

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

Gübre Fabrikaları Türk Anonim Şirketi

Consolidated statement of cash flows as of 31 December 2017 (Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited 1 January – 31 December 2017	Audited 1 January – 31 December 2016
	Notes		
Cash flows from operating activities			
Profit from continuing operations		25.822.668	(43.964.404)
<i>Adjustments to reconcile net profit/(loss) for the period</i>			
Adjustments related to depreciation and amortization expense	12,13,23	71.843.896	70.088.478
Gain / (loss) on equity investments	3	(4.693.731)	3.833.419
Retirement pay provision, early retirement pay liability	17	112.851.145	79.949.994
Adjustments related to interest expense		116.583.330	83.249.489
Impairment of inventories	9	8.294.639	539.074
Deferred financial income		4.474.366	2.384.246
Lawsuit provision / cancellation	16	5.605.762	1.598.160
Allowance for / reversal of doubtful receivable		4.432.603	-
Current year tax income / (expense)	28	(14.267.918)	50.204.789
Adjustments related to losses (gains) on sale of property, plant and equipments	25	(152.439)	(1.394.601)
Adjustments related to fair value losses (gains) on investment property	25	(6.510.478)	(942.000)
Adjustments related to fair value losses (gains) on derivative financial instruments	20	(85.916)	(16.743.178)
Cash flows from the operating activities before changes in the assets and liabilities		324.197.927	228.803.466
Changes in working capital (net):			
Adjustments related to increase / (decrease) in trade receivables		(35.598.134)	(709.191)
Adjustments related to increase / (decrease) in other receivables		14.928.190	34.907.424
Adjustments related to increase / (decrease) in inventories		(155.319.693)	107.885.336
Adjustments related to increase / (decrease) in trade payables		215.922.208	113.821.431
Employee benefit obligations		(2.004.237)	19.045.051
Increase / (decrease) in deferred income		(17.895.407)	1.787.799
Increase / (decrease) in prepaid expenses		28.793.515	(42.632.321)
Increase / (decrease) in other payables		27.414.853	7.780.945
Adjustments related to other increases / (decreases) in working capital		(47.213.121)	88.394.432
Cash flows from the operations after the changes in working capital		353.226.101	559.084.372
Interest paid		(103.625.493)	(83.249.489)
Taxes refunds/(payments)	28	(3.731.287)	(43.216.291)
Payment termination Indeminty	17	(73.298.837)	(64.606.000)
Cash flow regarding investment activities		172.570.484	368.012.592
Investment activities:			
Cash outflows from the purchases of property, plant and equipment and intangible assets	12,13	(110.222.458)	(93.958.099)
Proceeds from sales of property, plant and equipment	12,13	2.244.605	2.286.390
Cash outflows from the purchases of investment property	11	-	(41.820.000)
Other cash inflows / (outflows)	31	(53.444.164)	(21.889.282)
Cash flows from investment activities		(161.422.017)	(155.380.991)
Financing activities:			
Dividend paid		(1.081.549)	(293.253.439)
Cash inflows from financial borrowings		3.310.609.737	2.703.251.617
Cash outflows from financial borrowings payments		(3.211.263.819)	(2.858.968.945)
Cash flows from financing activities		98.264.369	(448.970.767)
Net change in cash and cash equivalents before effect of foreign currency translation difference		109.412.833	(236.339.166)
Cash and cash equivalents as of January 1	5	125.519.427	364.409.394
Foreign currency translation difference		(11.744.188)	(2.550.801)
Cash and cash equivalents as of December 31	5	223.188.075	125.519.427