

Gübre Fabrikaları Türk Anonim Şirketi

Consolidated statement of financial position as at 31 December 2017

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

		Current year	Prior year
		Audited	Audited
	Notes	31 December 2017	31 December 2016
ASSETS			
Current assets:			
Cash and cash equivalents	5	227.960.860	136.519.570
Financial investments	31	79.972.354	24.961.482
Trade receivables			
- Trade receivables from related parties	30	66.765.089	85.191.486
- Trade receivables from third parties	7	347.394.493	301.308.388
Other receivables			
- Other receivables from related parties	30	132.977	2.756.403
- Other receivables from third parties	8	198.708.598	167.768.077
Inventories	9	972.164.142	814.012.500
Prepaid expenses	10	68.232.462	75.887.364
Derivative financial instruments	20	85.916	16.743.178
Assets related to the current period taxes	28	482.023	5.687.893
Other current assets	18	27.602.260	17.452.274
Total current assets		1.989.501.174	1.648.288.615
Non-current assets:			
Financial investments	31	42.585.948	44.152.656
Other receivables			
- Other receivables from related parties	30	60.276.145	94.567.063
- Other receivables from third parties	8	14.119.733	23.074.100
Investments valued by equity method	3	12.879.760	9.025.166
Investment properties	11	69.638.999	57.028.000
Property, plant and equipment	12	1.222.887.066	1.219.905.720
Intangible assets			
-Goodwill	13	181.331.891	188.461.258
-Other intangible assets	13	28.950.307	29.129.804
Prepaid expenses	10	19.837.304	40.975.917
Deferred tax assets	28	55.978.837	28.524.082
Total non-current assets		1.708.485.990	1.734.843.766
Total assets		3.697.987.164	3.383.132.381

The consolidated financial statements for the year ended 31 December 2017 have been approved by the Board of Directors on 12 March 2018.

Gübre Fabrikaları Türk Anonim Şirketi

Consolidated statement of financial position as at 31 December 2017

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

		Current year	Prior year
		Audited	Audited
	Notes	31 December 2017	31 December 2016
LIABILITIES			
Current liabilities:			
Short term borrowings	6	912.317.544	798.391.047
Current portion of long-term borrowings	6	54.914.049	42.297.246
Trade payables			
- Trade payables to related parties	30	17.417.334	5.224.461
- Trade payables to third parties	7	814.981.212	627.026.512
Employee benefit obligations	17	33.663.131	35.667.368
Other payables			
- Other payables to third parties	8	221.497.832	153.941.939
Deferred income	10	16.541.386	34.436.793
Current income tax liability	28	17.143.787	53.959.350
Short-term provisions			
- Short-term provisions for employee benefits	17	42.251.136	24.212.339
- Other short term provisions	16	49.140.281	79.923.906
Total current liabilities		2.179.867.692	1.855.080.961
Non-current liabilities:			
Long-term borrowings	6	72.295.391	99.492.773
Long-term provisions			
- Long-term provisions for employee benefits	17	196.320.157	185.422.202
Deferred tax liability	28	41.992.837	41.518.380
Total non-current liabilities		310.608.385	326.433.355
Total liabilities		2.490.476.077	2.181.514.316
Shareholders' equity:			
Share capital	19	334.000.000	334.000.000
Accumulated other comprehensive income / expense not to be reclassified to profit or loss			
- Revaluation gains/losses on property, plant and equipment	27	261.940.485	262.570.832
- Actuarial gain/(loss) arising from defined benefit plans		(1.458.551)	(945.335)
- Foreign currency translation reserve		(68.388.089)	(62.489.158)
- Shares to be classified as profit / loss from other comprehensive income of investments accounted for by the equity method	3	(28.376.207)	(25.428.512)
Restricted reserves			
-Legal reserves	19	52.295.108	41.378.380
Retained earnings		387.155.939	466.809.637
Net income or expense		33.317.912	(68.736.970)
Equity attributable to equity holders of the parent		970.486.597	947.158.874
Non-controlling interests		237.024.490	254.459.191
Total shareholders' equity		1.207.511.087	1.201.618.065
Total liabilities and equity		3.697.987.164	3.383.132.381

(Convenience translation of the independent auditor's report and consolidated financial statements originally issued in Turkish)

Gübre Fabrikaları Türk Anonim Şirketi

Consolidated statement of profit or loss as of 31 December 2017 (Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Current year Audited	Prior year Audited
	Notes	1 January – 31 December 2017	1 January – 31 December 2016
Sales	21	3.487.261.450	2.834.839.791
Cost of sales (-)	21	(2.968.797.796)	(2.418.214.457)
Gross profit		518.463.654	416.625.334
General and administrative expense (-)	22	(170.128.235)	(127.957.341)
Marketing, selling and distribution expense (-)	22	(278.525.716)	(229.077.384)
Other operating income	24	325.505.241	214.273.395
Other operating expenses (-)	24	(310.782.176)	(219.268.957)
Operating profit		84.532.768	54.595.047
Income from investment activities	25	6.662.917	2.336.601
Profit / (loss) from investments accounted by equity method	3	4.693.731	(3.833.419)
Financial income / (expense) before operating profit		95.889.416	53.098.229
Financial income / (expense)	26	(84.334.666)	(46.857.844)
Profit before tax from continuing operations		11.554.750	6.240.385
- Current period tax income / (expense)	28	(5.302.407)	(20.786.763)
- Deferred tax income / (expense)	28	19.570.325	(29.418.026)
Total tax income / (expense)		14.267.918	(50.204.789)
Net profit		25.822.668	(43.964.404)
Distribution of income for the period:			
Non-controlling interests		(7.495.244)	24.772.566
Attributable to equity holders of the parent		33.317.912	(68.736.970)
Other comprehensive income			
Items not to be reclassified to profit or loss			
Actuarial gain/(loss) arising from defined benefit plans	17	(641.520)	(1.181.669)
Tax effect of other comprehensive income/expense not to be reclassified to profit or loss	28	128.304	236.334
Gains or (losses) in revaluation of property, plant and equipment	12	(700.386)	-
Tax effect of other comprehensive income/expense not to be reclassified to profit or loss	28	70.039	-
Items to be reclassified to profit or loss			
Changes in currency translation differences		(14.756.840)	47.870.920
Changes in currency translation differences from investments accounted by equity method	3	(2.947.695)	(11.647.678)
Other comprehensive income / (expense)		(18.848.098)	35.277.907
Total comprehensive income / (expense)		6.974.570	(8.686.497)
Distribution of total comprehensive income			
-Non-controlling interests		(16.353.153)	59.316.687
-Equity holders of the parent		23.327.723	(68.003.184)
Earnings per share	29	0,0010	(0,0021)

(Convenience translation of the independent auditor's report and consolidated financial statements originally issued in Turkish)

Gübre Fabrikaları Türk Anonim Şirketi

Consolidated statement of equity movement as of 31 December 2017

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

		Items not to be reclassified to profit or loss		Items to be reclassified to profit or loss				Retained earnings			
		Revaluation reserves	Actuarial gain/(loss) arising from defined benefit plans	Changes in currency translation differences from investments accounted by equity method	Foreign currency translation reserve			Net profit for the period	Equity attributable to equity holders of the parent		
	Share capital					Restricted reserves	Retained earnings			Non-controlling interests	Total equity
1 January 2015	334.000.000	262.570.832	-	(13.780.834)	(74.870.622)	39.708.380	416.698.169	85.181.468	1.049.507.393	556.116.827	1.605.624.220
Transfers	-	-	-	-	-	1.670.000	83.511.468	(85.181.468)	-	-	-
Dividend paid	-	-	-	-	-	-	(33.400.000)	-	(33.400.000)	(360.974.323)	(394.374.323)
Other comprehensive income / (expense)	-	-	(945.335)	-	-	-	-	-	(945.335)	-	(945.335)
Total comprehensive income / (expense)	-	-	-	(11.647.678)	12.381.464	-	-	(68.736.970)	(68.003.184)	59.316.687	(8.686.497)
31 December 2016	334.000.000	262.570.832	(945.335)	(25.428.512)	(62.489.158)	41.378.380	466.809.637	(58.736.970)	947.158.874	254.459.191	1.201.618.065
1 January 2016	334.000.000	262.570.832	(945.335)	(25.428.512)	(62.489.158)	41.378.380	466.809.637	(68.736.970)	947.158.874	254.459.191	1.201.618.065
Transfers	-	-	-	-	-	10.916.728	(79.653.698)	68.736.970	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	(1.081.548)	(1.081.548)
Total comprehensive income / (expense)	-	(630.347)	(513.216)	(2.947.695)	(5.898.931)	-	-	33.317.912	23.327.723	(16.353.153)	6.974.570
31 December 2017	334.000.000	261.940.485	(1.458.551)	(28.376.207)	(68.388.089)	52.295.108	387.155.939	33.317.912	970.486.597	237.024.490	1.207.511.087

(Convenience translation of the independent auditor's report and consolidated financial statements originally issued in Turkish)

Gübre Fabrikaları Türk Anonim Şirketi

Consolidated statement of cash flows as of 31 December 2017 (Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited 1 January – 31 December 2017	Audited 1 January – 31 December 2016
	Notes		
Cash flows from operating activities			
Profit from continuing operations		25.822.668	(43.964.404)
<i>Adjustments to reconcile net profit/(loss) for the period</i>			
Adjustments related to depreciation and amortization expense	12,13,23	71.843.896	70.088.478
Gain / (loss) on equity investments	3	(4.693.731)	3.833.419
Retirement pay provision, early retirement pay liability	17	112.851.145	79.949.994
Adjustments related to interest expense		116.583.330	83.249.489
Impairment of inventories	9	8.294.639	539.074
Deferred financial income		4.474.366	2.384.246
Lawsuit provision / cancellation	16	5.605.762	1.598.160
Allowance for / reversal of doubtful receivable		4.432.603	-
Current year tax income / (expense)	28	(14.267.918)	50.204.789
Adjustments related to losses (gains) on sale of property, plant and equipments	25	(152.439)	(1.394.601)
Adjustments related to fair value losses (gains) on investment property	25	(6.510.478)	(942.000)
Adjustments related to fair value losses (gains) on derivative financial instruments	20	(85.916)	(16.743.178)
Cash flows from the operating activities before changes in the assets and liabilities		324.197.927	228.803.466
Changes in working capital (net):			
Adjustments related to increase / (decrease) in trade receivables		(35.598.134)	(709.191)
Adjustments related to increase / (decrease) in other receivables		14.928.190	34.907.424
Adjustments related to increase / (decrease) in inventories		(155.319.693)	107.885.336
Adjustments related to increase / (decrease) in trade payables		215.922.208	113.821.431
Employee benefit obligations		(2.004.237)	19.045.051
Increase / (decrease) in deferred income		(17.895.407)	1.787.799
Increase / (decrease) in prepaid expenses		28.793.515	(42.632.321)
Increase / (decrease) in other payables		27.414.853	7.780.945
Adjustments related to other increases / (decreases) in working capital		(47.213.121)	88.394.432
Cash flows from the operations after the changes in working capital		353.226.101	559.084.372
Interest paid		(103.625.493)	(83.249.489)
Taxes refunds/(payments)	28	(3.731.287)	(43.216.291)
Payment termination Indeminty	17	(73.298.837)	(64.606.000)
Cash flow regarding investment activities		172.570.484	368.012.592
Investment activities:			
Cash outflows from the purchases of property, plant and equipment and intangible assets	12,13	(110.222.458)	(93.958.099)
Proceeds from sales of property, plant and equipment	12,13	2.244.605	2.286.390
Cash outflows from the purchases of investment property	11	-	(41.820.000)
Other cash inflows / (outflows)	31	(53.444.164)	(21.889.282)
Cash flows from investment activities		(161.422.017)	(155.380.991)
Financing activities:			
Dividend paid		(1.081.549)	(293.253.439)
Cash inflows from financial borrowings		3.310.609.737	2.703.251.617
Cash outflows from financial borrowings payments		(3.211.263.819)	(2.858.968.945)
Cash flows from financing activities		98.264.369	(448.970.767)
Net change in cash and cash equivalents before effect of foreign currency translation difference		109.412.833	(236.339.166)
Cash and cash equivalents as of January 1	5	125.519.427	364.409.394
Foreign currency translation difference		(11.744.188)	(2.550.801)
Cash and cash equivalents as of December 31	5	223.188.075	125.519.427