

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**2016 PROFIT DISTRUBITON POLICIES AND SUGGESTION**

In view of the provisions of the Turkish Commercial Code (“TCC”), Capital Market legislation and Capital Markets Board of Turkey (“CMB”) regulations, Corporate Tax, Income Tax and other applicable legislation, as well as related provisions of the Company’s Articles of Association and our publicly disclosed “Dividend Policy”; Based on the independently audited Consolidated Financial Statements for the fiscal 1 January 2016- 31 December 2016, which have been drawn up in accordance with the Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS) published by the Public Oversight, Accounting and Auditing Standards Authority (in Turkish: KGK) under the provisions of the CMB Communiqué (II.-14-1) on Principles of Financial Reporting in Capital Markets, the presentations principles of which have been determined based on CMB’s relevant decisions, a “Net Loss for the Period” in the amount of TL 72,463,833 arises when “Deferred Tax Income” and “Tax Expenses for the Period” and “Non-controlling Interests” are taken into account together; and that shareholders should be informed that no dividend distribution can be made for the 1 January 2016 - 31 December 2016 fiscal within the frame of the CMB’s dividend distribution regulations, in view of the “Previous Year Losses” in the amount of TL 404,269,466 calculated as per the CMB Dividend Guide published in the CMB Weekly Bulletin no. 2014/2 dated 27 January 2014, General Legal Reserves in the amount of TL 2,267,990.19 that is mandatory to be set aside, and Proceeds from Sales of Property in the amount of TL 1,779,004.44, which is exempt from tax under Article 5-1/e of Corporate Tax Law and which will be transferred to a special fund account as per this Decision, and that the same will be laid down for approval at the General Assembly;

Our financial records for the fiscal 1 January 2016 - 31 December 2016, which are kept under the tax legislation and in accordance with the Uniform Chart of Accounts published by the T.R. Ministry of Finance, show a “Profit for the Period” in the amount of 58,320,430.68; after “Tax Expenses for the Period” in the amount of TL 5,656,355.17 is paid out of the aforementioned amount, “Net Profit for the Period” for 2016 is calculated as TL 52,664,075.51; “Previous Year Losses” in the amount of TL 7,304,271.73 will be set off from TL 48.617.080,88, which is the aforementioned Net Profit for the Period less “General Legal Reserves” in the amount of TL 2,267,990.19 set aside as per Article 519(1) of the TCC less “Proceeds from Sales of Property” in the amount of TL 1,779,004.44, which is exempt from tax as per Article 5-1/e of the Corporate Tax Law and which will be transferred to Special Fund Account based on this decision; and the remaining “Net Profit for the Period” in the amount of TL 41,312,809.15 will be transferred to the “Extraordinary Reserves” account and the same will be laid down for approval at the General Assembly.