01 January 2010 – 30 September 2010

ACTIVITY REPORT

GÜBRE FABRİKALARI TÜRK A. Ş.

ESENTEPE, KASAP SOKAK, NO:22, ŞİŞLİ/İSTANBUL

T: (+90 212) 376 50 27

F: (+90 212) 272 56 78

E : byi@gubretas.com.tr

ACTIVITY REPORT OF THE BOARD OF DIRECTORS

PURSUANT TO THE COMMUNIQUE SERIES: XI NUMBER 29

I) INTRODUCTION

A. REPORTING PERIOD

01.01.2010 - 30.09.2010

B. CORPORATE'S NAME

Gübre Fabrikaları Türk Anonim Şirketi

C. BOARD OF DIRECTORS

Members of the Board of Directors in Period:

Chairman	: Bedrettin YILDIRIM	(from 11.08.2005)
Vice Chairman	: Necdet DİRİK	(from 25.10.2005)
Member	: Hamdi GÖNÜLLÜ	(from 31.03.2005)
Member	: Erol DEMİR, Ph.D.	(from 10.04.2009)
Member	: Yusuf YEŞİL	(from 30.03.2007)
Member	: Veli ÇELEBİ	(from 26.09.2008)
Member	: Mehmet KOCA	(from 31.03.2006)

D. BOARD OF AUDITORS

Selahattin AYDOĞAN	(from 31.03.2005)
Namık Kemal BAYAR	(from 10.04.2009)

The members of the Board of Directors and Auditors are entitled to use the powers provided in the articles of the association and the Turkish Commercial Code.

E. CAPITAL STRUCTURE

Registered capital of the Company is 200.000.000 TL and issued capital is 83.500.000 TL.

Partnership structure of the Company is shown in Table 1:

Table 1		
Gübre Fabrikaları T.A.Ş. CAPITAL STRUCTURE		
Shareholders	**Amount of Share**	**Share**
T.T.K.K.M.B.	63.975.523	76,61%
Others	19.524.477	23,39%
Total	**83.500.000**	**100,00%**

F. INFORMATION ABOUT OUR FACILITIES

Our Company reached a total real state area of 340.634 139.761 sqm, of which 139.761 closed including warehouses, business buildings and lands, which can be improved. All regional distribution of buildings and lands are listed below Table 2:

Table 2		
REAL ESTATES		
Closed Area (sqm)		**139.761**
Management :		**4.067**
Head Office		1.592
Yarımca Facilities - Office		2.145
Ankara Office		120
Samsun Office		210
Production Facilities		**77.559**
Yarımca Facilities	Kocaeli	41.754
İzmir Facilities	İzmir	1.750
İskenderun Facilities	İskenderun	34.055
Warehouses		**58.135**
Yarımca Warehouse	Kocaeli	9.813
Köseköy Warehouse	Kocaeli	6.664
Helvacı Warehouse	İzmir	14.720
İzmir Foça Warehouse	İzmir	2.502
Samsun Warehouse	Samsun	6.324
Akçay Warehouse	İskenderun	10.923
Tekirdağ Warehouse	Tekirdağ	7.189

Yarımca Facilities has 685.000 ton/year fertilizer production capacity and İzmir Facilities has 25.000 ton/year liquid and powder fertilizer production capacity.

Table 3	
Gübre Fabrikaları T.A.Ş. FERTILIZER PRODUCTION CAPACITY (Ton)	
FACILITIES	**2010**
YARIMCA	
TSP	185.000
COMPOUND FERTILIZER (NPK 1)	200.000
COMPOUND FERTILIZER (NPK 2)	300.000
TOTAL	**685.000**
İZMİR	
LIQUID AND POWDER FERTILIZER	25.000
GENERAL TOTAL	**710.000**

The total capacity of our warehouses is 370.000 mt.

Table 4	
Warehouse Capasity	
Regional Warehouse	**Capasity (mt)**
Yarımca	116.000
İskenderun	119.000
İzmir	62.000
Samsun	30.000
Tekirdağ	40.000
İzmir Liquid	3.000
TOTAL	**370.000**

G. SUBSIDIARIES

1) Razi Petrochemical Co.:

Razi Petrochemical Co., founded in 1968, is one of the leading companies in Iran which produces fertilizers and fertilizer raw materials. Razi Petrochemical Co. has 3.770.500 mt/year production capacity of both fertilizers and fertilizer raw materials and exports much of its products.

Gübretaş with 48,88% stake in Razi Petrochemical Co. have started to disclose its financial reports on the consolidated base since June 2008. Special permission was obtained from the Iranian Government to harmonize differences of financial reporting periods due to different calendar year of Iran. Financial reports of Gübretaş and Razi have consolidated over coinciding periods since January 2009.

2) Negmar Denizcilik Yatırım A.Ş.:

Established in 2008, Negmar Denizcilik Yatırım A.Ş, operates in shipping industry. The company continues its operations with its three ships.

3) Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş.:

Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş., established in 2009 and it is operating in the field of plant protection products. Tarkim has a production capacity of 25.000 mt/year.

4) İmece Prefabrik Yapı Tarım Makineleri Temizlik ve Güvenlik Hizmetleri San.Tic A.Ş.:

İmece Prefabrik Yapı Tarım Makineleri Temizlik ve Güvenlik Hizmetleri San.Tic.A.Ş., established in 1974, and since then it is operating in the reinforced concrete and steel structure construction including construction services and mould production business..

5) Tarnet Tarım Kredi Bilişim ve İletişim Hizmetleri A.Ş.:

Tarnet Tarım Kredi Bilişim ve İletişim Hizmetleri A.Ş., established in 1996, is operates in Information Technology industry.

Our stock percentage and paid-up capital at Razi Petrochemichal Co. is listed below in table 5:

Table 5		
SUBSIDIARY		
Company Name	**Stock Percentage (%)**	**Paid-Up Capital (TL)**
Razi Petrochemical Co	48,88	424.807.554

Our stock percentage and paid-up capital at subsidiaries are listed in table 6 below:

Table 6		
AFFILIATES		
Company Name	**Stock Percentage (%)**	**Paid-Up Capital (TL)**
Negmar Denizcilik Yatırım A.Ş.	40,00	4.200.000
Tarkim Bitki Koruma San. ve Tic. A.Ş.	40,00	4.000.000
Tarnet Tar. Kre.Bil .Hiz.San Tic .A.Ş.	17,00	311.128
İmece Pref Yapı Tar.Mak.Tem.Güv. Hiz.San.Tic.A.Ş.	15,00	2.013.888

H. REAL ESTATES PURPOSED AS INVESTMENTS

Our company has rented its Iskenderun facility to Denizciler Birliği Deniz Nakliyatı ve Ticaret A.Ş. for a period of 30 years in 2007 for more efficient operation and with a fixed rental rate along with share of income. Fertilizer handling job in the region is outsourced to the company.

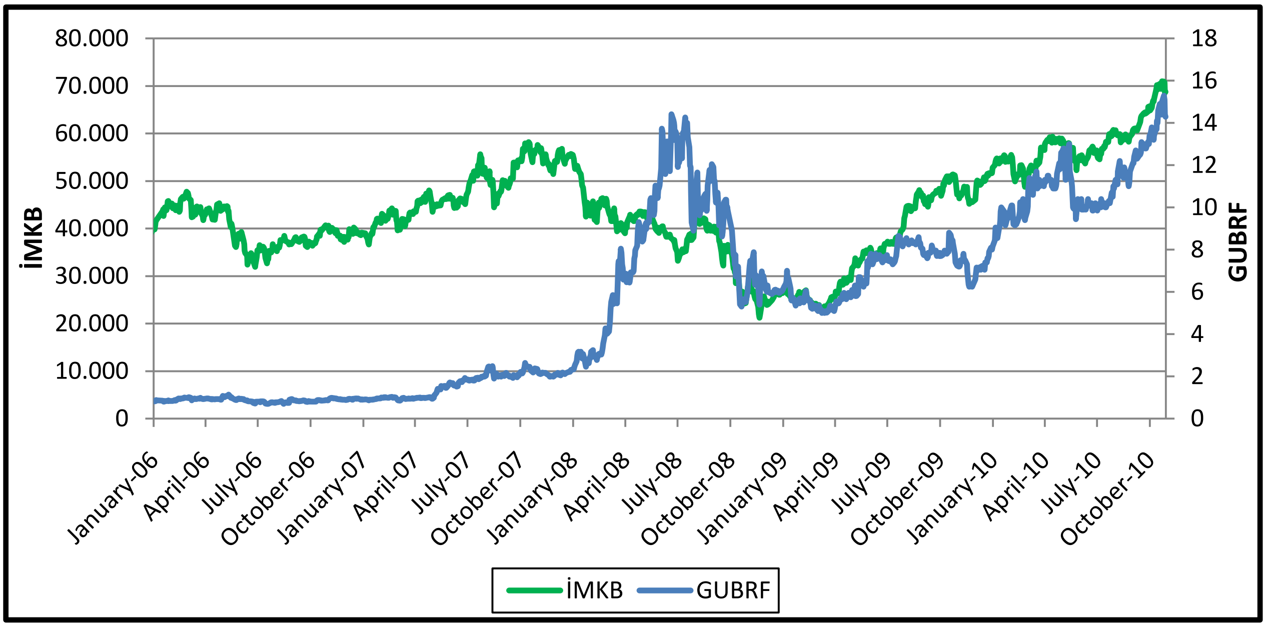
I. DISTRIBUTION OF DIVIDENDS:

Dividend rates that have been distributed in the last five years are shown in Table7.

Table 7			
DIVIDEND RATES PER SHARE (%)			
2009	**2008**	**2007**	**2006**
-	-	30,07	22,65

J. PERFORMANCE OF THE STOCK

GRAPH 1 – Performance of the stock

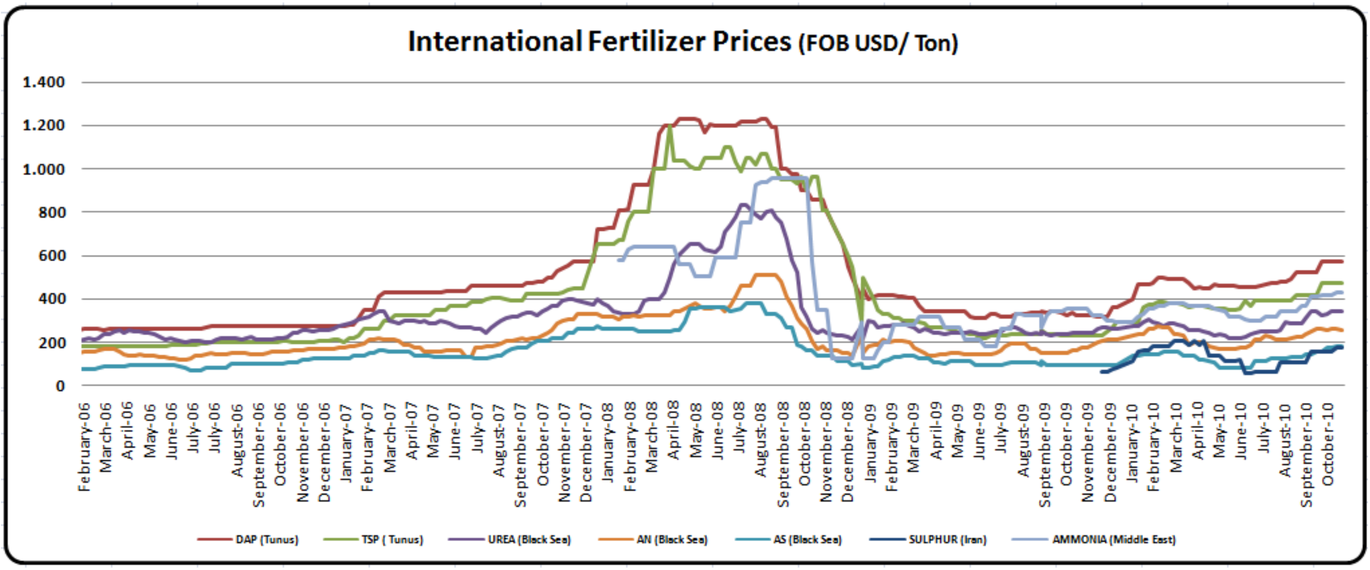


K. TURKISH FERTILIZER INDUSTRY AND POSITION OF GÜBRETAŞ

Turkey does not have the raw material resources used in production of chemical fertilizers. 95 % of main inputs like natural gas, phosphate rock, potassium salts are procured from foreign markets. Due to the dependence on foreign markets, international market conditions and exchange rates have impact on the sector.

Showing a rapid decrease in the 4Q 2008, fertilizer prices, has recorded a slighty recovery in 1H 2009 and in 1H 2010 came back to the same prices as 2007.

GRAPH 2 – Fertilizer Prices in the International Markets



a) Production: Turkey produces intermediate goods and compound fertilizers, however inputs for these are imported since Turkey lacks the needed natural resources.

Table 8					
PRODUCTION CAPASITY OF TURKISH FERTILIZER INDUSTY (mt)					
Years	**2010**	**2009**	**2008**	**2007**	**2006**
Capasity	5.474.000	5.474.000	5.553.200	5.556.200	5.850.000

GRAPH 3 – Fertilizer Production and Gübretaş's Share in Production

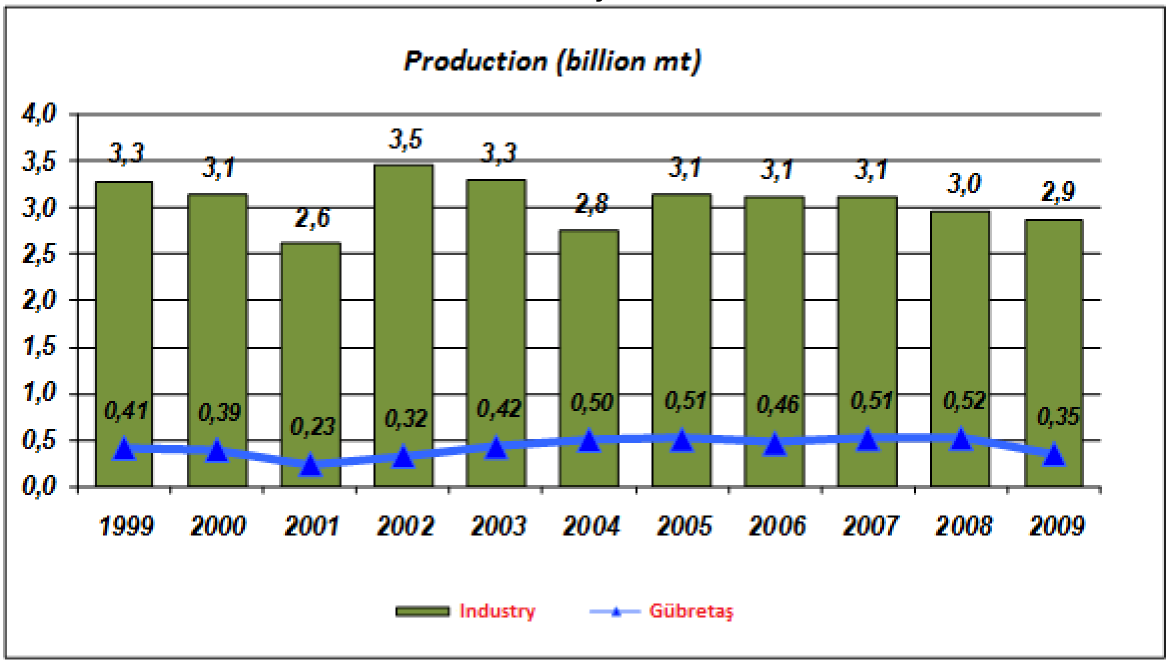


Table 9			
ON THE BASIS OF PRODUCT QUANTITY OF PRODUCTION OF SECTOR (9M 2009 - 2010)			
GOOD	**2010**	**2009**	**Change (%)**
AS	153.115	145.669	5,11%
CAN	591.789	607.213	-2,54%
AN	277.930	188.265	47,63%
TSP	94.606	45.720	106,92%
DAP	381.975	317.604	20,27%
PS	893		
COMPOUND	943.087	741.150	27,25%
TOTAL	**2.443.395**	**2.045.621**	**19,45%**

Production of first nine months of 2010 was 2.443.395 mt and 38,60% of production was compound fertilizers.

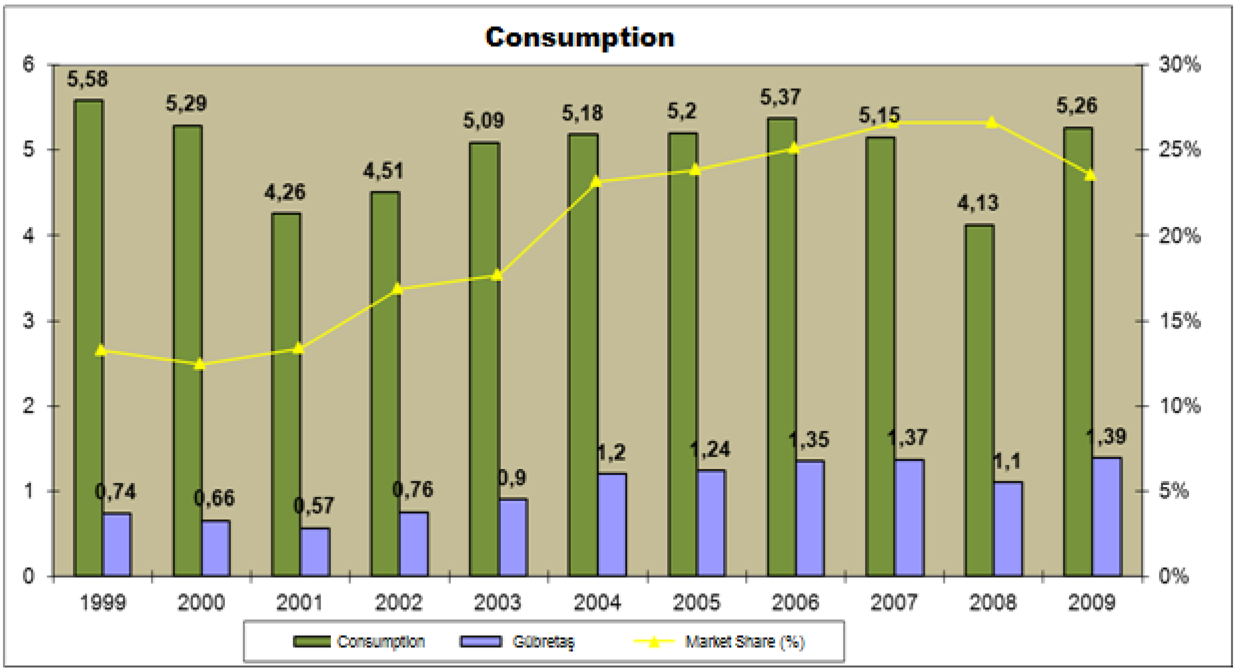
b) Sales:

Table 10			
ON THE BASIS OF PRODUCT QUANTITY OF CUNSUMPTION OF SECTOR (9M 2009 - 2010)			
GOOD	**2010**	**2009**	**Change (%)**
AS	377.831	368.316	2,58 %
CAN	594.948	666.929	-10,79 %
AN	650.177	786.087	-17,29 %
ÜRE	703.801	629.425	11,82 %
TSP	13.619	11.384	19,63 %
DAP	332.246	456.726	-27,25 %
OTHER	40.546	27.449	47,71 %
COMPOUND	1.015.533	953.655	6,49 %
TOTAL	**3.728.701**	**3.899.971**	**-4,39 %**

According to the data from first nine months of 2009, fertilizer consumption was 3.889.971 mt while in the same period of previous year it was 3.728.701mt, recording a 4,39% decrease. Moreover, our sales decreased by 1,15% and market share was 25,18%.

Within the first nine months of 2010, export was 257.305 mt, increased by 41% and import were 1.617.185 mt, decreased by 18,90%.

GRAPH 4 – Fertilizer Consumption in Turkey and Gübretaş's Share in Sales



I) 2010 ACTIVITIES

A. INVESTMENTS

CONTINUED INVESTMENTS IN 2010

INVESTMENTS Continued Investments	TL
Yarımca Warehouse Building Project	1.141.501
Yarımca Facilities Sea Embankment	80.470
TOTAL	**1.221.971**

B. ACTIVITIES OF THE GÜBRE FABRİKALARI T.A.Ş. IN 2010

GÜBRE FABRİKALAR T.A.Ş.:

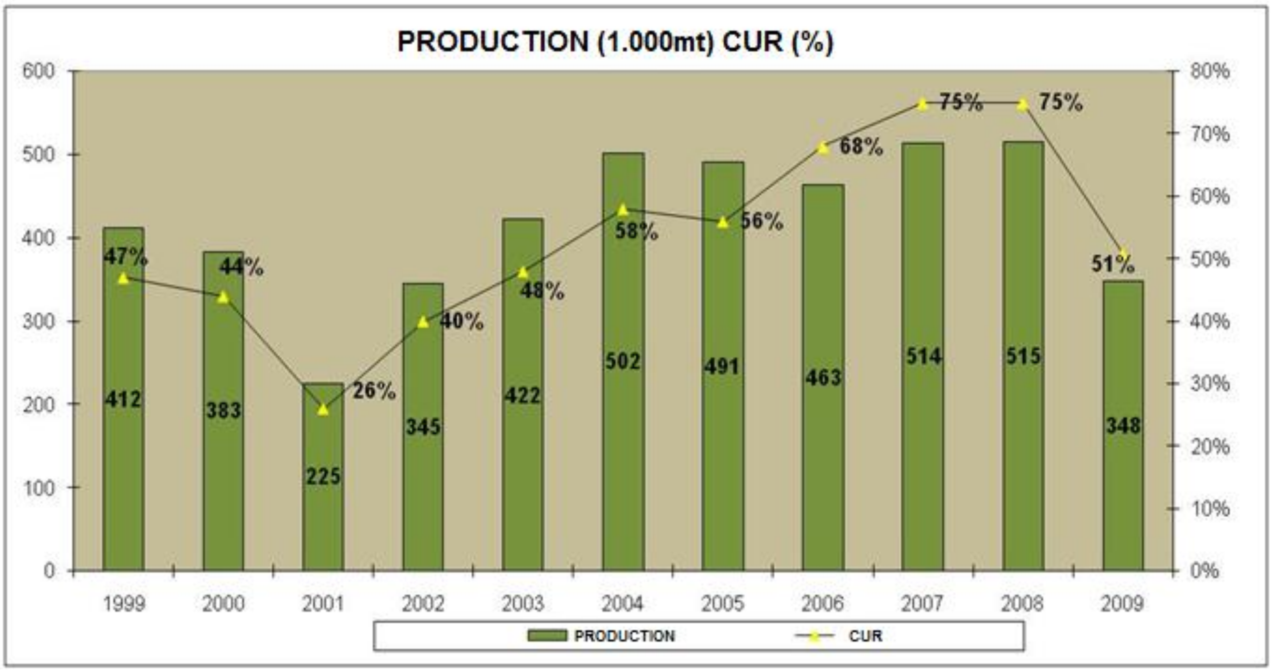
Gübre Fabrikaları T.A.Ş. is the first and pioneer chemical fertilizer factory established in Turkey. An important portion of the sales of the company, which has a 25,18 % market share, is realized through Agricultural Credit Cooperatives. There are seven regional sales directorates in Turkey. Gübretaş sells to every corner where there is agricultural production via 2.695 dealers, 1.801 of which belongs to Agricultural Credit Cooperatives and 894 to Gübretaş itself.

1) Consumption

In the first nine months of 2010, Gübretaş produced 94.600 mt TSP and 283.639 Compound fertilizers totaling 378.239 mt. In 2010 capacity utilization ratio was 74%, 307.102 mt fertilizer sold and 63.815 mt were used as raw material. 392.013 lt of liquid fertilizer and 806.824 kg powder fertilizer were produced. In the same period of 2009, 260.283 mt solid fertilizer, 239.625 liquid fertilizer and 1.186.055 kg powder fetilizer were produced.

Table 11			
CONSUMPTION (mt)			
Product	**2010**	**2009**	**Change (%)**
TSP	94.600	45.720	107 %
15.15.15	14.592	8.439	73 %
15.15.15+ZN	22.913	10.168	125 %
20.20.0	119.904	58.909	104 %
20.20.0+ZN	80.993	49.797	63 %
13.24.12	10.457	7.173	46 %
10.25.20	1.530	2.685	(43 %)
25.5.10	19.452	813	2293 %
12.30.12		68.141	(100 %)
10.25.5	9.027	6.609	37 %
13.25.5	3.946		
15.20.10	825	1.829	(55 %)
TOTAL	**378.239**	**260.283**	**45 %**
Liquid Fertilizer (lt)	392.013	239.625	64 %
Powder Fertilizer (kg)	806.824	1.186.055	(32 %)

GRAPH 5 – Production and Capacity Utilization Ratios in Years (%)



2) Sales and Purchases

Within the first nine months of 2010, the company sold 958.263 mt of solid, 611.080 lt of liquid and 6.131.234 kg of powder fertilizers. In the same period of 2009; 949.515 mt solid, 894.958 lt liquid and 3.097.395 kg powder fertilizer were sold.

Comparative Sales figures by products for 2009 - 2010 is given Table 12

Table 12			
Gübre Fabrikaları T.A.Ş			
SALES BY PRODUCT GROUPS (mt)			
Solid Chemical Fertilizer	**2010**	**2009**	**Change %**
TSP	**35.611**	**8.503**	318,8
15.15.15	51.416	34.210	50,3
15.15.15 Zn	22.879	12.870	77,8
20.20.0	145.465	80.724	80,2
20.20.0 Zn	74.431	48.760	52,6
25.5.10	19.422	4.040	380,7
13.25.5	2.690		
13.24.12	10.458	7.160	46,1
10.25.20	597	0	
12.30.12	0	88.610	(100,0)
15.20.10	1.667	1.433	16,3
10.25.5	10.096	9.395	7,5
Compound Fertilizer	**339.121**	**287.202**	18,1
UREA	124.429	155.049	(19,7)
AS	63.094	61.286	3,0
CAN	116.126	175.281	(33,7)
CAN.GR	4.256		
AN	155.931	141.315	10,3
DAP	116.990	115.956	0,9
PS	2.133	1.498	42,4
MAP	188	122	54,1
Other	654	3.303	(80,2)
Total	**583.801**	**653.810**	(10,7)
GRAND TOTAL	**958.533**	**949.515**	0,9
Liquid Fertilizer(lt)	611.080	894.958	(31,7)
Powder Fertilizer(kg)	6.131.234	3.097.395	97,9

Table 13			
Gübre Fabrikaları T.A.Ş. SALES, IMPORT AND DOMESTIC PURCHASING (mt)			
	2010	**2009**	**Change %**
Sales	958.263	949.515	0,92
Domestic Purchasing	259.122	281.481	(7,94)
Import	793.323	609.686	30,12

The volume of purchases reached 891.167 mt in the first nine months of 2009 and increased by 18,10% to reach 1.052.445 mt in the same period of 2010. In 2009 75 mt and in 2010 24.619 mt exported.

Table 14			
Gübre Fabrikaları T.A.Ş. Sales (mt)			
Sales Group	**2010**	**2009**	**Change %**
Vendor Sales	236.949	205.053	15,56
Corporate Sales	679.964	588.712	15,50
Export	24.619	75	327,25
Other	16.731	155.675	(89,25)
TOTAL	**958.263**	**949.515**	**0,92**

3) Research & Development Activities

a. Turkey Soil Productivity Map:

Studies within the framework of "The Soil Map Project" aiming to create soil productivity map for Turkey is continued. Within the framework of "The Soil Map Project" studies current quantitative and qualitative information is being input after being categorized according to locational data by means of a mapping programme and placed into sub locations. Until today analysis of 3.100 points have been achieved via GPS.

Yarımca soil and plant analysis laboratories have been authorized by Ministry of Agriculture's General Directorate for Agricultural Production and Development for soil and plant efficiency analysis.

b. Research and Development:

Our Yarımca Laboratory, serving as the Reference Laboratory for the Ministry of Agriculture's market audits and at the same time serving as the quality control and analysis service source for our factory, has been audited by TÜRKAK within the framework of ISO/EN 17025 Laboratory Accreditation and has successfully passed the audit.

Product improvement studies and some changes in raw materials has been made. Experiments with Universities and Research Institutes continued.

ACTIVITIES OF RAZİ PETROCHEMICAL CO.:

1) Production and Sales:

Razi Petrochemical Co. is the biggest fertilizer and fertilizer raw materials production facility with a real estate portfolio of 877.000 sqm. Total established capacity of Razi Petrochemical that was acquired in February 2008 reached 3.770.500 tons/year.

Table 15				
Razi Petrochemical Co. Capasity, Production (mt) and CUR (%)				
Product	Capasity	2010	2009	Change %
Amonia	1.336.500	751.928	525.202	43%
Urea	594.000	251.791	206.847	22%
Sulphur	508.000	313.408	314.664	0%
Sulphuric Acid	627.000	108.508	41.455	162%
DAP	450.000	18.777	10.713	75%
Phosphoric Acid	255.000			
Toplam	**3.770.500**	**1.444.412**	**1.098.881**	**31%**
Capasity Usage Ratio (%)		51%	39%	

In 2010 1.444.412 mt of fertilizer and fertilizer raw materials produced, capacity usage ratio was 51,08%..

Table 16				
SALES (mt)				
	2010		2009	
	Domestic Sales	Export	Domestic Sales	Export
Amonia		559.573		378.550
Urea	254.439		189.736	
Sulphur	1.443	253.126		254.215
Sulphuric Acid	83.815	12.995	43.398	
DAP	3.656		638	
Total	**343.353**	**825.694**	**233.772**	**632.765**

In 2010 1.169.047 mt of fertilizer sold and 452.889.025 TL of revenue achieved.

C. ADMINISTRATIVE ACTIVITIES

Company's Top Management

General Manager	**Mehmet KOCA**
Bachelor	İstanbul Technical University / Sakarya Engineering Faculty Industrial Engineering Department
Deputy General Manager	**Ferhat ŞENEL**
Bachelor	Istanbul University / School of Business Administration
Deputy General Manager	**Tahir OKUTAN**
Bachelor	Atatürk University / Faculty of Agriculture
Bachelor	Anadolu University / School of Economics
Post Gratuate	Dumlupınar University / Institute of Social Sciences
Deputy General Manager	**İsmail BABACAN**
Bachelor	Marmara University / Faculty of Theology
Post Gratuate	Marmara University / Faculty of Theology
Deputy General Manager	**Osman BALTA**
Bachelor	İstanbul Technical University / Sakarya Faculty of Mechanical Engineering

Gübre Fabrikaları T.A.Ş.
PERSONNEL

PERSONNEL	2010			2009			Change
	NON-UNION	*UNION*	*TOTAL*	*NON-UNION*	*UNION*	*TOTAL*	*%*
Head Office	84		84	83		83	1%
Yarımca Facilities	43	195	238	44	220	264	-10%
Regional Sales Dir.	63		63	56		56	13%
TOTAL	**190**	**195**	**385**	**183**	**220**	**403**	**-4%**

Training Activities

Education activities are aimed at developing managerial, personal and professional capacities of the staff. Education activities of 2.120 hours with participation of 311 employees were carried out.

D. SOCIAL RESPONSIBILITY

1) Sholarships

Gübretaş is granting sholarships to the students of 25 Agricultural Faculties in Turkey, 84 of beneficiaries in total.

2) Establishing a Foundation:

Our company has donated 200.000 TL to Tarım Kredi Kooperatifleri Eğitim, Kültür ve Sağlık Vakfı (The Agriculture Credit Cooperatives Education, Culture and Health Foundation), which was established under the guidance of Tarım Kredi Kooperatifleri Merkez Birliği. Foundation's establishment asset is 830.000 YTL.

3) Training:

Our training activities aimed at supporting agricultural knowledge continued in 2010 too. Company's Regional Sales Directorates informed farmers in all aspects of agriculture in seminar meetings organized in cooperation with Agriculture Credit Cooperatives. Specialist agricultural engineers enlightened farmers in these meetings on conscious choice of fertilizers in these meetings on conscious choice of fertilizers and application methods and soil analysis.

CONCLUSION

DEAR SHAREHOLDERS,

In first nine months of 2010 our facilities produced 378.239 mt of various combinations of chemical fertilizers. (63.815 of these were used as raw materials). 1.052.445 mt of fertilizers and raw materials bought from domestic and foreign markets including most consumable amonia based fertilizers which cannot be produced in our facilities. 958.263 mt of solid, 611.080 lt liqued and 6.131.234 kg powder fertilizer sold in first nine months of 2010. Net sale income amount was 513.477.385 TL.

Moreover our subsidiary Razi Petrochemical Co. produced 1.444.412 mt of fertilizer and raw material and sold 1.169.047 mt fertilizer and raw materials with a sale income of 452.889.025 TL.

Our company reached to 966.366.410 TL consalidated sale income. Beside this 627.390.045 TL cost of goods sold, 74.504.316 TL operation expenses, 8.362.430 TL net financing expense have been occurred. By adding other income and expenses (net 18.106.845 TL) 274.216.465 TL value before tax is reached. After adding deferred tax income and deducting other legal liabilities 231.404.557 TL consalidated profit has been reached. 121.980.399 TL has been obtained after deducting 109.424.158 TL of minority shareholder shares.

Our first nine months of 2010 above presented results provided for your considaretion,

Best Regards,

BOARD OF DIRECTORS

GÜBRE FABRİKALARI T.A.Ş.
AND ITS SUBSIDIARY COMPANY

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND FOOTNOTES OF INTERIM FISCAL PERIOD

1 JANUARY - 30 SEPTEMBER 2010

INDEX	**PAGE**

INTERPRETIVE FOOTNOTES ON FINANCIAL STATEMENTS

GÜBRE FABRİKALARI T.A.Ş. AND AFFILIATE COMPANY
CONSOLIDATED BALANCE SHEET AS OF 30 SEPT. 2010

(Amounts are expressed in Turkish Lira unless otherwise stated)

		Current Period	**Revised Previous Period**	**Revised Previous Period**
	Note	**30 Sept. 2010**	**31 Dec. 2009**	**01 Jan. 2009**
ASSETS				
Current Assets		**753.849.915**	**564.509.432**	**643.342.627**
Cash and Cash Equivalents	6	160.121.942	21.238.159	109.873.886
Financial Investments	7	-	166.960	231.817
Trade Receivables	10	223.844.280	231.579.612	124.465.399
- Trade receivables from subsidiaries	*37*	*16.778.077*	*61.640.002*	*28.853.640*
- Other trade receivables	*10*	*207.066.203*	*169.939.610*	*95.611.759*
Other Receivables	11	82.813.529	81.806.763	73.411.199
- Other receivables from subsidiaries	*37*	-	-	-
- Other receivables	*11*	*82.813.529*	*81.806.763*	*73.411.199*
Inventories	13	247.465.490	197.866.971	280.481.720
Other Current Assets	26	39.604.674	31.850.967	54.878.606
Long-term (Fixed) Assets		**1.151.546.643**	**1.232.016.084**	**1.239.878.769**
Other receivables	11	12.204.227	7.279.438	4.629.498
- Other receivables from subsidiaries	*37*	-	-	-
- Other receivables	*11*	*12.204.227*	*7.279.438*	*4.629.498*
Financial Investments	7	2.525.015	2.525.016	2.190.577
Investments Valued by Equity Method	16	7.384.559	4.055.598	349.762
Investment Properties	17	60.169.595	44.401.769	40.510.391
Tangible Fixed Assets	18	814.253.931	853.317.258	887.431.702
Intangible Fixed Assets	19	-	334	2.760
Goodwill	20	234.846.745	249.836.962	249.836.962
Deferred Tax Assets	35	9.499.747	40.787.360	46.625.071
Other Fixed Assets	26	10.662.824	29.812.349	8.302.046
TOTAL ASSETS		**1.905.396.558**	**1.796.525.516**	**1.883.221.396**

GÜBRE FABRİKALARI T.A.Ş. AND AFFILIATE COMPANY
CONSOLIDATED BALANCE SHEET AS OF 30 SEPT. 2010

(Amount are expressed in Turkish Lira unless otherwise stated)

	Note	Current Period 30 Sept. 2010	Revised Previous Period 31 Dec. 2009	Revised Previous Period 01 Jan. 2009
LIABILITIES				
Short-term Liabilities		**751.901.961**	**695.057.433**	**561.253.951**
Financial Liabilities	8	203.133.176	176.313.199	214.075.004
Commercial Liabilities	10	347.962.935	302.817.868	228.214.296
- Payables to Subsidiaries	*37*	*4.038*	*6.199*	*2.205*
- Other trade payables	*10*	*347.958.897*	*302.811.669*	*228.212.091*
Other Payables	11	161.358.055	168.998.289	73.274.717
- Other payables to subsidiaries	*37*	-	-	-
- Other payables	*11*	*161.358.055*	*168.998.289*	*73.274.717*
Provisions for Employee Benefits	24	10.969.037	10.847.262	949.373
Provisions for Payables	22	4.392.195	30.784.303	41.633.642
Tax Liability for Current Period Profit	35	10.959.507	-	-
Other Short-term Liabilities	26	13.127.056	5.296.512	3.106.919
Long-term Liabilities		**397.904.208**	**496.175.620**	**566.711.407**
Financial Liabilities	8	167.266.110	191.633.106	231.999.916
Commercial Liabilities	10	136.983.244	218.590.282	255.021.996
- Trade payables to subsidiaries	*37*	-	-	-
- Other trade payables	*10*	*136.983.244*	*218.590.282*	*255.021.996*
Provisions for Employee Benefits	24	91.307.388	85.952.232	79.689.495
Deferred Tax Liabilities	35	2.347.466	-	-
EQUITY CAPITAL		**755.590.388**	**605.292.463**	**755.256.038**
Equities of Parent Company		**430.412.521**	**299.497.755**	**336.963.203**
Paid-up Capital	27	83.500.000	83.500.000	83.500.000
Value Appreciation Funds		136.760.862	89.303.889	89.807.364
Foreign Currency Conversion Adjustments		41.252.668	76.639.105	54.543.810
Restricted Reserves From Profit	27	5.645.297	5.645.297	5.645.297
Gains From Fixed Assets		881.151	-	-
Accumulated Profit / (Loss)	27	40.392.144	103.466.732	125.655
Net Period Profit / (Loss)		121.980.399	(59.057.268)	103.341.077
Minority Shares	**27**	**325.177.868**	**305.794.708**	**418.292.835**
TOTAL LIABILITIES		**1.905.396.558**	**1.796.525.516**	**1.883.221.396**

GÜBRE FABRİKALARI T.A.Ş. AND AFFILIATE COMPANY
COMPREHENSIVE CONSOLIDATED INCOME STATEMENT FOR 9-MONTH INTERIM PERIOD THAT ENDED AS OF 30 SEPT. 2010

(Amounts are expressed in Turkish Lira unless otherwise stated)

	Note	Current Period 1 Jan. – 30 Sept. 2010	Current Period 1 July– 30 Sept. 2010	Revised Previous Period 1 Jan. – 30 Sept. 2009	Revised Previous Period 1 July – 30 Sept 2009
CONTINUING OPERATIONS					
Sales Incomes (net)	28	966.366.410	321.785.685	712.492.420	170.179.103
Costs of Sales (-)	28	(627.390.045)	(225.118.006)	(675.463.110)	(159.376.133)
GROSS PROFIT		**338.976.365**	**96.667.679**	**37.029.310**	**10.802.970**
Marketing, Sales and Distribution Expenses (-)	29	(40.346.982)	(14.920.075)	(29.270.315)	(8.720.847)
Administrative Expenses (-)	29	(34.157.334)	(12.138.924)	(32.566.573)	(11.942.507)
Other Operating Incomes	31	32.992.767	5.137.560	34.510.697	12.419.432
Other Operating Expenses (-)	31	(15.614.884)	(9.888.441)	(21.539.805)	(1.077.855)
OPERATION PROFIT		**281.849.932**	**64.857.799**	**(11.836.687)**	**1.481.192**
Shares in Profit/Loss of Investments Valued by Equity Method	16	728.962	(263.684)	(1.114.603)	(172.763)
Financial Incomes	32	68.798.729	27.674.359	32.460.855	3.725.216
Financial Expenses (-)	33	(77.161.159)	(18.088.412)	(119.381.335)	(18.291.371)
PRE-TAX PROFIT / LOSS FROM CONTINUING OPERATIONS		**274.216.465**	**74.180.062**	**(99.871.769)**	**(13.257.725)**
Tax Expenses on Continuing Operations	35	**(42.811.908)**	**(8.124.549)**	**17.543.716**	**15.601.451**
- Period Tax Expense (-)		(11.599.433)	(1.039.999)	-	-
- Deferred Tax Income		(31.212.475)	(7.084.550)	17.543.716	15.601.451
PERIOD PROFIT/ (LOSS)		**231.404.557**	**66.055.513**	**(82.328.053)**	**2.343.726**
PERIOD PROFIT/ (LOSS)		**231.404.557**	**66.055.513**	**(82.328.053)**	**2.343.726**
Distribution of Period Profit / (Loss)					
Minority Interests	27	109.424.158	19.067.204	(9.990.126)	801.910
Parent Company's Interests		121.980.399	46.988.309	(72.337.927)	1.541.816
Earnings / (Loss) Per Share	36	**1,4608**	**0,5627**	**(0,8663)**	**0,0185**

Added remarks are component parts of the financial statements.

GÜBRE FABRİKALARI T.A.Ş. AND AFFILIATE COMPANY
COMPREHENSIVE CONSOLIDATED INCOME STATEMENT FOR 9-MONTH INTERIM PERIOD THAT ENDED AS OF 30 SEPT. 2010

(Amount are expressed in Turkish Lira unless otherwise stated)

	Note	Current Period 1 July– 30 September2010	Current Period 1 July– 30 September 2010	Revised Previous Period 1 January– 30 September2009	Revised Previous Period 1 July – 30 September 2009
PERIOD PROFIT / (LOSS)		**231.404.557**	**66.055.513**	**-82.328.053**	**2.343.726**
- Change in Fixed Assets Value Appreciation		49.973.298	-	(503.475)	-
- Foreign Currency Conversion Adjustments		(35.386.437)	(81.504.732)	21.476.812	(7.378.755)
- Tax Incomes and Fiscal Charges Related to Other Comprehensive Income Items		(2.516.325)	-	-	-
OTHER COMPREHENSIVE AFTER-TAX INCOME / (EXPENSE)		**12.070.536**	**(81.504.732)**	**20.973.337**	**(7.378.755)**
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		**243.475.092**	**(15.449.219)**	**(61.354.716)**	**(5.035.029)**
Distribution of Total Comprehensive Income / (Expense):					
Minority Shares	27	109.424.158	19.067.204	(9.990.126)	801.910
Parent Company’s Shares		134.050.935	(34.516.423)	(51.364.590)	(5.836.939)

GÜBRE FABRİKALARI T.A.Ş. AND AFFILIATE COMPANY
COMPREHENSIVE CONSOLIDATED INCOME STATEMENT FOR 9-MONTH INTERIM PERIOD THAT ENDED AS OF 30 SEPT. 2010

(Amounts are expressed in Turkish Lira unless otherwise stated)

	Note	Paid-up Capital	Growth Funds	Foreign Currency Conversion Adjustments	Limited Provisions Segregated from Profit	Gains from Fixed Assets Sales	Previous Years' Profits /Losses	Net Period Profit / Loss	Equities of Parent Company	Minority Shares	Total Equities
Reported earlier 1 January 2009		**83.500.000**	**89.807.364**	**29.207.902**	**5.645.297**	**-**	**125.655**	**103.341.077**	**311.627.295**	**418.292.835**	**729.920.130**
Goodwill Affects with Balance Sheet Exchange Rate (Note 20)		**-**	**-**	**25.335.908**	**-**	**-**	**-**	**-**	**25.335.908**	**-**	**25.335.908**
1 January 2009	**27**	**83.500.000**	**89.807.364**	**54.543.810**	**5.645.297**	**-**	**125.655**	**103.341.077**	**336.963.203**	**418.292.835**	**755.256.038**
Previous Year Profit / Transfer (at loss)		-	-	-	-		103.341.077	-103.341.077	-	-	-
Dividends		-	-	-	-	-	-	-	-	-147.865.223	-147.865.223
Total Comprehensive Income/ (Expense)		-	-503.475	28.855.567	-	-		-73.879.742	-45.527.650	21.060.505	-24.467.145
30 September 2009	**27**	**83.500.000**	**89.303.889**	**83.399.377**	**5.645.297**	**-**	**103.466.732**	**-73.879.742**	**291.435.553**	**291.488.117**	**582.923.670**
1 January 2010	**27**	**83.500.000**	**89.303.889**	**76.639.105**	**5.645.297**	**-**	**103.466.732**	**-59.057.268**	**299.497.755**	**305.794.708**	**605.292.463**
Previous Year Profit / Transfer (at loss)		-	-	-	-	-	-59.057.268	59.057.268	0	0	0
Gains from Fixed Assets Sales		-	-	-	-	881.151	-881.151	-	0	0	0
Dividends		-	-	-	-	-		-	0	-66.083.965	-66.083.965
Minority shares purchase		-	-	-	-	-	-3.136.169	-	-3.136.169	0	-3.136.169
Total Comprehensive Income		-	47.456.973	-35.386.437	-	-	-	121.980.399	134.050.935	85.467.124	219.518.059
30 September 2010	**27**	**83.500.000**	**136.760.862**	**41.252.668**	**5.645.297**	**881.151**	**40.392.144**	**121.980.399**	**430.412.521**	**325.177.867**	**755.590.388**

GÜBRE FABRİKALARI T.A.Ş. AND SUBSIDIARY COMPANY
COMPREHENSIVE CONSOLIDATED INCOME STATEMENT FOR 9-MONTH INTERIM PERIOD THAT ENDED AS OF 30 SEPT. 2010

(Amounts are expressed in Turkish Lira unless otherwise stated)

Cash Flow From Operations	Note	Current Period 1 January - 30 Sept. 2010	Previous Period 1 January- 30 Sept. 2009
Net period profit/ (loss)		231.404.557	(82.328.053)
Amendments to make the net cash amount used in business operations be in accord with the net period profit / (loss)			
Depreciation and Amortization	18-19	52.457.315	48.498.855
Incomes/Expenses from subsidiaries valued by Equity Method	16	(3.328.960)	1.114.603
Provisions for termination indemnities, permission and seniority-based incentives	24	21.102.564	14.746.098
Interest Income/ Expense		36.686.513	79.709.571
Provisions for Permission and Seniority-based Incentives / Cancellation		121.775	
Exchange rate difference income / expense		(27.175.585)	9.643.197
Gain on sales of assets	31	(3.102.473)	1.250.225
Provision for decrease in value of inventories / Cancellation		-	(17.510.691)
Exchange Difference		5.027.975	(50.684.179)
Tax	35	42.811.908	(17.543.716)
Provisions for Other Payables and Incomes / Cancellation		(1.036.748)	(1.941.380)
Deferred Financial Income		(998.323)	(2.404.544)
Profits from Real Estate Sales		(16.476)	-
Investment Property Appreciation		(15.767.826)	-
Provisions for Doubtful Receivable / Cancellation	10	(6.784)	(3.626.923)
Cash flows resulted from the operations before the change in the capital		**338.179.432**	**(21.076.937)**
Changes in the capital of the company			
Increase / Decrease in trade receivables		3.815.650	(46.239.209)
Increase / Decrease in other receivables		(1.006.766)	102.290.457
Increase / Decrease in Inventories		(58.088.821)	99.181.269
Increase / Decrease in Other Current / Fixed Assets		11.395.819	9.847.886
Increase / Decrease in commercial liabilities		(36.459.810)	(40.288.545)
Increase / Decrease in other liabilities		(6.605.647)	3.992.211
Increase / Decrease in Provisions for Liabilities		(26.392.108)	(2.375.070)
Increase / Decrease in Other Short-term and Long-term Liabilities		7.830.544	(2.197.957)
Cash resulted from or used in the operations after the change in the capital or the capital		**232.668.293**	**103.134.106**
Paid-up interest	33	(11.118.420)	(110.653.670)
Paid-up taxes		(1.086.845)	-
Paid-up termination indemnities	24	(19.033.838)	-
Net cash used in operations		**201.429.190**	**(7.519.564)**
Cash flows used in investments			
Purchase of Tangible and Intangible Asset	18	(11.225.621)	(48.361.279)
Cash gained from sales of tangible and intangible fixed assets	19	5.166.137	187.898
Purchases related to financial investments	18	-	(1.134.439)
Cash from sales in financial investments		183.436	-
Collected Interests	32	10.097.794	14.360.402
Dividends paid for minority shares		(66.083.965)	
Purchase of minority shares		(3.136.169)	
Contributions from Consolidated Participations to Capital of the Subsidiary Company		-	
Net Cash used in investments		**(64.998.388)**	**(34.947.418)**
Cash Flows from financial activities			
Cash Flow related to financial liabilities		46.971.825	188.819.569
Principal Repayment of Financial Liabilities	33	(44.518.844)	(243.314.097)
Net Cash used in financial activities		**2.452.981**	**(54.494.528)**
Net increase/decrease in cash and cash equivalents		138.883.783	(96.961.510)
Balance of Cash and Cash Equivalents at beginning of the year	**6**	**21.238.159**	**109.862.934**
Balance of Cash and Cash Equivalents at the year-end	**6**	**160.121.942**	**12.901.424**

(Amounts are expressed in Turkish Lira unless otherwise stated)

1. GROUP'S ORGANIZATION AND MAIN BUSINESS ACTIVITY

Gübre Fabrikaları T.A.Ş. and its subsidiary company (together referred as" Group") consists of Gübre Fabrikaları T.A.Ş. ("Gübretaş" or "Company"), its subsidiary company and two partnerships. Gübre Fabrikaları T.A.Ş. is a company which was established in 1952 and has been operational in production and sales of chemical fertilizer.

The Company carries out a great deal of its operations in cooperation with the Agricultural Credit Cooperatives Central Union in Turkey. The central office of the Company is based in İstanbul, but there are other offices and production facilities as follows.

Unit	Main Activity
Yarımca Facilities	Production / Port/ Warehousing
İskenderun Facilities	Port/ Warehousing (on hire)
İzmir Regional Directorate of Sales	Sales-Marketing/ Liquid – Powder Fertilizer Production /Storage
Samsun Regional Sales Directorate of Sales	Sales-Marketing / Warehousing
İskenderun Regional Sales Directorate of Sales	Sales-Marketing / Warehousing
Tekirdağ Regional Sales Directorate of Sales	Sales-Marketing / Warehousing
Ankara Regional Sales Directorate of Sales	Sales-Marketing
Diyarbakır Regional Sales Directorate of Sales	Sales-Marketing
Konya Regional Sales Directorate of Sales	Sales-Marketing

The Company and its subsidiaries have 1.500 employees as of 30 September 2010 (31 December 2009: 1.493)

% 25 out of the public shares of the Company is traded on İstanbul Stock Exchange (İMKB) and recorded at Capital Markets Board (SPK).

Here is the list of shareholders which own %10 or more share in the capital of the Company:

	30 September 2010		**31 December 2009**	
Name	**Share Rate**	**Share Amount**	**Share Rate**	**Share Amount**
Agricultural Credit Cooperatives Central Union	76,62%	63.975.523	78,48%	65.529.870
Others	23,38%	19.524.477	21,52%	17.970.130
TOTAL	100,00%	83.500.000	100,00%	83.500.000

Subsidiary Companies

Gübretaş participated in Razi Petrochemical Co. ("Razi") which produces and sells both chemical fertilizer and raw materials used for chemical fertilizer in 24 May 2008. Gübretaş has %48,88 out of the capital of Razi as the balance sheet date (31 December 2009: %47,81). Gübertaş has right to assign 3 names for the 5-member executive committee of Razi. So Razi is considered as an subsidiary company because Gübretaş controls the operational management.

Participants (Partners)

The Company participated in Negmar Denizcilik Yatırım A.Ş. ("Negmar") which is openational in sea transport in 30 June 2008. The participant rate is %40 as the balance sheet date. (31 December 2009: %40).

The Company participated in Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş. (“Tarkim”) which produces and sells agricultural pesticide in Turkey. The participant rate is %40 as the balance sheet date. (31 December 2009: %40).

(Amounts are expressed in Turkish Lira unless otherwise stated)
Approval of Financial statements:

The financial statements were approved to be disclosed on 10 November 2010 by the executive committee. The General Board is authorized to amend the financial statements.

2. PRESENTATION OF FINANCIAL STATEMENTS

2.1 Principles Pertaining to Presentation

Basis To Draft Financial Statements and Specific Accounting Policies

The Company and its participations based in Turkey draft and keep their legal records, books and financial statements in line with Turkish Trade Law ("TTL") and accounting principles defined by tax legislation. However the subsidiary company operating in Iran drafts its financial statements in currency of Iranian Riyal ("IRR") and in compliance with Iranian legislation.

The Capital Markets Board ("CMB"), Seri: XI, No: 29 "Communiqué of Financial Reporting Principles in Capital Markets" ("Seri: XI, No: 29 Communiqué") determines the principles, methods and basis in relation with the financial reports written by the companies as well as how to draft and present them. This communiqué has been put into force to affect the first interim financial statements of the accounting periods which start on and after 1 January 2008. And with this communiqué, the Seri: XI, No: 25 "Communiqué of Accounting Standards in Capital Market" was abolished.

According to this communiqué, the corporations should draft their financial statements in line with International Financial Reporting System ("IAS/IFRS") which is recognized and adapted by European Union. However, IAS/IFRS will be applied until Turkish Accounting Standards Board ("TASB") states the differences between IAS/IFRS adapted by EU and those adapted by International Accounting Standards Board ("IASB") . In this regard, Turkish Accounting / Financial Reporting Standards ("TAS/TFRS") will be taken as a basis.

Until TMSK declares the differences between IAS/IFRS adapted by EU and the standards by IASB; the financial statements drafted in line with CMB Series: XI, No: 29 Communiqué. Attached financial statements and the footnotes are submitted in accordance with obligatory formats declared by CMB on 17 April 2008 and 9 February 2009.

Financial statements are drafted in line with historical cost accounting, apart from appraisal of fixed assets and investment properties. To determine the historical cost, it is needed to take a fair value of the amount paid for the assets as a basis.

Current Currency in Use

Each Group company drafts its financial statements with the currency of the economic environment where it is operational and so we call this currency as functional currency. The currency used in the consolidated financial statements by the Company is Turkish Lira ("TL").

However, the functional currency is Iranian Riyal ("IRR") for the subsidiary company which operates in Iran. According to IAS 21 "The Effects of Changes in Foreign Exchange Rates"; the assets and liabilities of the Group's participations abroad are converted into Turkish Lira in line with the parity of exchange on the balance sheet date. Foreign currency conversion losses or gains are kept in account of foreign currency conversion adjustments in the equities. At the end of period, these differences are noted as gain or loss.

At the financial statements dated on 31 December 2009, Riyal was first converted into EURO and then into TL since the money transfers were made with EURO in Iran. So in order to convert Razi's finacial tables into TL; EURO/Riyal and TL/EURO exchange rates were used. But, for financial statements dated 30 September 2010, TCB rate was used as Turkey's Central Bank ("TCB") began declaring Iranian Riyal rate in 2010.

(Amounts are expressed in Turkish Lira unless otherwise stated)

Here are the exchange rates used:

	30 September 2010		31 December 2009	
Foreign Currency	**End of Period**	**Grade Point Average**	**End of Period**	**Grade Point Average**
IRR	0,000141000	0,0001492330	0,00015000	0,000154682

Amendment of Financial statements during High Inflation Periods

In accordance with the 17 March 2005 dated and 11/367 numbered decision by SPK, the inflation accounting was ended as of 1 January 2005 for the companies operational in Turkey and drafting financial statement in line with SPK Accounting Standards or IAS/IFRS. So 29 numbered “Financial Reporting in Highly Inflated Economies” Standard (“IAS/TAS 29”) has not been applied since 1 January 2005.

Comparative Information and Amendment of Previous Periods’ Financial Statements

In order to determine financial situation and performance trends; Group’s consolidated financial statements are drafted in comparison with the previous period. The comparative information is re-classified if necessary to comply with the presentation of the current period consolidated financial statements and significant differences are stated. The Group has made some classifications in the financial statements of the current period.

Quality, reason and amounts of the classifications are stated as follows:

The Group has classified the participation of 4.000.000 TL -which the Group participated in Tarkim in 2009- from the financial assets account in the long-term fixed assets into the account of investments valued by equity methods. The classification has no affect on the income statement.

Consolidation Principles

The consolidated financial statements include the financial statements of the corporations controlled by the Company and its subsidiaries or jointly controlled. The control is that a company has power on financial and operational policies in order to gain benefits from the operating activities.

The results of the subsidiaries - which are purchased or sold out during the year – are included into the consolidated income statement after the purchase date or until the date of sale.

If necessary, the accounting policies applied in the financial statements of the subsidiary companies are amended to comply with the accounting policies followed by the Group.

All operations, incomes, expenses and balances inside the Group are eliminated in the consolidation. .

Consolidated subsidiaries’ shares in the net assets – excluding the parent company – are separately indicated within the equity of the Group.

Minority shares consist of the shares which are created during the first mergers and these consolidated equities of participations before the merging date.

(Amounts are expressed in Turkish Lira unless otherwise stated)
At the attached financial statements, operating results, assets and liabilities of participations are accounted by using equity method. According to equity method, the participations are showed via the amount which is calculated by deducting any depreciation of the participation from the amount calculated in result of correcting net assets' value after the participation.

The amount exceeding the fare value of the purchase price as well as purchase time value of assets, liabilities and conditional payables of the participation is recorded as goodwill. The goodwill is included into investment book value and examined as a part of the investment in respect of depredation. The participation assets, liabilities and conditional payables which were defined at the time of purchase is revised by considering a fare value and exceeding amount is directly added into the income statement.

Profits and losses resulted from the transactions between a Group company and Group participation is eliminated at rate of Group's share in the related participation.

2.2 Changes in Accounting Policies

Significant changes in the accounting policies are retroactively applied and the previous period' financial statements are revised. No significant change in accounting policies of the Group happened in the current period.

2.3 Amendments and Errors in Accounting Assumptions

If the amendments in accounting assumptions are related to one period, the amendment is applied in the current period. But, if the amendment is related to the future periods, it will be applied both in the current period and future periods. No significant change or amendment has happened in accounting assumptions of the Group over the current year.

If any accounting mistake is found out; previous periods' financial statements will be revised. The Group reviewed the goodwill accounts in the current period and determined to convert the goodwill through the closing rate in regard to the 47^{th} paragraph of the No: 21"Effects of Changes in Foreign Exchange Rates" of the International Accounting Standards.

In this regard, Group has revised the financial statements as of 2008 when the goodwill took place. As result of the revision, total 25.335.908 TL conversion difference for 2008. Since the closing rates of 2008 and 2009 are equal, no conversion difference has been calculated.

2.4 Offset / Deduction

Financial assets and liabilities are indicated as net in cases that there is required legal right, there is intention to evaluate these assets and liabilities as "net" or owning the assets follows performing liabilities.

2.5 CMB Changes in CMB Financial Reporting Standards

2.5.1 Standards and Comments Affecting Reported Results or Balance Sheet

IAS 27 (2008) Consolidated Financial Statements

IAS 27 (Revised) standard is applied for the financial periods which start on 1 July 2009 or later. Amendments of IAS 27 standard especially affects the accounting transactions related to operations or incidents which change the Group's shares in the subsidiary companies. In accordance with this revised standard, all decreases or increases which do not affect the control power of the company need to be accounted in the equity (FOOTNOTE 3). Group anticipatory applies the changes in IAS 27 as of 1 January 2010.

IFRS 3 (2008) Business Combinations

Changes in the standards of IFRS 3 (revised), "Business Combinations" and IAS 27, "Consolidated and Non-Consolidated Financial statements", IAS 28, "Investments in Associates" and IAS 31, "Interest in Joint Ventures" will be effective for mergers that happened in the financial periods starting as of 1 July 2009 or later. Here are the some affects which may be seen as results of the changes in the new standards and existing standards applied:

a) To evaluate the shares which have no control power and earlier referred as "minority shares" with fare value for each operation is available,

b) Conditions related to accounting of conditional price and following accounting transactions are changed,

c) It is needed to separately account the costs of acquisition and mergers and so such costs are generally recorded as expenses at that period.

d) For gradual purchase operations, the shares purchased earlier are calculated to fix a fare value at time of purchase date and then gain or loss calculated after the revision will be recorded at the income statement.

The Group has to apply both IFRS 3 (revised) standard and UMS 27 (revised) "Consolidated and Non-Consolidated Financial Statements" standards together. According to UMS 27 (revised), all effects of the transactions linked to minority shares are accounted in the equity without affecting the goodwill or comprehensive income statement if there is no change in control power. The standard also clarifies the accounting procedures at situations when the control power is lost. The share remained in the hands of the company is re-calculated to find a realistic value and then the gain/loss is accounted in the comprehensive income statement.

2.5.2 The Standard which is in effect in September 2010 but has no effect on financial statements of September 2010 and comments:

IFRS 8 (changes as to annual amendments in 2009) Operating Segments

The amendments of IFRS 8 standard notify that the statements about department assets and liabilities should only be reported if such assets and liabilities are included in the reports used by the decision-makers of the company.

IAS 7 (changes as to annual amendments in 2009) Cash Flow Statements

Amendments made in IAS 7 standard notes that the expenses which are only accounted in financial situation table / balance sheet can be classified as cash flows from investment activities. All expenses which are not recorded as assets should be put into other segments. The reason fort his change is to prevent any wrong match between the cash flow from the investment and the assets accounted in the balance sheet.

UMS 1 changes as to annual amendments in 2009) Presentation of Financial Statements

The amendments in IAS 1 standard clarify that the liabilities are not affected as to due term even if the classification of convertible instruments are covered by exporting the equity instruments at any time upon option by the other side.

IFRS 1 (Amendments) First time adoption of International Reporting Standards

Additional exceptional situations have been introduced in the first IFRS applications related with the assets of petroleum and natural gas as well as measurement of hiring transaction.

The companies applying full cost accounting in order to evaluate and search the assets like those at the phase of development and production can measure these assets via the amounts determined with the previously applied accounting rules. However, the exceptional situation requires that the company makes impairment test when it starts applying IFRS.

Same as, when amortized cost is used, all liabilities of repairing these assets are calculated in accordance with UMS 37 "Provisions, Conditional Liabilities and Conditional Assets" Standard as soon as the company starts applying IFRS. Any amendments in book value is accounted in the previous years' profits. Also, these amendments point out that there is no need to revise the financial hiring contract during the transformation of IFRS.

IFRS 2 (Amendment) Share-based Payment

Amendments in IFRS 2 Share-based Payments Standard clarify the accounting methods which will be applied in the transactions in which the Group paid up in cash. Such amendments especially indicate the accounting applications for the share-based payment contracts in the financial statements of the subsidiary company of the Group. In scope of these contracts, the payments of the subsidiary which bought goods or service are made by another subsidiary company of the Group or the parent company. This standard clarifies the issues as follows:

- The company purchasing goods from the suppliers or services from the employees in scope of the share-based payment contracts accounts these goods and services without considering if the payment is paid with cash or shares by which subsidiary company.
- The "Group" term used in IFRS 2 standard is the same term used in IAS 27 "Consolidated Financial Statements" Standard. So the Group is only made up by the parent company and its subsidiary companies.

The amendments of IFRS 2 standard clarify that a joint venture (business partnership) and the contributions to make mergers are not included in scope of IFRS 2 standard.

IFRS 5 (annual amendments in 2008 and 2009) Investment Assets for Sale and Discontinued Operations

The amendment of IFRS 5 standard is about the procedures to be followed when a company plans to sell the majority shares of its subsidiary company. In case of having an subsidiary company for sale; all assets and liabilities owned by the subsidiary company should be classified in scope of IFRS 5 standard even if the company has only minority shares after the sale. These amendments also note that the provisions of the other standards, excepting IFRS 5 standard are generally not applied for the non-current assets kept for sale and the discontinued operations

IAS 17 (annual amendments in 2009) Leases

The amendments of UMS 17 standard clarify three points of land leasing. In the previous periods, the land leasing with unlimited time used to be classified as operating lease unless the other side takes over the property right of the land at the end of leasing period. However, this classification is no longer effective and a general revision is needed due to as a matter of course in leasing. That's why this standard has been amended.

In the regard of this amendment, land leasing is classified as financial leasing. Besides, if leasing contracts include both land and building leasing, this standard should be separately classified as operational or financial leasing in accordance with general principles of this standard. The companies should revise the basics of undue leasing contracts, especially the matters in land classification in the contract. In the cases that a company re-classify a leasing transaction as financial leasing; this leasing transaction is retroactively evaluated and accounted. If there is not enough information to account retroactively, the related assets and liabilities should be calculated in line with fair values and the difference should be accounted in the profits of the previous years.

IAS 36 (annual amendments in 2009) Impairment of Assets

The amendments of IAS 36 standard sate that the unit producing cash at low ebb should not exceed the operation department defined by the principles of IFRS 8 "Operation Departments" Standard when the impairment of the goodwill is calculated.

IAS 39 Amendments of Financial Instruments: Recognition and Measurement

The amendments in 2009 clarify that fines of the prepaid credits may be classified as an instrument related to the main contract at some cases noted in the standard. Also, it is indicated that the content exemption of IAS 39 standard - which is about the contracts designed for re-sale of the companies which will be purchased in a merger of about the companies which are brought for sale – will only be effective for the contract farming but not for derivatives contracts for that more measure should be taken. In addition, it is noted that the amount deferred in the equity – in regard to hedge accounting of the cash flow in these amendments will able to be re-classified only en the profit/loss when major hedged cash flows affect the profits/loss.

IAS 38 (annual amendments in 2009) Intangible Assets

The amendments of IAS 38 standard are especially about definition and evaluation of the intangible fixed assets. The amendments not that if the intangible asset owned in a merger can be defined by another intangible asset, the group of intangible fixed assets can be accounted as one asset on condition that the useful life of each asset is the same. The amendments also allow to use different evaluation techniques for intangible fixed assets if there is no active market. In result of these amendments, more intangible fixed assets can be accounted in the mergers and so more intangible fixed assets can be recorded and evaluated by using evaluation techniques.

IFRIC 9 (annual amendments in 2009) Reassessment of Embedded Derivatives

The amendments of IFRIC 9 evaluation were made after IFRS 3 "Business Combinations" Standard. The evaluation is not for hidden derivatives owned in result of a merger and pointed out in the contract. These amendments are also not for the derivatives gained from the merger contracts between companies or jointly-controlled companies as well as the contract made for a joint venture. These amendments clarify the situations which of the derivatives need to be revised during mergers or restructuring operation. These amendments are for the periods which start on /after 1 January 2010; or after the date when IFRS 3 (2008) Standard begins to be applied.

IFRIC 16 (annual amendments in 2009) Hedges of a Net Investment in a Foreign Operation

The amendments of IFRIC 16 evaluation make detailed statements about hedge accounting, net investments and hedging operations.

IFRIC 17 'Distribution of Non-cash Assets to Owners'

IFRIC 17 is in force for the financial periods which start on/after 1 July 2009. This evaluation provides information of the suitable accounting about how the non-cash assets will be distributed as dividends. However, the Group does not apply this evaluation since it distributes only cash as dividend.

IFRIC 18 'Asset Transfers of Assets from Customers'

IFRIC 18 will be effective for the assets which are transferred as of 1 July 2009. The Group does not apply this evaluation since it has not transferred any asset from the clients.

2.5.3 Standards and Evaluations which have yet to be effective as of September 2010 and the Company does not consider early application

IFRS 1 (amendments) First time Adoption of International Financial Reporting Standards

The amendments of IFRS 1 standard which is effective for the financial periods that start on/ after 1 July 2010 introduce some partial or limited exemption for first companies applying IFRS 7 comparative presentation of fair value statements.

IFRS 9 'Financial Instruments'

International Accounting Standards Board (IASB) issued the first part of IFRS 9 classification and evaluation of the financial instruments in November 2009. IFRS 9 will be used instead of IAS 39. This Standard requires that financial assets should be classified in accordance with the cash flow based on the contract and the model used by the company to administrate the financial assets and then should be evaluated in line with a fair value or cost. This new Standard has to be applied for the financial periods which start on /after 1 January 2013.

IAS 24 (2009) 'Related Party Disclosures'

UMS 24 "Statements from Subsidiaries" was updated in November 2009. The update of the standard provides the public corporations with partial exemption of the required statements. This updated standard has to apply for the financial periods which start on/after 1 January 2011.

IAS 32 (Amendments) Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements

The amendments of IAS 32 and IAS 1 standards are effective for the financial periods which start on/after 1 February 2010. These amendments are related about the accounting operations of the rights (rights, options and guarantees) exported by a company drafting financial statement and not using the functional currency but another currency. In the previous periods, such rights used to be accounted as derivative liabilities. But these amendments state that such exported rights should be accounted as equity without considering which currency has been fixed for option and price if some specific conditions are available.

IFRIC 14 (Amendments) Prepayment of Minimum Funding Requirement

The amendments of IFRIC 14 evaluation is effective for the financial periods which start on /after 1 January 2011. The companies which have to contribute minimum funding for the defined retirement benefit plans and opt to prepay these contributions will be affected. In accordance with these amendments, the extra amount gained from the voluntary pre-payments is accounted as asset.

IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments"

IFRIC 19 is effective for the financial periods which start on /after 1 July 2010. IFRIC only states the accounting applications which will be used by the companies exporting equity instruments in order to pay a whole liability or a part of a liability.

May 2010 'Annual Amendments'

IASB, in addition to the updated standards and the amendments mentioned herein before, issued statements about the foremost 7 standards / evaluations in May 2010: IFRS 1 First time Adoption of International Financial Reporting Standards; IFRS 3 Business Combinations; IFRS 7 Financial Instruments: Statements; IAS 1 Presentation of Financial Statements; IAS 27 Consolidated Financial statements; IAS 34 Interim Financial Reporting; and IFRIC 13 Customer loyalty Programs. All of the amendments, excepting those IFRS 3 and IAS 27 which are effective as of 1 July 2010, will be effective along with early application option for the financial periods as of 1 January 2011. The Group has yet to evaluate the possible effects on its financial statements as a result of application of the standards mentioned herein before.

2.6 Summary of Major Accounting Policies

The major accounting principles used for the attached financial statements are as follows:

Income

Incomes are calculated via fair value of the received or receivable amount.

Sales of Goods

The income from the sale of the goods is calculated after the following conditions are in place:

- The Group hands over the property right, risks and gains to the buyer
- Group has no longer effective control over the sold-out goods and administrative contribution linked to the property right.
- Income amount is reliably calculated.
- Economical benefits related to the operation are possible to flow in the company.
- The costs resulted / to-be resulted from the operation is reliably calculated.

Sales of Services

Income from the operation is included into the financial statements in consideration with the completed level on the balance sheet date at the situations when the service operation is reliably assumed.

But when a reliable assumption of the result of the service operation is unavailable; the income can only be reflected to the financial statements as much as the recoverable amount of the expenses is drafted on the financial statements.

Dividend and interest income

The interest income is realized at the related period at rate of the effective interest reducing the assumed cash input gained from the related financial asset with the remaining principal amount over its expected life to the recorded value of the asset.

Dividends from the share investments are recorded when the shareholders get right to receive the dividend.

Lease Income

The rental income from the real estate is accounted in accordance with linear method during the related leasing contract is in effect.

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. (FOOTNOTE: 13)

Investment Properties

The investment properties are kept for rental income or/and value growth gain and they are first valued with their main cost as well as operation cost. Following the first accounting, the investment properties are evaluated with the fair values reflecting market realities as the balance sheet day. Gains / losses from the fair value amendments are included in the income statement during the period when they happened.

The real estate used by the owner has been considered as amortization until they become investment properties showed 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 machines and instruments used in leased factory should also been considered. So such assets are separately displayed in the investment property account, too.

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 depredation 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 depredation 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 depredation. Decrease in book value resulting from the re-evaluation of mentioned landed property and building is recorded to the income statement in case the said 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.

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.6 Summary of Major Accounting Policies (cont.)

Tangible-Fixed Assets (cont.)

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

Machines and equipments are showed on the basis of the amount which is after subtracting the accrued depreciation and accrued depredation 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.

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. (Footnote: 18)

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

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 creditably.

Intangible assets are accounted with their cost value at the initial recognition. The cost value 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. (Footnote: 19)

Impairment of Assets

The unlimited assets like goodwill cannot be redeemed. Annually, an impairment test is applied for these assets. However for those redeemed assets, the impairment test is applied only when it is impossible to regain the book value because of a situation or events. If the asset is in the excess of the recoverable amount of the book value, a provision for losses is noted. The recoverable amount is the bigger one of the used value or the fair value acquired after deducting the sale costs. In order to evaluate the impairment, the assets are grouped at the lowest level which there are separate identifiable cash flows (cash generating units). All redeemed non-financial assets - except from the betterment - are reviewed at each reporting date for possible cancellation of the impairment.

Loan Costs

For qualifying assets that require significant time to be ready for use and sale, the loan costs related to purchase, production or manufacture are included in the costs of the asset until the asset is ready for use or sale. All other loan costs are recorded at the income statement in the current period.

Financial Tools

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.

Financial assets held until due term

The fixed term debt instruments that the Group intends and is capable to hold until the due term and that have a fixed or determinable payment plan are categorized as the investments held until the due term. The investments which will be held until the due term are recorded after the amount decrease in value is deducted from the cost price redeemed in line with effective interest method and then the related income is accounted by using the effective interest method.

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.

Decrease in value 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.

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.

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.6 Substantial Accounting Policies Summary (cont.)

Financial Instruments (cont.)

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.

Derivative financial instruments

Activities of Group actually expose the enterprise to financial risks caused by changes in exchange and interest rates. Group uses derivative financial instruments (essentially exchange rate forward contracts) in order to avoid financial risks associated with exchange rate fluctuations depending on specific binding commitments and anticipated future transactions.

Derivative financial instruments are calculated with their fair values at contract date and recalculated with their fair values in the following reporting periods.

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.6 Substantial Accounting Policies Summary (cont.)

Lease Proceedings

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.

Facilities of company in İskenderun Sarıseki have been leased for 25 years commencing from 30 April 2007, and later on the term of lease has been extended to 30 years by way of a supplementary contract executed. The leasing income obtained from these facilities is accounted for periodically. (Footnote 17)

Leasing - Group as Tenant

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

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

Payments performed for operating lease (incentives received or to be received from lessor for carrying out leasing transaction are recorded in income statement by straight-line method during leasing period), are recorded in income statement by straight-line method during leasing period.

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.6 Substantial Accounting Policies Summary (cont.)

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 TL which is valid currency unit for company and presentation unit for consolidated financial statements.

Foreign currency unit based transactions (other currencies than TL) 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 TL 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.

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.

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.6 Substantial Accounting Policies Summary (cont.)

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.

Taxes Calculated Over Organization Income

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 deductable as well as those which are impossible to tax or could not be tax deductable. 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).

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.6 Substantial Accounting Policies Summary (cont.)

Taxes Calculated Over Organization Income (cont.)

Deferred Tax (cont.)

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.

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.

2. PRINCIPLES PERTAINING TO PRESENTATION OF FINANCIAL STATEMENTS (cont.)

2.6 Substantial Accounting Policies Summary (cont.)

Benefits provided for employees

Seniority Inventive

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.

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. (Footnote: 24)

Holiday Provisions; The company makes a provision for the wages corresponding to the unused portion of vacation allowances of its employees in the previous years. (Footnote: 24)

Cash Flow Table

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.

3. BUSINESS COMBINATIONS

There has not been any business enterprise merger as of the date of the balance sheet (31 December 2009: None).

4. JOINT VENTURES

None (31 December 2009: None)

5. OPERATING SEGMENTS

The company started to implement IFRS 8 as of 1 January 2009, and operation departments were designated based on internal reports regularly reviewed by the competent authority of making decision on company’s activities.
Company’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 IFRS, IFRS financial statements are used to prepare reports by departments.

(Amounts are expressed in Turkish Lira unless otherwise stated)
The distribution of department assets and liabilities pertaining to the periods ending on 30 September 2010 and 31 December 2009 is as follows:

5. REPORTING BY DEPARTMENTS (cont.)

The distribution of balance sheets by departments as of 30 September 2010 and 30 September 2009 is as follows:

	Turkey	**Iran**	**Consolidation Adjustments**	**Total**
	30 Sept. 2010	30 Sept.2010	30 Sept.2010	30 Sept.2010
ASSETS				
Current Assets	299.830.015	465.812.958	(11.793.058)	753.849.915
Fixed Assets	642.631.224	698.876.229	(189.960.809)	1.151.546.644
TOTAL ASSETS	**942.461.239**	**1.164.689.187**	**(201.753.867)**	**1.905.396.559**
LIABILITIES				
Short Term Liabilities	418.677.607	345.017.412	(11.793.058)	751.901.961
Long Term Liabilities	214.365.226	183.538.982	-	397.904.208
Equities	309.418.405	636.132.792	(189.960.809)	755.590.388
TOTAL LIABILITIES	**942.461.238**	**1.164.689.186**	**(201.753.867)**	**1.905.396.558**

	Turkey	**Iran**	**Consolidation Adjustments**	**Total**
	31December2009	31December2009	31December2009	31December2009
ASSETS				
Current Assets	233.695.349	330.971.700	(157.617)	564.509.432
Fixed Assets	579.325.061	817.429.500	(190.074.384)	1.206.680.177
TOTAL LIABILITIES	**813.020.410**	**1.148.401.200**	**(190.232.001)**	**1.771.189.609**
LIABILITIES				
Short Term Liabilities	313.534.950	381.680.100	(157.617)	695.057.433
Long Term Liabilities	315.387.670	180.787.950	-	496.175.620
Equities	184.097.790	585.933.150	(190.074.384)	579.956.555
TOTAL LIABILITIES	**813.020.410**	**1.148.401.200**	**(190.232.001)**	**1.771.189.609**

5. OPERATING SEGMENTS (cont.)

The distribution of income statements by departments for the periods ending on 30 September 2010 and 30 September 2009 is as follows:

	Turkey	**Iran**	**Consolidation Adjustments**	**Total**
	01 January2010- 30 Sept. 2010	01 January 2010- 30 Sept. 2010	01 January 2010- 30 Sept. 2010	01 January 2010- 30 Sept. 2010
MAIN ACTIVITY INCOMES				
Sales Incomes (Net)	513.477.385	452.889.025	-	966.366.410
Sales Cost (-)	(452.353.167)	(175.036.878)	-	(627.390.045)

(Amounts are expressed in Turkish Lira unless otherwise stated)

Gross main activity profit	**61.124.218**	**277.852.147**	**-**	**338.976.365**
Marketing, sales and distribution expenses	(32.549.259)	(7.797.723)	-	(40.346.982)
General management expenses	(9.304.486)	(24.852.848)	-	(34.157.334)
Other activity incomes	20.835.053	12.157.714	-	32.992.767
Other activity expenses	(782.467)	(14.832.417)	-	(15.614.884)
Activity profit	**39.323.059**	**242.526.873**	**-**	**281.849.932**
Shares in profit/loss of investments increase in value through equity method	728.962	-	-	728.962
Financial incomes	121.215.634	8.104.397	(60.521.302)	68.798.729
Financial expenses	(66.727.832)	(10.433.327)	-	(77.161.159)
Pre-tax profit from maintained activities	**94.539.823**	**240.197.943**	**(60.521.302)**	**274.216.465**
Tax expense	-	(11.599.433)		(11.599.433)
Deferred tax income / (expense)	(16.676.181)	(14.536.294)		(31.212.475)
Profit for the period	**77.863.642**	**214.062.216**	**(60.521.302)**	**231.404.557**

(Amounts are expressed in Turkish Lira unless otherwise stated)

5. REPORTING BY DEPARTMENTS (cont.)

	Turkey	**Iran**	**Consolidation Adjustments**	**Total**
	01 January2010-	01 January 2010-	01 January 2010-	01 January 2010-
	30 Sept. 2010	30 Sept. 2010	30 Sept. 2010	30 Sept. 2010
MAIN ACTIVITY INCOMES				
Sales Incomes (Net)	532.657.128	187.557.344	(7.722.052)	712.492.420
Sales Cost (-)	(524.116.311)	(159.068.851)	7.722.052	(675.463.110)
Gross main activity profit	**8.540.817**	**28.488.493**	**-**	**37.029.310**
Marketing, sales and distribution expenses	(24.660.517)	(4.609.798)	-	(29.270.315)
General management expenses	(8.940.030)	(23.626.543)	-	(32.566.573)
Other activity incomes	6.859.111	27.651.586	-	34.510.697
Other activity expenses	(1.073.694)	(20.466.111)	-	(21.539.805)
Activity profit	**(19.274.313)**	**7.437.626**	**-**	**(11.836.687)**
Shares in profit/loss of investments increase in value through equity method	(1.114.603)	-	-	(1.114.603)
Financial incomes	161.370.687	6.224.917	(135.134.749)	32.460.855
Financial expenses	(81.543.962)	(37.837.373)	-	(119.381.335)
Pre-tax profit from maintained activities	**59.437.809**	**(24.174.829)**	**(135.134.749)**	**(99.871.769)**
Tax expense	-	-	-	-
Deferred tax income / (expense)	12.499.461	5.044.255	-	17.543.716
Profit for the period	**71.937.270**	**(19.130.574)**	**(135.134.749)**	**(82.328.053)**

(Amounts are expressed in Turkish Lira unless otherwise stated)

5. OPERATING SEGMENTS (cont.)

Investment expenses pertaining to department assets for the periods ending on 30 September 2010 and 30 September 2009 are as follows:

CAPEX	**01 January 2010- 30 September2010**	**01 January 2009- 31 December 2009**
Turkey	5.773.292	4.874.037
Iran	5.452.329	36.537.000
	11.225.621	**41.411.037**

Depreciation and amortization shares pertaining to department assets for the periods ending on 30 September 2010 and 30 September 2009 are as follows:

Depreciation/ amortization shares	**01 January 2010- 30 September2010**	**01 January 2009- 30 September2009**
Turkey	2.763.082	1.797.336
Iran	49.693.899	46.699.126
	52.456.981	**48.496.462**

6. CASH AND CASH EQUIVALENTS

	30 September2010	**31 December2009**
Cash	372.455	291.914
Checks Received	82.333	0
Banks- Demand deposits	66.078.057	9.895.782
Banks- Time deposits (< 3 months)	91.808.009	9.074.866
Other Liquid Assets	1.781.088	1.975.597
Cash and Cash Equivalent	**160.121.942**	**21.238.159**

The maturities of time deposits as of 30 September 2010 and 31 December 2009 are shorter than 3 months; their values assessed according to effective interest method are as follows.

Time Deposits: TL

Interest Rate (%)	**Maturity**	**30 September2010**	**31 December 2009**
6,30 - 9,43	Jan'10 - Nov'10	53.672.407	4.512.616
Total		**53.672.407**	**4.512.616**

(Amounts are expressed in Turkish Lira unless otherwise stated)

6. CASH AND CASH EQUIVALENTS (cont.)

Time Deposits: Foreign Currency

			30 Sept. 2010		31 December 2009	
Interest Rate (%)	**Maturity**	**Foreign Currency**	**Foreign Currency**	**Amount in TL**	**Foreign Currency Amount**	**Amount in TL**
0,5-Libor+0,5	Jan.'10 -Oct.'10	EUR	9.499.074	18.752.158	1.864.599	4.013.250
6,00 -9,00	Jan.'10 -Oct.'10	Mil.IRR	24.213	3.414.033	3.660	549.000
1 - 1,25	October 2010	USD	11.004.279	15.969.411	-	-
Total				**38.135.602**		**4.562.250**

The company has no blocked liquid assets as of 30 September 2010. (31 December 2009: None)

7. FINANCIAL INVESTMENTS

Short Term Financial Investments

a) Stock Shares

Group has no stock shares as of date of balance sheet. (31 December 2009: 166.960 TL)

Long Term Financial Investments

Financial assets ready for sale		30 Sept.2010		31 December2009	
Title	**Subject of activity**	**Share (%)**	**Amount of participation**	**Share (%)**	**Amount of participation**
İmece Prefabrik Yapı Tarım Makineleri Temizlik ve Güvenlik Hiz. San. Tic. A.Ş	Steel Container, Tower, Crane and Spare part manufacture	15,00	2.013.888	15,00	2.013.888
Tarnet Tarım Kredi Bilişim ve İletişim Hiz. A.Ş	Internet Service Provider etc.	17,00	311.128	17,00	311.128
Tareksav	Agricultural Credit Cooperative Training Foundation		200.000		200.000
Total			**2.525.016**		**2.525.016**

Financial investments ready for sale are valued with cost since they do not have an active market.

8. FINANCIAL PAYABLES

	30 September2010	31 December2009
Short Term Bank Credits (Gübretaş)	64.491.824	11.141.449
Other Financial Payables (Razi)	138.641.352	165.171.750
Total Short Term Financial Payables	**203.133.176**	**176.313.199**
Long Term Bank Credits (Gübretaş)	73.177.656	91.659.006
Other Financial Payables (Razi)	94.088.454	99.974.100
Total Long Term Financial Payables	**167.266.110**	**191.633.106**

(Amounts are expressed in Turkish Lira unless otherwise stated)

8. FINANCIAL PAYABLES (cont.)

Short Term Financial Payables

Bank Credits

			30 September 2010		31 December 2009	
Interest Rate (%)	**Maturity**	**Foreign Currency**	**Foreign Currency**	**Amount in TL**	**Foreign Currency Amount**	**Amount in TL**
8,11-8,99	May'10 - August'11	TL	-	64.491.823	-	11.141.449
Total TL			**-**	**64.491.823**	**-**	**11.141.449**

Other Financial Payables

			30 September 2010		31 December 2009	
Rate	**Maturity**	**Foreign Currency**	**Foreign Currency**	**Amount in TL**	**Foreign Currency Amount**	**Amount in TL**
(*) Libor+0,5	March 2011	EUR	52.529.000	103.765.000	60.636.000	130.511.250
16%	October 2010	Million IRR	254.693	34.876.352	231.070	34.660.500
		Total		**138.641.352**		**165.171.750**

Long Term Financial Payables

Bank Credits

			30 September 2010		31 December 2009	
Interest Rate (%)	**Maturity**	**Foreign Currency**	**Foreign Currency Amount**	**Amount in TL**	**Foreign Currency Amount**	**Amount in TL**
2,30 - 8,16	October'12 - April'14	EUR	37.044.475	73.177.656	42.428.832	91.659.006
Total			**37.044.475**	**73.177.656**	**42.428.832**	**91.659.006**

Other Financial Payables

			30 September 2010		31 December 2009	
Rate	**Maturity**	**Foreign Currency**	**Foreign Currency Amount**	**Amount in TL**	**Foreign Currency Amount**	**Amount in TL**
(*) Libor+0,5	March 2014	EUR	48.111.000	94.088.454	46.449.000	99.974.100
		Total	**48.111.000**	**94.088.454**	**46.449.000**	**99.974.100**

(*) 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.

Group alienates its receivables from Turkish Agricultural Credit Cooperative Central Union as security for its long term credits.

9. OTHER FINANCIAL LIABILITIES

None. (31 December 2010: None).

(Amounts are expressed in Turkish Lira unless otherwise stated)

10. TRADE RECEIVABLES AND PAYABLES

Trade receivables

Short Term Trade Receivables

	30 September 2010	31 December2009
Trade receivables	206.879.124	169.896.804
Trade receivables from relevant parties (Note 37)	16.778.077	61.640.002
Note receivable	485.312	347.823
Provisions for doubtful trade receivables	(298.233)	(305.017)
Short Term Trade Receivables	**223.844.280**	**231.579.612**

The details of transactions related to relevant parties are given in Footnote 37.

The relevant explanations related to credit risk of trade receivables are given in Footnote 38.

The sum of the trade receivables of the Group which are undue and not impaired is 65,145,510 TL, and it is evaluated in 3 groups in respect of risk. Information regarding the quality of the trade receivables according to these groups is given below.

	30 September2010	31 December2009
Receivables from main partner	16.778.077	58.069.253
Dealers and other receivables	48.367.433	61.640.002
Short Term Trade receivables	**65.145.510**	**119.709.255**

Main Partner (Agricultural Credit Cooperative):
There is not security received as collection risk regarding the sales to Turkish Agricultural Credit Cooperative Central Union.

Dealers: Dealer sales are performed in return of bank letter of guarantee of 100% and there is not collection risk.

Other Agency and Institutions: Sales to other agencies and institutions which do not have a dealer agreement with the Company are made by tender. Security can be received according to risk condition of customer.

Guarantees related to undue receivables:

	30 September 2010	31 December 2009
Letters of Guarantee	103.234.244	134.803.698
Collateral Checks /Notes	750.829	750.329
Total Amount	**103.985.073**	**135.554.027**

(Amounts are expressed in Turkish Lira unless otherwise stated)

10. TRADE RECEIVABLES AND PAYABLES (cont.)

Trade receivables (cont.)

Net book value of the assets which are overdue and not impaired:

Aging of the receivables which are overdue as of 30 September 2010 and 31 December 2009 but unimpaired is as follows.

	30 September 2010	**31 December 2009**
Between 0-1 month	3.543.334	667.065
Between 1-3 months	1.001.798	828.271
Between 3-12 months	415.558	1.523.124
Overdue 1-5 years	30.010	58.966
Total	**4.990.700**	**3.077.426**

It is not considered necessary to allocate reserve regarding the receivables which are overdue but no reserve is made for since collection is made after the balance sheet date and whole amount is guaranteed.

Analysis of the receivables which are overdue and impaired:

The company 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 data of the company regarding the doubtful receivables and allowances allocated regarding these receivables are as follows:

Doubtful Receivables

Overdue following the maturity	**30 September2010**	**31 December2009**
Between 0 – 3 months	-	2.698
More than 9 months	298.233	302.319
Total	**298.233**	**305.017**

Provision for doubtful receivables:

	30 September 2010	**30 June 2009**
Opening balance	305.017	305.455
Expenses in period	-	63.306
Collection/adjusting in period	(6.784)	-
Closing balance	**298.233**	**368.761**

Trade Payables

	30 September 2010	**31 Dec.2009**
Suppliers	340.340.698	301.016.500
Payables to relevant parties (Note 37)	4.038	6.199
Other Trade Payables	7.618.199	1.795.169
Short Term Trade Payables	**347.962.935**	**302.817.868**

(Amounts are expressed in Turkish Lira unless otherwise stated)

10. TRADE RECEIVABLES AND PAYABLES (cont.)

Trade Payables (cont.)

	30 September2010	31 December2009
Suppliers	136.983.244	218.590.282
Long Term Trade Payables	**136.983.244**	**218.590.282**

In 2008, the consortium, also including the company, participated in the tender the Iranian Privatization Administration and purchased the shares of the Razi Petrochemical Co. Twenty percent of the sales price was paid in advance and the balance is being paid in six monthly equal installments. As of 30 September 2010, a sum of 114.038.550 TL out of total payable 251,021,794 TL (31 December 2009; 291,453,710 TL) is shown in short term trade payables and the remaining 136,983,244 TL is shown in long term trade payables.

11. OTHER RECEIVABLES AND PAYABLES

Other Short Term Receivables

	30 September2010	31 December2009
Receivables from National Petrochemical Company ("NPC") (Razi)	64.069.554	73.478.850
Receivables from the staff	2.634.886	2.749.469
Other Various Receivables	16.109.089	5.578.444
Other Short Term Receivables	**82.813.529**	**81.806.763**

Other Long Term Receivables

	30 September2010	31 December2009
Deposits and collateral given	28.454	17.638
Other Various Receivables	12.175.773	7.261.800
Other Long Term Receivables	**12.204.227**	**7.279.438**

Other Short Term Payables

	30 September2010	31 December2009
Payables to NPC	117.268.995	139.064.250
Payables to the staff	12.343.839	10.457.967
Payable Taxes, Funds and Other Liabilities	16.082.145	14.635.762
Advances taken	-	2.211.150
Other Payables and Liabilities	15.663.076	2.629.160
Other short term payables	**161.358.055**	**168.998.289**

12. RECEIVABLES FROM AND PAYABLES TO FINANCE SECTOR

None. (31 December 2009: None)

(Amounts are expressed in Turkish Lira unless otherwise stated)

13. INVENTORIES

	30 September 2010	31 Dec. 2009
Raw Materials	125.707.605	119.227.275
Finished Goods	32.861.454	16.453.697
Commodities	80.981.431	52.700.327
Other Inventories	7.915.000	9.485.672
Total	**247.465.490**	**197.866.971**

14. LIVE ASSETS

None. (31 December 2009: None)

15. ASSETS RELATED TO ONGOING CONSTRUCTION CONTRACTS

None. (31 December 2009: None)

16. INVESTMENTS VALUED BY EQUITY METHOD

Subsidiaries’ net asset amounts taking place in balance sheet, which are accounted by equity method, are as follows:

	30 Sept. 2010	31 Dec. 2009
Negmar Denizcilik Yat. A.Ş (Negmar Maritime Investment Co.)	3.445.430	55.598
Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş (Tarkim Plant Protection Industry and Trade Inc. Co.)	3.939.130	4.000.000
Total	**7.384.560**	**4.055.598**

	Negmar Denizcilik Yat. A.Ş		Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş	
	30 Sept. 2010	31 Dec. 2009	30 Sept. 2010	31 December 2009 (*)
Total assets	74.253.923	4.936.827	12.017.168	
Total liabilities	65.640.350	4.797.834	2.169.342	
Net assets	**8.613.573**	**138.993**	**9.847.826**	
Group share in net assets	**3.445.430**	**55.598**	**3.939.130**	

(*) Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş. was at establishment stage as of 31 December 2009 and it was valued with its cost value since equity sharing method would have no significant effect.

Effects of subsidiaries accounted by equity method on activity results of the period are as follows:

	30 Sept. 2010	31 Dec. 2009
Negmar Denizcilik Yat. A.Ş	789.831	(941.840)
Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş	(60.869)	-
Total	**728.962**	**(941.840)**

(Amounts are expressed in Turkish Lira unless otherwise stated)

17. INVESTMENT PROPERTIES

The fair value of investment properties of Group on 30 September 2010, was obtained through an assessment made in June 2010 by Yetkin Real Estate Assessment and Consulting Inc. Co. which has no relation with Group and is an independent expertise company. Appraisal Company is an independent appraisal company which has been authorized by Capital Markets Board.

As of balance sheet date, there is no restriction about salability of investment properties and no liabilities arising from purchasing, constructing or improving, maintenance, repair or rehabilitation contracts.

	30 Sept. 2010	**30 Sept. 2009**
Net value at the beginning of period	44.401.769	44.401.769
Reasonable Value Increase	15.767.826	-
Net Value at the end of period	**60.169.595**	**44.401.769**

The Company had lease income amounting to 1.136.667 TL from its investment properties in the period ending on the date of 30 September 2010, and paid no maintenance cost. (30 September 2009: 817,300 TL)

18. TANGIBLE FIXED ASSETS

The basic method is continued to be used as the valuation method for the other tangible fixed assets outside of the land and buildings.

The depreciation cost and amortization of the company is 1,797,670 TL as of 30 September 2010, and details are given below.

	Gübretaş	**Razi**	**Total Amount**
Amortization Cost	2.763.082	49.693.899	52.456.981
Depreciation Cost	-	-	-
Total Amount	**2.763.082**	**49.693.899**	**52.456.981**

Out of the total of 52.456.981 TL depreciation and amortization costs; 50.977.594 TL have been included in General Production Costs, 363.004 TL in Sales and Marketing Costs, 938.300 TL in General Administrative Costs, and 178.083 TL remained in inventories.

(31 December 2009: Out of the total of 69.620.601 TL depreciation and amortization costs; 67.837.074 TL have been included in General Production Costs, 343.665 TL in Sales and Marketing Costs, 1.364.535 TL in General Management Costs, and 75.327 TL remained in inventories.)

Pledges and Mortgages on Assets

There are no pledges or mortgages on the fixed tangible fixed assets of the company as of the dates 30 September 2010 and 31 December 2009.

(Amounts are expressed in Turkish Lira unless otherwise stated)

18. TANGIBLE FIXED ASSETS (cont.)

	Land	Surface and Underground Improvement	Buildings	Facility, Machinary and Device	Vehicles	Fixtures	Ongoing Investments	Total
Opening balance on 1 January 2010	**67.248.091**	**9.741.169**	**83.247.815**	**1.127.661.497**	**6.214.114**	**10.148.776**	**9.687.920**	**1.313.949.382**
Conversion differences	**(194.787)**	**-**	**(2.742.282)**	**(64.440.909)**	**(319.746)**	**(486.063)**	**(576.846)**	**(68.760.633)**
Valuation difference	**37.349.359**	**-**	**33.190.280**	**-**	**-**	**-**	**-**	**70.539.639**
Purchases	1.113.430	116.568	1.982.600	564.228	977.420	591.212	5.880.163	**11.225.621**
Sales	(373.000)	-	(2.403.768)	-	(153.286)	(286.158)	-	**(3.216.212)**
Closing Balance on 30 Sept. 2010 Closing Balance	**105.143.093**	**9.857.737**	**113.274.645**	**1.063.784.816**	**6.718.502**	**9.967.767**	**14.991.237**	**1.323.737.797**
Accrued depreciation								
Opening balance on 1 January 2010	**-**	**(8.973.491)**	**(44.866.509)**	**(396.968.804)**	**(4.534.356)**	**(5.288.804)**	**-**	**(460.631.964)**
Conversion differences	**-**	**-**	**1.374.678**	**20.795.364**	**245.376**	**250.416**	**-**	**22.665.834**
Valuation difference	**-**	**-**	**(20.213.143)**	**-**	**-**	**-**	**-**	**(20.213.143)**
Expenses for the period	-	(93.987)	(3.443.976)	(47.822.662)	(380.672)	(715.684)	-	**(52.456.981)**
Sales / Cancellation	-	-	740.673	-	131.716	280.000	-	**1.152.389**
Closing Balance on 30 Sept. 2010	**-**	**(9.067.478)**	**(66.408.277)**	**(423.996.102)**	**(4.537.936)**	**(5.474.072)**	**-**	**(509.483.865)**
Net Value on 30 Sept. 2010	**105.143.093**	**790.258**	**46.866.368**	**639.788.714**	**2.180.566**	**4.493.695**	**14.991.237**	**814.253.931**

Net book value of all tangible fixed assets in case Group's lands, buildings and fields are valued based on historical cost principle has been 138.011.308 TL as of 30 September (31 December 2009: 797.150.383 TL).

(Amounts are expressed in Turkish Lira unless otherwise stated)

18. TANGIBLE FIXED ASSETS (cont.)

	Land	Surface and Underground Improvement	Buildings	Facility, Machinary and Device	Vehicles	Fixtures	Ongoing Investments	Total
Opening balance on 1 January 2009	**67.780.031**	**9.972.637**	**79.858.015**	**1.084.964.577**	**6.059.327**	**9.195.202**	**25.213.263**	**1.283.043.052**
Conversion differences	**(16.148)**	**-**	**(222.113)**	**(5.111.349)**	**(26.313)**	**(34.033)**	**(110.330)**	**(5.520.286)**
Purchases	-	64.332	12.596	43.327.364	326.772	724.951	4.341.607	**48.797.622**
Sales	-	-	(841.588)	(4.364.163)	(183.337)	(437.370)	(10.988.214)	**(16.814.672)**
Transfers from ongoing investments	-	-	**3.644.238**	**-**	**-**	**-**	**(3.644.238)**	**-**
Closing Balance on 30 Sept. 2009	**67.763.883**	**10.036.969**	**82.451.148**	**1.118.816.429**	**6.176.449**	**9.448.750**	**14.812.088**	**1.309.505.716**
Accrued depreciation								
Opening Balance on 1 Jan. 2009								
Opening Balance	**-**	**(8.848.485)**	**(41.977.607)**	**(335.398.641)**	**(4.557.691)**	**(4.828.926)**	**-**	**(395.611.350)**
Conversion difference	**-**	**-**	**101.172**	**1.415.839**	**20.278**	**17.712**	**-**	**1.555.001**
Expense for the period	-	(129.818)	(2.752.709)	(44.691.780)	(275.371)	(646.784)	-	**(48.496.462)**
Sales/ Cancellation	-	7	799.209	472.785	115.221	429.579	-	**1.816.801**
Closing Balance on 30 Sept. 2009	**-**	**(8.978.296)**	**(43.829.935)**	**(378.201.797)**	**(4.697.563)**	**(5.028.419)**	**-**	**(440.736.010)**
Net Value on 30 Sept. 2009	**67.763.883**	**1.058.673**	**38.621.213**	**740.614.632**	**1.478.886**	**4.420.331**	**14.812.088**	**868.769.706**

(Amounts are expressed in Turkish Lira unless otherwise stated)

19. INTANGIBLE FIXED ASSETS

	30 September 2010	30 September 2009
Opening Balance on 1 January	23.050	23.050
Purchases	-	-
Closing Balance on 30 Sept.	**23.050**	**23.050**
Accrued depreciation		
Opening Balance on 1 January	**(22.716)**	**(20.290)**
Amortization expenses for current period	(334)	(2.233)
Closing Balance on 30 Sept.	**(23.050)**	**(22.523)**
Net Book Value	**-**	**527**

20. GOODWILL

Group reviewed the accounting of goodwill account in the current period and found out that goodwill should be converted over closing exchange rate within the scope of paragraph 47 in "Impacts of Exchange Rate Changes" of International Accounting Standard numbered 21. Within this context, Group readjusted financial statements as of the year 2008 when goodwill arose. As a result of readjustment, a sum of conversion difference of 25.335.908 TL was calculated for the year 2008. Since closing exchange rates in the year 2008 and the year 2009 are equal to each other, no conversion difference was calculated.

	Goodwill
Amount reported before 1 Jan. 2009	224.501.054
Adjustment of Exchange rate valuation difference	25.335.908
Readjusted on 1 January 2009	249.836.962
Conversion difference	-
Balance as of 31 December 2009	249.836.962
Conversion difference	(14.990.218)
Balance as of 30 September 2010	234.846.745

21. GOVERNMENT INCENTIVE AND AIDS

None. (31 December 2009: None)

22. PROVISIONS, CONDITIONAL ASSETS AND LIABILITIES

Provisions for Payables

Provisions for Short Term Payable

	30 September 2010	31 December 2009
Provision for costs	3.932.413	21.713.353
Provisions for law suits and compensations	237.027	1.391.667
Other	222.755	7.679.283
Total	**4.392.195**	**30.784.303**

(Amounts are expressed in Turkish Lira unless otherwise stated)

22. PROVISIONS, CONDITIONAL ASSETS AND LIABILITIES (cont.)

Guarantees Given

	30 September 2010	31 December 2009
Guarantee Letters Given	5.998.725	9.910.810
Guarantee Checks Given	65.577.815	1.500
Total	**71.576.540**	**9.912.310**

As of the dates 30 September 2010 and 31 December 2009, Group given all guarantees on behalf of its own legal entity.

Conditional Liabilities

Financial statements of Razi Company for the year 2006 and later on were inspected by Iranian tax office. These inspections have been going on as of the date of balance sheet. Since there is uncertainty about whether it is possible to take economically beneficial resources out of business, no provision has been reserved for this in attached financial statements. As of the date of balance sheet, Group management is convinced that approach of Razi management to Iranian tax legislation is convenient.

23. COMMITMENTS

Forward Contracts

As of 30 September 2010, the company finalized 4 foreign currency purchasing contracts with financial institutions against currency exchange risk. The maturity date of the contracts was November 2010, and the total nominal value of contracts is US$ 7,000,000.

(As of 31 December 2009, the company finalized 11 foreign currency purchasing contracts with financial institutions against currency exchange risk. The maturity date of the contracts was January 2010, and the total nominal value of contracts is US$ 7,000,000.)

Operational Lease

The company has operational lease contracts amounting to a total of 78,873 TL and 39.926 Euro. The future payment terms and amounts belonging to these transactions, which completely belong to vehicle leasing, are as follows: (31 December 200:342,343 TL)

Year	TL	Euro
2010	41.326	20.920
2011	33.992	17.207
2012	3.555	1.799
Total	**78.873**	**39.926**

24. PROVISIONS FOR EMPLOYEE

<u>Short term</u>

	30 September 2010	31 December 2009
Holiday and Senior Inventive Provisions	3.486.731	3.573.457
Provisions for Early Retirement Salary	7.482.306	7.273.805
Other short term liabilities	**10.969.037**	**10.847.262**

(Amounts are expressed in Turkish Lira unless otherwise stated)

Long term

	30 September 2010	31 December 2009
Provision for termination indemnity (Gübretaş)	4.204.326	5.138.382
Provision for termination indemnity (Razi)	19.068.447	19.556.250
Provisions for Early Retirement Salary	68.034.615	61.257.600
Total	**91.307.388**	**85.952.232**

As of 30 September 2010, termination indemnity liability of the company has been calculated with and annual inflation of 4,8% and discount rate of 11%, and by using 5,92% real discount rate (31 December 2009;5,92%). As the termination indemnity cap of the company's provision for termination indemnities is adjusted on a semi-annual basis, it is calculated as 2.427 TL , which is valid as of the date of 1 January 2010 onwards (31 December 2009: 2.365 TL).

The termination indemnity liability amount of Razi has been discounted by discount rate of 4,57% (31.12.2009: 4,28%) .

The movement of provision for termination indemnity throughout the year is as follows:

	30 September 2010	30 September 2009
As of January 1st	24.694.782	27.893.782
Conversion differences	(1.173.384)	(113.575)
Paid during the year	(4.518.593)	(3.288.349)
Increase during the year	4.269.968	8.771.932
As of September 30th	**23.272.773**	**33.263.789**

25. RETIREMENT PLANS

None. (31 December 2009: None)

(Amounts are expressed in Turkish Lira unless otherwise stated)

26. OTHER ASSETS AND OTHER LIABILITIES

Other Assets

	30 September 2010	31 December 2009
Advances given for orders	23.718.860	14.059.231
Prepaid expenses for future months	1.600.924	182.161
Income accrual	1.523	-
Deferred VAT	7.729.664	-
Prepaid taxes and funds	1.221.431	1.553.960
Work advances	101.500	11.077.673
Derivative Financial Asset	0	54.084
Other various current assets	5.230.772	4.923.858
Other current assets	**39.604.674**	**31.850.967**

Other Fixed assets

	30 September 2010	31 December 2009
Advances given for orders	6.332.880	17.884.350
Prepaid expenses for future years	204.855	-
Other various current assets	4.125.089	11.928.000
Other current assets	**10.662.824**	**29.812.350**

Other Liabilities

	30 September 2010	31 December 2009
Advances received	11.658.272	4.685.296
Incomes of future months	96.102	113.171
Accrued expenses	1.372.682	498.045
Other short term liabilities	**13.127.056**	**5.296.512**

27. EQUITY CAPITAL

Paid-in capital

The equity structure as of 30 September 2010 and 31 December 2009 is as follows:

	30 September 2010		31 December 2009	
Name	**Share ratio**	**Share amount**	**Share ratio**	**Share amount**
Turkish Agricultural Credit Cooperative Central Union	76,62%	63.975.523	78,48%	65.529.870
Other	23,38%	19.524.477	21,52%	17.970.130
TOTAL	**100,00%**	**83.500.000**	**100,00%**	**83.500.000**

(Amounts are expressed in Turkish Lira unless otherwise stated)

27. EQUITY CAPITAL (cont.)

Appreciation Fund

The total of appreciation fund is 136.760.862 TL, out of which 136.697.263 TL portion belongs to fixed asset appreciation fund and 63.599 TL portion on the other hand belongs to financial assets appreciation fund (31 December 2009: 89.303.889 TL)

Restricted Retained Earnings

The legal reserves consist of first and second composition of legal reserves according to the Turkish Code of Commerce. The first composition of legal reserves is composed of 5% of the previous period's commercial profits until the date it reaches 20% of the paid capital. The second composition of legal reserves is allocated as 10% of the total cash dividend distributions following the first composition of legal reserves and dividends.

The retained earnings that were reclassified consist of the below items as of the date of 30 September 2010.

	30 September 2010	31 December 2009
Legal reserves	5.645.297	5.645.297
Real estate sales gain to be added to capital	881.151	-
Total	**6.526.448**	**5.645.297**

(Amounts are expressed in Turkish Lira unless otherwise stated)

28. SALES AND COST OF SALES

Sales Income

	01.01.2010 30.09.2010	**01.07.2010 30.09.2010**	**01.01.2009 30.09.2009**	**01.07.2009 30.09.2009**
Domestic Sales	633.204.128	231.133.391	538.763.871	122.133.575
Overseas Sales	339.754.285	93.238.564	187.574.524	51.301.831
Sales Returns (-)	(95.500)	(34.923)	(248.907)	(1.736)
Sales Discounts (-)	(3.420.850)	(2.017.260)	(2.880.210)	(949.901)
Other discounts from sales (-)	(3.075.653)	(534.087)	(10.716.858)	(2.304.666)
Net Sales	**966.366.410**	**321.785.685**	**712.492.420**	**170.179.103**

Sales Amounts

a) Gübre Fabrikaları T.A.Ş.	**Unit**	**01.01.2010 30.09.2010**	**01.07.2010 30.09.2010**	**01.01.2009 30.09.2009**	**01.07.2009 30.09.2009**
TSP Triple Super phosphate	Ton	35.611	5.489	8.503	5.105
NKP Composite Fertilizer	Ton	338.851	147.786	287.201	108.528
Urea	Ton	124.429	15.731	155.049	12.714
Ammonium Nitrate	Ton	155.931	9.193	141.315	7.817
DAP	Ton	116.990	97.848	115.956	92.833
Ammonium Sulfate	Ton	63.094	7.754	61.286	5.614
CAN	Ton	116.126	5.657	175.281	5.527
CAN.GR	Ton	4.256	4.256	-	-
Potassium Sulfate	Ton	2.133	153	1.498	648
Map	Ton	188	71	122	52
Other	Ton	654	-	3.304	354
Total		**958.263**	**293.938**	**949.515**	**239.192**
Liquid fertilizer	Lt	**611.080**	**229.557**	**894.958**	**39.072**
Powder fertilizer	Kg	**6.131.234**	**3.926.280**	**3.097.395**	**613.325**

b) Razi Co.	**Unit**	**01.01.2010 30.09.2010**	**01.07.2010 30.09.2010**	**01.01.2009 30.09.2009**	**01.07.2009 30.09.2009**
Sulphur	Ton	254.569	66.424	254.215	48.637
Ammonia	Ton	559.573	180.261	378.550	123.090
Sulfuric Acid	Ton	96.810	43.609	43.398	14.452
Urea	Ton	254.439	80.998	189.736	45.036
Dap	Ton	3.656	-	638	169
Total		**1.169.047**	**371.292**	**866.537**	**231.384**

(Amounts are expressed in Turkish Lira unless otherwise stated)

28. SALES AND COST OF SALES (cont.)

Cost of Sales (-)

	01.01.2010 30.09.2010	01.07.2010 30.09.2010	01.01.2009 30.09.2009	01.07.2009 30.09.2009
Cost of Goods Produced	**337.697.462**	**127.912.410**	**300.820.840**	**80.494.107**
Change in the goods inventory	(15.987.718)	(2.873.359)	15.854.759	10.535.962
-Goods at the beginning of the period	16.453.697	(0)	48.212.316	43.641.736
- Goods at the end of the period	(32.485.984)	(3.014.096)	(32.357.557)	(32.357.557)
Cost of Goods Sold	**321.665.175**	**124.898.313**	**316.675.598**	**91.030.069**
-Merchandise inventories at the beginning of the period	47.439.414	(5.260.912)	104.641.033	104.641.033
-Purchases	338.088.309	144.775.547	298.958.051	66.710.407
- Merchandise inventories at the end of the period	(80.981.432)	(39.585.820)	(52.436.932)	(52.436.932)
Cost of Merchandise Sold	**304.546.291**	**99.928.815**	**351.162.152**	**68.330.758**
Cost of Other Sales	**1.178.578**	**290.878**	**7.625.360**	**15.306**
Total Cost of Sales	**627.390.045**	**225.118.006**	**675.463.110**	**159.376.133**

	01.01.2010 30.09.2010	01.07.2010 30.09.2010	01.01.2009 30.09.2009	01.07.2009 30.09.2009
Cost of Goods Produced	**337.697.462**	**127.912.410**	**300.820.840**	**80.494.107**
Change in the goods inventory	(15.987.718)	(2.873.359)	15.854.759	10.535.962
-Goods at the beginning of the period	16.453.697	(0)	48.212.316	43.641.736
- Goods at the end of the period	(32.485.984)	(3.014.096)	(32.357.557)	(32.357.557)
Cost of Goods Sold	**321.665.175**	**124.898.313**	**316.675.598**	**91.030.069**
-Merchandise inventories at the beginning of the period	47.439.414	(5.260.912)	104.641.033	104.641.033
-Purchases	338.088.309	144.775.547	298.958.051	66.710.407
- Merchandise inventories at the end of the period	(80.981.432)	(39.585.820)	(52.436.932)	(52.436.932)
Cost of Merchandise Sold	**304.546.291**	**99.928.815**	**351.162.152**	**68.330.758**
Cost of Other Sales	**1.178.578**	**290.878**	**7.625.360**	**15.306**
Total Cost of Sales	**627.390.045**	**225.118.006**	**675.463.110**	**159.376.133**

(Amounts are expressed in Turkish Lira unless otherwise stated)

Production Amounts

a) Gübre Fabrikaları T.A.Ş.	Unit	01.01.2010 30.09.2010	01.07.2010 30.09.2010	01.01.2009 30.09.2009	01.07.2009 30.09.2009
TSP Triple Super phosphate	Ton	94.600	30.640	45.720	21.720
NKP Composite fertilizer	Ton	283.639	112.052	214.563	96.476
Total	**Ton**	**378.239**	**142.692**	**260.283**	**118.196**
Liquid fertilizer	Lt	**392.013**	**62.483**	**239.625**	**14.160**
Powder fertilizer	Kg	**806.824**	**281.255**	**544.860**	**120.650**

b) Razi Co.	Unit	01.01.2010 30.09.2010	01.07.2010 30.09.2010	01.01.2009 30.09.2009	01.07.2009 30.09.2009
Sulphur	Ton	313.408	102.399	314.664	100.192
Ammonia	Ton	751.928	247.045	525.202	153.557
Sulfuric acid	Ton	108.508	49.093	41.455	12.880
Urea	Ton	251.791	66.370	206.847	64.320
Dap	Ton	18.777	18.777	10.713	-
Total	**Ton**	**1.444.412**	**483.684**	**1.098.881**	**330.949**

29. RESEARCH DEVELOPMENT/ MARKETING-SALES AND DISTRIBUTION AND GENERAL ADMINISTRATION EXPENSES (-)

	01.01.2010 30.09.2010	01.07.2010 30.09.2010	01.01.2009 30.09.2009	01.07.2009 30.09.2009
Marketing, Sales and Distribution expenses (-)	**40.346.882**	**14.920.075**	**29.270.315**	**8.720.846**
- Personnel Expenses	2.590.714	1.262.752	1.758.434	655.507
- Outsourced utilities and services	33.336.369	11.956.503	24.715.545	7.461.824
- Depreciation	363.005	148.444	547.281	-98.160
- Taxes, Duties and Levies	226.643	62.397	123.951	53.714
- Various Expenses	3.830.151	1.489.979	2.125.104	647.961
General Administrative Expenses (-)	**34.157.334**	**12.138.924**	**32.566.573**	**11.942.507**
- Personnel Expenses	21.769.843	7.575.690	23.738.058	9.458.923
- Outsourced utilities and services	9.065.330	3.532.179	5.569.031	1.442.078
- Depreciation	938.300	387.074	988.432	485.836
- Taxes, Duties and Levies	111.194	15.676	968.006	92.581
- Various Expenses	2.272.667	628.305	1.303.046	463.089
Total Operational Expenses	**74.504.216**	**27.058.999**	**61.836.887**	**20.663.353**

Benefits and services rendered from third parties is predominantly composed of transport expenses, maintenance repair expenses, energy, fuel, water and communication expenses.

(Amounts are expressed in Turkish Lira unless otherwise stated)

30. QUALITATIVE DISTRIBUTION OF EXPENSES (-)

	01.01.2010 30.09.2010	01.07.2010 30.09.2010	01.01.2009 30.09.2009	01.07.2009 30.09.2009
- Personnel Expenses	24.360.557	8.838.442	25.496.492	10.114.430
- Outsourced utilities and services	42.401.699	15.488.682	30.284.576	8.903.902
- Depreciation	1.301.305	535.518	1.535.713	387.676
- Taxes, Duties and Levies	337.837	78.073	1.091.957	146.295
- Various Expenses	6.102.818	2.118.284	3.428.150	1.111.050
Total	**74.504.216**	**27.058.999**	**61.836.888**	**20.663.353**

31. INCOME/EXPENSES FROM OTHER OPERATIONS

Income from Other Operations

	01.01.2010 30.09.2010	01.07.2010 30.09.2010	01.01.2009 30.09.2009	01.07.2009 30.09.2009
Value Increase of Investment properties	15.767.833	-	-	-
Lease and Storage Incomes	3.226.112	1.426.133	1.825.382	324.604
Profits from Fixed Asset Sales	3.102.473	699.212	96.594	88.035
Warehouse and Inventorey Surplus	331.107	56.000	1.868.197	792.461
Provision Cancellation for Costs	2.332.661	693.725	21.385.504	8.275.124
Insurance Costs	24.261	363	2.137.068	1.516.819
Others	8.208.320	2.262.127	7.197.952	1.422.389
Total	**32.992.767**	**5.137.560**	**34.510.697**	**12.419.432**

Expenses from Other Operations (-)

	01.01.2010 30.09.2010	01.07.2010 30.09.2010	01.01.2009 30.09.2009	01.07.2009 30.09.2009
Provisions paid and allocated in previous years	11.745.234	2.375.874	7.218.343	(256.324)
Deficits from inventory taking	2.314.211	2.157.637	354.901	150.764
Contingent Losses	-	-	470.429	387.420
Other losses	1.555.439	5.354.930	13.496.132	795.996
Total	**15.614.884**	**9.888.441**	**21.539.805**	**1.077.856**

32. FINANCIAL INCOMES

	01.01.2010 30.09.2010	01.07.2010 30.09.2010	01.01.2009 30.09.2009	01.07.2009 30.09.2009
Interest incomes	10.247.855	3.436.799	14.425.128	2.086.169
Foreign exchange profits	56.456.913	22.185.813	14.047.185	69.878
Other financial incomes	2.093.848	2.051.747	3.988.542	1.569.168
Total	**68.798.616**	**27.674.359**	**32.460.855**	**3.725.215**

(Amounts are expressed in Turkish Lira unless otherwise stated)

33. FINANCIAL EXPENSES (-)

	01.01.2010 30.09.2010	01.07.2010 30.09.2010	01.01.2009 30.09.2009	01.07.2009 30.09.2009
Credit interest and exchange rate difference expenses (net)	58.805.052	10.315.302	87.888.447	9.845.504
Exchange rate difference expenses	8.490.302	1.051.150	23.466.165	7.566.361
Other interest expenses	9.865.806	6.721.960	8.026.723	879.505
Total	**77.161.160**	**18.088.412**	**119.381.335**	**18.291.370**

34. NON-CURRENT ASSETS HELD FOR SALES AND DISCONTINUED OPERATIONS

None. (31 December 2009: None)

35. TAX ASSETS AND LIABILITIES

Corporate Tax

The company is subjected to the corporate tax on the basis of the legislation applicable in Turkey. Turkish tax law does not allow a main company and its subsidiaries to make a consolidated tax statement. Therefore, tax provisions included in attached consolidated financial statements were calculated on basis of considering each consolidated company as separate legal entities.

The rate of corporate tax to be imputed over company's earning which is subjected to taxation is calculated over the remaining tax-basis after the expenses which are not deducted from tax basis recorded as expense during the calculation of commercial earning are included and tax exempt earnings, incomes not subjected to taxation and other discounts (if any, previous year losses and investment discount benefited in case they are preferred) are deducted.

Effective tax rate applied in the year 2010 was 20% (2009: 20%).

In Turkey, a provisional tax is calculated and imputed in quarterly periods. A provisional tax of 20% over company earnings was calculated at the stage of taxation of company earnings for the year 2008 as per the provisional tax periods (2009: %20).

The losses may be carried forward maximum 5 years provided that it will be deducted from taxable profit to be obtained in future years. However, the losses accrued may not be retrospectively deducted from the profit obtained in previous years.

In Turkey, there is not an accurate and definite agreement procedure pertaining to tax assessment. Companies prepare their tax statements between 1 and 25 April of the year following the balancing payment period of relevant year (for the companies having special accounting period, it is between 1 and 25 of the fourth month following the balancing payment period). These statements and accounting records on which the statements are based may be inspected and changed by Tax Office within 5 year-period.

In accordance with Corporate Tax Law numbered 5520, corporate tax and provisional tax rates are applied as 20% (year 2009: 20%). The corporate tax rate calculated according to Iranian legislation is 25%.

Tax provision included in the balance sheet belonging to the period ending on 30 September 2010 is as follows.

(Amounts are expressed in Turkish Lira unless otherwise stated)

	30 September 2010	31 December 2009
Provision for corporate tax	10.959.507	-
Pre-paid taxes, etc. For the period’s profits	-	-
Total	10.959.507	**-**

35. TAX ASSETS AND LIABILITIES (cont.)

Deferred Tax Assets and Liabilities

Group is accounting deferred tax assets and liabilities on the basis of the temporary timing differences arising from the difference between financial statements that are prepared in accordance with IFRS and the statements prepared as setting the basis for tax obligations. In general the subject matter differences result from some income and expense amounts included in the tax based statements to take place in different periods in the financial statements that are prepared in accordance with IFRS.

Reflected to the income statement	**30 September 2010**		**31 December 2009**	
Deferred Tax	**Provisional differences**	**Deferred tax, assets and liab.**	**Provisional differences**	**Deferred tax, assets and liab.**
Provisions for termination indemnity	4.204.326	840.865	5.138.382	1.027.676
Expense accrual	469.615	93.922	1.263.860	252.771
Receivables rediscount	891.976	178.395	1.959.015	391.803
Inventories	4.117.800	823.560	1.655.385	331.077
Tangible fixed assets	13.598.077	2.719.615	12.843.140	2.568.628
Other	-	-	3.027.790	605.558
Loss of previous year	64.493.994	12.898.799	141.222.498	28.244.501
Deferred tax assets	**87.775.788**	**17.555.157**	**167.110.070**	**33.422.014**
Valuation difference for current value	143.891.911	7.194.596	93.937.200	4.696.860
Payables rediscount	134.832	26.966	203.549	40.710
Value increase in investment properties	15.767.813	788.391	-	-
Other	227.283	45.457	53.920	10.784
Deferred Tax Liabilities	**160.021.839**	**8.055.410**	**94.194.669**	**4.748.354**
Net Deferred Tax Asset		**9.499.747**		**28.673.660**
Razi Co. Deferred Tax Asset / (Liability)		(2.347.466)		12.113.700
Total Deferred Tax Asset		**7.152.281**		**40.787.360**

(Amounts are expressed in Turkish Lira unless otherwise stated)

35. TAX ASSETS AND LIABILITIES (cont.)

Distribution of previous fiscal years' losses that are taken into account in calculating of deferred tax by years is as follows.

	1 January 2010 30 Sept. 2010	1 January 2009 30 Sept. 2009
Amount to be used until 2013	-	53.025.673
Amount to be used until 2014	64.493.994	88.196.825
	64.493.994	**141.222.498**

Information related to deferred tax transaction table:

Deferred tax asset/liability transactions	30 Sept. 2010	30 Sept. 2009
Opening balance on 1 January	40.787.360	46.625.071
Impact of conversion difference of deferred tax of Razi	75.130	(394.334)
Sub Total	**40.862.490**	**46.230.737**
Deferred tax (income) / expense	(31.212.475)	17.543.716
Deferred tax expense of revaluation related to tangible fixed assets accounted directly in equity	(2.497.734)	-
Balance sheet outstanding at the end of period	**7.152.281**	**63.774.453**

Tax provision agreement:

	1 Jan. 2010 30 Sept. 2010	1 Jan. 2009 30 Sept. 2009
Pre-tax profit / (loss)	274.216.465	(99.871.769)
	20%	20%
Calculated tax	54.843.293	(19.974.353)
Impact of Foreign Subsidiaries subjected to different tax rates	12.009.897	(1.208.741)
Impact of expenditure tax recognized legally	70.385	7.585.118
Tax effects of discount and exemptions	(48.556.304)	(27.309.012)
Tax effects of previous year losses	24.444.637	23.363.272
Tax income/expense	**42.811.908**	**(17.543.716)**

36. EARNINGS PER SHARE

The weighted average of the shares and profit per share calculations of the company as of 30 September 2010 and 30 September 2009 are as follows.

	01.01.2010 30.09.2010	01.07.2010 30.09.2010	01.01.2009 30.09.2009	01.07.2009 30.09.2009
Net Profit / (loss) of the period	121.980.399	46.988.309	(72.337.927)	1.541.816
Number of weighted average shares	83.500.000	83.500.000	83.500.000	83.500.000
Profit/ loss per share (TL)	**1,4608**	**0,5627**	**(0,8663)**	**0,0185**

(Amounts are expressed in Turkish Lira unless otherwise stated)

In the public announcement dated 27.01.2010 of Capital Markets Board regarding principles for distribution of dividends earned from 2009 activities;

First dividend shall be paid over the ratio determined by Capital Markets Board from the net distributable profit found according to the financial statements prepared as per Capital Markets Regulations, provided that all of the amount calculated as per arrangements of the Capital Markets Board concerning requirement of minimum profit distribution from the net distributable profit found according to the Capital Markets Board regulations can be met from the net distributable profit seen in the legal records.

For the year 2009, Capital Markets Board does not impose any obligation with regard to minimum profit distribution for partnerships whose shares are listed in the stock exchange.

37. STATEMENTS OF RELATED PARTIES

Transactions realized with related parties within the period

Trade receivables and payables

Trade Receivables	30.09.2010	31.12.2009
Agricultural Credit Coop. Central Union	11.670.696	61.640.002
Total	**11.670.696**	**61.640.002**

Trade Payables		
Tarnet A.Ş	4.038	6.199
Total	**4.038**	**6.199**

Sales – Purchases

Sales	Type	30.09.2010	30.09.2009
Agricultural Credit Coop. Central Union	Goods	370.687.020	310.666.754
Tarkim Bitki Koruma San.ve Tic.A.Ş.	Goods	1.219.887	-
Negmar Denizcilik A.Ş.	Service	13.820	1.295
Total		**371.920.727**	**310.668.049**

Purchases	Type	30.09.2010	30.09.2009
Tarkim Bitki Koruma San.ve Tic.A.Ş.	Goods	371.889	-
Negmar Denizcilik A.Ş.	Service	6.043.590	460.561
Tarnet A.Ş	Service	218.705	132.012
Total		**6.634.184**	**592.573**

Benefits Provided to Top Management

The total of the benefits such as salaries, bonuses and other similar benefits the company has provided to its top managers in the year ending on 30 September 2010 was 1,644,405 TL, including 835,488 TL for Gübretaş and 808,917 TL for Razi. (31 December 2009: 2,017,925 TL).

38. THE CHARACTERISTICS AND THE LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Targets, Objectives and Policies of Financial Risk Management

The company manages its financial instruments through finance department and top management. All the developments in the market are monitored instantly, national and international markets are evaluated in daily ordinary meetings, and hence financial instruments are managed taking into account cash inflows and outflows. The company prepares daily cash report and cash management strategies are developed by managers taking into consideration all the information said. The company undertakes cash planning through forward-looking cash flow reports.

The financial instruments that the company uses are cash, cash equivalents, liquidity funds, purchase and sale of stock shares, credits and forward transactions. The true purpose of using these instruments is to create financing for the operations of the company. The company has also financial instruments such as trade receivables and trade payables, which directly arise from the operations of the company.

The risks arising from instruments used are credit risk, liquidity risk, market and foreign exchange risk and interest rate risk. The company management manages these risks in the following stated manner.

Credit Risk

The company is subjected to credit risk because of its trade receivables arising from the forward sales of the company. Management decreases the credit risk to minimum level regarding its receivables by taking securities (such as bank letter of guarantee, mortgage, etc.) from customers (except for related parties). These credit risks are monitored continuously by the company and evaluated by considering the quality of the trade receivables, past experiences and current economic condition and expressed in the balance sheet by its net amount after allowance for doubtful receivables is allocated for the receivables not to be collected. (Note:10)

The credit risks being subjected by the financial instrument types as of 30 September 2010 and 31 December 2009 are as follows:

(Amounts are expressed in Turkish Lira unless otherwise stated)

38. THE CHARACTERISTICS AND THE LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

Credit risks on basis of financial instrument types

30.09.2010	**Receivables**				**Deposits in bank**	**Derivative financial instruments**	**Cash and cash equivalent**
	Trade receivables		**Other Receivables**				
	Related Party	**Other Party**	**Related Party**	**Other Party**			
Maximum credit risk exposed as of reporting date (A+B+C+D+E) (1)	**16.778.077**	**207.062.107**	**0**	**95.021.853**	**158.250.410**	**10.282.700**	**1.871.532**
- Part of maximum risk secured by guarantee, etc.	*0*	*207.062.107*	*0*	*94.842.819*	*0*	*0*	*0*
A. Net book value of financial assets which are undue or are not exposed to depredation	16.778.077	202.071.406	0	95.021.853	158.250.410	0	8.111
- Part of asset secured by guarantee, etc.	0	*202.071.406*	0	94.842.819	0	0	0
B. Value of financial assets of which terms are re-negotiated, otherwise they shall be overdue or be exposed to depredation (2)	0	0	0	0	0	0	0
C. Net book value of assets which are overdue but not exposed to depredation (3)	0	4.990.701	0	0	0	0	*1.863.421*
- Part of asset secured by guarantee, etc.	*0*	*4.990.701*	*0*	*0*	*0*	*0*	0
D. Net book value of assets which are exposed to depredation	0	0	0	0	0	0	0
- Overdue (gross book value)	0	298.233	0	0	0	0	0
- Value decrease (-)	0	-298.233	0	0	0	0	0
- Part of net value secured by guarantee, etc.	*0*	*0*	*0*	*0*	*0*	*0*	*0*
- Undue (gross book value)	0	0	0	0	0	0	0
- Value decrease (-)	0	0	0	0	0	0	0
- Part of net value secured by guarantee, etc.	*0*	*0*	*0*	*0*	*0*	*0*	*0*
E. Off-balance sheet elements carrying credit risk	0	0	0	0	0	10.282.700	0

(Amounts are expressed in Turkish Lira unless otherwise stated)

38. THE CHARACTERISTICS AND THE LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

31.12.2009	**Receivables**				**Deposits in bank**	**Derivative financial instruments**	**Cash and cash equivalent**
	Trade receivables		**Other Receivables**				
	Related Party	**Other Party**	**Related Party**	**Other Party**			
Maximum credit risk exposed as of reporting date (A+B+C+D+E) (1)	**61.640.002**	**169.939.610**	**-**	**89.086.201**	**18.970.648**	**40.547.645**	**2.267.511**
- Part of maximum risk secured by guarantee, etc.	-	169.939.610	-	88.483.500	-	-	*0*
A. Net book value of financial assets which are undue or are not exposed to depredation	61.640.002	166.862.184	-	89.086.201	18.970.648	-	246.005
- Part of asset secured by guarantee, etc.	-	166.862.184	-	88.483.500	-	-	0
B. Value of financial assets of which terms are re-negotiated, otherwise they shall be overdue or be exposed to depredation (2)	-	-	-	-	-	-	0
C. Net book value of assets which are overdue but not exposed to depredation (3)	-	3.077.426	-	-	-	-	*2.021.506*
- Part of asset secured by guarantee, etc.	-	3.077.426	-	-	-	-	0
D. Net book value of assets which are exposed to depredation	-	-	-	-	-	-	0
- Overdue (gross book value)	-	367.405	-	-	-	-	0
- Value decrease (-)	-	(367.405)	-	-	-	-	0
- Part of net value secured by guarantee, etc.	-	-	-	-	-	-	*0*
- Undue (gross book value)	-	-	-	-	-	-	0
- Value decrease (-)	-	-	-	-	-	-	
- Part of net value secured by guarantee, etc.	-	-	-	-	-	-	
E. Off-balance sheet elements carrying credit risk	-	-	-	-	-	40.547.645	

(1) Factors which increase credit reliability, such as securities received, are not taken into account during determination of the said amount.

(Amounts are expressed in Turkish Lira unless otherwise stated)

38. THE CHARACTERISTICS AND THE LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

Table indicating the ages of assets which are overdue but not exposed to depredation:

Current period (30.09.2010)	Receivables		Deposits in banks	Derivative financial instruments	Other
	Trade receivables	Other Receivables			
1-30 days overdue	3.543.334	-	-	-	-
1-3 months overdue	1.001.798	-	-	-	-
3-12 months overdue	415.558	-	-	-	-
1-5 years overdue	30.010	-	-	-	-
Total	4.990.701	-	-	-	-
Part of asset secured by guarantee, etc.	**4.990.701**	-	-	-	-
Previous period (31.12.2009)	**Receivables**		**Deposits in banks**	**Derivative financial instruments**	**Other**
	Trade receivables	**Other Receivables**			
1-30 days overdue	667.065	-	-	-	-
1-3 months overdue	828.272	-	-	-	-
1-5 years overdue	58.966	-	-	-	-
Total	1.554.303	-	-	-	-
Part of asset secured by guarantee, etc.	3.077.426	-	-	-	-

Liquidity Risk

The management of the company has formed an appropriate liquidity risk management for the short-, mid- and long-term funding and liquidity requirements. The company manages the liquidity risk by providing the continuation of sufficient funds and borrowing reserves by regularly following up the estimated and actual cash flows and by matching the maturities of financial assets and liabilities.

The precautionary liquidity risk management expresses the ability to keep sufficient amount of cash, availability of sufficient amount of credit transactions and fund sources and the power to close the market position.

The company prefers to use suppliers' credit rather than bank credits in general.

The maturity distribution of the financial liabilities of the company with or without derivative character is mentioned in the table below. The amounts included in the table indicate the cash flow amounts not reduced based on an agreement as of 30 September 2010 and 31 December 2009:

(Amounts are expressed in Turkish Lira unless otherwise stated)

38. THE CHARACTERISTICS AND THE LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

30.09.2010

Due dates according to contract	Book value	Total of contractual cash outflows (=I+II+III+IV)	Shorter than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Longer than 5 years (IV)
Non-derivative financial liabilities	**1.047.884.874**	**1.049.936.325**	**268.512.392**	**338.439.944**	**369.963.468**	**73.020.521**
Financial payables	370.399.286	372.320.980	66.570.654	0	232.729.806	73.020.521
Trade payables	484.946.179	485.075.935	172.924.082	175.168.609	136.983.244	0
Other payables	164.393.085	164.393.085	871.332	163.271.335	250.418	0
Other liabilities	28.146.324	28.146.324	28.146.324	0	0	0
Derivative financial liabilities	**0**	**0**	**0**	**0**	**0**	**0**
Derivative Cash Inflow	10.282.700	10.282.700	10.282.700	0	0	0
Derivative Cash Outflow	-10.282.700	-10.282.700	-10.282.700	0	0	0

31.12.2009

Due dates according to contract	Book value	Total of contractual cash outflows (=I+II+III+IV)	Shorter than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Longer than 5 years (IV)
Non-derivative financial liabilities	**1.074.655.068**	**1.074.906.676**	**166.888.374**	**499.078.083**	**318.874.612**	**90.065.607**
Financial liabilities	367.946.305	367.994.370	12.782.913	165.171.750	99.974.100	90.065.607
Trade payables	521.408.150	521.611.698	135.419.056	167.602.360	218.590.282	-
Other payables	169.156.839	169.156.839	2.542.636	166.303.973	310.230	-
Other liabilities	16.143.774	16.143.769	16.143.769	-	-	-
Derivative financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Derivative Cash Inflow	40.547.645	40.547.645	40.547.645	-	-	-
Derivative Cash Outflow	(40.547.645)	(40.547.645)	(40.547.645)	-	-	-

38. THE CHARACTERISTICS AND THE LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

Market and Currency Risk

The company because of its activities is being subjected to financial risks regarding the changes on exchange rate and interest rate. In order to control the risks associated with exchange rate and interest rate, company uses the financial instruments also including the below mentioned ones:

A significant part of company's inputs from operations in Turkey is over foreign currency and almost all of the sales are realized with prices determined over TL.

Besides sales prices are determined over TL, the sector is substantially dependent on import inputs; therefore, changes in exchange rates affect the product sale prices directly. Because of this reason, significant changes in exchange rate are simultaneously reflected on sales prices. On the other hand, some parts of deposits are kept in the foreign exchange accounts. The company is trying to decrease its foreign exchange risk to minimum by using financial instruments such as forward and option operations. In Razi, inputs are mainly over domestic currency unit, Iranian Riyal, and sales incomes are mainly over foreign currency (US$). No changes have been made on market risk which the company has been subjected to in the current year, or on the method that it handles the faced risks or on the methods of measuring these risks compared to previous years.

Receivables and payables of Razi which have been consolidated on Gübretaş financial statements and not been subjected to elimination are also indicated on foreign exchange position table.

Foreign exchange position table of the foreign asset and liabilities of the company in terms of original and Turkish Lira currency units as of 30 September 2010 and 31 December 2009 is as follows;

(Amounts are expressed in Turkish Lira unless otherwise stated)

38. THE CHARACTERISTICS AND THE LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

Foreign Exchange Position

Current Period (30.09.2010)	In TL (Functional currency)	In US Dollar	EURO	Million IRR
1.Trade receivables	238.655.312	33.287.342	10.353.305	1.204.942
2a. Monetary financial assets (including cash, bank accounts)	116.458.709	18.498.910	10.676.630	485.975
2b.Non-monetary financial assets	26.446.947	0	0	187.567
3.Other	0	0	0	0
4.Current assets (1+2+3)	**381.560.967**	**51.786.252**	**21.029.935**	**1.878.484**
5. Trade receivables	0	0	0	0
6a. Monetary financial assets	12.175.773	0	0	86.353
6b. Non-monetary financial assets	10.457.970	0	0	74.170
7.Other	0	0	0	0
8.Fixed assets (5+6+7)	**22.633.743**	**0**	**0**	**160.523**
9.Total assets (4+8)	**404.194.710**	**51.786.252**	**21.029.935**	**2.039.007**
10.Trade payables	222.943.268	123.125.530	12.306.809	141.508
11.Financial liabilities	211.661.873	0	89.493.929	247.344
12a.Monetary other liabilities	187.990.258	1.152.560	8.400	1.321.284
12b. Non-monetary other liabilities	0	0	0	0
13.Short term liabilities (10+11+12)	**622.595.399**	**124.278.090**	**101.809.138**	**1.710.137**
14. Trade payables	251.021.794	0	0	1.780.296
15. Financial liabilities	94.088.454	0	47.630.077	0
16a. Monetary other liabilities	89.450.528	0	0	634.401
16b. Non-monetary other liabilities	0	0	0	0
17. Long term liabilities (14+15+16)	**434.560.776**	**0**	**47.630.077**	**2.414.697**
18.Total liabilities (13+17)	**1.057.156.175**	**124.278.090**	**149.439.215**	**4.124.834**
19.Net Asset/ (liability) position of off-balance sheet derivative financial instruments over foreign currency (19a-19b)	**-7.920**	**0**	**0**	**0**
19a. Amount of off-balance sheet derivative products having active character and over foreign currency	**10.274.780**	**7.000.000**	**0**	**0**
19b. Amount of off-balance sheet derivative products having passive character and over foreign currency	**10.282.700**	**7.000.000**	**0**	**0**
20. Net Foreign Exchange Asset/ (liability) Position (9-18+19)	**-652.969.385**	**-72.491.838**	**-128.409.280**	**-2.085.827**
21.Monetary items net foreign exchange asset/ (liability) position (IFRS 7.B23 (=1+2a+5+6a-10-11-12a-14-15-16a)	**-689.866.382**	**-72.491.838**	**-128.409.280**	**-2.347.564**
22.Total fair value of financial instruments used in foreign currency hedge	**0**	**0**	**0**	**0**
23.Amount of hedged portion of foreign currency assets	**0**	**0**	**0**	**0**
24. Amount of hedged portion of foreign currency liabilities	**0**	**0**	**0**	**0**
25.Export	**304.211.479**	**209.627.535**	**0**	**0**
26.Import	**332.251.377**	**217.803.820**	**8.187.948**	**0**

38. THE CHARACTERISTICS AND THE LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

Previous Period (31.12.2009)	**In TL (Functional currency)**	**In US Dollar**	**EURO**	**Million IRR**
1.Trade receivables	199.915.989	4.686.182	22.555.611	960.873
2a. Monetary financial assets (including cash, bank accounts)	14.403.718	133.645	3.334.803	46.655
2b.Non-monetary financial assets	19.494.600	-	-	129.964
3.Other	-	-	-	-
4.Current assets (1+2+3)	**233.814.306**	**4.819.827**	**25.890.414**	**1.137.493**
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	7.261.800	-	-	48.412
6b. Non-monetary financial assets	29.812.350	-	-	198.749
7.Other	-	-	-	-
8.Fixed assets (5+6+7)	**37.074.150**	**-**	**-**	**247.161**
9.Total assets (4+8)	**270.888.456**	**4.819.827**	**25.890.414**	**1.384.654**
10.Trade payables	190.854.265	118.844.265	493.823	72.291
11.Financial liabilities	165.653.456	-	60.636.465	231.070
12a.Monetary other liabilities	207.098.141	7.200	-	1.380.582
12b. Non-monetary other liabilities	-	-	-	-
13.Short term liabilities (10+11+12)	**563.605.862**	**118.851.465**	**61.130.288**	**1.683.943**
14. Trade payables	291.453.710	-	-	1.943.025
15. Financial liabilities	192.002.780	-	88.877.832	-
16a. Monetary other liabilities	80.813.850	-	-	538.759
16b. Non-monetary other liabilities	-	-	-	-
17. Long term liabilities (14+15+16)	**564.270.341**	**-**	**88.877.832**	**2.481.784**
18.Total liabilities (13+17)	**1.127.876.203**	**118.851.465**	**150.008.120**	**4.165.727**
19.Net Asset/ (liability) position of off-balance sheet derivative financial instruments over foreign currency (19a-19b)	**-**	**-**	**-**	**-**
19a. Amount of off-balance sheet derivative products having active character and over foreign currency	**51.193.800**	**34.000.000**	**-**	**-**
19b. Amount of off-balance sheet derivative products having passive character and over foreign currency	**51.193.800**	**34.000.000**	**-**	**-**
20. Net Foreign Exchange Asset/ (liability) Position (9-18+19)	**(856.987.746)**	**(114.031.638)**	**(124.117.706)**	**(2.781.073)**
21.Monetary items net foreign exchange asset/ (liability) position (IFRS 7.B23 (=1+2a+5+6a-10-11-12a-14-15-16a)	**(906.294.696)**	**(114.031.638)**	**(124.117.706)**	**(3.109.786)**
22.Total fair value of financial instruments used in foreign currency hedge	**-**	**-**	**-**	**-**
23.Amount of hedged portion of foreign currency assets	**-**	**-**	**-**	**-**
24. Amount of hedged portion of foreign currency liabilities	**-**	**-**	**-**	**-**
25.Export	**32.404.421**	**15.463.026**	**4.222.443**	**-**
26.Import	**353.819.690**	**230.578.969**	**3.072.229**	**-**

(Amounts are expressed in Turkish Lira unless otherwise stated)

38. THE CHARACTERISTICS AND THE LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

Gübretaş's and fully consolidated Razi's assets and liabilities, which are in foreign exchange other than TL that is reporting currency unit, have been evaluated in foreign exchange and indicated in the tables.

In the years ending on 30 September 2010 and 31 December 2009, 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:

-Foreign Exchange Rate Sensitivity Analysis Table

	Current Period (30.09.2010)		**Previous Period (31.12.2009)**	
	Profit/ Loss		**Profit/ Loss**	
	Foreign currency appreciates	**Foreign currency depreciates**	**Foreign currency appreciates**	**Foreign currency depreciates**
In case US Dollar currency appreciates/ depreciates by 10 percent:				
1- Net asset/liability of US dollar	(10.520.016)	10.520.016	(21.913.460)	21.913.460
2- Value secured against US dollar (-)				
3- Net Effect of US dollar (1+2)	**(10.520.016)**	**10.520.016**	**(21.913.460)**	**21.913.460**
In case Euro currency appreciates/ depreciates by 10 percent:				
4- Net asset/liability of Euro	(25.365.969)	25.365.969	(23.851.700)	23.851.700
5- Value secured against Euro (-)				
6- Net Effect of Euro (4+5)	**(25.365.969)**	**25.365.969**	**(23.851.700)**	**23.851.700**
In case Iranian Riyal currency appreciates/depreciates by 10 percent:				
7- Net asset/liability of Iranian Riyal	(29.410.162)	29.410.162	(41.716.095)	41.716.095
8- Value secured against Iranian Riyal (-)				
9- Net Effect of Iranian Riyal (7+8)	**(29.410.162)**	**29.410.162**	**(41.716.095)**	**41.716.095**
TOTAL (3+6+9)	**(65.296.146)**	**65.296.146**	**(87.481.254)**	**87.481.254**

(Amounts are expressed in Turkish Lira unless otherwise stated)

38. THE CHARACTERISTICS AND THE LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont.)

Interest Rate Risk

The assets and liabilities of the company with current interest rate are subject to interest rate risk since they are affected by the changes in interest rates. However, a great portion of the bank credits received by the company have fixed interest rates, the affect of this change does not reach to substantial amounts. The receivable/payable relation of company over foreign exchange with relevant companies has also fixed interest rate. The interest position table as of 30 September 2010 and 31 December 2009 is as follows.

Interest Position Table		Current Period	Previous Period
	Fix interest financial instruments		
Financial Assets	Assets, of which difference of fair value is reflected on profit/loss	-	-
	Financial assets available for sale	-	-
Financial Liabilities		297.221.630	276.287.299
	Current interest financial instruments		
Financial Assets		-	-
Financial Liabilities		73.177.655	91.659.006

Since current rated liabilities are sensitive to changes on interest limits as of reporting date, just these financial instruments have gone through a sensitivity analysis. In the sensitivity analysis performed, if the interest over Euro currency unit was high/low by 100 base point (1%) on 30.09.2010 and all other variables remained fixed, the profit/loss before taxation and consolidated equity of participations would be low/high by 20,416 TL (31.12.2009-201,714 TL).

Capital Management

In capital management, the company tries to ensure the continuity of its activities, while it, on the other hand, aims at increasing its profit by using its payable and equity capital balance in the most effective way. The capital structure of the company is comprised of equity capital items such as payables, cash and cash equivalents and other equity capital items including issued capital, capital reserves and profit reserves, which are defined in footnote 27.

Top management of the company continuously evaluates the risks associated with each capital level together with capital cost and manages capital by trying to ensure the most appropriate payable/equity capital balance. Payables/equity capital ratio is calculated dividing net payables by total capital. Net payable is calculated by deducting cash and cash equivalent values from total payable amount.

Net payable/total capital ratio as of 30 September 2010 and 31 December 2009 is as follows:

	30 September 2010	31 December 2009
Total payables	1.149.806.169	1.191.233.053
Default values (-)	(160.121.942)	(21.238.159)
Net Payable	**989.684.227**	**1.169.994.894**
Total equity capital	755.399.044	605.292.463
Net Payable/Total Capital Ratio	**131%**	**193%**

(Amounts are expressed in Turkish Lira unless otherwise stated)

39. FINANCIAL INSTRUMENTS (VALUE STATEMENTS IN LINE WITH FAIR VALUE and EXPLANATIONS WITHIN THE FRAMEWORK OF PROTECTION FROM FINANCIAL RISK PRINCIPLE OF ACCOUNTING)

Categories and reasonable values of financial instruments

30 September 2010	Financial assets indicated over its amortized value	Credits and receivables	Financial assets available for sale	Financial investments for purchase and sale purpose	Financial liabilities indicated over its amortized value	Book value	Note
Financial assets							
Cash and cash equivalents	160.121.942	-	-	-	-	67.771.578	6
Trade receivables	-	219.270.430	-	-	-	207.880.063	10
Receivables from related parties	-	16.778.077	-	-	-	12.235.288	37
Other receivables	-	82.813.529	-	-	-	95.376.464	11
Other financial assets	-	-	2.525.015	-	-	2.525.016	7
Derivative financial assets	-	-	-	-	-	107.960	26
Financial liabilities							
Financial payables	-	-	-	-	370.399.286	352.368.976	8
Trade payables	-	-	-	-	484.942.141	436.270.156	10
Payables to related parties	-	-	-	-	4.038	6.199	37
Other payables	-	-	-	-	161.358.055	168.969.534	11
31 December 2009							
Financial assets							
Cash and cash equivalents	21.238.159	-	-	-	-	21.238.159	6
Financial investments	-	-	-	166.960	-	166.960	7
Trade receivables	-	169.939.610	-	-	-	169.939.610	10
Receivables from related parties	-	61.640.002	-	-	-	61.640.002	37
Other receivables	-	89.086.201	-	-	-	89.086.201	11
Other financial assets	-	-	2.525.016	-	-	2.525.016	7

(Amounts are expressed in Turkish Lira unless otherwise stated)

Derivative financial assets	-	-	-	54.084	-	54.084	26
<u>Financial liabilities</u>							
Financial payables	-	-	-	-	367.946.305	367.946.305	8
Trade payables	-	-	-	-	521.401.951	521.401.951	10
Payables to related parties	-	-	-	-	6.199	6.199	37
Other payables	-	-	-	-	168.998.289	168.969.534	11

Group management considers that recorded values of financial instruments reflect their reasonable values.

39. FINANCIAL INSTRUMENTS (VALUE STATEMENTS IN LINE WITH FAIR VALUE and EXPLANATIONS WITHIN THE FRAMEWORK OF PROTECTION FROM FINANCIAL RISK PRINCIPLE OF ACCOUNTING) (cont.)

Fair values of financial instruments

The fair value of financial assets and liabilities are determined as follows:

- First level: Financial assets and liabilities are valued over stock exchange prices used in active market for assets and liabilities which are similar.

- Second level: Financial assets and liabilities are valued over the inputs used to find out observable price of relevant asset or liability directly or indirectly in the market other than its stock exchange price specified in first level.

- Third level: Financial assets and liabilities are valued over the inputs not based on an observable data in the market, which is used to find out fair value of asset and liability.

Level classification of financial assets and liabilities indicated with their fair values is as follows:

		Fair value level As of reporting date		
	30 Sept.	1st level	2nd level	3rd level
Financial assets	2010	TL	TL	TL
Financial assets, of which fair value difference is reflected on profit/loss				
Derivative financial instruments		-		-
Total		-		**-**

		Fair value level As of reporting date		
	31 Dec.	1st level	2nd level	3rd level
Financial assets	2009	TL	TL	TL
Financial assets, of which fair value difference is reflected on profit/loss	166.960	166.960	-	-
Derivative financial instruments				
For purchase and sale purpose	54.084	-	54.084	-
Total	221.044	166.960	54.084	**-**

40. EVENTS AFTER BALANCE SHEET DATE

None.

41 OTHER MATTERS THAT MATERIALLY AFFECT THE FINANCIAL STATEMENTS OR THAT NEED TO BE EXPLAINED FOR CLEAR, INTERPRETABLE AND UNDERSTANDABLE FINANCIAL STATEMENTS

None.