

# INVESTOR PRESENTATION

January 2014



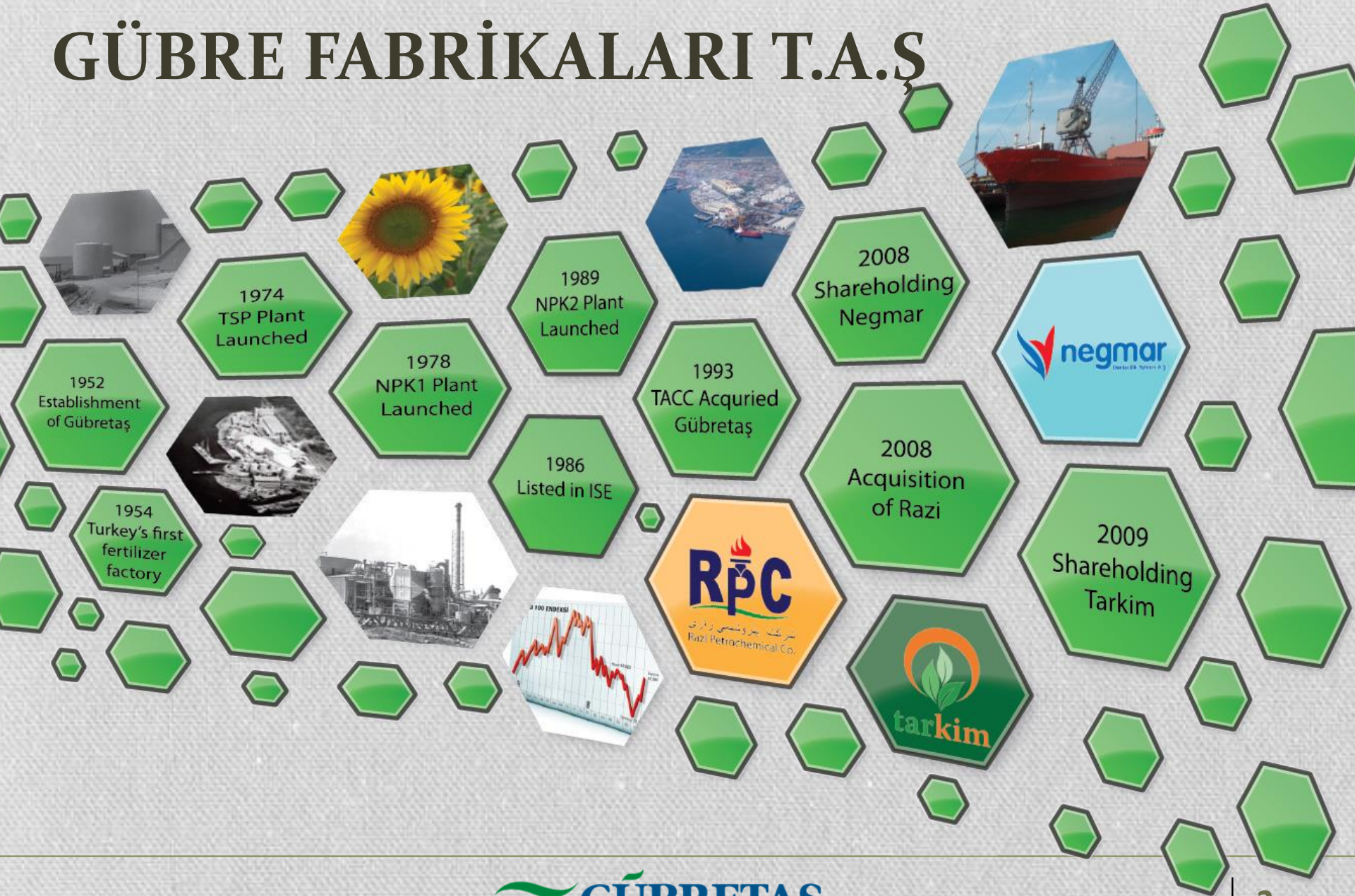
AN AFFILIATE OF THE TURKISH  
AGRICULTURAL CREDIT  
COOPERATIVES



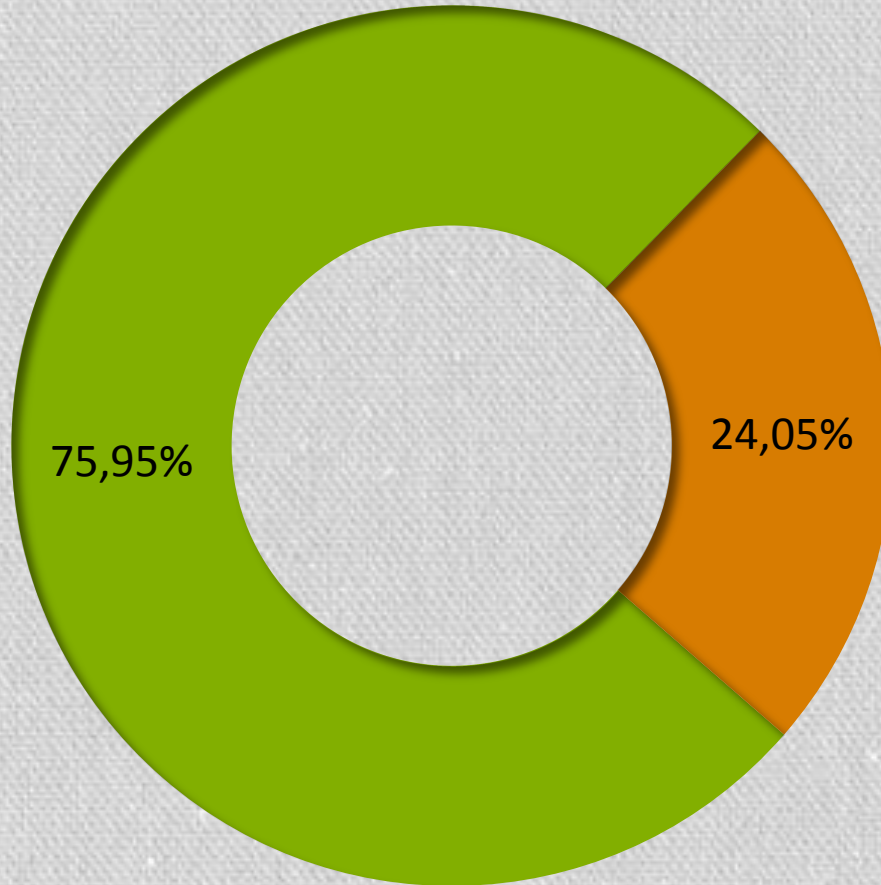
### Gübre Fabrikaları T.A.Ş

Date of Establishment	25.12.1952
Paid Capital	334.000.000TL
Listing	Borsa Istanbul (BIST)
Ticker Symbol	GUBRF

# GÜBRE FABRİKALARI T.A.Ş



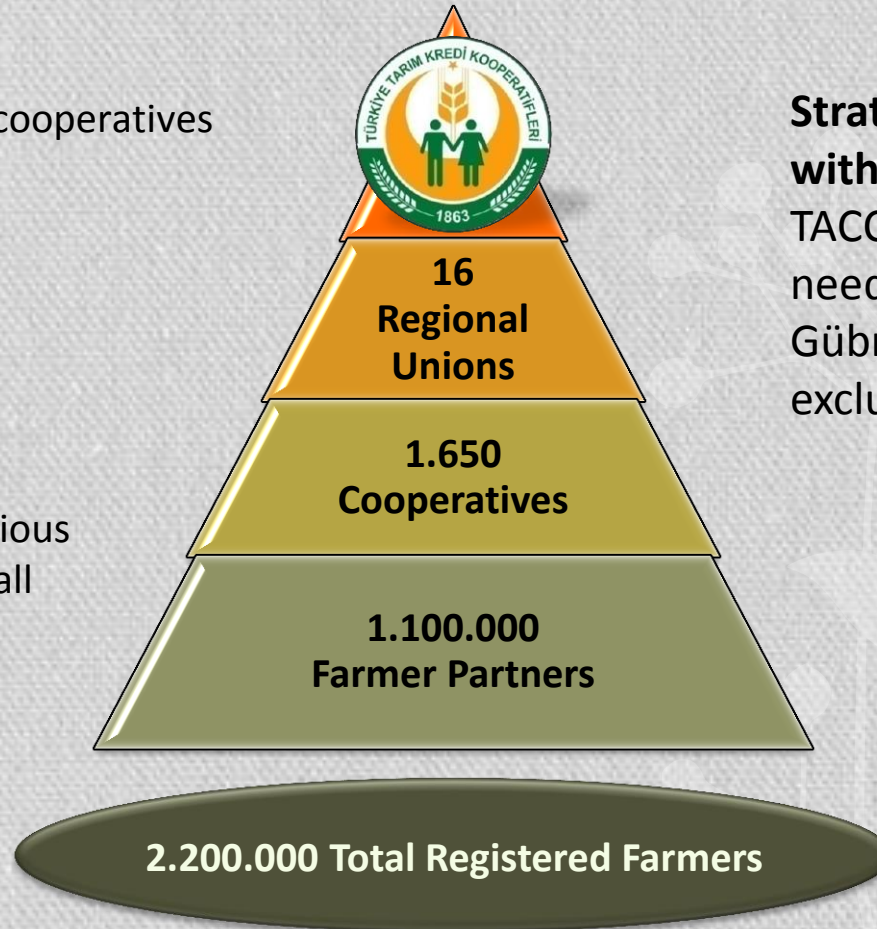
# OWNERSHIP STRUCTURE



- Main Shareholder - The Central Union of Turkish Agricultural Credit Cooperatives
- Public Shares

# THE CENTRAL UNION OF TURKISH AGRICULTURAL CREDIT COOPERATIVES

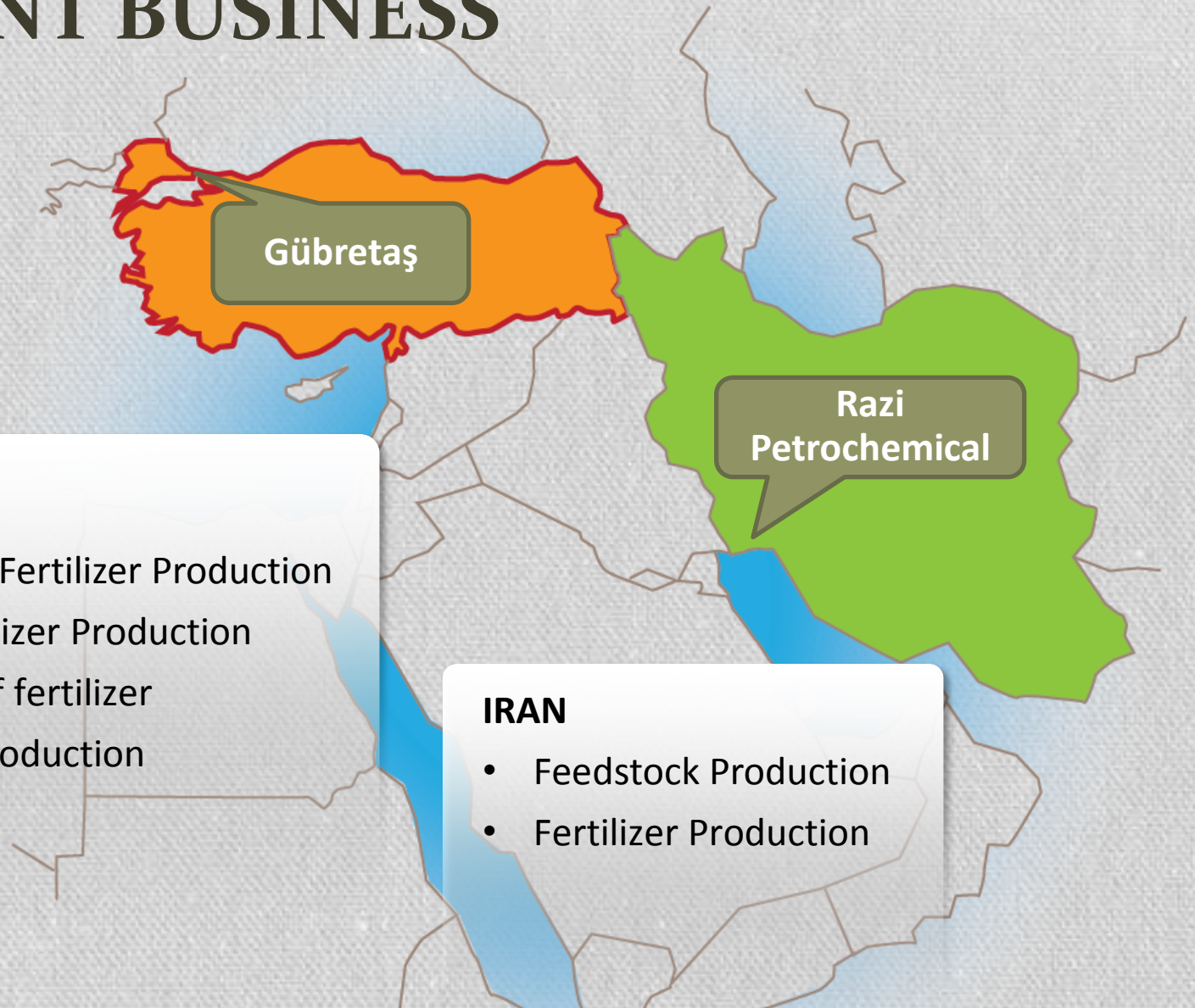
- Leading agricultural cooperatives
- Founded in 1863
- 10.000 employees
- 14 Subsidiaries
- Support farmers' various procurement needs all the way from fertilizers to tractors



## Strategic Relationship with GÜBRETAS

TACC procures all fertilizer needs of its partners from GÜBRETAS with the exclusive agreement

# CURRENT BUSINESS



## TURKEY

- Compound Fertilizer Production
- Liquid Fertilizer Production
- Marketer of fertilizer
- Pesticide Production
- Shipping

## IRAN

- Feedstock Production
- Fertilizer Production

# TURKISH FERTILIZER OUTLOOK

## Main Drivers

- Fertilizer Prices
- Agricultural Product Prices
- General Financial Conditions
- Farmers' Purchasing Power
- Irrigation
- Weather Conditions
- Government's Agricultural Policies

## Feedstock Scarcity

- Scarcity of main nutrients:
  - Nitrogen (N)
  - Phosphate (P)
  - Potassium (K)
- Depends on raw material rich countries

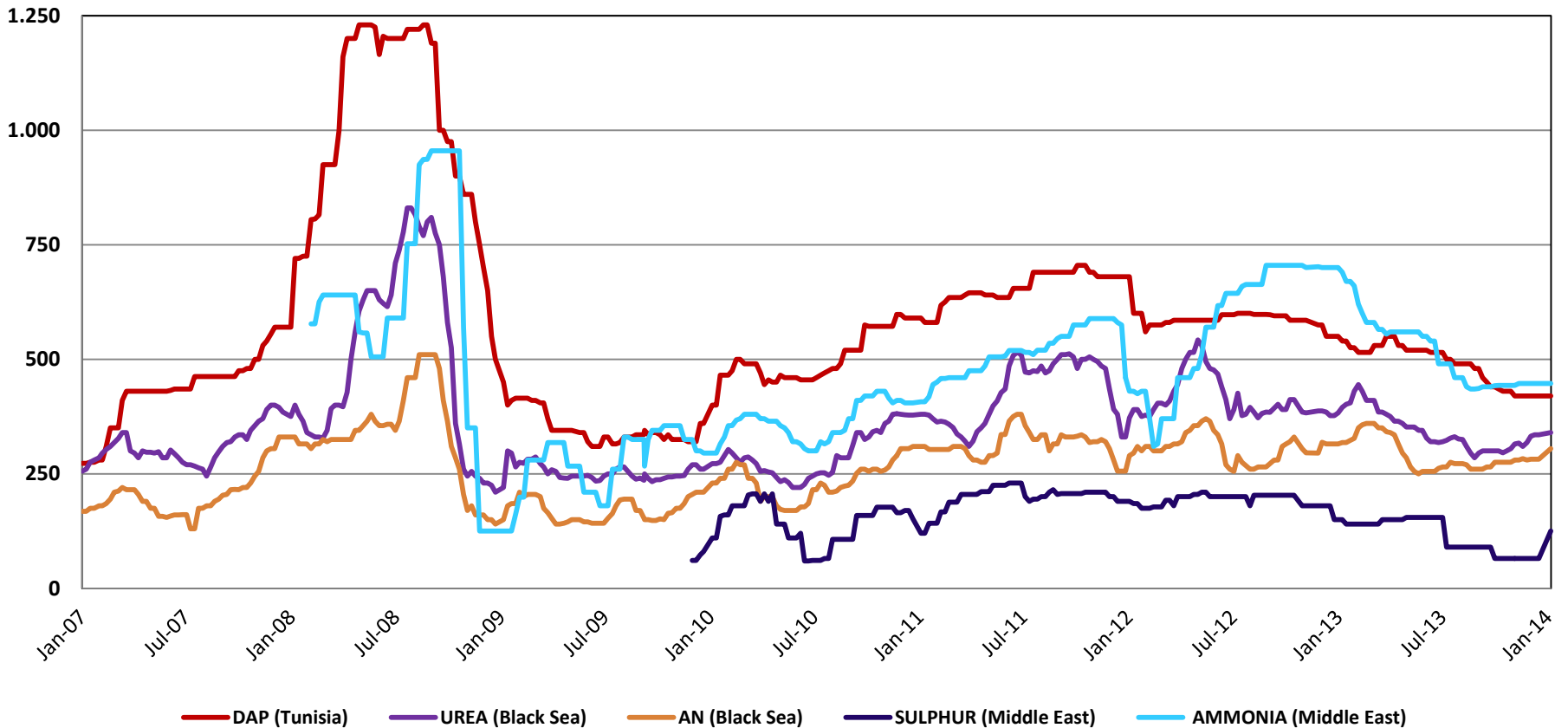
## Growth Potential

Fertilizer (nutrient based) use per hectare of arable land for selected countries

- Turkey: 95 kg
- Greece: 153 kg
- UK: 252 kg
- Germany: 211 kg
- USA: 120 kg
- World Average: 116

# FERTILIZER PRICES

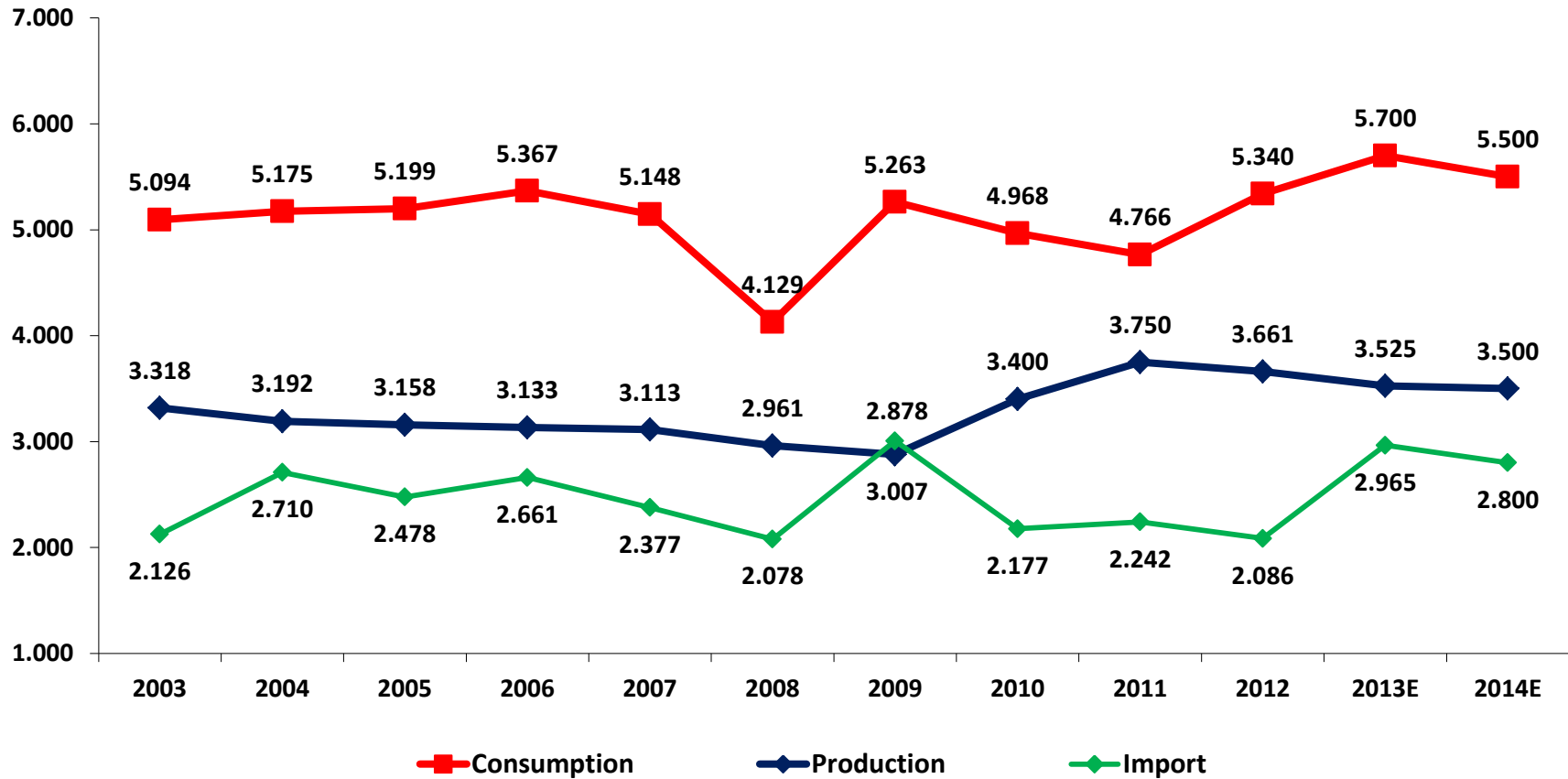
## World Fertilizer Prices (FOB US\$ / Ton)



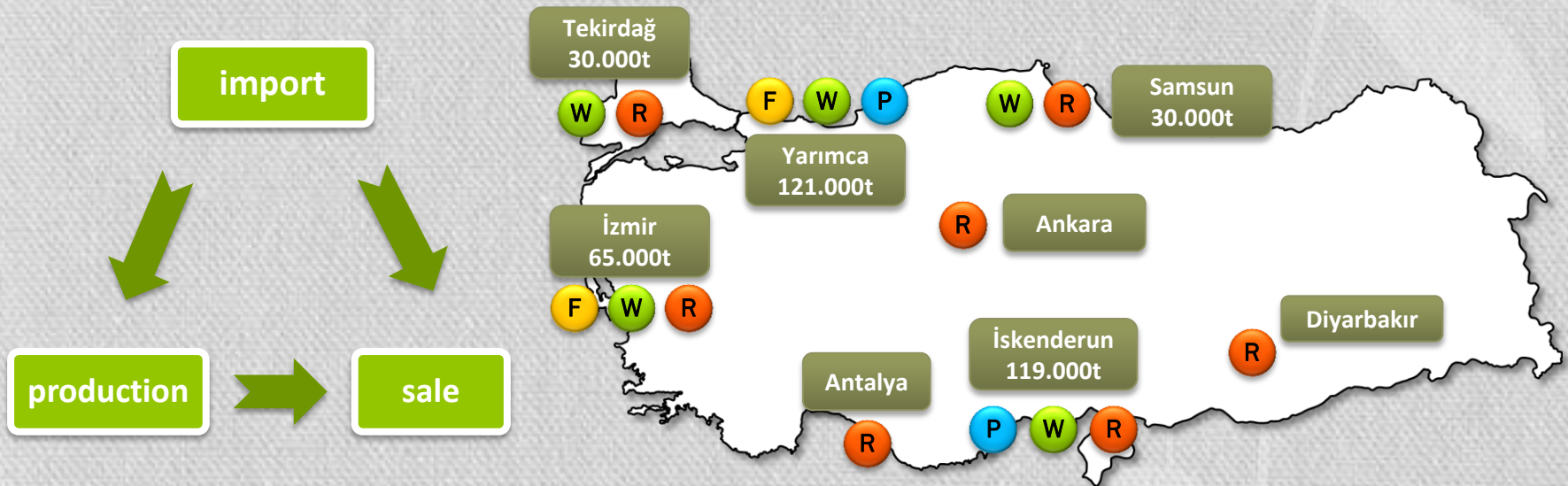


# MARKET OVERVIEW

## Turkish Fertilizer Sector (1.000tons)



# OPERATIONS IN TURKEY



- 2 Ports
- 5 Warehouses
- 7 Regional Sale Offices
- 2.720 dealer
- 365.000 ton Warehouse Capacity

- F : Production Facility
- P : Port
- W : Warehouse
- R : Regional Sale Office

# PRODUCTS

SOLID

LIQUID

POWDER

SPECIAL



164 Type of Products

## Products - General Use

AN	TSP	15.15.15
CAN	MAP	15.15.15+ZN
CAN GR	PS GR	15.15.15+20SO3
AS	PATENT KALI	15.15.15+ZN+20SO3
URE	20.20.0	15.15.10 +ZN+20SO3
URE GR	20.20.0+ZN	25.5.0
DAP		

## Products - Specific Use

13.24.12+10SO3+ZN (Corn)	23.12.9+ZN (Sunflower)
10.25.20+20SO3+ZN (Potato)	12.30.12 (Sugar beet)
10.25.5+5CaO+15SO3 (Crop)	15.20.10+1,5ZN (Paddy)
18.9.15+2MGO+10SO3 (Citrus)	13.18.15+2MGO (Super Sugar Beet)
13.25.5+10SO3+0,5ZN (Crop)	25.5.10 (Tea)

# PRODUCTION FLOW CHART

## YARIMCA PRODUCTION FACILITIES

### Main Inputs

- AMMONIA
- UREA
- AS
- PHOSPHATE ROCK
- S.ACID
- F.ACID
- POTASSIUM



### Main Products

- TSP
- 20.20.0
- 20.20.0.ZN
- 15.15.15
- 15.15.15.ZN
- 13.24.12
- 13.25.5
- 23.12.9

PRODUCTION CAPACITY:  
985.000 TON/YEAR

**TSP**  
185.000  
ton/year

**NPK 1**  
200.000  
ton/year

**NPK 2**  
300.000  
ton/year

**NPK 3**  
250.000  
ton/year

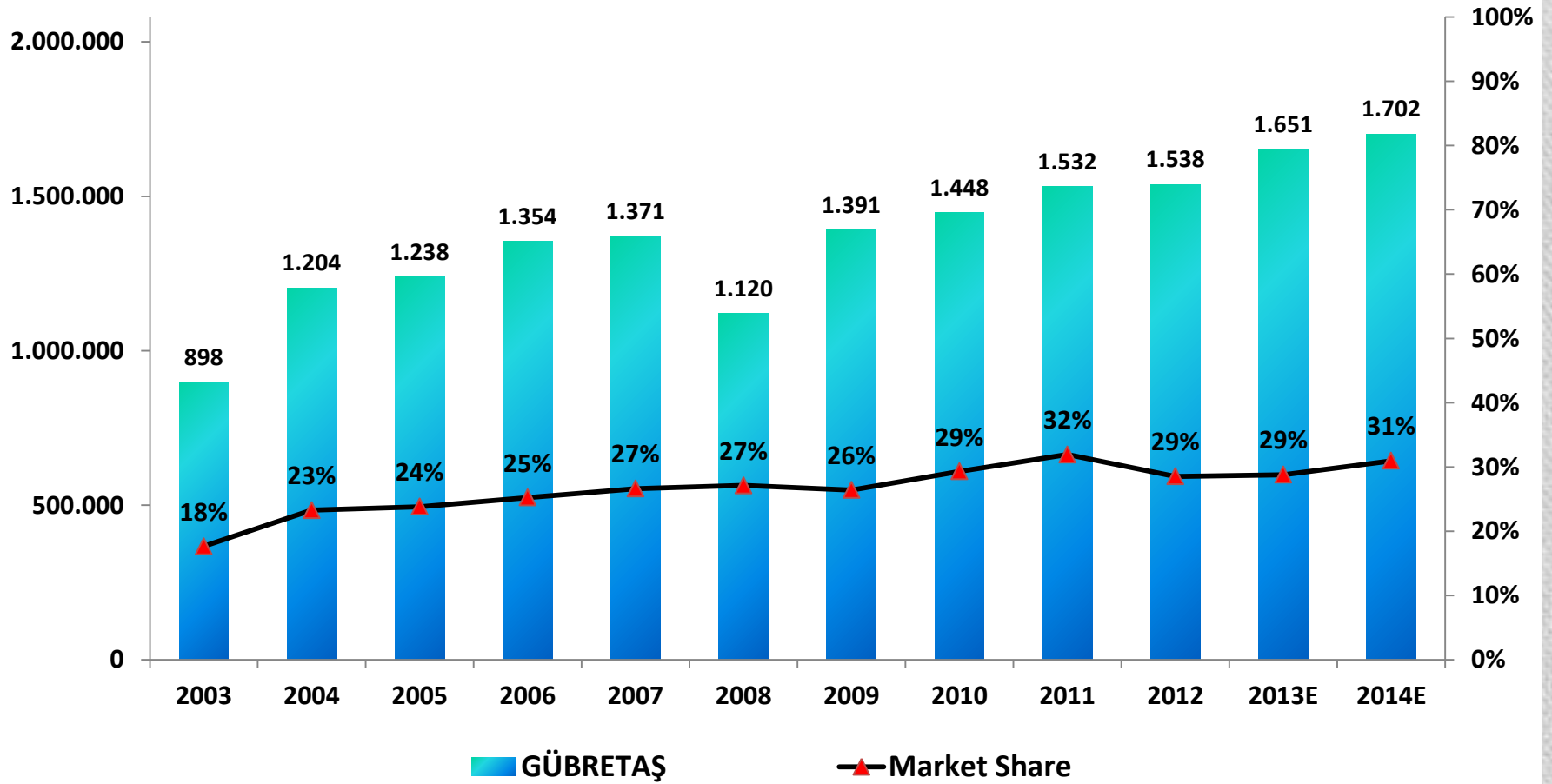
**NPK 4**  
250.000  
ton/year

**Liquid Fertilizer  
Production**  
25.000  
ton/year

NPK3 and NPK4's production will be launched at August 2014  
and NPK1 will be deactivated.

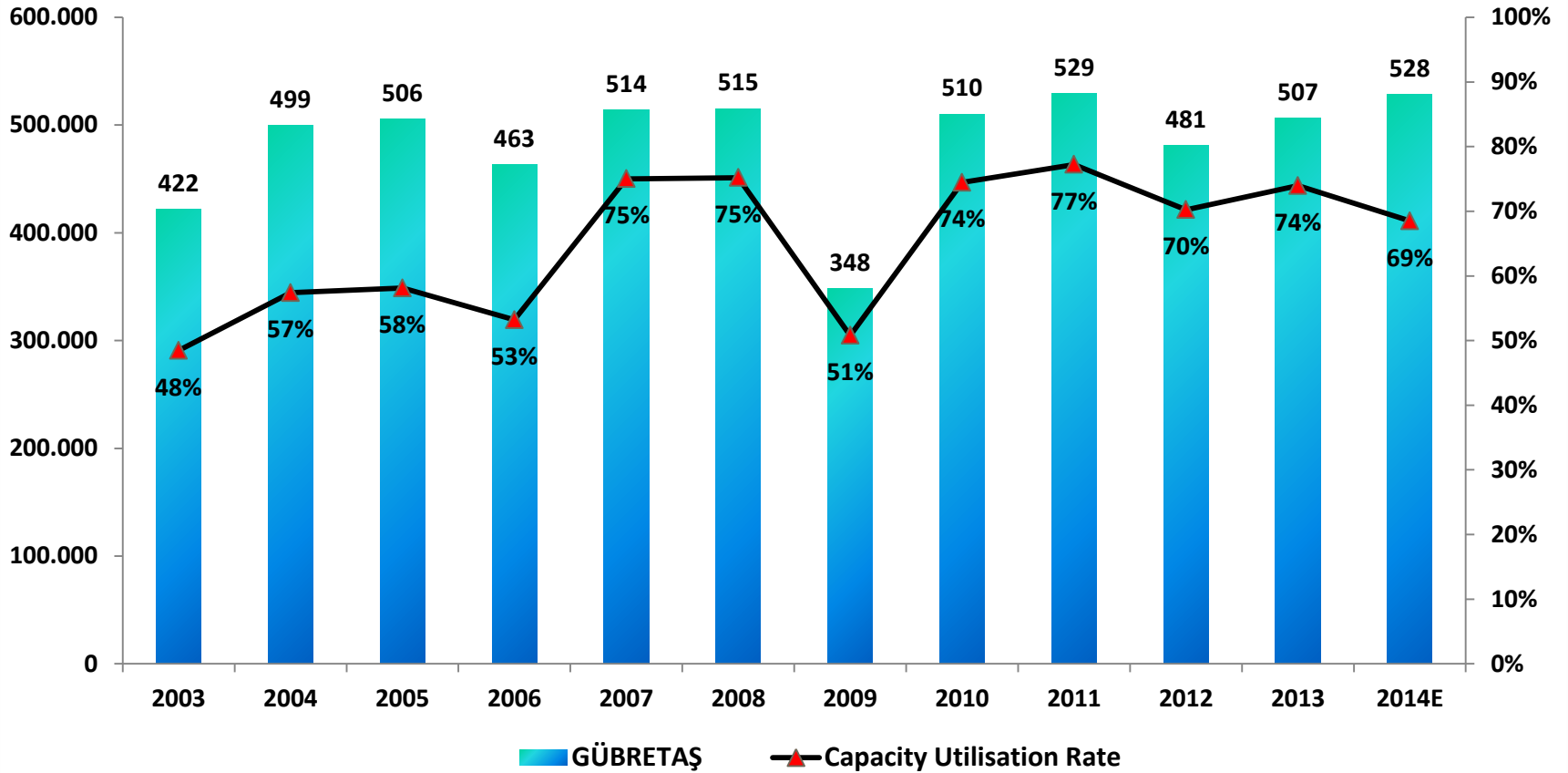
# MARKET SHARE

## Gübretaş Sales (1.000tons)



# PRODUCTION & C.U.R.

## Gübretaş Production (1.000tons)



# RAZI PETROCHEMICAL CO.

- Established in 1968
- The largest fertilizer complex in Iran
- Producer of Ammonia, Urea, Sulphur, Sulphuric Acid, Phosphoric Acid and DAP
- Located near the Mahsahr city at The Khuzestan province of Iran
- Advantage of processing both sour and sweet natural gas

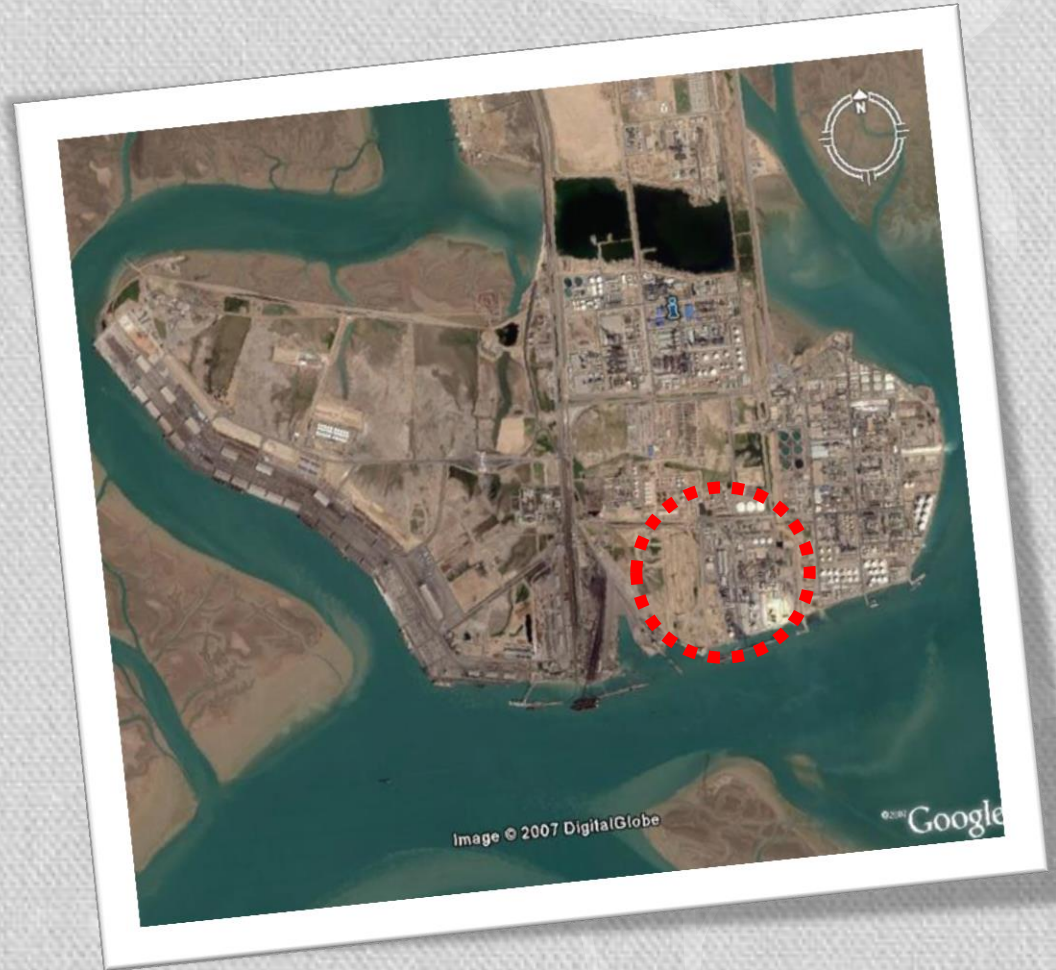


شرکت پتروشیمی رازی  
Razi Petrochemical Co.



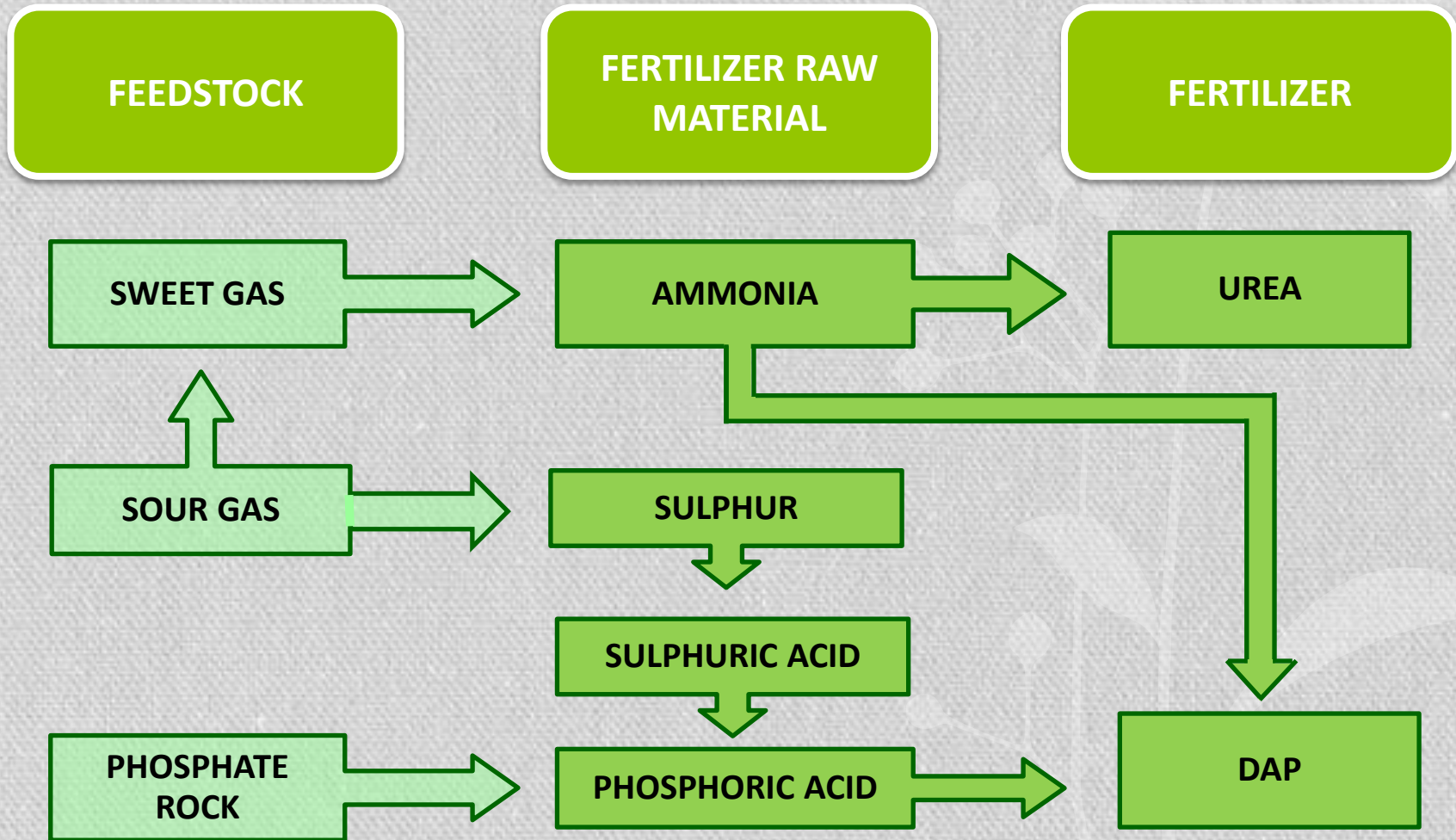
# RAZI PETROCHEMICAL CO.

- The consortium led by Gübretaş purchased 95.62% of Razi Petrochemical Co. shares from Iranian Privatization Organization in 2008 (656 million USD).
- Gübretaş has 48,88% stake in Razi Petrochemical Co.
- 3 members out of 5 at the board.
- Full consolidation





# RAZI PETROCHEMICAL CO.



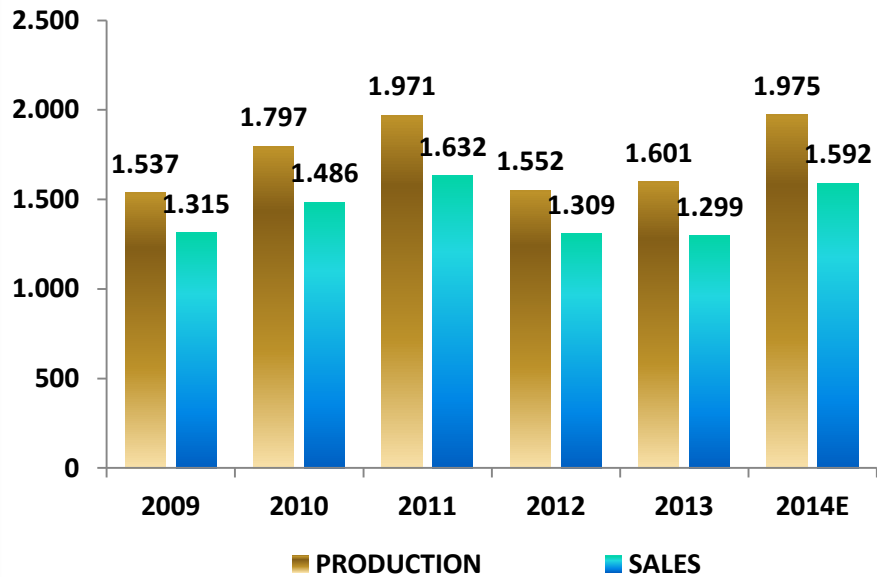
# RAZI PETROCHEMICAL CO.

PRODUCTION CAPACITY		
Plant	Number of Plant	Capacity (tons)
Ammonia	3	1.336.000
Urea	1	594.000
DAP	2	450.000
Sulphuric Acid	2	627.000
Sulphur Granul.	1	508.000
<b>Total</b>	<b>9</b>	<b>3.515.000</b>

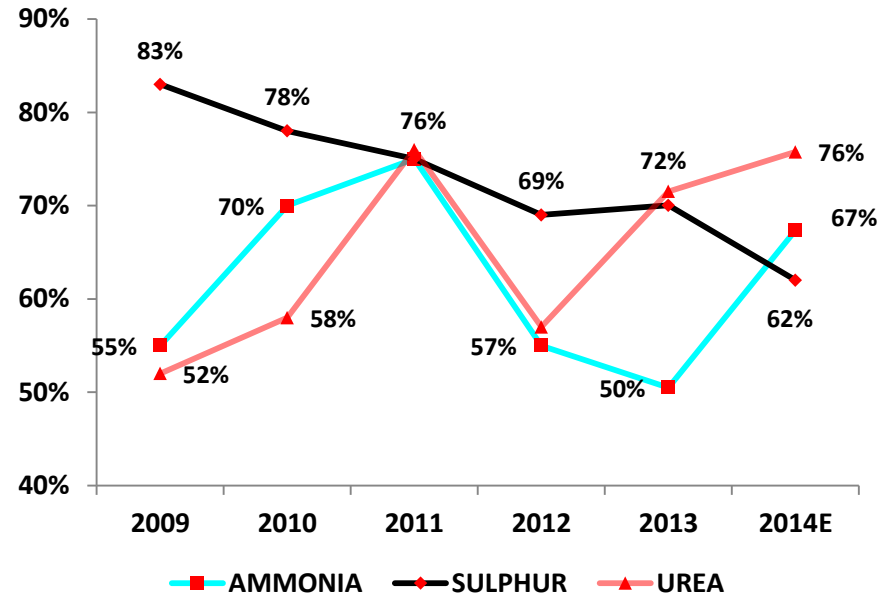


# RAZI PETROCHEMICAL CO.

## Production-Sales (1.000tons)

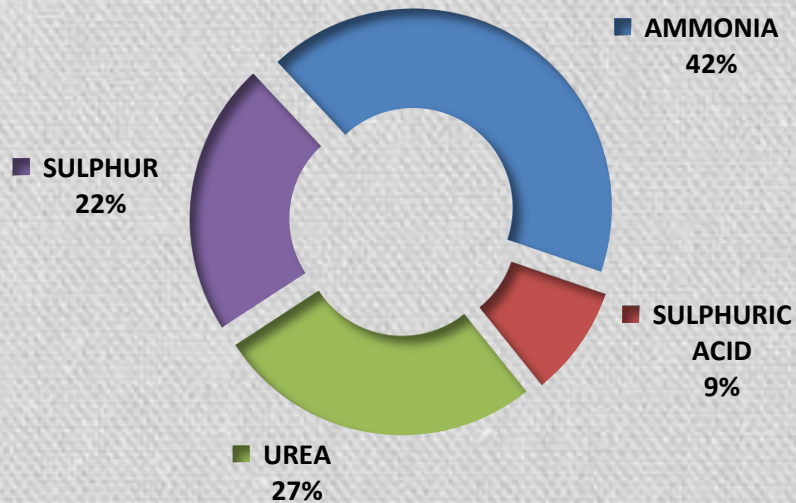


## Capacity Utilization Rate

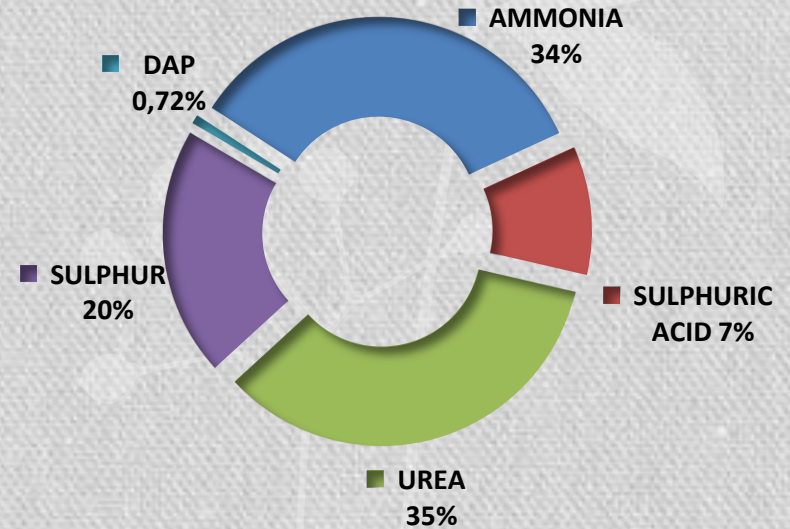


# RAZI PETROCHEMICAL CO.-2013

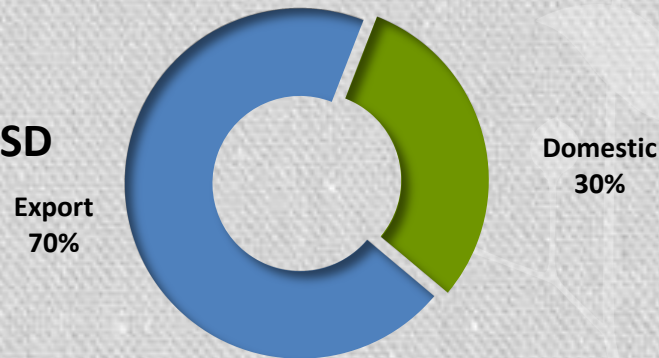
## PRODUCTION-Tons



## SALES-Tons



## SALES COMPOSITION-USD



# RAZI PETROCHEMICAL CO.

Estimated Production (Ton)		
Product	C.U.R.	2014E
Ammonia	67%	900.000
Urea	76%	450.000
Sulphur	62%	315.000
Sulphuric Acid	38%	240.000
DAP	16%	70.000
<b>Total</b>	<b>56%</b>	<b>1.975.000</b>

Estimated Sales (Ton)	
Product	2014E
Ammonia	599.700
Urea	450.000
Sulphur	233.400
Sulphuric Acid	238.600
DAP	70.000
<b>Total</b>	<b>1.591.700</b>

Expected Sales Price (US\$/Ton)	
Product	2014E
Ammonia (CIF)	530
Urea	292
Sulphur	90
Sulphuric Acid	45
DAP	560

Expected Sales Revenues (US\$/Mil)	
Product	2014E
Ammonia	318
Urea	131
Sulphur	21
Sulphuric Acid	11
DAP	39
<b>Total</b>	<b>520</b>

# RAZI PETROCHEMICAL CO.



OPERATING PROFORMA		2014E
Capacity Utilization Rate		56%
Production	'000 Ton	1.975
Sales	'000 Ton	1.592
Revenues	US\$ Mil.	520
<b>EBITDA</b>	<b>US\$ Mil.</b>	<b>241</b>
EBITDA Margin		46%
Net Income	US\$ Mil.	207
<b>Net Income Margin</b>		<b>40%</b>
Capex	US\$ Mil.	43

# 2004 - 2014 ECONOMIC PROFILE

## Consolidated Income Statement (Million TL)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013E	2014E
<b>Revenues</b>	<b>428</b>	<b>414</b>	<b>481</b>	<b>610</b>	<b>1.412</b>	<b>1.045</b>	<b>1.385</b>	<b>2.276</b>	<b>2.227</b>	<b>2.100</b>	<b>2.488</b>
Sales Growth	68%	-3%	16%	27%	131%	-26%	33%	64%	-2%	-6%	18%
<b>COG</b>	<b>374</b>	<b>371</b>	<b>421</b>	<b>529</b>	<b>943</b>	<b>930</b>	<b>952</b>	<b>1.582</b>	<b>1.580</b>	<b>1.582</b>	<b>1.753</b>
<b>Gross Profit</b>	<b>54</b>	<b>43</b>	<b>60</b>	<b>81</b>	<b>469</b>	<b>115</b>	<b>433</b>	<b>695</b>	<b>647</b>	<b>518</b>	<b>735</b>
Gross Margin	13%	10%	12%	13%	33%	11%	31%	31%	29%	25%	30%
G & A Expenses	36	36	38	42	72	79	104	182	166	231	226
G & A / Sales	9%	9%	8%	7%	5%	8%	8%	8%	7%	11%	9%
<b>EBIT</b>	<b>18</b>	<b>7</b>	<b>22</b>	<b>39</b>	<b>398</b>	<b>36</b>	<b>329</b>	<b>513</b>	<b>482</b>	<b>287</b>	<b>509</b>
EBIT Margin	4%	2%	5%	6%	28%	3%	24%	23%	22%	14%	20%
Net Other Income/Exp.	6	6	7	-10	136	78	49	120	-8,5	-49	54
<b>Earnings Before Tax</b>	<b>11</b>	<b>1</b>	<b>15</b>	<b>49</b>	<b>262</b>	<b>-42</b>	<b>280</b>	<b>392</b>	<b>472</b>	<b>239</b>	<b>563</b>
<b>Net Income</b>	<b>7</b>	<b>1,2</b>	<b>9</b>	<b>39</b>	<b>282</b>	<b>-48</b>	<b>245</b>	<b>375</b>	<b>430</b>	<b>239</b>	<b>537</b>
Net Income Margin	2%	0,3%	2%	6%	20%	-5%	18%	16%	19%	11%	22%
<b>Adjusted Net Income</b>	<b>7</b>	<b>1</b>	<b>9</b>	<b>39</b>	<b>103</b>	<b>-59</b>	<b>120</b>	<b>130</b>	<b>190</b>	<b>60</b>	<b>211</b>
Adjusted Net Income Margin	2%	0,3%	2%	6%	7%	-6%	9%	6%	9%	3%	8%
<b>EBITDA</b>	<b>19</b>	<b>8</b>	<b>24</b>	<b>46</b>	<b>449</b>	<b>106</b>	<b>402</b>	<b>606</b>	<b>534</b>	<b>333</b>	<b>563</b>
EBITDA Margin	4%	2%	5%	8%	32%	10%	29%	27%	24%	16%	23%
<b>Adjusted EBITDA</b>	<b>19</b>	<b>8</b>	<b>24</b>	<b>46</b>	<b>238</b>	<b>43</b>	<b>224</b>	<b>316</b>	<b>250</b>	<b>183</b>	<b>311</b>
Adjusted EBITDA Margin	4%	2%	5%	8%	17%	4%	16%	14%	11%	9%	13%

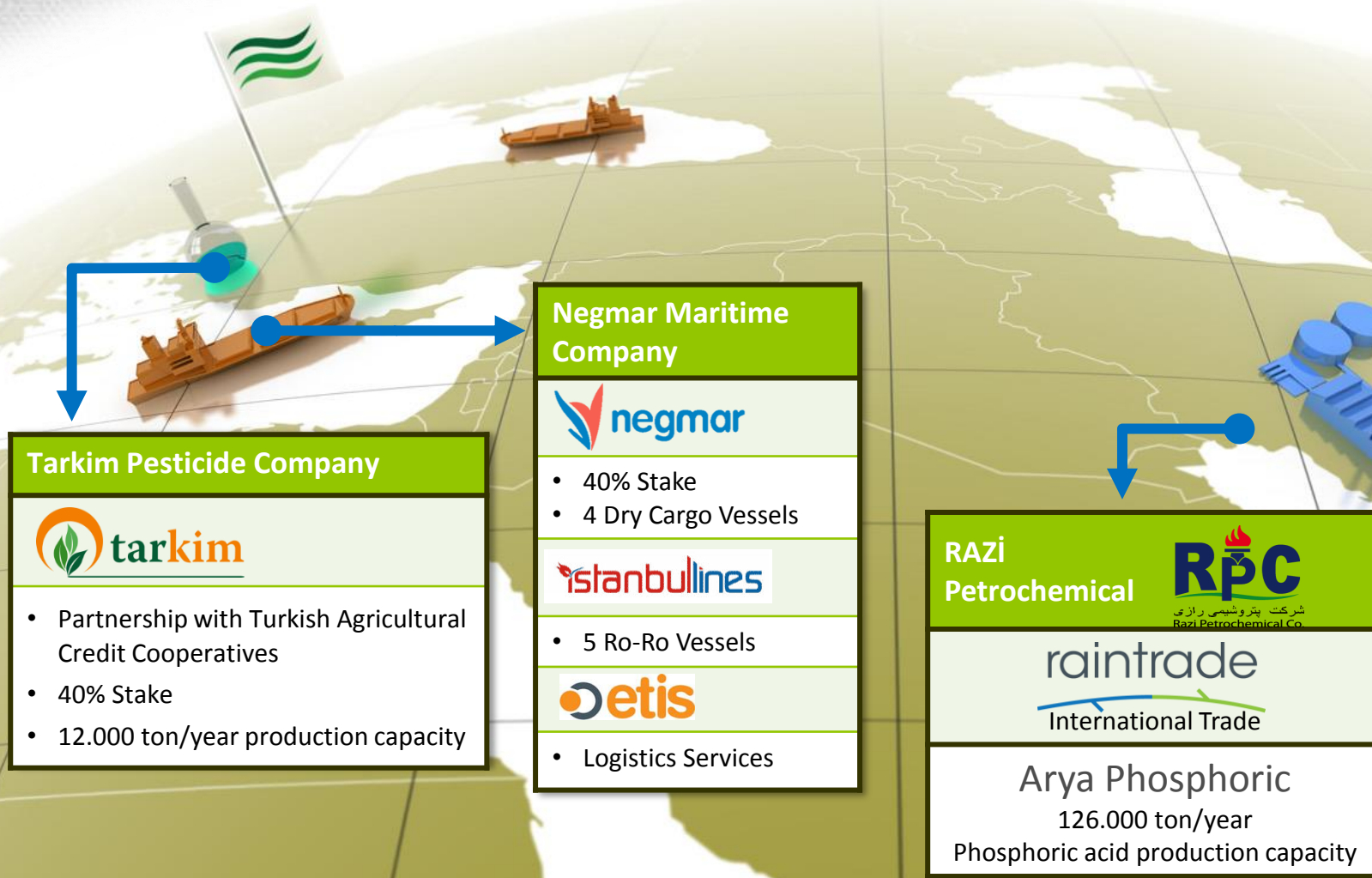
# NEW INVESTMENT AT YARIMCA FACILITY

- NPK/DAP Plant
  - 500.000Ton/Year capacity
- Ammonia Tank
  - 25.000Ton Capacity
- 60.000.000€ Capex
- Launch in August 2014
  
- Capacity Increase
- NPK & DAP Production
- Liquid Raw Material Usage
- Cost Advantage





# SUBSIDIARIES



**Tarkim Pesticide Company**



- Partnership with Turkish Agricultural Credit Cooperatives
- 40% Stake
- 12.000 ton/year production capacity

**Negmar Maritime Company**



- 40% Stake
- 4 Dry Cargo Vessels



- 5 Ro-Ro Vessels



- Logistics Services

**RAZI Petrochemical**



شرکت پتروشیمی رازی  
Razi Petrochemical Co.



International Trade

**Arya Phosphoric**  
126.000 ton/year  
Phosphoric acid production capacity

# Thank You

INVESTOR RELATIONS MANAGEMENT	
Phone	+90 212 376 50 50
Fax	+90 212 288 13 76
Web Site	<a href="http://www.gubretas.com.tr">www.gubretas.com.tr</a>
E-Mail	<a href="mailto:hkarakus@gubretas.com.tr">hkarakus@gubretas.com.tr</a>
Address	Kasap Sk. No:22 Esentepe 34394 Sisli/Istanbul/Turkiye

## DISCLAIMER

This presentation may contain forward-looking statements within the meaning of securities laws which may by their nature involve risk and uncertainty. All statements that address the firm's objectives, estimates, predictions, expectations or projections about the future including such statements as the company's growth, cost reduction and restructuring plans, expenditures and financial results are forward-looking statements.

These statements are based on current plans, estimates and expectations. Actual results may differ materially from those projected in such forward-looking statements and therefore investors should not place undue reliance on them. Gbretař undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, or otherwise.

