Other receivables from related parties</i>	1.413.144	1.255.280
- <i>Other receivables</i>	155.399.267	153.418.049
Inventories	600.297.097	717.430.187
Prepaid expenses	29.956.353	73.787.779
Current tax assets	3.620.935	3.490.583
Other Current Assets	26.465.071	58.592.528
Fixed Assets	1.422.376.967	1.360.363.173
Financial Investments	2.737.515	2.737.515
Other receivables	149.764.224	164.267.699
- <i>Other receivables from related parties</i>	136.930.228	119.832.242
- <i>Other receivables from third parties</i>	12.833.996	44.435.457
Investments Valued by Equity Method	7.749.227	7.481.377
Investment Properties	103.334.153	103.334.153
Tangible Fixed Assets	942.053.773	906.904.862
Intangible Fixed Assets	161.392.252	148.426.924
- <i>Goodwill</i>	161.134.007	148.146.765
- <i>Other intangible assets</i>	258.245	280.159
Prepaid expenses	-	9.315.874
Deferred Tax Assets	-	17.876.267
Other Fixed Assets	55.345.823	18.502
TOTAL ASSETS	3.325.646.629	3.271.645.423

B. BALANCE SHEET LIABILITY-TRY

LIABILITIES	31 March 2015	31 December 2014
Short-term Liabilities	1.612.082.669	1.690.392.311
Financial Liabilities	558.031.453	662.343.462
- <i>Short-term borrowings</i>	532.632.706	632.983.748
- <i>Short-term portion of long-term borrowings</i>	25.398.747	29.359.714
Trade payables	728.578.696	728.864.552
- <i>Trade payables to related parties</i>	73.103	35.398
- <i>Other trade payables to third payables</i>	728.505.593	728.829.154
Payables for Employment Termination Benefits	11.186.219	6.601.077
Other Payables	143.335.747	113.324.555
Deferred Incomes	19.016.309	59.620.935
Current Tax Liabilities	3.123.370	37.723.102
Short-term provisions	148.810.875	81.914.628
- <i>Short-term provisions for employee benefits</i>	28.795.138	16.226.026
- <i>Provisions for payables</i>	120.015.737	65.688.602
Long-term Liabilities	262.315.074	302.840.755
Long-term borrowings	121.471.345	147.162.707
Provisions for employee benefits	130.999.814	123.041.034
Deferred tax liabilities	9.843.915	32.637.014
EQUITY CAPITAL	1.451.248.886	1.278.412.357
Equities of Parent Company	997.879.311	925.511.548
Paid-in Capital	334.000.000	334.000.000
Value Appreciation Funds	218.073.621	218.073.621
Foreign Currency Adjustments	(93.520.258)	(133.068.622)
Restricted Reserves From Profit	28.477.401	28.477.401
- <i>Legal Reserves</i>	27.094.749	27.094.749
- <i>Gains from fixed asset sales</i>	1.382.652	1.382.652
Previous Years Profit / (Loss)	478.029.148	267.419.383
Net Period Profit / (Loss)	32.819.399	210.609.765
Minority Shares	453.369.575	352.900.809
TOTAL LIABILITIES	3.325.646.629	3.271.645.423

C. INCOME STATEMENT-TRY

CONTINUING OPERATIONS	31 March 2015	31 March 2014
Sales (net)	911.985.491	860.919.094
Costs of Sales (-)	(705.935.603)	(690.994.677)
GROSS PROFIT	206.049.888	169.924.417
Administrative Expenses (-)	(17.759.648)	(27.384.594)
Marketing, Sales and Distribution Expenses (-)	(52.633.692)	(53.358.158)
Other Operating Incomes	103.272.670	117.964.732
Other Operating Expenses (-)	(126.183.527)	(76.253.570)
OPERATION PROFIT/(LOSS)	112.745.691	130.892.827
Income from investing activities	657.431	3.717.290
Expenses from investing activities (-)	-	(6.859.394)
Shares in Profit/Loss of Investments Valued by Equity Method	(4.300.691)	(1.977.652)
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSE	109.102.431	125.773.071
Finance Expenses (-)	8.083.124	(19.554.839)
PRE-TAX PROFIT / LOSS FROM CONTINUING OPERATIONS	117.185.555	106.218.232
Tax Expenses on Continuing Operations	(2.148.605)	(42.421.545)
- Period Tax Income / Expense (-)	(7.339.096)	(35.401.722)
- Deferred Tax Income / Expense(-)	5.190.491	(7.019.823)
PERIOD PROFIT/ (LOSS)	115.036.951	63.796.687
PERIOD PROFIT/ (LOSS)	115.036.951	63.796.687
Distribution of Period Profit / (Loss)		
Minority Shares	82.217.551	44.560.780
Parent Company's Shares	32.819.399	19.235.907
Earnings / (Loss) Per Share	0,0010	0,0006

VII. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

In accordance with Communiqué on Corporate Governance numbered II-17.1 published by Capital Markets Board in 3.1.2014, within the first three months of 2015 covering the dates of 1.1.2015-31.3.2015, the following works have been realized by the Company in order to adjust to the principles issued in the related communique:

1. About the fertilizer sales which will be realized by our Company, Gübre Fabrikaları T.A.Ş, within the year of 2015 to the related party, Central Union of Turkish Agriculture Credit Cooperatives, the conclusion part of the Board of Directors' report which was prepared due to the Article 10 under the heading of Common and Continuous Transactions of Communiqué on Corporate Governance numbered II-17.1 was brought to the public attention on January 21,2015.

VIII. CONCLUSION

DEAR SHAREHOLDERS,

140.037 tons of various types of chemical fertilizer has been produced at our facilities in the first three months of 2015. 259.021 tons of nitrogenous fertilizer at first which cannot be produced in our facilities and is consumed too much in our country is procured from domestic and foreign markets. On the other hand, 599.573 tons of solid, 5.747.748 tons/litres of liquid and powder fertilizers has been sold in the first three months of 2015. Net sale revenues realized as 534.197.318 TRY.

Also 467.639 tons of fertilizer has been produced, 450.488.360 TRY sale revenues has been got by sale of 267.723 tons of fertilizer and fertilizer raw material in our affiliated company Razi Petrochemical Co.

Our company reached to 911.985.491 TRY consolidated sales revenue. Beside, by adding 705.935.603 TRY cost of goods sold, 70.393.340 TRY operation expenses, 22.910.857 TRY net effect of other operating expenses, 657.431 TRY net income effect from investment activities, 4.300.691 TRY shares in loss of investments valued by equity method and 8.083.124 TRY financial income; 117.185.555 TRY profit have been occurred before tax. 115.036.591 TRY consolidated profit has been occurred after deducting 5.190.491 TRY deferred tax income and 7.339.096 TRY current period tax. 32.819.399 TRY main shareholder profit has been occurred after deducting 82.217.551 TRY shares of minority shareholders.

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

**Best Regards,
BOARD OF DIRECTORS**

Gübre Fabrikaları Türk Anonim Şirketi and its subsidiaries

**Summary consolidated financial statements for the period of
1 January - 31 March 2015**

CONTENTS	PAGE
SUMMARY CONSOLIDATED FINANCIAL STATEMENTS	1-2
SUMMARY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS	3-4
SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	5
SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS	6
NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS.....	7-50
NOTE 1 GROUP'S ORGANIZATION AND NATURE OF OPERATIONS	7-8
NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS.....	9-29
NOTE 3 SEGMENT REPORTING	30-31
NOTE 4 CASH AND CASH EQUIVALENTS	31-33
NOTE 5 FINANCIAL BORROWINGS	34-35
NOTE 6 TRADE RECEIVABLES AND PAYABLES	35-37
NOTE 7 OTHER RECEIVABLES AND PAYABLES	37-38
NOTE 8 TANGIBLE FIXED ASSETS.....	39-40
NOTE 9 OTHER INTANGIBLE FIXED ASSETS	40
NOTE 10 COMMITMENTS.....	40
NOTE 11 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	41
NOTE 12 REVENUES.....	44
NOTE 13 OTHER OPERATING INCOME AND EXPENSES	44-45
NOTE 14 EARNINGS PER SHARE	45
NOTE 15 RELATED PARTIES DISCLOSURES.....	45-48
NOTE 16 THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS.....	48-49
NOTE 17 EVENTS AFTER THE BALANCE REPORTING DATE	50

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Summary consolidated statement of financial position as of 31 March 2015

(Currency - Turkish Lira (TL) unless otherwise indicated)

		Current Year Non-Audited	Prior Year Audited
	Notes	31 March 2015	31 December 2014
ASSETS			
Current assets:			
Cash and cash equivalents	4	731.717.943	462.850.161
Financial investments		-	7.690.360
Trade receivables			
-Trade receivables from related parties	15	33.613.376	114.642.648
- Trade receivables from third parties	6	320.786.475	318.124.675
Other receivables			
- Other receivables from related parties	15	1.413.144	1.255.280
- Other receivables from third parties	7	155.399.267	153.418.049
Inventories		600.297.097	717.430.187
Prepaid expenses		29.956.353	73.787.779
Assets related to the current period taxes		3.620.935	3.490.583
Other current assets		26.465.071	58.592.528
Total current assets		1.903.269.661	1.911.282.250
Non-current assets:			
Financial investments		2.737.515	2.737.515
Other receivables			
- Other receivables from related parties	15	136.930.228	119.832.242
- Other receivables from third parties	7	12.833.996	44.435.457
Investments valued by equity method		7.749.227	7.481.377
Investment properties		103.334.153	103.334.153
Property, plant and equipment	8	942.053.773	906.904.862
Intangible assets			
-Goodwill	9	161.134.007	148.146.765
-Other intangible assets	9	258.245	280.159
Prepaid expenses		-	9.315.874
Deferred tax assets		-	17.876.267
Other non-current assets		55.345.823	18.502
Total non-current assets		1.422.376.967	1.360.363.173
Total assets		3.325.646.629	3.271.645.423

The accompanying summary consolidated financial statements as at 1 January – 31 March 2015 are approved by the Board of Directors on May 11, 2015.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Summary consolidated statement of financial position as of 31 March 2015

(Currency - Turkish Lira (TL) unless otherwise indicated)

		Current Year	Prior Year
		Non-Audited	Audited
	Notes	31 March 2015	31 December 2014
Liabilities			
Current liabilities:			
Short term borrowings	5	532.632.706	632.983.748
Current portion of long-term borrowings	5	25.398.747	29.359.714
Trade payables			
- Trade payables to related parties	15	73.103	35.398
- Trade payables to third parties	6	728.505.593	728.829.154
Employee benefit obligations		11.186.219	6.601.077
Other payables			
- Other payables to third parties	7	143.335.747	113.324.555
Deferred income		19.016.309	59.620.935
Current income tax liability		3.123.370	37.723.102
Short-term provisions			
- Short-term provisions for employee benefits		28.795.138	16.226.026
- Other short term provisions	11	120.015.737	65.688.602
Total current liabilities		1.612.082.669	1.690.392.311
Non-current liabilities:			
Long-term borrowings	5	121.471.345	147.162.707
Long-term provisions			
- Long-term provisions for employee benefits		130.999.814	123.041.034
Deferred tax liability		9.843.915	32.637.014
Total non-current liabilities		262.315.074	302.840.755
Total liabilities		1.874.553.828	1.993.233.066
Shareholders' equity:			
Share capital		334.000.000	334.000.000
Other comprehensive income / expense not to be reclassified to profit or loss			
- Value appreciation funds		218.073.621	218.073.621
Other comprehensive income / expense to be reclassified to profit or loss			
- Foreign currency translation reserve		(93.520.258)	(133.068.622)
Restricted reserves			
- Legal reserves		27.094.749	27.094.749
- Gain on valuation of PPE		1.382.652	1.382.652
Retained earnings		478.029.148	267.419.383
Net profit for the year		32.819.399	210.609.765
Equity attributable to equity holders of the parent		997.879.311	925.511.548
Non-controlling interests		453.369.575	352.900.809
Total shareholders' equity		1.451.248.886	1.278.412.357
Total liabilities and equity		3.325.646.629	3.271.645.423

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Summary consolidated statement of profit or loss for the year ending 31 March 2015 (Currency - Turkish Lira (TL) unless otherwise indicated)

		Current Year	Prior Year
		Non-Audited	Non-Audited
	Notes	1 January – 31 March 2015	1 January – 31 March 2014
Sales	12	911.985.491	860.919.094
Cost of sales (-)	12	(705.935.603)	(690.994.677)
Gross profit		206.049.888	169.924.417
General and administrative expense (-)		(17.759.648)	(27.384.594)
Marketing, selling and distribution expense (-)		(52.633.692)	(53.358.158)
Other operating income	13	103.272.670	117.964.732
Other operating expenses (-)	13	(126.183.527)	(76.253.570)
Operating profit		112.745.691	130.892.827
Income from investment activities		657.431	3.717.290
Expense from investment activities (-)		-	(6.859.394)
Profit / (loss) from investments accounted by equity method		(4.300.691)	(1.977.652)
Financial income / (expense) before operating profit		109.102.431	109.102.431
Financial income / (expense)		8.083.124	(19.554.839)
Profit before tax from continuing operations		117.185.555	106.218.232
Tax income / (expense) from continuing operations			
- Current period tax income / expense		(7.339.096)	(35.401.722)
- Deferred tax income / (expense)		5.190.491	(7.019.823)
Profit for the period from continuing operations		(2.148.605)	(42.421.545)
Profit for the period		115.036.951	63.796.687
Profit / loss for the period attributable to			
-Non-controlling interests		82.217.551	44.560.780
-Equity holders of the parent		32.819.399	19.235.907
Earnings per share	14	0,0010	0,0006

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Summary consolidated statement of other comprehensive income for the year ending 31 March 2015 (Currency - Turkish Lira (TL) unless otherwise indicated)

	Current Year	Prior Year
	Non-Audited	Non-Audited
	1 January - 31 March 2015	1 January - 31 March 2014
Profit for the period	115.036.951	63.796.687
Items to be reclassified to profit or loss	80.909.091	13.020.143
Foreign currency translation reserve	80.909.091	13.020.143
		13.020.143
Other comprehensive income / (expense)	80.909.091	
Total comprehensive income	195.946.042	76.816.830
Total comprehensive income attributable to		
-Non-controlling interests	123.578.279	53.543.154
-Equity holders of the parent	72.367.763	23.273.676
	195.946.042	76.816.830

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Summary consolidated statement of changes in equity
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

	Items not to be reclassified to profit or loss		Items to be reclassified to profit or loss		Retained Earnings		Equity attributable to equity holders of the parent	Non-controlling interests	Total equity	
	Share Capital	Revaluation reserves	Foreign currency translation reserve	Restricted reserves	Gain on PPE added to Equity	Retained earnings				Net profit for the period
1 January 2014	334.000.000	209.923.776	(125.735.921)	16.700.000	1.382.652	249.900.199	94.713.933	780.884.639	345.121.739	1.126.006.378
Transfer from retained earnings	-	-	-	-	-	94.713.933	(94.713.933)	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(223.329.375)	(223.329.375)
Total comprehensive income	-	-	4.037.767	-	-	-	19.235.907	23.273.674	53.543.154	76.816.828
31 March 2014	334.000.000	209.923.776	(121.698.154)	16.700.000	1.382.652	344.614.132	19.235.907	804.158.313	175.335.518	979.493.831
1 January 2015	334.000.000	218.073.621	(133.068.622)	27.094.749	1.382.652	267.419.383	210.609.765	925.511.549	352.900.809	1.278.412.358
Transfer from retained earnings	-	-	-	-	-	210.609.765	(210.609.765)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(23.109.513)	(23.109.513)
Dividend paid by parent company	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	39.548.364	-	-	-	32.819.399	72.367.763	123.578.279	195.946.042
31 March 2015	334.000.000	218.073.621	(93.520.258)	27.094.749	1.382.652	478.029.148	32.819.399	997.879.312	453.369.574	1.451.248.886

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Summary consolidated statement of cash flows for the year ending 31 March 2015 (Currency - Turkish Lira (TL) unless otherwise indicated)

	Current Year	Prior Year
	Non-Audited	Non-Audited
	1 January – 31 March 2015	1 January – 31 March 2014
Cash Flows From Operating Activities:		
Profit before tax from continuing operations	115.036.951	63.796.687
<i>Adjustments to reconcile net profit/(loss) for the period</i>		
Depreciation and amortization expense	11.971.868	16.894.448
Income / Expenses from subsidiaries valued by Equity Method	4.300.691	1.977.652
Retirement pay provision, early retirement pay liability interest (income) / expense	4.619.354	(4.086.938)
Provisions / Cancellation for Permission and seniority-based incentives	12.569.112	4.769.303
Interest Income	(1.913.558)	(5.181.979)
Exchange rate difference income / expense	48.471.175	(25.801.091)
Loss on sales of tangible assets	(466.108)	(455.563)
Conversion difference	(36.781.759)	51.274.462
Deferred Financial Income / Expense	2.648.409	1.086.341
Current Tax Expense	2.148.605	-
Net cash provided by the operating activities before changes in the assets and liabilities	162.604.740	104.273.322
Changes in working capital (net):		
Increase / decrease in trade receivables	78.987.421	(21.202.245)
Increase in other receivables	12.364.393	111.717.964
Increase in inventories	115.765.289	112.172.702
Other current / non-current assets and liabilities	(23.199.864)	23.174.841
Increase / decrease in trade payables	(285.856)	40.889.569
Employee benefit obligations	4.585.143	1.110.920
Deferred income	(40.604.627)	(30.999.101)
Increase in prepaid expenses	53.147.300	(18.994.993)
Increase in other payables	6.901.679	61.774.235
Increase / decrease in debt provisions	54.327.136	(5.289.489)
Increase in Other Short-Term And Long-Term Liabilities	-	89.630
Cash provided by the operations after the changes in working capital	424.592.754	378.717.354
Interest paid	24.619.057	(2.444.445)
Taxes paid	(32.307.821)	40.647.941
Severance paid	(10.242.450)	(10.758.351)
Cash flow regarding investment activities	406.661.541	406.162.500
Cash flows from investing activities:		
Cash out flows from the purchases of property, plant and equipment and intangible assets	(13.286.474)	(34.032.444)
Proceeds from sales of property, plant and equipment	460.709	455.563
Payments for the capital increases in investments valued by the Equity Method	(4.568.541)	6.967.742
Cash proceeds about financial investments	7.690.360	2.111.320
Interest collected	1.913.558	5.308.306
Cash paid for the purchase of associate	-	(223.329.375)
Net cash amount used in investment activities	(7.790.387)	(242.518.888)
Cash flows (used in) / from financing activities		
Proceeds from financial borrowings	15.183.918	(266.108.569)
Principle repayment of financial borrowings	(145.187.289)	(11.094.750)
Net cash (used) / provided by financial activities	(130.003.371)	(277.203.319)
Net change in cash and cash equivalents	268.867.783	(113.559.707)
Cash and cash equivalents as of January 1	462.850.161	568.223.098
Cash and cash equivalents as of March 31	731.717.943	454.663.391

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

NOTE 1- GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

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

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

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

The number of employees of the Company and its subsidiaries for the year ended 31 March 2015 is 1.472 (31 December 2014 – 1.522)

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

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

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

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

Associates

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

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

In 2012, Razi Petrochemical Co. has purchased 87,5% of Arya Phosphoric Jonoob Co., which operates in the same region and has a production facility with an annual production capacity of 126.000 tons of phosphoric acid. In 2014, Razi has purchased the remaining 12,5% of the shares and fully owns Arya Phosphoric Jonoob Co. Consequently, Arya Phosphoric Jonoob Co has become the associate of Razi Petrochemical Co. The Group's indirect ownership is 48,88%.

Subsidiaries

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

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

Financial assets available for sale

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

The approval of the financial statements:

The consolidated financial statements have been approved by the Board of Directors and instructed to be issued on May 11, 2015. The General Assembly has the power to amend the financial statements.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - 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 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 2014 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 consolidated financial statements have been prepared accounting to historical cost principal excluding the revaluation of property plant and equipment and investment properties. In the calculation of the historical cost, the fair value of the amount paid for the assets are generally considered.

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

Functional currency:

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

The functional currency of the associate 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.

The conversion rates used are as follows:

Currency	31 March 2015		31 December 2014	
	Period End	Period Average	Period End	Period Average
IRR	0,0000929	0,0000889	0,0000854	0,0000843

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.2. Changes in Turkish Financial Reporting Standards (TFRS)

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at 31 March 2015 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2015. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

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

TAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

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

Annual Improvements to TAS/TFRSs

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

Annual Improvements - 2010–2012 Cycle

TFRS 2 Share-based Payment:

Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

TFRS 3 Business Combinations

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of TFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

TFRS 8 Operating Segments

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

2.2.Changes in Turkish Financial Reporting Standards (TFRS) (continued)

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

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

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

TAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. The amendment is effective retrospectively.

Annual Improvements – 2011–2013 Cycle

TFRS 3 Business Combinations

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

Amendment to the Basis for Conclusions on TFRS 13 Fair Value Measurement

The portfolio exception in TFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective prospectively.

TAS 40 Investment Property

The amendment clarifies the interrelationship of TFRS 3 and TAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively. The amendments did not have a significant impact on the interim condensed consolidated financial statements of the Group.

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

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

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

2.2.Changes in Turkish Financial Reporting Standards (TFRS) (continued)

TFRS 9 Financial Instruments – Classification and measurement

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

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

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

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

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

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

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

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

2.2.Changes in Turkish Financial Reporting Standards (TFRS) (continued)

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

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

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

The entity must apply the same accounting for each category of investments. The amendment is effective for annual periods beginning on or after 1 January 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed.

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

In February 2015, amendments issued to TFRS 10 and TAS 28, to address the acknowledged inconsistency between the requirements in TFRS 10 and TAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in TFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors' interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group. or The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

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

TAS 1: Disclosure Initiative (Amendments to TAS 1)

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

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

2.2.Changes in Turkish Financial Reporting Standards (TFRS) (continued)

Annual Improvements to TFRSs - 2012-2014 Cycle

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

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures – clarification on the assessment of servicing contracts for the continuing involvement of financial assets
- IAS 19 Employee Benefits – regional market issue regarding discount rate
- IAS 34 Interim Financial Reporting – disclosure of information ‘elsewhere in the interim financial report’

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

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

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

IFRS 13 Fair Value Measurement

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

Annual Improvements – 2011–2013 Cycle

IFRS 15 Revenue from Contracts with Customers

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

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

2.2.Changes in Turkish Financial Reporting Standards (TFRS) (continued)

IFRS 9 Financial Instruments - Final standard (2014)

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

2.3. Summary of the significant accounting policies

Inventories

Inventories are calculated with the lower one of the cost or net realizable value. The costs including a part of fixed and changeable general production expenses are calculated with a method which the inventories depend on and generally first-input-first-output method.

Net realizable value is calculated by deducting the completion cost and assumed costs for sale from the assumed sale price fixed under normal commercial conditions. When the net realizable value of inventories falls below its cost, the inventories value is reduced to net realizable value and reflected to the income statement as an expense on the year when the value decrease happened. If the conditions causing the inventories to reduce to the net realizable value are no more effective or if the net realizable value increase due to changing economical conditions; the provision for decrease in value of the stocks is cancelled. The cancelled amount is limited with the earlier determined amount of decrease in value of the inventories.

The inventories have no share from the loan costs.

The processing cost is used as a cost system. In the inventories, the first-in-first-output costing method is applied for first material and goods as well as monthly moving average costing method is applied for the aids and spare parts.

Investment Properties

The investment properties are presented for rental income or/and value growth gain and they are initially valued with their main cost as well as operational cost. Following the initial accounting, the

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

2.3 Summary of the significant accounting policies (continued)

investment properties are evaluated with the fair values reflecting market realities as at the balance sheet date. Gains / losses from the fair value amendments are included in the income statement during the period when they occurred.

The real estate used by the owner has been considered as amortized until they become investment properties shown on the basis of fair value. Since then no amortization has been calculated.

To determine a fair value of the investment property, the value of machinery and instruments used in leased factory should also be accounted for. Such assets are also separately displayed in the investment property account.

2.3 Summary of the significant accounting policies (continued)

Tangible Fixed Assets

Landed properties and buildings that are held in use for the purpose of delivering product /service or for administrative purposes are expressed with their re-evaluated value. Re-evaluated value is determined by subtracting accrued depreciation and accrued deprecation that occur within the next period from fair value measured at the re-evaluation date. The re-evaluations are done on a regular basis in such a way that it will not differ from book value of fair value that is to be determined at the re-evaluation date.

Increase resulting from the re-evaluation of the aforementioned landed properties and buildings is recorded to re-evaluation fund in equity. If there is a deprecation that has been showed previously in income statement concerning the tangible-fixed assets, increment value resulting from the re-evaluation is recorded to income statement at the rate of said depreciation. Decrease in book value resulting from the re-evaluation of mentioned landed property and building is recorded to the income statement in case the asset exceeds its balance in re-evaluation fund relating its previous re-evaluation.

Depreciation of re-evaluated building is included in income statement. When the re-evaluated real estate is sold or upon its retirement, remaining balance in re-evaluation fund is transferred to profits which are not distributed directly. Unless the asset is excluded from the balance sheet, it shall not be transferred from re-evaluation fund to profits which are not distributed directly.

Machines and equipments are shown on the basis of the amount which is after subtracting the accrued depreciation and accrued deprecation from their cost value.

Machines and equipments are shown on the basis of the amount which is after subtracting the accrued depreciation and accrued deprecation from their cost value.

Except the lands and ongoing investments, cost value or valued amounts of tangible-fixed assets are subject to deprecation by using the straight-line method according to their expected useful life. Expected useful life, residual value and depreciation method are reviewed every year for possible effects of changes in estimations and if there is a change in estimations, they are accounted in advance.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015 (Currency - Turkish Lira (TL) unless otherwise indicated)

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

Proceeds and losses resulting from disposal or retirement of tangible-fixed assets are determined as a difference between missing sale revenue and book value of the asset and included in income statement.

Except for lands having unrestricted use life, depreciation has been calculated over the inflation adjusted values of fixed asset and according to ordinary depreciation method and on basis of prorate depreciation. Tangible-fixed assets are amortized considering below-mentioned economic lives. (Note 8)

Buildings, underground and aboveground systems	5-50 Years
Machines, facilities and devices	3-40 Years
Vehicles	4-10 Years
Flooring and fixtures	3-25 Years
Special costs	5 Years

2.3 Summary of the significant accounting policies (continued)

Intangible-Fixed Assets

Intangible-fixed asset is accounted in case expected future economic benefits are possible for the business and the cost of the asset can be measured reliably.

Intangible assets are accounted with their cost value at the initial recognition. The cost of a separately acquired intangible asset is calculated by deducting all discounts from the purchase price and including import taxes and non-refundable purchase taxes as well as all other kind of costs linked to the asset in order to operationalize it.

As of the purchase date, the historical costs of the intangible assets have been finally adjusted for the inflation rates on 31 December 2004. In the current period, the intangible assets are redeemed with straight line method according to their economical life based on the cost value. The amount noted at the financial statement is redeemed in 5 years. (Note 9)

Goodwill

The acquisition of subsidiary is accounted for using the purchase method. The cost of business combination is calculated according to the aggregate of the assets given at the combination date, liabilities which are arising or committed and the fair value of equity instruments which are issued to obtain the control of the subsidiary and other costs which are directly related to the business combination. The assets, liabilities and contingent liabilities of the acquired entity which are corresponding the terms of recording according to the IFRS 3 "Business Combinations" are recorded based on their fair values. The goodwill arising on the acquisition is determined as the excess of the acquisition cost over the Group's share in the identifiable assets, liabilities and contingent liabilities of the acquired entity and recorded first on the cost basis.

Impairment of non-financial assets

The carrying values of non-financial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement for items carried at cost. The recoverable amount of property, plant and equipment

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

is the greater of fair value less cost to sell and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit. Impairment losses of continuing operations are recognized in the income statement in those expense categories consistent with the function of the impaired asset.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Financial Instruments

Financial Assets

The financial assets - apart from those recorded at fair value and grouped as financial tools of which fair value difference reflected as loss or profit - are accounted based on total amount of the expenses directly related to purchase transaction and fair market value. The assets are recorded or charged off at the date of transaction in result of purchase or sale of the financial assets linked to a contract indicating the delivery conditions of investment tools, such as the deadline determined in line with market conditions.

Financial assets are classified as "financial assets of which fair value difference is reflected as profit or loss", "financial assets which will be held till the due term", "financial assets which are ready for sale" and "credits and receivables". The classification is determined at the first record as to qualifications and acquirement goals of the financial asset.

Effective interest method

The effective interest method is a way to evaluate the financial asset with the amortised cost and to distribute the related interest income to the related period. The effective interest method is the rate reducing the assumed total receivable cash to its current net value as long as it is available over the life of financial tool.

The classified financial assets except from those of which fair value difference is reflected to profit or loss are accounted by using the effective interest method.

Financial assets of which fair value difference reflected to profit or loss

The financial assets of which fair value difference reflected to profit or loss, are the financial tools held for commerce. When a financial asset is acquired for sale, it is classified in this category. These financial assets constituting the derivatives which have not been designed as protective tool against financial risk are also categorized as financial asset of which fair value difference reflected to profit or loss.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

2.3 Summary of the significant accounting policies (continued)

Held-to-maturity financials assets

Investments in debt securities with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortized cost using the effective interest methodless impairment, with revenue recognized on an effective yield basis.

Financial assets ready for sale

The equity instruments that are held by the Group and that are quoted on the stock exchange and transacted at an active market as well as some debt securities are categorized as financial assets ready for sale and are recorded with their fair value. The Group has also other equity instruments that are ready for sale, but neither quoted on the stock exchange nor transacted at an active market. So they are recorded with their cost value as their fair value cannot be determined via a trustable way.

Credits and receivables

The commercial and other receivables that are not transacted and that have fixed and determinable payments as well as the credits are classified in this category. The credits and receivables are recorded by deducting the decrease in value from the cost amortised via effective interest method.

Impairment of financial assets

The financial assets or asset groups, except from the financial assets of which fair value difference reflected to profit or loss, are evaluated on each balance sheet date as to whether there is any indication of being affected by decrease in value. If more than one event happen after the initial recognition and there is a sideless indication of that the future cash flows of the financial asset or asset group have been subjected to the decrease in value, the impairment loss takes place. For the financial assets recorded with their amortised value, the amount of the decrease in value is difference between its book value and current value accounted by reducing the expected future cash flows at the rate of effective interest.

Decrease in value of all financial assets, except for trade receivables of which book value was decreased through usage of a reserve account, is directly deducted from registered value of relevant financial asset. In case trade receivable cannot be collected, the amount in question is written off by being deducted from reserve account. Changes in reserve account are accounted in income statement.

Except for equity instruments ready for sale, in case that loss due to decrease in value reduces in the following period and this reduction can be connected with an event occurred after accounting the loss due to decrease in value, loss due to decrease in value which has been accounted before is deleted from income statement in a way so as not to exceed amortized cost which decrease in value of investment would reach on the date decrease in value would be cancelled in case it would not have been accounted at any time.

Increase in fair value of equity instruments ready for sale which occurred after decrease in value is directly accounted in equities.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

2.3 Summary of the significant accounting policies (continued)

Cash and Cash equivalent

Cash and cash equivalent values are the short term investments made up of cash, demand deposits and other short term investments with original maturities of 3 months or less, eligible to be immediately converted into cash without being subjected to the risk of steep value changes and have high liquidity.

Financial liabilities

Financial liabilities and equity instruments of Group are designated in accordance with contractual arrangements and description of a financial liability and an instrument based on equity. The contract representing right in assets remained after all payables of Group are deducted is a financial instrument based on equity. Accounting policies applied for specific financial liabilities and financial instruments based on equity are explained below.

Financial liabilities are classified as financial liabilities of which fair value deficit is reflected on profit or loss and other financial liabilities.

Financial liabilities which reflected to profit / loss as fair value difference

Financial liabilities of which fair value deficit is reflected on profit or loss are registered with their fair value and reevaluated with their fair value at balance sheet date in each reporting period. Changes in their fair value are accounted in income statement. Net income or loss which is accounted in income statement also includes interest rate paid for financial liability in question.

Other financial liabilities

Other financial liabilities are accounted with their fair values which are freed from transaction costs in the beginning, including financial payables.

Other financial liabilities are accounted over amortized cost amount by using effective interest method along with interest expense calculated over effective interest rate in the following periods.

Effective interest method is the one in which amortized costs of financial liability are calculated and relevant interest expense is distributed to related period. Effective interest rate is the one which reduces estimated cash payments to be performed in future during the anticipated lifespan of financial instrument or a shorter period of time, in case suitable, to exactly net present value of related financial liability.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

2.3 Summary of the significant accounting policies (continued)

Leasing- Group as Lessor

Leasing procedure in which a significant portion of risk and benefit arising from owning an asset belongs to lessor is categorized as financial leasing. Other leasing procedures are categorized as operating lease.

There is no financial leasing transaction of Group in the current period.

Leasing incomes of operating lease are accounted by straight-line method during relevant leasing period. Straight-line initial costs borne during leasing procedure and negotiation are added to cost of leased asset and it is amortized during leasing period by straight-line method.

Impacts of Exchange Rate

Financial statements of each enterprise of Group are presented with currency unit (functional currency unit) which is valid for basic economic environment that they operate. Financial situation and operation results of each enterprise are indicated as TRY which is valid currency unit for company and presentation unit for consolidated financial statements.

Foreign currency unit based transactions (other currencies than TRY) made during the preparation of financial statement of each enterprise are recorded based on foreign exchange rates that are applicable on the date of transaction. The monetary assets and liabilities indexed to foreign currency used in balance sheet are converted to Turkish Lira by using foreign exchange bid rates valid on balance sheet date. Those non-monetary items which are followed with their fair value and recorded in foreign currency unit are converted to TRY based on exchange rates on the date fair values are determined. Non-monetary items in foreign currency unit of which date is calculated over cost are not subjected to conversion again.

Exchange rate differences, except for the conditions listed below, are accounted as profit or loss in the period which they come into existence:

- Exchange rate differences which are handled with as adjustment item to interest costs on payables that are associated with assets constructed in order to use in future and indicated in foreign currency unit and which are included in costs of such assets,
- Exchange rate differences caused by transactions made in order to provide financial protection against risks arising from foreign currency unit (accounting policies related to providing financial protection against risks are explained below),
- Exchange rate differences arising from monetary payables and receivables which compose a part of net investment in foreign operation, are accounted in conversion reserve, are associated with profit and loss in net investment sale and derive from foreign operation of which there is no payment intention or possibility.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

2.3 Summary of the significant accounting policies (continued)

Impacts of Exchange Rate (continued)

Assets and liabilities of Group in its foreign operations are expressed in consolidated financial statements in TL by using exchange rates valid on the date of balance sheet. Income and expense items are converted by using average exchange rates during the period, in case that no substantial fluctuation has been occurred on foreign exchange rates during the period in which exchange rates valid on the date of transaction should be used (in case a substantial fluctuation occurs, exchange rates on transaction date are used). Exchange rate difference which has occurred is classified as equity and transferred to Group's conversion fund. Conversion differences in question are recorded on income statement in the period when foreign operations are sold out.

Goodwill and fair value adjustments arising from foreign operation purchase are considered as assets and liabilities of foreign operation and converted by using period-end exchange rate.

Earnings per Share

Earnings per share stated in consolidated income statement is calculated by dividing net profit by weighted average number of share certificate which exists in market during the year.

In Turkey companies increase their capitals by means of "non-paid up shares" which they distributed from their previous year profit to their shareholders. Such kind of "non-paid up shares" distribution is evaluated as exported shares in calculation of earnings per share. According to this, weighted average number of shares used in this calculation is found by taking into account past effects of share distribution in question.

Events after Balance Sheet Date

Even though the events after balance sheet date have come up after any announcement made about profit or any public announcement about other selected financial information, they cover all the events occurred between balance sheet date and date of authorization for balance sheet publication. In case that the events requiring adjustment have come up after balance sheet date, Group adjusts the amounts included in financial statements in compliance with this new situation.

Provisions, Conditional Assets and Liabilities

A provision is reserved in financial statements, in case that there is a current liability arising from past events, it is possible to carry out the liability and the amount of liability in question can be estimated in a safe way.

The amount reserved as provision is calculated by estimating in the safest way the expense to be made in order to fulfill the liability as of balance sheet date by taking into account risks and uncertainties about liability.

In case that provision is measured by using estimated cash flow required for meeting current liability, the book value of provision in question is equal to present value of relevant cash flows.

In case that either a part or whole of economic benefit required for paying the provision is expected to be met by third parties, the amount to be collected is accounted in case that the collection of relevant amount is almost certain and can be measured in a safe way.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

2.3 Summary of the significant accounting policies (continued)

Taxes Calculated On The Basis of the Group's Earnings

Since Turkish tax legislation does not allow preparation of consolidated tax statement of a main company with its subsidiary, tax provisions are calculated separately based on each enterprise as it is reflected on attached consolidated financial statements.

Expense of income tax consists of sum of current tax and deferred tax expense.

Current Tax

Current year tax liability is calculated over the part of period income which is subjected to tax. The profit subjected to tax is different than the profit included in income statement since it excludes the items which is taxable in other years or is tax deductible as well as those which are impossible to tax or could not be tax deductible. Current tax liability of Group has been calculated by using tax rate which has become legal as of the date of balance sheet or become legal at a considerable extend.

Deferred Tax

Deferred tax liability or asset is found out by calculating temporary differences between the amounts of assets and liabilities shown in financial statement and the amounts taken into consideration in calculation of legal tax base by balance sheet method taking into account legalized tax rates of tax effects. While deferred tax liabilities are calculated for all of taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that benefiting from the differences in question is highly-likely by making profit subjected to tax in future. The mentioned assets and liabilities are not accounted in case that they arise from inclusion of temporary difference, goodwill related to transaction not affecting commercial or financial profit/loss or other assets and liabilities in the financial statement for the first time (except for business enterprise merger).

Deferred tax liabilities are calculated for all of taxable temporary differences which are associated with investments in subsidiaries and affiliates and shares in joint ventures except for the conditions under which Group is able to control removal of temporary differences and under which possibility of removal of these differences in near future is low. Deferred tax assets arising from taxable temporary differences which are associated with such kind of investments and shares are calculated provided that benefiting from the differences in question is highly-likely by making sufficient profit subjected to tax in near future and removal of relevant differences in future is possible.

Recorded value of deferred tax asset is reviewed as of each balance sheet date. Recorded value of deferred tax asset is reduced at extend to which it is impossible to obtain financial profit which will enable to benefit from it partially or wholly.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

2.3 Summary of the significant accounting policies (continued)

Deferred Tax (continued)

Deferred tax assets and liabilities are calculated over tax rate which has become legal or become legal at a considerable extend (tax regulations) as of the date of balance sheet and which is expected to be valid in the period during which assets will realize or liabilities will be fulfilled. During the calculation

of deferred tax assets and liabilities, tax results of methods anticipated for Group assets' regaining their book value or fulfilling its liabilities as of balance sheet date are taken into consideration.

Deferred tax assets and liabilities are deducted in case that there is a legal right related to deducting current tax assets and current tax liabilities or assets and liabilities in question are associated with income tax collected by the same taxation authority or Group has the intention to pay it by way of clarifying its current tax assets and liabilities.

Current and deferred tax of the period

Current tax except for those which are associated with the items accounted as receivable or payable directly in equity (under these circumstances deferred tax related to relevant items are accounted directly in equity) or those which arises from first recording of business enterprise mergers as well as deferred tax of the period are accounted as income or expense in income statement. Tax effect is taken into account during business enterprise mergers, calculation of cost control or determination of purchase-cost exceeding part of share obtained by purchaser at the fair value of identifiable asset, liability and contingent payables of purchased subsidiary.

Benefits for employees

Seniority Incentive

In accordance with provisions of current laws and collective labor agreements in Turkey, termination indemnity is made in case of retirement or displacement. In compliance with IAS 19 Employee Benefits Standard ("IAS 19") which has been updated, such payments in question are described as identified retirement benefit plans. In fact, Turkish and Iranian seniority indemnity systems are similar, there are not core differences between them. Moreover while period of Razi's privatization, the right of early retirement is given to employees and responsibility is accounted in the scope of IAS 19 by Razi.

Termination indemnity liability which was accounted in balance sheet was calculated according to net present value of estimated amount of liability which was expected to arise in future due to retirement of all employees and reflected on financial statements. All calculated actuarial incomes and losses were reflected on income statement.

Seniority Incentive Premium; In accordance with the prevailing collective labor agreement, Termination indemnity premium is paid to the staff within the scope of agreement in the years when they complete certain Termination indemnity periods. The liability calculated for incentive premium in question is reflected on records.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

2.3 Summary of the significant accounting policies (continued)

Vacation Pay Provision; The company makes a provision for the wages corresponding to the unused portion of vacation allowances of its employees in the previous years.

Statement of Cash Flow

The cash flows pertaining to the period are classified and reported in a manner that will include the costs of main activities, investments and financing.

Cash flows originating from main activities indicate cash flow of Group arising from activities of fertilizer and petro chemical products sale.

Cash flows related to investment operations indicate Group's cash flow used in and obtained through investment operations (fixed investments and financial investments).

Cash flows related to finance operations indicate resources of Group used in finance operations and repayment of these resources.

Cash and cash equivalent values are the short term investments made up of cash, demand deposits and other short term investments with original maturities of 3 months or less, eligible to be immediately converted into cash without being subjected to the risk of steep value changes and have high liquidity.

Capital and Dividends

Ordinary shares are classified as equity capital. Dividends distributed on ordinary shares are recorded by deducting from the accumulated profit in the period that the dividend payment decision is reached.

Critical accounting estimates and judgements

At the process of preparing of consolidated financial statements pursuant to Capital Market Board's Financial Reporting Standards, The Group's management should make critical accounting estimates and judgments that determines as date of reporting period, amount of income and expenses and amount of probable liabilities and guarantees that may be occurred as date of balance sheet. Although these forecasts and assumptions, is depend on the groups' well knowledge that is associated current event and transactions, may differ from actual results. Forecasts are reviewed on a regular basis, required adjustments is made and reflected to periods' income statement. In the next financial period, forecasts and assumptions that may risk of adjustment of assets and liabilities' registered values, are shown as follows:

Net Realizable Value

Stock is valued at lover of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

**Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)**

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

2.3 Summary of the significant accounting policies (continued)

Goodwill impairment

The Group reviews goodwill for impairment annually. Razi has been identified as the cash generating unit since the goodwill balance has been recognized through the acquisition of Razi. The value in use calculations are based on post-tax Turkish Lira cash flow projections as approved the Group management. 24% discount rate and 1% growth rate (31 December 2014: discount 20%, growth 1%) have been used in calculations of the value in use. Discount rate before tax for presentation is about 24% (31 December 2014: 21%) The discount rate represents the risk associated with the entity. Based on the impairment analysis performed by Group management, no impairment of goodwill has been identified. As of 31 December 2014, the Group does not determine impairment in goodwill amount according to results of value impairment tests which was made by using the above assumptions

Deferred Tax

Group, recognized deferred tax asset and liability for temporary timing difference arising from difference between its financial statement which constitute the basis of Tax and financial statement is prepared according to IFRS. Deferred tax assets' partially or whole recoverable amount is estimated in current circumstances. While evaluating, projections of future profits, occurred loss in current period, deadline of use of inappropriate loss and other tax assets and tax planning strategies can be used if necessary has been taken into account. In the light of data obtained, if group's taxable profit will be obtained in future is not enough to meet all deferred tax assets, partially or whole of deferred tax is reserved. If operating results in future excess Group's expectations, it may be required to enroll unregistered/recorded deferred tax assets.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015 (Currency - 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 TFRS, TFRS financial statements are used to prepare reports by departments.

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

	Turkey	Iran	Consolidation Adjustments	Total
	31 March 2015	31 March 2015	31 March 2015	31 March 2015
ASSESTS				
Current assets	791.095.689	1.171.043.298	(58.869.326)	1.903.269.661
Non-current assets	995.088.338	583.207.221	(155.918.592)	1.422.376.967
TOTAL ASSESTS	1.786.184.027	1.754.250.519	(214.787.917)	3.325.646.629
LIABILITIES				
Short term liabilities	929.186.120	741.765.875	(58.869.326)	1.612.082.669
Long term liabilities	129.624.256	122.846.903	9.843.915	262.315.074
Equities	727.373.651	889.637.741	(165.762.506)	1.451.248.886
TOTAL LIABILITIES	1.786.184.027	1.754.250.519	(214.787.917)	3.325.646.629
	Turkey	Iran	Consolidation Adjustments	Total
	31 December 2014	31 December 2014	31 December 2014	31 December 2014
ASSESTS				
Current assets	955.853.014	954.622.066	807.170	1.911.282.250
Non-current assets	992.307.960	650.541.562	(282.486.349)	1.360.363.173
TOTAL ASSESTS	1.948.160.974	1.605.163.628	(281.679.179)	3.271.645.423
LIABILITIES				
Short term liabilities	1.052.890.346	637.546.325	(44.360)	1.690.392.311
Long term liabilities	144.193.663	158.647.092	-	302.840.755
Equities	751.076.965	808.970.211	(281.634.819)	1.278.412.357
TOTAL LIABILITIES	1.948.160.974	1.605.163.628	(281.679.179)	3.271.645.423

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015 (Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 4 -SEGMENT REPORTING (continued)

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

	Turkey	Iran	Consolidation Adjustments	Total
	1 January 2015 31 March 2015	1 January 2015 31 March 2015	1 January 2015 31 March 2015	1 January 2015 31 March 2015
Operating income				
Sales	534.197.318	450.488.360	(72.700.187)	911.985.491
Cost of sales (-)	(470.175.762)	(308.460.028)	72.700.187	(705.935.603)
Gross profit	64.021.556	142.028.332	-	206.049.888
Marketing, selling and distribution expense (-)	(27.824.641)	(24.809.051)	-	(52.633.692)
General and administrative expense (-)	(4.663.485)	(13.096.163)	-	(17.759.648)
Other operating income / expense (-)	(53.892.492)	30.418.133	-	(22.910.857)
Operating profit	(21.795.559)	134.541.251	-	112.745.691
Income / (expense) from investments	22.756.158	-	(22.098.727)	657.431
Profit / (loss) from investments accounted by equity method	(4.300.691)	-	-	(4.300.691)
Financial income / (expense) before operating profit	(3.340.093)	134.541.251	(22.098.727)	109.102.431
Financial income / (expense)	(25.767.478)	33.850.603	-	8.083.124
Profit before tax	(29.107.571)	168.391.853	(22.098.727)	117.185.555
Tax expense	-	(7.339.096)	-	(7.339.096)
Deferred tax income / (expense)	5.404.256	(213.765)	-	5.190.491
Profit / (loss) for the period	(23.703.315)	160.838.993	(22.098.727)	115.036.951

	Turkey	Iran	Consolidation Adjustments	Total
	1 January 2014 31 March 2014	1 January 2014 31 March 2014	1 January 2014 31 March 2014	1 January 2014 31 March 2014
Operating income				
Sales	579.719.287	281.199.807	-	860.919.094
Cost of sales (-)	(491.473.483)	(199.521.194)	-	(690.994.677)
Gross profit	88.245.804	81.678.613	-	169.924.417
Marketing, selling and distribution expense (-)	(33.292.967)	(20.065.191)	-	(53.358.158)
General and administrative expense (-)	(8.976.576)	(18.408.018)	-	(27.384.594)
Other operating income / expense (-)	(3.037.920)	47.517.565	(2.768.483)	41.711.162
Operating profit	42.938.341	90.722.969	(2.768.483)	130.892.827
Income / (expense) from investments	178.601.615	-	(181.743.719)	(3.142.104)
Profit / (loss) from investments accounted by equity method	(1.977.652)	-	-	(1.977.652)
Financial income / (expense) before operating profit	219.562.304	90.722.969	(184.512.203)	125.773.071
Financial income / (expense)	(17.963.594)	(1.591.245)	-	(19.554.839)
Profit before tax	201.598.710	89.131.725	(184.512.203)	106.218.232
Tax expense	(33.634.284)	(1.767.438)	-	(35.401.722)
Deferred tax income / (expense)	(6.828.053)	(191.770)	-	(7.019.823)
Profit / (loss) for the period	161.136.373	87.172.517	(184.512.203)	63.796.687

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 4 -SEGMENT REPORTING (continued)

Investment expenditures

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

	<u>1 January - 31March 2015</u>	<u>1 January – 31 December 2014</u>
Turkey	9.651.368	19.600.718
Iran	3.645.902	9.717.682
	13.297.270	29.318.400

Depreciation and amortization

	<u>1 January - 31March 2015</u>	<u>1 January – 31 December 2014</u>
Turkey	1.739.322	3.915.929
Iran	10.232.546	13.000.047
	11.971.868	16.915.976

NOTE 4 - CASH AND CASH EQUIVALENTS

	<u>31 March 2015</u>	<u>31 December 2014</u>
Cash on hands	12.442.770	334.652
Bank	608.374.945	462.342.221
- demand deposits	100.323.589	100.824.070
- time deposits	599.829.371	361.518.151
State bonds and treasury notes	7.435.143	-
Other cash equivalents	11.687.070	173.288
	731.717.943	462.850.161
Pledge cash and cash equivalents (*)	(91.778.015)	(84.380.770)
Cash and cash equivalents at the statement of cash flow	639.939.928	378.469.391

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

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 4 - CASH AND CASH EQUIVALENTS (continued)

The details of time deposit as of March 31 2015 and December 31, 2014 are as below:

Time Deposits (TL):

Interest Rate (%)	Maturity	31 March 2015
11,00%	April 2015	115.001.772
10,25%	April 2015	14.100.000
		129.101.772

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

Time Deposits (Foreign Currency):

31 March 2015				
Interest Rate (%)	Maturity	Currency	Foreign currency amount	Amount in TL
Libor + 0,5	April 2015	AVRO	111.393	315.343
17,0	April 2015	Mil. IRR	1.759.037	163.483.652
1,65-2'00	May 2015	USD	117.588.835	306.928.604
				470.727.599

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

NOTE 5 – FINANCIAL BORROWINGS

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

	31 March 2015	31 December 2014
Short term borrowings	532.632.706	632.983.748
Short term portion of long term borrowings	25.398.747	29.359.714
	558.031.453	662.343.462

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 5 – FINANCIAL BORROWINGS (continued)

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

	31 March 2015	31 December 2014
Short term borrowings and short term portion of long term borrowings (Gübretaş)	374.956.198	448.186.900
Other short term borrowings (Razi)	183.075.255	214.156.562
	558.031.453	662.343.462

As March 31, 2015 details of short term bank loans are as follows:

Bank Loans:

	31 March 2015	31 December 2014
Payable within 1 year	558.031.453	662.343.462
Payable within 1 – 5 years	121.471.345	147.162.707
	679.502.798	809.506.169

Currency	Maturity	Average effective Interest Rate (%)	Original Amount	Amount in TL
Avro	April 2015 – July 2015	2,60 - 5,10	21.218.046	60.066.165
USD	April 2015 – May 2015	2,50 - 2,60	120.638.277	314.890.033
				374.956.198

Other Financial Borrowings (*):

Currency	Maturity	Average effective Interest Rate (%)	Original Amount	Amount in TL
Avro	May 2015	(*) Libor+0,5	64.670.336	183.075.255
				183.075.255

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

Bank Loans:

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

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 5 – FINANCIAL BORROWINGS (continued)

Other Financial Borrowings (*):

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

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

a) Long term borrowings

	31 March 2015	31 December 2014
Long term bank loans (Gübretaş)	121.471.345	136.162.882
Other long term bank loans (Razi)	-	10.999.825
	121.471.345	147.162.707

As March 31, 2015 details of long term bank loans are as follows:

Bank Loans

Currency	Maturity	Average effective Interest Rate (%)	Original Amount	Amount in TL
Avro	January 2020	5,10	42.909.091	121.471.345
				121.471.345

Other Financial Borrowings (*): None.

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

Bank Loans

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

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 5 – FINANCIAL BORROWINGS (continued)

Other Financial Borrowings (*):

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

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

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

	31 March 2015	31 December 2014
Trade receivables from third parties:		
Trade receivables	297.698.651	297.099.958
Notes receivables	250.760	313.450
Receivables from National Petrochemical Company ("NPC") (Razi)	26.267.804	24.142.007
Trade receivables from third parties (gross)	324.217.215	321.555.415
Allowance for doubtful receivables (-)	(3.430.740)	(3.430.740)
Trade receivables from third parties (net)	320.786.475	318.124.675

Group allocates provisions for doubtful receivables in case the receivables which are considered to be doubtful being without security and having a risk of collection. The details of the Group's regarding the doubtful receivables and allowances allocated regarding these receivables are as follows:

Overdue following the maturity	31 March 2015	31 December 2014
More than 9 months	3.430.740	2.927.460
Total	3.430.740	2.927.460

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

	2015	2014
Balance at January 1	3.430.740	2.927.460
Period cost	-	523.682
Collection	-	(20.402)
Balance at March 31	3.430.740	3.430.740

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (continued)

As March 31, 2015 guarantees related to not overdue receivables are as follows:

	31 March 2015	31 December 2014
Guarantee Letters	276.520.986	259.911.952
Collateral cheques and notes	60.782.521	61.205.266
	337.303.507	321.117.218

Trade payables from third parties

	31 March 2015	31 December 2014
Trade payables (Gübretaş)	492.834.700	545.812.533
Trade payables (Razi)	118.469.622	90.540.151
Payables to NPC (Razi)	85.484.538	88.928.849
Other trade payables	31.716.734	3.547.621
	728.505.593	728.829.154

NOTE 7 – OTHER RECEIVABLES AND PAYABLES

Other receivables from third parties:

	31 March 2015	31 December 2014
Other various receivables (Tabosan) (*)	47.651.454	46.994.091
VAT receivables (Razi)	45.371.103	40.116.182
Other various receivables	58.015.716	60.747.271
Due from personnel	4.360.994	5.560.505
Receivables from Non-controlling interests (Razi) (**)	-	-
Other receivables from third parties	155.399.267	153.418.049

(*)Tabosan Mühendislik İmalat ve Montaj A.Ş. (“Tabosan”), one of the consortium partners of the Group at the acquisition of Razi shares have filed a petition for adjournment of bankruptcy in 2011 but the bankruptcy court rejected the petition and decided on the bankruptcy of Tabosan and formation of a trustee committee to manage the assets of Tabosan. The Group was the guarantor of Tabosan for the loans obtained from financial institutions during the acquisition of Razi shares. The group has paid 47.651.454 TL for the loan of Tabosan as the guarantor and recognized this amount as other receivable from Tabosan. The Group has not provided any provision for this receivable considering its right to buy Razi shares at the initial acquisition share price and the pledged assets of Tabosan which are transferred from the financial institutions.

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

Other long term receivables	31 March 2015	31 December 2014
Deposits & guarantees given	51.126	34.019.804
Due from personnel (*)	12.782.870	10.415.653
	12.833.996	44.435.457

(*) Deposits and guarantees are given to related parties by “Group” for transporting the products which belong to Razi.

Other short term payables:

	31 March 2015	31 December 2014
Dividend payables to non-controlling interests	115.589.340	84.380.770
Payables from investments accounted by equity method	13.412.937	8.844.396
Other payables	14.333.470	20.099.389
	143.335.747	113.324.555

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 8-TANGIBLE FIXED ASSETS

The depreciation cost and amortization of the company is 68.760.119 TL as of 31 March 2015 and details are given below;

	Gübretaş	Razi	Total
Amortization Cost	1.717.408	10.232.546	11.949.954
Depreciatipon Cost	21.914	-	21.914
Total	1.739.322	10.232.546	11.971.868

31 March 2015: Out of the total of 11.971.868 TL depreciation and amortization costs; 11.499.239 TL have been included in General Production Costs, 165.310 TL in Sales and Marketing Costs, 307.319 TL in General Management Costs

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

Pledges and Mortgages on Assets

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

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 8-TANGIBLE FIXED ASSETS (continued)

	Lands and Parcels	Surface and Underground Improvement	Buildings	Facility, Machinery and Devices	Vehicles	Fixtures	Special Costs	Ongoing Investments	Total
Cost Value									
Opening Balance on 01 January 2015	283.210.320	17.610.534	406.884.136	730.877.173	7.661.994	15.827.781	167.655	253.721.137	1.715.960.730
Translation Differences	5.278.348	-	4.062.336	46.469.386	377.772	748.170	-	4.839.998	61.776.009
Valuation Differences	-	-	-	-	-	-	-	-	-
Purchases	2.471.754	2.750	1.101.600	86.713	179.267	418.215	65.019	8.971.953	13.297.270
Sales/Cancellations	-	-	-	-	(47.068)	(419.039)	-	-	(466.108)
Transfer from ongoing Investments	-	208.702	577.662	311.915	-	-	-	(1.098.280)	-
Closing Balance on 31 March 2015	290.960.422	17.821.986	412.625.734	777.745.186	8.171.964	16.575.126	232.674	266.434.808	1.790.567.902
Accrued Depreciation									
Opening Balance on 01 January 2015	-	(11.833.908)	(303.222.702)	(482.203.668)	(4.744.306)	(7.017.816)	(33.469)	-	(809.055.869)
Translation Differences	-	-	(2.263.308)	(25.084.606)	(248.802)	(372.299)	-	-	(27.969.015)
Expenses of the Period	-	(166.016)	(1.697.280)	(9.360.399)	(222.570)	(475.392)	(28.297)	-	(11.949.954)
Sales/Cancellations	-	-	-	-	41.670	419.039	-	-	460.709
Closing Balance on 31 March 2015	-	(11.999.924)	(307.183.290)	(516.648.673)	(5.174.008)	(7.446.468)	(61.766)	-	(848.514.129)
Net Value on 31 March 2015	290.960.422	5.822.062	105.442.444	261.096.513	2.997.956	9.128.659	170.909	266.434.808	942.053.773

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 8-TANGIBLE FIXED ASSETS (continued)

	Lands and Parcels	Surface and Underground Improvement	Buildings	Facility, Machinery and Devices	Vehicles	Fixtures	Special Costs	Ongoing Investments	Total
Cost Value									
Opening Balance on 01 January 2014	162.916.304	27.926.581	376.010.257	720.594.019	7.646.001	10.741.515	192.679	156.369.249	1.462.396.604
Valuation Differences	8.096	-	112.176	1.807.967	11.451	21.886	-	467.920	2.429.496
Purchases	7.722.653	34.998	278.766	44.217	289.123	553.195	-	20.395.449	29.318.400
Depredation	-	-	-	-	(58.003)	(327.946)	-	-	(385.949)
Closing Balance on 31 March 2014	170.647.053	27.961.579	376.401.199	722.446.203	7.888.572	10.988.650	192.679	177.232.618	1.493.758.551
Accrued Depreciation									
Opening Balance on 01 January 2014	-	(11.848.753)	(278.197.003)	(433.463.680)	(4.017.906)	(5.854.695)	(97.733)	-	(733.479.771)
Valuation Differences	-	-	(31.526)	(657.702)	(5.467)	(6.734)	-	-	(701.429)
Cost	-	(215.594)	(3.794.706)	(12.327.842)	(237.721)	(311.653)	(6.932)	-	(16.894.448)
Sales/Cancellations	-	-	-	-	42.051	413.512	-	-	455.563
Closing Balance on 31 March 2014	-	(12.064.347)	(282.023.235)	(446.449.224)	(4.219.043)	(5.759.571)	(104.665)	-	(750.620.085)
Net Value on 31 March 2014	170.647.053	15.897.231	94.377.963	275.996.980	3.669.529	5.229.853	88.014	177.232.618	743.138.466

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 9 – OTHER INTANGIBLE FIXED ASSETS

Rights:

	31 March 2015	31 March 2014
Opening Balance on 1 January	660.747	453.386
Purchases	-	82.771
Closing Balance on 31 March	660.747	536.157
Accrued Depreciation		
Opening Balance on 1 January	(380.588)	(316.050)
Amortization Expenses for Current Period	(21.914)	(21.528)
Closing Balance on 31 March	(402.502)	(337.578)
Net Book Value	258.245	198.579

Goodwill:

	31 March 2015	31 March 2014
Cost Value at the Beginning of Period	148.146.765	148.811.828
Translation Differences	12.987.242	401.259
Balance as of 31 March	161.134.007	149.213.087

Razi completed purchase of 2010 established, 126.000 tons/year capacity phosphoric acid plant Arya Phosphoric Jonoob Co.'s ("Arya") 87,5% of shares as of end of August 2012. The Group has realized the purchasing in the remaining (12,5%) non controlling shares as of balance sheet date. Arya Phosphoric JonoobCo has become subsidiary of Razi Petrochemical Co. after this acquisition.

NOTE 10 - COMMITMENTS

Razis' Share Purchase

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

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 10 - COMMITMENTS (continued)

Purchasing Commitments

As of 31 March 2015 Group has USD 16.974.640 accredited purchasing commitment. (31 December 2014: USD 4.146.000).

NOTE 11 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short Term Debt Provision

	31 March 2015	31 December 2014
Provision for Expense Accruals	56.414.800	44.784.814
Provisions for Other Social Security Premium	18.866.676	17.346.035
Provision for lawsuit	1.357.444	897.864
Provision for Other Debts	43.376.817	-
Other Short Term Debt Provision	120.015.737	65.688.602

Lawsuit Provision:

	31 March 2015	31 March 2014
As of 1 January 2015	897.864	1.571.674
(Reversal of Provision)/Additon	459.580	(673.810)
As of 31 March 2015	1.357.444	897.864

In the current period, total lawsuit amount against the Group is 8.473.146 TL. (2014: 8.563.099 TL). In the current period, Denizciler Birliği Deniz Nakliyatı ve Ticaret Anonim Şirketi has sued against the Group for 6.933.057 TL profit loss. The Group Management has not made any provision for this lawsuit in the added consolidate financial tables according to recieved legal opinion but it has made 1.540.089 TL (2014: 897.864 TL) provision for other lawsuits.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015 (Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 11 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

Assurance- Pledge-Hypothechs (“APH”)

As from 31 March 2015 and 31 December 2014, the tables related to the Group’s tables related to Assurance- Pledge-Hypothechs position are as follows:

	31 March 2015			31 December 2014		
	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	-	4.883.787	TL	-	5.231.936
B.Total Amount of APH’s given for the Partnership included to full consolidation (hypethec)	IRR mil	-	-	IRR mil	-	-
C. APH given for guaranteeing the debts of other 3 rd parties for the performance of ordinary businesss activites	USD	37.734.132	98.493.632	USD	37.889.281	87.861.455
D. Total amount of other APH’s given	-	-	-	-	-	-
i. Total amount of APH’s given for main partner	-	-	-	-	-	-
ii. Total amount of APH’s given for other group companies not falling into the scope of articles B and C (Assurance)	-	-	-	-	-	-
iii. Total amount of APH’s given for 3rd parties not falling in to the scope of article	-	-	-	-	-	-
			<u>103.377.419</u>			<u>93.093.391</u>

There is no other APH given by the Group.(31 December 2014:None)

As of 31 March 2015, “Other APH given by the Group/ the Group equity = 0%” (31 December 2014: 0%).

Contingent Liabilities

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

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015 (Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 11 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

Iran Tax Authority has performed tax assessments for the tax filings of Razi for the previous years .As a result of these assessments, the Iran Tax Authority has identified that Razi has recognized export sales as non-taxable income. The export sales were considered as taxable by the Iran Tax Authority and Razi was imposed to a total of TL 15 million additional tax charge. Razi has protested against this claim. Based on the opinions of legal advisors and tax experts, the Group Management has not provided any provisions in the consolidated financial statements.

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

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

Tabosan Mühendislik İmalat ve Montaj A.Ş. (“Tabosan”), one of the consortium partners of the Group at the acquisition of Razi shares have filed a petition for adjournment of bankruptcy in 2011 but the bankruptcy court rejected the petition and decided on the bankruptcy of Tabosan and formation of a trustee committee to manage the assets of Tabosan.

As explained in Notes 8 and 16; one of the consortium partners that bought shares of Razi, Tabosan Manufacturing Engineering and Construction, Inc. (Tabosan) in 2011, has applied to the court to postpone its bankruptcy claim, the court rejected the request and and has decided to transfer the entire process to bankruptcy estate. During the purchase of Razi shares, Group funded banks as the joint guarantor on behalf of Tabosan to the Iranian Privatization Administration. Within this scope, Group has paid the debt of Tabosan amounting to TL 47.651.454 to the banks and the Iranian Privatization Administration as the guarantor and accounted this amount to other receivables. Based on the protocol made during the acquisition process of Razi between Tabosan and Group, and by taking initial price purchase rights of Tabosan’s Razi shares and mortgages / guarantees handed to Group by the bank into account, no provision has been set by the Group. Bankruptcy talks with the bankruptcy administration continues as of the report date.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 12 – REVENUES

Sales	31 March 2015	31 March 2014
Domestic Sales	665.621.625	620.044.250
Overseas Sales	250.076.582	245.825.247
Sales Returns(-)	(255.510)	(46.981)
Sales Discounts(-)	(3.441.744)	(4.487.700)
Other Discounts from Sales(-)	(15.463)	(415.722)
Total	911.985.491	860.919.094

Cost of Sales (-)	31 March 2015	31 March 2014
Cost of Good Produced	331.175.899	201.059.036
Change in the Good Inventory	(32.623.312)	7.771.843
-Goods at the beginning of the Period	46.346.717	70.119.342
-Goods at the end of the Period	(78.970.030)	(71.429.271)
Cost of Good Sold	298.552.587	207.520.950
-Merchandise Inventory at the beginning of the Period	469.424.512	264.308.365
-Purchases	167.408.694	380.808.411
-Merchandise Inventory at the end of the Period	(229.494.444)	(161.643.049)
Cost of merchandise Sold	407.338.762	483.473.727
Cost of Other Sales	44.253	-
Total	705.935.603	690.994.677

NOTE 13 – OTHER OPERATING INCOME AND EXPENSES

Other Operating Income	1 January- 31 March 2015	1 January- 31 March 2014
Exchange Difference Income	91.379.051	103.066.434
Interest Incomes	1.913.558	5.181.979
Trade Receivables Delay Interest	3.268.358	3.915.513
Other Income	6.711.703	5.800.806
Total	103.272.669	117.964.732

Other Operating Expenses	1 January- 31 March 2015	1 January- 31 March 2014
Exchange Difference Expenses	119.200.010	68.179.038
Interest Expenses	2.648.409	1.086.341
Trade Receivables Delay Expenses	1.367.801	3.461.115
Other Expenses	2.967.307	3.527.076
Total	126.183.527	76.253.570

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015 (Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 14 - EARNINGS PER SHARE

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

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

The weighted average of the shares and profit per share calculations of the company as of 31 March 2015 and 31 March 2014 are as follows.

	1 January- 31 March 2015	1 January- 31 March 2014
Net profit for the period	32.819.399	210.609.765
Weighted average number of ordinary shares outstanding during the year (each 1 kr)	33.400.000.000	33.400.000.000
Earnings per share (kr) (*)	0,0010	0,0006

NOTE 15 - RELATED PARTIES DISCLOSURES

(i) Balances Due from Related Parties

(a) Trade Receivables (Parent Company)

	31 March 2015	31 December 2014
Main Partner		
Central Union of Turkish Agricultural Credit Cooperatives	24.778.766	104.638.834
Other related parties	8.834.610	10.003.814
	33.613.376	114.642.648
Other Receivables (Subsidiaries and other related parties) (Short Term)		
Negmar Maritime Company	1.413.144	1.251.067
Tarnet A.Ş.	-	4.213
	1.413.144	1.255.280
Other Receivables (Subsidiaries and other related parties) (Long Term)		
Negmar Maritime Company	95.065.210	82.639.387
Other related parties	41.865.018	37.192.855
	136.930.228	119.832.242

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 15 - RELATED PARTIES DISCLOSURES (continued)

(b) Trade payables:

	31 March 2015	31 December 2014
<i>Subsidiaries and other related parties</i>		
Tarnet A.Ş	66.064	-
Tarkim Pesticide Company	7.038	35.398
	73.103	35.398

Average maturity of sales to Central Union of Turkish Agricultural Credit Cooperatives are 25 days. Hence there aren't any delays in collection of revenues, there aren't interest rate implemented. Receivables from subsidiaries and other related parties include deposits and guarantees which is given by the Group for the transportation of Razi's productions.

(ii) Transactions with Related Party

Sales of Goods and Services:

	1 January- 31 March 2015	1 January- 31 March 2014
<i>Main parent</i>		
Central Union of Turkish Agricultural	385.512.596	432.014.766
<i>Subsidiaries</i>		
Negmar Maritime Comp. and Affiliates	683.788	573.099
Tarnet A.Ş	52.617	9.800
	386.249.000	432.597.665

Purchase of Goods and Services:

	1 January- 31 March 2015	1 January- 31 March 2014
<i>Subsidiaries</i>		
Negmar Maritime Comp. and Affiliates	37.301.740	40.389.352
Tarkim Pesticide Company	229.576	10.122
Tarnet A.Ş	381.046	294.849
	37.912.362	40.694.323

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

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 15 - RELATED PARTIES DISCLOSURES (continued)

Benefits Provided to Top Management

The total benefits the company has provided to its top managers as of 31 March 2015 shown below table:

	31 March 2015		31 December 2014	
	Gübretaş	Razi	Gübretaş	Razi
Short-term employee benefits (*)	337.267	1.576.016	1.591.385	3.849.842
	337.267	1.576.016	1.591.385	3.849.842

(*) inc. attendance fees to the Board of Directors too.

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements
for the year ending 31 March 2015
(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 16- THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS

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 March 2015 is as follows;

	EURO	USD	JPY	TL (Functional Currency)
Current Assets	15.248.844	153.068.355	2.715.102	449.036.381
Trade Receivables	-	17.190.537	-	44.870.740
Monetary Financial Assets	378.467	119.434.687	2.715.102	312.878.895
Non-Monetary Financial Assets	266.677	404.123	-	1.809.776
Other	14.603.700	16.039.008	-	89.476.969
Non-Current Assets	3.800.839	36.991.243	-	107.314.337
Trade Receivables	-	570.582	-	1.489.333
Monetary Financial Assets	-	36.420.661	-	95.065.210
Non-Monetary Financial Assets	3.800.839	-	-	10.759.794
Total Assets	19.049.682	190.059.598	2.715.102	556.350.718
Short Term Liabilities	90.648.018	292.698.119	39.930.000	1.021.484.860
Trade Payables	4.759.636	170.045.280	39.930.000	458.194.998
Financial Liabilities	85.888.382	120.638.277	-	558.031.451
Non Monetary other Liabilities	-	2.014.562	-	5.258.411
Long Term Liabilities	42.909.090	-	-	121.471.344
Financial Liabilities	42.909.090	-	-	121.471.344
Total Liabilities	133.557.108	292.698.119	39.930.000	1.142.956.204
Net Financial Position	(114.507.425)	(102.638.521)	(37.214.898)	(586.605.485)
Net Foreign Exchange Asset/ (Liability) Position				
Monetary Items Net Foreign Exchange Asset/(Liability)	(133.178.641)	(117.067.089)	(37.214.898)	(683.393.614)

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 16- THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS (continued)

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

	EURO	USD	JPY	TL (Functional Currency)
Current Assets	14.944.266	151.179.847	2.715.102	392.776.767
Trade Receivables	-	32.112.790	-	74.466.348
Monetary Financial Assets	340.566	112.088.242	2.715.102	260.934.586
Non-Monetary Financial Assets	-	6.417.800	-	14.882.236
Other	14.603.700	561.016	-	42.493.597
Non-Current Assets	39.667.244	-	-	111.889.394
Trade Receivables	-	-	-	-
Monetary Financial Assets	35.637.322	-	-	100.522.196
Non-Monetary Financial Assets	4.029.921	-	-	11.367.199
Total Assets	54.611.509	151.179.847	2.715.102	504.666.161
Short Term Liabilities	101.555.564	311.994.242	-	1.009.941.227
Trade Payables	5.524.169	240.900.482	-	574.206.151
Financial Liabilities	96.031.395	69.946.713	-	433.075.189
Non Monetary other Liabilities	-	1.147.047	-	2.659.887
Long Term Liabilities	52.172.406	-	-	147.162.706
Financial Liabilities	52.172.406	-	-	147.162.706
Total Liabilities	153.727.970	311.994.242	-	1.157.103.933
Net Financial Position	-	-	-	-
Net Foreign Exchange Asset/ (Liability) Position	(99.116.461)	(160.814.395)	2.715.102	(652.437.772)
Monetary Items Net Foreign Exchange Asset/(Liability)	(117.750.082)	(166.646.163)	2.715.102	(718.520.916)

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 16- THE QUALITY AND LEVEL OF FINANCIAL INSTRUMENT RISKS (continued)

In the terms ending on 31 March 2015 and 31 December 2014, in case there is a (+)/(-)10% change in foreign exchange rates when the other variables are kept fixed according to the net foreign exchange position on the balance sheet of the company, the change on the pre-tax profit is as follows:

31 March 2015	Profit /(Loss)	
	In Case US Dollar Currency (10%)	
	Appreciates	Depreciates
Net Asset/Liability of US Dollar	(26.790.707)	26.790.707
Value Secured Against US Dollar (-)	-	-
Net Effect of US Dollar	(26.790.707)	26.790.707
Net Asset/ Liability of Euro	(32.415.907)	32.415.907
Value Secured Against Euro (-)	-	-
Net Effect of Euro	(32.415.907)	32.415.907
Net Effect of Other Foreign Currency	546.065	(546.065)
Value Secured Against Other Foreign Currency	-	-
Net Effect of Other Foreign Currency	546.065	(546.065)
	(58.660.549)	59.660.549

As explained in Note 2, the Group management has used the rates published by the Foreign Exchange Center ("Center") monitored by Central Bank of Iran Islam Republic. Had the Group used Turkish Lira /Iran Riyal market rate based on expected American Dollar/Iran Riyal market rate and the current Turkish Lira/ American Dollar rate net income would decrease by approximately 28 Million TL and the foreign currency adjustments would increase by 33 Million TL.

31 December 2014	Profit /(Loss)	
	In Case US Dollar Currency (10%)	
	Appreciates	Appreciates
Net Asset/Liability of US Dollar	(11.750.082)	11.750.082
Value Secured Against US Dollar (-)	-	-
Net Effect of US Dollar	(11.750.082)	11.750.082
Net Asset/ Liability of Euro	(16.646.163)	16.646.163
Value Secured Against Euro (-)	-	-
Net Effect of Euro	(16.646.163)	16.646.163
Net Effect of Other Foreign Currency	271.510	(271.510)
Value Secured Against Other Foreign Currency	-	-
Net Effect of Other Foreign Currency	271.510	(271.510)
	(43.939.697)	43.939.697

Gübre Fabrikaları Türk Anonim Şirketi and its Subsidiaries

Notes to the summary consolidated financial statements for the year ending 31 March 2015

(Currency - Turkish Lira (TL) unless otherwise indicated)

NOTE 17 - EVENTS AFTER THE BALANCE REPORTING DATE

At the 63 th Ordinary General Meeting convened on 16 April 2015 at 10.00 at the Company Headquarters, Merdivenköy Mahallesi Bora Sokak No:1 Nida Kule İş Merkezi Göztepe, Kadıköy / İstanbul. It was resolved that; Date from 31, July 2015 to pay TL 50.100.000 (1 TL nominal value share: Gross 0,1500 TL, Net 0,1275 TL) as cash from identified distributable profit; as a result of fiscal year' financial activities and as its mentioned with the principals included in the Capital Market Board's Communiqué, Serial II No:19-1.

As a result of the eviction lawsuit against Denizciler Birliği Deniz Nakliyatı ve Tic. A.Ş., termination of the contract due to the relief for part of our receivables by the local court had been approved by the Court of Cassation. Since the defendants' appeal request will not stop the eviction process; at the request of our company, Legal followup management made a decision on 03.12.2015 against the defendants' eviction and gave time for delivery of our company. Nevertheless, for the defendant not fulfilling the eviction process, proceedings have been initiated as of 27.04.2015 through the Followup Management.

Mine operating license rights, which belong to our company, and located in the town of Bilecik/Kızılsaray was transferred to Koza Altın İşletmeleri A.Ş with royalty contract dated 02.07.2007. During this process Koza Altın İşletmeleri A.Ş. did not fulfill their obligations under the contract. Therefore to protect the interest of our company, it was decided at Boards of Directors meeting dated 16.04.2015 to take back mine license by extinguish the agreement with authorize the necessary legal processes included bring a suit.

In the 63rd Ordinary General Meeting, the article 7 and 14 of the Article of Association, which amended in the scope of compliance to Turkish Commercial Code and to Capital Market Law because of the increasing of authorized capital, was accepted by majority voting. Authorized capital of company which approved by General Assembly has been registered by İstanbul Trade Registry Office on April 30, 2015 and announced at Turkish Trade Registry Gazette on May 7, 2015.

Petrol-İş Union organized within our Company, has decided to start strike on May 07, 2015.