

# INVESTOR PRESENTATION

April 2014

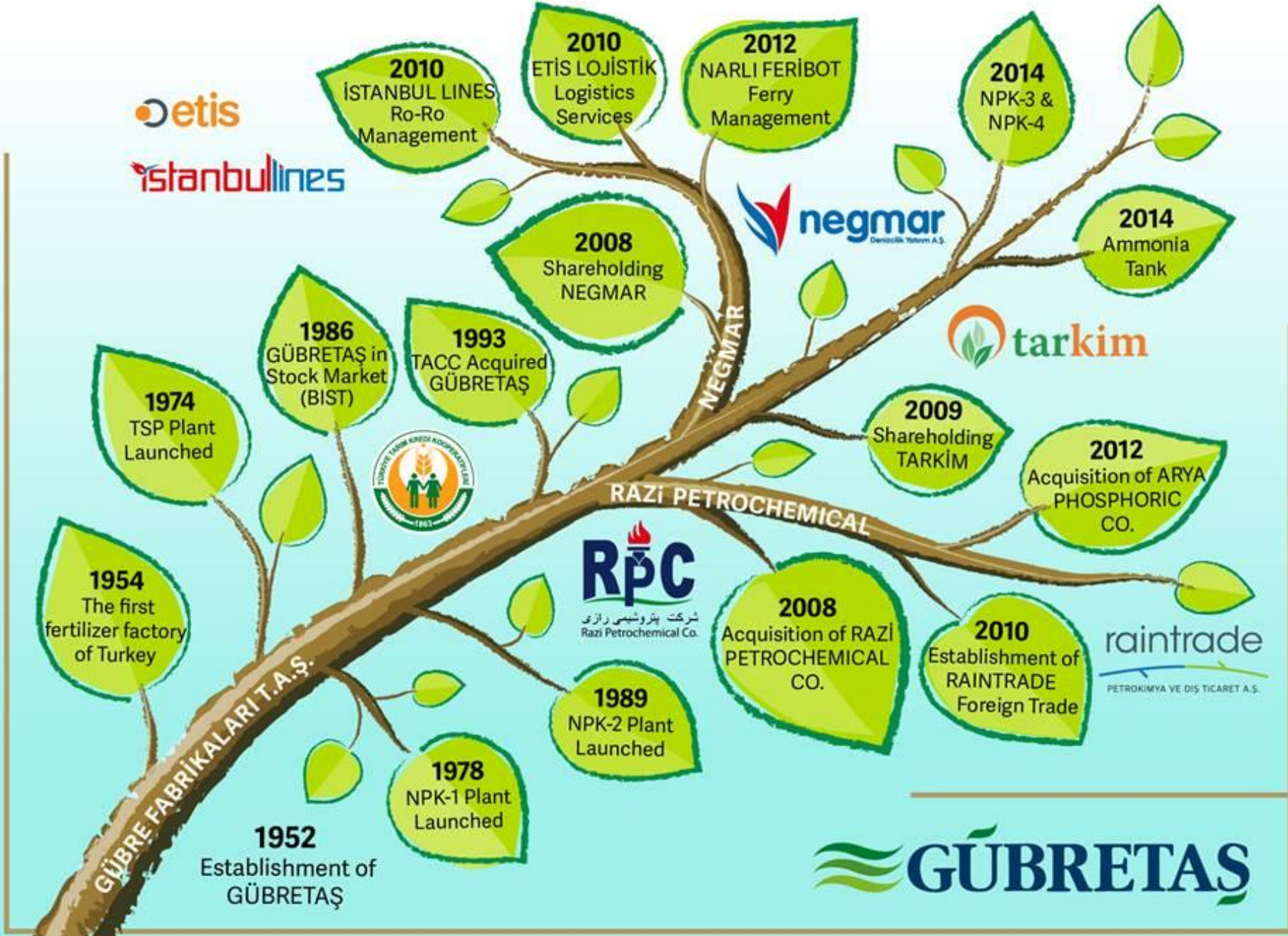


AN AFFILIATE OF THE TURKISH  
AGRICULTURAL CREDIT  
COOPERATIVES

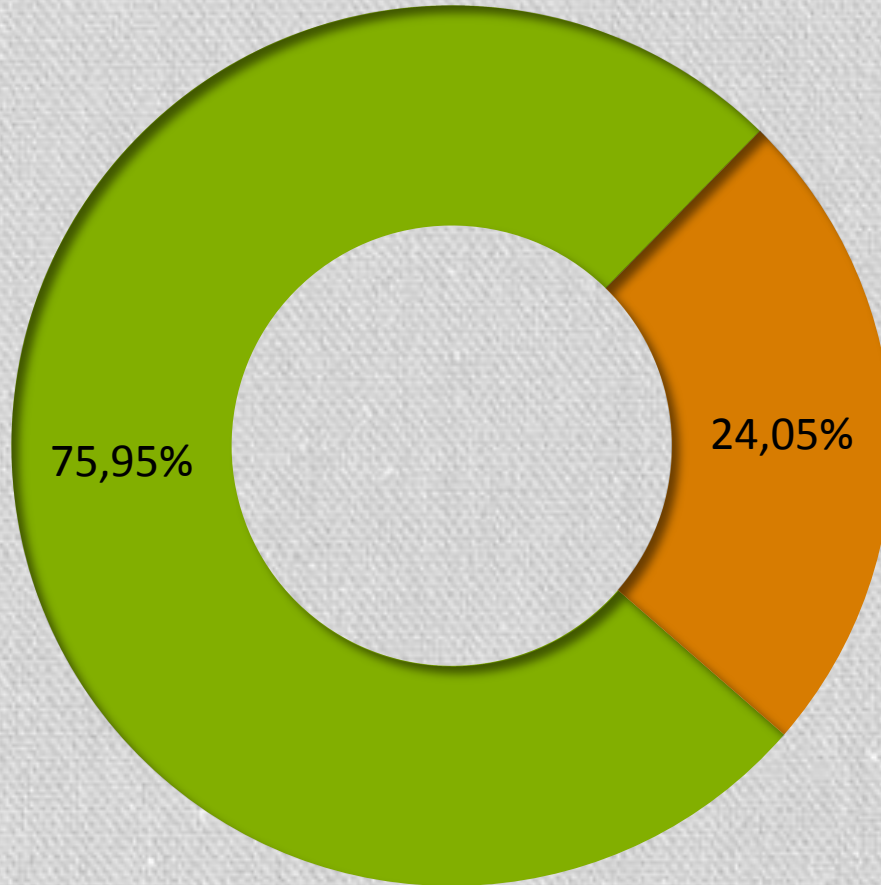


### Gübre Fabrikaları T.A.Ş

Date of Establishment	25.12.1952
Paid Capital	334.000.000TL
Listing	Borsa Istanbul (BIST)
Ticker Symbol	GUBRF



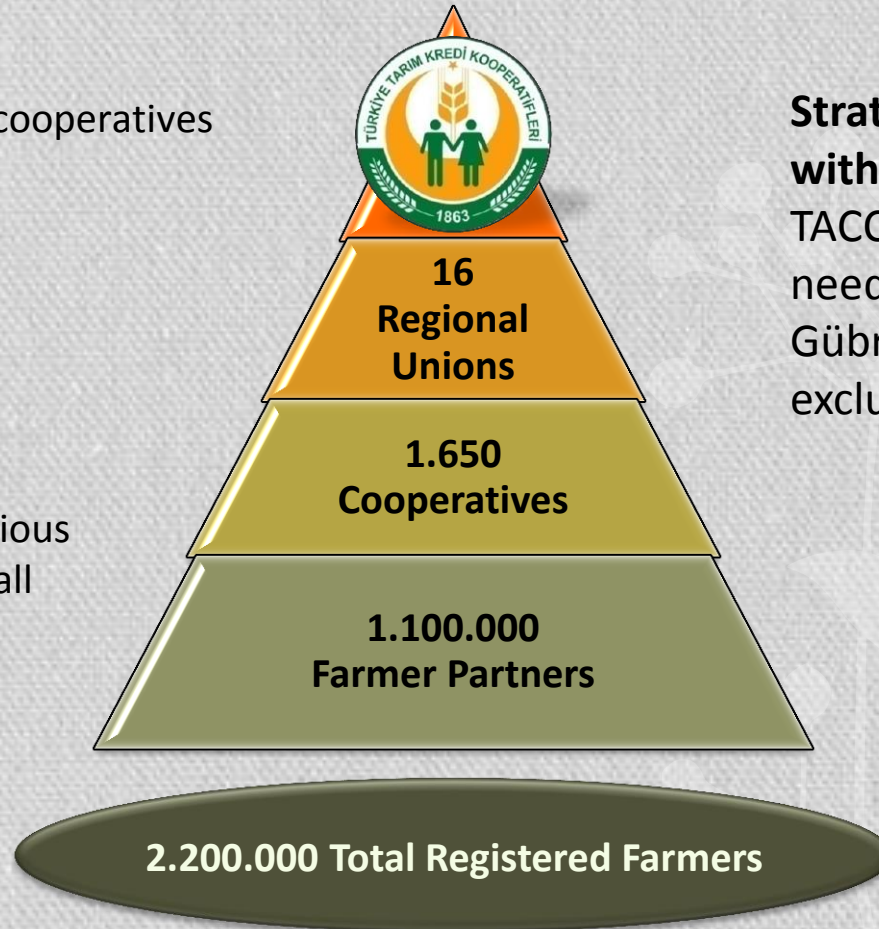
# OWNERSHIP STRUCTURE



- Main Shareholder - The Central Union of Turkish Agricultural Credit Cooperatives
- Public Shares

# THE CENTRAL UNION OF TURKISH AGRICULTURAL CREDIT COOPERATIVES

- Leading agricultural cooperatives
- Founded in 1863
- 10.000 employees
- 14 Subsidiaries
- Support farmers' various procurement needs all the way from fertilizers to tractors



## Strategic Relationship with Gübretaş

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

# CURRENT BUSINESS



## TURKEY

- Compound Fertilizer Production
- Liquid Fertilizer Production
- Marketer of fertilizer
- Pesticide Production
- Shipping

## IRAN

- Feedstock Production
- Fertilizer Production

# TURKISH FERTILIZER OUTLOOK

## Main Drivers

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

## Feedstock Scarcity

- Scarcity of main nutrients:
  - Nitrogen (N)
  - Phosphate (P)
  - Potassium (K)
- Depends on raw material rich countries

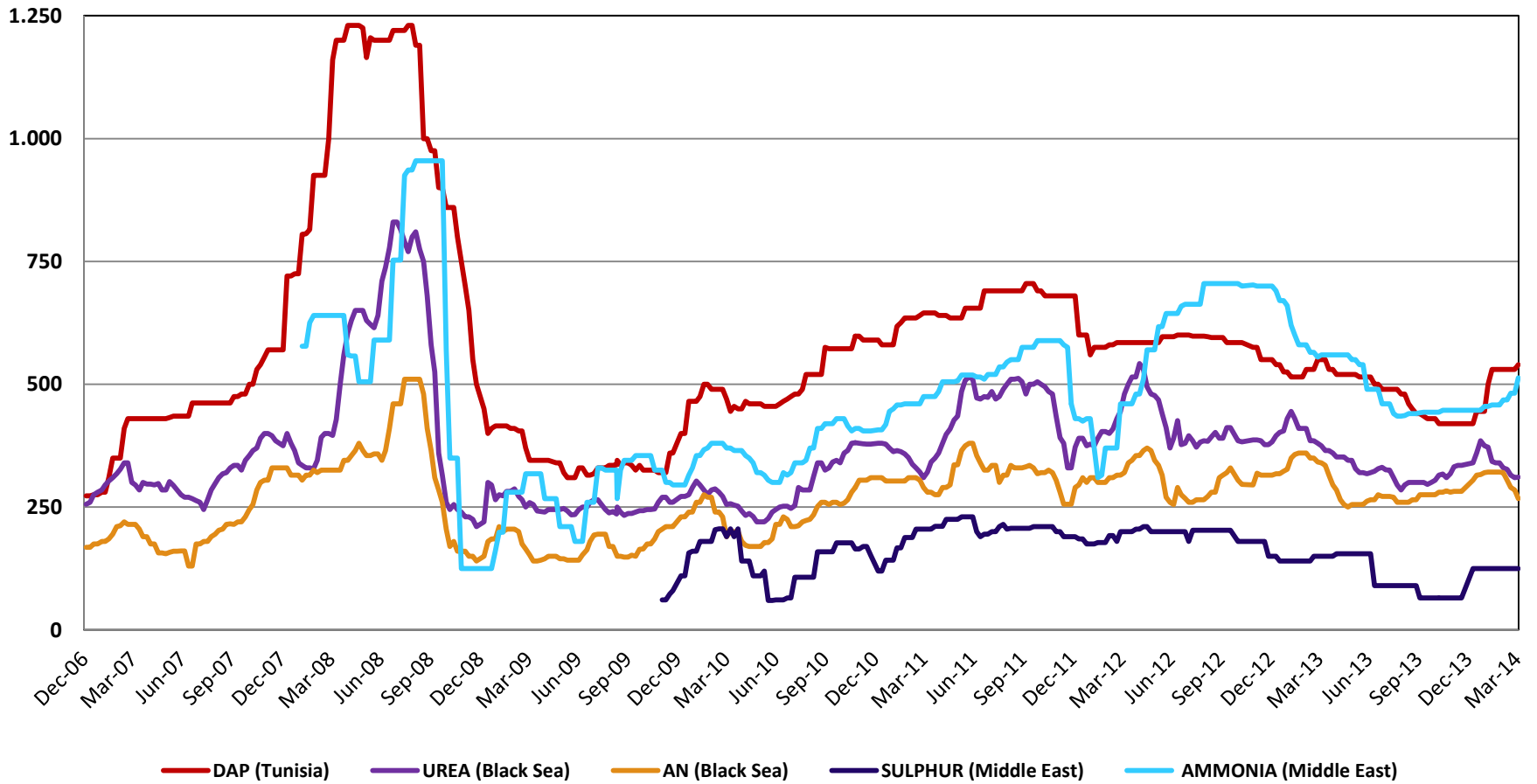
## Growth Potential

Fertilizer (nutrient based) use per hectare of arable land for selected countries

- Turkey: 95 kg
- Greece: 153 kg
- UK: 252 kg
- Germany: 211 kg
- USA: 120 kg
- World Average: 116

# FERTILIZER PRICES

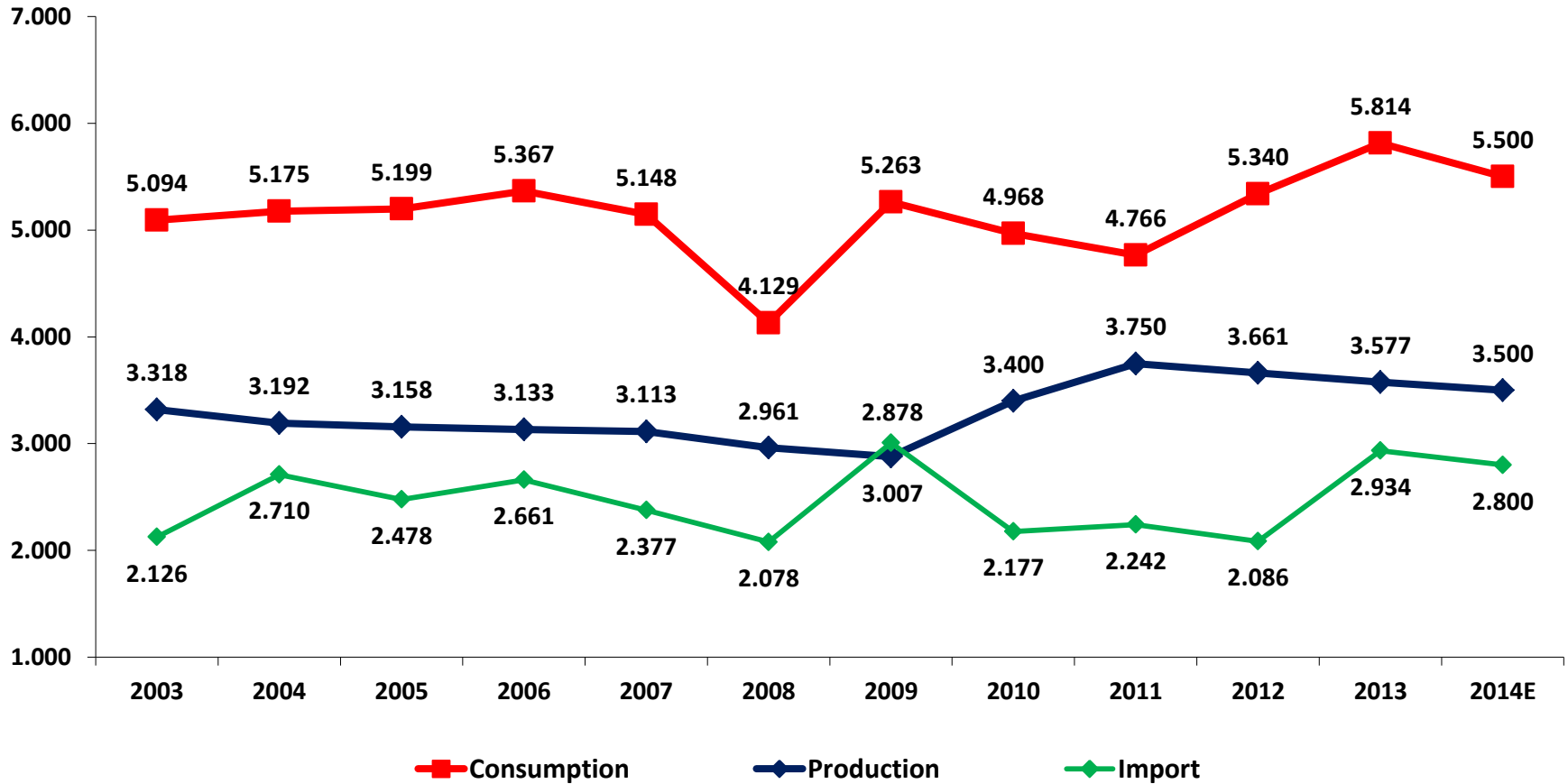
## World Fertilizer Prices (FOB US\$ / Ton)



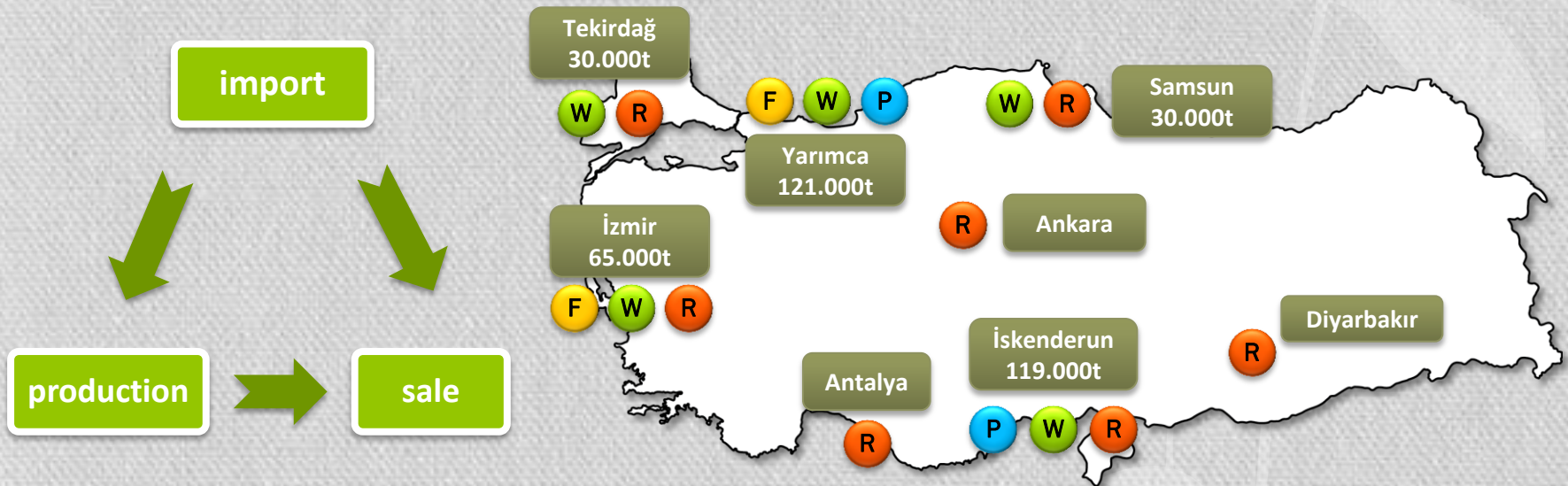


# MARKET OVERVIEW

## Turkish Fertilizer Sector (1.000tons)



# OPERATIONS IN TURKEY



- 2 Ports
- 5 Warehouses
- 7 Regional Sale Offices
- 2.720 dealer
- 365.000 ton Warehouse Capacity

- F** : Production Facility
- P** : Port
- W** : Warehouse
- R** : Regional Sale Office

# PRODUCTS

SOLID

LIQUID

POWDER

SPECIAL



164 Type of Products

## Products - General Use

AN	TSP	15.15.15
CAN	MAP	15.15.15+ZN
CAN GR	PS GR	15.15.15+20SO3
AS	PATENT KALI	15.15.15+ZN+20SO3
URE	20.20.0	15.15.10 +ZN+20SO3
URE GR	20.20.0+ZN	25.5.0
DAP		

## Products - Specific Use

13.24.12+10SO3+ZN (Corn)	23.12.9+ZN (Sunflower)
10.25.20+20SO3+ZN (Potato)	12.30.12 (Sugar beet)
10.25.5+5CaO+15SO3 (Crop)	15.20.10+1,5ZN (Paddy)
18.9.15+2MGO+10SO3 (Citrus)	13.18.15+2MGO (Super Sugar Beet)
13.25.5+10SO3+0,5ZN (Crop)	25.5.10 (Tea)

# PRODUCTION FLOW CHART

## YARIMCA PRODUCTION FACILITIES

### Main Inputs

- AMMONIA
- UREA
- AS
- PHOSPHATE ROCK
- S.ACID
- F.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

PRODUCTION CAPACITY:  
985.000 TON/YEAR

**TSP**  
185.000  
ton/year

**NPK 1**  
200.000  
ton/year

**NPK 2**  
300.000  
ton/year

**NPK 3**  
250.000  
ton/year

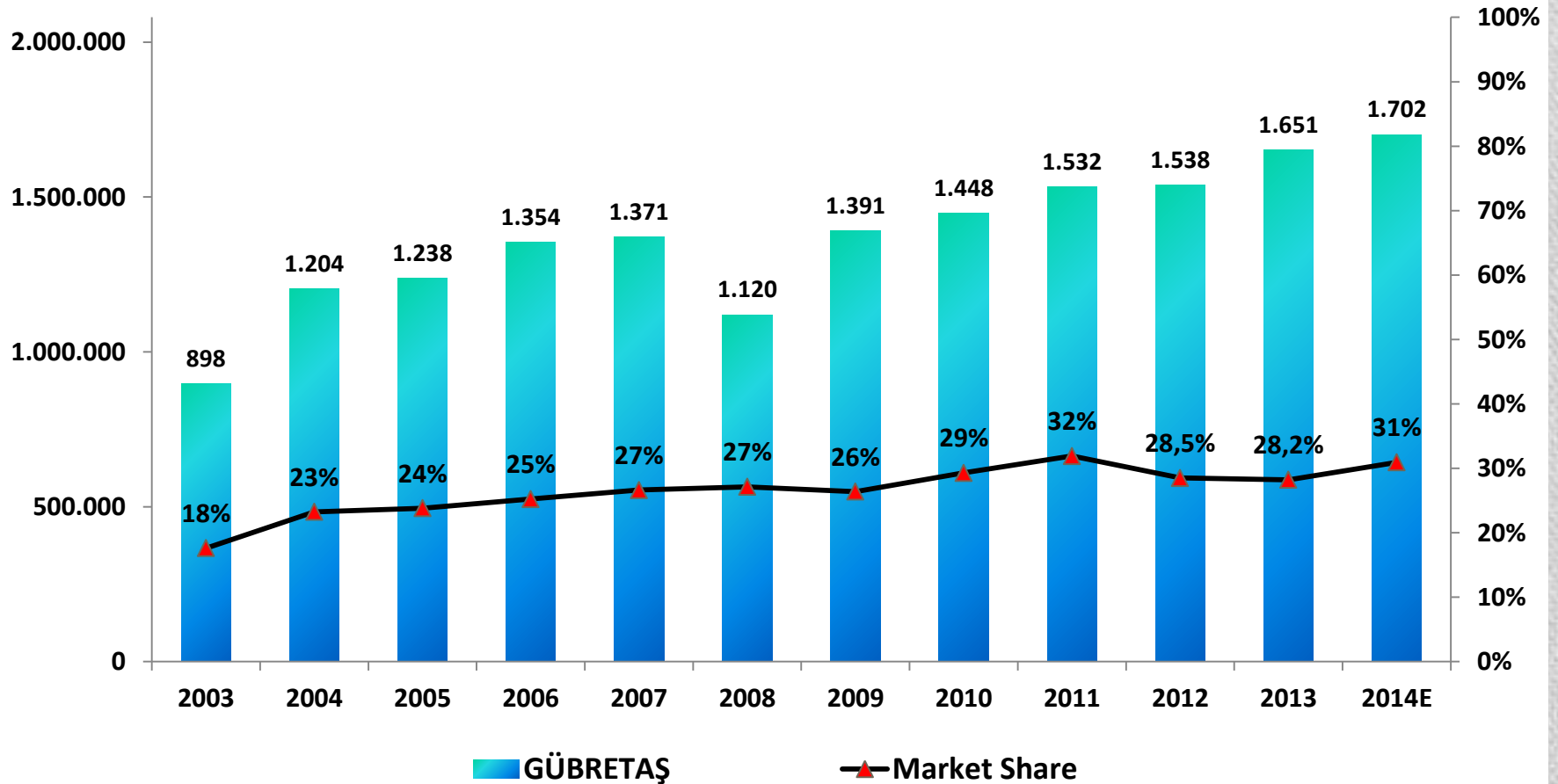
**NPK 4**  
250.000  
ton/year

**Liquid Fertilizer  
Production**  
25.000  
ton/year

NPK3 and NPK4's production will be launched at August 2014  
and NPK1 will be deactivated.

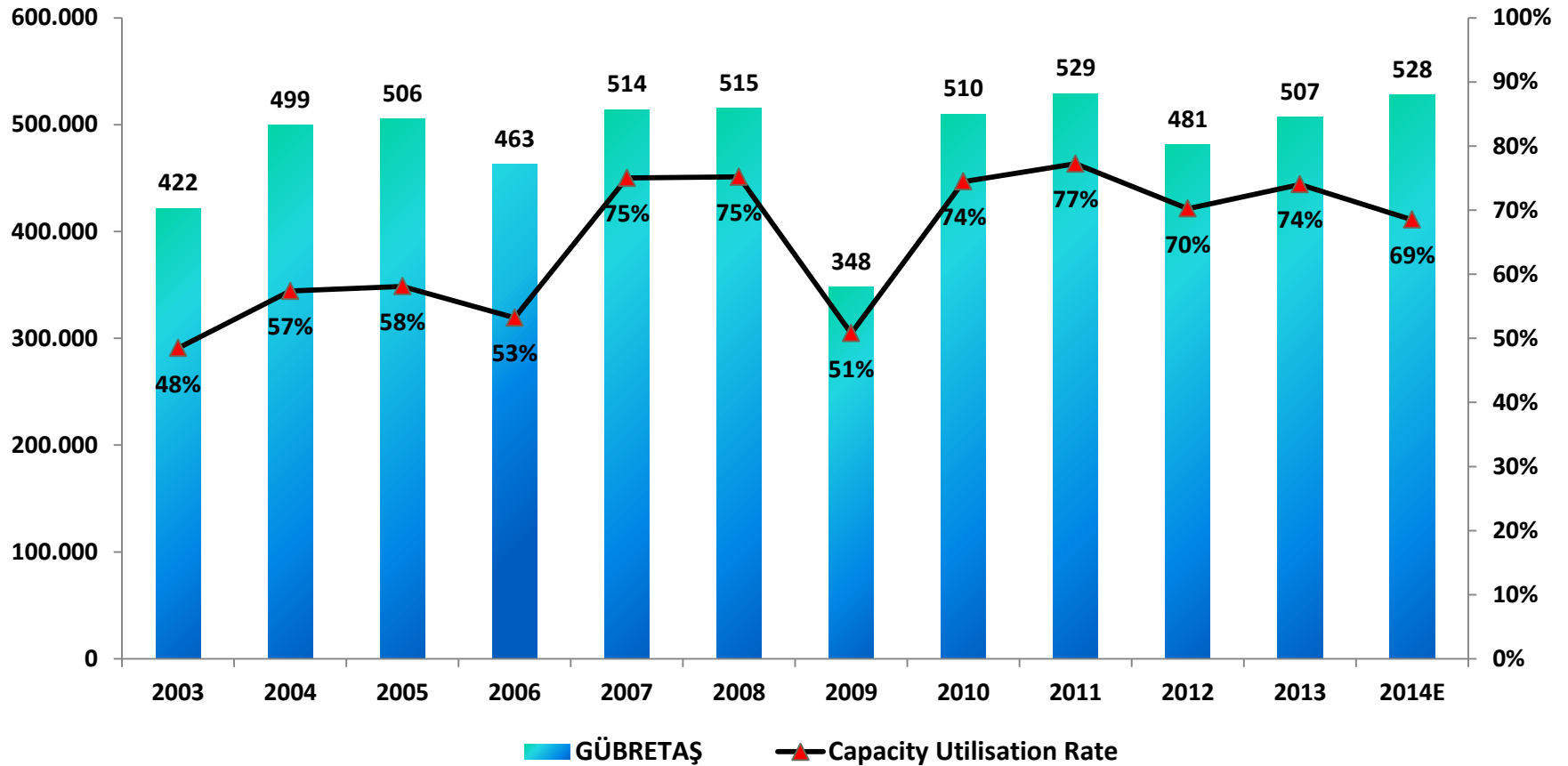
# MARKET SHARE

## Gübretaş Sales (1.000tons)



# PRODUCTION & C.U.R.

## Gübretaş Production (1.000tons)



# RAZI PETROCHEMICAL CO.

- Established in 1968
- The largest fertilizer complex in Iran
- Producer of Ammonia, Urea, Sulphur, Sulphuric Acid, Phosphoric Acid and DAP
- Located near the Mahsahr city at The Khuzestan province of Iran
- Advantage of processing both sour and sweet natural gas

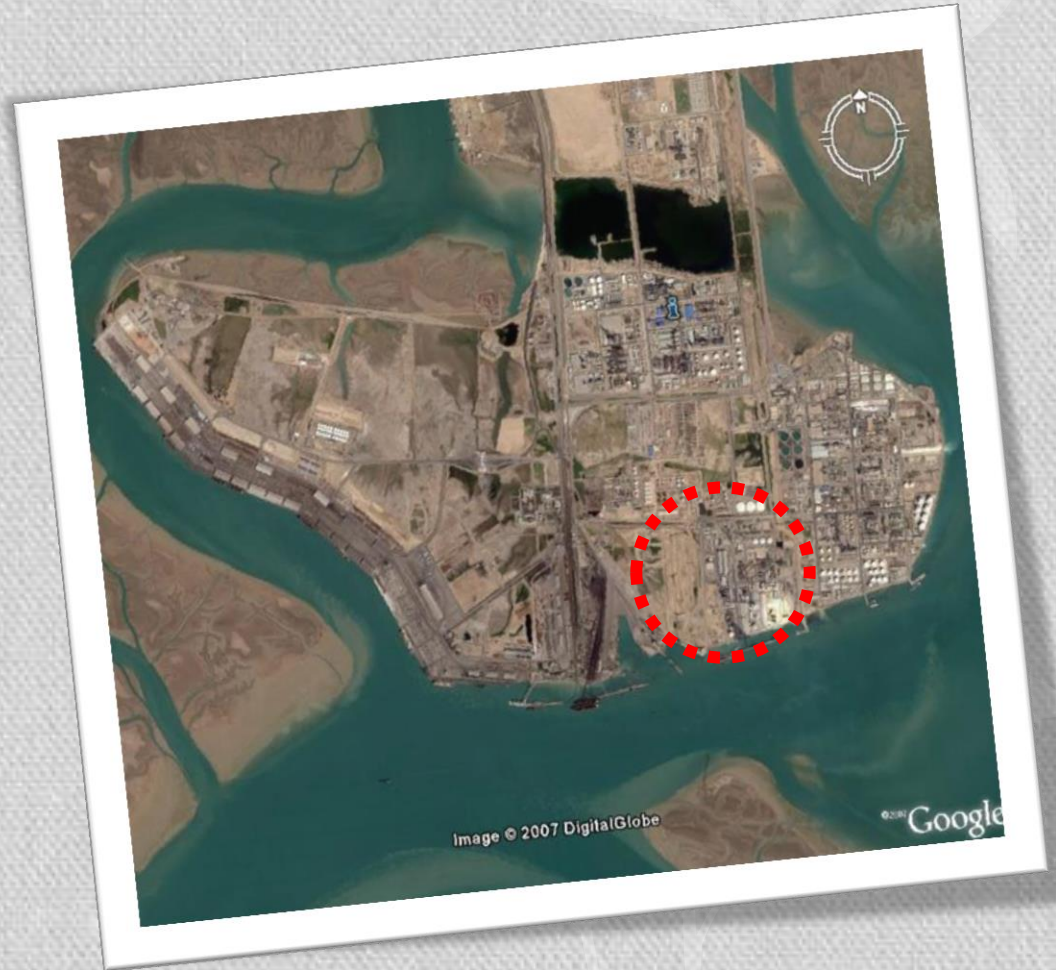


شرکت پتروشیمی رازی  
Razi Petrochemical Co.



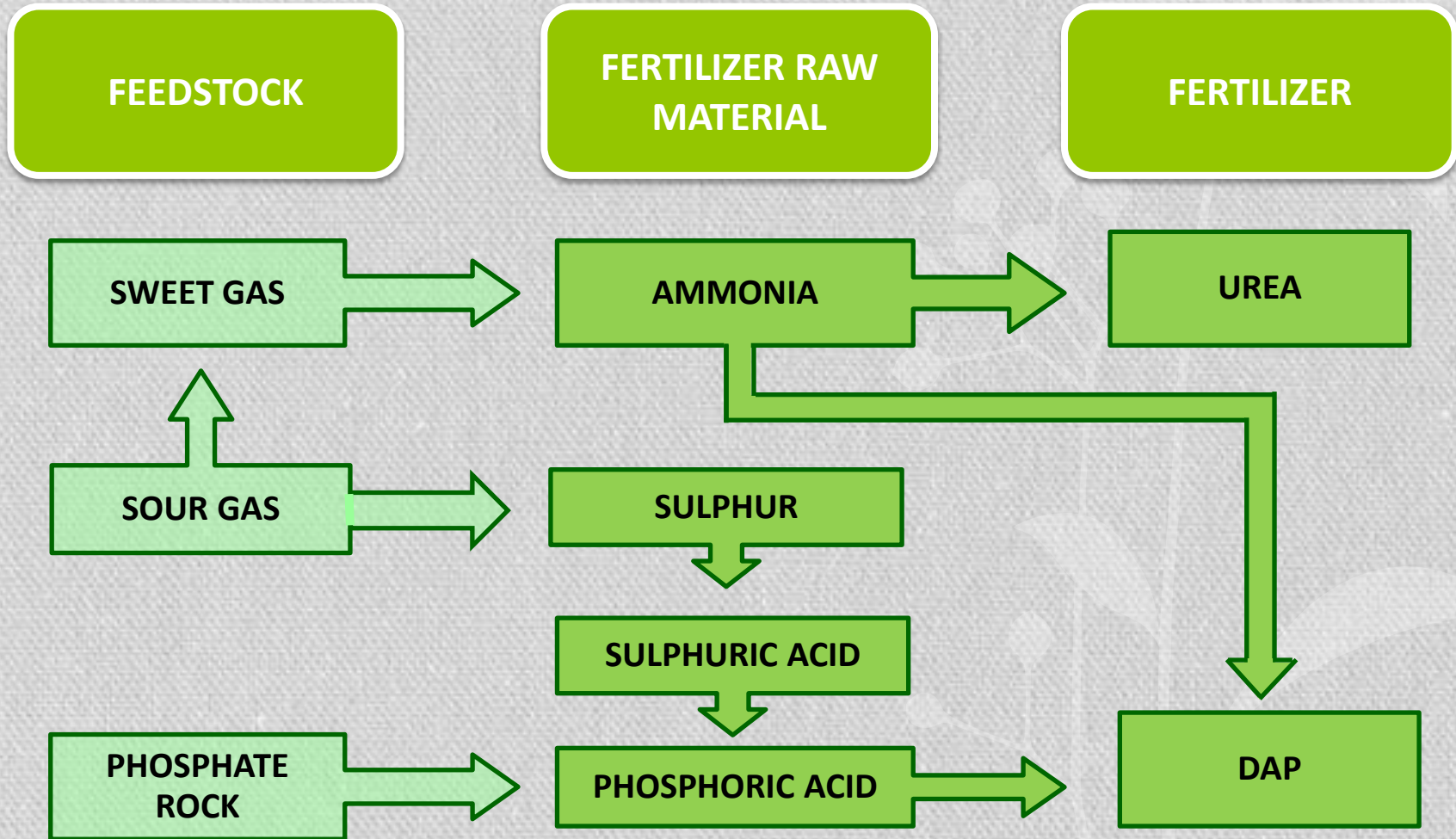
# RAZI PETROCHEMICAL CO.

- The consortium led by Gübretaş purchased 95.62% of Razi Petrochemical Co. shares from Iranian Privatization Organization in 2008 (656 million USD).
- Gübretaş has 48,88% stake in Razi Petrochemical Co.
- 3 members out of 5 at the board.
- Full consolidation





# RAZI PETROCHEMICAL CO.



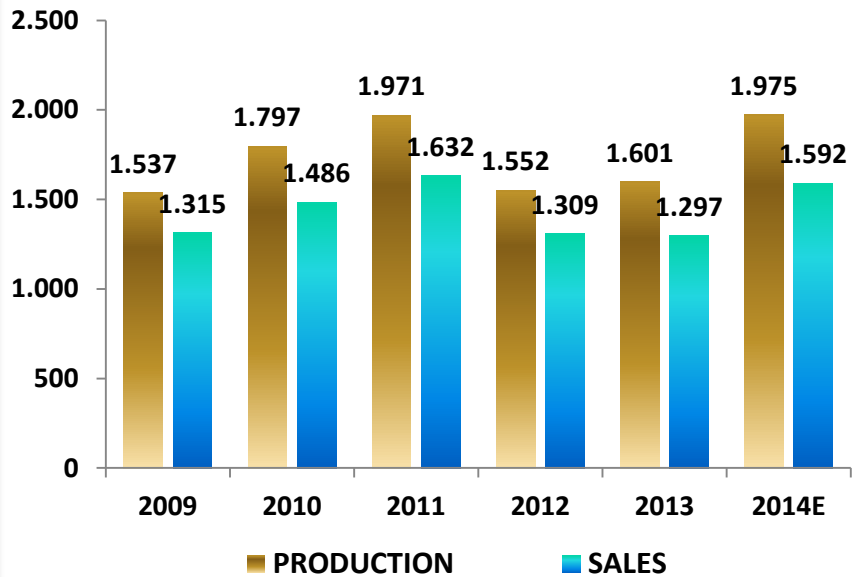
# RAZI PETROCHEMICAL CO.

PRODUCTION CAPACITY		
Plant	Number of Plant	Capacity (tons)
Ammonia	3	1.336.000
Urea	1	594.000
DAP	2	450.000
Sulphuric Acid	2	627.000
Sulphur Granul.	1	508.000
<b>Total</b>	<b>9</b>	<b>3.515.000</b>

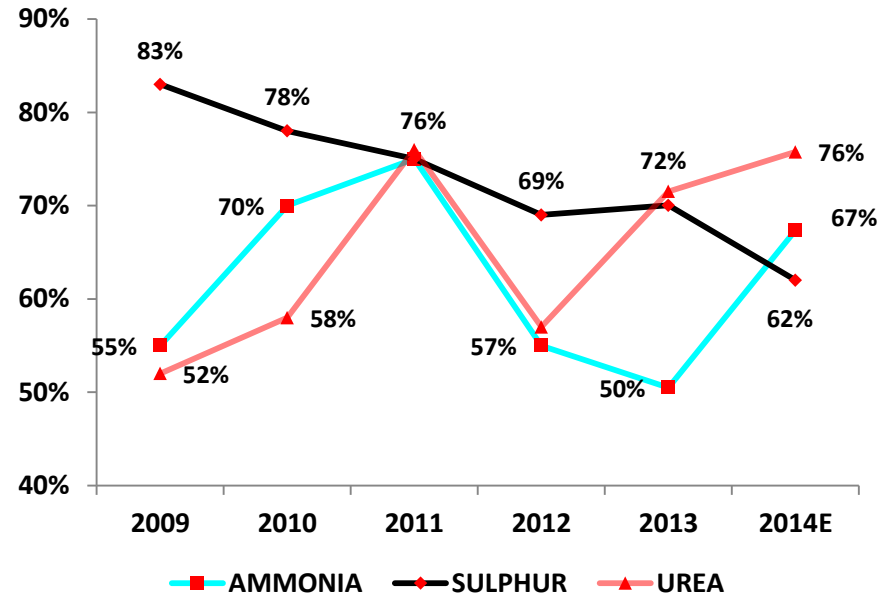


# RAZI PETROCHEMICAL CO.

## Production-Sales (1.000tons)

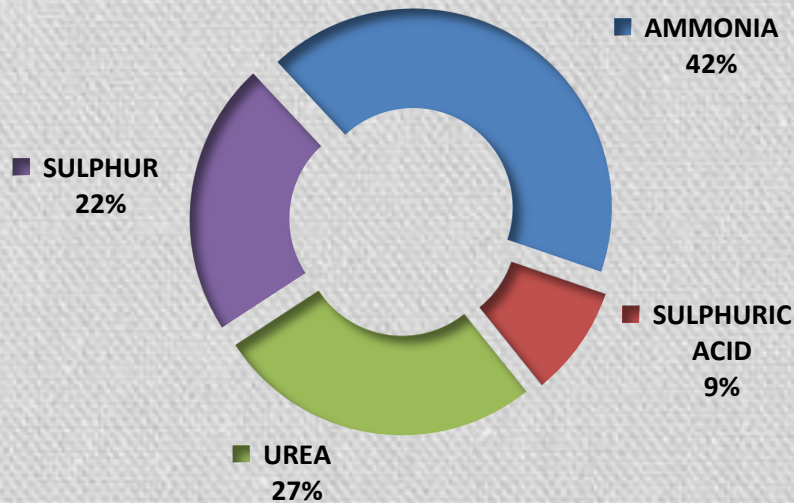


## Capacity Utilization Rate

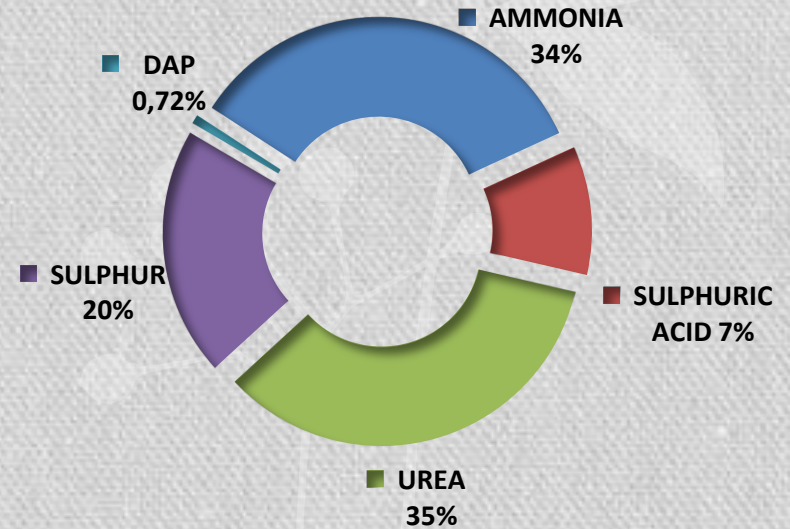


# RAZI PETROCHEMICAL CO.-2013

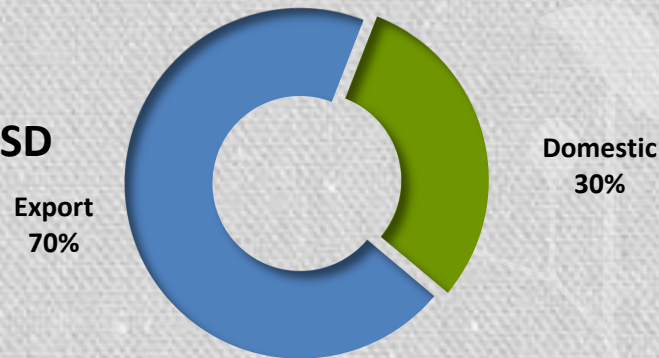
## PRODUCTION-Tons



## SALES-Tons



## SALES COMPOSITION-USD



# RAZI PETROCHEMICAL CO.

Estimated Production (Ton)		
Product	C.U.R.	2014E
Ammonia	67%	900.000
Urea	76%	450.000
Sulphur	62%	315.000
Sulphuric Acid	38%	240.000
DAP	16%	70.000
<b>Total</b>	<b>56%</b>	<b>1.975.000</b>

Estimated Sales (Ton)	
Product	2014E
Ammonia	599.700
Urea	450.000
Sulphur	233.400
Sulphuric Acid	238.600
DAP	70.000
<b>Total</b>	<b>1.591.700</b>

Expected Sales Price (US\$/Ton)	
Product	2014E
Ammonia (CIF)	530
Urea	292
Sulphur	90
Sulphuric Acid	45
DAP	560

Expected Sales Revenues (US\$/Mil)	
Product	2014E
Ammonia	318
Urea	131
Sulphur	21
Sulphuric Acid	11
DAP	39
<b>Total</b>	<b>520</b>

# RAZI PETROCHEMICAL CO.



OPERATING PROFORMA		2014E
Capacity Utilization Rate		56%
Production	'000 Ton	1.975
Sales	'000 Ton	1.592
Revenues	US\$ Mil.	520
<b>EBITDA</b>	<b>US\$ Mil.</b>	<b>241</b>
EBITDA Margin		46%
Net Income	US\$ Mil.	207
<b>Net Income Margin</b>		<b>40%</b>
Capex	US\$ Mil.	43

# 2004 - 2014 ECONOMIC PROFILE

## Consolidated Income Statement (Million TL)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014E
<b>Revenues</b>	<b>428</b>	<b>414</b>	<b>481</b>	<b>610</b>	<b>1.412</b>	<b>1.045</b>	<b>1.385</b>	<b>2.276</b>	<b>2.227</b>	<b>2.265</b>	<b>2.488</b>
Sales Growth	68%	-3%	16%	27%	131%	-26%	33%	64%	-2%	2%	10%
<b>COG</b>	<b>374</b>	<b>371</b>	<b>421</b>	<b>529</b>	<b>943</b>	<b>930</b>	<b>952</b>	<b>1.582</b>	<b>1.580</b>	<b>1.683</b>	<b>1.753</b>
<b>Gross Profit</b>	<b>54</b>	<b>43</b>	<b>60</b>	<b>81</b>	<b>469</b>	<b>115</b>	<b>433</b>	<b>695</b>	<b>647</b>	<b>582</b>	<b>735</b>
Gross Margin	13%	10%	12%	13%	33%	11%	31%	31%	29%	26%	30%
G & A Expenses	36	36	38	42	72	79	104	182	166	251	226
G & A / Sales	9%	9%	8%	7%	5%	8%	8%	8%	7%	11%	9%
<b>EBIT</b>	<b>18</b>	<b>7</b>	<b>22</b>	<b>39</b>	<b>398</b>	<b>36</b>	<b>329</b>	<b>513</b>	<b>482</b>	<b>332</b>	<b>509</b>
EBIT Margin	4%	2%	5%	6%	28%	3%	24%	23%	22%	15%	20%
Net Other Income/Exp.	6	6	7	-10	136	78	49	120	-8,5	56	54
<b>Earnings Before Tax</b>	<b>11</b>	<b>1</b>	<b>15</b>	<b>49</b>	<b>262</b>	<b>-42</b>	<b>280</b>	<b>392</b>	<b>472</b>	<b>276</b>	<b>455</b>
<b>Net Income</b>	<b>7</b>	<b>1,2</b>	<b>9</b>	<b>39</b>	<b>282</b>	<b>-48</b>	<b>245</b>	<b>375</b>	<b>430</b>	<b>281</b>	<b>428</b>
Net Income Margin	2%	0,3%	2%	6%	20%	-5%	18%	16%	19%	12%	17%
<b>Adjusted Net Income</b>	<b>7</b>	<b>1</b>	<b>9</b>	<b>39</b>	<b>103</b>	<b>-59</b>	<b>120</b>	<b>130</b>	<b>190</b>	<b>95</b>	<b>211</b>
Adjusted Net Income Margin	2%	0,3%	2%	6%	7%	-6%	9%	6%	9%	4%	8%
<b>EBITDA</b>	<b>19</b>	<b>8</b>	<b>24</b>	<b>46</b>	<b>449</b>	<b>106</b>	<b>402</b>	<b>606</b>	<b>534</b>	<b>394</b>	<b>563</b>
EBITDA Margin	4%	2%	5%	8%	32%	10%	29%	27%	24%	17%	23%
<b>Adjusted EBITDA</b>	<b>19</b>	<b>8</b>	<b>24</b>	<b>46</b>	<b>238</b>	<b>43</b>	<b>224</b>	<b>316</b>	<b>250</b>	<b>220</b>	<b>311</b>
Adjusted EBITDA Margin	4%	2%	5%	8%	17%	4%	16%	14%	11%	10%	13%

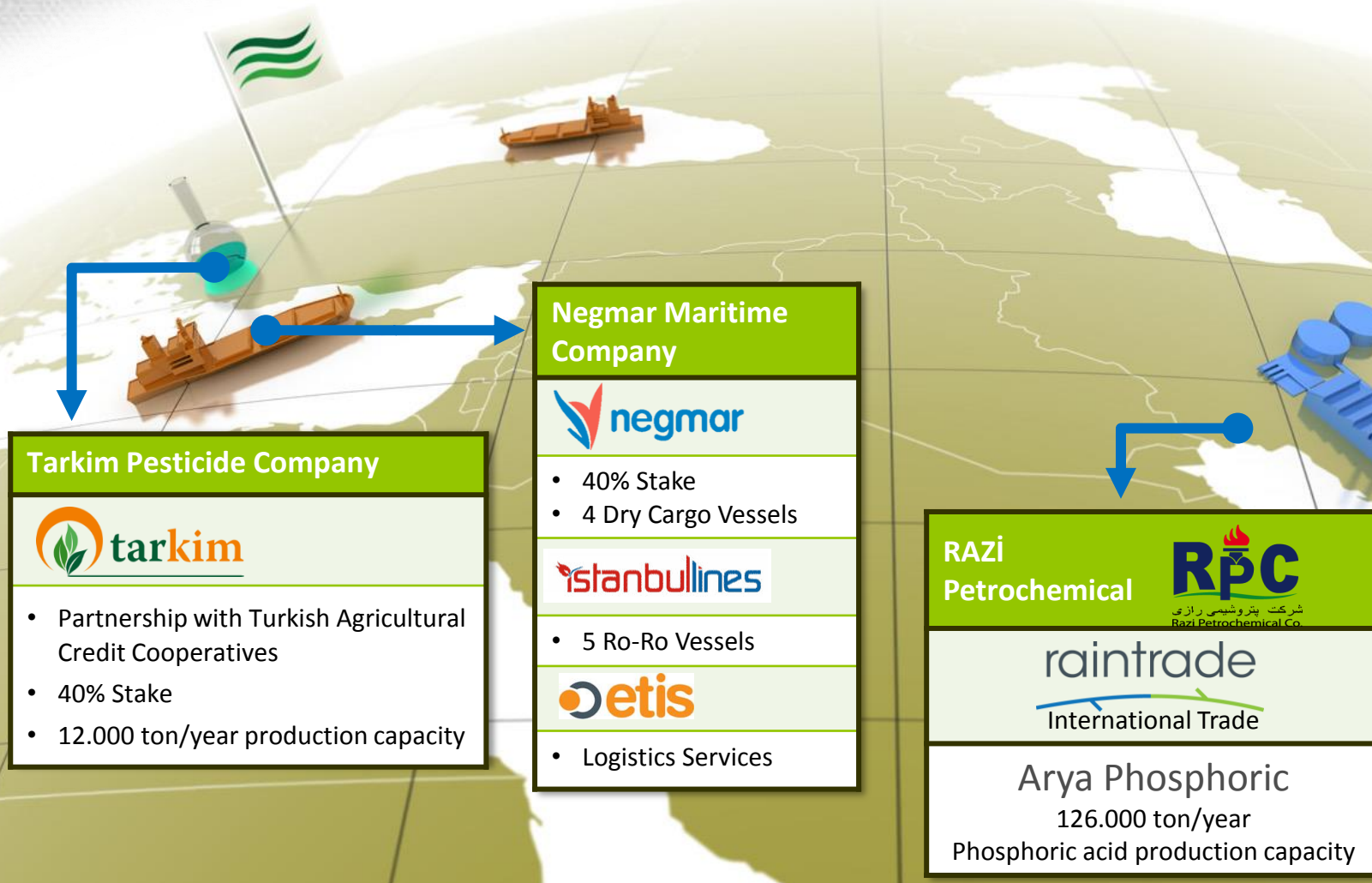
# NEW INVESTMENT AT YARIMCA FACILITY

- NPK/DAP Plant
  - 500.000Ton/Year capacity
- Ammonia Tank
  - 25.000Ton Capacity
- 60.000.000€ Capex
- Launch in August 2014
  
- Capacity Increase
- NPK & DAP Production
- Liquid Raw Material Usage
- Cost Advantage





# SUBSIDIARIES



**Tarkim Pesticide Company**



- Partnership with Turkish Agricultural Credit Cooperatives
- 40% Stake
- 12.000 ton/year production capacity

**Negmar Maritime Company**



- 40% Stake
- 4 Dry Cargo Vessels



- 5 Ro-Ro Vessels



- Logistics Services

**RAZI Petrochemical**



شرکت پتروشیمی رازی  
Razi Petrochemical Co.

**raintrade**  
International Trade

**Arya Phosphoric**  
126.000 ton/year  
Phosphoric acid production capacity

# Thank You

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