



INVESTOR PRESENTATION

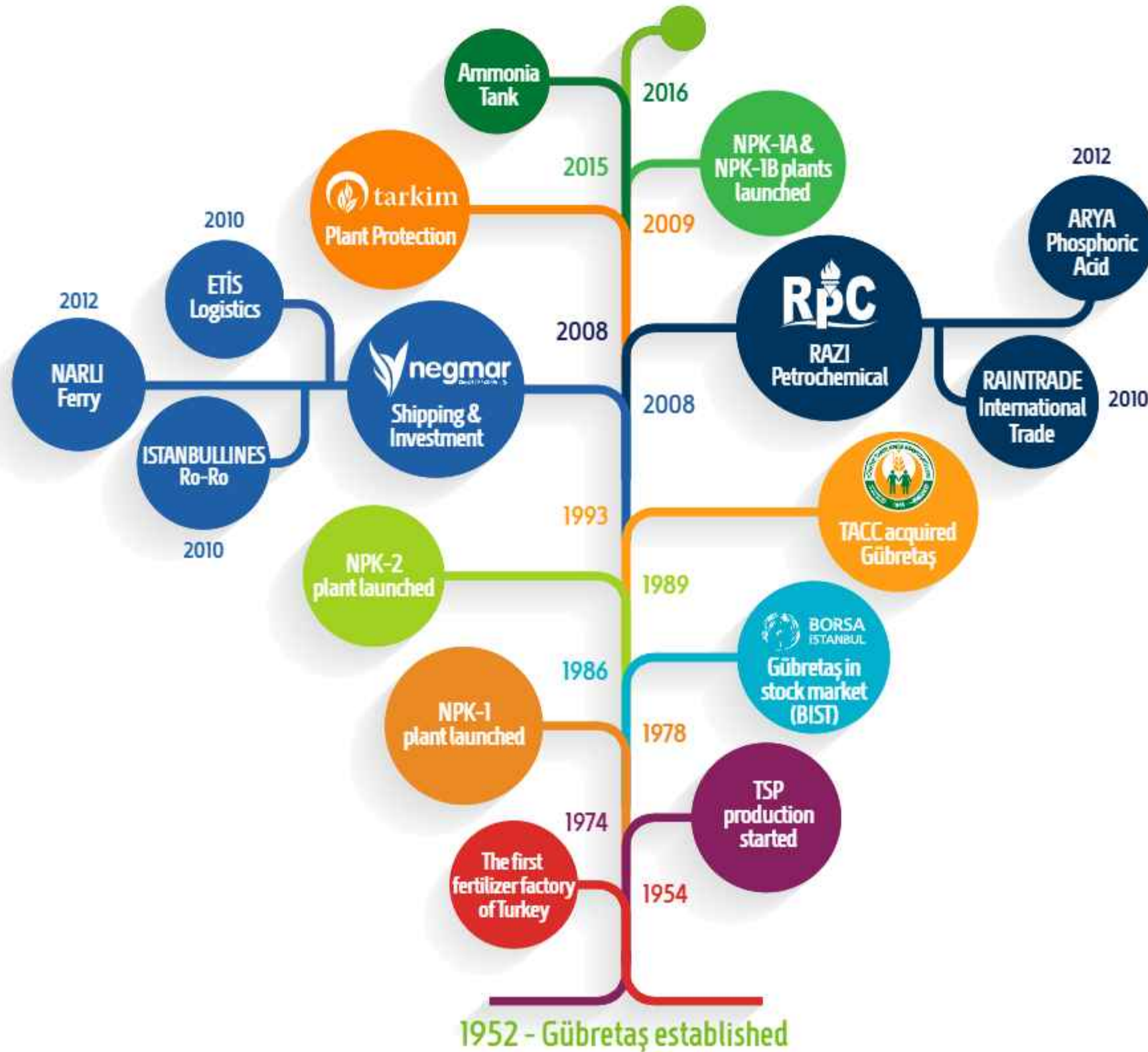


GÜBRETAŞ
A SUBSIDIARY OF TURKISH
AGRICULTURAL CREDIT
COOPERATIVES

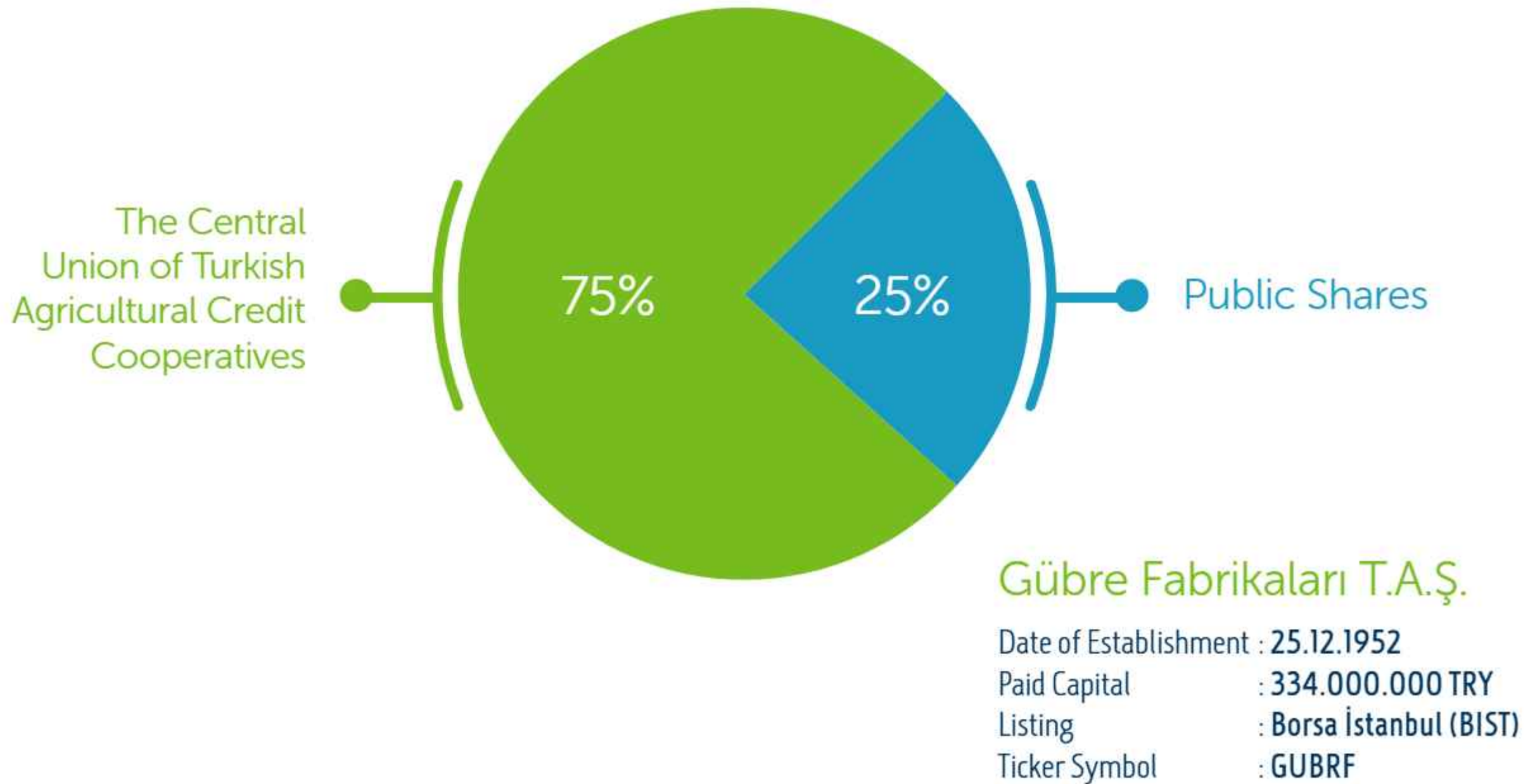
APRIL 2016

www.gubretas.com.tr

HISTORY



SHAREHOLDER STRUCTURE



THE CENTRAL UNION OF TURKISH AGRICULTURAL CREDIT COOPERATIVES

Leading agricultural cooperative since 1863

With 7.500 employees and 21 subsidiaries;

The leading agricultural cooperative of Turkey, which provides the commodities and services in order to meet all of the requirements of its partners in particular and Turkish farmers in general; fertilizer, seed, diesel oil, machinery and equipment, tractors etc. and markets the agricultural products of farmers

Strategic Relationship with Gübretaş

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



SUBSIDIARIES



Production of Fertilizer and
Fertilizer Raw Materials
Gübretaş's Share %48,88



International Trade
Razi's Share %100



Phosphoric Acid Production
Razi's Share %100



Marine and Land Logistics
Gübretaş's Share %40



Ro-Ro Transportation
Ferry Management
Negmar's Share %100



Logistics Services
Negmar's Share %100



Production of
Plant Protection Products
Gübretaş's Share %40



Information Technology
Gübretaş's Share %17



Cleaning and Security Services
Gübretaş's Share %15

Partnership with Turkish
Agricultural Credit Cooperatives

“a global company that provides added-value to its stakeholders...”

GÜBRETAS - *Turkey*

Fertilizer Production and Sales

RAZI PETROCHEMICAL - *Iran*

Fertilizer and Fertilizer Raw
Materials' Production and Sales

“With the responsibility of being the pioneer in the sector, we work for the production and procurement of plant nutrition products with a sustainable growth and environment-friendly approach and enriching this land by extending the conscious agricultural production.”

TURKISH FERTILIZER OUTLOOK



MAIN DRIVERS

- ✦ Fertilizer Prices
- ✦ Agricultural Product Prices
- ✦ General Financial Conditions
- ✦ Farmers' Purchasing Power
- ✦ Irrigation
- ✦ Weather Conditions
- ✦ Government's Agricultural Policies



LACK OF NATURAL RESOURCES

- ✦ Lack of main nutrients
 - Natural Gas
 - Phosphate (P)
 - Potassium (K)
- ✦ Depends on raw material rich countries

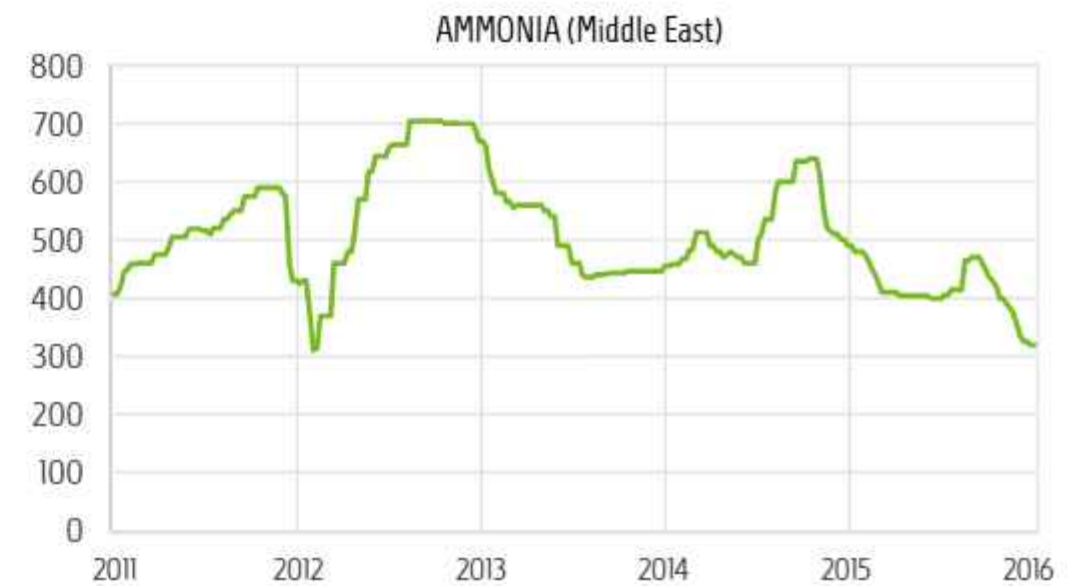
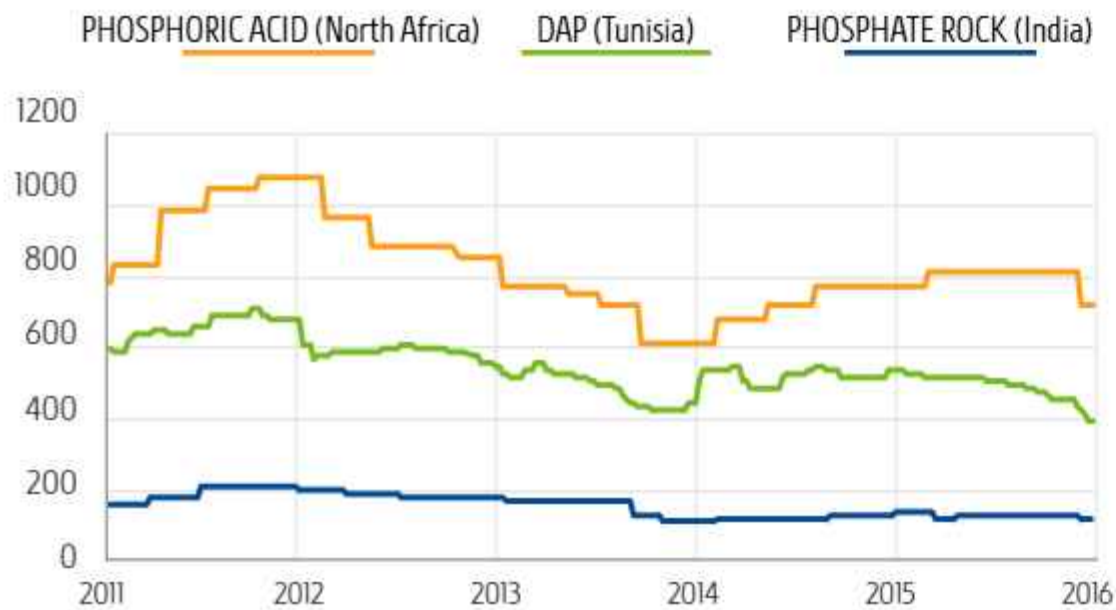


GROWTH POTENTIAL

- ✦ Fertilizer (nutrient based) use per hectare of arable land for some countries
 - Turkey: 97 kg
 - Greece: 153 kg
 - UK: 252 kg
 - Germany: 211 kg
 - USA: 120 kg
 - World Average: 116 kg

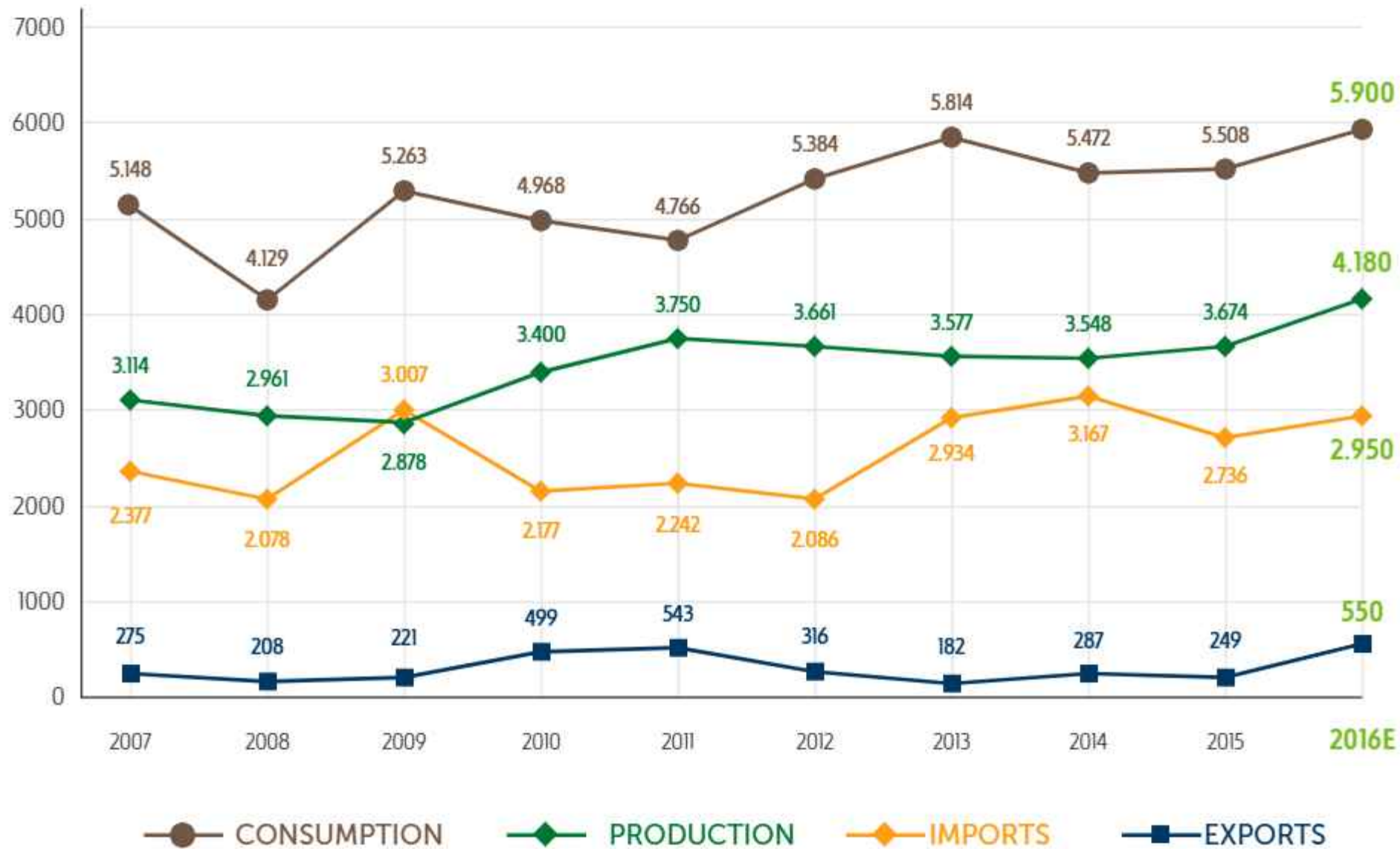
WORLD FERTILIZER PRICES

USD/TON (FOB)



MARKET OVERVIEW

TURKISH FERTILIZER SECTOR (1.000 Tons)



OPERATIONS IN TURKEY



PRODUCTS

“industry leader with a large variety of products”

370 Type of Products

SOLID

POWDER

LIQUID

PLANT
PROTECTION

ORNAMENT
AND GARDEN
PLANTS



SPECIAL PRODUCTS

“high added-value”

Gübretaş is way ahead of its industry with 370 types of products that are consumed to cultivate the agricultural crops in Turkey.

In accordance with its “developing plant and region-specialized products” strategy, Gübretaş provides value-added products to its distribution channels and end-customers.

Thanks to the year-by-year increasing penetration of around 20 products, which are being developed by R&D unit, special products reached to around 40 percent share in compound fertilizer sales of Gübretaş.

SPECIAL FERTILIZERS

PLANT

15.25.10 “YEŞİL ALTIN”	PISTACHIO
23.12.9 “ALTIN ÇİÇEK”	SUNFLOWER
23.12.9 “ALTIN ÇİÇEK-S”	SUNFLOWER
10.25.5 “EKİN”	WHEAT
13.25.5 “SÜPER EKİN”	WHEAT
25.5.10	TEA
15.20.10	PADDY
20.20.10 “SÜPER ÇELTİK”	PADDY
18.16.15 “SÜPER ÇOTANAK”	HAZELNUT
20.12.15 “ÇOTANAK FERTİL”	HAZELNUT
13.24.12	CROP
10.25.20	POTATO
13.18.15 “SÜPER PANCAR”	SUGAR BEET
18.9.15 “ALTIN TURUNÇ”	CITRUS
12.16.14 “ARAŞIT FERTİL”	PEANUT

“GÜBRETAS BAHÇEM”

“we are also in the colours of city”



Gübretaş carried its 64-year experience in conventional plant nutrition activities to ornamental plants.

Products developed for metropolitan area customers were presented to the market under “**Gübretaş Bahçem**” brand.

A variety of products for stadium grasses, golf courses, grass areas in metropolis and trees used for decorative purposes can be found in this innovative product range, as well as ornamental plants such as grass, viola, orchid, green plant etc.

Customers can purchase “**Gübretaş Bahçem**” products in conventional sale channels as well as e-trade and online shopping sites.

www.gubretasbahcem.com.tr

PRODUCTION FLOW CHART

YARIMCA - KOCAELİ

İZMİR

MAIN INPUTS

PHOSPHORIC ACID
PHOSPHATE ROCK
UREA
AMMONIA
AMMONIUM SULPHATE
SULPHURIC ACID
POTASSIUM

MAIN PRODUCTS

TSP
20.20.0
20.20.0.ZN
15.15.15
15.15.15.ZN
13.24.12
13.25.5
23.12.9



TON/YEAR

NEW INVESTMENTS AT YARIMCA FACILITY

“eco-friendly and modern infrastructure for production”

Completed Investments

NPK 1A and 1B Plants
500.000 Tons/Year Capacity

Ongoing Investments

Ammonia Tank
25.000 Tons Capacity



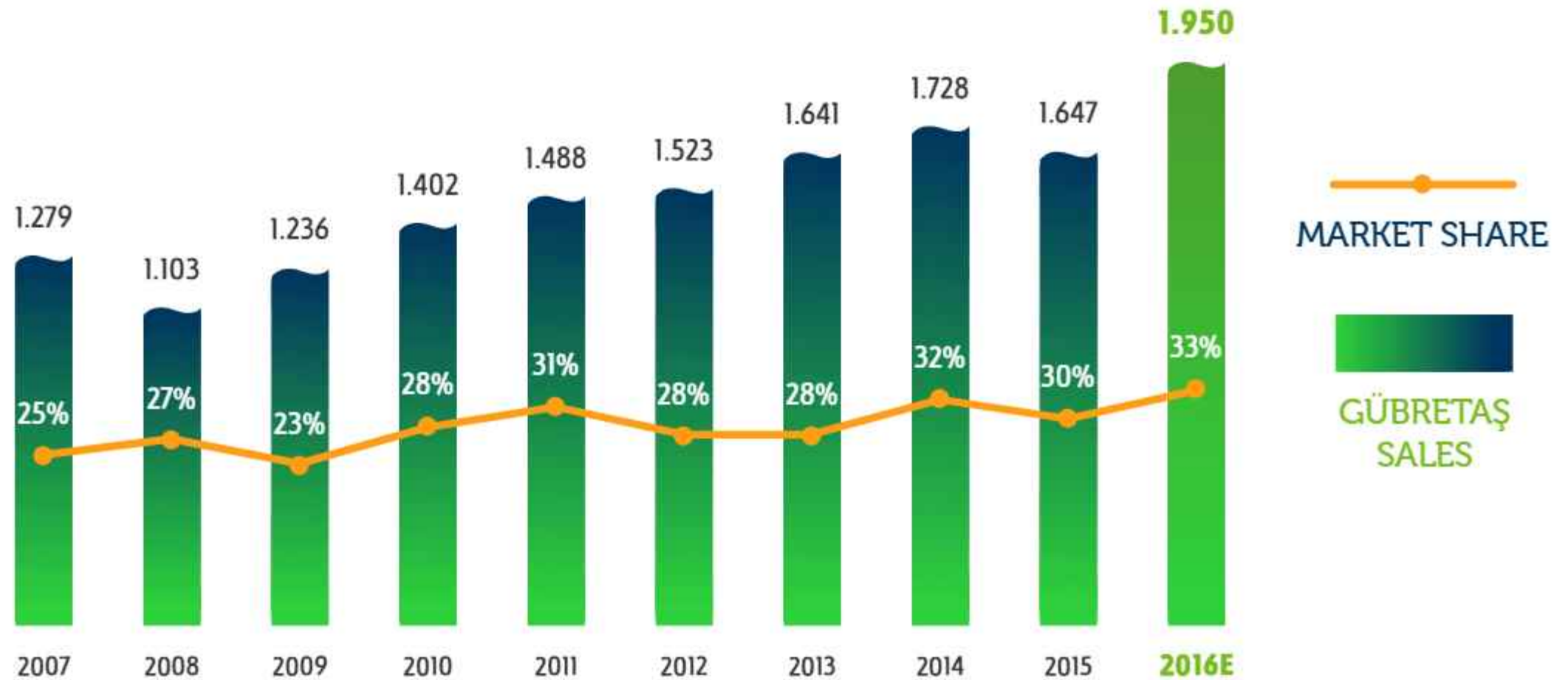
Advantages

Cost Advantage
Capacity Increase
Eco-friendly Production
NPK & DAP Production
Liquid Raw Material Usage

MARKET SHARE

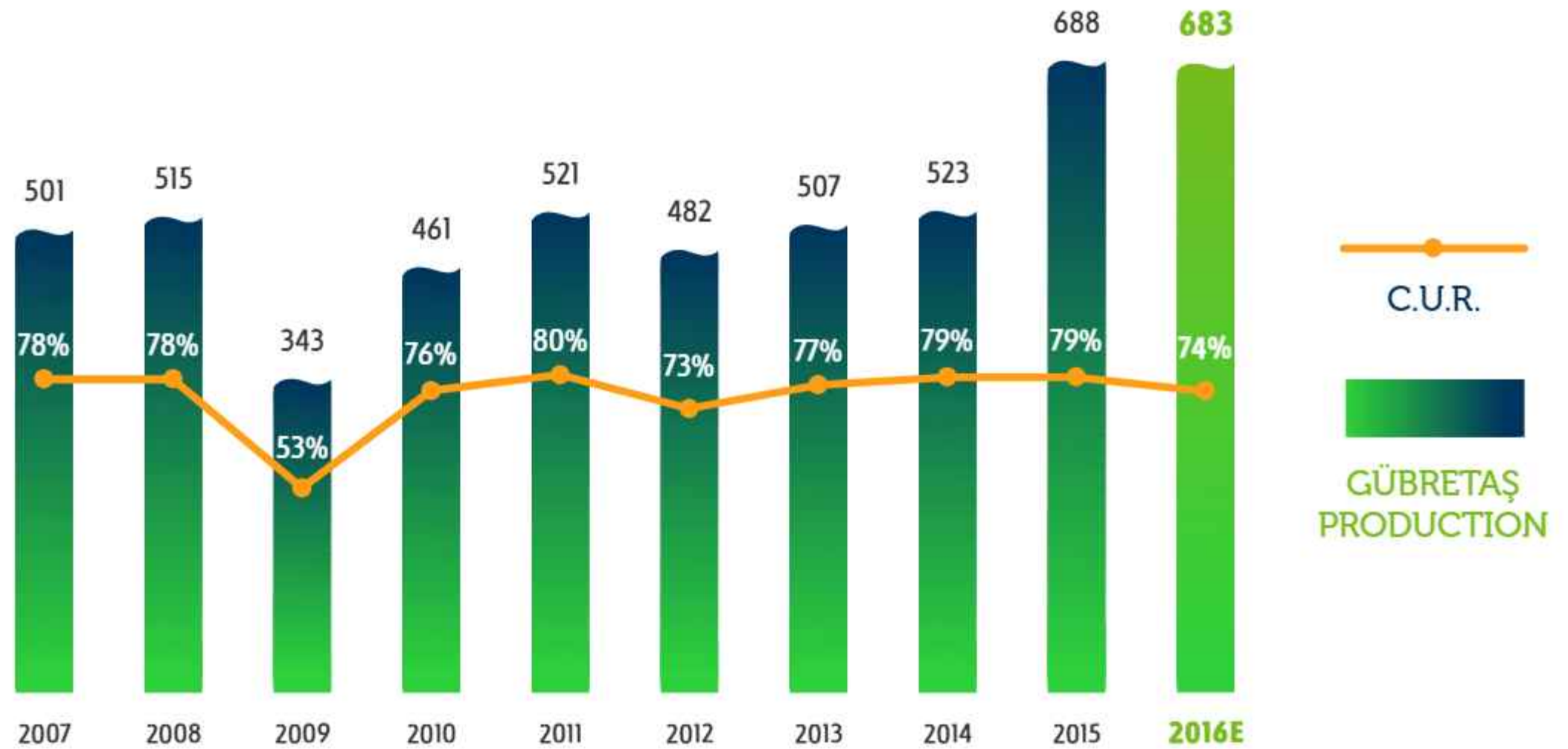
“pioneer and leader”

SOLID FERTILIZER SALES (1.000 Tons)



PRODUCTION AND C.U.R.

SOLID FERTILIZER PRODUCTION (1.000 Tons)



RAZI PETROCHEMICAL CO.

“from local leadership to being a global player”



The consortium led by Gübretaş acquired it from Iranian Privatization Organization in 2008. This acquisition left Gübretaş's mark in history as the biggest foreign investment by a Turkish company.

Products

Ammonia, Urea, Sulphur, Sulphuric Acid, Phosphoric Acid and DAP

Advantages

Fully integrated production plant

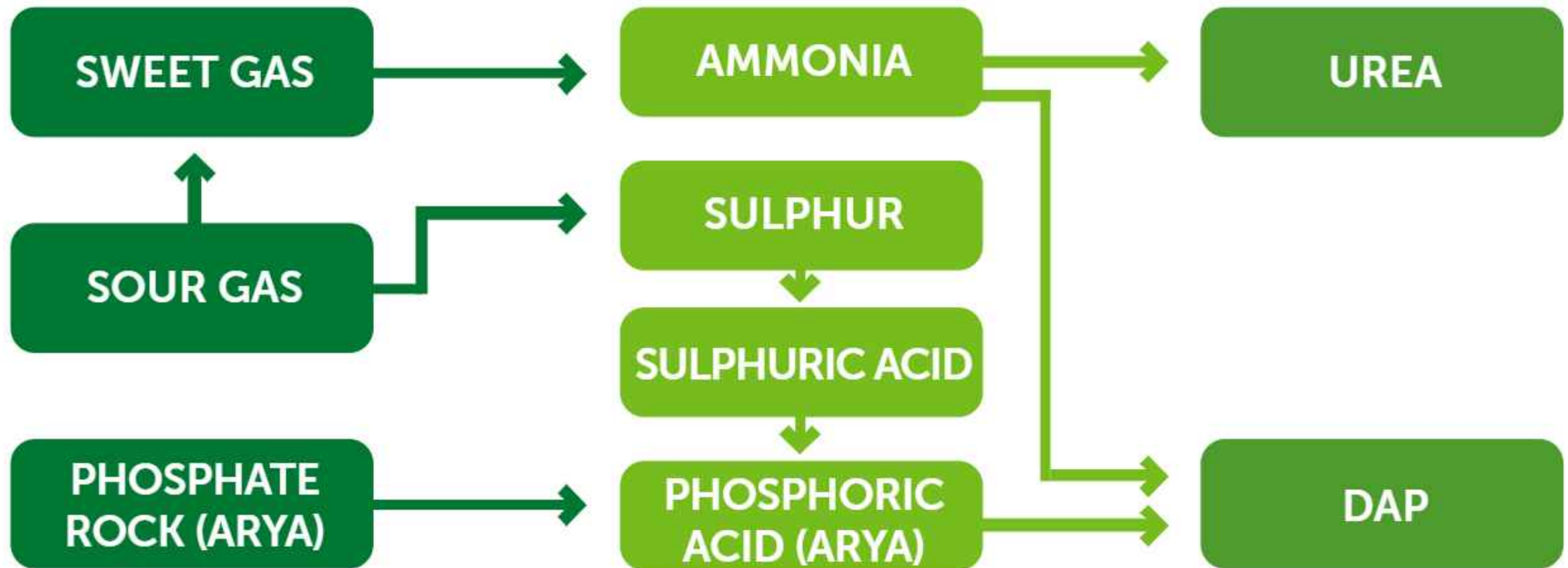
Access to sour and sweet gas

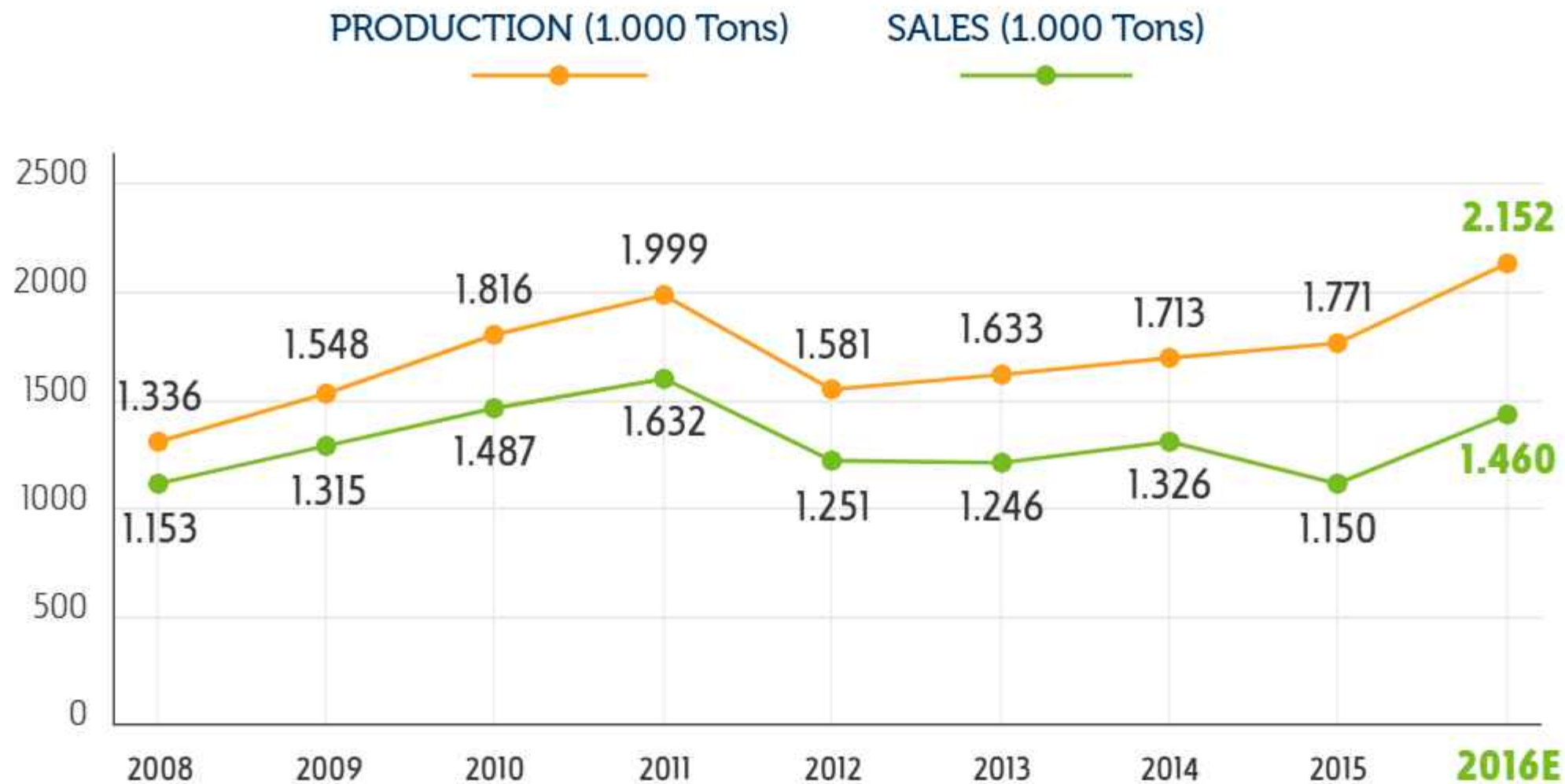
PLANT	NUMBER OF PLANTS	CAPACITY (Ton)
AMMONIA	3	1.336.000
UREA	1	594.000
DAP	2	450.000
SULPHURIC ACID	2	627.000
SULPHUR	1	508.000
PHOSPHORIC ACID (ARYA)	1	126.000
TOTAL	10	3.641.000



PRODUCTION CHART

“fully integrated production”





* Being a fully integrated facility, the reason of difference between production and sales is the internal consumption as some of the products are used as intermediary products.

2016 OBJECTIVES

“aiming for records in production”

PRODUCTION ESTIMATES (TON)

PRODUCT	C.U.R.	2016E
AMMONIA	71 %	950.000
UREA	67 %	400.000
SULPHUR	62 %	315.000
SULPHURIC ACID	50 %	312.000
DAP	19 %	85.000
PHOSPHORIC ACID (ARYA)	71 %	90.000
TOTAL	59 %	2.152.000

SALES ESTIMATES (TON)

PRODUCT	2016E
AMMONIA	677.600
UREA	400.000
SULPHUR	208.920
SULPHURIC ACID	42.000
DAP	85.000
PHOSPHORIC ACID (ARYA)	46.000
TOTAL	1.459.520

FINANCIAL ESTIMATES (Million TRY)

2016E

Sales Revenues	1.693
EBITDA	452
Net Income	434

MARGINS

2016E

EBITDA Margin	27 %
Net Income Margin	26 %

INVESTMENTS (Million USD)

2016E

Capex	62
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2016 CONSOLIDATED FINANCIAL OBJECTIVES

CONSOLIDATED INCOME STATEMENT (Million TRY)

2016E

Sales Revenues	4.044
Gross Profit	953
Operating Profit	545
EBITDA	626
Adjusted EBITDA	395
Net Income	456
Adjusted Net Income	234

MARGINS

2016E

EBITDA Margin	15 %
Net Income Margin	11 %
Adjusted EBITDA Margin	10 %
Adjusted Net Income Margin	6 %

INVESTMENTS (Million USD)

2016E

Capex	98
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“we grow with change and transformation”



PERFORMANCE-BASED MANAGEMENT

HR processes are re-engineered in order to establish a performance-based HR infrastructure.



NEW PRODUCT RANGE

An exclusivity agreement was signed with our affiliate Tarkim for plant protection products. GÜBRETAS entered to ornamental plants market with “BAHÇEM” brand.

REORGANIZATION

The organization structure and processes are re-engineered in order to increase efficiency and productivity.



YARIMCA FACILITIES

With 2 new compound fertilizer plants, a cost-efficient and eco-friendly production became possible.



İSKENDERUN FACILITIES

Being taken over in June 2015, the port became operational after maintenance and improvements.



STRONGER FINANCIAL STRUCTURE

With the dividend distribution in Razi Petrochemical Co., a new fund of 345 Million TRY was utilized and a stronger financial structure became possible.

“our advantages on the road to new targets”



SUPPLY CHAIN OPTIMIZATION

With the optimization of supply chain processes, from the procurement of inputs up to the transfer to customers;

- Inventory outstanding days will decrease,
- The efficiency and productivity will increase,
- Costs will be lower and risks will be minimized.



VAT EFFECT

The VAT exception in fertilizers will expand the market scope and size.



YARIMCA FACILITIES

The completion of the ammonia tank construction will reduce the costs and thus lead to new investments.



LIFTING OF IRAN SANCTIONS

With the lifting of the sanctions;

- Sales conditions will improve,
- The procurement of machinery and equipment will be easier,
- Thanks to new infrastructure investments, the C.U.R. will increase with the gas procurement going up,
- Operational costs will decrease,
- With all of these positive developments, the productivity, profitability and cash generation capability of the Iran operations will increase.

THANK YOU

INVESTOR RELATIONS

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