



INVESTOR PRESENTATION

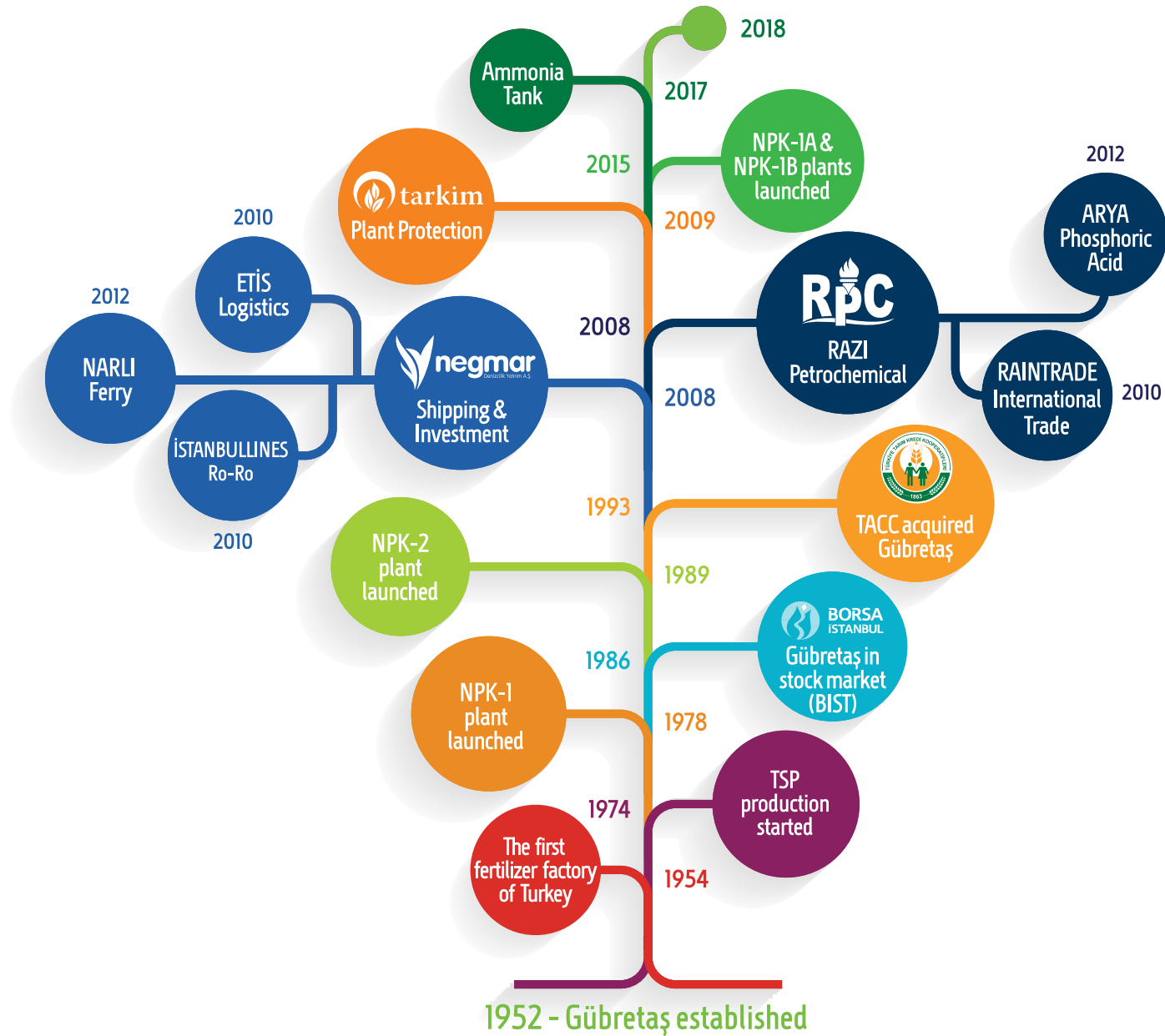


GÜBRETAŞ
A SUBSIDIARY OF TURKISH
AGRICULTURAL CREDIT
COOPERATIVES

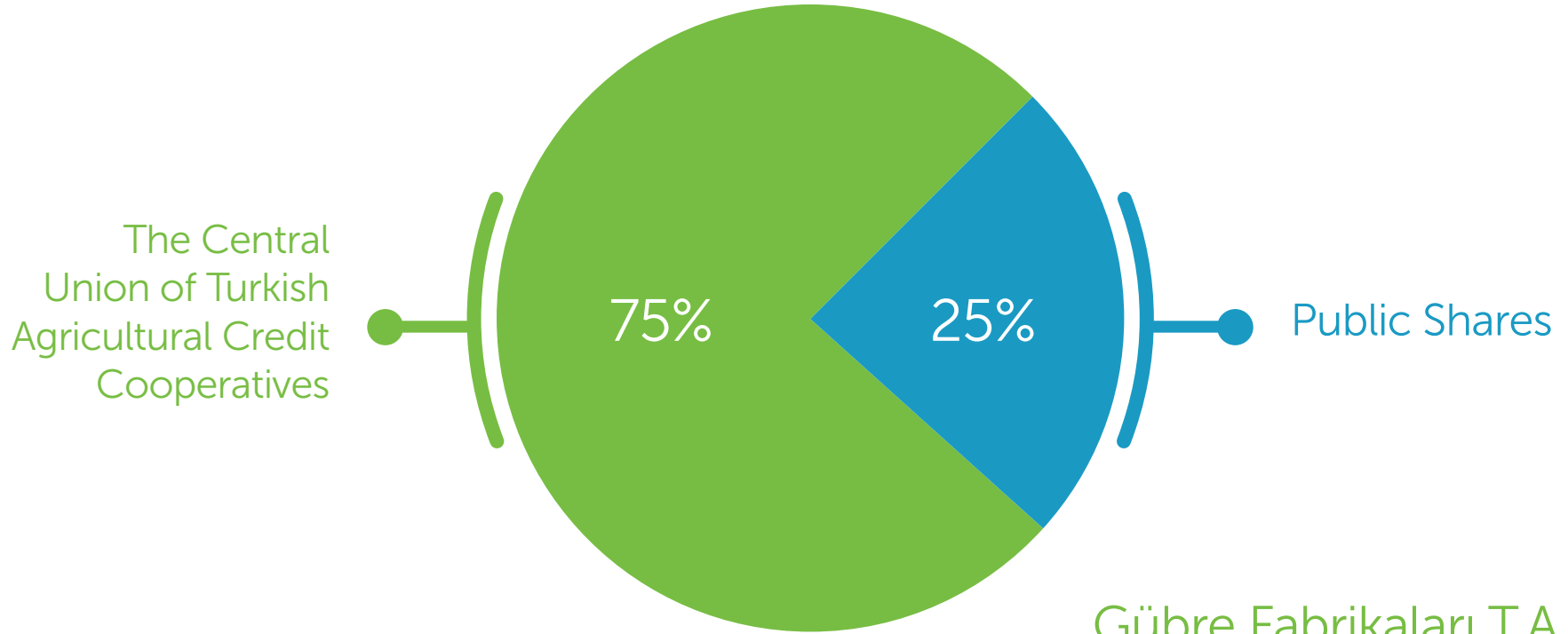
JUNE 2017

www.gubretas.com.tr

HISTORY



SHAREHOLDER STRUCTURE



Gübre Fabrikaları T.A.Ş.

Date of Establishment : 25.12.1952
Paid Capital : 334.000.000 TRY
Listing : Borsa İstanbul (BIST)
Ticker Symbol : GUBRF

THE CENTRAL UNION OF TURKISH AGRICULTURAL CREDIT COOPERATIVES

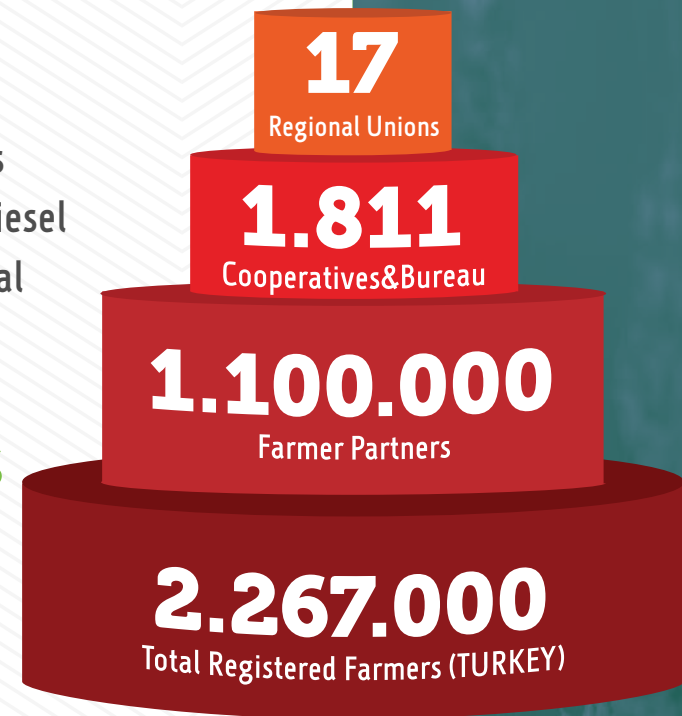
Leading agricultural cooperative since 1863

With 7.500 employees and 15 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
GÜBRETAS's Share %48,88



International Trade
Razi's Share %100



Phosphoric Acid Production
Razi's Share %100



Marine and Land Logistics
GÜBRETAS's Share %40



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



Logistik Services
Negmar's Share %100



Production of Plant
Protection Products
GÜBRETAS's Share %40

Partnership with Turkish
Agricultural Credit Cooperatives



Information Technologies
GÜBRETAS's Share %15,78

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

GÜBRETAS - *Turkey*

Fertilizer Production and Sales

RAZİ 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)

TRANSPARENT MARKET

- ✦ Intensive Competition

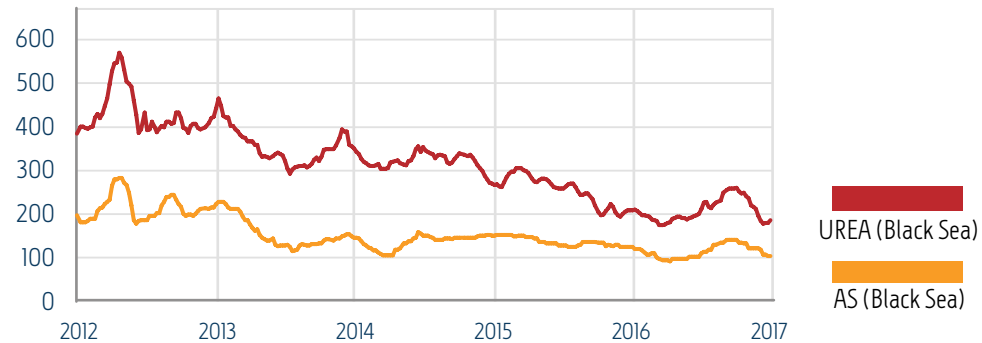
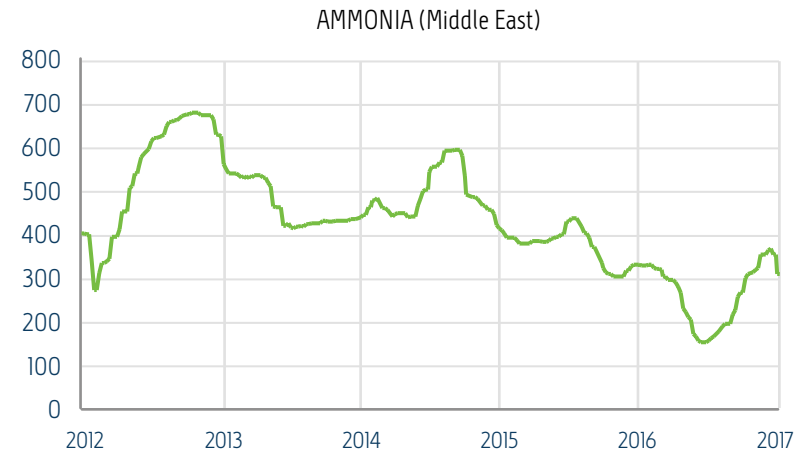
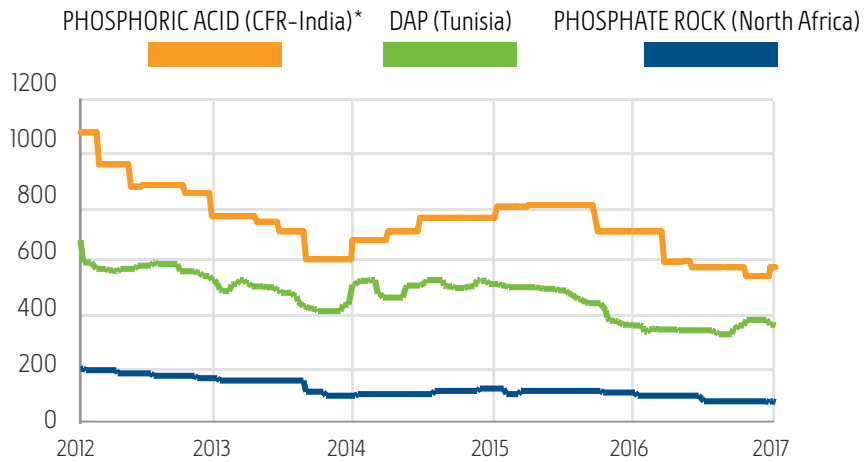


GROWTH POTENTIAL

- ✦ Fertilizer (nutrient based) use per hectare of arable land for some countries
 - World Average: 116 kg
 - Turkey: 117 kg
 - Developed Countries 120 kg

WORLD FERTILIZER PRICES

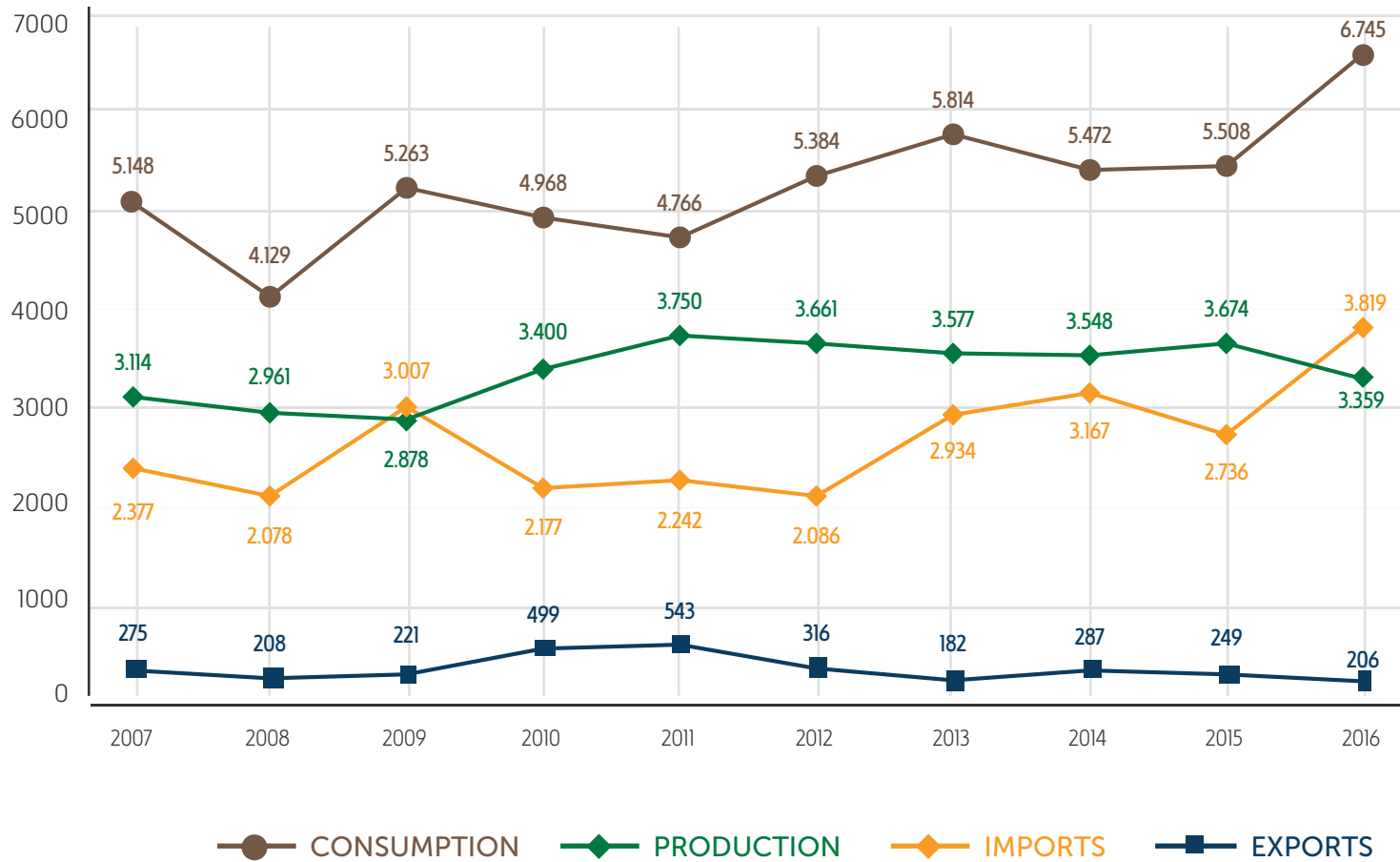
USD/TON



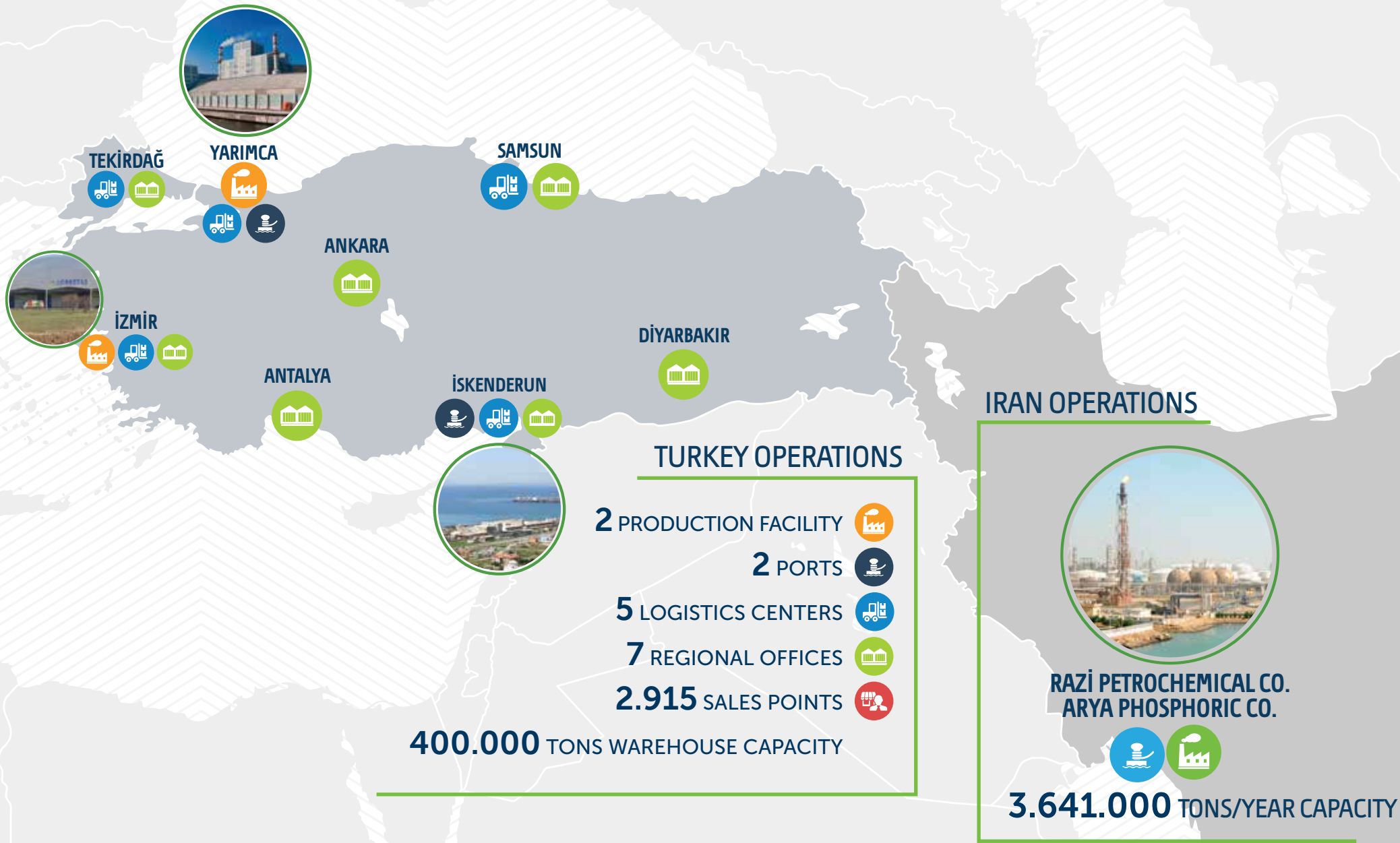
*FOB prices are based on all products except phosphoric acid (India)

MARKET OVERVIEW

TURKISH FERTILIZER SECTOR (1.000 Tons)



OPERATIONS IN TURKEY & IRAN



PRODUCTS

“industry leader with a large variety of products”

395 Type of Products

**SOLID
FERTILIZERS**



**%100 WATER SOLUBLE
FERTILIZERS**

Powder-Crystal

Liquid



**PLANT
PROTECTION**



**ORNAMENT
AND GARDEN
PLANT**



SPECIAL PRODUCTS

“high added-value”

Gübretaş is way ahead of its industry with 395 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-S”	SUNFLOWER
10.25.5 “EKİN”	WHEAT
13.25.5 “SÜPER EKİN”	WHEAT
25.5.10	TEA
20.20.10 “SÜPER ÇELTİK”	PADDY
18.16.15 “SÜPER ÇOTANAK”	HAZELNUT
20.12.15 “ÇOTANAK FERTİL”	HAZELNUT
13.24.12+ME	CROP
10.25.20	POTATO
13.18.15 “SÜPER PANCAR”	SUGAR BEET
18.9.15 “ALTIN TURUNÇ”	CITRUS
12.16.14 “ARAŞİT FERTİL”	PEANUT
15.15.15+20(SO3)+Zn	

“GÜBRETAS BAHÇEM”



Gübretaş carried its 65-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

COMPOUND
FERTILIZERS
&
TSP



TONS/YEAR

NEW INVESTMENTS

“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

Modification of NPK 1A Plant
to Produce Granular AS

Warehouse Investments



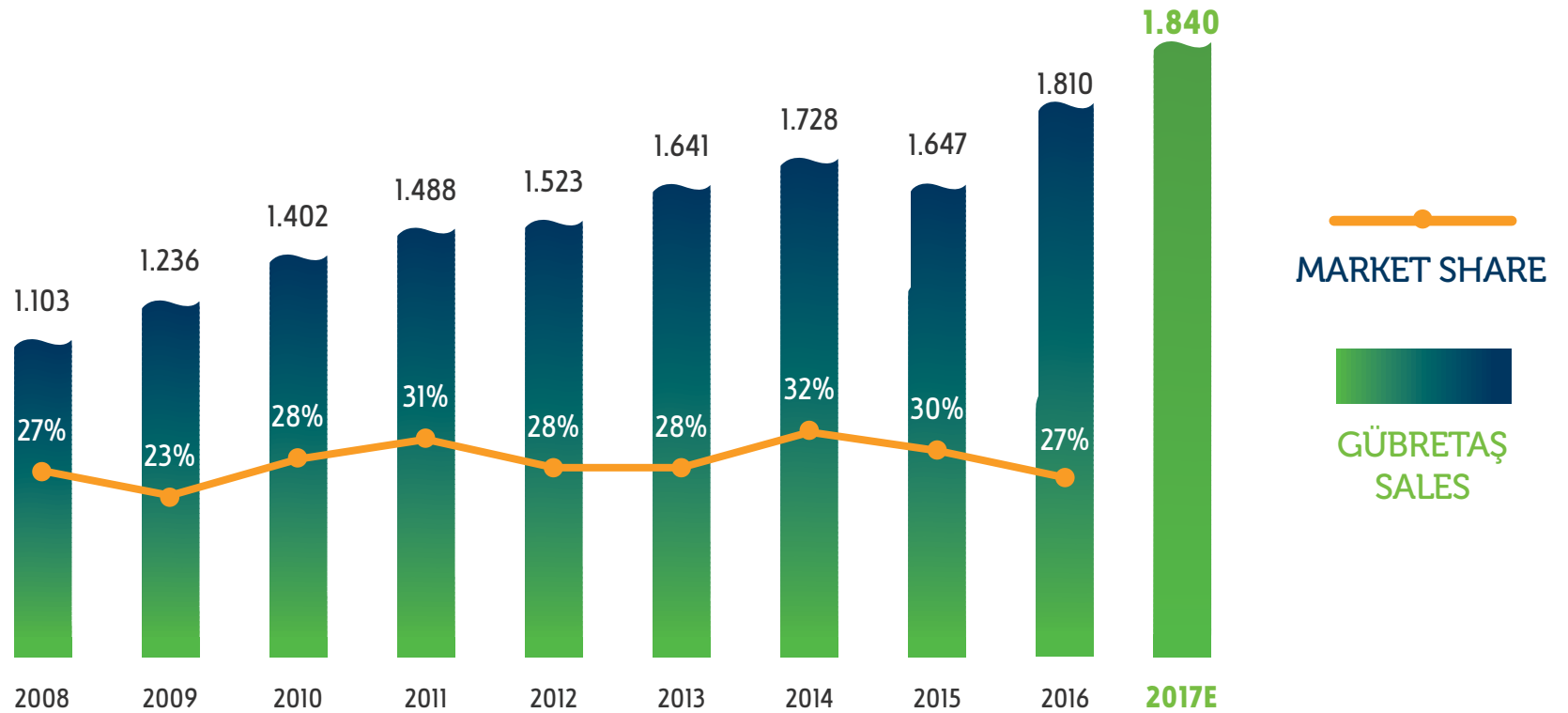
Advantages

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

MARKET SHARE

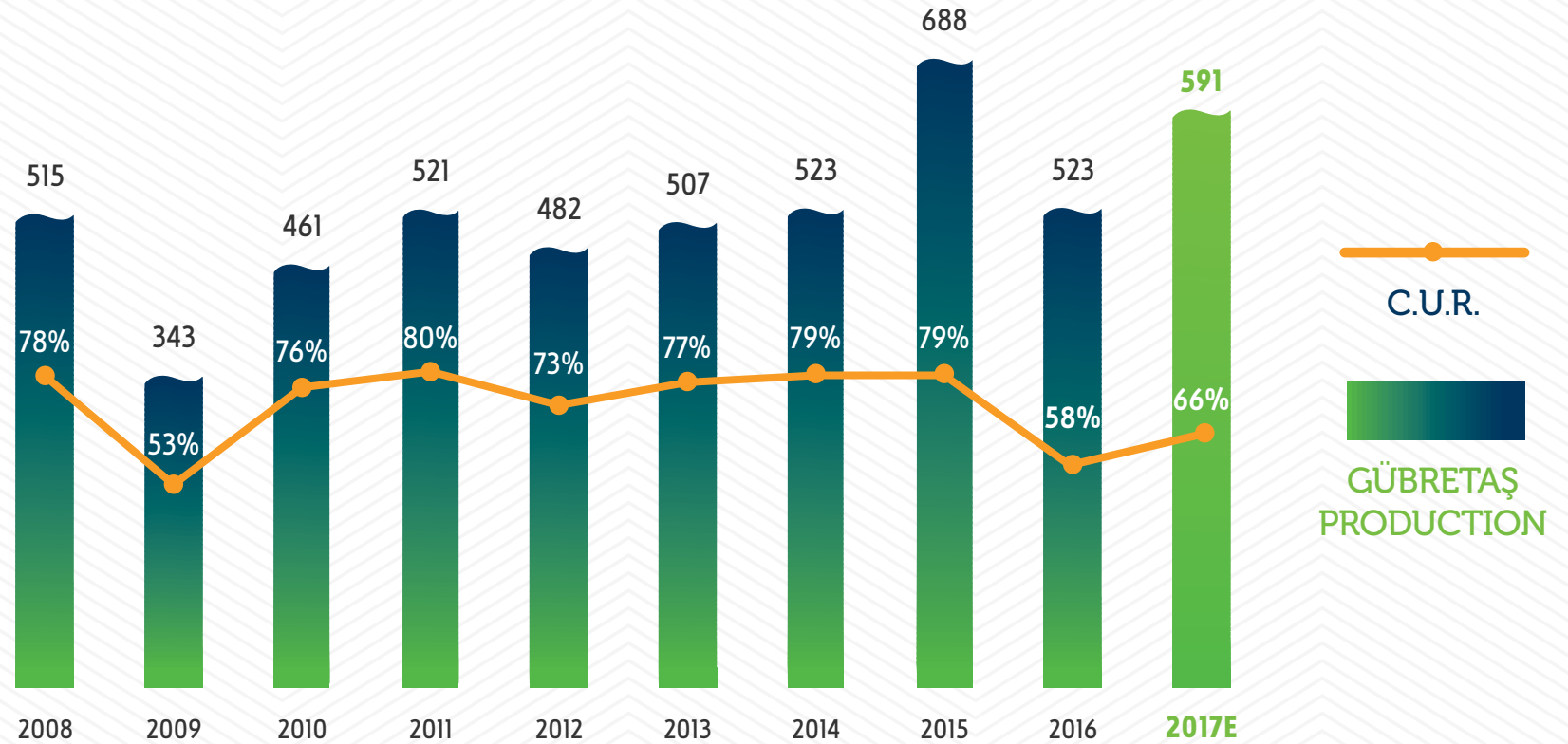
“pioneer and leader”

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

Advantages

Fully integrated production plant
Access to sour and sweet gas

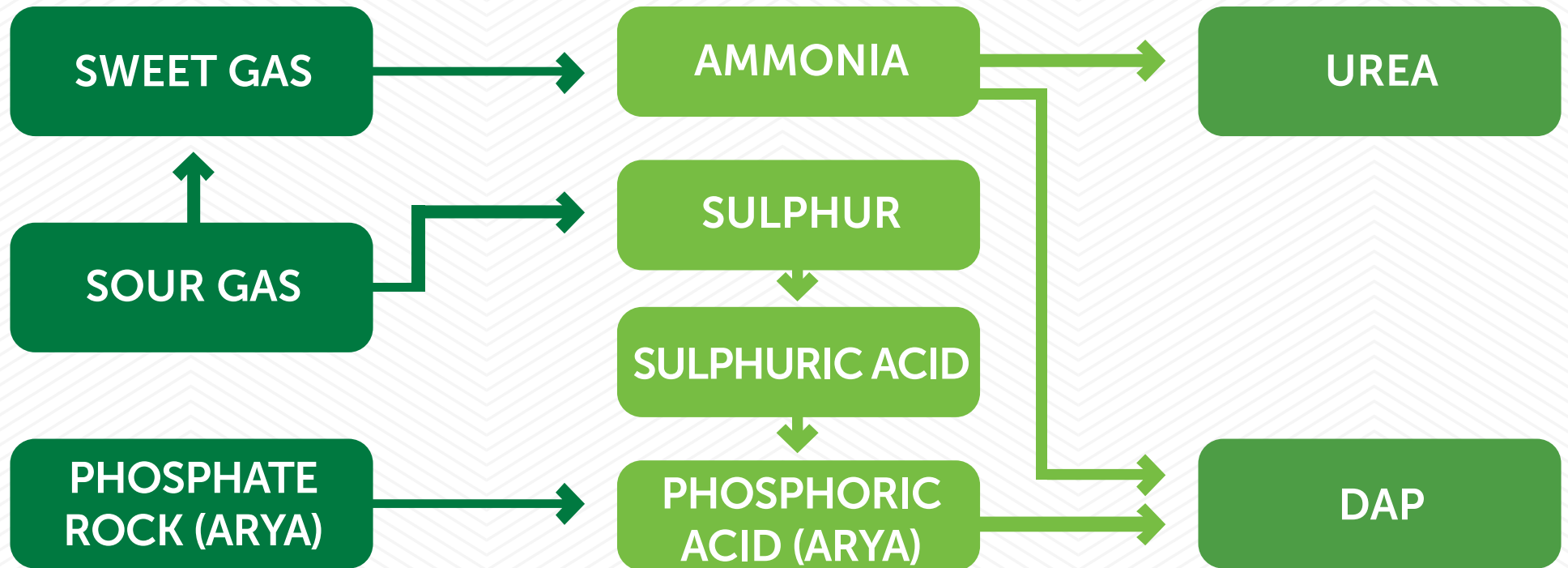
In accordance with our strategy to realize investments in raw-material rich countries, the search for new partnerships continue.

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

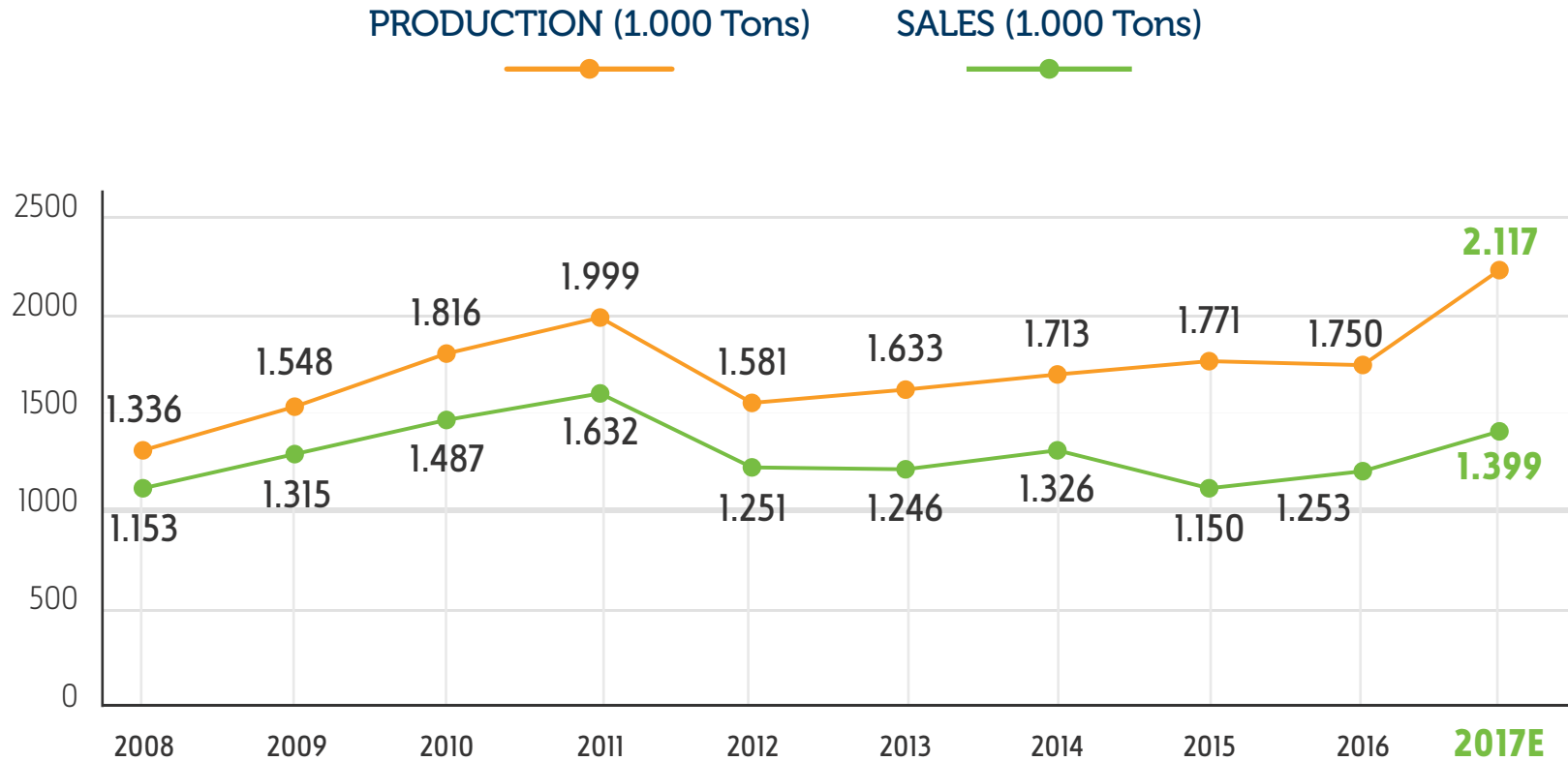


PRODUCTION CHART

“fully integrated production”



PRODUCTION - SALES



* 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.

2017 OBJECTIVES

“aiming for records in production”

PRODUCTION ESTIMATES (TONS)

PRODUCT	C.U.R.	2017E
AMMONIA	70%	930.000
UREA	72 %	430.000
SULPHUR	53 %	270.000
SULPHURIC ACID	50 %	312.000
DAP	19 %	85.000
PHOSPHORIC ACID (ARYA)	71 %	90.000
TOTAL	58%	2.117.000

SALES ESTIMATES (TONS)

PRODUCT	2017E
AMMONIA	638.700
UREA	430.000
SULPHUR	163.920
SULPHURIC ACID	33.000
DAP	85.000
PHOSPHORIC ACID (ARYA)	48.350
TOTAL	1.398.970

2017 OPERATIONAL OBJECTIVES

PRODUCTION (1.000 TONS)	2016 Actual	2017 Budget	YoY
TURKEY	523	591	13,02%
IRAN	1.750	2.117	20,99%
CONSOLIDATED	2.273	2.708	19,16%

SALES (1.000 TONS)	2016 Actual	2017 Budget	YoY
TURKEY	1.810	1.840	1,66%
IRAN	1.253	1.399	11,65%
CONSOLIDATED	3.063	3.239	5,74%



2017 FINANCIAL OBJECTIVES

2016 (Million TRY)

TURKEY

IRAN

CONSOLIDATED

REVENUE	1.804	1.236	2.834
EBITDA	45	73	130
INVESTMENT	69	25	94

2017 (Million TRY)

TURKEY

IRAN

CONSOLIDATED

REVENUE	2.177	1.079	3.256
EBITDA	155	75	230
INVESTMENT	82	62	143



“We grow with change and transformation”



BAN OF NITRATE FERTILIZERS AND NEW PRODUCT STUDIES

Sales of nitrate fertilizers were banned because of safety reasons in June. Nitropower (N33) fertilizer has been developed and presented to the usage of producers in accordance with expectation of tendency to the alternative products of the sector.

NEW COMMUNICATION CHANNELS

Our producers can follow the feeding programs of 40 kinds of agricultural plants produced in Turkey with the newly developed EGP (Effective Fertilization Programme) in their mobile phones. Also, by calling “GÜBRETAS Hotline” the producers can immediately forward their questions to GÜBRETAS specialist agricultural engineers about plant nutrition and agricultural production.



INVENTORY OPTIMIZATION PROCESS

The main risks that arise from high inventory stocks are the downward trends in market and high storage and financial costs. Our company takes a proactive stance against these risks by optimizing its stock amount with “inventory optimization process”.

“2017, better results”



PROACTIVE FOLLOW-UP OF MARKETS

The continued decline in the prices of fertilizer and fertilizer raw materials has come to an end in the last quarter of 2016 and upward trends are seen in the markets with the year 2017.

- Opportunity purchases,
- Fertilizer sales that are specific to plant and region.



THE AMMONIA TANK INVESTMENT

The Ammonia Storage Tank, which will be operational as of June 2017, will contribute to the reduction of costs.

Therefore, optimum stock level will be maintained and inventory costs will be reduced.



NATIONAL AGRICULTURAL PROJECT

With the National Agricultural Project, it is being aimed that the state will support the producers where and in which basin the product will be produced more efficiently.

As Gübretaş, we support this project and think that the sector will be affected positively.

THANK YOU

INVESTOR RELATIONS

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These statements are based on current plans, estimates and expectations. Actual results may differ materially from those projected in such forward-looking statements and therefore investors should not place undue reliance on them. Gübretaş undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, or otherwise.