

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

Gübre Fabrikaları Türk Anonim Şirketi

Interim consolidated statement of cash flows as of September 30, 2017

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

		Current Period	Previous Period
		Non-audited	Non-audited
		January 1 –	January 1 –
	Notes	September 30,	September 30,
		2016	2015
Cash flows from operating activities:			
Profit for the period		2.779.242	14.726.759
<i>Adjustments to reconcile net profit/(loss) for the period</i>			
Depreciation and amortization expense	9, 10	56.959.489	50.134.104
Income / expenses from subsidiaries valued by equity method		16.092.637	1.599.700
Retirement pay provision, early retirement pay liability interest (income)/expense		75.905.697	50.322.431
Interest expense		43.943.444	38.731.796
Interest income		(2.013.259)	(3.407.223)
Provision for lawsuit /cancellation		1.810.374	114.349
Current tax income/expense		387.851	55.637.999
Deferred financial income/expense		790.181	1.456.093
Impairment on inventories	12	(167.155)	989.300
Adjustments related to losses (gains) on sale of property, plant and equipments	9, 10	85.200	-
Adjustments related to fair value losses (gains) on derivative financial instruments		15.258.298	-
Net cash provided by the operating activities before changes in the assets and liabilities		211.831.999	210.305.308
Changes in working capital (net):			
Increase / decrease in trade receivables		56.375.082	105.187.837
Increase / decrease in other receivables		(5.995.890)	29.272.233
Increase / decrease in inventories		85.812.057	218.328.795
Increase / decrease in trade payables		109.055.490	(41.524.232)
Employee benefit obligations		(5.092.868)	4.868.499
Deferred income		85.180.350	93.395.732
Increase / decrease in prepaid expenses		43.606.501	2.086.143
Increase /decrease in other payables		26.880.526	25.516.032
Other increase / decrease in working capital		(4.724.378)	16.180.124
Cash provided by the operations after the changes in working capital		602.928.869	663.616.471
Interest received		2.013.259	3.407.223
Interest paid		(38.084.161)	(38.731.796)
Taxes paid		(16.501.286)	(41.250.943)
Severance paid		(57.711.893)	(39.396.084)
Cash flow regarding investment activities		492.644.788	547.644.871
Cash flows from investing activities:			
Cash outflows from the purchase of property, plant and equipment and intangible assets	9, 10	(79.238.496)	(106.909.368)
Cash inflows from the sales of property, plant and equipment and intangible assets	9, 10	14.555.897	6.349.198
Other cash inflows / outflows		(28.258.551)	586.836
Net cash amount used in investment activities		(92.941.150)	(99.973.334)
Cash flows (used in)/from financing activities			
Dividends paid		(1.081.549)	(243.442.766)
Cash inflows from financial borrowings		2.149.106.905	2.356.173.617
Principle repayment of financial borrowings		(2.463.337.988)	(2.713.846.028)
Net cash (used)/provided by financial activities		(315.312.632)	(601.115.177)
Change in cash and cash equivalents before foreign currency translation		84.391.006	(153.443.640)
Cash and cash equivalents as of January 1	4	125.519.427	364.409.394
Foreign currency translation		(22.136.729)	11.411.628
Cash and cash equivalents as of September 30	4	187.773.704	222.377.382

The accompanying notes form an integral part of these condensed consolidated financial statements.