GÜBRETAŞ

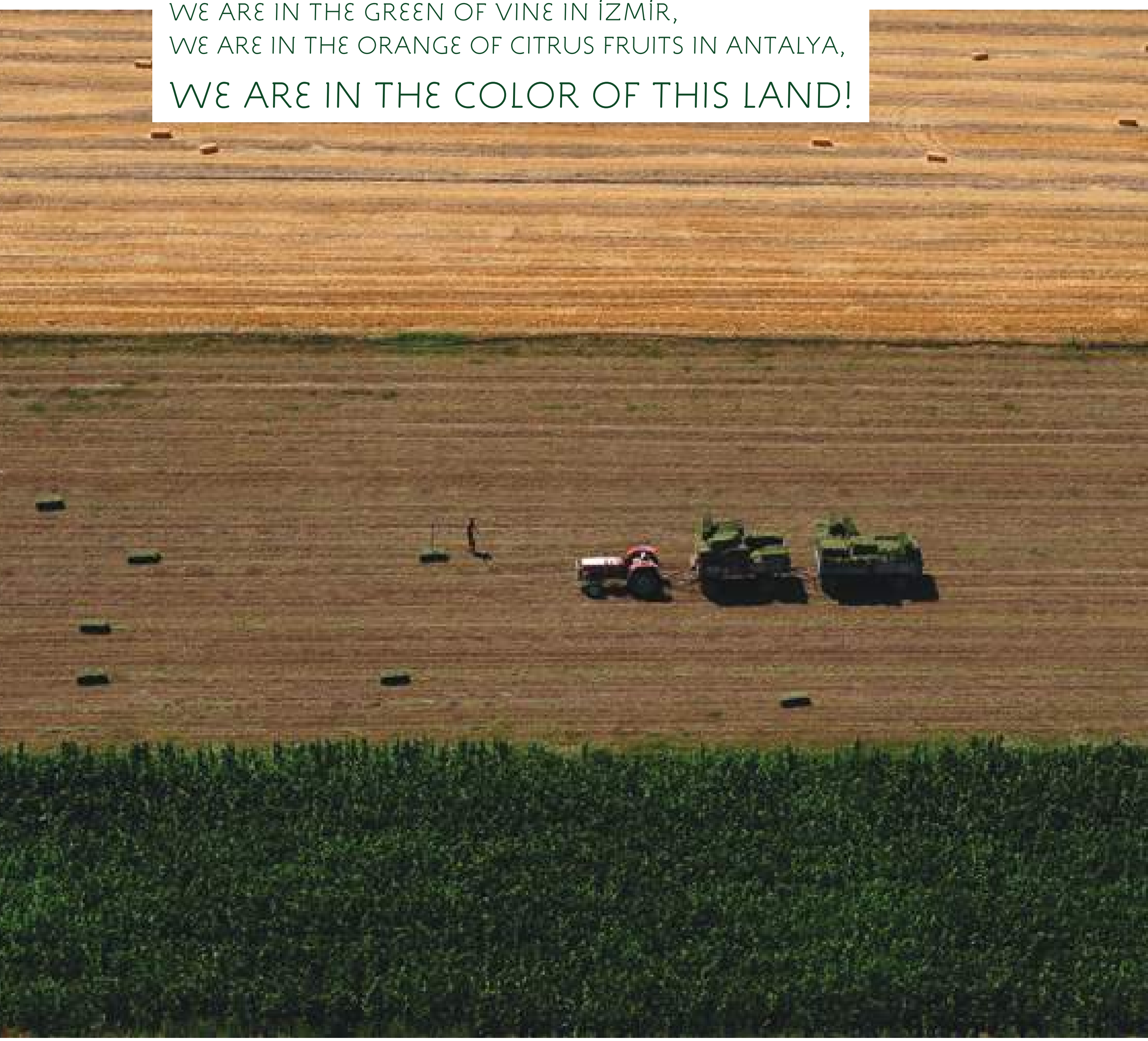
ANNUAL REPORT '12

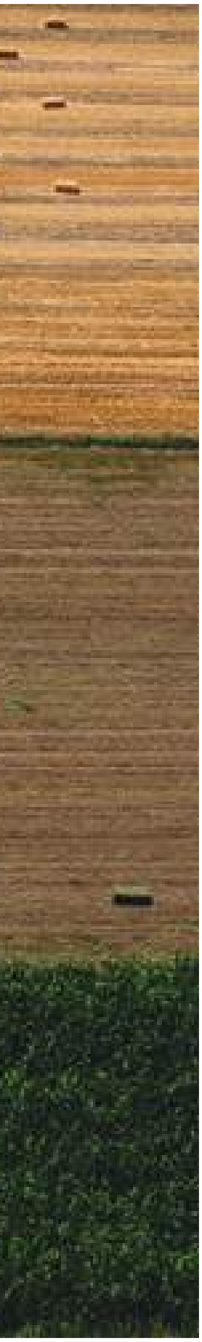
WE ARE
IN THE COLOR
OF THIS LAND!

GÜBRETAŞ
GÜBRE FABRİKALARI T.A.Ş.

WE ARE IN THE RED OF APPLE IN NİĞDE,
WE ARE IN THE WHITE OF COTTON IN ADANA,
WE ARE IN THE YELLOW OF WHEAT EAR IN KONYA,
WE ARE IN THE GREEN OF VINE IN İZMİR,
WE ARE IN THE ORANGE OF CITRUS FRUITS IN ANTALYA,

WE ARE IN THE COLOR OF THIS LAND!





GÜBRETAŞ IS IN THE COLOR OF THIS LAND!

We have left 60 years behind since 1952 when we were established for the purpose of increasing agricultural productivity in Turkey and adding value to this land. During this journey, we have progressed step by step with the responsibility of being the leader in the sector as the first chemical fertilizer company in our country.

In the years passing, we provided employment and labor power while we establishing new facilities and increasing our production capacity...

We always contributed to agricultural productivity of our farmers through the new products we have developed...

We tried to offer the fastest service to our farmers through our widespread logistics and sales network reaching all points in Turkey where agricultural production is performed...

We raised quality and trust perception through the scientific approach in the sector with analysis laboratories we have established...

As one of the first companies offered to public in the stock exchange market, we created a value in the world of finance...

We supported the scientific, academic and cultural studies related to the sector with the perception of social responsibility...

We supported education for the future of this country with the schools we built and education grants we provided...

We organized farmer training meetings and seminars every year at hundreds of points all over our country and paid effort for spreading conscious agriculture...

We achieved the biggest industrial investment of Turkey abroad and created added value for national economy...

At the end of all those institutional dynamics, GÜBRETAŞ has achieved success which made all its social stakeholders proud with its rooted past of more than 60 years and with its target to become a global brand.

GÜBRETAŞ which grows with the power of the value we contributed to this land completed 2012 with new records continuing its stability particularly in the last decade in its 60th year as well.

We will continue to grow and add our color to this land in future years as well owing to the vision we have achieved and the new investments we will make.

GÜBRETAŞ AND ITS AFFILIATES AT A GLANCE

GÜBRETAŞ GÜBRE FABRİKALARI T.A.Ş.

GÜBRETAŞ
FERTILIZER MANUFACTORY S.A.

4
PRODUCTION PLANTS

6
LABORATORIES

5
LOGISTIC CENTERS

7
REGIONAL SALES DIRECTORATES

2.608
POINTS OF SALE

151
PRODUCTS

415
PERSONNEL

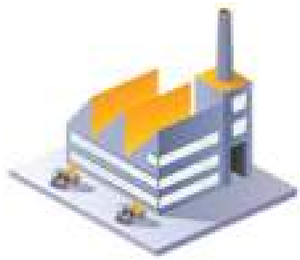
RAZİ PETROCHEMICAL (İRAN)

ARYA PHOSPHORIC JONOUB CO. (İRAN)

GÜBRETAŞ İSKENDERUN FACILITIES

GÜBRETAŞ MAINTAINS A STABLE PACE OF GROWTH OWING TO THE STRONG COLLABORATION AND SYNERGY IT CREATED WITH AGRICULTURAL CREDIT COOPERATIVES, ITS MAIN SHAREHOLDER AND THE AFFILIATES IT HAS INCLUDED IN ITS ORGANIZATION IN RECENT YEARS.

RPC



RAZİ PETROCHEMICAL CO.
(İRAN)

10
FACTORIES

3.770.500
CAPACITY/TONS

877.000
SQUARE METERS

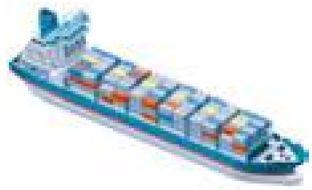
2500
PERSONNEL

%48,88
PARTNERSHIP INTEREST

raintrade
PETROKIMYA VE DIŞ TICARET A.Ş.

ARYA PHOSPHORIC JONOUB CO.

negmar
Denizcilik Yatırım A.Ş.



NEGMAR
MARINE INVESTMENTS PLC.

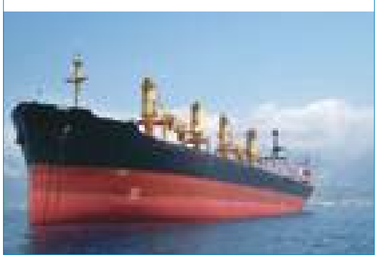
5
DRY CARGO VESSELS

3
RO-RO SHIPS

%40
PARTNERSHIP INTEREST

istanbullines

etis
LOJİSTİK A.Ş.



tarkim

TARKİM
CROP PROTECTION INDUSTRY AND TRADE PLC.

25.000
TONS/CAPACITY

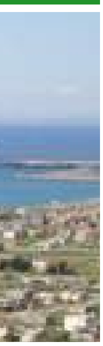
%40
PARTNERSHIP INTEREST

TARNET
BİLİŞİM VE İLETİŞİM HİZ. A.Ş.

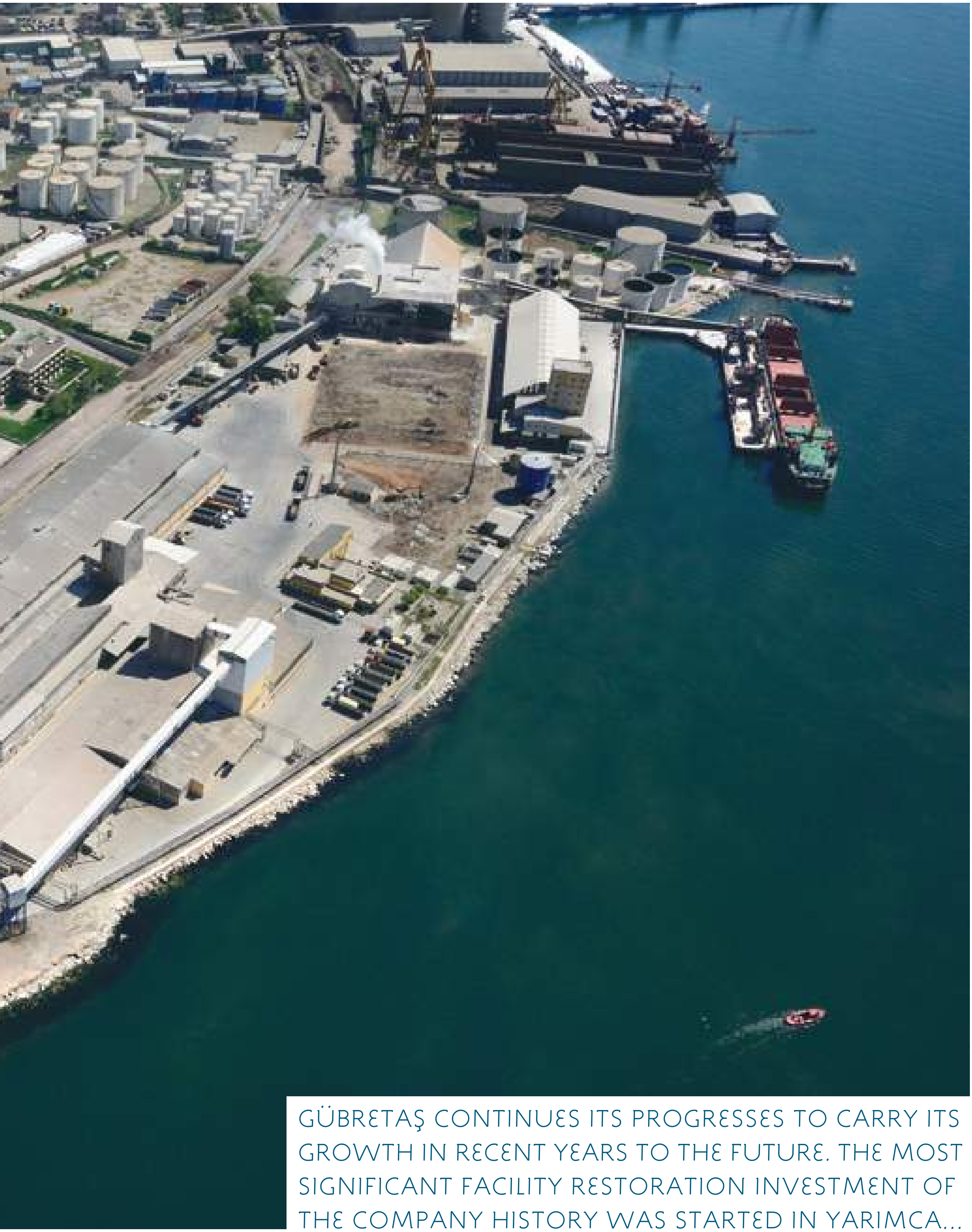
%17
PARTNERSHIP INTEREST

İMECE
PREFABRİK YAPI TİC. A.Ş.

%15
PARTNERSHIP INTEREST



GÜBRETAŞ YARIMCA FACILITIES (KOCAELI)



GÜBRETAŞ CONTINUES ITS PROGRESSES TO CARRY ITS GROWTH IN RECENT YEARS TO THE FUTURE. THE MOST SIGNIFICANT FACILITY RESTORATION INVESTMENT OF THE COMPANY HISTORY WAS STARTED IN YARIMCA...

HISTORY

GÜBRE FABRİKALARI T.A.Ş. WAS INCORPORATED WITH THE COUNCIL OF MINISTERS RESOLUTION DATED **6TH NOVEMBER 1952** FOR THE PURPOSE OF ENABLING TURKISH FARMER TO GAIN HIGHLY PRODUCTIVE AND QUALITY PRODUCTS MAKING USE OF CHEMICAL FERTILIZERS.

1952

GÜBRETAŞ; WAS FOUNDED UNDER LEADERSHIP OF ZİRAAT BANK AND IN PARTNERSHIP OF ZİRAİ DONATIM KURUMU, ŞEKER FABRİKALARI, SÜMERBANK, ETİBANK, MAKİNE KİMYA ENDÜSTRİSİ AND THE FERTILIZER CORPORATION OF AMERICA A.G.

1954

THE FIRST CHEMICAL FERTILIZER FACTORY OF TURKEY INCORPORATED BY GÜBRETAŞ IN İSKENDERUN SARISEKİ COMMENCED NSP FERTILIZER PRODUCTION WITH AN ANNUAL PRODUCTION CAPACITY OF 100 THOUSAND TONS.

1961

THE SECOND FACTORY WAS PUT INTO SERVICE IN KOCAELİ YARIMCA.

1968

TSP PRODUCTION STARTED IN İSKENDERUN PLANT.

1974

YARIMCA PLANT WITH ITS INCREASED ANNUAL CAPACITY 185.000 TON ALSO STARTED PRODUCING TSP.

1977

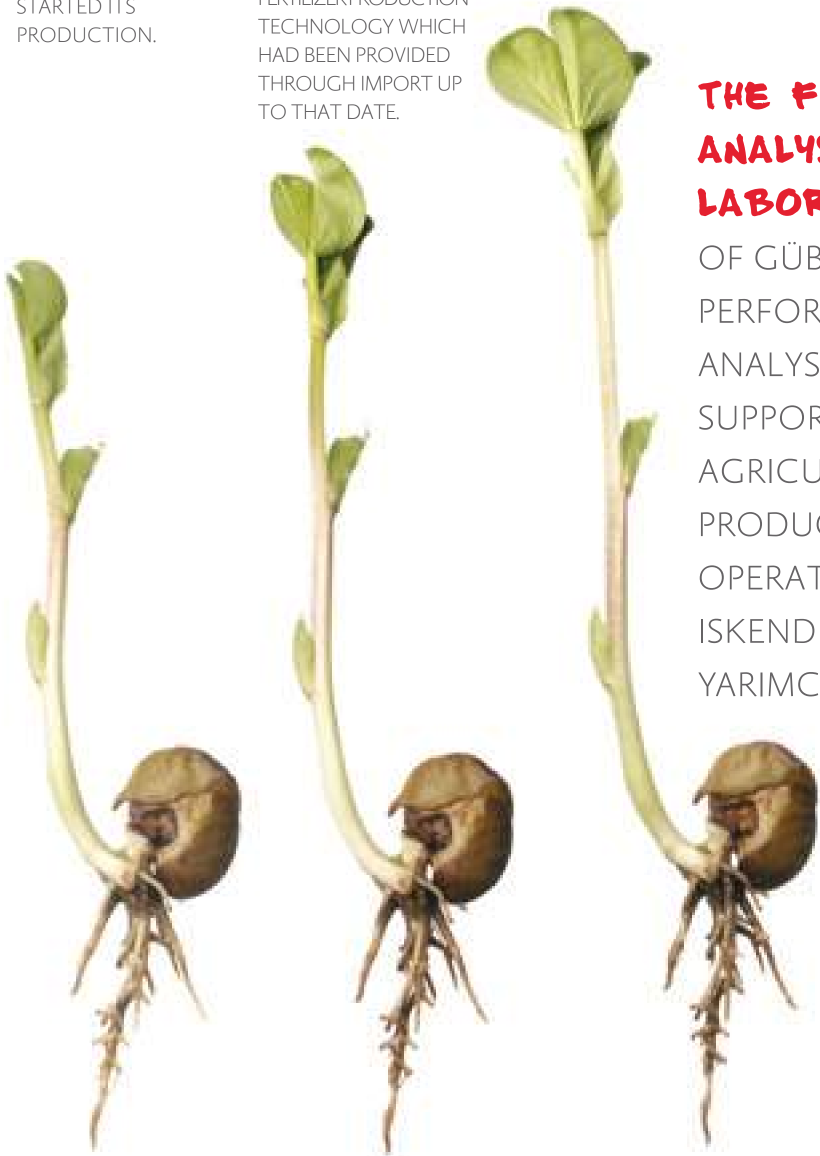
MAP UNIT WITH A CAPACITY OF 70 THOUSAND TON STARTED ITS PRODUCTION.

1978

GÜBRETAŞ ESTABLISHED THE NPK- 1 FACTORY WITH A CAPACITY OF 200 THOUSAND TONS IN YARIMCA AND FOR THE FIRST TIME, GAVE TURKEY THE COMPOSED FERTILIZER PRODUCTION TECHNOLOGY WHICH HAD BEEN PROVIDED THROUGH IMPORT UP TO THAT DATE.

1985

"SOIL ANALYSIS LABORATORIES" WERE OPENED AT THE YARIMCA AND İSKENDERUN PLANTS, WITH THE AIM TO ENCOURAGE USING FERTILIZERS ACCORDING TO THE LOCAL SOIL PROPERTY ANALYSIS RESULTS.



THE FIRST SOIL ANALYSIS LABORATORIES OF GÜBRETAŞ WHICH PERFORMS SCIENTIFIC ANALYSES IN ORDER TO SUPPORT CONSCIOUS AGRICULTURAL PRODUCTION STARTED OPERATION IN 1985 ISKENDERUN AND YARIMCA.

IN 1993, ZİRAAT BANK SOLD THE GÜBRETAŞ SHARES IT OWNED TO THE CENTRAL UNION OF AGRICULTURAL CREDIT COOPERATIVES. THUS, **AGRICULTURAL CREDIT COOPERATIVES BECAME THE MAIN SHAREHOLDERS OF GÜBRETAŞ.**

THE ISTANBUL STOCK EXCHANGE (BIST) OPENS. GÜBRE FABRİKALARI T.A.Ş. SHARES WERE AMONGST THE FIRST 16 TO BE TRADED ON THE STOCK EXCHANGE.

1986

SECOND COMPOUND FERTILIZER PLANT BEGAN TO OPERATE IN YARIMCA.

1989

GÜBRETAŞ STAKES WERE BOUGHT BY THROUGH PRIVATIZATION.

1993

LIQUID FERTILIZER TRIAL PRODUCTION STARTED IN ISKENDERUN FACILITIES.

1994

2002

GÜBRETAŞ BECAME THE SOLE FERTILIZER PROVIDER OF THE CENTRAL UNION OF TURKISH AGRICULTURAL CREDIT COOPERATIVES THROUGH SIGNED PROTOCOL.

2004

REGIONAL SALES DIRECTORATES WERE OPENED IN İZMİR AND SAMSUN IN ORDER TO REINFORCE THE SALES NETWORK.

2007

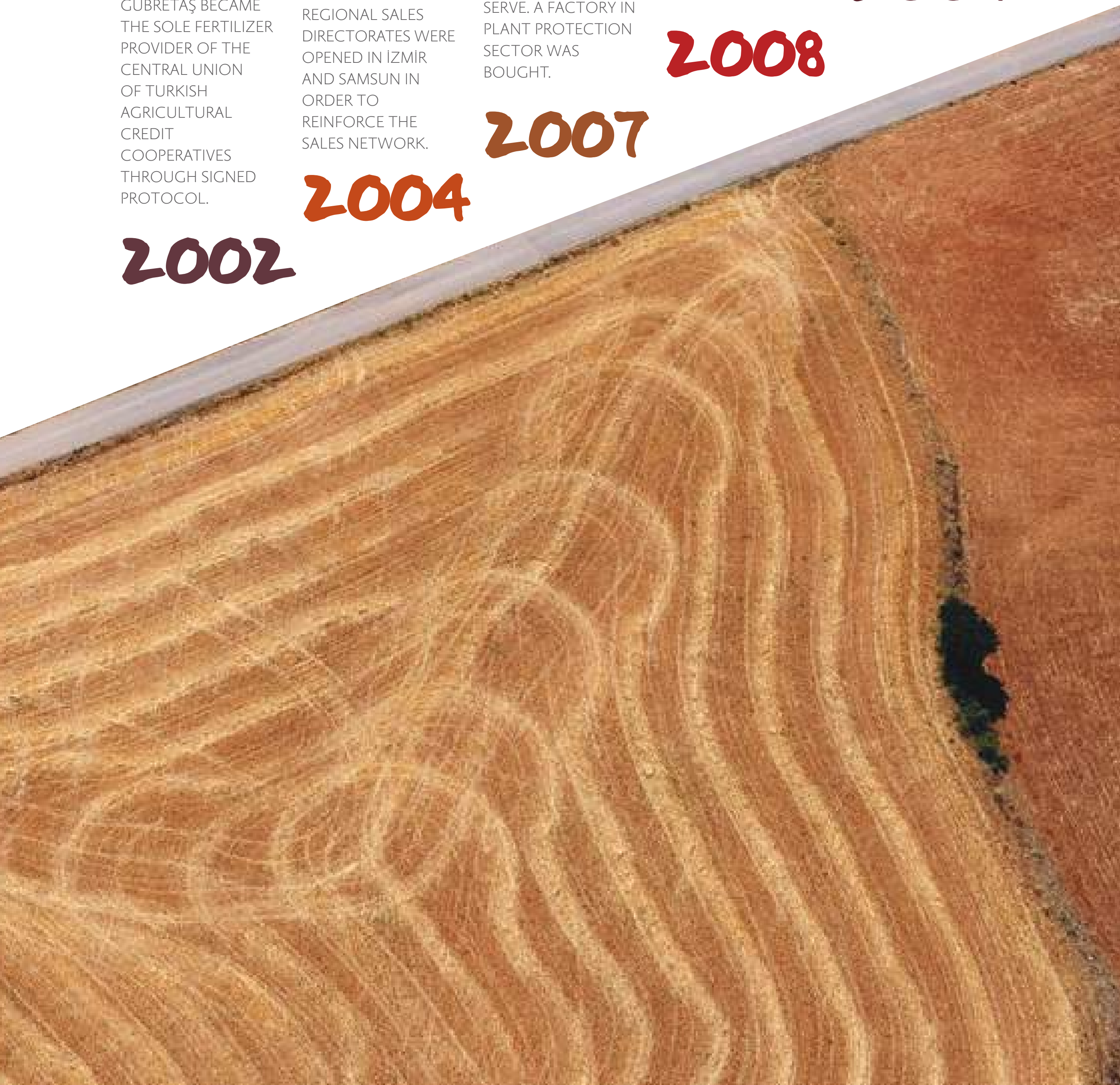
İSKENDERUN FACILITIES WAS TRANSFORMED TO PORT FOUNDATION. LOGISTIC FACILITIES IN İZMİR AND SAMSUN BEGAN TO SERVE. A FACTORY IN PLANT PROTECTION SECTOR WAS BOUGHT.

2008

THE CONSORTIUM IN WHICH GÜBRETAŞ AS A SHARE OF 50% PURCHASED RAZİ PETRO-CHEMISTRY COMPANY IN IRAN. THE AFFILIATE OF NEGMAR A.Ş. WAS ESTABLISHED IN THE FIELD OF SEA TRANSPORTATION.

2009

TARKİM A.Ş. OPENED FOR HERBICIDE / PESTICIDE SECTOR IN PARTNERSHIP WITH AGRICULTURAL CREDIT COOPERATIVES.



GÜBRETAŞ CONTINUES ITS RISE AMONG THE FASTEST GROWING COMPANIES OF TURKEY WITH ITS ROOTED EXPERIENCE OF MORE THAN 60 YEARS AND THE VISION OF **"BEING THE LEADER IN TURKEY AND A GIANT COMPANY BRANDED IN THE WORLD"** WHICH WAS CREATED IN RECENT YEARS...

2010

STORAGE CAPACITY WAS INCREASED UP TO 394 THOUSAND TONS. KONYA REGIONAL SALES DIRECTORATE WAS OPENED. 3 NEW COMPANIES PARTICIPATED IN RAZİ PETRO-CHEMISTRY KİMYA VE NEGMAR A.Ş. ORGANIZATION: RAİNTRADE DIŞ TİCARET A.Ş., ISTANBUL LINES AND ETİS LOJİSTİK...

2011

AN ANALYSIS LABORATORY WAS OPENED IN IZMIR. GÜBRETAŞ JOINED “COMPANIES OF BILLION DOLLARS” WITH ITS END-YEAR CONSOLIDATED TURNOVER.

2012

GÜBRETAŞ ENDED 2012 WHEN IT CELEBRATED ITS 60TH ANNIVERSARY WITH NEW SUCCESSES...

GÜBRETAŞ ACHIEVED THE RECORDS OF THE HIGHEST SALES QUANTITY AND CONSOLIDATED PROFITABILITY OF THE COMPANY HISTORY IN ITS 60TH ANNIVERSARY.

THE BIGGEST DOMESTIC FACILITY RESTORATION INVESTMENT OF THE COMPANY HISTORY WAS STARTED IN 2012 IN YARIMCA FACILITIES, WHICH INVESTMENT SHALL INCREASE THE PRODUCTION CAPACITY OF YARIMCA FACILITIES BY 45% WAS STARTED. THUS AN INCREASE OF 930% REALIZED IN THE INVESTMENT BUDGET COMPARED TO THE PREVIOUS YEAR.

IN THE RESEARCH PUBLISHED BY MILLIYET NEWSPAPER IN MAY, GÜBRETAŞ WAS DECLARED AS THE **"FASTEST GROWING COMPANY IN THE STOCK EXCHANGE IN THE LAST 5 YEARS"**.

OUR RAZI PETRO-CHEMISTRY, THE SUBSIDIARY COMPANY OF GÜBRETAŞ IN IRAN PURCHASED 87,5 PERCENT SHARES OF **ARYA PHOSPHORIC CO.** COMPANY.

THE CONSCIOUS AGRICULTURE MEETINGS ORGANIZED BY GÜBRETAŞ WITH THE PERCEPTION OF SOCIAL RESPONSIBILITY IN APPROXIMATELY 2 THOUSAND POINTS WERE ATTENDED BY MORE THAN 150 THOUSAND FARMERS AND APPROXIMATELY 10 THOUSAND AGRICULTURAL ENGINEERS.

2012 AT A GLANCE

APPROXIMATELY TOTALLY **1 MILLION 110 THOUSAND** PEOPLE PARTICIPATED IN TWO SALES CAMPAIGNS ORGANIZED IN THE 60TH YEAR FOR FARMERS AND DEALERS.

IN **THE PROJECT OF SOIL PRODUCTIVITY MAP OF TURKEY** WHICH WAS STARTED IN 2005 BY GÜBRETAŞ 55 PERCENT OF THE PROJECT WAS COMPLETED WITH A NUMBER OF 5500 SAMPLES ENTERED IN THE DATABASE.

REGIONAL SALES DIRECTORATE IN KONYA WAS MOVED TO ANTALYA WHERE AGRICULTURAL PRODUCTION IS MORE INTENSIFIED, FOR THE PURPOSE OF INCREASING SALES EFFECTIVENESS.

2011 ACTIVITY REPORT WAS AWARDED WITH **GOLD AWARD** IN ITS OWN SECTOR AMONG 5 THOUSAND WORLDWIDE ANNUAL REPORTS IN THE COMPETITION OF LACP VISION AWARDS.

GÜBRETAŞ LIBRARY WHICH PUBLISHES EDUCATIVE AND ACADEMIC BOOKS ON THE SECTOR STARTED ITS OPERATION IN THE FIELD OF CORPORATE PUBLICATION.

2012 FINANCIAL INDICATORS AT A GLANCE

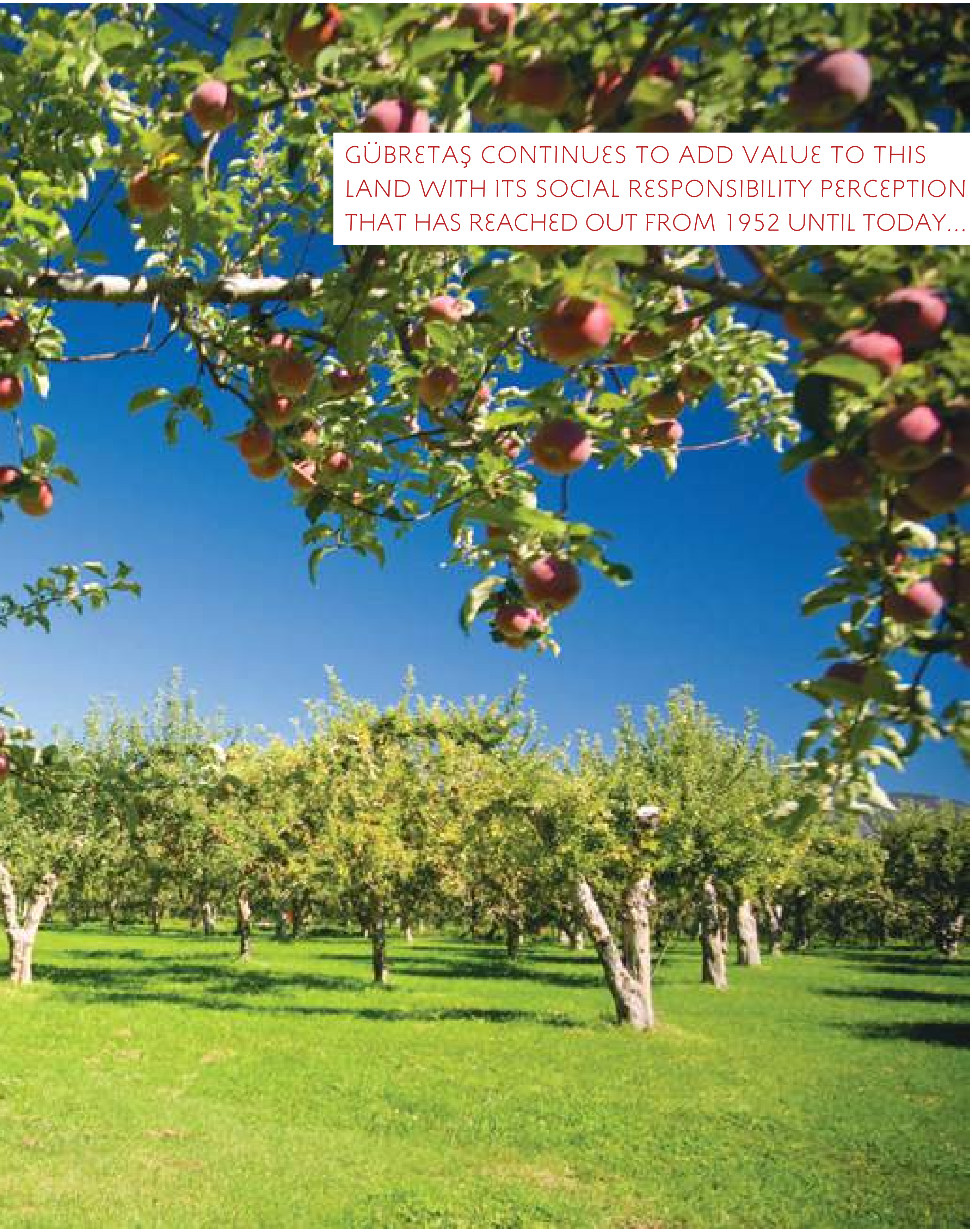
SUMMARIZED INCOME STATEMENT (TL)	31.12.2012	31.12.2011
SALES INCOMES (NET)	2.226.819.536	2.276.393.199
Sales Cost (-)	(1.579.614.777)	(1.581.504.218)
GROSS PROFIT/(LOSS)	647.204.759	694.888.981
OPERATIONAL PROFIT/(LOSS)	496.875.289	529.807.464
Shares in the Profit/Loss of Investments Valued through Equities Method	(7.534.678)	(4.743.795)
Financial Incomes	240.812.335	60.139.781
Financial Expenses (-)	(257.712.263)	(193.109.365)
PRE-TAX PROFIT/(LOSS)	472.440.683	392.094.085
PERIOD PROFIT	430.033.169	374.967.607
MAIN OPERATION PROFIT	481.570.692	512.454.095
EBITDA	533.721.248	605.657.548
Revenue per Share	0,0227	0,0156

SUMMARIZED BALANCE SHEET (TL)	31.12.2012	31.12.2011
Current Assets	1.299.976.936	1.694.272.707
Fixed Assets	854.918.341	1.273.230.864
TOTAL ASSETS	2.154.895.277	2.967.503.571
Short Term Liabilities	1.201.514.640	1.506.890.189
Long Term Liabilities	120.286.185	258.998.473
Equities	833.094.452	1.201.614.909
TOTAL LIABILITIES	2.154.895.277	2.967.503.571


762.118
897.796
1.203.702
1.237.997
1.353.929
1.370.744
1.120.056
1.394.085
1.449.012
1.532.076
1.538.000
2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012
SALES (TONS)
179
254
428
414
480
610
1.412
1.045
1.386
2.276
2.227
2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012
CONSOLIDATED NET SALE (MILLION TL)
2,2
5,2
6,6
1,2
9,1
39,2
103,3
-59,0
119,8
129,9
189,7
2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012
NET PROFIT (MILLION TL)


1
0,6
3,1
3,5
4,3
13,8
3,9
5,2
5,6
8,5
79
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
INVESTMENT (MILLION TL)
21
50
53
68
75
195
510
668
1.432
948
1.186
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
COMPANY VALUE IN THE STOCK EXCHANGE (MILLION TL)


4,3
10,1
17,8
7
22,2
39,5
397,4
36,1
329,1
512,5
481,6
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
EBIT (MILLION TL)
3,6
11,3
18,9
8,3
23,6
46,2
449
106
402
605
533,7
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
EBITDA (MILLION TL)



GÜBRETAŞ CONTINUES TO ADD VALUE TO THIS LAND WITH ITS SOCIAL RESPONSIBILITY PERCEPTION THAT HAS REACHED OUT FROM 1952 UNTIL TODAY...

LETTER FROM CHAIRMAN

“GÜBRETAŞ, THE BIGGEST AFFILIATE OF TURKISH AGRICULTURAL CREDIT COOPERATIVES CAUGHT GREAT SUCCESS ACCELERATION IN ALL ASPECTS WITH ITS ROOTED EXPERIENCE OF MORE THAN 60 YEARS. OWING TO ITS STRONG VISION CREATED IN RECENT YEARS, IT TOOK ITS PLACE AMONG THE BIGGEST BRANDS OF TURKEY.”

Dear Partners,

Agriculture, which is one of the oldest activities of the human history, has always had a significant place for covering plant nutrition needs. Particularly, in today's world where the population increases fast, agriculture has become a strategic sector due to the fact that fields where agricultural production can be performed remained fixed and even shrank for various reasons.

Turkey has become one of the countries which evaluated this trend in the agriculture sector in recent years. According to the data of the Ministry of Food Agriculture and Livestock, Turkey which is the top of the world in 7 products including nut, apricot, fig, cherry, black cherry, quince and poppy seed is the second best of production sequence in 6 products and is the third in 8 products. Agricultural GDP which was 23,7 billion Dollars in 2002 in our country which has become the biggest country of Europe in terms of agricultural size and seventh biggest country of the world reached up to the level of 62,5 billion Dollars in 2012.

As a consequence of all those developments, the compulsion to acquire maximum efficiency from unit area increased the significance of the fertilizer sector, one of agricultural inputs, because when other factors affecting agricultural production are convenient, chemical fertilizer is the input that mostly supports efficiency and quality increase... The fact that the rate of average fertilizer use per decare in our country is very low compared to Europe and agriculture intensified countries indicates a potential in future years in one aspect.

2012 was a special year for both GÜBRETAŞ and Turkish and global economy. This period witnessed a gradual recovery in the global crises that has been experienced since 2008 in US and European economy. Looking through Turkey, a growth which cannot be undervalued under the economic conditions of the world again were realized.

In the early months of 2012, planting delayed due to negative climate conditions and intense snowing and a slight deceleration became in question in the agriculture sector and fertilizer demand. However there has been a fast recovery from the following months on.

GÜBRETAŞ had a good performance in 2012, when we celebrated our 60th anniversary. We passed over the sales figures of 2011 and reached a sale of 1 million 551 thousand tons and we achieved a new record of the company history in profitability. We increased our market share up to 30 percent which was approximately 15 percent 10 years ago and increased our consolidated turnover which was approximately 150-200 million TL 10 years ago up to a figure higher than 2 billion TL.

In parallel with all of these, we continue to produce value for our country through our activities and investments in the field of social responsibility.

GÜBRETAŞ, the biggest affiliate of Turkish Agricultural Credit Cooperatives caught great success acceleration in all aspects with its rooted experience of more than 60 years. Owing to its strong vision created in recent years, it took its place among the biggest brands of Turkey. It did not satisfy with being merely the leading company of agriculture sector but it also became one of the players of the national economy and international fertilizer sector.

We sustain our new progresses in order to carry our stable growth to the future. Our purpose is to continue with the vision of being the leader in Turkey as it is the case today and a giant company branded in the world.

I hereby thank our directors and employees who have contributed for 61 years, and particularly to the successes in 2012, as well as our stakeholders and wish that 2013 shall be a profitable year as well.

Abdullah KUTLU
Chairman of Board of Directors

LETTER FROM GENERAL MANAGER

“ WE BUDGETED THE SALES TARGET IN OUR MAIN ACTIVITY AREA IN 2013 AS 1 MILLION 600 THOUSAND TONS, OUR CONSOLIDATED TURNOVER TARGET AS 2,4 BILLION TL. WE AIM AT SUSTAINING OUR STUDIES IN THE FIELD OF SOCIAL RESPONSIBILITY AND INVESTMENTS WITH THE SAME DETERMINATION AND RESOLUTION. ”

Dear Partners,

GÜBRETAŞ has been one of the leading brands in the agriculture and industry sectors of Turkey since 1952 when it was incorporated. When it combined its rooted company experience of 60 years with the global vision, which was created particularly in the last decade, GÜBRETAŞ has become one of the fastest growing companies of Turkey. As a matter of fact, having been declared as the "fastest growing company in the stock exchange in the last 5 years" in a research conducted last year is one indicator of this fact.

For GÜBRETAŞ the year of 2012 was a special and significant year for being the 60th anniversary of incorporation. GÜBRETAŞ which has made breaking records a tradition with its stability in all aspects, achieved new records of company history in 2012 with sales of 1 million 551 thousand tons and approximately 190 million TL net profit.

GÜBRETAŞ which celebrated its 60th anniversary of incorporation with various events organized two big sales campaigns for farmers and dealers in 2012. Number of participants in the campaigns of the Company organized under the names of "Campaign like Pomegranate" and "Both Planter and Harvester Wins with GÜBRETAŞ" was 1 million 110 thousand from 81 provinces of Turkey. Those data are significant for emphasizing the interest in and brand reputation of GÜBRETAŞ brand at all points in Turkey where agricultural production is performed...

Our Company exhibited its leadership position in the sector through the social responsibility projects it realized as well. Last year approximately 150 thousand farmers at 2 thousand points were provided with training for the purpose of spreading conscious agriculture and we organized training seminars for approximately 10 thousand agricultural engineers in the field of soil analysis and plant nutrition. On the other hand, we continued educational grants support given to farmers' children in need studying at faculties of agriculture with the application we started in 2007 and we crowned the significance we pay for education through our decision to built primary school in Iskenderun and Kocaeli in the commemoration of the 60th anniversary.

Our domestic and foreign investments continue fast as well. The biggest domestic facility restoration investment of the company history was started in 2012 in Yarımca Facilities. We will built a NPK/DAP factory with an annual capacity of 500 thousand tons and ammonium tank of 25 thousand tons through the investment with an approximate value of 140 million TL (59 million Euros). The existing annual capacity of GÜBRETAŞ in Yarımca shall increase by 45 percent and become 985 thousand tons with this investment targeted at being completed in 2014.

Our affiliates continue to grow in their own sectors as well. We made an investment in Iran in July. Our subsidiary company Razi Petrochemicals purchased 87,5 percent shares of Arya Phosphoric Co company located in the region.

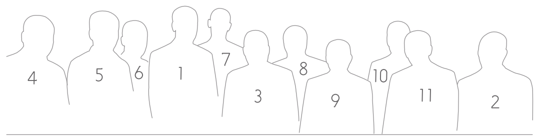
Furthermore, studies for increasing productivity within Razi Petrochemicals are continued and the fact that the payment of the last installment of the Petrochemicals investment this year shall provide completion of a significant step in our foreign investment seeking determined on the basis of the strategy of being close to raw material sources, which strategy we started in 2006.

We budgeted the sales target in our main activity area in 2013 as 1 million 600 thousand tons, our consolidated turnover target as 2,4 billion TL. We aim at sustaining our studies in the field of social responsibility and investments with the same determination and resolution.

I hereby thank all our dealers, farmers and social stakeholders particularly our Board of Directors and employees who contributed to the sustainability of the stable success line of GÜBRETAŞ in the 60th year as well and wish that 2013 shall bring you all abundance, fertility and new success.

Osman BALTA
General Manager

THE BOARD OF DIRECTORS AND THE BOARD OF AUDITORS



1 Abdullah KUTLU
Chairman of Board of Directors

2 Necdet DİRİK
Deputy Chairman of Board of Directors

3 Osman BALTA
Board of Directors Member / General Manager

4 Namık Kemal BAYAR
Board of Auditors Member

5 Ali SARI
Board of Directors Member

6 Bülent İŞKÜR
Board of Auditors Member

7 Dr. Erol DEMİR
Board of Directors Member

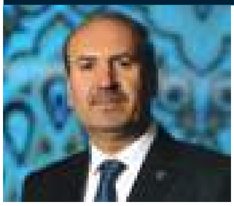
8 Ahmet BOYRAZ
Board of Directors Member

9 Prof. Lokman DELİBAŞ
Independent Member of the Board of Directors

10 İsmail TEKİN
Independent Member of the Board of Directors

11 Hamdi GÖNÜLLÜ
Board of Directors Member

ABDULLAH KUTLU



Chairman of Board of Directors

He graduated with Bachelor's Degree from the Faculty of Agriculture of Erzurum Ataturk University in 1985 and with a Master's Degree from the Institute of Science of Trakya University. Since 1985 in which he started to work at Agricultural Credit Cooperatives, he held various offices at the organization. Following his office of deputy general director at Central Union of ACC in 2008, he was assigned as General Director in 2011. He has been functioning as the Chairman of the Board of Directors of Gübre Fabrikaları T.A.Ş. since April 2011.

NECDET DİRİK

Deputy Chairman of Board of Directors

He graduated from Marmara University, Faculty of Economics and Administrative Sciences in 1982. He started to work at the Agricultural Credit Cooperatives Central Union in 1985. After undertaking various duties at different levels of the institution, he was again appointed as the Head of Supply and Marketing Department in 2005.

DR. EROL DEMİR

Board of Directors Member

He graduated from Gazi University, Faculty of Economics and Administrative Sciences, Business Management Department. He received his Phd from Ankara University, Institute of Sciences. Dr. Demir, also a financial advisor, has been working as Head of the Fund Management and Accounting Department at the Agricultural Credit Cooperatives Central Union.

HAMDİ GÖNÜLLÜ

Board of Directors Member

He graduated from Anadolu University, Financial Sciences Faculty in 1984. He started to work at the Assistant Inspectior of Agricultural Credit Cooperatives in 1987, where he has been continuing his duties as the Head of Credit Department.

ALİ SARI

Board of Directors Member

He completed his university education in Atatürk University Faculty of Economics and Administrative Sciences, Department of Business Administration in 1986 and graduated. Ali SARI who started his professional life in the same year began his commission in Agricultural Credit Cooperatives Antalya Region Union in 1987. In 2012 he was appointed as the Regional Manager of Agricultural Credit Cooperatives Kayseri Region Union and he is currently at this position.

AHMET BOYRAZ

Board of Directors Member

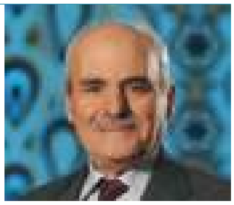
After graduating from Anadolu University, Department of Business Administration, he started his professional life in Agricultural Credit Cooperatives in 1986. He worked at different levels of the institution. He is currently the Region Director of Agricultural Credit Cooperatives Ankara Region Union.

OSMAN BALTA
Board of Directors Member

He finished higher education at the Department of Machinery Engineering, Sakarya Engineering Faculty, Istanbul Technical University. He started to work as a project engineer at the Türkiye Gemi Sanayi A.Ş. in 1989. He worked for various positions in private sector until 2009. He started to work as Assistant General Manager in 2009, on February 1, 2012 he became General Manager in GÜBRETAŞ. He is the Chairman of Board of Directors of Razi Petrochemical Co. and Vice Chairman of Board of Directors of Negmar Denizcilik Yatırım A.Ş and Raintrade Dış Ticaret A.Ş. Board of Directors.

PROF. DR. LOKMAN DELİBAŞ
Independent Member of the Board

He completed his bachelor's degree in 1980 in Atatürk University Faculty of Agriculture. His academic career beginning in the same faculty in 1981 continued in Trakya University Faculty of Agriculture from 1987. After he worked as a professor at this university from 1995 to 2006, he has carried on his position as an instructor in the Faculty of Agriculture which was associated to Namık Kemal University which was established in 2006.



İSMAİL TEKİN
Independent Member of the Board

He completed his bachelor's degree in Terrestrial Military School, Department of Mechanic and he graduated in 1986 as a Tanker Lieutenant. Following various positions within the organization of Turkish Armed Forces, he completed his master degree in Girne American University in the field of International Relations in the academic period of 2007-2008 and he graduated from the Armed Forces in 2011.

BÜLENT İŞKÜR
Board of Auditors Member

He completed his higher education at the Faculty of Financial Sciences in Afyon of Anadolu University in 1982. At Agricultural Credit Cooperatives at which he started to work in 1985, he held the positions of officer, inspector, branch manager and regional director and then, in 2011, was assigned as the Chairman of Counseling and Inspection Board of Agricultural Credit Cooperatives.

NAMIK KEMAL BAYAR
Board of Auditors Member

After graduating from Ankara University, Law Faculty, he started to work as a lawyer at the Agricultural Credit Cooperatives Central Union in 1998. He has been still working as the 1st Legal Advisor at Agricultural Credit Cooperatives Central Union.

TOP MANAGEMENT OF THE COMPANY

OSMAN BALTA

General Manager

He finished higher education at the Department of Machinery Engineering, Sakarya Engineering Faculty, Istanbul Technical University. He started to work as a project engineer at the Türkiye Gemi Sanayi A.Ş. in 1989. He worked for various positions in private sector until 2009. He started to work as Assistant General Manager in 2009, on February 1, 2012 he became General Manager in GÜBRETAŞ. He is the Chairman of Board of Directors of Razi Petrochemical Co. and Vice Chairman of Board of Directors of Negmar Denizcilik Yatırım A.Ş and Raintrade Dış Ticaret A.Ş. Board of Directors.

FERHAT ŞENEL

Assistant General Manager

He graduated from the Istanbul University Business Administration Faculty in 1984. He started his career at Turkish Development Bank and served at several positions until 1998. He assumed top management position in several organizations between 1998-2004 and started to serve as Assistant General Manager at GÜBRETAŞ in 2004. Şenel is a member of the Board of Directors at Razi Petrochemical Co. and Raintrade Petrokimya ve Dış Ticaret A.Ş. In addition to his position as the Chairman of Board of Directors of Arya Phosphoric Jonoob Co., he is currently a Member of Board of Directors of Razi Petrochemical Co. and Raintrade Petrokimya and Dış Ticaret A.Ş.

TAHİR OKUTAN

Assistant General Manager

He graduated from Agriculture Faculty, Atatürk University in 1988 and Faculty of Economics, Anadolu University in 1998. Afterwards, he received a master's degree from the Institute of Social Sciences, Dumlupınar University. After working in senior positions at Agricultural Credit Cooperatives, he started to work as Assistant General Manager of GÜBRETAŞ in 2006.

İSMAİL BABACAN

Assistant General Manager

He got his university degree from Marmara University, Department of Theology. He has done his master's degree in Marmara University, Department of Theology between 1985-1987. He has started his career as a teacher and then continued his career in private sector. Until 2009 he has been in various high rank positions. In 2009, he joined Gübre Fabrikaları T.A.Ş team as an Assistant General Manager. He is also member of the Board of Directors of Etis Lojistik A.Ş. and a member of Board of Auditors of Raintrade Petrokimya ve Dış Ticaret A.Ş.

YAKUP GÜLER

Assistant General Manager

After completing his undergraduate level of education in Yıldız Technical University Engineering Faculty Mechanical Engineering, he went England for language education between the years 1987 and 1989. He completed his graduation degree in Business Administration between the years 1998 and 1999. He started to work by establishing his own company in 1990 and until 2012 he has been in various high rank positions in private sector. In March 2012 he began to work as Assistant General Manager in GÜBRETAŞ. He is also a member of Board of Directors of İstanbul Lines Denizcilik Yatırım A.Ş.

AGENDA OF THE 61st ORDINARY GENERAL ASSEMBLY MEETING

PERIOD	:	01.01.2012 - 31.12.2012
MEETING DATE	:	08.05.2013
TIME	:	10.00 AM
PLACE	:	HEAD OFFICE

1. Opening and establishment of Meeting Chairmanship,
2. Authorizing the Meeting Chairmanship to sign the Meeting Minutes,
3. Reading the summary of the Board of Directors Annual Activity Report and Auditor Report for the account year of 2012 and discussing the same,
4. Reading the summary of the Independent Auditor Report for the account year of 2012,
5. Approval of the financial statements for the account year of 2012,
6. Acceptance of decision on profit distribution in accordance with the profit distribution article of the Articles of Association of the Company,
7. Submitting the members who were elected to replace the vacated positions of the members of the Board of Directors within the year in accordance with article 363 of Turkish Commercial Code to the General Assembly for approval,
8. Releasing the members of Board of Directors,
9. Releasing the members of Board of Auditors,
10. Submitting articles: 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52 and 53 of the Articles of Association of the Company amended within the scope of conformity with the Capital Market Law and Turkish Commercial Code to the General Assembly for approval,
11. Submitting the Independent Audit Company selected by the Board of Directors to the General Assembly for approval,
12. Submitting the "Internal Directive on the Operation Principles and Procedures of the General Assembly" proposal of the Board of Directors to the General Assembly for approval,
13. Informing the General Assembly on the common and continuous transactions of the 2012 account period of the Company performed with concerned parties in accordance with regulations of the Capital Market Board,
14. Informing the General Assembly on the warranties, pledges, mortgages granted in favour of 3rd parties and the incomes or benefits acquired in the 2012 account period,
15. Informing the General Assembly on the donations and contributions made 2012 in the 2012 account period,
16. Election of the members of the Board of Directors,
17. Detection of the remuneration to be paid to the members of Board of Directors,
18. Permitting the Board of Directors to perform transactions that may cause interest conflicts with the Company or its subsidiary companies and competing with them for the shareholders who have the management domination, the members of Board of Directors, top managers and their spouses and relatives and relations up to the second degree and in accordance with articles 395 and 396 of Turkish Commercial Code,
19. Proposals and wishes,
20. Closing.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

I. Introduction

A REPORTING PERIOD

01.01.2012 - 31.12.2012

B CORPORATE'S NAME

Gübre Fabrikaları Türk Anonim Şirketi (Gübretaş)

C BOARD OF DIRECTORS

Duty	Name	Date of Beginning to Work
Chairman	Abdullah KUTLU	19.04.2011
Vice Chairman	Necdet DİRİK	25.10.2005
Member	Dr. Erol DEMİR	10.04.2009
Member	Hamdi GÖNÜLLÜ	20.09.2012
Member	Ahmet BOYRAZ	26.04.2012
Member	Ali SARI	31.07.2012
Member	Osman BALTA	01.02.2012
Independent Board Member	Prof. Dr. Lokman DELİBAŞ	26.04.2012
Independent Board Member	İsmail TEKİN	26.04.2012

BOARD MEMBERS RESIGNED DURING THE REPORTING PERIOD

Duty	Name	Date of Beginning to Work	Date of Ending to Work
Member	Mehmet KOCA	30.12.2005	31.01.2012
Member	Naci BEDİR	26.04.2012	31.07.2012
Member	Sertaç GÜRSOY	26.04.2012	20.09.2012

D BOARD OF AUDITORS

Duty	Name	Date of Beginning to Work
Member	Bülent İŞKÜR	13.06.2011
Member	Namık Kemal BAYAR	10.04.2009

The members of the Board of Directors and Auditors are entitled to use the powers provided in the Company's Articles of the Association and the Turkish Commercial Code.

E TOP MANAGEMENT

Duty	Name	Date of Beginning to Work
General Manager	Osman BALTA	01.02.2012
Deputy General Manager - Mali İdari İşler	Ferhat ŞENEL	09.02.2004
Deputy General Manager - Satış ve Pazarlama	Tahir OKUTAN	20.01.2006
Deputy General Manager - Tedarik Zinciri Planlama ve Satınalma	İsmail BABACAN	22.06.2009
Deputy General Manager - İşletmeler	Yakup GÜLER	01.03.2012

F CAPITAL STRUCTURE

As of 31.12.2012 registered capital of the company is 200.000.000 TL and issued capital is 83.500.000 TL.

Table 1

CAPITAL STRUCTURE		
Shareholders	**Amount Of Share - TL**	**Share**
Central Union Of Turkish Agricultural Credit Cooperatives	63.421.152	75,95%
Other	20.078.848	24,05%
Total	**83.500.000**	**100,00%**

G INFORMATION ABOUT OUR FACILITIES

Our Company reached a total real estate area of 340.634 sqm, out of which is 133.622 sqm closed area including warehouses, business buildings and lands, convenient to be improved.

Yar1mca Facilities has 685.000 tons/year fertilizer production capacity, İzmir Facilities has 25.000 tons/year liquid and powder fertilizer production capacity, Gübretaş has 710.000 tons/year fertilizer production capacity in total.

The total capacity of our warehouses is 394.000 tons.

Table 2

GÜBRE FABRİKALARI T.A.Ş. GAYRİMENKULLER

	Closed Area Sqm
Office	
Head Office	1.592
Yarımca Facilities	2.145
Ankara Office	120
Samsun Office	210
Total	**4.067**
Production Facilities	
Kocaeli Yarımca Facilities	23.616
İskenderun Facilities	15.581
İzmir Facilities	1.750
Foça Facilities	200
Total	**41.147**
Warehouses	
Kocaeli Yarımca Warehouses	22.381
Samsun Warehouses	6.324
Kocaeli Köseköy Warehouses	6.664
İzmir Helvacı Warehouses	14.720
İskenderun Akçay Warehouses	10.923
İskenderun Sarıseki Warehouses	18.474
Tekirdağ Warehouses	7.189
İzmir Foça Warehouses	1.733
Total	**88.408**
GRAND TOTAL	133.622

Table 3

GÜBRETAŞ FERTILIZER PRODUCTION CAPACITY

Facilities	Capacity - Tons
Yarımca	
TSP	185.000
NPK 1 (Compound Fertilizer)	200.000
NPK 2 (Compound Fertilizer)	300.000
Total	**685.000**
İzmir	
Liquid and Powder Fertilizer	25.000
GRAND TOTAL	710.000

Table 4

GÜBRETAŞ WAREHOUSE CAPACITY - TONS

Region	Capacity
Yarımca Warehouses	140.000
İskenderun Warehouses	119.000
İzmir Warehouses	62.000
Samsun Warehouses	30.000
Tekirdağ Warehouses	40.000
İzmir Liquid Warehouses	3.000
Total	**394.000**

H AFFILIATES AND SUBSIDIARIES

RAZI PETROCHEMICAL CO. (RAZI)

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

Gübretaş with its 48,88% stake in Razi, started to disclose its financial reports on the consolidated base since June 2008.Razi Petrochemical Co.'s İstanbul based affiliate company Raintrade Petrokimya ve Dış Ticaret A.Ş. manages Razi's foreign trade.

In 2012, Razi Petrochemical Co. has purchased 87,5% of Arya Jonoob Co. (Arya), located on the same site (?with Razi?). Arya has started its operations in 2010 and has a phosphoric acid production facility with a capacity of 126.000 tons/year.

NEGMAR DENİZCİLİK YATIRIM A.Ş.

Established in 2008, Negmar Denizcilik Yatırım A.Ş. operates in shipping industry. In addition, İstanbul Lines Denizcilik Yatırım A.Ş., operating in Ro-Ro shipping, and Etis Lojistik A.Ş., operating in logistics business are also Negmar Denizcilik ve Yatırım A.Ş.' affiliates.

TARKİM BİTKİ KORUMA SAN. VE TİC. A.Ş.

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

İMECE PREFABRİK YAPI TARIM MAKİNELERİ TEMİZLİK VE GÜVENLİK HİZ. SAN. TİC. A.Ş.

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

TARNET TARIM KREDİ BİLİŞİM VE İLETİŞİM HİZMETLERİ A.Ş.

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

Table 5

AFFILIATES

Company Name	Stock Proportion (%)	Paid-In Capital (TL)
Razi Petrochemical Co.	48,88	424.807.554

Table 6

SUBSIDIARIES

Company Name	Stock Proportion (%)	Paid-In Capital (TL)
Negmar Denizcilik Yatırım A.Ş.	40,00	22.800.000
Tarkim Bitki Koruma San. ve Tic. A.Ş.	40,00	6.400.000
Tarnet Tar. Kre. Bil. Hiz. San. Tic. A.Ş.	17,00	523.627
İmece Pref. Yapı Tar. Mak. Tem. Güv. Hiz. San. Tic. A.Ş.	15,00	2.013.888

I DISTRIBUTION OF DIVIDENDS

Dividend rates that have been distributed in the last five years are shown in Table 7:

Table 7

DISTRIBUTION OF DIVIDENDS AS PER YEAR (%)

2011	2010	2009	2008	2007
-	-	-	-	30,07

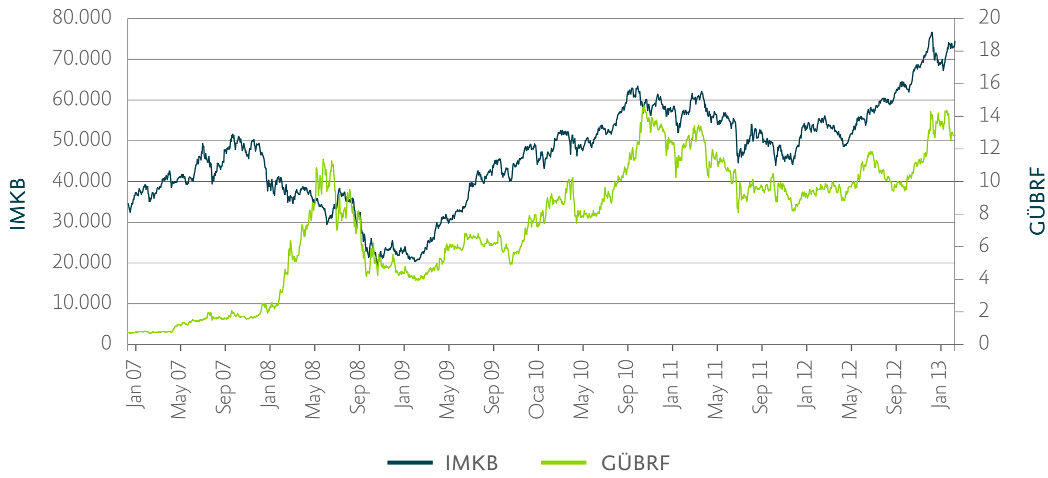
J PERFORMANCE OF THE STOCK

Our shares, traded on the Istanbul Stock Exchange, closing prices of three month periods in 2012 are as follows:

02.01.2012	30.03.2012	29.06.2012	28.09.2012	31.12.2012
11,25	12,05	12,70	12,70	14,20

Graph 1

PERFORMANCE OF THE STOCK

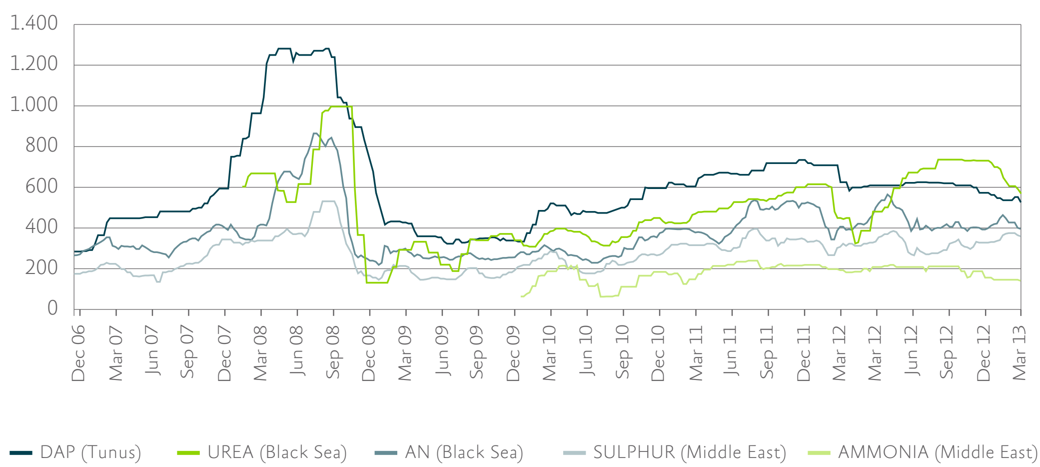


II. Turkish Fertilizer Industry And Position Of Gübretaş

Turkey does not have the raw material resources used in production of chemical fertilizers. 95% of main inputs such as natural gas, phosphate rock, potassium salts are procured from foreign markets. International market conditions and exchange rates, due to dependence on foreign markets, are major effects on our sector.

Graph 2

FERTILIZER PRICES IN INTERNATIONAL MARKETS - FOB US$/TON



A TURKISH FERTILIZER SECTOR PRODUCTION

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

Table 8

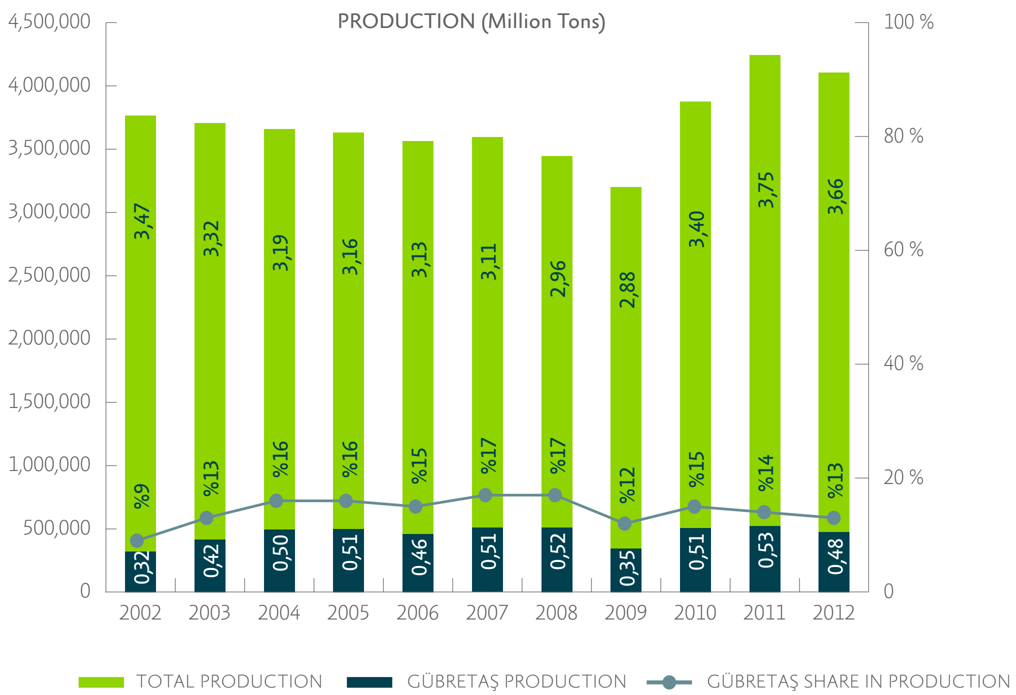
TURKISH FERTILIZER SECTOR PRODUCTION CAPACITY –TONS

Year	2012	2011	2010	2009	2008	2007
Capacity	5.714.000	5.714.000	5.474.000	5.474.000	5.553.200	5.556.200

Fertilizer production was 3.749.921 tons in 2011; however, at the end of year 2012 it drops by 2,37% to 3.661.156 tons. Compound fertilizers represent 37,88% of total production.

Graph 3

TURKISH FERTILIZER PRODUCTION AND GÜBRETAŞ' SHARE IN PRODUCTION



B TURKISH FERTILIZER SECTOR SALES

According to 2011 data, fertilizer consumption was 4.766.356 tons. In 2012, this figure has augmented to 5.383.867 tons, recording a 12,96% increase. Moreover our sales increased by 0,4% and our market share in 2012 was 28,26% while it was 31,92% in 2011. In 2012, exports decreased by 41,92% to 315.521 tons and imports decreased by 6,96% to 2.085.784 tons.

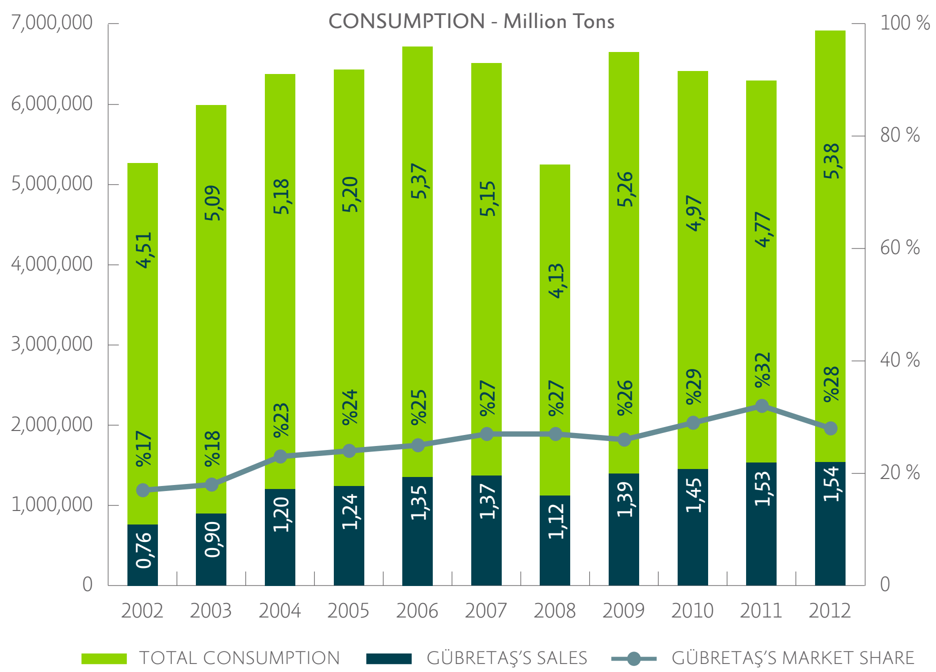
Table 9

SECTOR SALES BY PRODUCT

Product	2012	2011	Change (%)
Compond	1.602.286	1.552.006	3,24%
AN	1.000.390	842.090	18,80%
UREA	887.792	760.295	16,77%
CAN	895.635	733.193	22,16%
AS	468.292	413.110	13,36%
DAP	460.678	386.467	19,20%
P.NITRATE	25.865	30.308	-14,66%
TSP	24.222	29.198	-17,04%
P. SULPHATE	15.719	19.688	-20,16%
NSP	2.988	0	
Total	**5.383.867**	**4.766.355**	**12,96%**

Graph 4

FERTILIZER CONSUMPTION IN TURKEY AND GÜBRETAŞ' SHARE IN SALES



III. Gübre Fabrikaları T.A.Ş. 2012 Activities

Gübretaş is the first and pioneer company in chemical fertilizer industry established in Turkey. An important portion of the sales of the company, which has a 28,26% market share, is realized through Agricultural Credit Cooperatives. There are seven regional sales directorates troughout Turkey. Gübretaş sells to every corner where there is agricultural production via 2.608 dealers, 1.676 of which belongs to Agricultural Credit Cooperatives and 932 private distributors.

A PRODUCTION

Gübretaş produced 120.240 tons of TSP and 361.293 tons of compound fertilizers, totaling 481.533 tons in 2012. In addition, 1.260.982 litres of liquid fertilizer and 4.240.180 kg powder fertilizer were produced.

Solid fertilizer production decreased by 9% in 2012 compared with 2011. Total fertilizer production including solid, liquid and powder decreased by 8,4% in 2012 compared with 2011.

381.849 tons of production sold, 99.684 tons of production were used as raw material. Capacity utilisation rate was 70% in 2012.

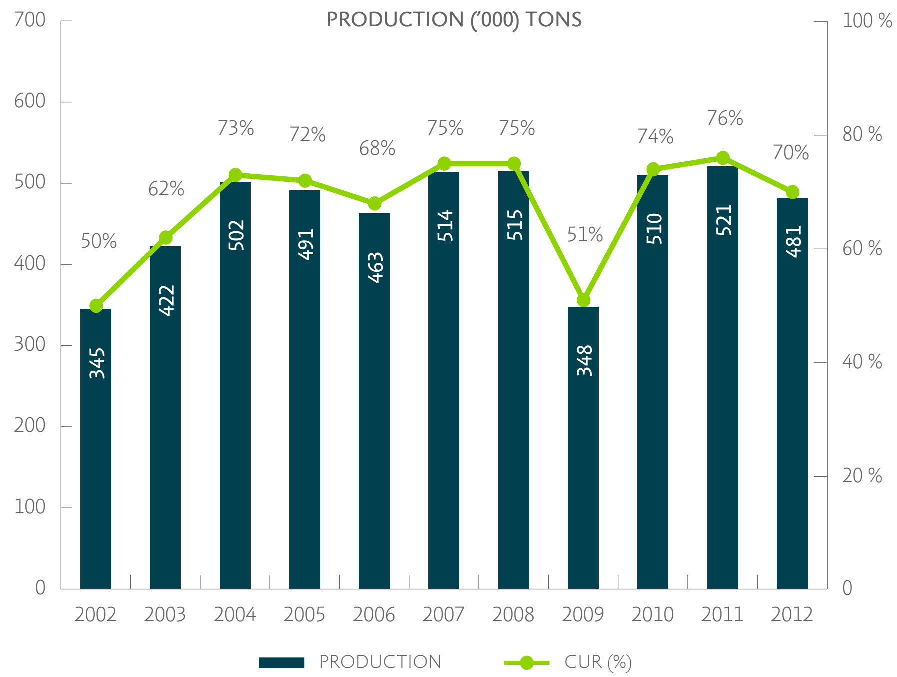
Table 10

PRODUCTION BY PRODUCT - TONS

Product	2012	2011	Change (%)
TSP	120.240	114.300	5,2%
20.20.0.ZN	108.254	115.213	-6,0%
20.20.0	55.488	69.242	-19,9%
13.25.5	48.396	42.183	14.7%
15.15.15.ZN	36.892	45.556	-19,0%
25.5.10/23.12.9	33.924	33.963	-0,1%
15.15.15	29.533	19.367	52,5%
12.30.12/13.24.12	23.730	66.057	-64,1%
10.25.5.CSO	12.452	14.834	-16,1%
10.25.20	10.482	6.395	63,9%
15.20.10	2.142	1.901	12,7%
Solid Fertilizer Total	**481.533**	**529.011**	**-9,0%**
Liquid Fertilizer	1.261	721	74,8%
Powder Fertilizer	4.240	1.953	117,2%
Grand Total	**487.034**	**531.685**	**-8,4%**

Graph 5

PRODUCTION AND CAPACITY UTILIZATION RATES BY YEARS



B SALES AND PURCHASES

Our Company sold 1.538.199 tons of solid, 1.332.952 litres of liquid and 11.900.683 kgs of powder fertilizer in 2012. 1.532.076 tons of solid, 872.611 litres of liquid, 9.300.603 kgs of powder fertilizer were sold in 2011.

The volume of purchases reached 1.646.274 tons in 2011, and it decreased by 20,1% to 1.315.452 tons in 2012. Export was 11.040 tons in 2011, while it was 16.684 tons in 2012.

Table 11

SALES, IMPORT AND DOMESTIC PURCHASES-TONS

	2012	2011	Change (%)
Domestic Purchases	402.818	350.749	15%
Import	912.634	1.295.525	-30%
Total Purchases	**1.315.452**	**1.646.274**	**-20,1%**
Sales	**1.538.196**	**1.532.076**	**0,4%**

Table 12

SALES BY PRODUCT GROUPS-TONS			
Solid Chemical Fertilizer	**2012**	**2011**	**Change (%)**
20.20.0	199.337	203.384	-2%
20.20.0.ZN	102.877	110.935	-7%
15.15.15	56.105	71.861	-22%
13.25.5	48.121	41.880	15%
15.15.15.ZN	37.837	42.003	-10%
25.5.10/23.12.9	37.630	28.989	30%
12.30.12/13.24.12	26.855	62.139	-57%
TSP	23.921	24.383	-2%
10.25.5	12.493	14.839	-16%
10.25.20	8.471	5.325	59%
15.20.10	2.129	1.901	12%
AN	262.549	241.418	9%
CAN	236.637	197.042	20%
UREA	229.671	233.656	-2%
DAP	149.847	156.124	-4%
AS	97.555	87.328	12%
PS	4.838	7.527	-36%
Other	1.323	1.342	-1%
Solid Fertilizer Total	**1.538.196**	**1.532.076**	**0,4%**
Liquid Fertilizer	**1.333**	**873**	**53%**
Powder Fertilizer	**11.901**	**9.301**	**28%**
Grand Total	**1.551.432**	**1.542.249**	**0,6%**

Table 13

SALES BY CUSTOMER TYPES-TONS			
Sales Group	**2012**	**2011**	**Değişim (%)**
Corporate Sales	1.138.358	1.181.229	-4%
Distributor Sales	360.461	293.118	23%
Export	16.684	11.040	51%
Other	22.693	46.689	-51%
TOTAL	**1.538.196**	**1.532.076**	**0,4%**

C INVESTMENTS

In 2012, Razi Petrochemical Co. has purchased 87,5% of Arya Jonoob Co. (Arya), located on the same site (?with Razi?). Arya has started its operations in 2010 and has a phosphoric acid production facility with a capacity of 126.000 tons/year.

Table 14

INVESTMENTS IN 2012-TL

Investment	Amount
Lands and Parcels	1.221.830
Land Improvements	532.643
Buildings	15.856.457
Plants Machinery and Equipment	48.415.940
Vehicles	1.339.692
Fixtures	1.100.299
Ongoing Investment	10.586.479
TOTAL	**79.053.340**

D RESEARCH AND DEVELOPMENT ACTIVITIES

TURKEY SOIL PRODUCTIVITY MAP

Studies aiming to form Turkish soil fertility map within the framework of Soil Map Project is continued. In this respect, current qualitative and quantative information is categorized according to locational data, by means of a mapping software and is input as data into subcategorizes under each different location. GPS device is used for position detection and analyses from a total 5.500 locations are completed.

PRODUCT DEVELOPMENT AND QUALITY STUDIES

Our Yarımca Laboratory, shown as a reference laboratory by the Ministry of Agriculture for the inspections carried out in the market, also provides quality control and analysis services to our plant. The laboratory is licenced in accordance with ISO/IEC EN 17025 Laboratory Accreditation by Turkak.

Within the framework of product development, studies on organomineral and organic fertilizer are carried out.

New formulation studies and some modifications on the raw materials are done. Trial studies with a number of universities and research institutions are continued. Izmir Laboratory continues to serve with its recently added analysis features.

E ADMINISTRATIVE ACTIVITIES

COMPANY'S TOP MANAGEMENT

Osman BALTA - *General Manager*
Mechanical Engineer - Manager

Osman Balta was born on 01.09.1963 in Erzurum. After receiving his university degree from Istanbul Technical University Sakarya Engineering Department, he worked as production and planning engineer in private sector until 1988's end. After completing military service, he began to work in Camialti Navy Yard in Türkiye Gemi Sanayi A.Ş., a subsidiary of ministry of transportation. Until 2009 he has been in various high rank positions. In 2009 August, he joined Gübre Fabrikaları T.A.Ş. as Assistant General Manager and thereafter he was assigned as General Manager as of February 1, 2012. He is a member of Board of Directors of Gübretaş, Negmar Denizcilik ve Yatırım A.Ş., the Chairman of the Board of Directors of Razi Petrochemical Co., and the Vice Chairman of the Board of Directors of Raintrade Petrokimya ve Dış Ticaret A.Ş. He is married, with three children; he knows English and Arabic.

Ferhat ŞENEL - *Deputy General Manager*
Manager

Ferhat Şenel was born on 01.12.1960 in Tokat. He graduated from the Istanbul University Business Administration Faculty in 1984. He started his career at Turkish Development Bank and served at several positions until 1998. He assumed top management position in several organizations between 1998-2004 and started to serve as Assistant General Manager at Gübre Fabrikaları T.A.Ş. in 2004. Mr. Şenel is the Chairman of the Board of Directors of Arya Phosphoric Jonoob Co., a member of the Board of Directors of Razi Petrochemical Co. and Raintrade Petrokimya ve Dış Ticaret A.Ş. He is married, with two children; he knows English.

Tahir OKUTAN - *Deputy General Manager*
Agricultural Engineer – Manager

Tahir Okutan was born in Afyon on 03.02.1966. After finishing his university education at Atatürk University Agricultural Faculty in 1988, he graduated from Anadolu University Faculty of Economics in 1998. He then completed master study at Dumlupınar University Institute of Social Sciences Business Administration Management and Organization department. He started his career at Turkish Agriculture Credit Cooperatives and served at several positions till 2006 and started to serve as Assistant General Manager to Gübre Fabrikaları T.A.Ş. in 2006. Tahir OKUTAN is also a member of the Board of Tarkim Bitki Koruma Ürünleri San. Ve Tic. A.Ş. and a member of Board of Auditors of Negmar Denizcilik Yatırım A.Ş, Etis Lojistik A.Ş. and İstanbul Lines Denizcilik Yatırım A.Ş. He is married, with two children.

İsmail BABACAN - *Deputy General Manager*
Educator - Manager

0smail Babacan was born in Malatya on 01.05.1963. He got his university degree from Marmara University, Department of Theology. He has done his master s degree in Marmara University, Department of Theology between 1985-1987. He has started his career as a teacher and then continued his career in private sector. Until 2009 he has been in various high rank positions. In 2009, he joined Gubre Fabrikalari T.A.S team as an Assistant General Manager. He is also member of the Board of Directors of Etis Lojistik A.Ş. and a member of Board of Auditors of Raintrade Petrokimya ve Dış Ticaret A.Ş. He is married, with three children; he knows English and Arabic.

Yakup GÜLER - *Deputy General Manager*
Mechanical Engineer - Manager

Yakup Güler was born in Bayburt on 20.09.1964. After completing his undergraduate level of education in Yıldız Technical University Engineering Faculty Mechanical Engineering, he went England for language education between the years 1987 and 1989. He completed his graduation degree in Business Administration between the years 1998 and 1999. He started to work by establishing his own company in 1990 and until 2012 he has been in various high rank positions in private sector. In March 2012 he began to work as Assistant General Manager in Gübretaş. He is also a member of Board of Directors of 0stanbul Lines Denizcilik Yatırım A.Ş. He is married, with four children; he knows English.

NUMBER OF PERSONNEL

In 2012, 33 employees quitted from the company because of retirement etc. and 34 employees began to work.

Table 15

PERSONNEL	2012	2011	Change (%)
Head Office	86	88	-2%
Yarımca Facilities	261	259	1%
Regional Sales Directorates	68	67	1%
TOTAL	**415**	**414**	**0%**

COLLECTIVE LABOR AGREEMENT

In 2012 nothing negative was experienced in the employer union – worker relationship.

TRAINING ACTIVITIES

Training activities are aimed at developing managerial, personal and professional capabilities of the staff. Education activities of 4.072 hours with participation of 184 employees were carried out in 2012.

IV. Activities Of Razi Petrochemical Co.

A PRODUCTION

Razi Petrochemical Co. is the biggest fertilizer and fertilizer raw materials production facility with 877.000 sqm total area. Total established capacity of Razi Petrochemical that was acquired in February 2008 reaches 3.770.500 tons/year. In Razi, total production was 1.551.822 tons and the capacity utilisation rate was 41% in 2012.

Table 16

RAZİ PETROCHEMICAL CO. PRODUCTION-TONS

Product	2012	2011	Change	Capacity	2012 CUR
Ammonia	738.601	997.684	-26%	1.336.500	55%
Urea	336.170	452.502	-26%	594.000	57%
Sulphur	350.950	383.262	-8%	508.000	69%
Sulphuric Acid	126.101	137.875	-9%	627.000	20%
DAP	-	27.945	-100%	450.000	-
Phosphoric Acid	-	-	-	255.000	-
TOTAL	**1.551.822**	**1.999.268**	**-22%**	**3.770.500**	**41%**

B SALES

In 2012, Razi Petrochemical Co. sold 1.308.919 tons of fertilizer and achieved a revenue of 951.334.013 TRY. Razi exported 1.005.992 tons and domesticly sold 302.927 tons in 2012. Share of export in total sales was 77%.

Table 17

RAZİ PETROCHEMICAL CO. SALES-TONS	2012	2011	Change
Ammonia	496.105	736.113	-33%
Urea	364.588	393.971	-7%
Sulphur	319.801	354.520	-10%
Sulphuric Acid	126.874	127.805	-1%
DAP	1.551	19.972	-92%
TOTAL	**1.308.919**	**1.632.381**	**-20%**

V. Financial Structure

A BALANCE SHEET - ASSETS -TRL

ASSETS	31 Dec. 2012	31 Dec. 2011
Current Assets	**1.299.976.936**	**1.694.272.707**
Cash and Cash Equivalents	430.098.290	327.710.722
Financial Investments	29.665.189	-
Trade Receivables	381.204.373	574.509.287
Trade receivables from related parties	167.732.649	228.271.654
Other trade receivables	213.471.724	346.237.633
Other Receivables	101.789.202	169.924.819
Other receivables from related parties	43.842.069	106.360.030
Other receivables	57.947.133	63.564.789
Inventories	315.403.041	534.856.904
Other Current Assets	41.816.841	87.270.975
Fixed Assets	**854.918.341**	**1.273.230.864**
Other Receivables	91.651.526	21.946.753
Financial Investments	2.737.515	2.737.515
Investments Valued by Equity Method	14.207.046	10.941.724
Investment Properties	82.819.021	61.749.595
Tangible Fixed Assets	510.110.928	876.498.158
Intangible Fixed Assets	151.193	270.331
Goodwill	120.811.461	279.484.282
Deferred Tax Asset	234.629	5.522.137
Other Fixed Assets	32.195.022	14.080.358
TOTAL ASSETS	**2.154.895.277**	**2.967.503.571**

B BALANCE SHEET - LIABILITIES & EQUITY - TRL

LIABILITIES	31 Dec. 2012	31 Dec. 2011
Short-term Liabilities	*1.201.514.640*	*1.506.890.189*
Financial Liabilities	576.969.706	470.379.230
Trade Payables	473.706.072	799.062.959
Payables to related parties	4.738.896	6.587.996
Other trade payables	468.967.176	792.474.963
Other Payables	85.454.015	136.166.006
Provisions for Employee Benefits	8.547.043	16.142.943
Provisions for Payables	43.598.571	63.062.977
Tax Liabilities for Current Period	7.438.706	17.125.727
Other Current Liabilities	5.800.527	4.950.347
Long-term Liabilities	*120.286.185*	*258.998.473*
Financial Liabilities	57.145.402	99.287.100
Other Liabilities	-	40.754.944
Provisions for Employee Benefits	61.711.396	116.420.468
Deferred Tax Liabilities	1.429.387	2.535.961
Equity Capital	**833.094.452**	**1.201.614.909**
Equities of Parent Company	*541.236.806*	*664.238.132*
Paid-in Capital	83.500.000	83.500.000
Revaluation Fund	158.173.718	145.133.540
Foreign Currency Translation Differences	-187.038.317	138.791.401
Restricted Reserves From Profit	10.863.518	9.051.867
Legal Reserves	9.533.275	7.721.624
Gains From Fixed Assets Accumulated Profit	1.330.243	1.330.243
Previous Years Profit	285.949.673	157.766.115
Net Period Profit	189.788.214	129.995.209
Minority Shares	291.857.646	537.376.777
TOTAL LIABILITIES	**2.154.895.277**	**2.967.503.571**

C INCOME STATEMENT - TRY

	31 Dec. 2012	31 Dec. 2011
Sales Revenue (Net)	2.226.819.536	2.276.393.199
Cost of Sales (-)	(1.579.614.777)	(1.581.504.218)
Gross Profit	**647.204.759**	**694.888.981**
Marketing, Sales and Distribution Expenses (-)	(118.334.983)	(128.278.290)
Administrative Expenses (-)	(47.299.084)	(54.156.596)
Other Operating Income	37.164.172	37.553.700
Other Operating Expenses (-)	(21.859.575)	(20.200.331)
Operating Profit/Loss	**496.875.289**	**529.807.464**
Shares in Profit/Loss Of Investments Accounted With Equity Method	(7.534.678)	(4.743.795)
Financial Income	240.812.335	60.139.781
Financial Losses (-)	(257.712.263)	(193.109.365)
Profit / (Loss) Before Tax	**472.440.683**	**392.094.085**
Tax Expenses on Continuing Operations	(42.407.514)	(17.126.478)
Period Tax Expense (-) / Income	(37.834.305)	(7.772.003)
Deferred Tax Expense (-) / Income	(4.573.209)	(9.345.475)
Net Profit	**430.033.169**	**374.967.607**
Distribution of Period Profit		
Minority Shares	240.244.955	244.972.398
Parent Company Shares	189.788.214	129.995.209
Earnings / (Loss) Per Share	**0,0227**	**0,0156**

D RATIOS

RATIO ANALYSIS	2012	2011	2010	2009	2008
Liquidity Ratio					
Current Ratio	1,08	1,12	0,93	0,81	1,15
Liquidity Ratio	0,82	0,77	0,60	0,53	0,65
Financial Ratios					
Financial Leverage Ratio	0,61	0,60	0,62	0,67	0,61
Shareholder's Equity / Assets	0,39	0,40	0,38	0,33	0,39
Efficiency Ratios					
Inventory Turnover	3,72	3,58	5,08	3,88	5,31
Debt Collection Period	78,33	68,44	57,32	62,18	24,09
Asset Turnover	0,62	0,61	0,70	0,57	0,76
Profitability Ratios					
Gross Profit Rate	0,29	0,31	0,31	0,11	0,33
Main Operating Profit Rate	0,22	0,23	0,24	0,03	0,28
EBITDA Rate	0,24	0,27	0,29	0,10	0,32

VI. Events After Balance Sheet Date

1) Negotiations with Petrol-İş Labor Union on collective labor agreement which will cover the years 2013 - 2014, have started on 22.01.2013.

VII. Corporate Governance Principles Compliance Report

1. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

The Company has carried out its activities in accordance with the Corporate Governance Principles issued by the Capital Market Board.

A SECTION I – SHAREHOLDERS

2. SHAREHOLDERS RELATIONS DEPARTMENT

Shareholders Relations is maintained by our Budget, Reporting, Investor and Affiliate Relations Directorate. The department has undertaken company responsibilities for Capital Market Board (SPK), Istanbul Stock Exchange (BIS) and Central Registry Agency (MKK) to handle shareholders' transactions at capital increase, dividend disbursement, to follow operations with stock broker, reply and inform shareholders' written and verbal requests.

In 2012, 59 meetings held for giving detailed information to investors about the activities of the company and we have been participated to three investor conferences, two out of which were held abroad. The investor demands also responded via telephone and internet.

The list of responsible employees and their contact information is as follows:

NAME	Title	Phone	E-Mail
Necmettin Öner	Manager	0 212 376 50 27	noner@gubretas.com.tr

3. USE OF SHAREHOLDERS' RIGHTS TO OBTAIN INFORMATION

All written and verbal information requests from the shareholders are replied, except confidential business information and the information which is not publicly announced. Also information related to shareholders and investors has been announced through Public Disclosure Platform (www.kap.gov.tr) and company's website (www.gubretas.com.tr) and newspapers in accordance with Turkish Trade Law and Capital Market Code.

There is no clause about assigning a special auditor in the articles of association and we have not received any request from investors on this subject.

4. INFORMATION ON GENERAL ASSEMBLY

General Assembly Meetings of the company are held in accordance with the Turkish Commercial Code and the Capital Market Law.

60th Ordinary General Assembly Meeting for the accounting period 2011 was held at 10:00 a.m. on 26 April 2012 in the Meeting Hall of our Head Office located at the address of Kasap Sk. Hilmi Hak İş Merkezi No: 22 Esentepe, Şişli - İstanbul with participation of about 76.7 % of the total Company capital of 83,500,000.00 TL.

Stakeholders and media representatives also attended the assembly meeting.

Invitation for the meeting was made within its deadline; i.e. in the issue 8045 of Trade Registry Gazette of Turkey dated 10 April 2012, Dünya and Yeni Şafak newspapers on 5 April 2012, and the web addresses www.kap.gov.tr of Public Disclosure Platform and www.gubretas.com.tr of Gübre Fabrikaları T.A.Ş.

21 days before the General Assembly, the General Assembly Information Document which includes information on Board Member nominees, final version of the articles of association and modified text of the articles of association and the reasons for the modifications was disclosed at the web address of www.gubretas.com.tr and were made available at the head office of our company.

15 days before the General Assembly, annual report, financial statements, auditor reports, proposal of dividend distribution was disclosed at the web addresses of www.kap.gov.tr and www.gubretas.com.tr and were made available at the head office of our company.

During the general assembly meeting, shareholders are asked if they have a say on the article discussed before the voting takes place. At the 'wishes and recommendations' session of the meeting, questions of the participants are answered by the company authorities on the matters discussed.

Information was given as a separate agenda item at the General Assembly regarding donations and aids during the period 01.01.2012-31.12.2012, which includes 164,509 TL as educational grant to 98 students from Agriculture Faculties of various universities, 50,000 TL to Agricultural Credit Cooperatives Education Culture and Health Foundation, 50,000 TL to Somiil through Central Union of Agricultural Credit Cooperatives, 1 container worth 23,000 TL to Vantar Tarım Ltd. Şti., our dealer in Van, aid in kind worth 15,876 TL to Sar1seki Spor for their needs of sports materials, 20,000 TL Körfez Municipality Sports Club and 6,000 TL to other institutions.

Minutes of the General Assembly were published in the issue 8077 of the Trade Registry Gazette dated 28 May 2012 and they are also made available to stakeholders at the web address of www.gubretas.com.tr.

5. VOTING RIGHTS AND MINORITY RIGHTS

There are no privileged rights on voting because there is no preferential stock issued.

6. DIVIDEND POLICY AND DEADLINE FOR DIVIDEND DISTRIBUTION

Dividend distribution policy of our company is determination of the dividend amount as per the decision taken at the General Assembly in line with the provisions of the Turkish Commercial Code, Capital Markets Law and articles of incorporation, and distribution of such amount within legal deadline defined by the Capital Markets Board.

There is no privilege in our company regarding dividend distribution.

7. TRANSFER OF SHARES

There is no clause that restricts transfer of shares in articles of association of the company.

B SECTION II – PUBLIC DISCLOSURE AND TRANSPARENCY

8. COMPANY INFORMATION DISCLOSURE POLICY

In terms of informing investors, our company acts within the framework of the present legislation. Information can obtained through Public Disclosure Platform's website at: www.kap.gov.tr and and our company's website at: www.gubretas.com.tr.

Personnel who are in charge of the conduct of the information policy and their communication information are as follows:

NAME	Title	Phone	E-Mail
Necmettin Öner	Manager	0 212 376 50 27	noner@gubretas.com.tr
Nihat Vuran	Manager	0 212 376 50 28	nvuran@gubretas.com.tr

9. THE COMPANY'S WEBSITE AND ITS CONTENTS

Website of our Company can be accessed through the address of www.gubretas.com.tr both in Turkish and English. Information regarding Gübretaş and its affiliates, mission and vision of our company, board of directors and top management, articles of association, shareholding structure, corporate governance compatibility report, corporate social responsibility, information policy, documents of the general assembly, profit distribution policy, information on the share certificates, annual reports, financial and operational results, investor presentations, quality policy, company values, our products, our services, announcements, publishments and articles are provided in the company s website.

10. ANNUAL REPORT

Our company annual report includes information mentioned in Capital Markets Board's Corporate Governance Principles.

C SECTION III – STAKEHOLDERS

11. INFORMING STAKEHOLDERS

Gübretaş provides guarantee in order to protect the interests of the parties and investors who are involved in the process of reaching Gübretaş's goals, whether their rights are protected by legislations or not.

Stakeholders consist from shareholders, employees, creditors, customers, suppliers, trade unions, non-governmental organizations and savers who consider to invest or to do business with the state and the company. In order to minimize the conflict of interests between company and the stakeholders or among the stakeholders, a balanced approach is adopted and their rights are considered independently.

The members of the Board of Directors and Managers avoid from disposals that will inflict loss on the stakeholders or reduce assets. They manage the business based on coherent balance between the company and stakeholders benefits.

12. PARTICIPATION OF THE STAKEHOLDERS IN THE MANAGEMENT

The company holds meetings in order to exchange ideas with stakeholders. The outcome of the meetings is used to shape the company decisions and policies to provide more effective, efficient, better quality products and services.

13. HUMAN RESOURCES POLICY

We do not discriminate on the ground of ethnic, language, religion, gender, color or political opinion when hiring personnel. Our only criterion is to find people who can share the sense of us which Gübretaş adopts, take responsibility, have business ethics, are idealist, are captious, are suitable for team work, renew and improve himself, have analytical thinking.

We do evaluate people according to their productivity, their adoption to the corporate culture and objective success criteria. When we encounter the lack of knowledge and experience among our employees after applying professional methods and techniques, we provide all the necessary activities to develop their skills and educations.

We encourage personnel who demonstrate development horizontally and vertically, reward them materially and spiritually.

We give importance to exchanging ideas with personal and trade union representatives when taking decisions on personnel.

We prepare social and physical place that our personnel can realize their duties at highest level by meeting requirements of all their material and spiritual needs.

Our human resources policy in Gübretaş is based on five fundamental principles:

- Equality
- Participative management and transparency
- Continious improvement of working conditions
- Productivity-based fees
- Respecting human rights

14. ETHICAL RULES AND SOCIAL RESPONSIBILITIES

Operations of our company are conducted within the framework of the following ethical rules, prepared by the Board of Directors and are communicated to our employees:

- Deep respect to human and consciousness of "human first",
- Customer oriented thinking and working,
- Sense of responsibility towards the society and respect to the environment,
- Continuous improvement, systematical and logical thinking,
- Having a free atmosphere where opinions are expressed freely,
- Equality at management, transparency, accountability and responsibility,
- Merging high ethical and moral values with the corporate identity,
- Service without discrimination on religious, language, race and gender,
- Forming a corporate and corporate culture that is remembered with the word of 'Trust'

Turkey Soil Efficiency Map Project

The Project initiated in 2005 as a social responsibility project of Gübretaş, has been carried out with all own opportunities.

The main objectives of Gübretaş in this Project are:

- To provide conscious fertilizer consumption to partners of Turkish Agricultural Cooperatives and determine fertilizer type regarding to land type. To provide Farmers solutions if there is a problem in their land accourding to soil analysis report conclusion.
- To provide data to Gübretaş's product specialized fertilizers to develop new formulates in R&D studies.
- To create a database of efficiency map regarding to macro and micro nutrient elements by our Country's geographic regions and be a source for further studies.
- To combine Gübretaş's studies conclusions with studies of Ministry of Agriculture and Universities and contribute to build a huge database for our Country s agriculture.
- To provide applied training to minimum 10 tousand major farmers about agricultural issues like getting soil examples, fertilizer and fertilizer use with this project.

Scholarships

Gübretaş is granting sholarships to the students of 26 Agricultural Faculties in Turkey, 98 of beneficiaries in total.

Training

Our training activities aimed at supporting Turkish Farmers agricultural knowledge for more efficient agricultural production and raising profilibility via optimizing costs of inputs such as fertilizers continued. Company's Regional Sales Directorates informed farmers in all aspects of agriculture in seminar meetings organized in cooperation with Turkish Agricultural Credit Cooperatives. Specialist agricultural engineers enlightened farmers in these meetings on principles of balanced and regulary fertilizer usage, plant nutriation techics and also soil analysis.

D SECTION IV – BOARD OF DIRECTORS

15. THE STRUCTURE AND COMPOSITION OF THE BOARD OF DIRECTORS AND INDEPENDENT MEMBERS

In our company; Board of Directors are elected under the framework of the Articles of Association, Turkish Commercial Code and Capital Market Law during the General Assembly. They fulfill their duties in accordance with Turkish Commercial Code and Capital Market Law. Current members of the Board of Directors are:

TITLE	NAME	DATE OF BEGINNING TO WORK
Chairman	Abdullah KUTLU	19.04.2011
Vice Chairman	Necdet DİRİK	25.10.2005
Member	Dr. Erol DEMİR	10.04.2009
Member	Hamdi GÖNÜLLÜ	20.09.2012
Member	Ahmet BOYRAZ	26.04.2012
Member	Ali SARI	31.07.2012
Member	Osman BALTA	01.02.2012
Independent Member	Prof. Dr. Lokman DELİBAŞ	26.04.2012
Independent Member	İsmail Tekin	26.04.2012

Abdullah KUTLU - *Chairman*

He completed his license degree in the Culture Technical Department of Agriculture Faculty of Atatürk University and after his graduation he did his masters degree in the Sciences Institution of Trakya University.

Abdullah KUTLU started his business life as an engineer in Erzurum Regional Directorate of Köy Hizmetleri, then he took office as a Senior Engineer in Regional Directorate of Agriculture Credit Cooperatives, later on while he was working as chief in the same region, he was appointed as Regional Assistant Manager of Erzurum Regional Union in 1992. In 1995, he became the Regional Manager of the same Regional Union. In 1997 he was appointed as Consultant of the General Directorate of Central Union and on 25.02.2003 he was appointed as Regional Manager of Izmir Regional Union. While Abdullah KUTLU was carrying out this duty, he was appointed as the Assistant General Manager of the General Directorate of Central Union on 01.08.2008 and then he was appointed as the General Manager on 19.04.2011.

Duties Carried Out Within The Last 10 Years

Between the years 2003-2005 and 2008-2011, as the Chairman of the Board of Directors of İmece Plastik A.Ş.

Between the years 2003-2006, as the Chairman of the Board of Directors of Denizli Yem A.Ş.

Between the years 2007-2008, as the Vice Chairman of the Board of Directors of Tareks A.Ş.

Between the dates 24.03.2011-10.05.2011, as the Chairman of the Board of Directors of Tareks A.Ş.

In the years 2009-2011, as the Chairman of the Board of Directors of Tarkim A.Ş.

Between the years 2010-2012, as the Chairman of the Board of Directors of the Foundation of Pension Fund,

In the years 2006-2007-2008, as the Member of the Board of Directors of Gübre Fabrikaları T.A.Ş.

He has been carrying out his duty as the Chairman of the Board of Directors of Gübre Fabrikaları T.A.Ş. since 19.04.2011 up to this day.

Necdet DİRİK - *Vice Chairman*

Necdet Dirik completed his license degree in Economics and Administrative Sciences Faculty of Marmara University (1982). Necdet Dirik started business life in an Accountant Office and then he continued his career in Manisa Branch of the Turkish Religious Foundation and in 1985 in General Directorate of Central Union of Turkish Agriculture Credit Cooperatives, in 1989 he became chief, in 1994 he became Manager and then he worked respectively as the Coordination Manager of Administrative and Agricultural Affairs, Trade Manager and Domestic Purchases Manager, in 2003 he became expert, in 2005 he was appointed as the Chairman of the Supply and Marketing Department and currently he has been carrying out the same duty.

As of 1994 he worked in the following entities which are a participant of the Agriculture Credit Cooperatives;
As a Member of the Board of Directors of Tareks AŞ,
As a Member of the Board of Directors of Toros Gübre ve Pazarlama companies,
As the Chairman of the Board of Directors of Delice Feed Factory,
As a Member of the Board of Directors of İmece Feed Factory,
As a Member and Managing Member of the Board of Directors of Tarım Kredi Sigortacılık ve Aracılık Şirketi,
As a Member and Managing Member of the Board of Directors of Tareks AŞ (second time),
As a Member of the Board of Directors of Poyraz Feed Factory,
As a Member and Vice Chairman of the Board of Directors of Gübre Fabrikaları TAŞ,
As a Member, Vice Chairman and Chairman of the Board of Directors of Tarkim

Duties Carried Out Within The Last 10 Years

Ongoing Duties
Head of Supply and Marketing Department
Vice Chairman of the Board of Directors of Gübre Fabrikaları TAŞ
Chairman of the Board of Directors of Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş.

Duties Ended
Domestic Purchases Manager 2003 (Duty change)
Expert 2005 (Duty change)

Dr. Erol DEMİR - *Member*

Mr. Demir was born on 13.05.1968 in Kahramanmara_; he started his business life in 1988 in Turkish Credit Cooperatives. In 1997 he did his masters degree in Business Administration-Cooperation Business Department of Social Sciences Institution, in 2003 he did his Phd in Agriculture Economics Department of Sciences Institution of Ankara University. He took office in various examination and research commissions which were established within the body of Turkish Cooperation Agency.

He worked in the regulation committee of the International Cooperation Congre for two periods. He worked for the project of preparation of the Uniform Chart of Account for Turkish Agriculture Credit Cooperatives. Besides, from time to time he participated as lecturer in the training courses provided for the personnel of the agency. Currently, he has been working as the Chairman of the Department of Fund Management and Accounting of the General Directorate of the Turkish Agriculture Credit Committee.

Duties Carried Out Within The Last 10 Years

Ongoing Duties

Member of the Board of Directors of Gübre Fabrikaları T.A.Ş.
Member of the Board of Audit of Turkish Cooperation Agency
Member of the Board of Audit of Tareksav Education Foundation

Duties Ended

Vice Chairman of the Board of Directors of Tareks A.Ş. 2003-2007 (Resignation)
Member of the Board of Directors of Güven Sigorta Türk A.Ş. 2004-2008 (Resignation)

Ahmet BOYRAZ - *Member*

He graduated from Business Administration of Anadolu University. Ahmet BOYRAZ started his business life as a clerk (1986-1991) in the Organization of the Agriculture Credit Cooperatives, then he worked as Regional Chief of Malatya Regional Union of Agriculture Credit Cooperatives (1991-1994), Regional Assistant Manager of Mersin Regional Union of Agriculture Credit Cooperatives (1994-1999), Regional Assistant Manager of Malatya Regional Union of Agriculture Credit Cooperatives (1999-2003), Regional Manager of Malatya Regional Union of Agriculture Credit Cooperatives (2003-2009), Manager of the Administration and Technical Department of General Directorate of Turkish Central Union of Agriculture Credit Cooperatives (2009-2011), Regional Manager of Kayseri Regional Union of Agriculture Credit Cooperatives (2011-2012).

Ahmet BOYRAZ worked as Company and Foundation Chairman and Vice Chairman of Board of Directors of; İmece Plastik A.Ş. which is a participant of Turkish Agriculture Credit Cooperatives and operating in Antalya city, Altınova Yem ve Hayvancılık Sanayi A.Ş. which is operating in Elazığ city, İmece Yem A.Ş. which is operating in Ankara city, Foundation of Pension Fund of the Agriculture Credit Cooperatives which is operating in Ankara city, İmece Prefabrik A.Ş. which is operating in Ankara city, Başak Yem Sanayi ve Ticaret A.Ş. and Başak Tarım İşletmeleri A.Ş. which are operating in Yozgat city. Ahmet BOYRAZ attended in various seminars and investigations regarding Agriculture and Animal Breeding in Japan, Switzerland, Germany, Holland, France, Iran and Dubai and he is still working as the Regional Manager of Ankara Regional Union of Agriculture Credit Cooperatives.

Duties Carried Out Within The Last 10 Years

Ongoing Duties

Regional Manager of Ankara Regional Union of Agriculture Credit Cooperatives
Member of the Board of Directors of Gübre Fabrikaları T.A.Ş.
Member of the Board of Directors of Tarım Kredi Yem Sanayi Ticaret A.Ş.

Duties Ended

Regional Chief of Malatya Regional Union of the Agriculture Credit Cooperatives 1991-1994 (Appointment)

Regional Assistant Manager of Mersin Regional Union of the Agriculture Credit Cooperatives 1994-1999 (Appointment)

Regional Assistant Manager of Malatya Regional Union of the Agriculture Credit Cooperatives 1999-2003 (Appointment)

Regional Manager of Malatya Regional Union of the Agriculture Credit Cooperatives 2003-2009 (Appointment)

Head of the Department of General Directorate of Turkish Central Union of the Agriculture Credit Cooperatives 2009-2011 (Appointment)

Regional Manager of Kayseri Regional Union of the Agriculture Credit Cooperatives 2011-2012 (Appointment)

As the Chairman or the Vice Chairman in; Başak Yem A.Ş., Başak Tarım İşletmeleri A.Ş. İmece Plastik, Altınova Yem, İmece Yem, Foundation of Pension Fund, İmece Prefabrik A.Ş.

Ali SARI - *Member*

He completed his Masters Degree in Business Administration of Economics and Administrative Sciences Faculty of Atatürk University in 1986. Ali SARI started his business life as an independent accountant in 1986 and he took office as a clerk in Antalya Regional Union of the Agriculture Credit Cooperatives in 1987. After working in various Agriculture Credit Cooperatives of Isparta city (1989-2005), he was appointed as Chief of Antalya Regional Union in 2005.

He was appointed as Regional Assistant Manager in 2008. He was appointed as Regional Manager of Kayseri Regional Union of the Agriculture Credit Cooperatives in 2012 and currently he has been working in the same position.

Duties Carried Out Within The Last 10 Years

Ongoing Duties

Vice Chairman of the Board of Directors of Başak Tarım İşletmeleri A.Ş.
Member of the Board of Directors of Gübre Fabrikaları Türk A.Ş.
Manager of Kayseri Regional Union of the Agriculture Credit Cooperatives

Duties Ended

Member of Board of Directors of Denizli Yem A.Ş. 2008-2009 (Resignation)
Member of Board of Audit of 0mece Plastik San. ve Tic. A.Ş. 2009-2010 (Resignation)
Member of Board of Directors of 0mece Plastik San. ve Tic. A.Ş. 2010-2012 (Resignation)

Hamdi GÖNÜLLÜ - *Member*

He completed his license degree in Financial Sciences Faculty of Afyon-Anadolu University in 1984. Hamdi Gönüllü started his business life as Assistant Controller of the General Directorate of Turkish Central Association of the Agriculture Credit Cooperatives in 1987 and he became a Controller in the same Association by being successful in the qualifying exam in 1991. He worked as Controller until 1997.

He took office as the Credits Manager between the years 1997-2005 in the same Association and then he worked as the Head of the Department of Accounting and Financing between the years 2005-2006. Hamdi Gönüllü was appointed as the Head of the Department of Credits in 2006 and still he has been working in the same position. Besides his aforementioned positions; he worked as a Member of the Board of Audit of Güven Sigorta Türk A.Ş. (2001-2002), as a Member of the Board of Audit of Poyraz Gıda Tarım Hayvancılık Sanayi ve Ticaret A.Ş. (2003), as a Member of the Board of Directors of İmece Prefabrik Yapı Tarım Makinaları Temizlik ve Güvenlik Hizmetleri A.Ş. (2003-2004) and as the Chairman of the Board of Directors of İmece Yem Tarım Ürünleri ve Hayvancılık Sanayi Ticaret A.Ş. (2012). He worked as a Member of the Board of Directors (1998-2001) and Member of the Board of Audit (2009) of the Foundation of Social Aid For the Personnel of the Agriculture Credit Cooperatives and Unions. He has been working as a Member of the Board of Directors of Gübre Fabrikaları Türk A.Ş. since 2004, as the Vice Chairman of the Board of Directors of Tarnet Tarım Kredi Bilişim ve İletişim Hizmetleri Sanayi ve Ticaret A.Ş. since 2012 and as the Vice Chairman of the Board of Directors of Tarnet İletişim Hizmetleri A.Ş. since 2012. He has been working as a Member of the Board of Audit of the Foundation of Education, Culture and Health of the Agriculture Credit Cooperatives since 2012.

Duties Carried Out Within The Last 10 Years

Ongoing Duties

Head of the Department of Credits of Central Union of the Agriculture Credit Cooperatives; continuing.
Member of the Board of Directors of Gübre Fabrikaları T.A.Ş.; continuing.
Vice Chairman of the Board of Directors of Tarnet İletişim Hizmetleri A.Ş.; continuing.
Member of the Board of Audit of he Foundation of Education, Culture and Health of the Agriculture Credit Cooperatives; continuing.

Duties Ended

Member of the Board of Directors of the Foundation of Social Aid For the Personnel of the Agriculture Credit Cooperatives and Unions; 1998-2001 (Resignation)
Member of the Board of Audit of the Foundation of Social Aid For the Personnel of the Agriculture Credit Cooperatives and Unions; 2009 (Resignation)
Member of the Board of Audit of Güven Sigorta Türk A.Ş.; 2001-2002 (Resignation)
Member of the Board of Audit of Poyraz Gıda Tarım Hayvancılık Sanayi ve Ticaret A.Ş.; 2003 (Resignation)
Member of the Board of Directors of 0mece Prefabrik Yapı Tarım Mak. Tem. ve Güv. Hiz. A.Ş.; 2003-2004 (Resignation)
Chairman of the Board of Directors of 0mece Yem Tarım Ürünleri ve Hayv. San. Tic. A.Ş.; 2012 (He has not been a candidate)

Osman BALTA - *Member*

He was born on 1 September 1963 in Erzurum. He finished the primary school in the city where he was born, middle and high school education in Istanbul. After completing the university education in the Mechanical Engineering Department of Sakarya Engineering Faculty of Istanbul Technical University in 1986, he worked in the private sector as a Production and Planning Engineer until the end of the year 1988. After having completed the military service, he started to work in Camialtı Shipyard of Türkiye Gemi Sanayi A.Ş. which is organized under the Ministry of Transportation. He took office in many senior positions as of 1992 in the private sector. Osman Balta started to work in Gübretaş as the Vice General Manager in Charge of Enterprises in August 2009 and took office as the General Manager of Gübretaş on 1 February 2012. Razi Petrochemical Co is a Member of the Board of Directors of Negmar Denizcilik Yatırım A.Ş. and Raintrade Petrokimya ve Dış Ticaret A.Ş. Osman Balta can speak English and Arabic and he is married and is a father of three children.

Ongoing Duties

General Manager and Member of the Board of Directors of Gübre Fabrikaları T.A.Ş.
Chairman of the Board of Directors of Razi Petrochemical Co.
Member of the Board of Directors of Negmar Denizcilik Yatırım A.Ş.
Vice Chairman of the Board of Directors of Raintrade Petrokimya ve Dış Ticaret A.Ş.

Prof. Dr. Lokman DELİBAŞ - *Independent Member*

Lokman DELİBAŞ completed his license degree in Agriculture Faculty of Ataturk University in 1980 and he worked as Senior Agriculture Engineer in the 9th Regional Directorate of Erzurum Topraksu for 6 months and then he started to work as an assistant in Agriculture Faculty of Ataturk University in 1981 and he completed his Phd education in Culture-technic Department of Sciences Institution of Ataturk University in 1984. In 1987 he was appointed as the Vice Assistant Professor to the Department of Culture-technic Department of Tekirda Agriculture Faculty of Trakya University. On 20 October 1989 he was granted the title of Assistant Professor of the University due to his studies which he performed regarding Culture-technic matters and accordingly he was appointed as Assistant Professor to the Culture-technic Department of Tekirda Agriculture Faculty of Trakya University. He conducted his duties as a member of the Commission of Purchase of the Faculty and as a member of the Commission of Education-Learning in Tekirda Agriculture Faculty between the years 1988 - 1990. In 1993 he was appointed as the Founding Manager to the Lüleburgaz Vacational School of Higher Education which was established under the Trakya University and he held office until 1996. He was appointed as the Professor on 13 January 1995. He took office as the Head of the Department of Agricultural Constructions and Irrigation of Tekirda Agriculture Faculty between the years 1995-1997. Lokman DELİBAŞ took office as Faculty Member under the title of Assistant Docent between the years 1987-1990, under the title of Assistant Professor between the years 1990-1995, under the title Professor between the years 1995-2006 in Tekirdağ Agriculture Faculty of Trakya University. He was appointed to Namık Kemal University by transfer in 2006 and he has been carrying out the duty of Faculty Member in Tekirda Agriculture Faculty which has been joined to Namık Kemal University. He has made a range of scientific publishing s since 1987 and taught a range of license and masters degree lectures. In the same period, several times he worked as a jury member regarding foreign language and science, as a jury member regarding the duty of assistant professor, as a director for masters degrees and Phd thesis and as a arbitrator in various scientific magazines.

Ongoing Duties

Faculty Member in Namık Kemal University
Independent Member of the Board of Directors of Gübre Fabrikaları T.A.Ş.

İsmail TEKİN - *Independent Member*

İSMAIL TEKİN finished his License Education in the Machine Department of Turkish Military Academy and graduated as Tanker Lieutenant in 1986 and he finished the class-school training ranking first in Armoured Forces School and Training Division Command. Following that, he worked as Student and Course Batt, Sub-lieutenant Main Course Company Platoon Commander and Division Operation and Training Branch Plan Military Officer in the same unit between the years 1987-1994. He worked as 70th Mechanized Brigade Tank Batt, Tank Company Commander (Cizre) between the years 1994-1997, Class-Military Officer and Class Authority in Ncos Preparatory School Command (Balıkesir) between the years 1997-2001, Tank Company Commander in the Turkish Batt Task Force of Kosovo in 2000 within the same period, Support Troops Commander in the 172nd Mechanized Infantry Brigade (Islahiye) between the years 2001-2003, Tank Batt Task Force Commander of the 9th Motorized Infantry Brigade (Sarıkamış) between the years 2003-2006, Maneuver Lecturer in Battle Simulation Training Center of Command of the Cyprus-Turkish Peace Forces between the years 2006-2008. 0smail TEKİN completed his Masters Degree in the International Relations Department of Girne American University between the period of 2007-2008, following that he was appointed as the Chairman of the Tactics Board and General Matters of Armoured Forces School and Training Division Command, he worked as Teacher, Military Officer of Plan and Chairman of the Board for three years and he retired from Armed Forces in August 2011 and he worked as manager in a Ankara-based Private Security company for one year in 2012. Ismail TEKIN who has an authorization certificate of Documentation and Internal Controller from TSE ISO 9001 Quality Assurance System and has attended the Teacher Trainee Course which was established by the Educational Sciences Faculty of Ankara University and Command of Armoured Forces School, is currently working as an Operating Manager in a business center. Collective Declaration of Independency of our Independent Members of the Board of Directors has been set forth as follows.

Declaration Of Independency

I hereby declare that I am a candidate to take office as an independent member of the Board of Directors of Gübre Fabrikaları T.A.Ş. (the Company) within the scope of the criteria specified under the Corporate Governance Principals which have been published by the legislation, the articles of association and the Capital Market Board and in this context I declare that;

a) Within the last five years; I, my wife and my third degree consanguine and my relatives by marriage have not, directly or indirectly, been in a relationship of employment or substantial trading with the Company, one of the parties which are in a relationship with the company or the legal entities which are, in terms of management and capital, related to the shareholders, who directly or indirectly hold 5% or more shares of the company capital.
b) Within the last five years, I have not worked in the companies which have been conducting all or a part of the activities and organizations of the Company, primarily the companies which conduct auditing, ranking and consultancy of the Company.

c) Within the last five years, I have not been a shareholder, an employee or a member of the board of directors of any firm which provide substantial service and product to the company,
d) I am not a shareholder of the company capital,
e) As it is seen from my attached resume, I have the professional education, knowledge and experience to conduct the duties which I will undertake due to being an independent member of the board of directors,
f) I do not work full-time in the public agencies and institutions due to the current situation,
g) I am respected as a resident of Turkey under the Income Tax Law,
h) I can provide positive contributions to the activities of the company, I will remain objective in cases of conflicting interests to be emerged between of the shareholders of the company, I will make my decision freely taking into account the interests of the stakeholders,
i) I will allocate time for the company works to be able to follow up the the processes of the company's activities and fullfil the duties which I have undertaken to the fullest extent.

16. PRINCIPLES OF ACTIVITIES OF THE BOARD OF DIRECTORS

Provisions of the Articles of Association, Turkish Commercial Code and Capital Market Law are complied with for the meetings and meeting quorums of the Board of Directors. Office Directorate has been constituted to conduct the works with regard to the meetings of the Board of Directors of the Company and to service the members of the board of directors under the General Manager. They prepare their motions for the works regarding which resolutions (which are regarding the departments of the Company) are needed and they transmit it to the Office Directorate upon obtaining the approval of the General Directorate. An agenda regarding these motions is formed and it is transmitted to the chairman of the board of directors with the invitation letter for the meeting of the board of directors. The chairman of the board of directors signs the invitation letter and sends the invitation letter to the members together with the agenda. The resolutions which were taken in the meeting are sent to the relevant departments after the meeting. 21 meetings of the board of directors have been made within the year. The members of the board of directors do not have dominant voting right and negative veto right. Principally, the members of the board of directors attend each meeting. The Board of Directors meets regularly and within the framework of the provisions of the articles of association at least once a month and the Board of Directors meets when necessary without complying with such timetable. Besides, the members of the Board of Audit attend the meetings of the Board of Directors from time to time.

17. NUMBERS, STRUCTURES AND INDEPENDENCIES OF THE COMMITTEES CONSTITUTED BY THE BOARD OF DIRECTORS

The Board of Directors has formed Committee of Audit, Committee of Corporate Governance, Committee of Nomination, Committee of Early Determination of the Risk, and Committee of Remuneration for the purposes of performance of its duties and responsibilities wholesomely in accordance with the current position of the company and the needs of the company. These Committees conduct their activities in accordance with the communiqués of the Capital Market Board.

COMMITTEE OF AUDIT

NAME	TITLE	DUTY
Prof. Dr. Lokman DELİBAŞ	Head Of Committee	Board Member - Independent
İsmail TEKİN	Committee Member	Board Member - Independent

Committee of Audit has been constituted by the resolution of the Board of Directors dated 26.04.2012 pursuant to the Turkish Commercial Law, articles of association of the Company and the Communiqué regarding Corporate Governance Principals of the Capital Market Board.

The Committee is composed of two members of the Board of Directors. Independent member Prof. Dr. Lokman Delibaş is the Chairman of the Committee. Other member of the Committee is İsmail Tekin.

Duties and responsibilities of the Committee are as follows;

- To audit the financial statements and footnotes, both of which are disclosed to public, in terms of compliance with the current legislation and international accounting standards,
- To review the activity report and to review the information indicated in the activity report in terms of their accuracy and consistency compared to the information of the Committee,
- To examine the complaints which are serious enough to affect the financial statements submitted by the shareholders and stakeholders,
- To review the efficiency of the internal audit activities,
- To make sure that the important problems which are determined during or as a result of the audits of the internal audit department of the company and to make sure that relevant proposals for elimination of these problems are notified to the Committee on time,
- To observe whether the activities of the company are conducted in accordance with the current legislation and internal regulations of the company.

COMMITTEE OF CORPORATE GOVERNANCE

NAME	TITLE	DUTY
Prof. Dr. Lokman DELİBAŞ	Head Of Committee	Board Member - Independent
Dr. Erol DEMİR	Committee Member	Board Member
Hamdi GÖNÜLLÜ	Committee Member	Board Member

Committee of Corporate Governance has been constituted by the resolution of the Board of Directors dated 26.04.2012 pursuant to the Turkish Commercial Law, articles of association of the Company and the Communiqué regarding Corporate Governance Principals of the Capital Market Board.

The Committee is composed of three members of the Board of Directors. Independent member Prof. Dr. Lokman Delibaş is the Chairman of the Committee. Other members of the Committee are Dr. Erol Demir and Hamdi Gönüllü.

Duties and responsibilities of the Committee are as follows;

- To provide the constitution and adaptation of the importance and benefits of the Corporate Governance Principals within the structure of the company,
- To determine whether the Corporate Governance Principals are being applied and if they are not applied to determine the reasons and to determine the conflicting interests due to non-compliance with these principals accurately and to submit reformatory recommendations to the Board of Directors regarding the procedures of the corporate governance applications.

COMMITTEE OF NOMINATION

NAME	TITLE	DUTY
İsmail TEKİN	Head Of Committee	Board Member - Independent
Ahmet BOYRAZ	Committee Member	Board Member
Ali SARI	Committee Member	Board Member

Committee of Nomination has been constituted by the resolution of the Board of Directors dated 26.04.2012 pursuant to the Turkish Commercial Law, articles of association of the Company and the Communiqué regarding Corporate Governance Principals of the Capital Market Board.

The Committee is composed of two members of the Board of Directors. Independent member İsmail Tekin is the Chairman of the Committee. Other member of the Committee is Ahmet Boyraz.

Duties and responsibilities of the Committee are as follows;

- To form a transparent system for the determination, assessment and training of the appropriate candidates for the Board of Directors and to determine policies and strategies in this regard,
- To make regular assessments regarding the structure and efficiency of the board of directors and to submit recommendations to the Board of Directors regarding changes in this regard,
- To determine approaches, principals and procedures regarding the performance assessment and career planning of the members of the Board of Directors and the senior managers and to make supervision in this regard,

COMMITTEE OF EARLY DETERMINATION OF THE RISK

NAME	TITLE	DUTY
Prof. Dr. Lokman DELİBAŞ	Head Of Committee	Board Member - Independent
Dr. Erol DEMİR	Committee Member	Board Member
Hamdi GÖNÜLLÜ	Committee Member	Board Member

Committee of Early Determination of the Risk has been constituted by the resolution of the Board of Directors dated 26.04.2012 pursuant to the Turkish Commercial Law, articles of association of the Company and the Communiqué regarding Corporate Governance Principals of the Capital Market Board, for the purposes of early determination of the risks which may jeopardize existence, development and continuance of the Company, application of the necessary measures regarding the determined risks and management of the risk.

The Committee is composed of three members of the Board of Directors. Independent member Prof. Dr. Lokman Delibaş is the Chairman of the Committee. Other members of the Committee are Dr. Erol Demir and Hamdi Gönüllü.

Duties and responsibilities of the Committee are as follows;

- To prepare the risk management strategies and policies to be followed up by the Company and to submit them for the approval of the Board of Directors and to follow up the applications closely,
- To submit proposals to the Board of Directors in order to determine the limits with regard to the major risks that the Company carries and track the limit violations,
- To submit proposals to the Board of Directors with regard to making changes in the risk management policies,
- To provide the conduct of the tracking and communication during the process of risk determination, identification, measurement, assessment and management.
- To form a basis for the provision of the accuracy and reliability of the method and results and of the risk.

The Committee has met twice in 2012 activity year; on 17.10.2012 and 14.12.2012.

COMMITTEE OF REMUNERATION SYSTEM

NAME	TITLE	DUTY
İsmail TEKİN	Head Of Committee	Board Member - Independent
Ahmet BOYRAZ	Committee Member	Board Member
Ali SARI	Committee Member	Board Member

Committee of Remuneration System has been constituted by the resolution of the Board of Directors dated 26.04.2012 pursuant to the Turkish Commercial Law, articles of association of the Company and the Communiqué regarding Corporate Governance Principals of the Capital Market Board.

The Committee is composed of two members of the Board of Directors. Independent member İsmail Tekin is the Chairman of the Committee. Other member of the Committee is Ahmet Boyraz.

Duties and responsibilities of the Committee are as follows;

- To determine the proposals regarding the principals of the remuneration system of the members of the Board of Directors and the senior managers taking into consideration the long term targets of the company,
- To determine the criteria which may be used for the remuneration system taking into account the performance of the Company and the member,
- To submit the proposals regarding the remunerations which will be paid to the members of the Board of Directors and the senior managers, to the Board of Directors, taking into consideration their level of meeting with the criteria.

18. RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

Department of Risk Management has been constituted for the purposes of early determination of the risks which may jeopardize existence, development and continuance of Gübre Fabrikaları T.A.Ş., application of the necessary measures regarding the determined risks and management of the risk. Companywide, risks are tracked on the basis of four categories which are financial risks, strategic risks, operational risks and other risks. Daily and monthly reports are produced with regard to the risk management. Moreover Department of Internal Audit exists which conducts its activities under the General Directorate of the Company and this Department periodically audits the activities of our company and submits its reports to the General Directorate.

19. STRATEGIC GOALS OF THE COMPANY

To be a company that benefits from contemporary technological changes as much as possible, grounding on quality consciousness, efficient resource management, continous improvement, productivity and customer oriented management; to be a leading company for Turkish agriculture by creating synergy together with the academic world, relevant institutions and Agriculture Credit Cooperatives.

To become the leading company that can drive its sector with its infrastructure and well known trademark name "Gübretaş"; to attain global competitive power with its production technology.

Adopting the motto of 'Human First', to be a company which provides physical and social facilities to its workers, both spiritual and material, keeps environment consciousness and human health foreground, supports social projects.

To be a company which provides to customers different possibilities and alternatives in agriculture sector, to provide product variety, information bank and accredited laboratories for the need of farmers, to emphasize R & D works by following up the modern developments in the world.

Encouraged by the company's origin and past, to make manufacturing and procuring of chemical fertilizer with best quality at our well equipped factories with our expert staff and managements, creating the best marketing and distribution network to our customers,

To keep market advantage and preserving sustainable growth trend in accordance with "highest quality, reasonable cost" approach.

To emphasize advertisement and public relations works by establishing communication channels and bridges between Gübretaş - Public and Farmers and to do image development activities convenient to Gübretaş's corporate structure and spread them in and outside the company,

To reach the quality that could compete with the world in sense of productivity, efficiency and the world standards, procuring its raw material needs itself, efficient resource management, having production and infrastructure establishments within the country and abroad and adopting relevant policies.

To be a company that measures its success with the customer satisfaction who could find a fast and best quality solutions to the needs of the customers.

20. REMUNERATION OF THE BOARD OF DIRECTORS

The amounts of the attendance fees and and travel allowances to be paid to the Members of the Board of Directors of our Company are determined by the General Assembly, and such amounts are determined in accordance with the international standards and legal liabilities and taking into account the members of the board of directors, top managers, economic data in the market, current remuneration system policies in the market, company size and experiences, education levels and of the people, their contributions to the company and their current positions. Options of the share certificates or payment plans based on the performance of the company are not used for the remuneration system of the independent members of the board of directors. Also any charges such as credit or lend have not been paid to the members of the Board of Directors.

VIII. Conclusion

DEAR SHAREHOLDERS,

481.533 tons of various types of chemical fertilizer has been produced at our facilities in 2012 and 99.684 tons of produced fertilizer have been used as raw material. 1.315.452 tons of nitrogenous fertilizer at first which cannot be produced in our facilities and is consumed too much in our country is procured from domestic and foreign markets. 1.538.199 tons of solid, 1.332.952 litres of liquid and 11.900.683 kgs of powder fertilizers has been sold. And net sale revenues realized as 1.307.788.037 TRL.

Also 1.551.822 tons of fertilizer has been produced, 951.334.013 TRL sale revenues has been got by sale of 1.308.919 tons of fertilizer and fertilizer raw material in our affiliated company Razi Petrochemical Co.

Our company reached to 2.226.819.536 TRL consolidated sale revenues. Beside this 1.579.614.777 TRL cost of goods sold, 165.634.067 TRL operation expenses, 16.899.928 TRL net financing expense have been occurred. 472.440.683 TRL profit occurred before tax by adding other income and expense affect (net 7.769.919 TRL). 430.033.169 TRL net consolidated profit has been occured after adding 4.573.209 TRL deferred tax and 37.834.305 TRL current period's tax and other legal liability provisions. 189.788.214 TRL main shareholder profit has been occured after deducting 240.244.955 TRL shares of minority shareholders.

We would kindly like to ask you to evaluate the results mentioned above regarding our 2012 activities.

Best Regards,
BOARD OF DIRECTORS

AUDITOR REPORTS, FINANCIAL STATEMENTS AND EXPLANATORY FOOTNOTES

GÜBRE FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2012

AUDITORS REPORT

1 **Company Name** : Gübre Fabrikaları T.A.Ş.
Head Office : Kasap Sokak No: 22, 34394 Esentepe - ŞİŞLİ / İSTANBUL
Capital
Registered Capital : 200.000.000 TL
Paid in Capital : 83.500.000 TL
Line of Business : Manufacturing and Selling Chemical Fertilizer

2 **Names, terms of the auditors and whether they are shareholders or not:**
Bülent İŞKÜR *Date of Beginning to Work:* January 1, 2012
Namık Kemal BAYAR *Date of Beginning to Work:* January 1, 2012

Auditors are not shareholders of the company.

3 **Number of Board meetings attended by the Auditors:**

Auditors have attended 11 Board meetings in 2012. In addition to these meetings, the Auditors Committee has held 5 meetings.

4 **Scope, dates and conclusions of examination of the accounts, books and records of the company:**

The accounting entries are examined to find out whether they are duly and properly made documented in the following dates: 01.02.2012, 27.03.2012, 26.04.2012, 22.07.2012 ve 14.12.2012. It is confirmed that all records are in conformity with the prescribed procedures and all administrative decisions are duly entered in the proper Board resolution book.

5 **Number of Conclusion of cash counts made in accordance with Turkish Commercial Law 6762:**

Cash was counted 6 times on the following dates: 24.01.2012, 27.03.2012, 26.04.2012, 19.06.2012, 19.10.2012 and 14.12.2012. Each count showed the actual cash content to be the same as what is recorded.

6 **Dates and conclusions of examinations made in accordance with Turkish Commercial Law 6762:**

Company books were examined on the following dates: 24.01.2012, 27.03.2012, 26.04.2012, 19.06.2012, 19.10.2012 and 14.12.2012. It was confirmed that actual assets are present in full and are in accordance with records.

7 **Reported complaints and abusiveness and operations taken in this respect:**

There have been no complaints.

We have examined the accounts and transactions of Gübre Fabrikaları T.A.Ş. for the period covering January 1, 2012 - December 31, 2012 in accordance with the Turkish Commercial Law, Company's Article of Association and other legislation, as well as generally accepted accounting principles and standards.

We have approved the contents of the Financial Statements of the Company in our opinion, the enclosed Balance Sheet as of December 31, 2012 the Statement of Income for the period covering January 1, 2012 - December 31, 2012, present faithfully position and the results of its operation, the suggestion to distribution of the profit is appropriate to law and articles of association of partnership.

We hereby present the Balance Sheet and the Statement of Income for your approval and recommend release of the Board of Directors.

Respectfully Yours,

Bülent İŞKÜR
Namık Kemal BAYAR

1 JANUARY 2012 - 31 DECEMBER 2012 OF PERIOD
INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Gübre Fabrikaları T.A.Ş.
İstanbul

We have audited the accompanying consolidated financial statements of Gübre Fabrikaları T.A.Ş. ("Company") and its subsidiaries (together the Group), which comprise of the consolidated balance sheet as of 31 December 2012 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company management is responsible for preparation and fair presentation of these financial statements in accordance with accounting standards published by Capital Markets Board. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards published by the Capital Markets Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the accompanying consolidated financial statement give a true and fair view of consolidated financial position of G¸bre Fabrikalar1 T.A.^., its subsidiaries and joint ventures as at 31 December 2011, and their financial performance and cash flows for the year then ended in accordance with the financial reporting standards issued by the Capital Markets Board.

OTHER MATTERS

Without qualifying our opinion we would like to emphasise the following matters:

As explained in Note 22, natural gas expenses which are a significant part of manufacturing costs in Razi Petrochemical Co.'nun ("Razi") are invoiced by Iran National Petroleum Company ("NIOC"). Every march NIOC decides on the gas prices for that year. On 21 March 2010, NIOC have decided that the price of natural gas will ve fifteen times the previous year's price. Razi has objected to this price increase and have not recognized the additional TRY 57 Million liability in the previous period. On 19 December 2010 the natural gas prices have been reassessed and the new gas price has been set at seven times the previous year's price. All natural gas expenses are invoiced based on the new price since 19 December 2010. With regards to the price dispute between 21 March 2010 and 19 December 2011, the Iran Presidential Special Delegate on Oil Affairs have decided to set the price approximately 67% higher than the previous year's price on 13 November 2011. Razi has accepted this and recognized the additional liability based on this price. NIOC have not yet accepted this decision and have not produced new invoices based on the new price set for the period. The Group management has not recognized any provision for this uncertainty since the process with the NIOC is ongoing and the outflow of economic benefits are not probable after the decision taken on 13 November 2011.

As explained in Note 22, Iran Tax Authority has performed tax assessments for the tax filings of Razi for the years ended in 2006, 2007, 2008 and 2009. As a result of these assessments, the Iran Tax Authority has identified that Razi has recognized export sales as non-taxable income. The export sales were considered as taxable by the Iran Tax Authority and Razi was imposed to a total of TRY 28 million additional tax charge. Razi has protested against this claim. Based on the opinions of legal advisors and tax experts, the Group Management has not provided any provisions in the consolidated financial statements.

As explained in Note 22, the sanctions imposed on Iran by United Nations may have an effect on the operations of the subsidiary of the Group. The economic stability of the Iran depends on the measures that will be taken by the government and the outcome of the legal, administrative and political processes. These processes are beyond the control of the companies established in the country. Consequently, the entities operating within Iran must consider risks that may not necessarily be observable in other markets. These consolidated financial statements contain the Group management's estimations on the economic and financial positions of its subsidiaries and affiliates operating in Iran. The future economic situation of Iran might differ from the Group's expectations.

As explained in Note 22, 0skenderun State Treasury Office (Treasury) has filed a lawsuit against the Group in 2011 for the cancellation of its title deed and demanded enforced evacuation of Group s 79.350 m^2 property located in the Sar1seki province of 0skenderun within the city of Hatay claiming that the property is within the shoreline. The net book value of the property is TRY 82.819.021 and has been accounted as investment property in the accompanying consolidated financial statements. The Group has objected the lawsuit asked for a new expert report for the determination of shoreline and at the same time filed another lawsuit for a compensation of its ownership right of the property. The litigation process is ongoing as of the report date. Based on the opinions of legal advisors, the Group Management has not provided any provisions in the consolidated financial statements for this lawsuit.

As explained in Note 8 and 11, Tabosan Mühendislik İmalat ve Montaj A.Ş. (Tabosan), one of the consortium partners of the Group at the acquisition of Razi shares have filed a petition for adjournment of bankruptcy but the bankruptcy court rejected the petition and decided on the bankruptcy of Tabosan and formation of a trustee committee to manage the assets of Tabosan. The Group was the guarantor of Tabosan for the loans obtained from financial institutions during the acquisition of Razi shares. The group has paid 41.820.105 TL for the loan of Tabosan as the guarantor and and recognized this amount as other receivable from Tabosan. The Group has not provided any provision for this receivable considering its right to buy Razi shares at the initial acquisition share price and the pledged assets of Tabosan which are transferred from the financial institutions. The Group has also requested from the trustee committee to transfer of Razi shares in the amount of the payment made in the name of Tabosan. The trustee committee has not made a decision on this subject. The negotiations between the Group and the trustee committee are ongoing as of the date of this report.

As explained in Note 2 and 38, Central Bank of Iran Islam Republic has been applying a fixed exchange rate regime since 28 January 2012. All foreign currency transactions are accounted using the fixed exchange rate which differs significantly from the market exchange rates. The market exchange rate is 145% more than the fixed exchange rate as at the balance sheet date. Central Bank of Republic of Turkey use the fixed exchange rate when determining the indicative Turkish Lira and Iranian Riyal exchange rate. In September 2012 Iran Islam Republic government has incorporated a Foreign Exchange Center ("Center") monitored by Central Bank of Iran Islam Republic which announce foreign currency rates that are more close to the market rates. IAS 21 requires companies to use the rate that the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date. The Group management, considering the unreliability of the market rates and the uncertainty in determining the rate that the future cash flows will be settled has used the indicative rates published by the Center. Similarly market rates and the Center rates are used in determining the average rate.

İstanbul, 12 April 2013

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU LIMITED

Ferda Elerman
Partner

GÜBRE FABRİKALARI T.A.Ş. AND SUBSIDIARY COMPANY CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2012

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

ASSETS	NOTE	CURRENT PERIOD 31 DEC. 2012	PREVIOUS PERIOD 31 DEC. 2011
Current Assets		**1.299.976.936**	**1.694.272.707**
Cash and Cash Equivalents	6	430.098.290	327.710.722
Financial Investments	7	29.665.189	-
Trade Receivables	10	381.204.373	574.509.287
Trade Receivables From Related Parties	37	167.732.649	228.271.654
Other Trade Receivables	10	213.471.724	346.237.633
Other Receivables	11	101.789.202	169.924.819
Other Receivables From Related Parties	37	43.842.069	106.360.030
Other Receivables	11	57.947.133	63.564.789
Inventories	13	315.403.041	534.856.904
Other Current Assets	26	41.816.841	87.270.975
Fixed Assetes		**854.918.341**	**1.273.230.864**
Other Receivables	11	91.651.526	21.946.753
Financial Investments	7	2.737.515	2.737.515
Investments Valued by Equity Method	16	14.207.046	10.941.724
Investment Properties	17	82.819.021	61.749.595
Tangible Fixed Assets	18	510.110.928	876.498.158
Intagible Fixed Assets	19	151.193	270.331
Goodwill	20	120.811.461	279.484.282
Deferred Tax Assets	35	234.629	5.522.137
Other Fixed Assets	26	32.195.022	14.080.368
TOTAL ASSETS		**2.154.895.277**	**2.967.503.571**

GÜBRE FABRİKALARI T.A.Ş. AND SUBSIDIARY COMPANY CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2012

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

LIABILITIES	NOTE	CURRENT PERIOD 31 DEC. 2012	PREVIOUS PERIOD 31 DEC. 2011
Liabilities			
Short-term Liabilities		*1.201.514.640*	*1.506.890.189*
Financial Liabilities	8	576.969.706	470.379.230
Trade payables	10	473.706.072	799.062.959
Payables To Related Parties	37	4.738.896	6.587.996
Other Trade Payables	10	468.967.176	792.474.963
Other Payables	11	85.454.015	136.166.006
Provisions for Employee Benefits	24	8.547.043	16.142.943
Provisions for Payables	22	43.598.571	63.062.977
Tax Liability for Current Period Profit	35	7.438.706	17.125.727
Other Short Term Liabilities	26	5.800.527	4.950.347
Long-term Liabilities		*120.286.185*	*258.998.473*
Financial Payables	8	57.145.402	99.287.100
Other Payables	11	-	40.754.944
Provisions for Employee Benefits	24	61.711.396	116.420.468
Deferred Tax Liabilities	35	1.429.387	2.535.961
Equty Capital		**833.094.452**	**1.201.614.909**
Equities of Parent Company		*541.236.806*	*664.238.132*
Paid-in Capital	27	83.500.000	83.500.000
Value Appreciation Funds	27	158.173.718	145.133.540
Foreign Currency Adjustments	27	(187.038.317)	138.791.401
Restricted Reserves From Profit	27	10.863.518	9.051.867
Legal Reserves		9.533.275	7.721.624
Gains From Fixed Assets Accumulated Profit / Loss		1.330.243	1.330.243
Previous Years Profit / (Loss)		285.949.673	157.766.115
Net Period Profit / (Loss)		189.788.214	129.995.209
Minority Shares		**291.857.646**	**537.376.777**
TOTAL LIABILITIES		**2.154.895.277**	**2.967.503.571**

GÜBRE FABRİKALARI T.A.Ş. AND SUBSIDIARY COMPANY COMPREHENSIVE CONSOLIDATED INCOME STATEMENT FOR YEAR THAT ENDED AS OF 31 DECEMBER 2012

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

CONTINUING OPERATIONS	NOTE	CURRENT PERIOD 1 JAN. - 31 DEC. 2012	PREVIOUS PERIOD 1 JAN. - 31 DEC. 2011
Sales (Net)	28	2.226.819.536	2.276.393.199
Cost of Sales (-)	28	(1.579.614.777)	(1.581.504.218)
Gross Profit		**647.204.759**	**694.888.981**
Marketing Sales and Distribution Expenses (-)	29	(118.334.983)	(128.278.290)
Administrative Expenses (-)	29	(47.299.084)	(54.156.596)
Other Operating Incomes	31	37.164.172	37.553.700
Other Operating Expenses (-)	31	(21.859.575)	(20.200.331)
Operation Profit		**496.875.289**	**529.807.464**
Shares in Profit / Loss of Invesments Valued By Equity Method	16	(7.534.678)	(4.743.795)
Financial Incomes	32	240.812.335	60.139.781
Financial Expenses (-)	33	(257.712.263)	(193.109.365)
Pre-Tax Profit / Loss From Continuing Operations		**472.440.683**	**392.094.085**
Tax Expenses on Continuing Operations		*(42.407.514)*	*(17.126.478)*
Period Tax Expense (-)	35	(37.834.305)	(7.772.003)
Deferred Tax Income / (Expense)	35	(4.573.209)	(9.345.475)
Period Profit / (Loss)		**430.033.169**	**374.967.607**
Distribution of Period Profit / (Loss)			
Minority Shares		240.244.955	244.972.398
Parent Company's Shares		189.788.214	129.995.209
Earning / (Loss) Per Share	**36**	**0.0227**	**0,0156**

GÜBRE FABRİKALARI T.A.Ş. AND SUBSIDIARY COMPANY COMPREHENSIVE CONSOLIDATED INCOME STATEMENT FOR YEAR THAT ENDED AS OF 31 DECEMBER 2012

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

ONGOING OPERATIONS	CURRENT PERIOD 1 JAN. - 31 DEC. 2012	PREVIOUS PERIOD 1 JAN. - 31 DEC. 2011
Period Profit / (Loss)	*430.033.169*	**374.967.607**
Change in Fixed Assets Value Appreciation	13.726.503	8.813.347
Foreign Currency Adjustments	(578.096.009)	135.252.782
Tax Incomes and Fiscal Charges Related to Other Comprehensive Income Items	(686.325)	(440.669)
Other Comprehensive After-Tax Income / (Expense)	**(565.055.831)**	**143.625.460**
Total Comprehensive Income / (Expense)	**(135.022.662)**	**518.593.067**
Distribution of Total Comprehensive Income / (Expense)		
Minority Shares	(12.021.336)	306.868.055
Parent Company's Shares	**(123.001.326)**	211.725.012
	(135.022.662)	**518.593.067**

GÜBRE FABRİKALARI T.A.Ş. AND SUBSIDIARY COMPANY CONSOLUDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED AS OF 31 DECEMBER 2012

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

	NOTE	PAID-IN CAPITAL	GROWTH FUNDS	FOREIGN CURRENCY CONVERSION ADJUSTMENTS
1 January 2011	27	83.500.000	136.760.862	65.434.276
Previous Year Profit / Transfer (at loss)		-	-	-
Gains From Fixed Assets Sales		-	-	-
Minority Shares Purchase		-	-	-
Total Comprehensive Income		-	8.372.678	73.357.125
31 December 2011	27	83.500.000	145.133.540	138.791.401
1 January 2012	27	83.500.000	145.133.540	138.791.401
Previous Year Profit / Transfer (at loss)		-	-	-
Minority Shares Purchase		-	-	-
Total Comprehensive Income		-	13.040.178	(325.829.718)
31 December 2012	27	83.500.000	158.173.718	(187.038.317)

LIMITED PROVISIONS SEGREGATED FROM PROFIT	GAINS FROM FIXED ASSETS SALES	PREVIOUS YEARS' PROFIT / LOSSES	NET PERIOD PROFIT / LOSS	EQUITIES OF PARENT COMPANY	MINORITY SHARES	TOTAL EQUITIES
5.645.297	**881.151**	**40.392.144**	**119.899.390**	**452.513.120**	**364.782.582**	**817.295.702**
2.076.327	-	117.823.063	(119.899.390)	-	-	-
-	449.092	(449.092)	-	-	-	-
-	-	-	-	-	(134.273.860)	(134.273.860)
-	**-**	**-**	**129.995.209**	**211.725.012**	**306.868.055**	**518.593.067**
7.721.624	**1.330.243**	**157.766.115**	**129.995.209**	**664.238.132**	**537.376.777**	**1.201.614.909**
7.721.624	**1.330.243**	**157.766.115**	**129.995.209**	**664.238.132**	**537.376.777**	**1.201.614.909**
1.811.651	-	128.183.558	(129.995.209)	-	-	-
-	-	-	-	-	(233.497.795)	(233.497.795)
-	**-**	**-**	**189.788.214**	**(123.001.326)**	**(12.021.336)**	**(135.022.662)**
9.533.275	**1.330.243**	**285.949.673**	**189.788.214**	**541.236.806**	**291.857.646**	**833.094.452**

GÜBRE FABRİKALARI T.A.Ş. AND SUBSIDIARY COMPANY CONSOLIDATED CASH FLOW STATEMENT FOR YEAR THAT ENDED AS OF 31 DECEMBER 2012

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

CASH FLOW FROM OPERATIONS	NOTE	CURRENT PERIOD 1 JAN. - 31 DEC. 2012	PREVIOUS PERIOD 1 JAN. - 31 DEC. 2011
Net Period Profit / (Loss)		**430.033.169**	**374.967.607**
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	51.795.966	91.706.071
Incomes/Expenses from subsidiaries valued by Equity Method	16	7.534.678	4.743.795
Provisions for termination indemnities, permission and seniority-based incentives		17.982.261	66.015.689
Interest Income/ Expense		57.725.552	52.940.296
Vacation and seniority incentive provision / cancellation		-	3.446.433
Exchange rate difference income / expense		(22.936.701)	68.151.894
Gain on sales of assets	31	714.682	(1.949.763)
Exchange Difference		(78.785.837)	3.292.507
Tax	35	42.407.514	16.685.810
Deferred Financial Income / Expense		(892.634)	2.308.776
Appreciation of investment properties		(21.069.426)	(1.580.000)
Provisions for Doubtful Receivable / Cancellation	10	(1.668.830)	45.877
Cash flows resulted from the operations before the change in the capital		**482.840.394**	**680.774.992**
Changes in the capital of the company			
Increase / Decrease in trade receivables		264.062.077	(413.119.880)

Increase / Decrease in other receivables		(69.764.855)	25.152.605
Increase / Decrease in Inventories		208.621.467	(198.500.241)
Increase / Decrease in Other Current / Fixed Assets		7.949.464	(30.184.884)
Increase / Decrease in commercial liabilities		(353.574.489)	156.883.951
Increase / Decrease in other liabilities		(56.340.485)	(52.802.692)
Increase / Decrease in Provisions for Liabilities		(19.464.406)	16.017.475
Increase / Decrease in Other Short-term and Long-term Liabilities		850.190	(23.001.081)
Cash Resulted From or Used In The Operations After The Change In The Capital or The Capital		**465.179.357**	**161.220.203**
Paid-up interest		(76.527.042)	(69.962.193)
Paid-up taxes		(29.209.909)	-
Paid-up termination indemnities		(17.084.998)	(29.645.896)
Net cash used in operations		**342.357.408**	**61.612.114**
Cash flows used in investments			
Purchase of Tangible and Intangible Asset	18-19	(29.742.585)	(41.113.912)
Cash Gained From Sales Of Tangible and Intangible Assets		2.597.514	5.384.387
Purchases related to financial investments		(40.465.190)	(10.412.503)
Collected Interests		29.988.476	29.978.659
Dividends paid for minority shares		(233.497.795)	(134.273.860)
Paid-up cash for affiliates capital raise		(37.130.308)	-
Cash used / gained from Investment activities		**(308.249.888)**	**(150.437.229)**
Cash Flows from financial activities			
Cash Flow related to financial liabilities		125.839.300	225.976.910
Principal Repayment of Financial Liabilities	33	(57.559.252)	(21.873.884)
Net Cash used / gained in financial activities		**68.280.048**	**204.103.026**
Net increase/decrease in cash and cash equivalents		102.387.568	115.277.911
Balance of Cash and Cash Equivalents at beginning of the year	6	**327.710.722**	**212.432.811**
Balance of Cash and Cash Equivalents at the period-end	6	**430.098.290**	**327.710.722**

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 0stanbul, 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 Directorate of Sales	Sales-Marketing / Warehousing
İskenderun Regional Directorate of Sales	Sales-Marketing / Warehousing
Tekirdağ Regional Directorate of Sales	Sales-Marketing / Warehousing
Ankara Regional Directorate of Sales	Sales-Marketing
Diyarbakır Regional Directorate of Sales	Sales-Marketing
Antalya Regional Directorate of Sales	Sales-Marketing

The Company and its subsidiaries have 1.536 employees as of 31 December 2012 (31 December 2011: 1.517)

% 25 out of the public shares of the Company is traded on 0stanbul Stock Exchange (0MKB) 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:

	31 December 2012		31 December 2011	
Name	Share Rate	Share Amount	Share Rate	Share Amount
Turkish Agricultural Credit Cooperatives	75,95%	63.421.152	75,95%	63.421.152
Others	24,05%	20.078.848	24,05%	20.078.848
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 2011: 48,88%). 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.

Razi established Raintrade Petrokimya ve Dış Ticaret A.Ş. ("Raintrade") in Turkey for purpose of selling petrochemical goods outside Iran at the end of 2010. Raintrade started its activities in April 2011.Razi's share on Raintrade is 99% and Groups indirect share on Raintrade is 48,88%.

Investments

The Company participated in Negmar Denizcilik Yatırım A.Ş. ("Negmar") which is operational in sea transport in 30 June 2008. The participant rate is 40% as the balance sheet date. (31 December 2011: 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 2011: 40%).

Approval of Financial Statements

The financial statements were approved to be disclosed 12 April 2013 by the board of directors. The General Assembly has the right to amend the consolidated financial statements.

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 BASIS OF PRESENTATION

Financial Reporting Standards

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 of Turkey ("CMB") sets out principles and procedures on the preparation, presentation and disclosure of financial statements prepared by companies in accordance with the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué").

This Communiqué is effective for the annual periods beginning from 1 January 2008 and supersedes the Communiqué No: XI–25 "The Financial Reporting Standards of the Capital Markets". The Communiqué requires companies to prepare their financial statements in accordance with International Financial Reporting Standards ("IASs/IFRSs") adopted by the European Union. However, IASs/IFRSs will be in effect for the period in which the differences derived from the standards accepted by the European Union and the standards issued by International Accounting Standards Board ("IASB") would be announced by Turkish Accounting Standards Board ("TASB"). Accordingly, Turkish Accounting/ Financial Reporting Standards ("TAS"/"TFRS") previously issued by the relevant local regulatory authority, which do not contradict to the standards adopted, shall be applied.

Upon the CMB's resolution made on 17 March 2005, companies operating in Turkey and preparing their financial statements in accordance with the CMB's Financial Reporting Standards are not required to apply inflation accounting beginning from 1 January 2005. Accordingly, IAS 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29") issued by IASB is not applied in accompanying consolidated financial statements for the accounting periods starting 1 January 2005.

Statutory Decree No: 660, which has been become effective and published in the Official Gazette on 2 November 2011, and the Additional Clause 1 of the Law No: 2499 were nullified and accordingly, Public Oversight, Accounting and Audit Standards Institution (the "Institution") was established. As per Additional Article 1 of the Statutory Decree, applicable laws and standards will apply until new standards and regulations be issued by the Institution and will become effective. In this respect, the respective matter has no effect over the 'Basis of The Preparation of Financial Statements" Note disclosed in the accompanying financial statements as of the reporting date.

These consolidated financial statements and accompanying notes have been presented in accordance with the format, recommended to be implemented by CMB through its announcement dated 14 April 2008, and by including the mandatory information communicated through its announcements dated 9 January 2009 and 28 April 2009. As per CMB's Communiqué Serial XI, No:29 and its announcements clarifying this communiqué enterprises are also required to present the hedging rate of their total foreign exchange liability and total export and import amounts in the notes to the financial statements.

Functional Currency

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 ("TRY").

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.

Indicative exchange rates published by the Central Bank of Iran Islam Republic and Central Bank of Republic of Turkey have been used in the interim period of 2012. In September 2012 Iran Islam Republic government has incorporated a Foreign Exchange Center ("Center") monitored by Central Bank of Iran Islam Republic which announce foreign currency rates that are more close to the market rates. The Group management has used the indicative rates published by the Center. Similarly market rates and the Center rates are used in determining the average rate.

	31 December 2012		31 December 2011	
Foreign Currency	End of Period	Grade Point Average	End of Period	Grade Point Average
IRR	0,0000725	0,0000868	0,0001678	0,0001560

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.

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.

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.

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.

2.2 AMENDMENTS AND ERRORS IN ACCOUNTING ASSUMPTIONS

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.

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 REVISED REPORTING STANDARDS

New and revised standards are applied by the Group and are effected financial statements' amounts and presentations. Other standards which used in these financial statments but has not effect on amounts are explained on further pages.

2.5.1 STANDARDS EFFECTING PRESENTATION AND FOOTNOTES

None.

2.5.2 AMENDMENTS EFFECTING REPORTED FINANCIALS OR BALANCE SHEET

None.

2.5.3 NEW AND REVISED IFRSS APPLIED WITH NO MATERIAL EFFECT ON THE CONSOLIDATED FINANCIAL STATEMENT

The following new and revised IFRSs have been adopted in these consolidated financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

AMENDMENTS TO IAS 12 DEFERRED TAXES – RECOVERY OF UNDERLYING ASSETS

The amendment is effective for annual periods beginning on or after 1 January 2012. IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be, through sale. The amendment did not have any effect on the consolidated financial statements.

AMENDMENTS TO IFRS 7 DISCLOSURES – TRANSFERS OF FINANCIAL ASSETS

The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

These amendments to IFRS 7 did not have a significant effect on the Group's disclosures. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

2.5.4 THE STANDARDS, CHANGES AND INTERPRETATIONS AT ISSUE DID NOT HAVE AN IMPORTANT EFFECT ON THE FINANCIAL PERFORMANCE OR FINANCIAL SITUATION OF THE GROUP AS OF 31 DECEMBER 2012

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 7	*Disclosures – Transfers of Financial Assets*
IFRS 9	*Financial Instruments*
IFRS 10	*Consolidated Financial Statements*
IFRS 11	*Joint Arrangements*
IFRS 12	*Disclosure of Interests in Other Entities*
IFRS 13	*Fair Value Measurement*
Amendments to IAS 1	*Presentation of Items of Other Comprehensive Income*
IAS 19 (as revised in 2011)	*Employee Benefits*
IAS 27 (as revised in 2011)	*Separate Financial Statements*
IAS 28 (as revised in 2011)	*Investments in Associates and Joint Ventures*
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*
Amendments to IAS 32	*Financial Instruments: Presentation - Offsetting of Financial Assets and Financial Liabilities*

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. The amendments to IFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods.

IFRS 9, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9:

1. All recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

2. With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

   IFRS 9 was amended to defer the mandatory effective date of both the 2009 and 2010 versions of IFRS 9 to annual periods beginning on or after 1 January 2015. Prior to the amendments, application of IFRS 9 was mandatory for annual periods beginning on or after 1 January 2013. The amendments continue to permit early application.

   The amendments modify the existing comparative transition disclosures in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. Instead of requiring restatement of comparative financial statements, entities are either permitted or required to provide modified disclosures on transition from IAS 39 Financial Instruments: Recognition and Measurement to IFRS 9 depending on the entity’s date of adoption and whether the entity chooses to restate prior periods.

The group management anticipates that IFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2015 and that the application of IFRS 9 may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities (e.g. the Group's investments in redeemable notes that are currently classified as available-for-sale investments will have to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognised in profit or loss). However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five Standards are described below.

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation - Special Purpose Entities will be withdrawn upon the effective date of IFRS 10. Under IFRS 10, there is only one basis for consolidation, that is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's return. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Venturers will be withdrawn upon the effective date of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportional consolidation.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

These five standards together with the amendments regarding the transition guidance are effective for annual periods beginning on or after 1 January 2013, with earlier application permitted provided all of these standards are applied at the same time.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The Group management anticipates that IFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. The amendments to IAS 19 require retrospective application.

The changes made in IAS 19 standards, made changes in the related accounting operations with the defined benefit plans and severance pay. These changes will be valid on 1 January 2013 or for the financial periods start after this date. Group management, has not evaluated the effects which may arise as a result of applying these changes.

It published the comment of IFRIC 20 Stripping Cost in the Production Phase of a Surface Mine which clarifies accounting of excavation expenses in production stage in surface mining business on 19 October 2011. Comment, clarifies it the time and conditions of excavations at production stage as asset, and first recording of accounted asset and the measurement way in further periods. Comment will be valid on 1 January 2013 or for financial periods which will start after that.

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'. However, the amendments to IAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

Annual Improvements to IFRSs 2009 - 2011

In addition to the standart changes stated above IASB has published the The Annual Improvements to IFRSs 2009 - 2011 Cycle. Amendments to IFRSs include:

- IFRS 1 *First time adoption of IFRS*
- IAS 1 *Presentation of financial statements*
- Amendments to IAS 16 *Property, Plant and Equipment;*
- Amendments to IAS 32 *Financial Instruments: Presentation.*
- Amendments to IAS 34 *Interim Financial Reporting*

The amendments are effective for annual periods beginning on or after 1 January 2013 where early adoption is permitted.

2.6 SUMMARY OF SIGNIFICANT 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.

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.

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.

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.

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 Yıl
Machines, Facilities and Devices	3-40 Yıl
Vehicles	4-10 Yıl
Flooring and Fixtures	3-25 Yıl
Special Costs	5 Yıl

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.

All other loan costs are accounted in current period.

Goodwill

In consolidated financials goodwill or negative goodwill reviewed every year for any possible impairmen within the scope of IFRS 3 Standard "Business Combinations", the difference between percentage of Groups' net assets fair value and purchasing price,

Groups' every producer of cash flow unit involved for goodwill test. Tests are likely to be made every year or more often for indicative periods showing impairments for controlling whether there is impairment. In cases where cash flow units' recoverable value is lower than book value, impairment firstly to use in decreasing cash flow units goodwill. Impairment reserved for goodwill cannot be canceled in next periods. The amount is accounted as revenue in the period if negative goodwill related to acquisition exists. Gains and losses arising from the sale of a company, includes the value of accounted goodwill over the sold organization.

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.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

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.

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.

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.

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.

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

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

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

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).

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.

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. In fact, Turkish and Iranian seniority indemnity systems are similar, there are not core differences between them. Moreover while period of Razi's privatization, the right of early retirement is given to employees and responsibility is accounted in the scope of IAS 19 by Razi.

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. .

Critical Accounting Estimates and Judgments

At the process of preparing of consolidated financial statements pursuant to Capital Market Board's Financial Reporting Standards, The Group's management should make critical accounting estimates and judgments that determines as date of reporting period, amount of income and expenses and amount of probable liabilities and guarantees that may be occurred as date of balance sheet.

Although these forecasts and assumptions, is depend on the groups' well knowledge that is associated current event and transactions, may differ from actual results.Forecasts are reviewed on a regular basis, required adjustments is made and reflected to periods' income statement.
In the next financial period, forecasts and assumptions that may risk of adjustment of assets and liabilities' registered values, are shown as follows:

Net Realizable Value

Stock is valued at lover of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Goodwill Impairment

The Group reviews goodwill for impairment annually. Razi has been identified as the cash generating unit since the goodwill balance has been recognized through the acquisition of Razi. The value in use calculations are based on post-tax Turkish Lira cash flow projections as approved the Group management. 20% discount rate (21% post tax) and 1% growth rate have been used. The discount rate represents the risk associated with the entity. Based on the impairment analysis performed by Group management, no impairment of goodwill has been identified.

Deferred Tax

Group, recognized deferred tax asset and liability for temporary timing difference arising from difference between its financial statement which constitute the basis of Tax and financial statement is prepared according to IFRS. Deferred tax assets' partially or whole recoverable amount is estimated in current circumstances. While evaluating, projections of future profits, occurred loss in current period, deadline of use of inappropriate loss and other tax assets and tax planning strategies can be used if necessary has been taken into account. In the light of data obtained, if group's taxable profit will be obtained in future is not enough to meet all deferred tax assets, partially or whole of deferred tax is reserved. If operating results in future excess Group's expectations, it may be required to enroll unregistered/recorded deferred tax assets.

3 BUSINESS COMBINATIONS

The details of the business combinations as at 31 December 2012 is as follows:

Razi - Arya Phosphoric Jonub Co. purchase

Razi has acquired 87,5% of shares of Arya Phosphoric Jonoob Co.("Arya") which has started its operations in 2010 with a phosphoric acid production capacity of 116.000 tons/year for a consideration of USD 15.500.000in August 2012.

The Group's fair value measurements are currently ongoing as temporary values have been used in accordance with IFRS 3. TL 37 Million of tangible assets are recognized as part of the use of the temporary values.

4 JOINT VENTURES

None. (31 December 2011: None.)

5 OPERATING SEGMENTS

Group started to implement IFRS 8 Operating Segments as of 1 January 2009, and operation departments were designated based on internal reports regularly reviewed by the competent authority of making decision on Group's activities.

Group'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.

The amounts of domestic and export sales are given in note 28.

The distribution of department assets and liabilities pertaining to the periods ending on 30 December 2012 and 31 December 2011 is as follows

	TURKEY 31 Dec. 2012	IRAN 31 Dec. 2012	CONSOLIDATION ADJUSTMENTS 31 Dec. 2012	TOTAL 31 Dec. 2012
Assets				
Current Assets	481.138.035	865.037.298	(46.198.397)	1.299.976.936
Fixed Assets	789.414.777	369.499.657	(303.996.093)	854.918.341
TOTAL ASSETS	**1.270.552.812**	**1.234.536.955**	**(350.194.490)**	**2.154.895.277**
Liabilities				
Short Term Liabilities	717.220.782	515.137.715	(30.843.857)	1.201.514.640
Long Term Liabilities	36.905.228	83.380.957	-	120.286.185
Equities	516.426.801	636.018.282	(319.350.633)	833.094.452
TOTAL LIABILITIES	**1.270.552.811**	**1.234.536.954**	**(350.194.490)**	**2.154.895.277**

	TURKEY 31 Dec. 2011	IRAN 31 Dec. 2011	CONSOLIDATION ADJUSTMENTS 31 Dec. 2012	TOTAL 31 Dec. 2011
Assets				
Current Assets	761.100.869	1.060.884.082	(127.712.244)	1.694.272.707
Fixed Assets	657.079.461	761.474.675	(145.323.272)	1.273.230.864
TOTAL ASSETS	**1.418.180.330**	**1.822.358.757**	**(273.035.516)**	**2.967.503.571**
Liabilities				
Short Term Liabilities	996.791.229	637.811.204	(127.712.244)	1.506.890.189
Long Term Liabilities	96.494.409	162.504.064	-	258.998.473
Equities	324.894.692	1.022.043.489	(145.323.272)	1.201.614.909
TOTAL LIABILITIES	**1.418.180.330**	**1.822.358.757**	**(273.035.516)**	**2.967.503.571**

The distribution of income statements by departments for the periods ending on 31 December 2012 and 31 December 2011 is as follows:

MAIN ACTIVITY INCOMES	TURKEY 01 Jan. 2012 31 Dec. 2012	IRAN 01 Jan. 2012 31 Dec. 2012	CONSOLIDATION ADJUSTMENTS 01 Jan. 2012 31 Dec. 2012	TOTAL 01 Jan. 2012 31 Dec. 2012
Sales (Net)	1.307.788.037	951.334.013	(32.302.514)	2.226.819.536
Cost of Sales (-)	(1.249.838.615)	(362.078.676)	32.302.514	(1.579.614.777)
Gross Main Activity Profit	**57.949.422**	**589.255.337**	**-**	**647.204.759**
Marketing, Sales and Distribution Expenses	(67.891.555)	(50.443.428)	-	(118.334.983)
General Management Expenses	(15.525.662)	(31.773.422)	-	(47.299.084)
Other Incomes	28.538.227	8.625.945	-	37.164.172
Other Expenses	(6.374.106)	(15.485.469)	-	(21.859.575)
Activity Profit	**(3.303.674)**	**500.178.963**	**-**	**496.875.289**
Shares in Profit / Loss Of Investments Increase in Value Through Equity Method	(7.534.678)	-	-	(7.534.678)
Financial Income	320.307.631	125.733.359	(205.228.655)	240.812.335
Financial Expenses	(89.672.316)	(154.827.996)	(13.211.951)	(257.712.263)
Pre-Tax Profit From Maintained Activities	**219.796.963**	**471.084.326**	**(218.440.606)**	**472.440.683**
Tax Expense	(35.139.999)	(2.694.306)	-	(37.834.305)
Deferred Tax Income / (Expense)	(6.165.033)	1.591.824	-	(4.573.209)
Profit For The Period	**178.491.931**	**469.981.844**	**(218.440.606)**	**430.033.169**

MAIN ACTIVITY INCOMES	TURKEY 01 Jan. 2012 31 Dec. 2012	IRAN 01 Jan. 2012 31 Dec. 2012	CONSOLIDATION ADJUSTMENTS 01 Jan. 2012 31 Dec. 2012	TOTAL 01 Jan. 2012 31 Dec. 2012
Sales (Net)	1.233.783.871	1.068.721.856	26.112.528	2.276.393.199
Cost of Sales (-)	(1.118.219.273)	(489.397.473)	(26.112.528)	(1.581.504.218)
Gross Main Activity Profit	**115.564.598**	**579.324.383**	**-**	**694.888.981**
Marketing, Sales and Distribution Expenses	(69.646.499)	(58.631.791)	-	(128.278.290)
General Management Expenses	(11.504.168)	(42.652.428)	-	(54.156.596)
Other Incomes	8.703.060	28.850.640		37.553.700
Other Expenses	(2.264.699)	(17.935.632)	-	(20.200.331)
Activity Profit	**40.852.292**	**488.955.172**	**-**	**529.807.464**
Shares in Profit / Loss Of Investments Increase in Value Through Equity Method	(4.743.795)	-	-	(4.743.795)
Financial Income	165.971.024	31.182.824	(137.014.067)	60.139.781
Financial Expenses	(170.781.286)	(30.941.286)	8.613.207	(193.109.365)
Pre-Tax Profit From Maintained Activities	31.298.235	489.196.710	(128.400.860)	392.094.085
Tax Expense	-	(7.772.003)	-	(7.772.003)
Deferred Tax Income / (Expense)	(7.150.350)	(2.204.125)	-	(9.354.475)
Profit For The Period	**24.147.885**	**479.220.582**	**(128.400.860)**	**374.967.607**

Capital expenditures pertaining to department assets for the periods ending on 30 December 2012 and 30 December 2011 are as follows:

CAPITAL EXPENDITURE	01 Jan. - 31 Dec. 2012	01 Jan. - 31 Dec. 2011
Turkey	12.868.807	8.464.919
Iran	16.857.643	32.500.062
	29.726.450	**40.964.981**

Amortization/Depreciation expenses pertaining to department assets for the periods ending on 30 December 2011 and 30 December 2010 are as follows:

AMORTIZATION / DEPRECIATION	01 Jan. - 31 Dec. 2012	01 Jan. - 31 Dec. 2011
Turkey	3.473.571	4.125.048
Iran	48.676.985	89.078.405
	52.150.556	**93.203.453**

Product based values of regional sales are given in Note 28.

6 CASH AND CASH EQUIVALENT

	31 Aralık 2012	31 Aralık 2011
Cash	249.927	446.710
Banks - Demand Deposits	10.577.620	7.746.025
Banks - Time Deposits (<3 Months)	416.583.936	318.300.551
Goverment Bonds and Treasury Bills	2.466.162	671.200
Other Liquid Assets	220.645	546.236
Cash and Cash Equivalent	**430.098.290**	**327.710.722**

The maturities of time deposits as of 31 December 2012 and 31 December 2010 are shorter than 3 months; their values assessed according to effective interest method are as follows:

TIME DEPOSITS: FOREIGN CURRENCY						
			31 Dec. 2012		31 Dec. 2011	
Interest Rate (%)	Maturity	Foreign Currency	Amount	Amount in TL	Amount	Amount in TL
0,5-Eurolibor+0,5	Jan. 2013	EUR	9.071.067	21.332.427	2.138.252	5.225.460
7,00 - 8,00	Jan. 2013	Mil. IRR	1.038.760	75.345.604	215.269	36.122.138
0,5 - 4,65	Jan. 2013	USD	179.460.285	319.905.905	142.985.949	270.086.160
5,80	Jan. 2013	EUR	-	-	2.809.883	6.866.793
TOTAL				416.583.936		318.300.551

GOVERMENT BONDS		31 Dec. 2012		31 Dec. 2011	
Interest Rate (%)	Foreign Currency	Amount	Amount in TL	Amount	Amount in TL
17,00 - 20,00	Mill. IRR	34.000	2.466.162	4.000	671.200
TOTAL			2.466.162		671.200

7 FINANCIAL INVESTMENTS

SHORT TERM FINANCIAL INVESTMENTS

The detail of financial investments are shown as of 31 December 2012 as below:

REFLECT THE FAIR VALUE DIFFENCES OF FINANCIAL INVESTMENTS TO PROFIT OR LOSS	31 Dec. 2012	31 Dec. 2011
Private Sector Bonds and Bill	29.665.189	-
TOTAL	29.665.189	-

LONG TERM FINANCIAL INVESTMENTS

FINANCIAL ASSETS READY FOR SALE		31 Dec. 2012		31 Dec. 2011	
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 Manifacture	15,00	2.013.888	15,00	2.013.888
Tarnet Tarım Kredi Bilişim ve İletişim Hiz. A.Ş.	İnternet Service Provider etc	17,00	523.627	17,00	523.627
Tareksav	Agricultural Credit Cooperative Education Foundation		200.000		200.000
TOTAL			2.737.515		2.737.515

Financial investments ready for sale are valued with cost since they do not have an active market. Group does not expect a value decrease in financial investments.

8 BORROWINGS

	31 Dec. 2012	31 Dec. 2011
Short Term Bank Credits (Gübretaş)	346.673.180	219.984.857
Short Term Bank Credits (Tabosan)	-	13.416.977
Other Financial Payables (Razi) (*)	230.296.526	236.977.396
Total Short Term Financial Payables	**576.969.706**	**470.379.230**
Long Term Bank Credits (Gübretaş)	28.089.730	32.583.977
Long Term Bank Credits (Tabosan)	-	17.612.226
Other Financial Payables (Razi) (*)	29.055.672	49.090.897
Total Long Term Financial Payables	**57.145.402**	**99.287.100**

SHORT TERM FINANCIAL PAYABLES

BANK CREDITS			31 Dec. 2012		31 Dec. 2011	
Interest Rate(%)	Maturity	Foreign Currency	Amount	Amount in TL	Amount	Amount in TL
5,68-7,99	Jan. '13 - Apr. '13	EUR	17.041.135	40.075.638	-	-
3,56-4,60	Jan. '13 - Apr. '13	USD	30.250.188	53.923.985	-	-
5,85-11,83	Jan. '13	TL	-	252.673.557	-	-
3,13-8,00	Apr. '12	EUR	-	-	9.856.667	24.087.723
5,95	Jan. '12	USD	-	-	10.181.628	19.232.078
12,20-16,00	Jan. '12 - July '12	TL	-	-	-	176.665.056
TOTAL				346.673.180		219.984.857

TABOSAN BANK CREDITS-SHORT TERM (*)			31 Dec. 2012		31 Dec. 2011	
Interest Rate(%)	Maturity	Foreign Currency	Amount	Amount in TL	Amount	Amount in TL
8,00	October '12	EUR	-	-	5.490.211	13.416.977
TOTAL					-	13.416.977

OTHER FINANCIAL PAYABLES (*)			31 Dec. 2012		31 Dec. 2012	
Interest Rate(%)	Maturity	Foreign Currency	Amount	Amount in TL	Amount	Amount in TL
Libor + 0,5 - 4,5	Jan. '13	EUR	88.013.565	206.981.502	-	-
16	Jan. '13	Milyon IRR	321.435	23.315.024	-	-
Libor + 0,5	Jan. '12	EUR	-	-	77.118.856	188.463.060
16	Jan. '12	Milyon IRR	-	-	289.120	48.514.336
TOTAL				230.296.526		236.977.396

LONG TERM BORROWINGS

BANK CREDITS			31 Dec. 2012		31 Dec. 2011	
Interest Rate(%)	Maturity	Foreign Currency	Amount	Amount in TL	Amount	Amount in TL
5,68 - 7,99	Jan. - July '14	EUR	11.944.444	28.089.730	13.333.324	32.583.977
TOTAL				**28.089.730**		**32.583.977**

TABOSAN BANK CREDITS-LONG TERM			31 Dec. 2012		31 Dec. 2011	
Interest Rate(%)	Maturity	Foreign Currency	Amount	Amount in TL	Amount	Amount in TL
8,00	April '14	EUR	-	-	7.206.901	17.612.226
TOTAL						**17.612.226**

OTHER FINANCIAL LIABILITIES (*)			31 Dec. 2012		31 Dec. 2011	
Interest Rate(%)	Maturity	Foreign Currency	Amount	Amount in TL	Amount	Amount in TL
Libor + 0,5	March '14	EUR	12.355.178	29.055.672	20.087.936	49.090.897
TOTAL				**29.055.672**		**49.090.897**

(*) 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 Central Union of Turkish Agricultural Credit Cooperative as security for its long term credits.

9 OTHER FINANCIAL LIABILITIES

None. (31 December 2011: None).

10 TRADE RECEIVABLES AND PAYABLES

TRADE RECEIVABLES

Short Term Trade Receivables

	31 Dec. 2012	31 Dec. 2011
Trade Receivables	176.577.903	257.157.062
Trade Receivables From Related Parties (Note 37)	167.732.649	228.271.654
Note Receivables	1.635.618	1.440.420
Receivables From National Petrochemical Company ("NPC") (Razi)	37.215.257	87.928.375
Provisions For Doubtful Trade Receivables	(1.957.054)	(288.224)
Short Term Trade Receivables	**381.204.373**	**574.509.287**

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

Guarantees related to undue receivables:

	31 Dec. 2012	31 Dec. 2011
Letters of Guarantee	216.517.648	144.018.416
Collateral Checks / Notes	820.001	1.092.709
TOTAL AMOUNT	**217.337.649**	**145.111.125**

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.

Other Short Term Receivables

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

Doubtful Receivables

OVERDUE FOLLOWING THE MATURITY	31 Dec. 2012	31 Dec. 2011
Between 0 -3 Months	-	-
More Than 9 Months	1.957.054	288.224
TOTAL	**1.957.054**	**288.224**

Provision For Doubtful Receivables

	01 Jan. - 31 Dec. 2012	01 Jan. - 31 Dec. 2011
Opening Balance	288.224	334.101
Expenses in Period	1.668.830	-
Collection / Adjusting in Period	-	(45.877)
Closing Balance	**1.957.054**	**288.224**

Trade Payables

	31 Dec. 2012	31 Dec. 2011
Suppliers (Gübretaş)	278.357.134	510.351.271
Suppliers (Razi)	121.423.740	123.087.676
Payables to Related Parties (Note 37)	4.738.896	6.587.996
Payables to NPC (Razi)	60.768.048	146.581.858
Other Trade Payables	8.418.254	12.454.212
Short Term Trade Payables	**473.706.072**	**799.062.959**

The explanations of the risks quality and level of trade payables was given at Note 38.

11 OTHER RECEIVABLES AND PAYABLES

Other Short Term Receivables

	31 Dec. 2012	31 Dec. 2011
Receivables From Razi (From Minority Shares) (*) (Note 37)	43.831.897	106.360.030
Other Various Receivables (Tabosan) (**)	41.820.105	37.785.597
Tax Receivables (Razi)	9.536.069	12.910.399
Other Various Receivables	5.190.649	5.004.432
Receivables From Staff	1.400.310	2.730.992
Deposits and Guarantess Given	-	1.246.674
Other Receivables From Subsidiaries (Note 37)	10.172	-
Blocked Bank Account	-	3.886.695
Other Short Term Receivables	**101.789.202**	**169.924.819**

(*)Amount of Razi's receivables paid to Iranian Privatization Organization on behalf of minority shares, and also owed amount of minority shares.

(**)Tabosan Mühendislik İmalat ve Montaj A.Ş. (Tabosan), one of the consortium partners of the Group at the acquisition of Razi shares have filed a petition for adjournment of bankruptcy but the bankruptcy court rejected the petition and decided on the bankruptcy of Tabosan and formation of a trustee committee to manage the assets of Tabosan. The Group was the guarantor of Tabosan for the loans obtained from financial institutions during the acquisition of Razi shares. The group has paid 41.820.105 TL for the loan of Tabosan as the guarantor and and recognized this amount as other receivable from Tabosan. The Group has not provided any provision for this receivable considering its right to buy Razi shares at the initial acquisition share price and the pledged assets of Tabosan which are transferred from the financial institutions.

The Group has also requested from the trustee committee to transfer of Razi shares in the amount of the payment made in the name of Tabosan. The trustee committee has not made a decision on this subject. The negotiations between the Group and the trustee committee are ongoing as of the date of this report.

Other Long Term Receivables

	31 Dec. 2012	31 Dec. 2011
Deposits and Guarantess Given to Related Parties (Note 37) (*)	75.382.511	-
Deposits and Collateral Given	8.538.105	2.821.077
Receivables From Staff (**)	7.730.910	19.125.676
Other Long Term Receivables	**91.651.526**	**21.946.753**

(*) Deposits and guarantees are given to related parties by "Group" for transporting the products which belong to Razi.

(**) Receivables from staff are financials which are provided by Razi for its staff for housing.

Other Short Term Payables

	31 Dec. 2012	31 Dec. 2011
Payables to Iranian Privatization Org. (*)	39.633.408	101.373.237
Advances Taken	19.505.035	16.446.845
Payables to the Staff	7.587.028	12.287.905
Payable Taxes, Funds and Other Liabilities	2.875.495	1.256.075
Other Payables and Liabilities	15.853.049	4.801.944
Other Short Term Payables	**85.454.015**	**136.166.006**

Other Long Term Payables

	31 Dec. 2012	31 Dec. 2011
Payables to Iranian Privatization Org. (*)	-	40.754.944
Other Long Term Payables	**-**	**40.754.944**

(*) 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 31 December 2012, a sum of TRY 39.633.408 (31 December 2011; TRY 142.128.181) is shown in short term trade payables.

12 RECEIVABLES FROM AND PAYABLES TO FINANCE SECTOR

None. (31 December 2011: None).

13 INVENTORIES

	31 Dec. 2012	31 Dec. 2011
Raw Materials	95.678.586	165.920.539
Finished Goods	70.804.501	109.003.178
Commodities	142.037.340	243.964.456
Other Inventories	6.882.614	15.968.731
TOTAL	**315.403.041**	**534.856.904**

Group carried out net realisable value analysis for inventories and regarding to conclusion of this analysis there is no provision for inventory losses in current period. (2011: None). The inventories of Group which recorded as expense through cost have been explained in Note:28. The information was given in Note:31,which related with inventories have been recorded as expense by reason of inventory shortages.

14 LIVE ASSETS

None. (31 December 2011: None).

15 ASSETS RELATED TO ONGOING CONSTRUCTION CONTRACTS

None. (31 December 2011: 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:

	NEGMAR DENİZCİLİK YATIRIM A.Ş.		TARKİM BİTKİ KORUMA SAN.TİC.A.Ş.	
	31 Dec. 2012	31 Dec. 2011	31 Dec. 2012	31 Dec. 2011
Total Assets	25.340.331	23.680.515	20.435.167	18.935.059
Total Liabilities	263.959.158	116.875.848	6.699.315	6.713.581
Short Term Liabilities	55.679.830	45.659.316	9.938.769	9.248.820
Long Term Liabilities	215.297.759	83.942.316	-	-
Total Assets	**18.321.900**	**10.954.490**	**17.195.713**	**16.399.820**

	NEGMAR DENİZCİLİK YATIRIM A.Ş.		TARKİM BİTKİ KORUMA SAN.TİC.A.Ş.	
	31 Dec. 2012	31 Dec. 2011	31 Dec. 2012	31 Dec. 2011
Net Sales	157.850.689	183.849.262	23.598.500	16.450.840
Net Profit / Loss	(18.761.330)	(9.252.821)	869.458	560.281

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

	31 Dec. 2012	31 Dec. 2011
Negmar Denizcilik Yatırım A.Ş.	7.328.760	4.381.796
Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş.	6.878.286	6.559.928
TOTAL	**14.207.046**	**10.941.724**

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

	31 Dec. 2012	31 Dec. 2011
Negmar Denizcilik Yatırım A.Ş.	(7.853.037)	(5.259.855)
Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş.	318.359	516.060
TOTAL	**(7.534.678)**	**(4.743.795)**

17 INVESTMENT PROPERTIES

Group s properties including lands, buildings, port and warehouses at 0skenderun Sar1seki leased for 25 years to Denizciler Birlii Deniz Nakliyat1 ve Ticaret Anonim ^irketi regarding to agreement signed on 30.04.2007. Afterwards leasing agreement increased to 30 years with collateral contract.

Neither we nor our Group Companies have no association with Denizciler Birlii Deniz Nakliyat1 ve Ticaret Anonim ^irketi. But regarding to our transfer of operating rights handling job activities (like ship discharge, interval transport to warehouse, storage,bagging, entruck etc.) in 0skenderun Facilities outsourced to Denizciler Birlii. (Footnote: 22)

The fair value of investment properties of Group on 31 December 2011, was obtained through an assessment made in December 2012 by Emsal Gayrimenkul Deerleme ve Dan1_manl1k A.^. which has no relation with Group and is an independent appraisal 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.

	31 Dec. 2012			31 Dec. 2011		
	Lands and Parcels	Buildings	Total	Lands and Parcels	Buildings	Total
Net Value at the Beginning of Period	51.530.000	10.219.595	**61.749.595**	50.340.000	9.829.595	**60.169.595**
Rise in Fair Value (Note 31)	12.835.000	8.234.426	**21.069.426**	1.190.000	390.000	**1.580.000**
Net value at the end of Period	**64.365.000**	**18.454.021**	**82.819.021**	**51.530.000**	**10.219.595**	**61.749.595**

The Company had lease income amounting to TRY 1.497.150 from its investment properties and TRY 256.267 due to yield contract with Denizciler Birliği in the period ending on the date of 30 June 2011, and paid no maintenance cost. (31 December 2011: TRY 1.692.183 lease income, TRY 258.092 contract yield.)

The Group has cancelled the rent contract with Denizciler Birliği in 2012. Denizciler Birliği did npot accept the cancellation and the Group filed a lawsuit requesting evacuation in October 2012. Denizciler Birlii also protested against the request and the court ruled for a stay of exeution. Denizciler Birliği continue to provide services to the Group. The negotiations have been ongoing between the Group and Denizciler Birliği as of the date of this report.

18 TANGIBLE FIXED ASSETS

The depreciation cost and amortization of the company is TRY 52.150.556 as of 31 December 2012, and details are given below.

	GÜBRETAŞ	RAZİ	TOTAL
Amortization Cost	3.338.298	48.676.985	52.015.283
Depreciation Cost	135.273	-	135.273
TOTAL AMOUNT	**3.473.571**	**48.676.985**	**52.150.556**

Out of the total of TRY 52.150.556 depreciation and amortization costs; TRY 49.654.204 have been included in General Production Costs, TRY 566.590 in Sales and Marketing Costs, TRY 1.575.172 in General Administrative Costs, and 354.590 remained in inventories.

31 December 2011: Out of the total of TRY 93.203.453 depreciation and amortization costs; TRY 88.641.603 have been included in General Production Costs, TRY 706.303 in Sales and Marketing Costs, TRY 2.358.165 in General Management Costs, and TRY 1.497.382 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 31 December 2012 and 31 December 2011.

	LAND	SURFACE AND UNDERGROUND IMPROVOMENT	BUILDINGS
Cost Value			
Opening Balance on 1 January 2012	**112.881.326**	**12.019.576**	**137.425.916**
Translation Differences	(2.061.838)	-	(28.931.345)
Valuation Difference (*)	355.940	3.324.556	92.117.775
Purchases	65.598	532.643	11.086.954
Sales	(2.314.571)	-	(593.622)
Transfer From Ongoing Investments	-	-	389.146
Effect Of Acquasition Of Subsidiary	1.156.232	-	4.769.503
Closing Balance on 31 December 2012	**110.082.687**	**15.876.775**	**216.264.327**
Accrued Depreciation			
Opening Balance on 1 January 2012	**-**	**(9.259.775)**	**(83.474.195)**
Translation Differences	-	-	16.173.659
Valuation Difference (*)	-	(925.946)	(81.145.823)
Expenses For The Period	-	(293.590)	(3.000.469)
Sales / Cancellation	-	-	75.493
Effect Of Acquasition Of Subsidiary			
Closing Balance on 31 December 2012	**-**	**(10.478.736)**	**(151.371.335)**
Net Value on 31 December 2012	**110.082.687**	**5.398.039**	**64.892.992**
Opening Balance on 1 January 2011	**105.296.758**	**9.857.738**	**118.557.977**
Translation Differences	426.367	-	5.879.307
Valuation Difference (*)	4.843.630	-	12.003.320
Purchases	2.314.571	2.161.838	5.733.852
Sales	-	-	(4.748.539)
Closing Balance on 31 December 2011	**112.881.326**	**12.019.576**	**137.425.917**
Accured Amortization			
Opening Balance on 1 January 2011	**-**	**(9.095.976)**	**(68.699.473)**
Translation Differences	-	-	(3.355.132)
Valuation Difference (*)	-	-	(8.033.605)
Expenses For The Period	-	(163.224)	(4.733.320)
Sales / Cancellation	-	-	1.347.335
Closing Balance on 31 December 2011	**-**	**(9.259.200)**	**(83.474.195)**
Net Value on 31 December 2011	**112.881.326**	**2.760.376**	**53.951.722**

(*) The fair value of investment properties of Group on 31 December 2012, was obtained through an assessment made in December 2012 by Emsal Gayrimenkul Deerleme ve Dan1_manl1k A.^.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. Regarding to this assessment report, real estates assessed with peer comparison, lands assessed with reconstruction cost method.

FACILITY, MACHINERY AND DEVICE	VEHICLES	FIXTURES	ONGOING INVESTMENT	TOTAL
1.264.580.033	**9.019.933**	**13.076.256**	**40.751.084**	**1.589.754.124**
(686.749.989)	(4.050.130)	(6.019.695)	(22.038.202)	(749.851.199)
-	-	-	-	95.798.271
5.117.162	1.285.676	1.051.938	10.589.479	29.726.450
(383.503)	(513.713)	(74.500)	-	(3.879.909)
2.112.413	-	-	(2.501.559)	-
43.298.778	54.016	48.361	-	49.326.890
627.974.894	**5.795.782**	**8.082.360**	**26.797.802**	**1.010.874.627**
(606.750.294)	**(6.160.941)**	**(7.611.336)**	**-**	**(713.255.966)**
322.951.962	3.130.302	3.755.690	-	346.011.613
-	-	-	-	(82.071.769)
(47.104.114)	(686.566)	(930.544)	-	(52.015.283)
27.718	416.544	47.951	-	567.706
(330.874.728)	**(3.300.661)**	**(4.738.239)**	**-**	**(500.763.699)**
297.100.166	**2.495.121**	**3.344.121**	**26.797.802**	**510.110.928**
1.118.913.890	**7.213.505**	**10.934.378**	**14.676.484**	**1.385.450.730**
141.652.909	764.478	1.151.150	1.925.931	151.800.142
-	-	-	-	16.846.950
4.127.415	1.101.723	1.376.913	24.148.669	40.964.981
(114.181)	(59.773)	(386.185)	-	(5.308.678)
1.264.580.033	**9.019.933**	**13.076.256**	**40.751.084**	**1.589.754.125**
(459.702.370)	**(4.913.609)**	**(6.009.373)**	**-**	**(548.420.801)**
(60.859.396)	(616.667)	(709.811)	-	(65.541.006)
-	-	-	-	(8.033.605)
(86.287.864)	(675.259)	(1.274.644)	-	(93.134.311)
99.336	44.594	382.492	-	1.873.756
(606.750.294)	**(6.160.941)**	**(7.611.336)**	**-**	**(713.255.967)**
657.829.739	**2.858.992**	**5.464.920**	**40.751.084**	**876.498.158**

(*) The fair value of investment properties of Group on 31 December 2011, was obtained through an assessment made in June 2011 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. Regarding to this assessment report, real estates assessed with peer comparison, lands assessed with reconstruction cost method.

19 INTANGIBLE FIXED ASSETS

RIGHTS	31 Dec. 2012	31 Dec. 2011
Opening Balance on 1 January	362.523	**213.292**
Purchases	16.135	149.231
Closing Balance on 31 December	378.658	**362.523**
Accured Depreciation		
Opening Balance on 1 January	(92.192)	(23.050)
Amortization expenses for current period	(135.273)	(69.142)
Closing Balance on 31 December	(227.465)	**(92.192)**
Net Book Value	**151.193**	**270.331**

20 GOODWILL

	GOODWILL
Amount as of 31 December 2010	246.672.361
Conversation Difference	32.811.921
Amount as of 31 December 2011	279.484.282
Conversation Difference	(158.672.821)
Amount as of 31 December 2012	120.811.461

Group checks Goodwill for any possible decrease every year. Goodwill is formed by Razi's acquisition and Razi is defined as cash generator for Goodwill impairment test.This usage value calculations includes discounted after tax cash flow projections based on Turkish Lira. These projections based on annual budget confirmed by Groups Administration. On usage value calculations discount rate is taken 20%. Discount rate is after tax discount rate and it includes risks specific for the Company. Group does not determine any depreciation on Goodwill by tests using aforementioned projections as of 31 December 2012.

21 GOVERNMENT INCENTIVE AND AIDS

None. (31 December 2011: None).

22 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Debt Provisions

Short Term Debt Provision

	31 Dec. 2012	31 Dec. 2011
Provisions for Expense Accurals	41.678.338	61.350.197
Provisions for Lawsuit and Other Debts	1.920.233	1.712.780
Other Short Term Liabiliries	**43.598.571**	**63.062.977**

Lawsuit Provision;

	31 Dec. 2012	31 Dec. 2011
As of 1 January 2012	1.712.780	1.643.594
Addition	207.453	69.186
As of 31 December 2012	1.920.233	1.712.780

Total lawsuits against the Group is TL 7.728.600 (2011: 7.521.147). Denizciler Birliği Deniz Nakliyatı ve Ticaret Anonim Şirketi has filed a loss of profit lawsuit claiming for TL 5.808.367 TL in the current period. Group management, based on the opinons of the leagal experts have not provided any provision fort his lawsuit, on the other hand provided for TL 1.920.233 TL (2011: 1.712.780 TL) of provision for the remaining lawsuits.

Collateral, Pledge, Mortgage ("CPM")

As from 31 December 2012 and 31 December 2011, the tables related to the Group's tables related to Collaretal, Pledge, Mortgage position are as follows:

	31 Dec. 2012			31 Dec. 2011	
APH Given by The Company	Foreign Currency	Currency Amount	Amount in TL	Foreign Currency	Amount in TL
A. Total amount of APH's given for own legal entity (Assurance)	TL	-	7.919.317	-	6.343.272
	EUR	13.333.324	31.355.978	35.319.912	86.314.800
B. Total amount of APH's given for the partnerships included to full consolidation	-	-	-	-	-
C. APH given for guaranteeing the debts of other 3rd parties for the performance of	USD	17.248.277	30.746.779	22.236.270	42.002.090
	EUR	6.727.860	15.821.909	12.003.045	29.333.041
D. Total amount of other APH's given	-	-	-	-	-
i. Total amount of APH's given for main partner	-	-	-	-	-
ii. Total amount of APH's given for other group companies not falling into the scope of articles B and C (Assurance)	-	-	-	-	-
iii. Total amount of APH's given for 3rd parties not falling in to the scope of article	-	-	-	-	-
TOTAL			85.843.983		163.993.203

(*) The amount of joint and several guarantee issued by the Group on behalf of the consortium partners for the acquisition of Razi is TRY 15.677.975 (2011: TRY 27.153.316).

There is no other APH given by the Group. (December 31, 2011: None).

Contingent Liabilities

Natural gas expenses which are a significant part of manufacturing costs in Razi Petrochemical Co.'nun ("Razi") are invoiced by Iran National Petroleum Company ("NIOC"). Every march NIOC decides on the gas prices for that year. On 21 March 2010, NIOC have decided that the price of natural gas will ve fifteen times the previous year's price. Razi has objected to this price increase and have not recognized the additional TRY 57 Million liability in the previous period. On 19 December 2010 the natural gas prices have been reassessed and the new gas price has been set at seven times the previous year's price. All natural gas expenses are invoiced based on the new price since 19 December 2010. With regards to the price dispute between 21 March 2010 and 19 December 2011, the Iran Presidential Special Delegate on Oil Affairs have decided to set the price approximately 67% higher than the previous year's price on 13 November 2011. Razi has accepted this and recognized the additional liability based on this price. NIOC have not yet accepted this decision and have not produced new invoices based on the new price set for the period. The Group management has not recognized any provision for this uncertainty since the process with the NIOC is ongoing and the outflow of economic benefits are not probable after the decision taken on 13 November 2011.

Iran Tax Authority has performed tax assessments for the tax filings of Razi for the years ended in 2006, 2007, 2008 and 2009. As a result of these assessments, the Iran Tax Authority has identified that Razi has recognized export sales as non-taxable income. The export sales were considered as taxable by the Iran Tax Authority and Razi was imposed to a total of TRY 28 million additional tax charge. Razi has protested against this claim. Based on the opinions of legal advisors and tax experts, the Group Management has not provided any provisions in the consolidated financial statements.

The sanctions imposed on Iran by United Nations may have an effect on the operations of the subsidiary of the Group. The economic stability of the Iran depends on the measures that will be taken by the government and the outcome of the legal, administrative and political processes. These processes are beyond the control of the companies established in the country. Consequently, the entities operating within Iran must consider risks that may not necessarily be observable in other markets. These consolidated financial statements contain the Group management's estimations on the economic and financial positions of its subsidiaries and affiliates operating in Iran. The future economic situation of Iran might differ from the Group's expectations.

İskenderun State Treasury Office (Treasury) has filed a lawsuit against the Group in 2011 for the cancellation of its title deed and demanded enforced evacuation of Group s 79.350 m2 property located in the Sar1seki province of 0skenderun within the city of Hatay claiming that the property is within the shoreline. The net book value of the property is TRY 82.819.021 and has been accounted as investment property in the accompanying consolidated financial statements. The Group has objected the lawsuit asked for a new expert report for the determination of shoreline and at the same time filed another lawsuit for a compensation of its ownership right of the property. The litigation process is ongoing as of the report date. Based on the opinions of legal advisors, the Group Management has not provided any provisions in the consolidated financial statements for this lawsuit.

Tabosan Mühendislik İmalat ve Montaj A.Ş. (Tabosan), one of the consortium partners of the Group at the acquisition of Razi shares have filed a petition for adjournment of bankruptcy but the bankruptcy court rejected the petition and decided on the bankruptcy of Tabosan and formation of a trustee committee to manage the assets of Tabosan. The Group was the guarantor of Tabosan for the loans obtained from financial institutions during the acquisition of Razi shares. The group has paid 41.820.105 TL for the loan of Tabosan as the guarantor and and recognized this amount as other receivable from Tabosan. The Group has not provided any provision for this receivable considering its right to buy Razi shares at the initial acquisition share price and the pledged assets of Tabosan which are transferred from the financial institutions. The Group has also requested from the trustee committee to transfer of Razi shares in the amount of the payment made in the name of Tabosan. The trustee committee has not made a decision on this subject. The negotiations between the Group and the trustee committee are ongoing as of the date of this report.

23 COMMITMENTS

Razis' Share Purchase

Regarding to Razis' purchase agreement, all shares of Razi are put in pledge by Iranian Privatization Organisation until Group and other consortium members pay all of debts. Group and consortium members have agreed that they have no right to make any implement or change within period of pledge. Moreover, Group and consortium members gave right to Iran Privatization Organisation for selling or taking over companys' shares without any condition if any contrary to the agreement like abusing companys' rights and harm to collection of its receivables happens, with an unsubmitted notarised letter of attorney.

Group and consortium members have no right for changing articles of association of company, transffering and selling assets unless they pay all of debts or have written permission from Iranian Privatization Organization.

Forward Contracts

As of 31 December 2012, the company finalized 4 foreign currency purchasing contracts with financial institutions against currency exchange risk. The maturity date of the contracts was January 2013, and the total nominal value of contracts is US$ 20.500.000.

(As of 31 December 2011, the company finalized 10 foreign currency purchasing contracts with financial institutions against currency exchange risk. The maturity date of the contracts was January 2012, and the total nominal value of contracts is US$ 57.000.000.)

Operational Lease

The company has operational lease contracts amounting to a total of TRY 32.045 (31 December 2011: TRY 44.980). The future payment terms and amounts belonging to these transactions, which completely belong to vehicle leasing, are as follows:

YEAR	TL
2012	20.645
2013	11.400
TOTAL	**32.045**

Purchasing Commitments

Group has USD 18.821.007 accredited purchasing commitment as of 31 December 2012. (31 December 2011: USD 19.813.700).

24 PROVISIONS FOR EMPLOYEE BENEFITS

Short Term

	31 Dec. 2012	31 Dec. 2011
Holiday and Senior Incentive Provisions	3.821.514	5.312.461
Provisions for Early Retirement Salary (*)	4.725.529	10.830.482
Other Short Term Liabilities	**8.547.043**	**16.142.943**

Long Term

	31 Dec. 2012	31 Dec. 2011
Provision for termination indemnity (Gübretaş)	7.386.110	5.543.262
Provision for termination indemnity (Razi)	20.045.922	28.395.452
Provision for Early Retirement Salary (*)	34.279.364	82.481.754
Other Long Term Liabilities	**61.711.396**	**116.420.468**

As of 31 December 2012, termination indemnity liability of the company has been calculated with and annual inflation of 4,90% and discount rate of 7,00%, and by using 2,00% real discount rate (31 December 2011;4,66%). As the termination indemnity cap of the company's provision for termination indemnities is adjusted on a semi-annual basis, it is calculated as TRY 3.129 , which is valid as of the date of 1 January 2012 onwards (31 December 2011: TRY 2.805).

The termination indemnity liability amount of Razi has been discounted by discount rate of 2,74% (31.12.2011: 2,74%).

(*) While period of Razi's privatization, the right of early retirement is provided to employees and responsibility is accounted in the scope of IAS 19 by Razi.

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

	31 Dec. 2012	31 Dec. 2011
As of January 1 st	116.420.468	114.759.392
Conversion Differences	(63.202.236)	12.889.218
Paid During Year	(17.084.998)	(29.645.896)
Interest Cost	5.948.981	5.350.343
Service Cost	19.481.730	13.067.411
Acturial Income	147.451	-
As of 31 December	**61.711.396**	**116.420.468**

25 RETIREMENT PLANS

None. (31 December 2011: None)

26 OTHER ASSETS AND OTHER LIABILITIES

Other Assets

	31 Dec. 2012	31 Dec. 2011
Advances given for orders	11.048.476	17.309.051
Prepaid expenses for future months	875.107	102.696
Derivative financial assets	32.909	3.313.310
Deferred VAT	12.517.344	38.113.978
Prepaid taxes and funds	2.805.800	9.255.961
Work advances	9.434.173	10.143.597
Other various current assets	5.103.032	9.032.382
Other current assets	**41.816.841**	**87.270.975**

Other Fixed Assets

	31 Dec. 2012	31 Dec. 2011
Advances given for orders	23.240.046	6.382.585
Other various current assets	8.954.976	7.697.783
Other current assets	**32.195.022**	**14.080.368**

Other Short-Term Liabilities

	31 Dec. 2012	31 Dec. 2011
Advances received	1.334.924	661.454
Incomes of future months	96.102	96.102
Accured expenses	4.369.501	4.192.791
Other short term liabilities	**5.800.527**	**4.950.347**

27 EQUITY CAPITAL

Paid-in Capital

The equity structure as of 31 December 2012 and 31 December 2011 is as follows:

	31 Dec. 2012		31 Dec. 2011	
Name	Share Rate	Share Amount	Share Rate	Share Amount
Central Union of Turkish Agricultural Credit Cooperative	75,95%	63.421.152	75,95%	63.421.152
Other	24,05%	20.078.848	24.05%	20.078.848
TOTAL	**100,00%**	**83.500.000**	**100,00%**	**83.500.000**

Company is dependent on paid-in capital system. As of balance sheet date maximum registered capital is 200.000.000 TL (2010: 200.000.000 TL). Company's capital is formed 8.350.000.000 pieces stocks. (2011: 8.350.000.000) Stocks' nominal value is 0,01 TL. (2011: 0,01 TL)

Appreciation Fund

The total of appreciation fund is TRY 158.173.718, out of which TRY 122.516.608 portion belongs to fixed asset appreciation fund, TRY 35.593.511 belongs to investment properties and 63.599 TL portion on the other hand belongs to financial assets appreciation fund (31 Aralık 2011: 35.593.511 TL investment properties appreciation fund, TRY 109.476.430 fixed asset appreciation fund, 63.599 TL financial assets appreciation fund).

31 December 2012	Land and Buildings	Investment Properties	Other	Total
Appreciation fund (Beginning of period)	109.476.430	35.593.511	63.599	145.133.540
Fair appreciation	13.726.503	-	-	13.726.503
Appreciation effect on deffered tax	(686.325)	-	-	(686.325)
Net value on end of period	**122.516.608**	**35.593.511**	**63.599**	**158.173.718**

31 December 2011	Land and Buildings	Investment Properties	Other	Total
Appreciation fund (Beginning of period)	101.103.752	35.593.511	63.599	136.760.862
Fair appreciation	8.813.347	-	-	8.813.347
Appreciation effect on deffered tax	(440.669)	-	-	(440.669)
Net value on end of period	**109.476.430**	**35.593.511**	**63.599**	**145.133.540**

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 31 December 2012 and 31 December 2011:

	31 Dec. 2012	31 Dec. 2011
Lefal reserves	9.533.275	7.721.624
Real estate sales gain to be added to capital	1.330.243	1.330.243
TOTAL	**10.863.518**	**9.051.867**

Foreign Exchance Translation

	31 Dec. 2012	31 Dec. 2011
Amount of beginning of period	138.791.401	65.434.276
Exchanges differences on behalf of abroad companys' net assets conversation differences	(325.829.718)	73.357.125
Amount of end of period	**(187.038.317)**	**138.791.401**

Regarding to legal records of company the sum of sources available for distribute is TRY 171.911.199 (2011: TRY 82.494.494).

28 SALES AND COST OF SALES

Sales Income

	01.01.2012 31.12.2012	01.01.2011 31.12.2011
Domestic Sales	1.408.387.571	1.362.743.767
Overseas Sales	852.720.096	924.656.401
Sales Returns (-)	(481.476)	(332.070)
Sales Discounts (-)	(8.811.580)	(8.877.925)
Other Discounts from Sales (-)	(24.995.075)	(1.796.974)
Net Sales	**2.226.819.536**	**2.276.393.199**

Sales Amounts

	UNIT	01.01.2012 31.12.2012	01.01.2011 31.12.2011
a) Gübre Fabrikaları T.A.Ş.			
TSP Triple Super Phosphate	Ton	23.921	24.383
NKP Compound Fertilizer	Ton	531.856	583.256
Urea	Ton	229.671	233.656
Ammonium Nitrate	Ton	262.549	241.418
DAP	Ton	149.847	156.124
Ammonium Sulphate	Ton	97.555	87.328
CAN	Ton	236.637	197.042
Potasium Sulphate	Ton	4.838	7.527
Map	Ton	367	345
Other	Ton	955	997
TOTAL	Ton	1.538.196	1.532.076
Liquid Fertilizer	Lt	1.332.952	872.611
Powder Fertilizer	Kg	11.900.683	9.300.603
b) Razi Co.			
Sulphur	Ton	319.801	354.520
Ammonia	Ton	496.105	736.113
Sulphuric Acid	Ton	126.874	127.805
Urea	Ton	364.588	393.971
Dap	Ton	1.551	19.972
TOTAL	Ton	1.308.919	1.632.381

Cost of Sales (-)

	01.01.2012 31.12.2012	01.01.2011 31.12.2011
Cost of Goods Produced	660.352.663	842.778.170
Change in the goods inventory	38.198.677	(78.897.585)
Goods at the beginning of the period	109.003.178	30.105.593
Goods at the end of the period	(70.804.501)	(109.003.178)
Cost of Goods Sold	698.551.340	763.880.585
Merchandise inventories at the beginning of the period	243.964.456	162.450.301
Purchases	758.308.005	898.755.487
Merchandise inventories at the end of the period	(142.037.340)	(243.964.456)
Cost of Merchandise Sold	860.235.121	817.241.332
Cost of Other Sales	20.828.316	382.301
Total Cost of Sales	1.579.614.777	1.581.504.218

Production Volume

	UNIT	01.01.2012 31.12.2012	01.01.2011 31.12.2011
a) Gübre Fabrikaları T.A.Ş.			
TSP Triple Superphosphate	Ton	120.240	114.300
NKP Compound Fertilizer	Ton	361.293	414.711
Total	**Ton**	**481.533**	**529.011**
Liquid Fertilizer	**Lt**	**1.260.982**	**721.255**
Powder Fertilizer	**Kg**	**4.240.180**	**1.952.567**
b) Razi Co.			
Sulphur	Ton	350.950	383.262
Ammonia	Ton	738.601	997.684
Sulphuric Acid	Ton	126.101	137.875
Urea	Ton	336.170	452.502
Dap	Ton	-	27.945
Total	**Ton**	**1.551.822**	**1.999.268**

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

	01.01.2012 31.12.2012	01.01.2011 31.12.2011
Marketing, Sales and Distribution Expenses (-)	118.334.983	128.278.290
Personnel Expenses	7.155.266	4.753.272
Outsourced Utilities and Services	97.429.398	102.278.951
Amortization	566.590	706.303
Taxes, Duties and Levies	123.540	220.313
Various Expenses	13.060.189	20.319.451
General Adminisrative Expenses (-)	47.299.084	54.156.596
Personnel Expenses	33.743.979	38.907.761
Outsourced Utilities and Services	3.435.921	4.486.735
Amortization	1.575.172	2.358.165
Taxes, Duties and Levies	2.067.833	570.061
Various Expenses	6.476.179	7.833.874
Total Operational Expenses	165.634.067	182.434.886

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

30 QUALITATIVE DISTRIBUTION OF EXPENSES (-)

	01.01.2012 31.12.2012	01.01.2011 31.12.2011
Personnel Expenses	40.899.245	43.661.033
Outsourced Utilities and Services	100.865.319	106.765.686
Amortization	2.141.762	3.064.468
Taxes, Duties and Levies	2.191.373	790.374
Various Expenses	19.536.368	28.153.325
TOTAL	165.634.067	182.434.886

31 INCOME/EXPENSES FROM OTHER OPERATIONS

Incomes from Other Operations

	01.01.2012 31.12.2012	01.01.2011 31.12.2011
Investment Properties Appreciation	21.069.426	1.580.000
Leasing and Holding Income	1.752.072	5.327.697
Fixed Asset Sale Income	714.682	1.949.763
Stock Difference	1.595.802	1.698.776
Insuarence Damage Amount	340.128	223.305
Electricity, Steam and Carbon Sales	7.452.382	15.007.512
Other	4.239.680	11.766.647
TOTAL	37.164.172	37.553.700

Expenses from Other Operations (-)

	01.01.2012 31.12.2012	01.01.2011 31.12.2011
Provision Expenses (Note 10)	1.668.830	2.649
Early Retirement Payments	-	5.467.644
Demurrage and Dispatch	123.970	244.019
Stock Differences	780.148	807.447
Environment Tax	8.699.118	10.161.528
Donations and Grants	2.019.305	55.000
Other Losses	8.568.204	3.519.693
TOTAL	21.859.575	20.200.331

32 FINANCIAL INCOMES

	01.01.2012 31.12.2012	01.01.2011 31.12.2011
Interest Incomes	29.988.476	21.365.451
Foreign Exhange Profits	192.308.704	21.986.263
Sales Delay Interest	16.960.038	13.993.034
Other Financial Incomes	1.555.117	2.795.033
TOTAL	**240.812.335**	**60.139.781**

33 FINANCIAL EXPENSES (-)

	01.01.2012 31.12.2012	01.01.2011 31.12.2011
Credit Interest and Foreign Exchange Difference Costs (Net)	76.527.042	146.199.951
Foreign Exchange Differences	169.372.002	28.874.470
Other Interest Costs	626.233	5.078.183
Purchase Delay Interest	11.186.986	12.956.761
TOTAL	**257.712.263**	**193.109.365**

34 NON-CURRENT ASSETS HELD FOR SALES AND DISCONTINUED OPERATIONS

None. (31 December 2011: 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 2012 was 20% (2010: 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 (2011: 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 2011: 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 31 December 2012 is as follows:

	31.12.2012	31.12.2011
2010 Tax Liability (Razi)	-	10.061.288
Provision For Corporate Tax	9.719.187	7.772.003
Pre-Paid Tax	(2.280.481)	(707.564)
TOTAL	**7.438.706**	**17.125.727**

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	31 Dec. 2012		31 Dec. 2011	
Deferred Tax	Provisional Differences	Deferred Tax, Assets and Liab.	Provisional Differences	Deferred Tax, Assets and Liab.
Provision for Termination Indemnity	8.446.712	1.689.342	6.216.259	1.243.252
Expense Accrual	63.469	12.699	221.781	44.356
Receivables Rediscount	3.113.200	622.640	4.632.067	926.413
Inventories	8.942.840	1.788.568	5.938.344	1.187.669
Tangible Fixed Assets	17.602.346	3.520.469	14.796.371	2.959.274
Other	1.918.272	383.654	1.748.695	349.741
Loss of Previous Year	-	-	41.416.562	8.283.312
Deferred Tax Assets	**40.086.866**	**8.017.372**	**74.970.079**	**14.994.017**
Valuation Difference for Current Value	166.498.651	8.324.933	152.705.201	7.635.260
Payables Rediscount	308.862	61.772	935.096	187.019
Value Increase in Investment Properties	21.069.426	1.053.471	17.347.833	867.392
Other	32.909	6.583	3.911.036	782.205
Deferred Tax Liabilities	**187.909.848**	**9.446.759**	**174.899.166**	**9.471.876**
Net Deferred Tax Asset		**(1.429.387)**		**5.522.141**
Razi Co. Deferred Tax Asset / Liability		**238.629**		**(2.535.961)**
Total Deferred Tax Asset		**(1.194.758)**		**2.986.176**

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

	01.01.2012 31.12.2012	01.01.2011 31.12.2011
Amount to be used until 2013	-	14.420.999
Amount to be used until 2014	-	26.995.563
	-	**41.416.562**

Information related to deferred tax transaction table:

AMOUNT REFLECTED TO INCOME STATEMENT		
Deferred Tax Asset / Liability Transactions	**31 Dec. 2012**	**31 Dec. 2011**
Opening Balance on 1 January	2.986.176	12.967.425
Impact Of Conversion Difference Of Deferred Tax Of Razi	1.078.600	(186.105)
Sub Total	**4.064.776**	**12.781.320**
Deferred Tax (Income) / Expense	(4.573.209)	(9.354.475)
Deferred Tax Expense Of Appreciation Related With Tangible Assets Accounted Directly In Equity	(686.325)	(440.669)
Balance Sheet Outstanding At The End Of Period	**(1.194.758)**	**2.986.176**

Tax Provision Agreement:

	01.01.2012 31.12.2012	01.01.2011 31.12.2011
Pre-Tax Profit / (Loss)	472.440.683	392.094.085
	20%	20%
Calculated Tax	(94.488.136)	(78.418.817)
Impact Of Foreign Subsidiaries Subjecte To Different	(19.725.121)	(24.459.835)
Impact Of Expenditure Tax Not Recognized Legally	(125.953.084)	(147.631.235)
Tax Effects Of Discount And Exemptions	194.561.349	233.543.831
Other Differences Unrelated To Tax	3.197.478	(160.422)
Tax Income / Expense	**(42.407.514)**	**(17.126.478)**

36 EARNINGS PER SHARE

The weighted average of the shares and profit per share calculations of the company as of 31 December 2012 and 31 December 2011 are as follows.

	31 Aralık 2012	31 Aralık 2011
Net Profit / (Loss) Of The Period	189.788.214	129.995.209
Number Of Weighted Average Shares	8.350.000.000	8.350.000.000
Profit / Loss Per Share (TL)	**0,0227**	**0,0156**

37 STATEMENTS OF RELATED PARTIES

TRANSACTIONS REALIZED WITH RELATED PARTIES WITHIN THE PERIOD

Trade Receivables And Payables

	31 Dec. 2012	31 Dec. 2011
Trade Receivables (Main Shareholder)		
Central Union Of Turkish Agricultural Credit Cooperatives	167.732.649	228.271.654
Total	167.732.649	228.271.654
Other Receivables (Subsidiaries and Related Parties)		
Negmar Denizcilik A.Ş.	53.653.876	-
Other Related Parties	21.738.807	-
Total	**75.392.683**	
Other Receivables (Minority Share)		
Minority Shares	43.831.897	106.360.030
Total	43.831.897	**106.360.030**
Trade Payables (Affiliates)		
Tarkim Bitki Koruma San. ve Tic.. A.Ş.	-	47.259
Negmar Denizcilik A.Ş.	4.711.107	6.436.487
Tarnet A.Ş.	27.789	104.250
Total	4.738.896	**6.587.996**

Average maturity of sales to Central Union of Turkish Agricultural Credit Cooperatives are 15 days. Hence there aren't any delays in collection of revenues, there aren't interest rate implemented. Other receivables are amount of Razi's receivables paid to Iranian Privatization Organization on behalf of minority shares, and also owed amount of minority shares.

Sales - Purchases

SALES (MAIN SHAREHOLDER)	Type	31 Dec. 2012	31 Dec. 2011
Agricultural Credit Coop. Central Union	Goods	983.577.287	968.870.573
Sales (Subsidiaries)			
Negmar Denizcilik A.Ş. and Subsidiaries (*)	Goods	1.264.867	-
Tarkim Bitki Koruma San. ve Tic. A.Ş.	Goods	135.153	223.826
TOTAL		**984.977.307**	**969.094.399**

PURCHASES (SUBSIDIARIES)	Type	31 Dec. 2012	31 Dec. 2011
Tarkim Bitki Koruma San. ve Tic. A.Ş.	Goods	459.300	396.324
Negmar Denizcilik A.Ş. and Subsidiaries (*)	Service	84.045.623	119.408.136
Tarnet A.Ş.	Service	449.619	225.850
TOTAL		**84.955.542**	**120.030.310**

(*) Group gets service for logistics and handling from Negmar Denizcilik A.Ş. and its affiliates. Service's due payment is 7 days.

Benefits Provided to Top Management

The total benefits the company has provided to its top managers as of 31 December 2012 shown below table:

	31 Dec. 2012		31 Dec. 2011	
	Gübretaş	Razi	Gübretaş	Razi
Short Term Benefits To Employees (*)	1.380.473	1.897.064	1.172.799	1.586.918
TOTAL	**1.380.473**	**1.897.064**	**1.172.799**	**1.586.918**

(*) inc. attendance fees to board of directors too.

38 FINANCIAL RISK MANAGEMENT

Targets, Objectives and Policies of Financial Risk Management

The Group 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 Group prepares daily cash report and cash management strategies are developed by managers taking into consideration all the information said. The Group has Risk Control Directorate tied to CFO, reporting top management and related units. Also the Group has Risk Monitoring and Financial Control Unit under Finance Directorate.The Group undertakes cash planning through forward-looking cash flow reports.

The financial instruments that the Group 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 Group. The Group has also financial instruments such as trade receivables and trade payables, which directly arise from the operations of the Group.

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

Credit Risk

The Group is subjected to credit risk because of its trade receivables arising from the forward sales of the Group. 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 Group 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. (Footnote:10). Approximately 44% of Group sales are related to the main shareholder Turkish Agricultural Credit Cooperatives Central Union.

The credit risks being subjected by the financial instrument types as of 31 December 2012 and 31 December 2011 are as follows:

	RECEIVABLES TRADE RECEIVABLES RELATED PARTY	 OTHER PARTY
31.12.2012		
Maximum Credit Risk Exposed As Of Reporting Date (A+B+C+D+E) (*)	167.732.649	213.473.724
Part Of Maximum Risk Secured By Guarantee, etc. (**)	-	213.473.724
A. Netbook Value Of Financial Assets Which Are Undue Or Are Not Exposed To Depredation	167.732.649	201.765.855
Part Of Asset Secured By Guarantee, etc.	-	201.765.855
B. Value Of Financial Assets Of Which Terms Are Re-Negotiated, Otherwise They Shall Be Overdue Or Be Exposed To Depredation (2)	-	-
C. Net Book Value Of Assets Which Are Overdue But Not Exposed To Depredation (3)	-	11.707.828
Part Of Asset Secured By Guarantee, etc.	-	11.707.828
D. Net Book Value Of Assets Which Are Exposed To Depredation	-	-
Overdue (Gross Book Value)	-	1.957.054
Value Decrease (-)	-	(1.957.054)
Part Of Net Value Secured By Guarantee, etc.	-	-
Undue (Gross Book Value)	-	-
Value Decrease (-)	-	-
Part Of Asset Secured By Guarantee, etc.	-	-
E. Off-Balance Sheet Elements Carrying Credit Risk	-	-
31.12.2011		
Maximum Credit Risk Exposed As Of Reporting Date (A+B+C+D+E) (*)	228.271.654	346.237.633
Part Of Maximum Risk Secured By Guarantee, etc. (**)	-	154.280.699
A. Netbook Value Of Financial Assets Which Are Undue Or Are Not Exposed To Depredation	228.271.654	337.068.059
Part Of Asset Secured By Guarantee, etc.	-	145.11.125
B. Value Of Financial Assets Of Which Terms Are Re-Negotiated, Otherwise They Shall Be Overdue Or Be Exposed To Depredation (2)	-	-
C. Net Book Value Of Assets Which Are Overdue But Not Exposed To Depredation (3)	-	9.169.574
Part Of Asset Secured By Guarantee, etc.	-	9.169.574
D. Net Book Value Of Assets Which Are Exposed To Depredation	-	-
Overdue (Gross Book Value)	-	288.224
Value Decrease (-)	-	(288.224)
Part Of Net Value Secured By Guarantee, etc.	-	-
Undue (Gross Book Value)	-	-
Value Decrease (-)	-	-
Part Of Asset Secured By Guarantee, etc.	-	-
E. Off-Balance Sheet Elements Carrying Credit Risk	-	-

(*) Guarantees taken, which provides increase in credit reliability didn't consider while calculating.

(**) Guarantees are guarantee bonos, guarantee checks and guarantee mortgages from clients.

RECEIVABLE OTHER RECEIVABLE RELATED PARTY	RECEIVABLE OTHER RECEIVABLE OTHER PARTY	DEPOSITS IN BANK	DERIVATIVE FINANCIAL INSTRUMENTS	CASH AND CASH EQUIVALENT
119.224.580	57.947.133	427.167.556	32.909	2.936.734
-	-	-	-	-
119.224.580	57.947.133	427.161.556	-	2.936.734
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	32.909	-
106.360.030	69.780.066	326.046.576	3.313.310	1.664.146
-	-	-	-	-
106.360.030	69.780.066	326.046.576	-	1.664.146
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	3.313.310	-

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

CURRENT PERIOD (31 Dec. 2012)	Receivables Commercial Receivables	Other Receivables	Deposits In Bank	Derivative Financial Instrument	Other
1-30 Days Overdue	7.276.380	-	-	-	-
1-3 Months Overdue	2.711.988	-	-	-	-
3-12 Montgs Overdue	1.533.512	-	-	-	-
1-5 Years Overdue	185.948	-	-	-	-
Total	**11.707.828**	**-**	**-**	**-**	**-**
Part of Asset Secured By Guarantee, etc.	11.707.828	-	-	-	-

PREVIOUS PERIOD (31 Dec. 2012)	Receivables Commercial Receivables	Other Receivables	Deposits In Bank	Derivative Financial Instrument	Other
1-30 Days Overdue	3.981.919	-	-	-	-
1-3 Months Overdue	3.623.069	-	-	-	-
3-12 Montgs Overdue	1.530.756	-	-	-	-
1-5 Years Overdue	33.830	-	-	-	-
Total	**9.169.574**	**-**	**-**	**-**	**-**
Part of Asset Secured By Guarantee, etc.	9.169.574	-	-	-	-

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 31 December 2012 and 31 December 2011:

31 Dec. 2012 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	**1.199.075.722**	**1.199.642.645**	**746.539.957**	**423.563.221**	**29.539.467**	**-**
Financial Payables	634.115.108	634.373.168	346.931.221	258.386.275	29.055.671	-
Trade Payables	473.706.072	474.014.935	351.416.846	122.598.089	-	-
Other Payables	85.454.015	85.454.015	42.391.363	42.578.857	483.796	-
Other Liabilities	5.800.527	5.800.527	5.800.527	-	-	-
Derivative Financial Liabilities	**73.483.409**	**73.483.409**	**73.483.409**	**-**	**-**	**-**
Derivative Cash Inflow	36.758.159	36.758.159	36.758.159	-	-	-
Derivative Cash Outflow	36.725.250	36.725.250	36.725.250	-	-	-

31 Dec. 2012 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	**1.564.697.477**	**1.566.100.536**	**812.356.852**	**590.091.199**	**90.355.916**	**73.296.569**
Financial Payables	569.666.330	570.134.293	210.769.432	236.977.396	49.090.897	73.296.569
Trade Payables	799.062.960	799.998.056	561.516.001	238.482.055	-	-
Other Payables	176.920.949	176.920.949	21.024.182	114.631.748	41.265.019	-
Other Liabilities	19.047.238	19.047.238	19.047.238	-	-	-
Derivative Financial Liabilities	**214.516.510**	**214.516.510**	**214.516.510**	**-**	**-**	**-**
Derivative Cash Inflow	108.914.910	108.914.910	108.914.910	-	-	-
Derivative Cash Outflow	105.601.600	105.601.600	105.601.600	-	-	-

Market and Currency Risk

The Group 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 Group's inputs from operations in Turkey is over foreign currency and almost all of the sales are realized with prices determined over TRY.

Besides sales prices are determined over TRY, 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 Group 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 December 2012 and 31 December 2011 is as follows;

Foreign Exchange Position

CURRENT PERIOD (31 Dec. 2012)	IN TL (Functional Currency)	In US Dolar	EUR	Milyon IRR	YEN
1. Trade Receivables	284.626.765	9.229.580	14.844.937	3.190.368	-
2a. Monetary Financial Assets (Including Cash, Bank Account)	446.954.082	197.101.425	20.052.652	667.411	2.715.101
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current Assets (1+2+3)	**731.580.847**	**206.331.005**	**34.897.589**	**3.857.779**	**2.715.101**
5. Trade Receivables	91.817.714	42.287.956	-	226.693	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Fixed Assets (5+6+7)	**91.817.714**	**42.287.956**	**-**	**226.693**	**-**
9. Total Assets (4+8)	**823.398.561**	**248.618.961**	**34.897.589**	**4.084.472**	**2.715.101**
10. Trade Payables	581.967.500	159.778.883	4..087.424	3.725.778	-
11. Financial Liabilities	324.296.148	30.250.188	105.054.700	321.587	-
12a. Monetary Other Liabilities	395.249	221.726	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	-
13. Short Term Liabilities (10+11+12)	**906.658.897**	**190.250.797**	**109.142.124**	**4.047.365**	**-**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	57.145.419	-	24.299.621	-	-
16a. Monetary Other Liabilities	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-
17. Long Term Liabilities (14+15+16)	**57.145.419**	**-**	**24.299.621**	**-**	**-**
18. Total Liabilities (13+17)	**963.804.316**	**190.250.797**	**133.441.745**	**4.047.365**	**-**
19. Net Asset / (Liability) Position Of Off-Balance Sheet Derivative Financial Instruments Over Foreign Currency (19a-19b)	36.543.300	20.500.000	-	-	-
19a. Amount Of Of-Balance Sheet Derivative Products Having Active Character And Over Foreign Currency	36.543.300	20.500.000	-	-	-
19b. Amount Of Of-Balance Sheet Derivative Products Having Passive Character And Over Foreign Currency	-	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	(103.862.455)	78.868.164	(98.544.156)	37.107	2.715.101
21. Monetary Items Net Foreign Exchange Asset / (Liability) Position (Ifrs 7.B23 (=1+2a+5+6a+10-11-12a-14-15-16a)	(140.405.755)	58.368.164	(98.544.156)	37.107	2.715.101
22. Total Fair Value Of Financial Instruments Use In Foreign Currency Hedge	-	-	-	-	-
23. Amount Of Hedge Portion Of Foreign Currency Assets	-	-	-	-	-
24. Amount Of Hedge Portion Of Foreign Currency Liabilities	-	-	-	-	-
25. Export	735.910.974	412.830.100	-	-	-
26. Import	757.412.946	414.304.644	7.798.765	-	-

CURRENT PERIOD (31 Dec. 2012)	IN TL (Functional Currency)	In US Dolar	EUR	Milyon IRR
1. Trade Receivables	410.806.141	181.170	2.765.323	2.405.876
2a. Monetary Financial Assets (Including Cash, Bank Account)	358.009.527	143.861.540	17.801.764	254.860
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	**768.815.668**	**144.042.710**	**20.567.087**	**2.660.736**
5. Trade Receivables	21.915.519	-	-	130.605
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Fixed Assets (5+6+7)	**21.915.519**	**-**	**-**	**130.605**
9. Total Assets (4+8)	**790.731.187**	**144.042.710**	**20.567.087**	**2.791.341**
10. Trade Payables	808.721.717	264.377.903	711.497	1.833.132
11. Financial Liabilities	413.967.225	10.000.000	75.733.853	1.251.489
12a. Monetary Other Liabilities	532.155	262.986	14.479	-
12b. Non-Monetary Other Liabilities	-	-	-	-
13. Short Term Liabilities (10+11+12)	**1.223.221.097**	**274.640.889**	**76.459.829**	**3.084.621**
14. Trade Payables	136.542.749	-	-	813.723
15. Financial Liabilities	99.287.100	-	40.628.161	-
16a. Monetary Other Liabilities	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. Long Term Liabilities (14+15+16)	**235.829.849**	**-**	**40.628.161**	**813.723**
18. Total Liabilities (13+17)	**1.459.050.946**	**274.640.889**	**117.087.990**	**3.898.344**
19. Net Asset / (Liability) Position Of Off-Balance Sheet Derivative Financial Instruments Over Foreign Currency (19a-19b)	107.667.300	57.000.000	-	-
19a. Amount Of Of-Balance Sheet Derivative Products Having Active Character And Over Foreign Currency	107.667.300	57.000.000	-	-
19b. Amount Of Of-Balance Sheet Derivative Products Having Passive Character And Over Foreign Currency	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	(560.652.459)	(73.598.179)	(96.520.903)	(1.107.003)
21. Monetary Items Net Foreign Exchange Asset / (Liability) Position (Ifrs 7.B23 (=1+2a+5+6a+10-11-12a-14-15-16a)	(432.940.215)	(73.598.179)	(96.520.903)	(345.905)
22. Total Fair Value Of Financial Instruments Use In Foreign Currency Hedge	-	-	-	-
23. Amount Of Hedge Portion Of Foreign Currency Assets	-	-	-	-
24. Amount Of Hedge Portion Of Foreign Currency Liabilities	-	-	-	-
25. Export	942.390.210	489.787.165	7.051.000	-
26. Import	1.004.600.522	531.844.206	-	-

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 31 December 2012 and 31 December 2011, 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 (31.12.2012)		PREVIOUS PERIOD (31.12.2011)	
	Profit / Loss		Profit / Loss	
	Foreign Currency Appreciates	Foreign Currency Depreciates	Foreign Currency Appreciates	Foreign Currency Depreciates
In Case US Dollar Currency Appreciates/Depreciaes by 10 Percent				
1- Net Asset / Liability of US Dollar	10.404.709	(10.404.709)	(13.901.960)	13.901.960
2- Value Secured Against US Dollar (-)			-	-
3- Net Effect Of US Dollar (1+2)	*10.404.709*	*(10.404.709)*	*(13.901.960)*	*13.901.960*
In Case Euro Currency Appreciates/Depreciaes by 10 Percent				
4- Net Asset / Liability of Euro	(23.174.629)	23.174.629	(23.587.778)	23.587.778
5- Value Secured Against Euro (-)			-	-
6- Net Effect Of Euro (4+5)	*(23.174.629)*	*23.174.629*	*(23.587.778)*	*23.587.778*
In Case Iranian Riyal Currency Appreciates/Depreciaes by 10 Percent				
7- Net Asset / Liability of Iranian Riyal	269.028	(269.028)	(18.575.512)	18.575.512
8- Value Secured Against Iranian Rial Risk			-	-
9- Net Effect Of Iranian Riyal (7+8)	*269.028*	*(269.028)*	*(18.575.512)*	*18.575.512*
10- Net Effect Of Other Foreign Currencies	*5.594*	*(5.594)*	*-*	*-*
TOTAL (3+6+9+10)	(12.495.298)	12.495.298	(56.065.250)	56.065.250

As explained in Note 2, the Group management has used the rates published by the Foreign Exchange Center ("Center") monitored by Central Bank of Iran Islam Republic. Had the Group used Turkish Lira /Iran Riyal market rate based on expected American Dollar/Iran Riyal market rate and the current Turkish Lira/ American Dollar rate net income would increase by approximately TRY 12Million and the foreign currency adjustments would decrease by TL 44Million.

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 31December 2012 and 31 December 2011 is as follows

INTEREST POSITION TABLE			
		Current Period	Previous Period
	Fixed Interest Financial Instruments		
Financial Liabilities		512.025.739	424.601.611
	Floating Rate Financial Instruments		
Financial Liabilities		122.089.369	172.707.507

Since floating 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 31.12.2012 and all other variables remained fixed, the profit/loss before taxation and consolidated equity of participations would be low/high by TRY 347.223 (31 December 2011: TRY 241.727).

Capital Management

In capital management, the Group 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 Group 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 31 December 2012 and 31 December 2011 is as follows:

	31 Dec. 2012	31 Dec. 2011
Total Debts	1.321.800.825	1.765.888.662
Default Values (-)	(430.098.290)	(327.710.722)
Net Debt	**891.702.535**	**1.438.177.940**
Total Equity Capital	833.094.452	1.201.614.909
Net Debt / Total Capital Ratio	**107%**	**120%**

39 FINANCIAL INSTRUMENTS

Financial instruments categories and fair values

	CREDITS AND RECEIVABLES	FINANCIAL ASSETS AVAIBLE FOR SALE	VALUATION DIFFERENCE REFLECTED FINANCIAL INVESTMENTS	FINANCIAL LIABILITIES INDICATED OVER ITS AMORTIZED VALUE	BOOK VALUE	NOTE
31 Dec. 2012						
Financial Assets						
Cash And Cash Equivalents	430.098.290	-	-	-	430.098.290	6
Trade Receivables	213.471.724	-	-	-	213.4471.724	10
Receivables From Relevant Parties	167.732.649	-	-	-	167.732.649	37
Other Receivables	193.440.728	-	-	-	193.440.728	11, 37
Other Financial Assets	-	2.737.515	29.665.189	-	32.402.704	7
Derivative Financial Assets	-	-	32.909	-	32.909	26
Financial Liabilities						
Financial Payables	-	-	-	634.115.108	634.115.108	8
Trade Payables	-	-	-	468.967.176	468.967.176	10
Liabilities To Revelant Parties	-	-	-	4.738.896	4.738.896	37
Other Liabilities	-	-	-	85.454.015	85.454.015	11
31 Dec. 2011						
Financial Assets						
Cash And Cash Equivalents	327.710.722	-	-	-	327.710.722	6
Trade Receivables	346.237.633	-	-	-	346.237.633	10
Receivables From Relevant Parties	228.271.654	-	-	-	228.271.654	37
Other Receivables	191.871.572	-	-	-	191.871.572	11, 37
Other Financial Assets	-	2.737.515	-	-	2.737.515	7
Derivative Financial Assets	-	-	3.313.310	-	3.313.310	26
Financial Liabilities						
Financial Payables	-	-	-	569.666.330	569.666.330	8
Trade Payables	-	-	-	792.474.963	792.474.963	10
Liabilities To Revelant Parties	-	-	-	6.587.996	6.587.996	37
Other Liabilities	-	-	-	176.920.950	176.920.950	11

Regarding to Group Administration; financial tools' book values reflects the fair values.

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		
Financial Assets	**31 Dec. 2012**	**1st Level TRY**	**2nd Level TRY**	**3rd Level TRY**
Financial Assets Ready For Sale	2.737.515	-	-	2.737.515
Financial Assets, Of Which Fair Value Difference Is Reflected On Profit / Loss	29.665.189	-	29.665.189	-
Derivative Financial Instruments	32.909	-	32.909	-
TOTAL	**32.435.613**	**-**	**29.698.098**	**2.737.515**

		FAIR VALUE LEVEL AS OF REPORTING DATE		
Financial Assets	**31 Dec. 2012**	**1st Level TRY**	**2nd Level TRY**	**3rd Level TRY**
Financial Assets Ready For Sale	2.737.515	-	-	2.737.515
Derivative Financial Instrument	3.313.310	-	3.313.310	-
TOTAL	**6.050.825**	**-**	**3.313.310**	**2.737.515**

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.

NOTES

GÜBRE FABRİKALARI T.A.Ş.
Esentepe, Kasap Sokak No:22 34394 Şişli-İstanbul/TURKEY
T +90 212 376 50 50   F +90 212 274 00 96
www.gubretas.com.tr

GÜBRETAŞ IS AN AFFILIATE OF THE TURKISH AGRICULTURAL CREDIT COOPERATIVES.