

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**CONVENIENCE TRANSLATION OF THE CONSOLIDATED**  
**FINANCIAL STATEMENTS FOR THE NINE MONTH**  
**PERIODS ENDED 1 JANUARY – 30 SEPTEMBER 2010 INTO ENGLISH**  
**(ORIGINALLY ISSUED IN TURKISH)**

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER 2010 AND 31 DECEMBER 2009

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

	Notes references	Current period (reviewed) 30 September 2010	Prior period (audited) 31 December 2009
<b>ASSETS</b>			
<b>Current Assets</b>		<b>344.358.030</b>	<b>539.009.243</b>
Cash and cash equivalents	5	97.201.306	278.383.288
Financial assets	6	17.378.340	18.363.709
Trade receivables		193.089.805	191.192.846
Due from related parties	32	39.009.291	41.087.373
Other trade receivables	9	154.080.514	150.105.473
Other receivables	10	1.772.851	2.606.113
Inventories	11	16.839.727	18.446.122
Other current assets	21	18.076.001	30.017.165
<b>Non current assets</b>		<b>1.240.677.789</b>	<b>1.314.994.660</b>
Other receivables	10	858.964	666.652
Financial assets	6	5.086.937	4.886.604
Investments accounted for by the equity method	12	2.092.061	1.432.023
Investment property	13	21.728.777	26.595.563
Property, plant, equipment	14	468.261.125	507.257.327
Intangible assets	15	509.441.110	546.245.704
Goodwill	16	213.244.711	222.336.593
Deferred tax assets	30	5.130.307	4.361.353
Other non current assets	21	14.833.797	1.212.841
<b>Total assets</b>		<b>1.585.035.819</b>	<b>1.854.003.903</b>

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## CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER 2010 AND 31 DECEMBER 2009

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

	Notes references	Current period (reviewed) 30 September 2010	Prior period (audited) 31 December 2009
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>362.345.070</b>	<b>462.224.009</b>
Short-term financial liabilities	7	211.740.685	320.334.615
Other financial liabilities	8	48.886.574	15.123.251
Trade payables		30.756.026	40.556.178
Due to related parties	32	1.434.283	2.267.076
Other trade payables	9	29.321.743	38.289.102
Other payables	10	17.913.496	16.265.351
Current income tax liabilities	30	4.783.939	8.627.512
Provisions	18	21.762.844	27.375.806
Other current liabilities	21	26.501.506	33.941.296
<b>Non current liabilities</b>		<b>407.832.278</b>	<b>474.133.721</b>
Long-term financial liabilities	7	274.058.139	329.951.107
Other financial liabilities	8	700.930	742.310
Other payables	10	360.994	188.213
Provision for employment termination benefit	20	16.916.314	14.196.159
Deferred tax liability	30	115.733.500	128.977.635
Other non-current liabilities	21	62.401	78.297
<b>EQUITY</b>			
<b>Total Equity</b>		<b>814.858.471</b>	<b>917.646.173</b>
<b>Equity attributable to equity holders of the company</b>		<b>722.630.399</b>	<b>797.896.316</b>
Share capital	22	552.000.000	552.000.000
Inflation adjustment to share capital	22	77.198.813	77.198.813
Share premium		76.944	76.944
Translation reserve		(33.268.256)	(15.107.992)
Restricted reserves	22	31.560.725	27.716.536
Retained earnings		73.978.037	191.091.821
Net profit/(loss) for the period		21.084.136	(35.079.806)
<b>Non-controlling interests</b>		<b>92.228.072</b>	<b>119.749.857</b>
<b>Total liabilities and equity</b>		<b>1.585.035.819</b>	<b>1.854.003.903</b>

Consolidated financial statements for the period ending 30 September 2010 and accompanying disclosure notes are approved as of 9 November 2010 by the Board of Directors.

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTH PERIODS ENDING 30 SEPTEMBER 2010 AND 2009

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

	Notes references	Current period (reviewed) 1 January- 30 September	Current period (not reviewed) 1 July- 30 September	Period period (reviewed) 1 January- 30 September	Period period (not reviewed) 1 July- 30 September
Sales	23	587.298.647	190.319.692	578.914.468	192.671.715
Cost of sales (-)	23	(351.710.170)	(117.728.118)	(370.815.583)	(119.000.756)
<b>Gross profit</b>		<b>235.588.477</b>	<b>72.591.574</b>	<b>208.098.885</b>	<b>73.670.959</b>
Marketing, sales and distribution expenses (-)	24	(79.664.378)	(19.047.268)	(54.631.422)	(18.025.232)
General administrative expenses (-)	24	(106.743.829)	(35.504.511)	(109.945.087)	(35.464.548)
Other operating income	26	11.075.135	3.420.433	2.759.787	421.110
Other operating expense (-)	26	(20.184.626)	(3.090.164)	(27.981.981)	(2.615.446)
<b>Operating income</b>		<b>40.070.779</b>	<b>18.370.064</b>	<b>18.300.182</b>	<b>17.986.843</b>
Share of loss of investments accounted for by the equity method (-)	12	(6.860.574)	(1.909.748)	(7.512.541)	(3.176.064)
Financial income	27	37.902.973	14.908.605	131.194.052	30.440.430
Financial expense (-)	28	(37.487.314)	(6.558.286)	(127.766.691)	(15.730.308)
<b>Profit / (loss) before tax</b>		<b>33.625.864</b>	<b>24.810.635</b>	<b>14.215.002</b>	<b>29.520.901</b>
<b>Taxation</b>					
Current tax for the year	30	(23.822.073)	(10.408.827)	(13.930.280)	(10.774.860)
Deferred tax income / (expense)	30	7.883.792	4.151.241	(344.282)	2.018.651
<b>Net profit/ (loss) for period</b>		<b>17.687.583</b>	<b>18.553.049</b>	<b>(59.560)</b>	<b>20.764.692</b>
<b>Other comprehensive income/ (expense):</b>					
Changes in translation reserve		(26.297.636)	(29.876.733)	(20.332.766)	(1.556.796)
<b>Other comprehensive (loss)/ income after tax</b>		<b>(26.297.636)</b>	<b>(29.876.733)</b>	<b>(20.332.766)</b>	<b>(1.556.796)</b>
<b>Total comprehensive (loss)/ income</b>		<b>(8.610.053)</b>	<b>(11.323.684)</b>	<b>(20.392.326)</b>	<b>19.207.896</b>
<b>Net income/ (loss) for the period</b>		<b>17.687.583</b>	<b>18.553.049</b>	<b>(59.560)</b>	<b>20.764.692</b>
<b>Allocation of net profit/ (loss) for the period</b>					
Attributable to non-controlling interests		(3.396.553)	1.387.707	(4.990.331)	1.297.194
<b>Attributable to equity holders of the company</b>		<b>21.084.136</b>	<b>17.165.342</b>	<b>4.930.771</b>	<b>19.467.498</b>
<b>Allocation of net comprehensive income/(loss) for the period</b>					
Attributable to non-controlling interests		(11.533.925)	(4.503.195)	(9.629.372)	(252.819)
<b>Attributable to equity holders of the company</b>		<b>2.923.872</b>	<b>(6.820.489)</b>	<b>(10.762.954)</b>	<b>19.460.715</b>
<b>Earnings/ (loss) per share (Kr)</b>	31	<b>3,82</b>	<b>3,11</b>	<b>1,06</b>	<b>4,19</b>

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2010 AND 2009

(Amounts expressed in Turkish Lira (“TL”) unless otherwise stated.)

	Share capital	Inflation adjustment to share capital	Share premiums	Translation reserves	Restricted reserves	Retained earnings	Net profit/(loss) for the period	Non-controlling interests	Total shareholders' equity
<b>Balances as of 1 January 2009</b>	<b>460.000.000</b>	<b>77.198.813</b>	-	<b>(2.949.588)</b>	<b>27.310.182</b>	<b>229.592.042</b>	<b>(38.093.867)</b>	<b>133.141.561</b>	<b>886.199.143</b>
Transfer	-	-	-	-	406.354	(38.500.221)	38.093.867	-	-
Capital increase	92.000.000	-	76.944	-	-	-	-	910.152	92.987.096
Subsidiaries' dividend payments to non-group companies	-	-	-	-	-	-	-	(3.516.946)	(3.516.946)
Total comprehensive income/(loss)	-	-	-	(15.693.725)	-	-	4.930.771	(9.629.372)	(20.392.326)
Change in translation reserves	-	-	-	(15.693.725)	-	-	-	(4.639.041)	(20.332.766)
Net income/(loss) for the period	-	-	-	-	-	-	4.930.771	(4.990.331)	(59.560)
<b>Balances as of 30 September 2009</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>(18.643.313)</b>	<b>27.716.536</b>	<b>191.091.821</b>	<b>4.930.771</b>	<b>120.905.395</b>	<b>955.276.967</b>
<b>Balances as of 1 January 2010</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>(15.107.992)</b>	<b>27.716.536</b>	<b>191.091.821</b>	<b>(35.079.806)</b>	<b>119.749.857</b>	<b>917.646.173</b>
Transfer	-	-	-	-	3.844.189	(38.923.995)	35.079.806	-	-
Equity holders' dividend payments	-	-	-	-	-	(55.200.000)	-	-	(55.200.000)
Subsidiaries' dividend payments to non-group companies	-	-	-	-	-	-	-	(2.713.904)	(2.713.904)
Option adjustment for non-controlling interests (*)	-	-	-	-	-	(22.989.789)	-	(13.273.956)	(36.263.745)
Total comprehensive income	-	-	-	(18.160.264)	-	-	21.084.136	(11.533.925)	(8.610.053)
Change in translation reserve	-	-	-	(18.160.264)	-	-	-	(8.137.372)	(26.297.636)
Net profit for the period	-	-	-	-	-	-	21.084.136	(3.396.553)	17.687.583
<b>Balances as of 30 September 2010</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>(33.268.256)</b>	<b>31.560.725</b>	<b>73.978.037</b>	<b>21.084.136</b>	<b>92.228.072</b>	<b>814.858.471</b>

(\*) Represents fair value changes of put option liabilities and acquisition of shares from non-controlling shareholders in the period.

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2010

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

	Notes references	Current period (reviewed) 1 January- 30 September 2010	Prior period (reviewed) 1 January- 30 September 2009
Net income		21.084.136	4.930.771
Attributable to non-controlling interests		(3.396.553)	(4.990.331)
<b>Adjustments:</b>			
Depreciation	13,14	43.185.922	44.979.385
Amortization	15	20.319.039	19.827.699
Net loss on disposal of tangible and intangible assets and investment property		2.945.228	490.581
Tax expense	30	15.938.281	14.274.562
Provision for employment termination benefits and unused vacation rights		6.005.414	6.370.604
Income accruals		(457.575)	7.836.000
Interest income	27	(13.620.283)	(26.128.568)
Interest expense	28	13.376.456	20.694.445
Unrealized foreign exchange (income)/loss from bank borrowings		(5.906.919)	20.833.511
Reversal of impairment for investment properties	13	(2.615.899)	43.731
Deferred income		1.241.464	(932.339)
Tax penalties provision expense/(income)	18	(4.197.180)	15.209.000
Loss from investments accounted for by the equity method	12	7.024.958	7.512.541
Provision for doubtful receivables	9	4.470.859	7.050.286
Other provision expenses		415.761	472.217
Reversal of provisions		(3.744.342)	-
<b>Cash flow from operating activities before changes in operating assets and liabilities</b>		<b>102.068.767</b>	<b>138.474.095</b>
Changes in operating assets and liabilities-net	35	(17.909.778)	16.072.352
Collection of prepaid taxes		-	8.494.356
Tax penalties paid	18,21	(24.285.726)	-
Income taxes paid		(15.182.973)	(5.431.579)
Doubtful receivables collected	9	1.548.864	327.903
Employment termination benefits paid	20	(2.609.759)	(3.082.212)
<b>Net cash provided by operating activities</b>		<b>43.629.395</b>	<b>154.854.915</b>
<b>Cash flow from investing activities:</b>			
Purchase of investment properties	13	(4.884.950)	(10.396.782)
Purchase of property, plant, equipment	14	(11.422.329)	(35.333.434)
Purchase of intangible assets	15	(8.057.298)	(3.800.368)
Proceeds from sales of property, plant, equipment intangible assets and investment properties		10.191.500	14.133.892
Interests received		14.088.364	26.027.409
Share capital increase in subsidiaries and associates	12	(7.584.060)	(16.723.846)
<b>Net cash used in investment activities</b>		<b>(7.668.773)</b>	<b>(26.093.129)</b>
<b>Cash used in financing activities:</b>			
Proceeds of issuance of share capital to non-controlling interests		-	910.152
Dividends paid to non-controlling interests		(2.713.904)	(3.516.946)
Bank borrowings received		110.808.832	-
Bank borrowings paid		(232.256.654)	(227.783.559)
Changes in trade payables to suppliers		(19.775.832)	(3.048.301)
Dividend paid		(52.714.182)	-
Interests paid		(20.192.071)	(21.140.920)
Share premiums		-	76.944
Increase in capital share		-	92.000.000
<b>Net cash used in financing activities</b>		<b>(216.843.811)</b>	<b>(162.502.630)</b>
Exchange losses on cash and cash equivalents		614.972	(1.988.111)
Changes in cash and cash equivalents		(180.268.217)	(35.728.955)
Cash and cash equivalents at the beginning of the period	5	276.974.548	368.219.091
<b>Cash and cash equivalents ending balance</b>	<b>5</b>	<b>96.706.331</b>	<b>332.490.136</b>