

# INVESTOR PRESENTATION

February 2015

 **GÜBRETAS**

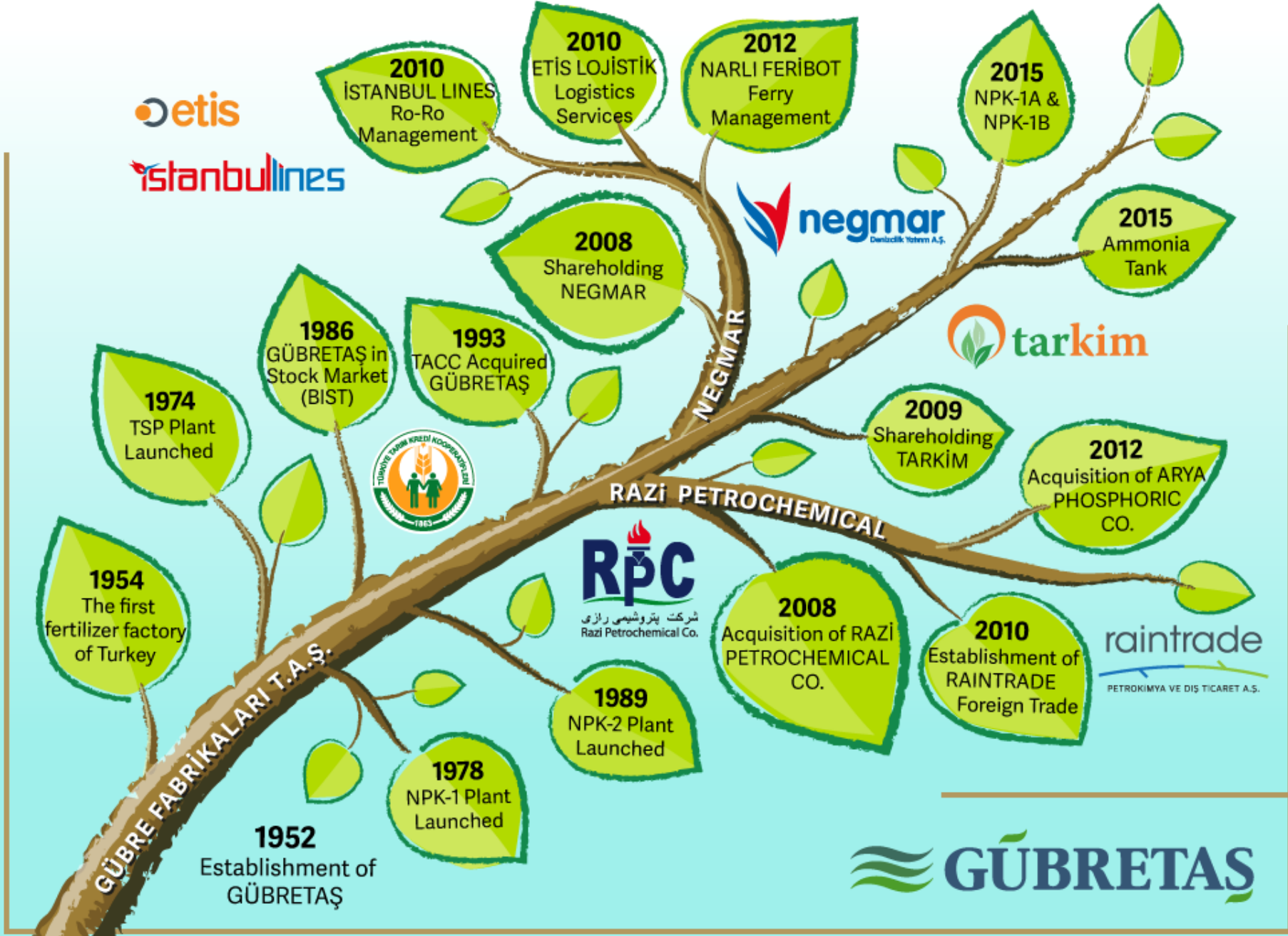


A SUBSIDIARY OF THE TURKISH  
AGRICULTURAL CREDIT  
COOPERATIVES

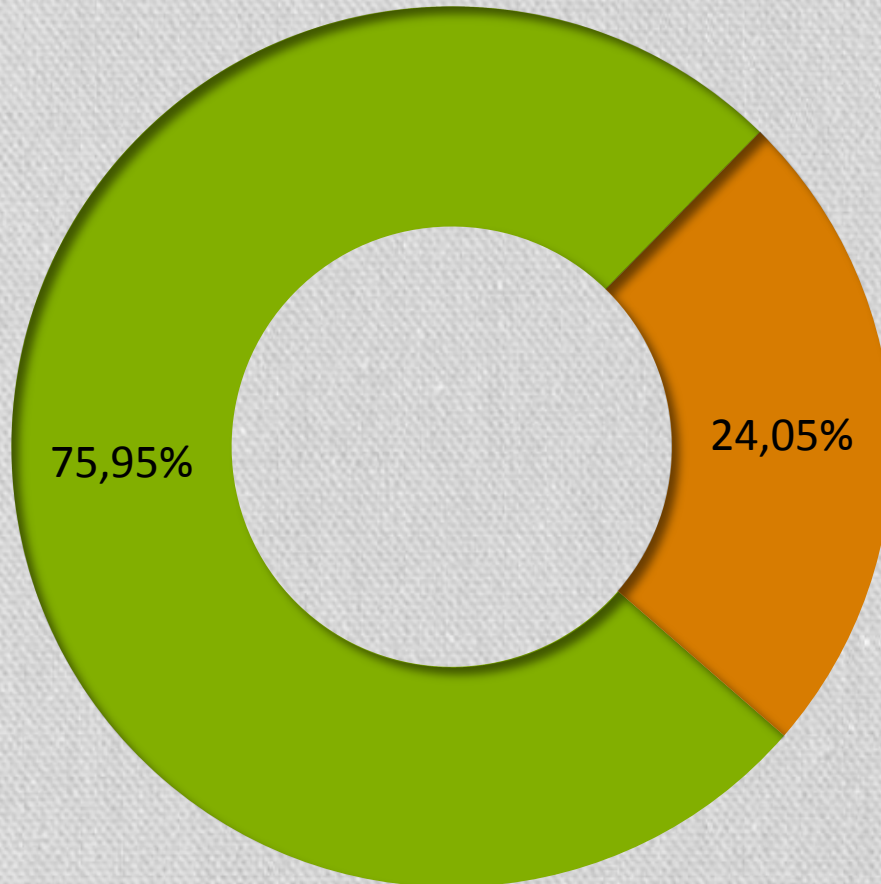


### Gübre Fabrikaları T.A.Ş

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



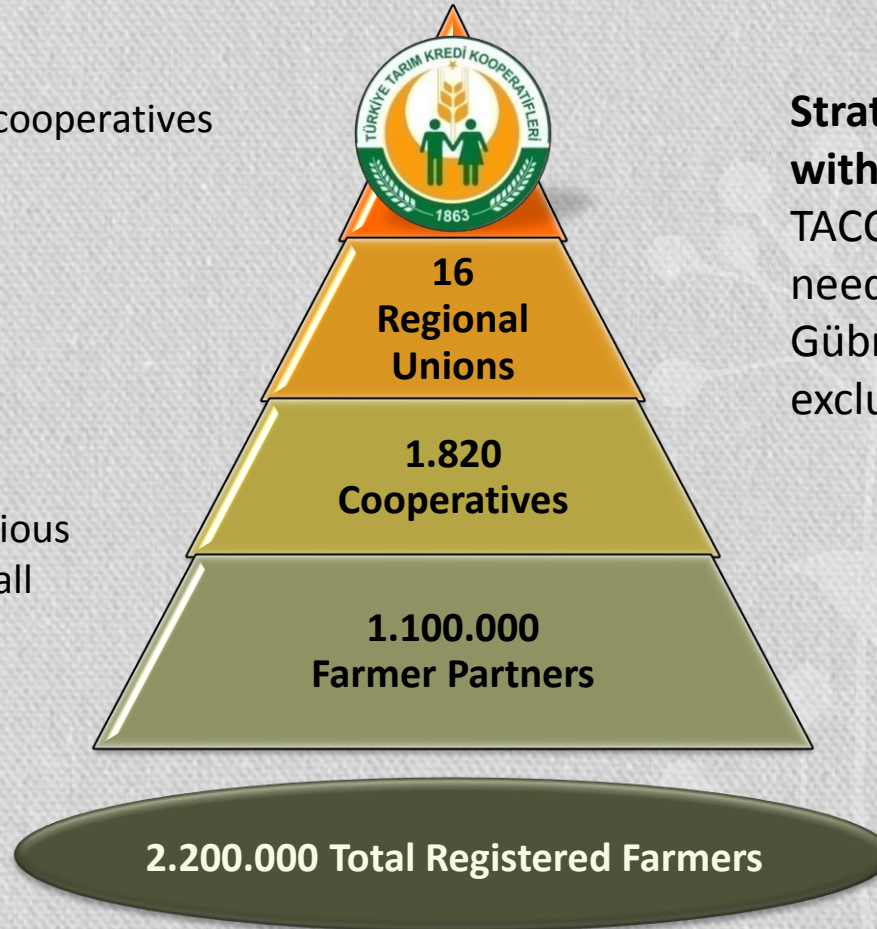
# OWNERSHIP STRUCTURE



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

# THE CENTRAL UNION OF TURKISH AGRICULTURAL CREDIT COOPERATIVES

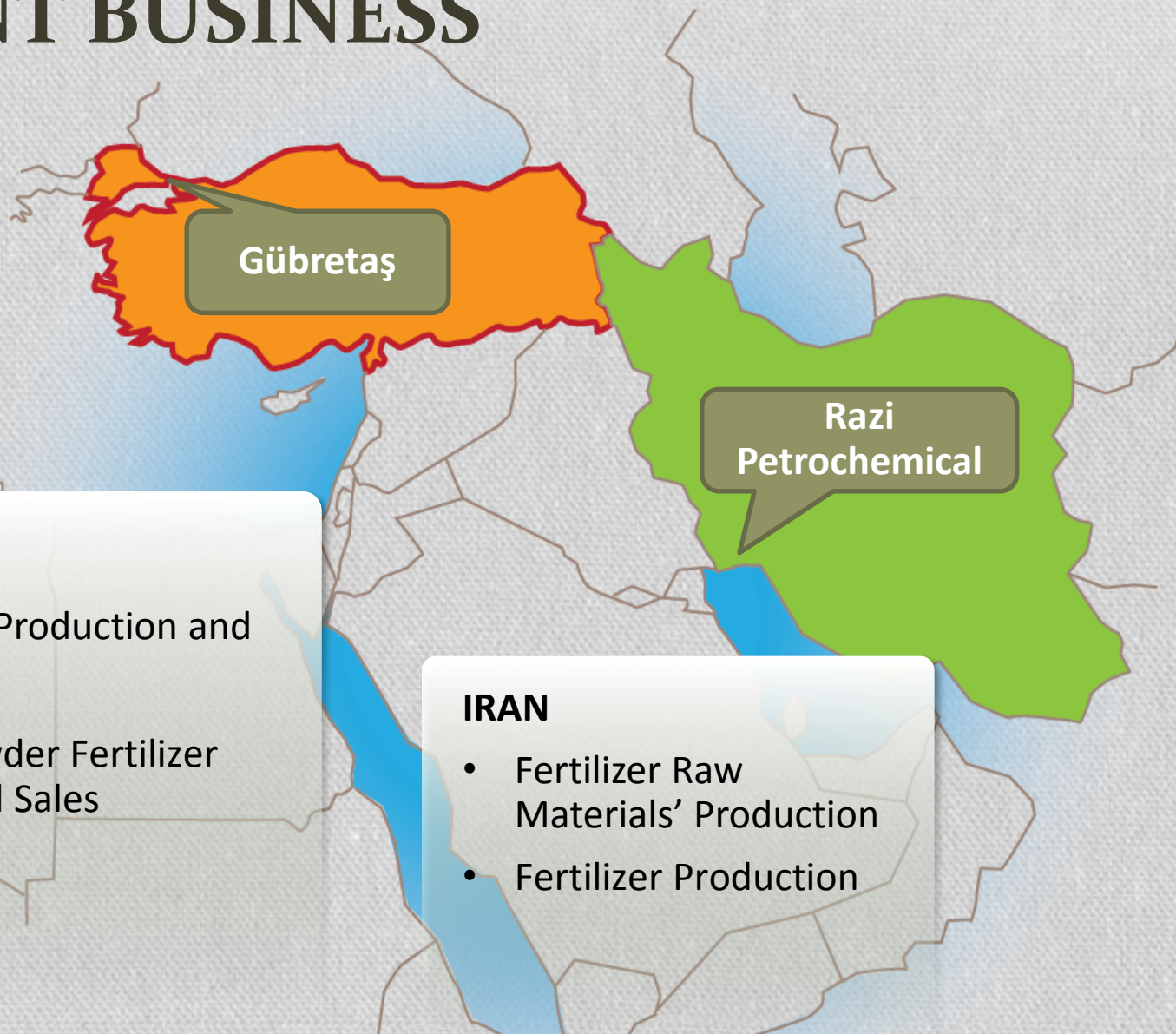
- Leading agricultural cooperatives
- Founded in 1863
- 10.000 employees
- 19 Subsidiaries
- Support farmers' various procurement needs all the way from fertilizers to tractors



## Strategic Relationship with Gübretaş

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

# CURRENT BUSINESS



## TURKEY

- Solid Fertilizer Production and Sales
- Liquid and Powder Fertilizer Production and Sales

## IRAN

- Fertilizer Raw Materials' 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

## Lack of Fertilizers

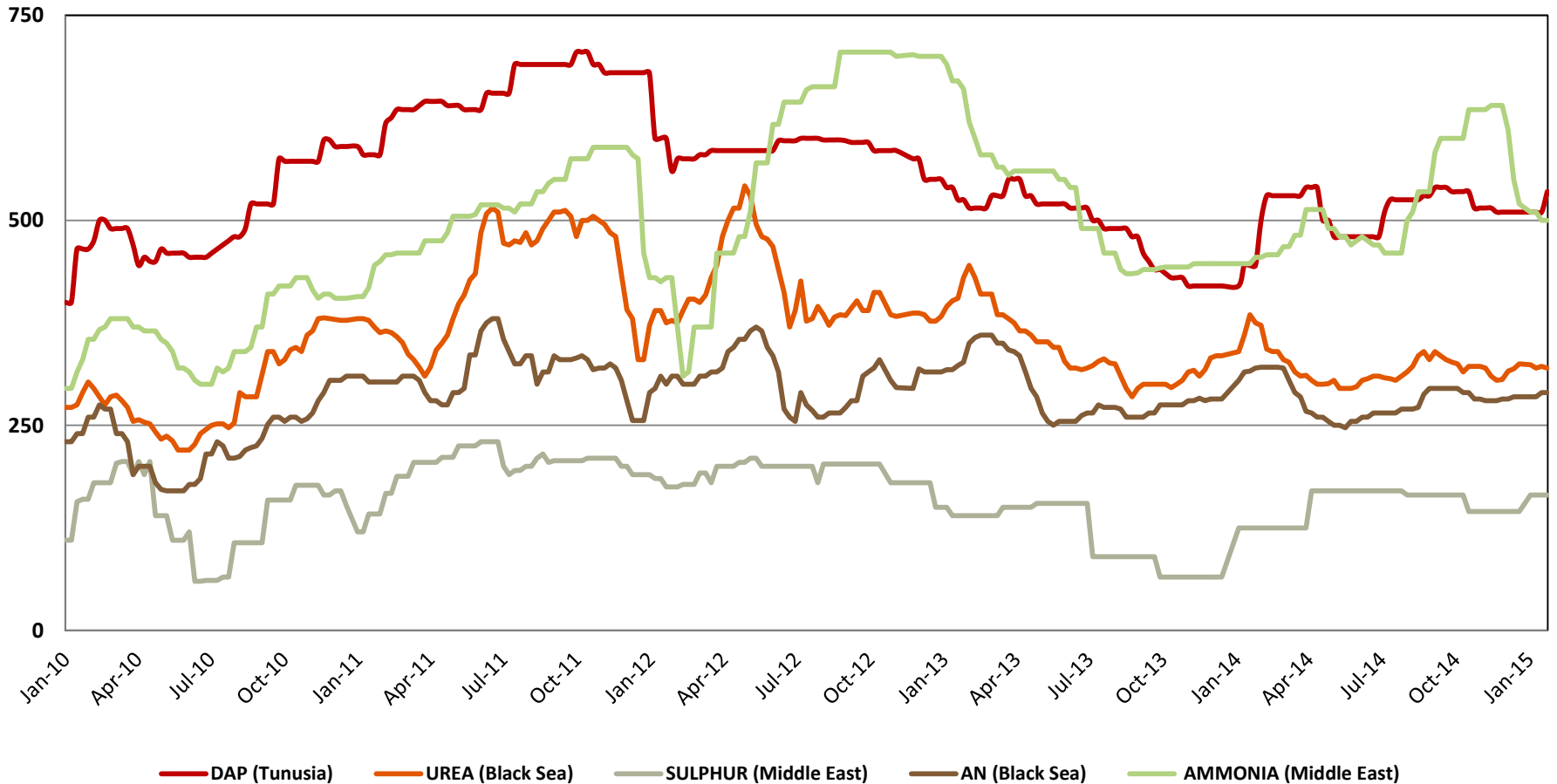
- Lack of main nutrients:
  - Nitrogen (N)
  - Phosphate (P)
  - Potassium (K)
- Depends on raw material rich countries

## Growth Potential

- Fertilizer (nutrient based) use per hectare of arable land for some countries
- Turkey: 92 kg
  - Greece: 153 kg
  - UK: 252 kg
  - Germany: 211 kg
  - USA: 120 kg
  - World Average: 116

# FERTILIZER PRICES

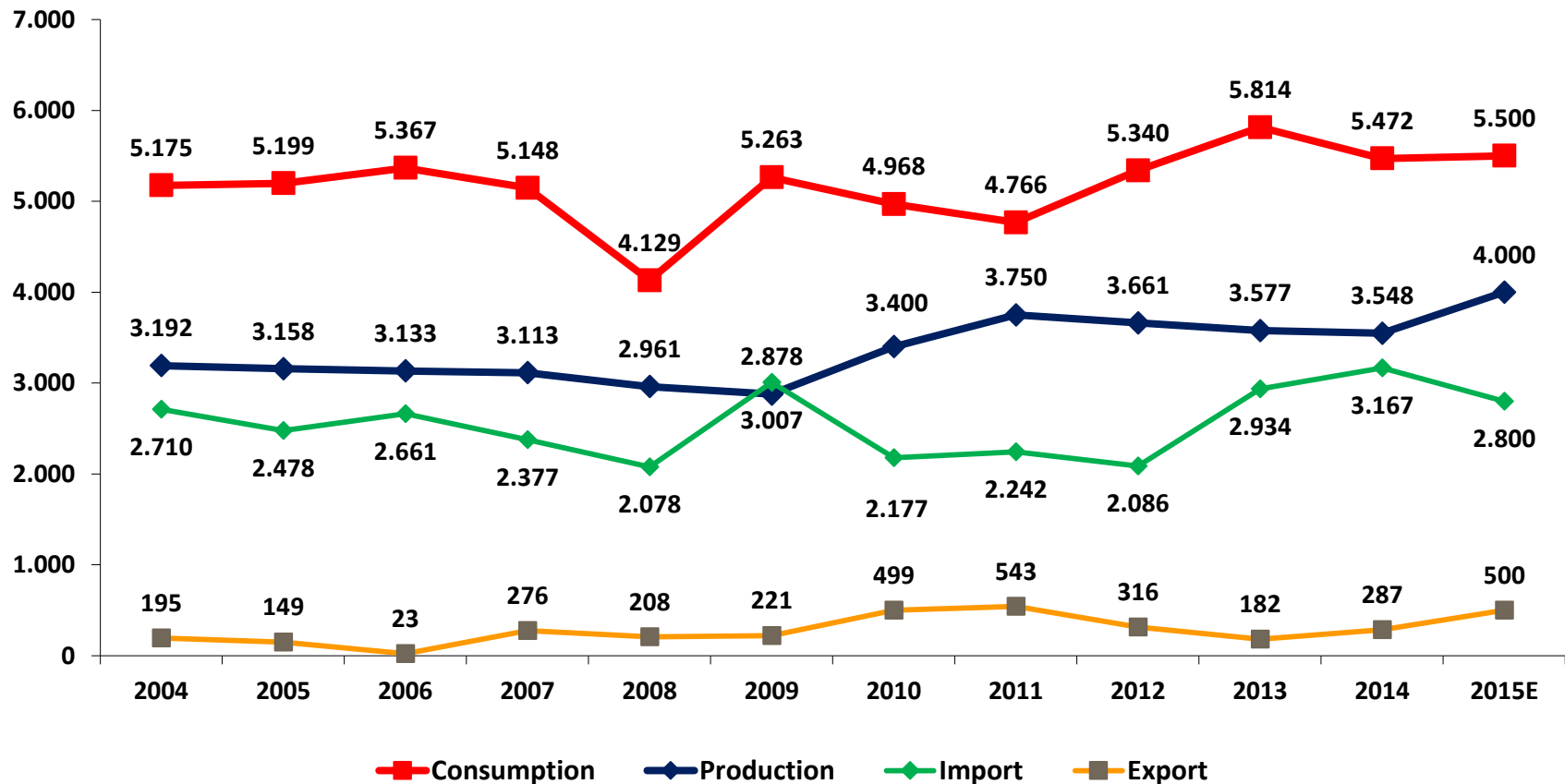
## World Fertilizer Prices (FOB US\$ / Ton)



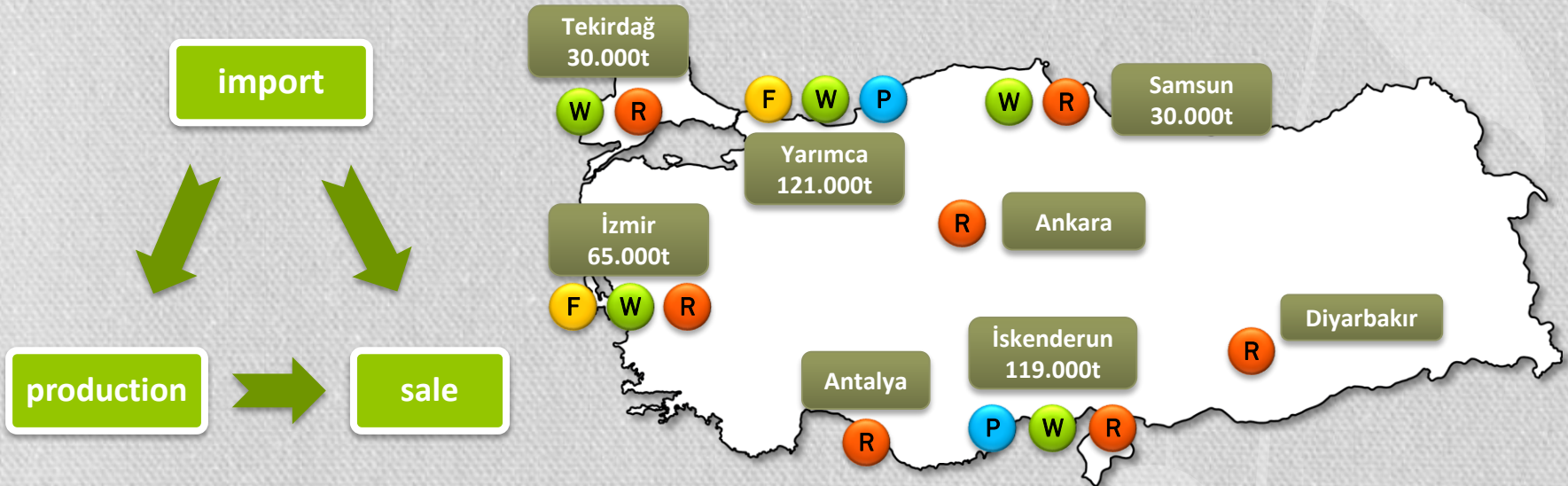


# MARKET OVERVIEW

## Turkish Fertilizer Sector (1.000tons)



# OPERATIONS IN TURKEY



- 2 Ports
- 5 Logistics Centers
- 7 Regional Offices
- 2.915 dealers
- 365.000 tons Warehouse Capacity

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

# PRODUCTS

SOLID

LIQUID

POWDER

SPECIAL



177 Type of Products

## Products – General Use

AN	DAP
CAN	TSP
CAN GR	20.20.0
AS	20.20.0 ZN
UREA	15.15.15
UREA GR	15.15.15 ZN

## Products - Specific Use

13.24.12+10SO <sub>3</sub> +ZN (Corn)	23.12.9+ZN (Sunflower)
10.25.20+20SO <sub>3</sub> +ZN (Potato)	12.30.12 (Sugar beet)
15.20.10+1,5ZN (Paddy)	10.25.5+5CaO+15SO <sub>3</sub> (Crop)
18.9.15+2MGO+10SO <sub>3</sub> (Citrus)	13.18.15+2MGO (Sugar Beet)
13.25.5+10SO <sub>3</sub> +0,5ZN (Wheat)	25.05.10 (Tea)
20.20.10+5(SO <sub>3</sub> )+Zn (Paddy)	20.12.15 and 18.16.15 (Hazelnut)

# PRODUCTION FLOW CHART

## YARIMCA PRODUCTION FACILITIES

### Main Inputs

- AMMONIA
- UREA
- AS
- PHOSPHATE ROCK
- SULPHURIC ACID
- PHOSPHORIC 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 1A**  
250.000  
ton/year

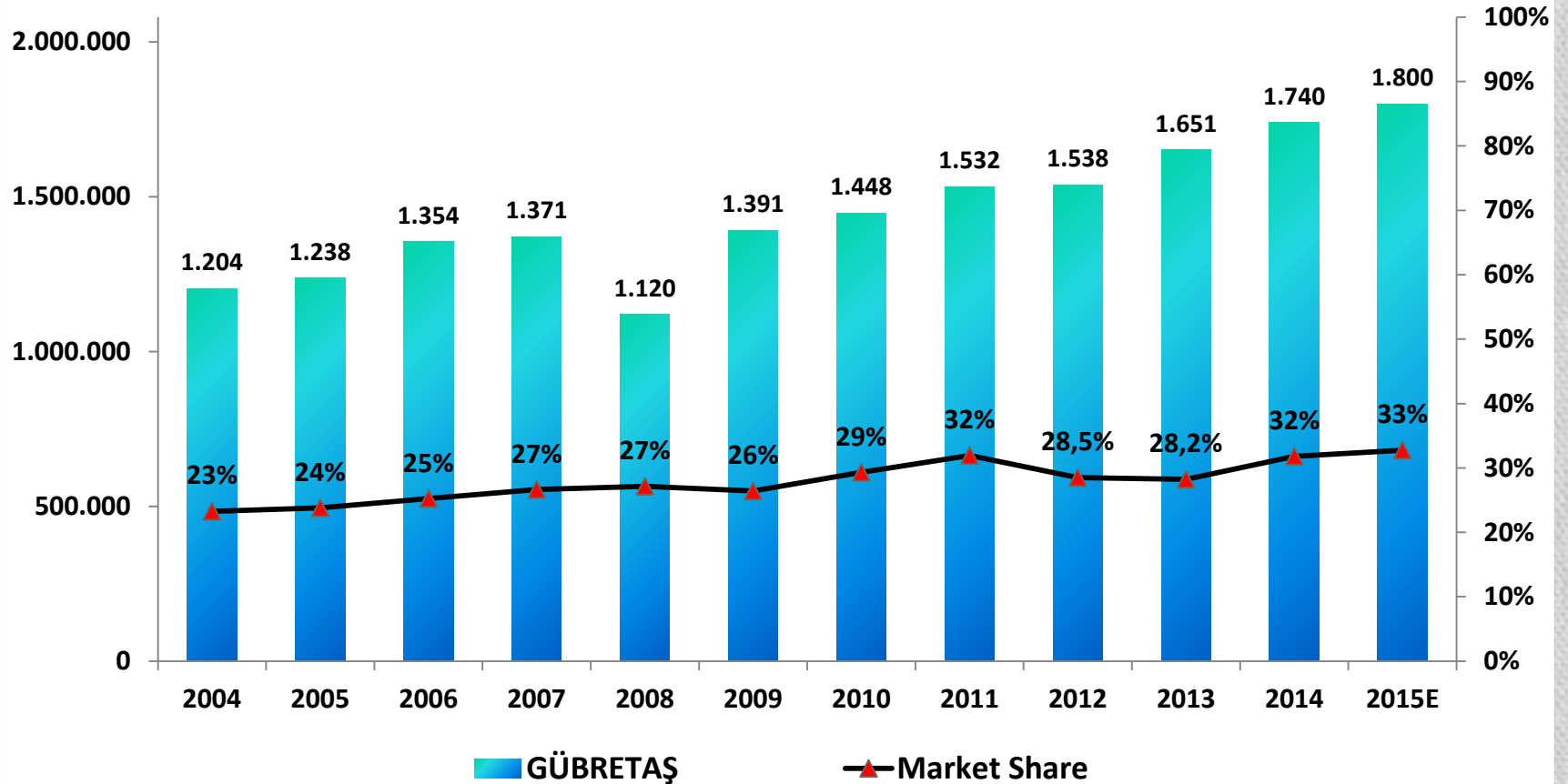
**NPK 1B**  
250.000  
ton/year

**Liquid Fertilizer  
Production**  
25.000  
ton/year

NPK1A and NPK1B will be launched in April 2015 and NPK1 will be deactivated.

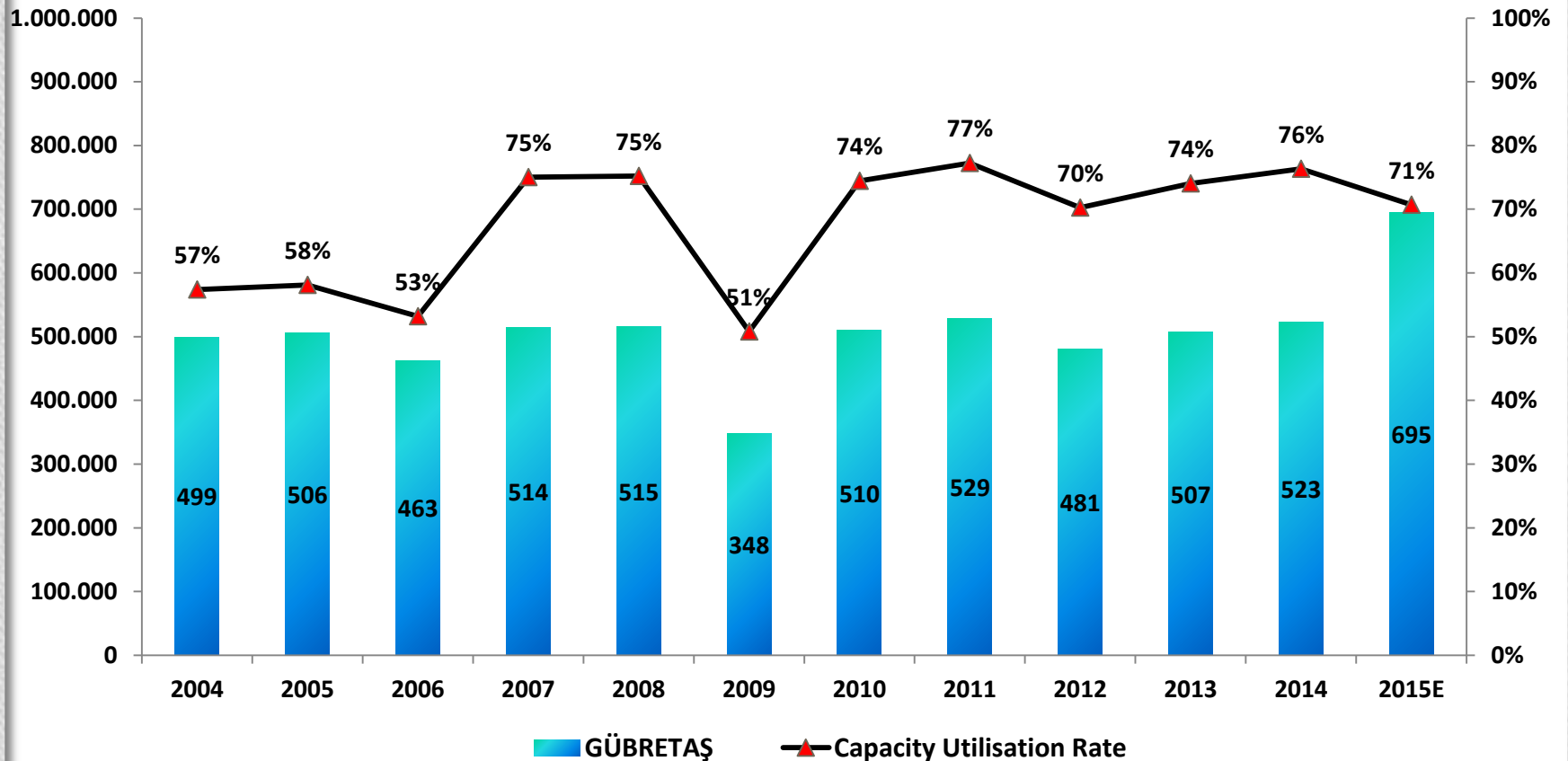
# MARKET SHARE

## Gübretaş Sales (1.000tons)



# PRODUCTION & C.U.R.

## Gübretaş Production (1.000tons)



# RAZI PETROCHEMICAL CO.

- Established in 1968
- The largest fertilizer complex of 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

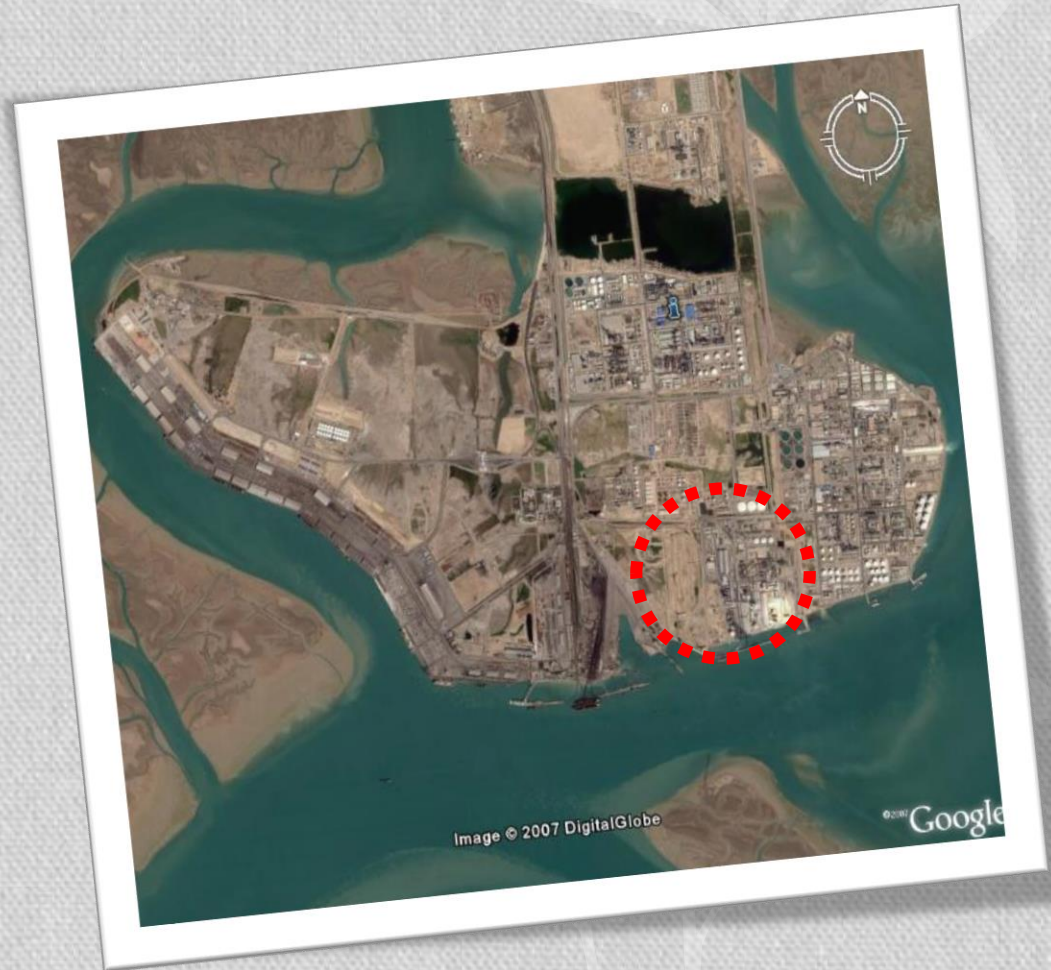


شرکت پتروشیمی رازی  
Razi Petrochemical Co.



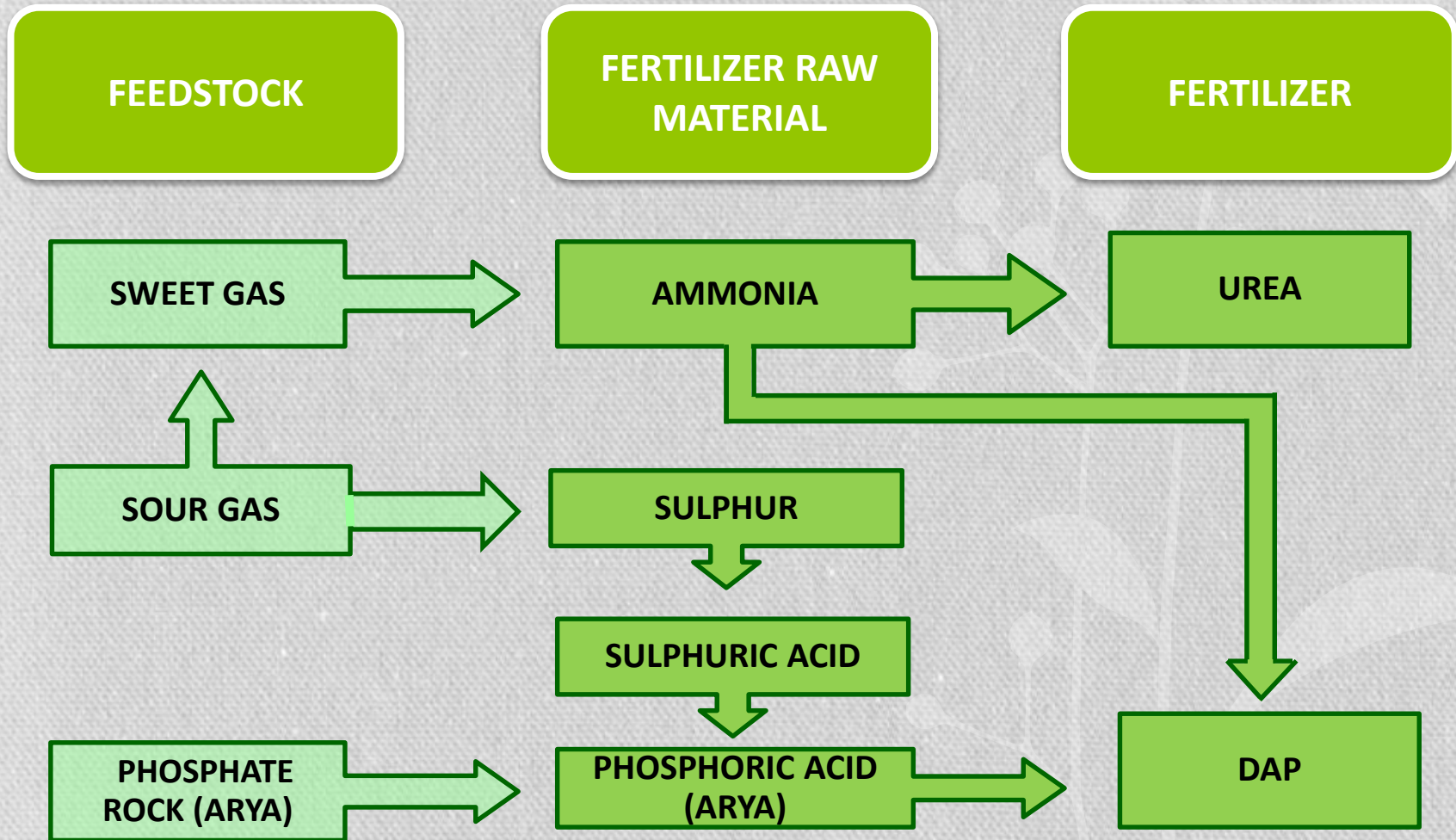
# RAZI PETROCHEMICAL CO.

- 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.



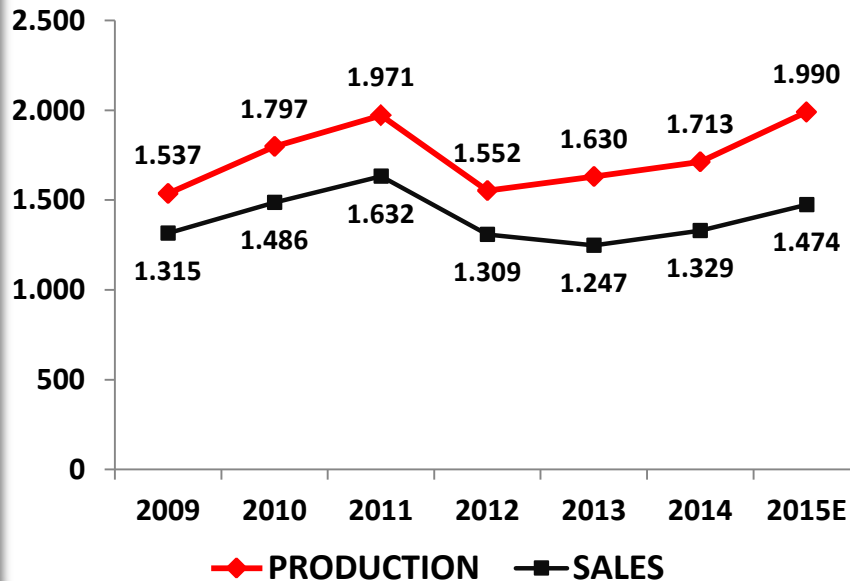
# RAZI PETROCHEMICAL CO.

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 Granular	1	508.000
Phosphoric Acid (ARYA)	1	126.000
<b>Total</b>	<b>10</b>	<b>3.641.000</b>

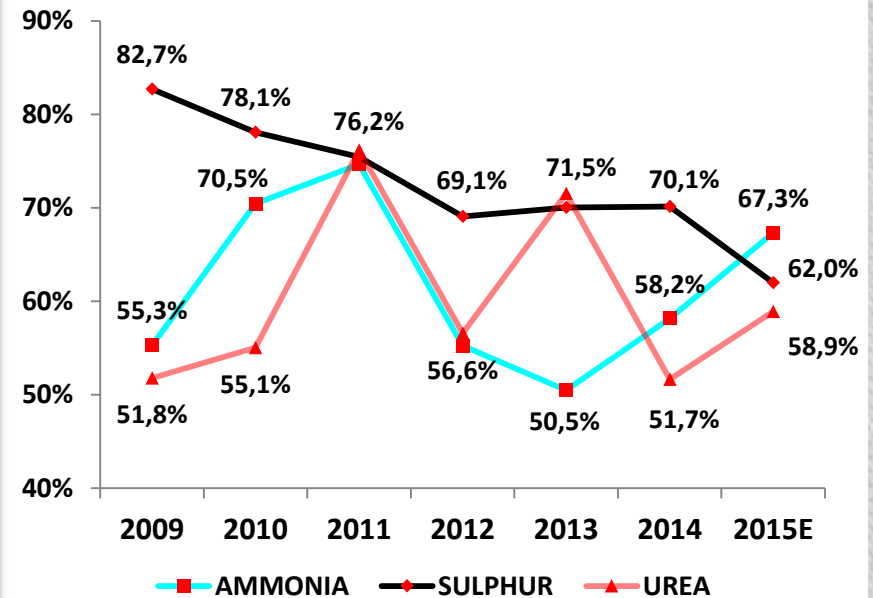


# RAZI PETROCHEMICAL CO.

## Production-Sales (1.000tons)



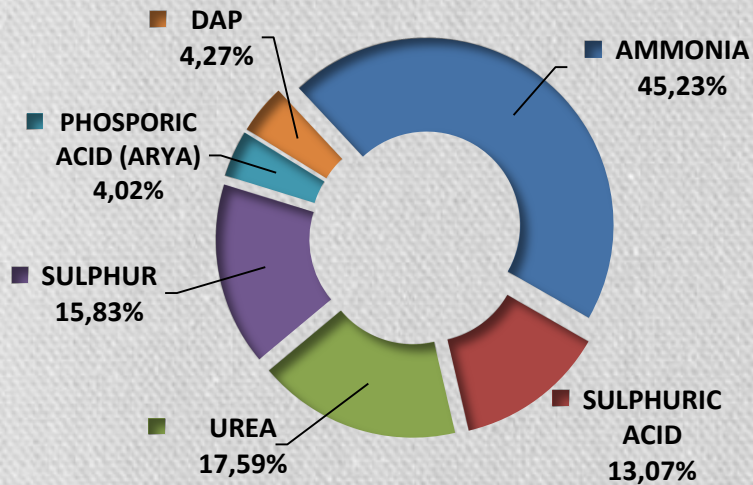
## Capacity Utilization Rate



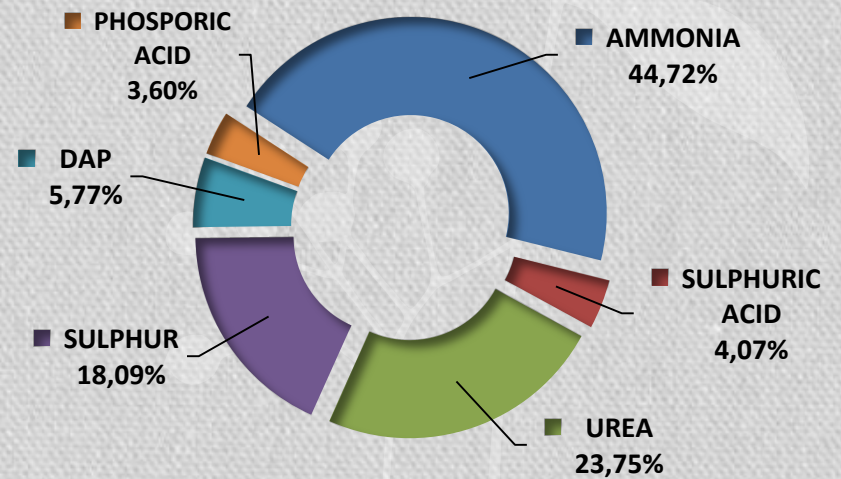
Since Razi is fully consolidated with Arya Phosphoric by 2013, the consolidated production and sales figures have been revised from this date.

# RAZI PETROCHEMICAL CO.-2015

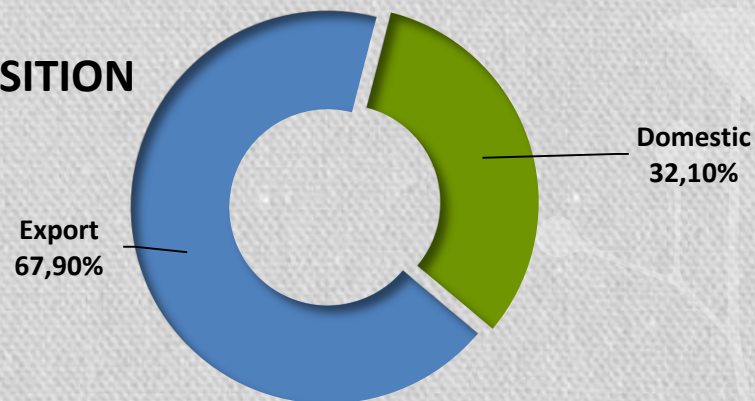
## PRODUCTION-Ton



## SALES-Ton



## SALES COMPOSITION



# RAZI PETROCHEMICAL CO. 2015

Production Estimates (Ton)		
Product	CUR	2015E
Ammonia	67%	900.000
Urea	59%	350.000
Sulphur	62%	315.000
Sulphuric Acid	41%	260.000
DAP	19%	85.000
Phosphoric Acid (ARYA)	63%	80.000
<b>Total</b>	<b>55%</b>	<b>1.990.000</b>

Sales Estimates (Ton)	
Product	2015E
Ammonia	659.100
Urea	350.000
Sulphur	266.600
Sulphuric Acid	60.000
DAP	85.000
Phosphoric Acid (ARYA)	53.000
<b>Total</b>	<b>1.473.700</b>

# RAZI PETROCHEMICAL CO. 2015



Operations-.000 Tons		2015E
Production		1.990
Sales		1.474
Income Statement-Million USD		2015E
Revenues		599
EBITDA		172
EBITDA Margin		28%
Net Income		172
Net Income Margin		28%
Capex		30

# GÜBRETAS 2015 CONSOLIDATED

Operations-.000 Tons		2015E
Production		2.685
Sales		3.274
Income Statement-Million TL		2015E
<b>Revenues</b>		<b>3.195</b>
<b>Gross Profit</b>		<b>694</b>
Gross Profit Margin		22%
<b>EBIT</b>		<b>442</b>
EBIT Margin		14%
<b>EBITDA</b>		<b>521</b>
EBITDA Margin		16%
<b>Net Income</b>		<b>423</b>
Net Income Margin		13%
<b>Adjusted EBITDA</b>		<b>315</b>
Adjusted EBITDA Margin		10%
<b>Adjusted Net Income</b>		<b>203</b>
Adjusted Net Income Margin		6%
<b>Capex</b>		<b>190</b>



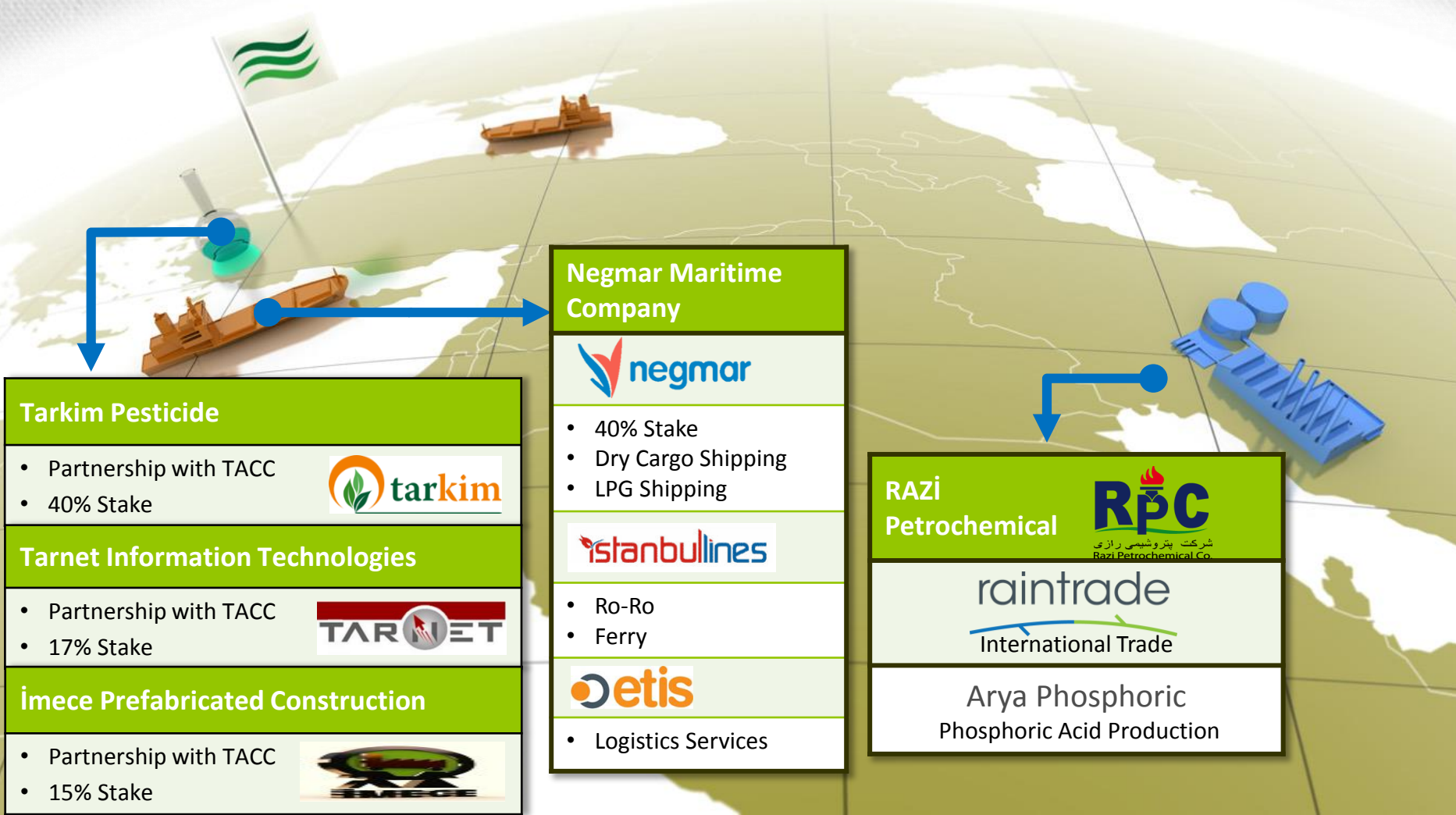
# NEW INVESTMENT AT YARIMCA FACILITY

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





# SUBSIDIARIES



## Tarkim Pesticide

- Partnership with TACC
- 40% Stake



## Tarnet Information Technologies

- Partnership with TACC
- 17% Stake



## imece Prefabricated Construction

- Partnership with TACC
- 15% Stake



## Negmar Maritime Company



- 40% Stake
- Dry Cargo Shipping
- LPG Shipping



- Ro-Ro
- Ferry



- Logistics Services

## RAZI Petrochemical



Arya Phosphoric  
Phosphoric Acid Production

# Thank You

## INVESTOR RELATIONS MANAGEMENT

Phone	+90 216 468 50 50
Fax	+90 216 407 10 11
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	Nida Kule, Göztepe Kavşağı 34732 Kadıköy/İstanbul

## 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. Gübretaş undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, or otherwise.

