

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONVENIENCE TRANSLATION OF THE  
CONSOLIDATED FINANCIAL STATEMENTS  
AND THE AUDITOR'S REPORT FOR THE PERIOD  
1 JANUARY - 31 MARCH 2015  
INTO ENGLISH**

**(ORIGINALLY ISSUED IN TURKISH)**

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2015 AND 31 DECEMBER 2014

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

	Current Period (Unaudited) 31 March 2015	Previous Period (Audited) 31 December 2014
<b>ASSETS</b>		
<b>Current assets</b>	<b>316.931.903</b>	<b>283.283.769</b>
Cash and cash equivalents	89.567.314	56.632.653
Trade receivables		
-Due from related parties	30.563.315	28.886.410
-Trade receivable		
from non-related parties	166.697.221	169.806.864
Other receivables		
-Other receivables		
from non-related parties	4.851.365	3.420.288
Inventories	12.355.330	13.519.003
Prepaid expenses	6.573.872	3.136.250
Assets related with current tax	1.204.212	504.583
Other current assets	5.119.274	7.377.718
<b>Subtotal</b>	<b>316.931.903</b>	<b>283.283.769</b>
<b>Non-current assets</b>	<b>659.855.189</b>	<b>651.694.887</b>
Other receivables	1.476.579	1.764.612
Financial investments	1.503.397	1.976.568
Investments accounted		
by the equity method	8.202.715	9.013.738
Investment property	79.561.050	82.917.210
Property, plant and equipment	209.154.434	219.791.673
Intangible assets		
-Other intangible assets	352.682.436	328.454.758
Deferred tax assets	5.979.894	6.661.890
Other non-current assets	1.294.684	1.114.438
<b>Total assets</b>	<b>976.787.092</b>	<b>934.978.656</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2015 AND 31 DECEMBER 2014

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

	Current Period (Unaudited) 31 March 2015	Previous Period (Audited) 31 December 2014
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>340.015.574</b>	<b>303.268.721</b>
Short-term borrowings	19.715.049	13.451.105
Short-term portion of long-term borrowings	179.859.836	159.660.282
Trade payables		
-Due to related parties	21.473.686	22.242.940
-Other payables to non-related parties	49.537.289	47.386.425
Employee benefit payable	13.034.541	6.121.303
Other payables		
-Due to related parties	-	339.868
-Other payables to non-related parties	4.038.800	1.677.796
Deferred income	8.914.904	7.078.107
Current income tax liabilities	4.676.742	2.633.452
Short-term provisions		
-Short-term provisions for employment benefits	13.410.149	15.696.372
-Other short-term provisions	22.158.143	23.673.992
Other current liabilities	3.196.435	3.307.079
<b>Subtotal</b>	<b>340.015.574</b>	<b>303.268.721</b>
<b>Non-current liabilities</b>	<b>212.976.524</b>	<b>204.515.762</b>
Long-term borrowings	91.889.119	92.128.150
Other payables	565.801	480.590
Long-term provisions		
-Long-term provisions for employment benefits	39.764.020	46.429.651
Deferred tax liability	80.757.584	65.477.371
<b>EQUITY</b>		
<b>Total Equity</b>	<b>423.794.994</b>	<b>427.194.173</b>
<b>Equity attributable to equity holders of the parent company</b>	<b>416.274.282</b>	<b>415.891.705</b>
Share capital	552.000.000	552.000.000
Inflation adjustment to share capital	77.198.813	77.198.813
Accumulated other comprehensive expenses and income that will not be reclassified to profit or loss		
-Re-measurement gains and losses of defined benefit plans	(14.078.036)	(15.331.957)
Share premium	76.944	76.944
Accumulated other comprehensive expenses and income that will be reclassified to profit or loss		
-Currency translation differences	(409.752)	6.633.568
Restricted reserves	187.166.210	165.883.369
Accumulated (losses)	(391.851.873)	(201.896.442)
Net (loss) for the period	6.171.976	(168.672.590)
<b>Non-controlling interests</b>	<b>7.520.712</b>	<b>11.302.468</b>
<b>Total liabilities and equity</b>	<b>976.787.092</b>	<b>934.978.656</b>

These consolidated financial statement as at and for the period ended 31 March 2015 were approved by the Board of Directors on 8 May 2015.

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014

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

	Current Period (Unaudited) 1 January- 31 March 2015	Previous Period (Unaudited) 1 January- 31 March 2014
Sales	144.944.269	173.639.601
Cost of sales (-)	(82.865.014)	(122.275.656)
<b>Gross profit</b>	<b>62.079.255</b>	<b>51.363.945</b>
General administrative expenses (-)	(29.314.552)	(35.160.412)
Marketing expenses (-)	(30.343.693)	(26.830.672)
Other operating income	43.461.688	22.150.203
Other operating expenses (-)	(22.255.626)	(10.493.789)
<b>Operating profit</b>	<b>23.627.072</b>	<b>1.029.275</b>
Share of loss of investments accounted by the equity method	(212.898)	(137.902)
Income from investing activities	5.673.044	2.121.617
Expense from investing activities (-)	(1.399.105)	(3.259.884)
<b>Operating profit before financial expense</b>	<b>27.688.113</b>	<b>(246.894)</b>
Financial expenses (-)	(12.805.009)	(35.858.563)
<b>(Loss) before tax</b>	<b>14.883.104</b>	<b>(36.105.457)</b>
<b>Continuing operations tax (expense) /benefit</b>	<b>(12.853.254)</b>	<b>3.934.575</b>
Current tax (expense)	(3.917.161)	(1.026.456)
Deferred tax benefit	(8.936.093)	4.961.031
<b>Net (loss) from continuing operations</b>	<b>2.029.850</b>	<b>(32.170.882)</b>
<b>Net (loss) for period</b>	<b>2.029.850</b>	<b>(32.170.882)</b>
<b>Allocation of net (loss) for period</b>		
Attributable to non-controlling interests	(4.142.126)	(7.566.822)
Attributable to equity holders of the parent company	6.171.976	(24.604.060)
<b>(Loss) per share (TL)</b>		
(Loss) per share from continuing operations	0,0112	(0,0446)
(Loss) / Earning per share from continuing and discontinued operations	0,0112	(0,0446)
<b>Other comprehensive (expense) / income</b>		
Net (loss) for period	2.029.850	(32.170.882)
Accumulated other comprehensive income or expenses that will be reclassified to profit or loss		
-Change in foreign currency differences	(6.696.958)	(7.617.067)
- Actuarial loss in defined benefit plans	1.657.163	-
- Tax effect of actuarial loss in defined pension plans	(331.433)	-
<b>Other comprehensive (expense) / income after tax</b>	<b>(5.371.228)</b>	<b>(7.617.067)</b>
<b>Total comprehensive (expense) / income</b>	<b>(3.341.378)</b>	<b>(39.787.949)</b>
<b>Allocation of total comprehensive (expense) / income</b>		
Attributable to non-controlling interests	(3.723.955)	(7.624.721)
Attributable to equity holders of the parent company	382.577	(32.163.228)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY  
FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014

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

	Share Capital	Inflation adjustment to share capital	Share premiums	Accumulated other comprehensive income/expense that will be reclassified to profit or loss	Accumulated other comprehensive income/expense that will not be reclassified to profit or loss	Restricted reserves	Retained earnings	Net profit / (loss) for the period	Equity allocated to parent company	Non- controlling interests	Total equity
<b>Balances at 1 January 2014</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>97.673.595</b>	<b>(15.453.900)</b>	<b>167.305.861</b>	<b>(145.994.420)</b>	<b>(61.093.981)</b>	<b>671.712.912</b>	<b>51.428.972</b>	<b>723.141.884</b>
Transfers	-	-	-	-	-	-	(61.093.981)	61.093.981	-	-	-
Capital increase of Subsidiaries	-	-	-	-	-	-	-	-	-	3.279.095	3.279.095
Subsidiaries' dividend payments to non-group companies	-	-	-	-	-	-	-	-	-	(415.267)	(415.267)
Other	-	-	-	-	-	-	-	-	-	(424.176)	(424.176)
Effect of subsidiary sales	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(7.559.168)	-	-	-	(24.604.060)	(32.163.228)	(7.624.721)	(39.787.949)
- Revaluation losses on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
- Change in translation reserves	-	-	-	(7.559.168)	-	-	-	-	(7.559.168)	(57.899)	(7.617.067)
- Net (loss) for the period	-	-	-	-	-	-	-	(24.604.060)	(24.604.060)	(7.566.822)	(32.170.882)
<b>Balances at 31 March 2014</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>90.114.427</b>	<b>(15.453.900)</b>	<b>167.305.861</b>	<b>(207.088.401)</b>	<b>(24.604.060)</b>	<b>639.549.684</b>	<b>46.243.903</b>	<b>685.793.587</b>
<b>Balances at 1 January 2015</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>6.633.568</b>	<b>(15.331.957)</b>	<b>165.883.369</b>	<b>(201.896.442)</b>	<b>(168.672.590)</b>	<b>415.891.705</b>	<b>11.302.468</b>	<b>427.194.173</b>
Transfers	-	-	-	-	-	21.282.841	(189.955.431)	168.672.590	-	-	-
Capital increase of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Subsidiaries' dividend payments to non-group companies	-	-	-	-	-	-	-	-	-	(49.086)	(49.086)
The effect of changes in subsidiary ownership rate	-	-	-	-	-	-	-	-	-	(8.715)	(8.715)
Total comprehensive expense	-	-	-	(7.043.320)	1.253.921	-	-	6.171.976	382.577	(3.723.955)	(3.341.378)
- Revaluation losses on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
- Sale of subsidiary	-	-	-	-	1.253.921	-	-	-	1.253.921	71.809	1.325.730
- Change in translation reserves	-	-	-	(7.043.320)	-	-	-	-	(7.043.320)	346.362	(6.696.958)
- Net (loss) for the period	-	-	-	-	-	-	-	6.171.976	6.171.976	(4.142.126)	2.029.850
<b>Balances at 31 March 2015</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>(409.752)</b>	<b>(14.078.036)</b>	<b>187.166.210</b>	<b>(391.851.873)</b>	<b>6.171.976</b>	<b>416.274.282</b>	<b>7.520.712</b>	<b>423.794.994</b>

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014**

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

	Current Period (Unaudited) 1 January- 31 March 2015	Previous Period (Unaudited) 1 January- 31 March 2014
<b>CASH FLOW FROM COMPANY'S OPERATIONS</b>	<b>32.417.647</b>	<b>26.149.293</b>
(Loss) for the period	2.029.850	(32.170.882)
<b>Adjustments to reconcile net (loss) for the period</b>	<b>43.575.813</b>	<b>28.920.597</b>
Adjustments regarding depreciation	9.603.055	12.101.440
Adjustments regarding amortization	5.096.422	8.243.047
Adjustments regarding loss on disposal of property, plant and equipment	1.246.882	334.275
Adjustments regarding tax (income) / expense	12.853.254	(3.934.575)
Adjustments regarding provision for employment benefits and unused vacation rights	2.064.182	3.212.755
Adjustments regarding income accruals	(816.594)	(364.612)
Adjustments regarding interest accruals and income	(805.644)	(799.772)
Accrual income / (expense) from sales with maturity	(2.549.980)	(4.033.153)
Unrealized finance income from term sales	898.564	1.810.722
Unrealized finance expense from term purchases	(172.971)	(178.616)
Adjustments regarding interest accruals and expenses	4.180.338	5.676.641
Unrealized foreign exchange expense from borrowings	10.273.478	6.846.723
Adjustments regarding change in fair value of investment properties	(583.054)	(201.090)
Adjustments regarding (Increase)/decrease in deferred income	710.762	(1.063.314)
Adjustments regarding provision for impairment of inventories	362.375	310.440
Loss from investments accounted by the equity method	212.898	137.902
Provision for doubtful receivables	3.452.467	931.763
Provision for lawsuits	529.500	730.164
Reversals of provisions	(323.948)	(111.540)
Subsidiary Sales Loss	(2.656.173)	(728.603)
<b>Changes in working capital:</b>	<b>(13.188.016)</b>	<b>29.399.578</b>
Change in blocked deposit	(2.371)	-
Changes in trade and related party receivables	(16.222.875)	(580.028)
Changes in inventories	600.576	408.105
Change in prepaid expenses	(3.437.622)	(5.788.326)
Change in other current asset	(5.978.873)	5.807.113
Change in other financial assets and liabilities	654.287	4.077.760
Changes in trade and related party payables	5.046.692	21.728.198
Change in other short term liabilities	1.837.664	2.136.049
Changes in other non-current assets	(278.970)	782.532
Changes in payables due from employment benefits	6.913.238	2.448.805
Change in deferred revenues	1.836.797	968.379
Taxes paid	(2.573.500)	(1.308.913)
Collections from doubtful receivables	1.388.217	649.205
Employment benefits and unused vacation rights paid	(2.971.276)	(1.929.301)
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>	<b>3.331.505</b>	<b>19.201.004</b>
Purchases of property, plant and equipment	(1.180.736)	(2.050.515)
Purchases of intangible assets	(7.289.601)	(3.455.896)
Proceeds from sales of property, plant and equipment, intangible assets and investment properties	5.578.135	22.563.659
Interests received	3.397.578	2.143.756
Proceeds from sale of subsidiary	2.826.129	-
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>	<b>911.598</b>	<b>(15.097.412)</b>
Change in blocked deposit	(52)	28.845.027
Increase in share capital of non-controlling interests	-	3.279.095
Dividends paid to non-controlling interests	(49.086)	(415.267)
Bank borrowings received	6.380.068	1.954.196
Bank borrowings paid	(2.449.986)	(40.480.787)
Decrease in financial liabilities to suppliers	4.078	(1.864.906)
Interests paid	(2.973.424)	(6.414.770)
Effects of foreign exchange rate on cash and cash equivalents	(3.723.683)	(13.451.195)
Change in cash and cash equivalents	32.937.067	16.801.690
<b>Cash and cash equivalents at the beginning of the period</b>	<b>56.604.647</b>	<b>46.972.961</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>89.541.714</b>	<b>63.774.651</b>