

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2010 AND 2009

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

	Disclosure references	Audited 31 December 2010	Audited 31 December 2009
ASSETS			
Current assets		347.621.622	539.009.243
Cash and cash equivalents	5	89.534.596	278.383.288
Financial assets	6	18.855.213	18.363.709
Trade receivables		186.504.364	191.192.846
Due from related parties	32	24.729.830	41.087.373
Other trade receivables	9	161.774.534	150.105.473
Other receivables	10	1.841.576	2.606.113
Inventories	11	17.650.386	18.446.122
Other current assets	21	33.235.487	30.017.165
Non current assets		1.231.304.652	1.314.994.660
Other receivables	10	790.356	666.652
Financial assets	6	4.846.530	4.886.604
Investments accounted for by the equity method	12	6.593.636	1.432.023
Investment property	13	24.477.879	26.595.563
Property, plant, equipment	14	458.941.953	507.257.327
Intangible assets	15	502.672.400	546.245.704
Goodwill	16	206.177.957	222.336.593
Deferred tax assets	30	10.966.263	4.361.353
Other non current assets	21	15.837.678	1.212.841
Total assets		1.578.926.274	1.854.003.903

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2010 AND 2009

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

	Disclosure references	Audited 31 December 2010	Audited 31 December 2009
LIABILITIES			
Current liabilities		390.538.264	462.224.009
Short-term financial liabilities	7	230.193.446	320.334.615
Other financial liabilities	8	57.082.687	17.037.853
Trade payables		37.424.202	40.556.178
Due to related parties	32	3.429.863	2.267.076
Other trade payables	9	33.994.339	38.289.102
Other payables	10	18.336.488	16.265.351
Current income tax liabilities	30	12.630.692	8.627.512
Provisions	18	10.412.228	17.947.790
Other current liabilities	21	24.458.521	41.454.710
Non current liabilities		415.354.903	474.133.721
Long-term financial liabilities	7	276.186.985	329.951.107
Other financial liabilities	8	-	742.310
Other payables	10	147.519	188.213
Provision for employment termination benefit	20	21.660.771	14.196.159
Deferred tax liability	30	117.314.791	128.977.635
Other non-current liabilities	21	44.837	78.297
EQUITY			
Total Equity		773.033.107	917.646.173
Equity attributable to equity holders of the company		684.850.101	797.896.316
Share capital	22	552.000.000	552.000.000
Inflation adjustment to share capital	22	77.198.813	77.198.813
Share premium	22	76.944	76.944
Translation reserve		(7.405.735)	(15.107.992)
Restricted reserves	22	31.560.725	27.716.536
Retained earnings	22	71.498.758	191.091.821
Net profit/(loss) for the period		(40.079.404)	(35.079.806)
Non-controlling interests		88.183.006	119.749.857
Total liabilities and equity		1.578.926.274	1.854.003.903

Consolidated financial statements for the period ending 31 December 2010 and accompanying disclosure notes are approved as of 28 March 2011 by the Board of Directors.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2010 and 2009

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

	Disclosure references	Audited 1 Jan- 31 December 2010	Audited 1 Jan- 31 December 2009
Sales	23	794.225.971	784.132.862
Cost of sales (-)	23	(487.709.001)	(499.032.419)
Gross profit		306.516.970	285.100.443
Marketing, sales and distribution expenses (-)	24	(113.669.569)	(85.646.463)
General administrative expenses (-)	24	(147.385.996)	(150.346.020)
Other operating income	26	7.269.306	7.561.155
Other operating expense (-)	26	(76.329.254)	(62.578.477)
Operating income/ (loss)		(23.598.543)	(5.909.362)
Share of loss of investments accounted for by the equity method (-)	12	(8.944.812)	(15.189.329)
Financial income	27	44.787.613	141.939.022
Financial expense (-)	28	(61.833.608)	(147.863.593)
Profit /(loss) before tax		(49.589.350)	(27.023.262)
Taxation			
Current tax for the year	30	(26.644.851)	(18.798.776)
Deferred tax income / (expense)	30	20.706.815	4.687.042
Net profit/ (loss) for period		(55.527.386)	(41.134.996)
Other comprehensive income/ (expense):			
Changes in translation reserve		5.883.437	(15.133.434)
Other comprehensive (loss)/ income after tax		5.883.437	(15.133.434)
Total comprehensive (loss)/ income		(49.643.949)	(56.268.430)
Net income/ (loss) for the period		(55.527.386)	(41.134.996)
Allocation of net profit/ (loss) for the period			
Attributable to non-controlling interests		(15.447.982)	(6.055.190)
Attributable to equity holders of the company		(40.079.404)	(35.079.806)
Allocation of net comprehensive income/(loss) for the period			
Attributable to non-controlling interests		(17.266.802)	(9.030.220)
Attributable to equity holders of the company		(32.377.147)	(47.238.210)
Earnings/ (loss) per share (Kr)	31	(7,26)	(7,21)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 30 DECEMBER 2010 AND 2009

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

	Disclosure References	Share capital	Inflation adjustment	Share premiums	Translation reserves	Restricted reserves	Retained earnings	Net Profit/ (loss) for the period	Non- controlling interests	Total equity
Balances as of 1 January 2009	22	460.000.000	77.198.813	-	(2.949.588)	27.310.182	229.592.042	(38.093.867)	133.141.561	886.199.143
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		-	-	-	-	-	-	-	(4.484.964)	(4.484.964)
Other(*)		-	-	-	-	-	-	-	(786.672)	(786.672)
Total comprehensive income/(loss)		-	-	-	(12.158.404)	-	-	(35.079.806)	(9.030.220)	(56.268.430)
<i>Change in translation reserves</i>		-	-	-	(12.158.404)	-	-	-	(2.975.030)	(15.133.434)
<i>Net income/(loss) for the period</i>		-	-	-	-	-	-	(35.079.806)	(6.055.190)	(41.134.996)
Balances as of 31 December 2009	22	552.000.000	77.198.813	76.944	(15.107.992)	27.716.536	191.091.821	(35.079.806)	119.749.857	917.646.173
Balances as of 1 January 2010	22	552.000.000	77.198.813	76.944	(15.107.992)	27.716.536	191.091.821	(35.079.806)	119.749.857	917.646.173
Transfer		-	-	-	-	3.844.189	(38.923.995)	35.079.806	-	-
Capital increase of subsidiary		-	-	-	-	-	-	-	1.195.638	1.195.638
Equity holders' dividend payments		-	-	-	-	-	(55.200.000)	-	-	(55.200.000)
Subsidiaries' dividend payments to non-group companies		-	-	-	-	-	-	-	(3.732.782)	(3.732.782)
Effect of sales option adjustment of of non-controlling interests (Disclosure 19-d)(*)		-	-	-	-	-	(25.469.068)	-	(13.898.432)	(39.367.500)
Other(*)		-	-	-	-	-	-	-	2.135.527	2.135.527
Total comprehensive income/(loss)		-	-	7.702.257	-	-	(40.079.404)	(17.266.802)	(49.643.949)	-
<i>Change in translation reserves</i>		-	-	-	7.702.257	-	-	-	(1.818.820)	5.883.437
<i>Net income/(loss) for the period</i>		-	-	-	-	-	-	(40.079.404)	(15.447.982)	(55.527.386)
Balances as of 31 December 2010	22	552.000.000	77.198.813	76.944	(7.405.735)	31.560.725	71.498.758	(40.079.404)	88.183.006	773.033.107

(*) Represents fair value change of purchasing options of non-controlling interests and share purchase and sales related to non-controlling interests.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2010

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

	Dipnot Referansları	Audited 1 Ocak- 31 Aralık 2010	Audited 1 Ocak- 31 Aralık 2009
Net loss for the period		(55.527.386)	(41.134.996)
Adjustments:			
Depreciation	13,14	57.310.147	60.652.549
Amortization	15	27.036.682	26.431.006
Impairment provision for Goodwill and Intangible Assets		53.301.349	6.690.546
Gain/ (loss) from sales of tangible, intangible assets and investment property	26	1.173.147	3.457.179
Tax expense	30	5.938.036	14.111.734
Provision for employment termination benefits and unused vacation accruals	20,21	11.700.583	6.830.362
Actuarial loss	20	719.815	4.528.505
Changes in income accruals		(107.687)	8.569.414
Interest income	27	(17.638.141)	(31.117.421)
Interests expense	28	18.109.609	25.924.295
Unrealized foreign exchange (income)/loss from bank borrowings		13.251.692	16.797.387
Reversal of impairment for investment properties	13	(994.104)	3.340.892
Deferred income		74.177	(2.459.296)
Loss from sales of investments	26	5.996	(3.320.737)
Provision for Tax litigations	18-21	3.179.690	32.754.695
Loss from investments accounted for by the equity method	12	8.944.812	15.189.329
Provision for doubtful receivables	9	8.273.082	11.956.047
Changes in other provision expenses		2.015.324	(280.393)
Provisions no longer applicable		(1.484.905)	(327.903)
Cash flow from operating activities before changes in operating assets and liabilities		135.281.918	158.593.194
Changes in operating assets and liabilities-net	18-21	(28.414.446)	-
Taxes paid		(26.774.502)	(5.250.252)
Doubtful receivable collections	9	1.484.905	1.121.392
Employment termination benefits paid	20	(4.129.563)	(4.038.446)
Net cash obtained from operations		61.721.448	147.453.070
Cash flow from investing activities:			
Purchases of tangible assets	14	(14.140.786)	(41.723.721)
Purchases of intangible assets	15	(10.877.226)	(5.343.868)
Proceeds from sales of tangible and intangible assets, and investment property		12.301.559	12.989.530
Interests received		18.730.945	30.358.375
Changes in marketable securities		(491.504)	(18.363.709)
Purchase of subsidiary- net paid		-	(700.895)
Proceeds from sales of subsidiary		7.633	3.295.324
Changes in blocked deposits		(15.460.000)	-
Capital increase in financial assets accounted by the equity method	12	(14.323.105)	(16.723.846)
Net cash used in investing activities		(24.252.484)	(36.212.810)
Cash used in financing activities:			
Proceeds of issuance of share capital to non-controlling interests		1.195.638	910.152
Dividends paid to non-controlling interests		(3.732.782)	(4.484.964)
Bank loans taken		135.264.580	
Bank loans paid		(258.402.590)	(254.201.254)
Changes in supplier loans		(26.125.328)	(11.223.087)
Dividend paid		(55.193.460)	-
Interests paid		(18.117.884)	(24.866.439)
Share premiums		-	76.944
Capital increase		-	92.000.000
Net cash used in financing activities		(225.111.826)	(201.788.648)
Exchange effect on cash and cash equivalents		(413.464)	(696.155)
Change in cash and cash equivalents		(188.056.326)	(91.244.543)
Cash and cash equivalents balance at the beginning of period	5	276.974.548	368.219.091
Cash and cash equivalents balance at period end	5	88.918.222	276.974.548