



## 2<sup>nd</sup> MEETING OF THE COMCEC AGRICULTURE WORKING GROUP

*Ankara - December 19, 2013*

"Encouraging Foreign Direct Investments (FDI's) in the COMCEC Region for Increasing Agricultural Productivity"

**GUBRETAS & Turkey's Largest Foreign Industrial Investment: Razi Petrochemical Co.**



AN AFFILIATE OF THE TURKISH AGRICULTURAL CREDIT COOPERATIVES



# agenda...

## I. Introduction of GUBRETAS:

- ✓ Company background and operations

## II. GUBRETAS Investment in Iran:

- ✓ Razi Petrochemical Co. (Razi)
  - Ω Arya Phosphoric Jonoub Co. (Arya)



growing with Turkey  
for over 60 years...



# briefly, GUBRETAS...

- **Operating since 1952**
- **First fertilizer factory** in Turkey (in Iskenderun)
- One of the **first 16 firms entered in Istanbul Stock Exchange (BIST)**
- Always among **the biggest industrial organizations** in Turkey
- According to recent years' data: "**fastest-growing company**" of Turkey





# AMONG TOP 100 TURKISH COMPANIES...

**BIST's Fastest Growing Company**  
(past 5 years' evaluation, 2012)

**1.**



**Turkey's Fastest Growing Company**  
(past 3 years' evaluation 2010)

**1.**



**Fortune (Turkey) 500 List**  
**Net Sales**

**48.**



**Forbes (Turkey)**  
**Top 100 Turkish Companies**

**51.**

**Capital (Turkey) 500 List**  
**Net Sales**

**54.**



**Istanbul Chamber of Commerce-ICC 500**  
**Sales Revenue**

**61.**

\* Most Profitable Company **19.**

\* Among the **13** companies enlisted since 45 years

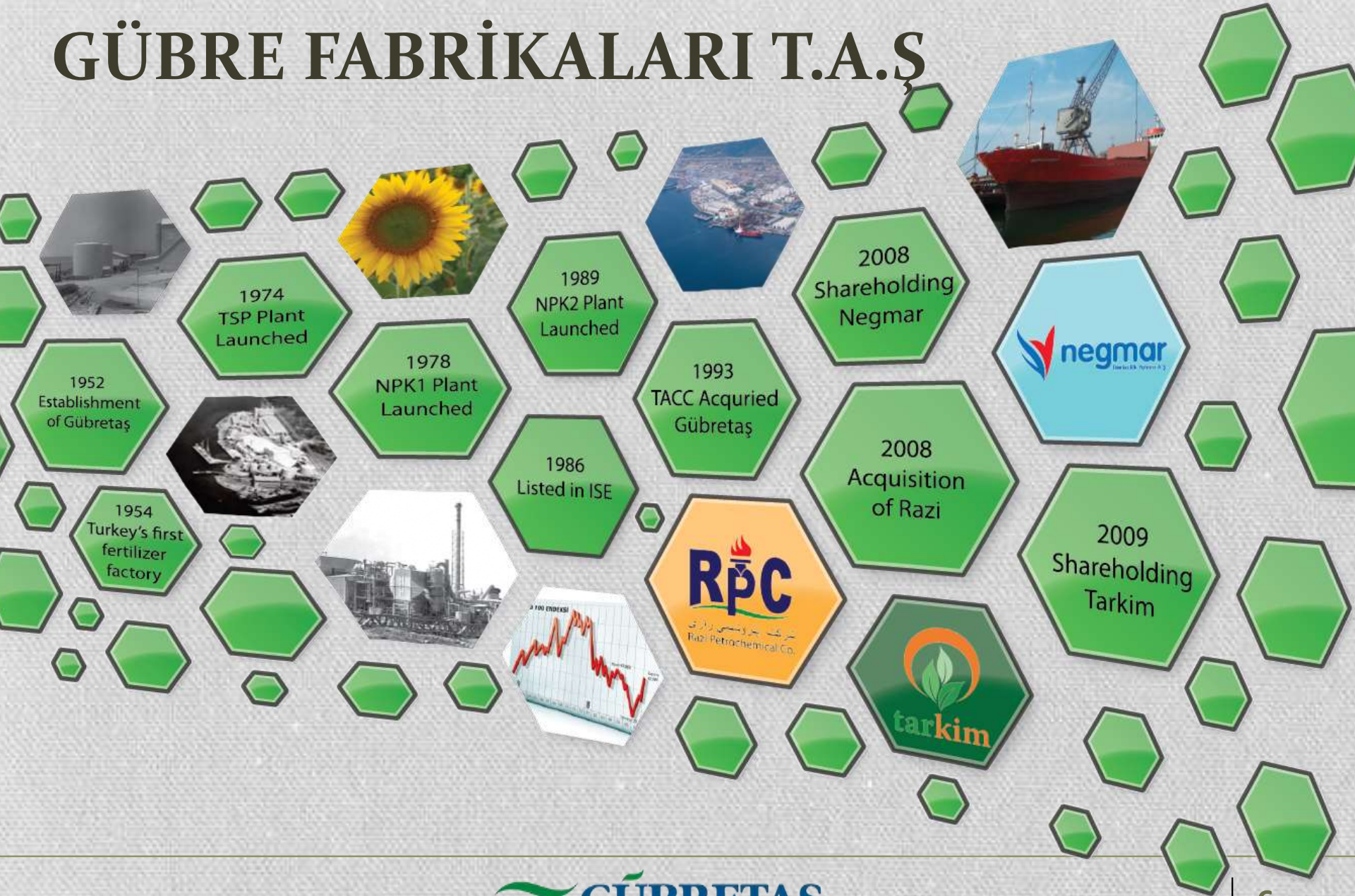
**LACP Vision Awards**  
**Best Annual Report**  
**Golden Award (2012)**  
**Silver Award (2013)**



**International Business Awards**  
**Stevie Winner**  
**Best Annual Report**  
**Silver Award (2013)**

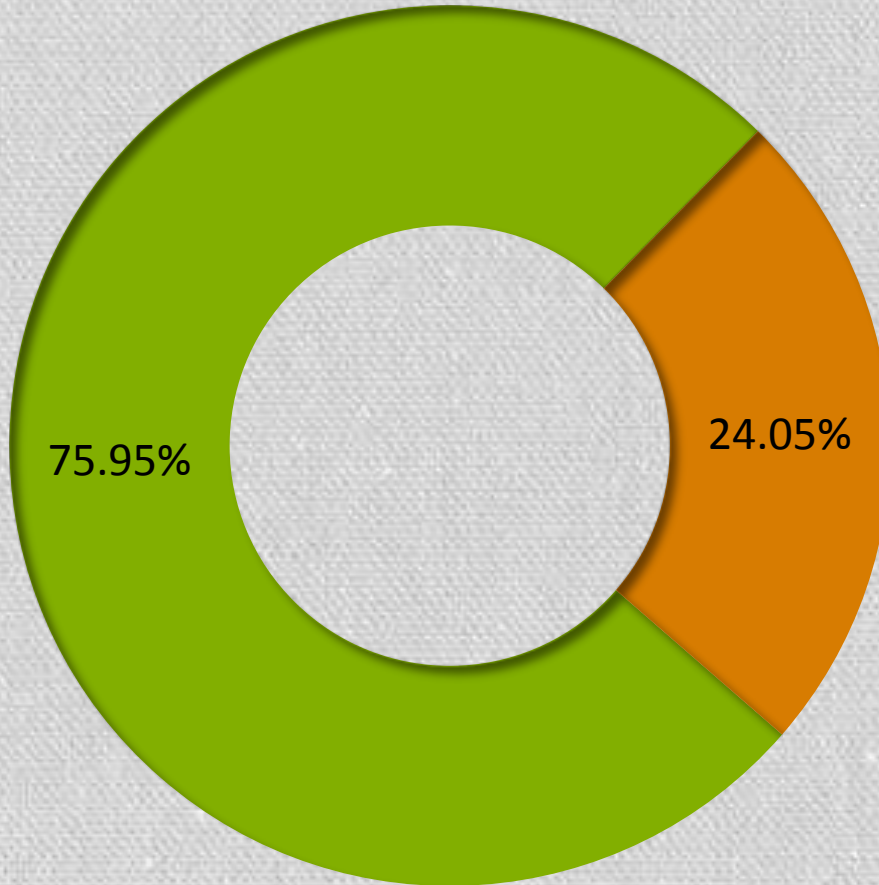


# GÜBRE FABRİKALARI T.A.Ş





# OWNERSHIP STRUCTURE

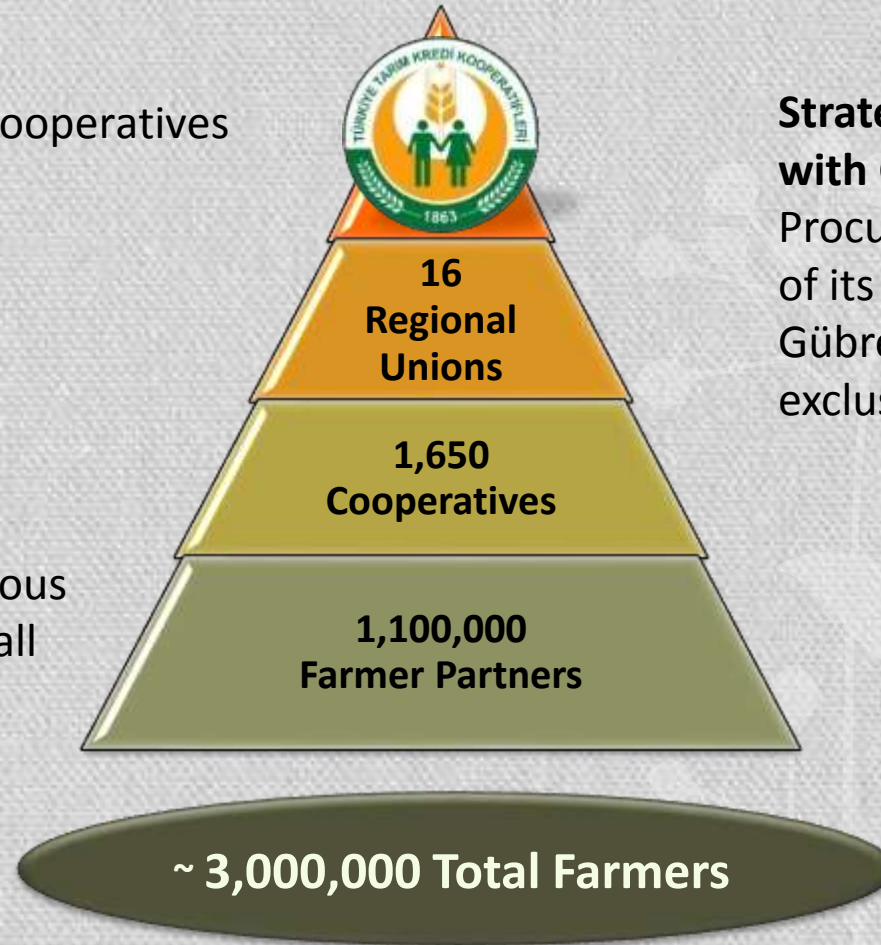


■ Main Shareholder - The Central Union of Turkish Agricultural Credit Cooperatives

■ Public Shares

# THE CENTRAL UNION OF TURKISH AGRICULTURAL CREDIT COOPERATIVES

- Leading agricultural cooperatives
- Founded in 1863
- 5,000 employees
- 14 Subsidiaries
- Support farmers' various procurement needs, all the way from fertilizers to tractors

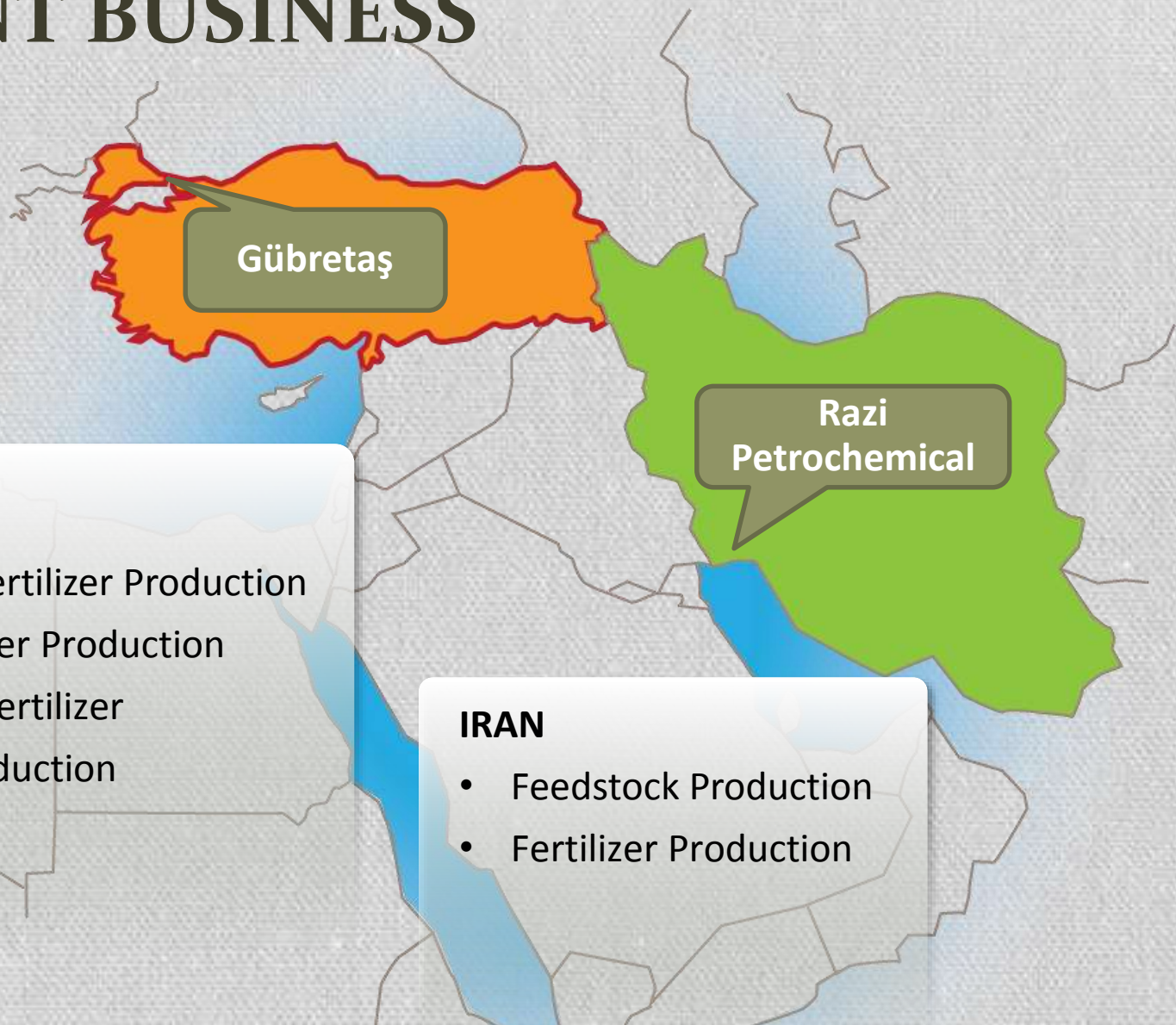


## Strategic Relationship with Gübretaş

Procure 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



# OPERATIONS IN TURKEY



- 2 Ports
- 5 Warehouses
- 7 Regional Sale Offices
- 2,720 dealers
- 391,000 ton Warehouse Capacity

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



# 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
- 12.30.12
- 13.24.12

PRODUCTION CAPACITY:  
685,000 TON/YEAR

**TSP**  
185,000  
ton/year

**NPK 1**  
200,000  
ton/year

**NPK 2**  
300,000  
ton/year

Liquid Fertilizer  
Production  
25,000  
ton/year

PRODUCTION CAPACITY:  
985,000 TON/YEAR

**NPK 3 (2h14)**  
250,000 ton/year

**NPK 4 (2h14)**  
250,000 ton/year







# PRODUCTS

SOLID

LIQUID

POWDER

SPECIAL



**Product Variety: 130 products**

## Products - General Use

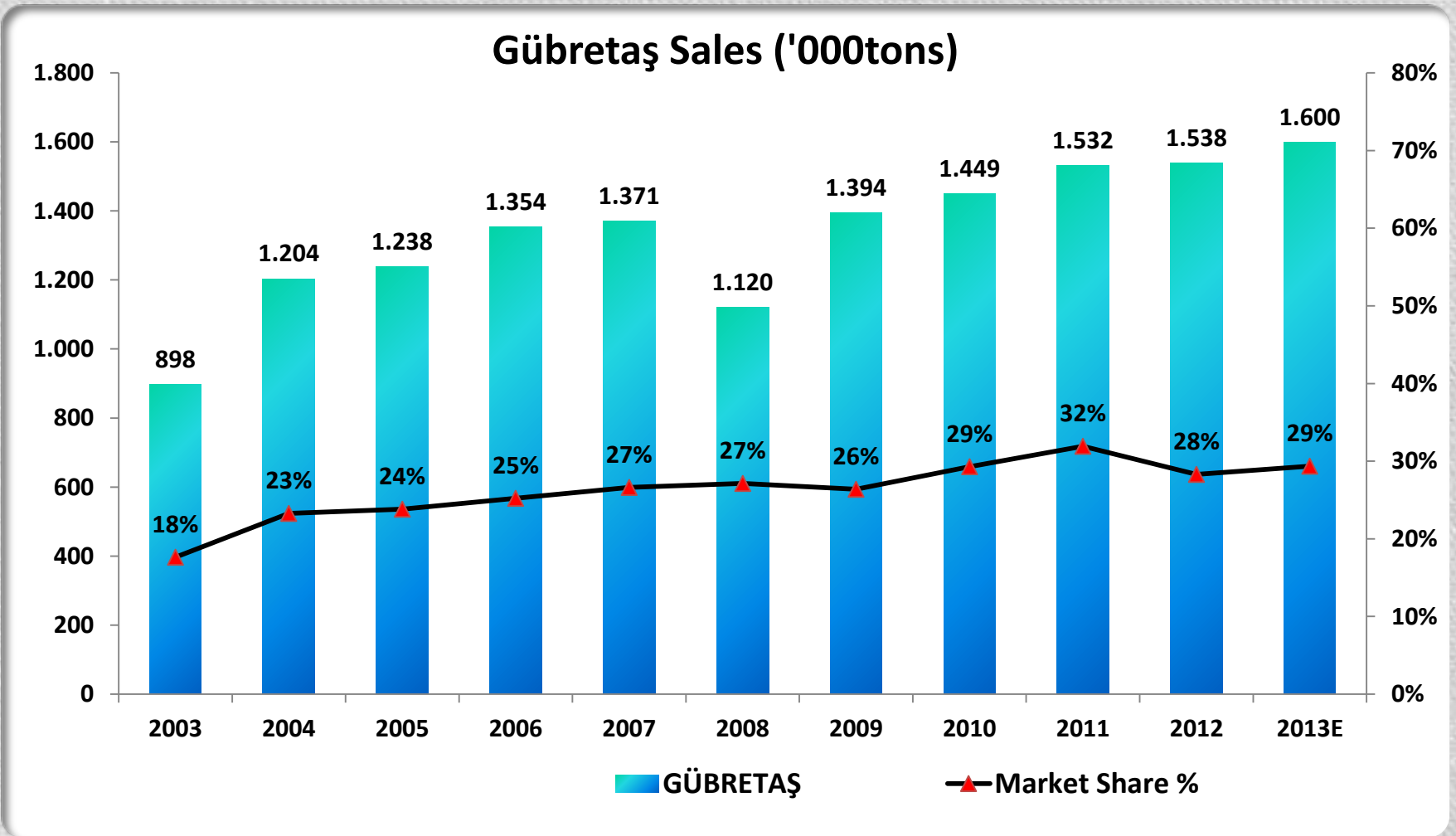
AN	TSP	15.15.15
CAN	MAP	15.15.15 ZN
CAN GR	PS GR	15.15.15 S
AS	PATENT KALI	15.15.15 ZNS
URE	20.20.0	15.15.10 ZZNS
URE GR	20.20.0 ZN	13.18.25 2MG
DAP		

## Products - Specific Use

13.24.12 (Corn)	23.12.9 (Sunflower)	13.25.5 (Crop)
10.25.20 (Potato)	12.30.12 (Sugar beet)	25.05.10 (Tea)
10.25.5 (Crop)	15.20.10 (Paddy)	25.05.0 (Tea)
18.9.15 (Citrus)		

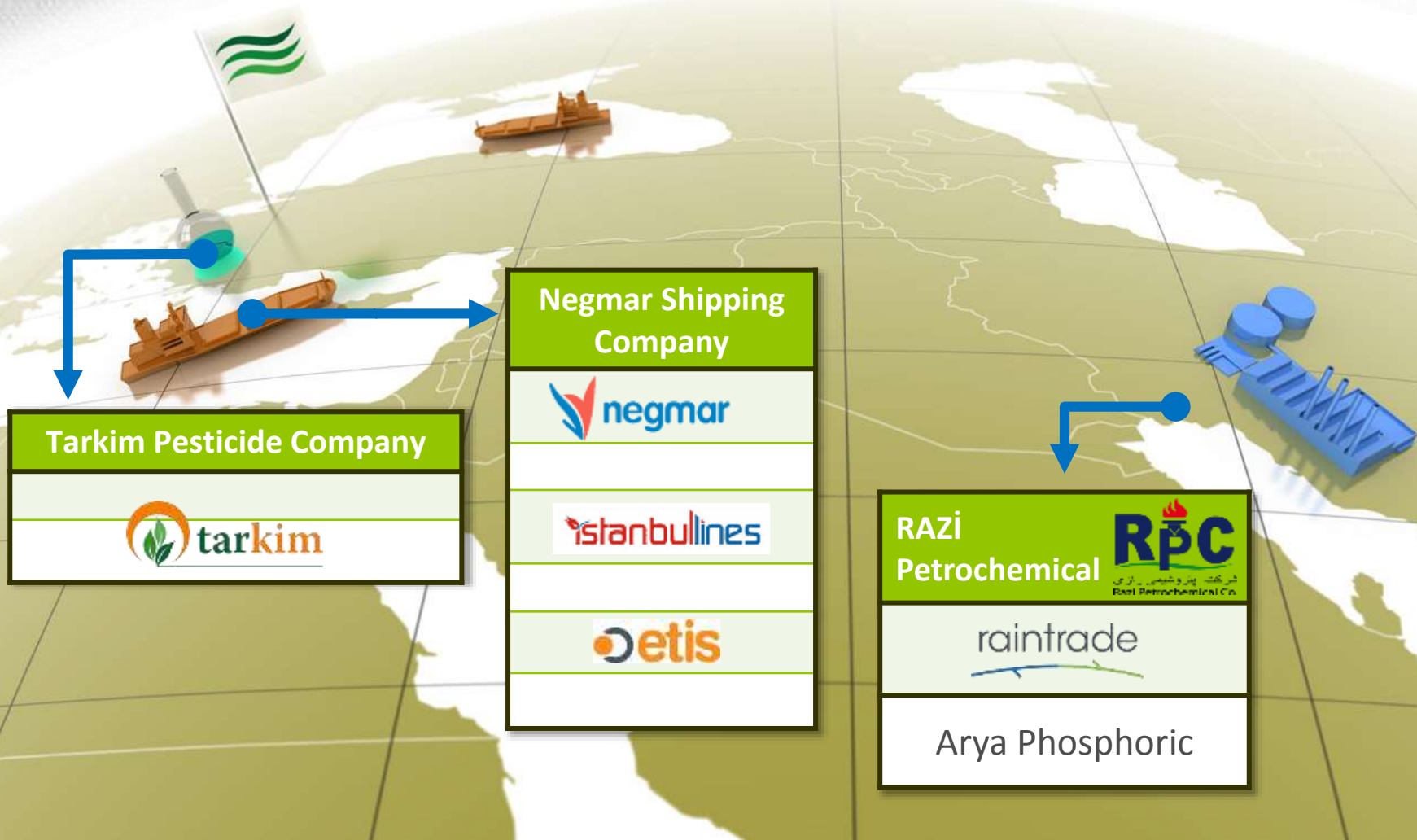


# MARKET SHARE





# SUBSIDIARIES





# GUBRETAS' Investment in Iran: Razi Petrochemical Co. (Razi)





# Razi: a fully-integrated petrochemical complex





# RAZI PETROCHEMICAL CO.

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





# SATELLITE VIEW OF THE FREE ZONE



Image © 2007 DigitalGlobe

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# RAZI HAS SEABORNE, RAILWAY AND HIGHWAY CONNECTION



RPC



# RAZI PETROCHEMICAL CO.

## Consortium companies:

1- GUBRE FABRIKALARI T.A.S.	48.88 %
2- ASYA GAZ	23.91 %
3- SHAGHAYEGH	11.95 %
4- TABOSAN MÜHENDİSLİK	10.88 %

\* 4.38 % of shares belongs to Razi employees



- **Established in 1968**
- **With its current ammonia capacity, Razi is the biggest facility in Iran and one of the most important ammonia producers in the world**
- **Razi was taken over by a Turkish Consortium in 2008**





# RAZI: PRIVATIZATION

- Consortium led by GUBRETAS purchased 95.62% of Razi Petrochemical Co. shares from *Iranian Privatization Organization* in 2008 (app. 656 million USD).
- Gübretaş has 48.88% stake in Razi Petrochemical Co.
- 3 out of 5 members in the Board.
- Full consolidation



# PRODUCTION CAPACITY

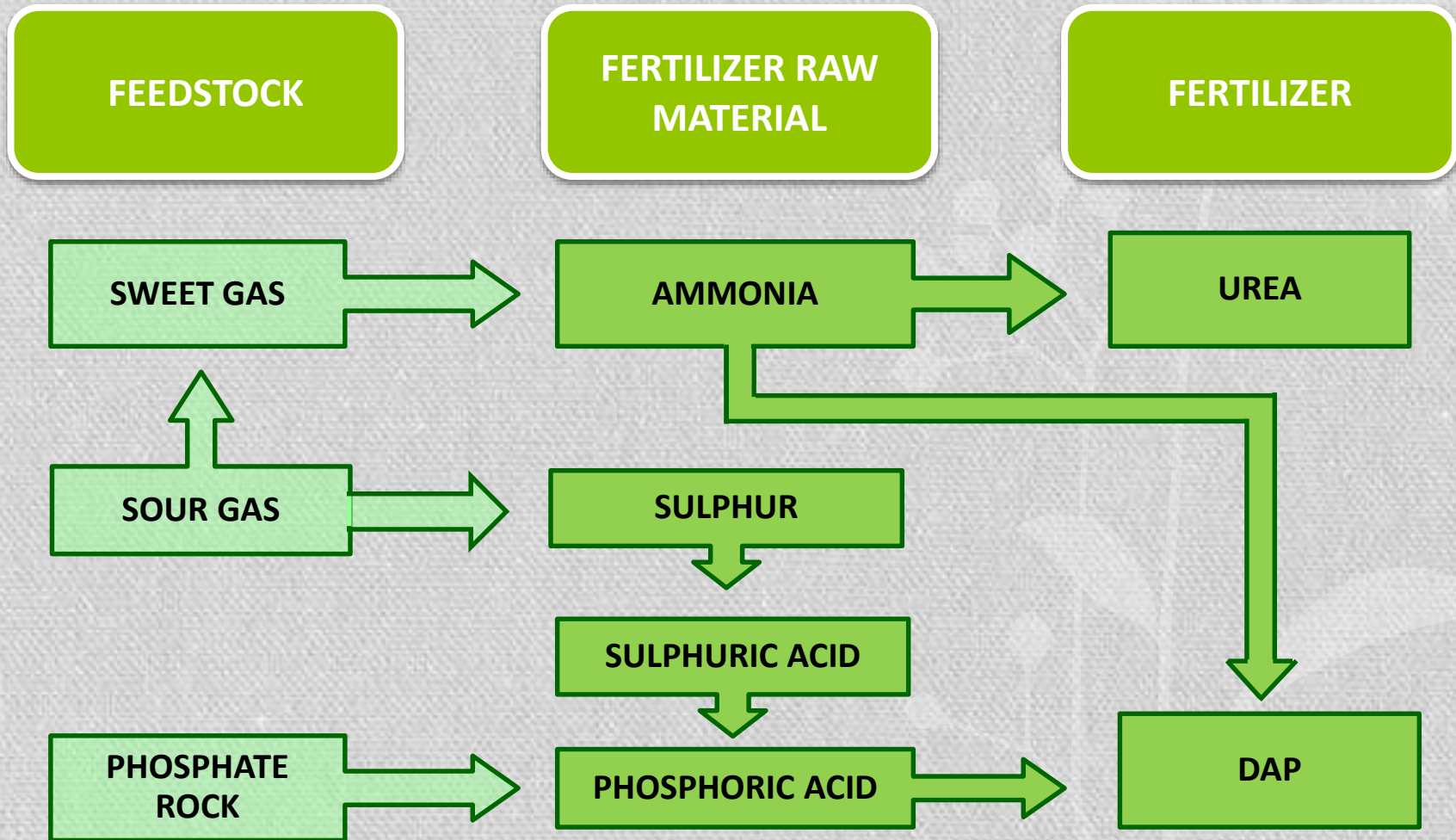
## PRODUCTION DESIGN CAPACITY

Plant Type	Number of Plants	Capacity (tons)
Ammonia	3	1,336,000
Urea	1	594,000
DAP	2	450,000
Sulphuric Acid	2	627,000
Phosphoric Acid	1	255,000
Sulphur Granul.	1	508,000
<b>Total</b>	<b>10</b>	<b>3,770,000</b>



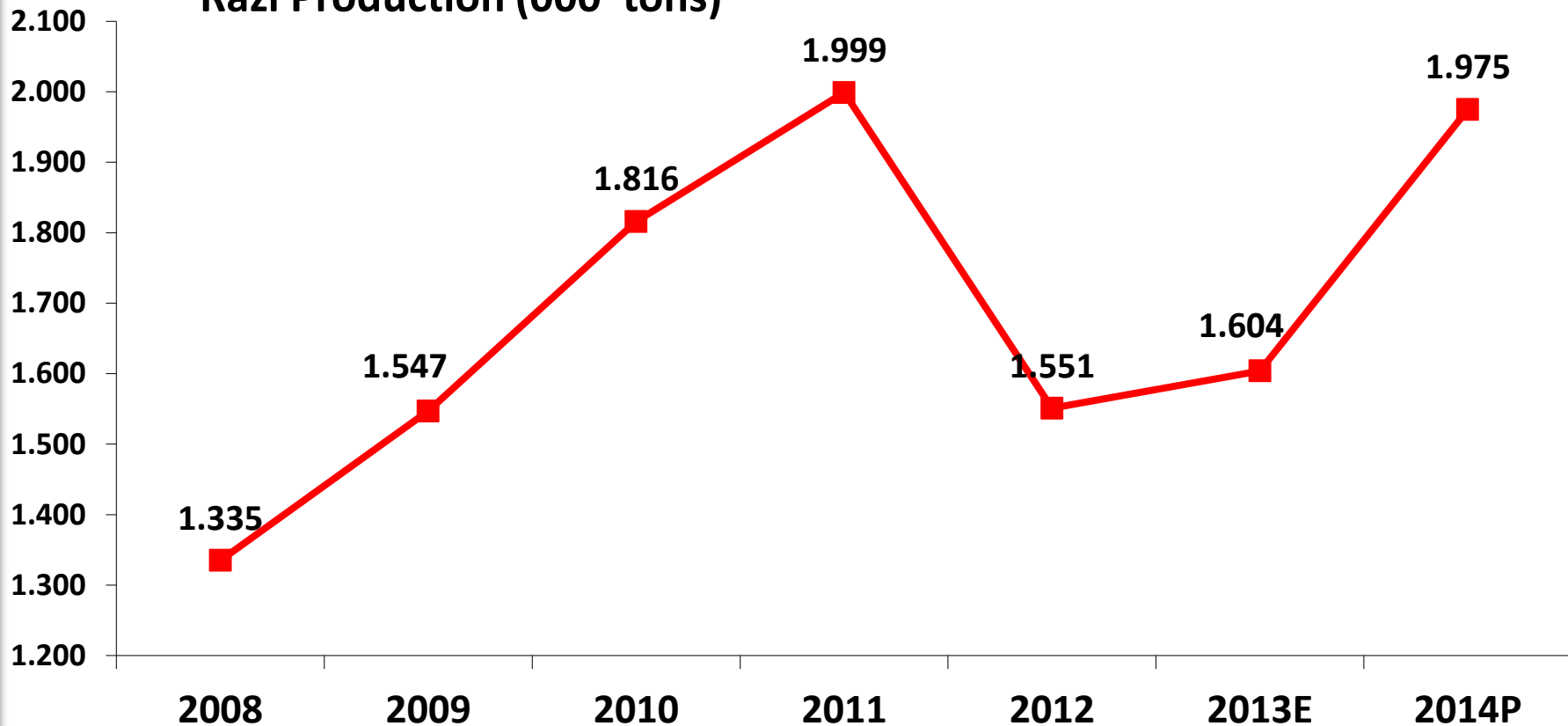


# PRODUCTION FLOW



# Razi Petrochemical Co: Production

Razi Production (000' tons)





# Razi Ammonia trade in comparison with the world (2011)

	<b>World</b> (million mt)	<b>RPC</b> (million mt)	<b>%</b>
<b>Production</b>	<b>163,2</b>	<b>1,0</b>	<b>0.6</b>
<b>Trade</b>	<b>20,2</b>	<b>0,74</b>	<b>3.6</b>
<b>Seaborne</b>	<b>17,7</b>	<b>0,74</b>	<b>4.1</b>

# ARYA PHOSPHORIC JONOUB CO. (ARYA)







# ARYA PHOSPHORIC JONOUB COMPANY

- ❑ Started Production : January 2010
- ❑ Area : 7,420 m<sup>2</sup>

## Shareholders:

Razi Petrochemical Company	87.5 %
Petrochemical Commercial Company	12.5 %

# PRODUCTION CAPACITY

## Production :

- $P_2O_5$  : 125,000 Mt/Year
- Solution : 235,000 Mt/year

## Consumption :

- Phosphate rock : 425,000 Mt/Year
- Sulfuric Acid : 340,000 Mt/Year





# Razi Investment Details (2008-2018)

RAZI INVESTMENTS	
Period/Detail	Amount (USD )
2008-2013	86,000,000
Arya Acquisition	15,500,000
<b>Total</b>	<b>101,500,000</b>
2014-2018 (ongoing/planned)	77,000,000
<b>Grand Total</b>	<b>178,500,000</b>



# GUBRETAS' Investment Thesis

“

Gübretaş remains well positioned on its way to become a global player

”

- ✓ Gubre Fabrikalari T.A.S, looks for new investments opportunities that entails:
  - Cost advantages
  - Economies of scale
  - Stronger competitive position in the global market
  - Horizontal & vertical Integration
- ✓ We want to establish:
  - Investment on phosphate and/or nitrogen-based production
- ✓ Two main concepts: **cooperation & competitiveness**
- ✓ Profitability and sustainable development to reduce raw material cost

***Ready for potential new joint projects...***





*thank you...*



AN AFFILIATE OF THE TURKISH  
AGRICULTURAL CREDIT COOPERATIVES



[www.gubretas.com.tr](http://www.gubretas.com.tr)