HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONVENIENCE TRANSLATION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2014 INTO ENGLISH

(ORIGINALLY ISSUED IN TURKISH)

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2014 AND 31 DECEMBER 2013

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

	Note references	Current Period (Unaudited) 31 March 2014	(Audited) Prior Period 31 December 2013
ASSETS			
Current assets		**387.351.196**	**419.004.238**
Cash and cash equivalents	5	64.008.538	47.206.848
Trade receivables			
-Due from related parties	34	29.641.501	28.053.511
-Trade receivables from non-related parties	9	184.823.341	184.461.348
Other receivables			
-Other receivables from non-related parties	10	55.144.001	77.097.231
Inventories	12	16.679.052	17.359.688
Prepaid expenses	21	11.014.246	5.225.920
Assets related with current tax	32	2.270.860	1.854.825
Other current assets	22	15.495.055	43.782.297
Subtotal		**379.076.594**	**405.041.668**
Assets held for sale	35	8.274.602	13.962.570
Non-current assets		**979.319.534**	**1.019.399.816**
Other receivables	10	1.516.472	1.508.340
Financial investments	6	1.979.208	1.976.906
Investments accounted by the equity method	13	12.749.320	13.768.940
Investment property	14	56.925.485	57.378.321
Property, plant and equipment	15	261.457.646	272.180.560
Intangible assets		627.991.230	654.664.493
-Goodwill	16	115.352.816	119.422.217
-Other intangible assets	16	512.638.414	535.242.276
Deferred tax assets	32	15.600.864	15.590.176
Other non-current assets	22	1.099.309	2.332.080
Total assets		**1.366.670.730**	**1.438.404.054**

The accompanying notes form an integral part of these consolidated financial statements

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CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2014 AND 31 DECEMBER 2013

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

	Note references	Current Period (Unaudited) 31 March 2014	(Audited) Prior Period 31 December 2013
LIABILITIES			
Current liabilities		**303.519.628**	**294.282.082**
Short-term borrowings	7	9.175.313	8.823.406
Short-term portion of long-term borrowings	7	146.119.747	143.052.144
Other financial liabilities	8	16.574.596	16.154.517
Trade payables		70.833.969	61.525.828
-Trade payables to related parties	34	11.844.508	13.514.346
-Other payables to non-related parties	9	58.989.461	48.011.482
Employee benefit payables	11	12.085.135	9.636.330
Other payables		4.396.302	7.358.224
-Other payables to related parties	34	-	3.279.095
-Other payables to non-related parties	10	4.396.302	4.079.129
Deferred income	21	11.041.043	10.072.664
Current income tax liabilities	32	1.020.320	886.742
Short-term provisions		23.136.325	21.830.060
-Short-term provisions for employment benefits	18	18.336.662	17.760.561
-Other short-term provisions	18	4.799.663	4.069.499
Derivative financial instruments	8	2.192.699	2.440.486
Other current liabilities	22	3.241.227	3.223.879
Subtotal		**299.816.676**	**285.004.280**
Assets held for sale	35	3.702.952	9.277.802
Non-current liabilities		**377.357.515**	**420.980.088**
Long-term borrowings	7	232.325.934	266.158.639
Other payables	10	340.536	463.857
Long-term provisions			
-Long-term provisions for employment benefits	20	48.480.501	47.989.848
Deferred tax liability	32	96.210.544	106.367.744

The accompanying notes form an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2014 AND 31 DECEMBER 2013

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

	Note references	Current Period (Unaudited) 31 March 2014	(Audited) Prior Period 31 December 2013
EQUITY			
Total equity		**685.793.587**	**723.141.884**
Equity attributable to equity holders of the parent company		**639.549.684**	**671.712.912**
Share capital	23	552.000.000	552.000.000
Inflation adjustment to share capital	23	77.198.813	77.198.813
Items that will not be reclassified subsequently to profit or loss			
-Actuarial losses in defined benefit plan		(15.453.900)	(15.453.900)
Share premiums		76.944	76.944
Items that may be reclassified subsequently to profit or loss			
-Currency translation differences		90.114.427	97.673.595
Restricted reserves	23	167.305.861	167.305.861
(Accumulated losses)		(207.088.401)	(145.994.420)
Net (loss) for the period		(24.604.060)	(61.093.981)
Non-controlling interests		**46.243.903**	**51.428.972**
Total liabilities		**1.366.670.730**	**1.438.404.054**

These consolidated financial statements as at and for the period ended 31 March 2014 were approved by the Board of Directors on 9 March 2014.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIODS ENDED 31 MARCH 2014 AND 2013

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

	Note References	Current Period (Unaudited) 1 January- 31 March 2014	Restated Prior Period (Unaudited) 1 January- 31 March 2013
Sales	24	173.639.601	189.097.728
Cost of sales (-)	24	(122.275.656)	(123.640.419)
Gross profit		**51.363.945**	**65.457.309**
General administrative expenses(-)	25	(35.160.412)	(36.479.597)
Marketing, selling and distribution expenses(-)	25	(26.830.672)	(31.788.270)
Other operating income	27	22.150.203	13.146.403
Other operating expenses (-)	28	(10.493.789)	(8.260.479)
Operating profit		**1.029.275**	**2.075.366**
Share of loss of investments accounted by the equity method	13	(137.902)	(2.077.747)
Income from investing activities	29	2.121.617	5.301.516
Expenses from investing activities (-)	30	(3.259.884)	(4.205.788)
Operating profit before finance expense		**(246.894)**	**1.093.347**
Finance expenses (-)	31	(35.858.563)	(17.244.267)
Continued operations (loss) before tax		**(36.105.457)**	**(16.150.920)**
Continued operations tax benefit / (expense)			
Current tax (expense)	32	(1.026.456)	(3.230.179)
Deferred tax benefit	32	4.961.031	3.226.547
Continued operations net (loss) for the period		**(32.170.882)**	**(16.154.552)**
Discontinued operations			
Net (expense) for the period from discontinued operations after income taxes	35	-	(751.287)
Net (loss) for the period		**(32.170.882)**	**(16.905.839)**
Allocation of net (loss) for the period			
Attributable to non-controlling interets		(7.566.822)	(3.810.668)
Attributable to equity holders of the parent company		(24.604.060)	(13.095.171)
(Loss) per share (TL)			
(Loss) from continuing operations per share	33	(0,0446)	(0,0270)
(Loss) from discontinued operations per share	33	-	(0,0014)
(Loss) from continuing and discontinuing operations per share		(0,0446)	(0,0284)

The accompanying notes form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIODS ENDED 31 MARCH 2014 AND 2013

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

	Note References	Current Period (Unaudited) 1 January- 31 March 2014	Restated Prior Period (Unaudited) 1 January- 31 March 2013
Other comprehensive (expense)			
Net (loss) for the period		**(32.170.882)**	**(16.905.839)**
Accumulated other comprehensive expenses reclassified in profit and loss			
Change in foreign currency differences		(7.617.067)	(3.461.670)
Other comprehensive (expense) after tax		**(7.617.067)**	**(3.461.670)**
Total comprehensive (expense)		**(39.787.949)**	**(20.367.509)**
Allocation of total comprehensive (expense)			
Attributable to non-controlling interets		(7.624.721)	(4.690.699)
Attributable to equity holders of the parent company		(32.163.228)	(15.676.810)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AS AT 31 MARCH

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

					Items will be reclassified subsequently to profit or loss	Items will not be reclassified subsequently to profit or loss		Retained earnings				
	Note references	**Share capital**	**Inflation adjustment to share capital**	**Share premiums**	**Currency translation differences**	**Actuarial losses in defined benefit plan**	**Restricted reserves**	**Retained earnings / (accumulated losses)**	**Net profit / (loss) for the period**	**Equity attributable to equity holders of the parent company**	**Non-controlling interests**	**Total equity**
Balances at 1 January 2013	**23**	**552.000.000**	**77.198.813**	**76.944**	**58.453.680**	**(13.610.662)**	**34.266.877**	**(176.732.519)**	**150.661.297**	**682.314.430**	**61.715.189**	**744.029.619**
Transfer		-	-	-	-	-	126.234.986	24.426.311	(150.661.297)	-	-	-
Subsidiaries' dividend payments to non-group companies		-	-	-	-	-	-	-	-	-	(624.065)	(624.065)
Other (1)		-	-	-	-	-	-	-	-	-	(655.429)	(655.429)
Total comprehensive income		-	-	-	(2.581.639)	-	-	-	(13.095.171)	(15.676.810)	(4.690.699)	(20.367.509)
- Change in translation reserves		-	-	-	(2.581.639)	-	-	-	-	(2.581.639)	(880.031)	(3.461.670)
- Net profit/(loss) for the period		-	-	-	-	-	-	-	(13.095.171)	(13.095.171)	(3.810.668)	(16.905.839)
Balances at 31 March 2013		**552.000.000**	**77.198.813**	**76.944**	**55.872.041**	**(13.610.662)**	**160.501.863**	**(152.306.208)**	**(13.095.171)**	**666.637.620**	**55.744.996**	**722.382.616**
Balances at 1 January 2014	**23**	**552.000.000**	**77.198.813**	**76.944**	**97.673.595**	**(15.453.900)**	**167.305.861**	**(145.994.420)**	**(61.093.981)**	**671.712.912**	**51.428.972**	**723.141.884**
Transfer		-	-	-	-	-	-	(61.093.981)	61.093.981	-	-	-
Capital increase of subsidiary		-	-	-	-	-	-	-	-	-	3.279.095	3.279.095
Subsidiaries' dividend payments to non-group companies		-	-	-	-	-	-	-	-	-	(415.267)	(415.267)
Other (1)		-	-	-	-	-	-	-	-	-	(424.176)	(424.176)
Total comprehensive expense		-	-	-	(7.559.168)	-	-		(24.604.060)	(32.163.228)	(7.624.721)	(39.787.949)
- 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)
Balances at 31 March 2014	**23**	**552.000.000**	**77.198.813**	**76.944**	**90.114.427**	**(15.453.900)**	**167.305.861**	**(207.088.401)**	**(24.604.060)**	**639.549.684**	**46.243.903**	**685.793.587**

(1)Represents fair value changes of put option liabilities and acquisition and disposal of shares from non-controlling shareholders.

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 31 MARCH

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

	Note references	Current Period (Unaudited) 1 January- 31 March 2014	Restated Prior Period (Unaudited) 1 January- 31 March 2013
CASH FLOWS FROM OPERATING ACTIVITIES		**26.149.293**	**6.747.679**
Net (loss) / profit for the period		(32.170.882)	(16.905.839)
Adjustments to reconcile net (loss) for the period		**28.920.597**	**40.721.986**
Adjustments regarding depreciation	15	12.101.440	11.673.974
Adjustments regarding amortization	16	8.243.047	7.779.524
Adjustments regarding loss on sale of plant,property and equipment, intangible assets	29,30	334.275	1.681.458
Adjustments regarding tax (income) / expense	32	(3.934.575)	3.632
Adjustments regarding provision for employment benefits and unused vacation rights	18,20	3.212.755	8.675.354
Gain on sale of financial assets		-	-
Adjustments regarding income accruals	9	(364.612)	(397.720)
Adjustments regarding interest income and accruals	27	(799.772)	(965.124)
Finance income/expense accruals due from sales with maturity	27	(4.033.153)	(2.184.398)
Unearned finance income from term sales		1.810.722	675.179
Unrealized finance expenses due to purchases with maturity	27	(178.616)	(111.108)
Adjustments regarding interest expenses and accruals	31	5.676.641	6.664.485
Unrealized foreign exchange expense from borrowings		6.846.723	2.589.935
Changes in fair value adjustments	14	(201.090)	(580.941)
Increase in deferred income		(1.063.314)	(551.082)
Adjustments regarding provision for impairment of inventories	12	310.440	280.405
Loss from investments accounted by the equity method	13	137.902	2.077.747
Provision for impairment of assets held for sale		-	3.536.674
Loss on sale of subsidiary	29	(728.603)	-
Provision for doubtful receivables	28	931.763	344.274
Provision for lawsuits	18	730.164	572.896
Reversal of provisions		(111.540)	(1.043.178)
Changes in working capital:		**29.399.578**	**(17.068.468)**
Changes in blocked deposits	5	-	(82)
Changes in trade and related party receivables		(580.028)	(13.085.944)
Changes in inventories		408.105	1.280.702
Changes in prepaid expenses		(5.788.326)	(5.828.107)
Changes in other current assets		5.807.113	(2.806.360)
Changes in other financial assets and liabilities		4.077.760	(1.787.588)
Changes in trade and related party payables		21.728.198	7.093.153
Changes in other short term liabilities		2.136.049	7.230.653
Changes in other non-current assets		782.532	7.062
Changes in short-term provisions for employment benefits		2.448.805	2.748.352
Changes in deferred revenue		968.379	2.177.293
Taxes paid		(1.308.913)	(12.036.216)
Collections from doubtful receivables	9	649.205	532.634
Employment benefits and unused vacation rights paid	18, 20	(1.929.301)	(2.594.020)

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIODS ENDED 31 MARCH

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

	Note references	Current Period (Unaudited) 1 January-31 March 2014	Prior Period (Unaudited) 1 January-31 March 2013
CASH FLOWS FROM INVESTING ACTIVITIES		**19.201.004**	**20.230.660**
Purchases of property, plant and equipment	15	(2.050.515)	(3.650.569)
Purchases of intangible assets	16	(3.455.896)	(1.564.052)
Proceeds from sales of property, plant and equipment, intangible assets and investment properties		22.563.659	23.384.268
Interests received		2.143.756	1.949.484
Dividend from investments accounted by the equity method		-	111.366
Changes in blocked deposits		-	163
CASH FLOWS FROM FINANCING ACTIVITIES		**(15.097.412)**	**(90.314.076)**
Changes in blocked deposits		28.845.027	-
Increase in share capital of non-controlling interests		3.279.095	-
Dividends paid to non-controlling interests		(415.267)	(624.065)
Bank borrowings received		1.954.196	141.306
Bank borrowings paid		(40.480.787)	(77.585.930)
Decrease in financial liabilities to suppliers		(1.864.906)	(5.441.852)
Interests paid		(6.414.770)	(6.803.535)
Effects of foreign exchange rate fluctuations on cash and cash equivalents		(13.451.195)	2.746.210
Change in cash and cash equivalents		16.801.690	(60.589.527)
Cash and cash equivalents at the beginning of the period	**5**	**46.972.961**	**108.044.224**
Cash and cash equivalents at the end of the period	**5**	**63.774.651**	**47.454.697**

The accompanying notes form an integral part of these consolidated financial statements.

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet" or the "Company") was established in 1960 and is registered in Turkey. The Company which undertakes journalism, printing, advertising and internet publishing activities operates seven printing plants in Turkey with locations in İstanbul, Ankara, İzmir, Adana, Antalya, Trabzon and in Germany. The Company is a member of Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding") through the investment of Doğan Yayın Holding A.Ş. ("Doğan Yayın Holding"), which has a majority ownership in the Company (Note 23). Aydın Doğan and Doğan Family (Işıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y.Begümhan Doğan Faralyalı) are ultimate shareholders of the Company.

The address of the registered office is as follows:

100. Yıl Mahallesi, Matbaacılar Caddesi No:78
34204 Bağcılar/İstanbul
Turkey

The Company is registered to the Capital Markets Board ("CMB") and its shares have been quoted on the Borsa İstanbul ("BIST") since 25 February 1992. In accordance with the resolution numbered 21/655 on 23 July 2010 of CMB; according to the records of Central Registry Agency (CRA); shares representing 21,99 % as of 31 March 2014 (31 December 2013: 21,98%) of Hürriyet are accepted as "in circulation". Shares representing 40,00% (31 December 2013:40,00%) of Hürriyet are in "open" status.

Subsidiaries

The name of the Company's subsidiaries ("Subsidiaries"), the nature of the business and geographic segments are as follows:

Subsidiaries	Registered country	Geographic segment	Nature of business
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. ("Hürriyet Medya Basım")	Turkey	Turkey	Printing and administrative services
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	Turkey	Turkey	Magazine and book publishing
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. ("Yenibir")	Turkey	Turkey	Internet publishing
Doğan Haber Ajansı A.Ş. ("Doğan Haber")	Turkey	Turkey	News agency
Nartek Bilişim Turizm ve Pazarlama Hizmetleri Ticaret A.Ş. ("Nartek")	Turkey	Turkey	Internet publishing
Hürriyet Zweigniederlassung GmbH. ("Hürriyet Zweigniederlassung")	Germany	Europe	Newspaper publishing
Trader Media East ("TME")	Jersey	Europe	Investment
Publishing House Pennsylvania Inc	USA	Russia and EE	Investment
Pronto Soft	Belarus	Russia and EE	Internet publishing
OOO SP Belpronto	Belarus	Russia and EE	Newspaper and internet publishing
TCM Adria d.o.o.	Croatia	Europe	Investment
Hürriyet Invest B.V. ("Hürriyet Invest")	Holland	Europe	Investment
Pronto Invest B.V.	Holland	Europe	Investment
Mirabridge International B.V.	Holland	Europe	Investment
TOO Pronto Akmola	Kazakhstan	Russia and EE	Newspaper and internet publishing

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries (Continued)

Subsidiaries	Registered country	Geographic segment	Nature of business
OOO Pronto Aktau	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Aktobe	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Atyrau	Kazakhstan	Russia and EE	Newspaper and internet publishing
Pronto Ust Kamenogorsk	Kazakhstan	Russia and EE	Newspaper publishing
ZAO Pronto Akzhol	Kazakhstan	Russia and EE	Newspaper and internet publishing
Expressz Magyarorszag Media Kft.	Hungary	Europe	Newspaper and internet publishing
Impress Media Marketing LLC	Russia	Russia and EE	Publishing
OOO Delta-M	Russia	Russia and EE	Newspaper and internet publishing
OOO Partner-Soft	Russia	Russia and EE	Internet publishing
OOO Pronto Baikal	Russia	Russia and EE	Newspaper and internet publishing
Job.ru LLC	Russia	Russia and EE	Internet publishing
OOO Pronto DV	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Ivanovo	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kaliningrad	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kazan	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kemerovo	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Krasnodar	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Moscow	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Nizhny Novgorod	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Novosibirsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Oka	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Rostov	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Samara	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Smolensk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Tula	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto UlanUde	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Vladivostok	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Voronezh	Russia	Russia and EE	Newspaper and internet publishing
OOO Rektcentr	Russia	Russia and EE	Investment
OOO Tambov-Info	Russia	Russia and EE	Newspaper and internet publishing
OOO Tambukan	Russia	Russia and EE	Newspaper and internet publishing
OOO Utro Peterburga	Russia	Russia and EE	Newspaper and internet publishing
OOO Rukom	Russia	Russia and EE	Internet publishing
Publishing International Holding BV	Holland	Europe	Investment

Associates

Associates of the Company, registered countries, nature of businesses, geographic segments are as follows:

Associates	Registered country	Geographic segment	Nature of business
ASPM Holding B.V. ("ASPM")	Hollanda	Europe	İnvestment

Joint Ventures

Joint Ventures of the Company, registered countries, nature of businesses, geographic segments are as follows:

Joint Venture	Registered country	Geographic segment	Nature of business
Doğan Media International GmbH ("Doğan Media")	Germany	Europe	Newspaper publishing
SP Pronto Kiev	Ukraine	Russia and EE	Newspaper and internet publishing
TOV E-Prostir	Ukraine	Russia and EE	Internet publishing

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial reporting standards

Public Oversight, Accounting and Auditing Standards Board ("POA"), published the "Financial Statement Samples and User Guide", to be prepared in the scope of TAS/TFRS in accordance with the "Turkey Accounting / Financial Reporting Standards" in the Official Gazette No. 28652 dated 20 May 2013 for the companies that are obliged to apply Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS") except for the financial institutions such as banks, insurance companies, capital market institutions operating under the scope of Banking Act No. 5411, the Capital Market Law No. 6362, No. 5684, No. 4683 of the Insurance Law, Private Pension Savings and Investment.

In accordance with the Capital Markets Board ("CMB")'s No. II-14.1 "Principles of Financial Reporting in Capital Markets" ("Communiqué No. II-1.14"), capital market institutions except for the partnerships whose issued capital market instruments are traded on a stock exchange and investment funds, housing finance and asset finance funds, financial statements, should prepare its financial statements in accordance with TAS / TFRS.

Upon the CMB's resolution dated 7 June 2013 and 20/670, for capital market institutions, except for the corporations whose capital market instruments are traded on a stock exchange and investment funds, housing finance and asset finance funds within the scope of Communique No: II-14.1, formats are declared in the weekly bulleting at 7 June 2013 numbered 2013/19 starting from the interim periods 31 March 2013. The Company prepared the consolidated financial statements as of 31 December 2013 in accordance with the standards described above.

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards. Accordingly, IAS 29, "Financial Reporting in Hyperinflationary Economies" ("IAS 29"), issued by the IASB, has not been applied in the financial statements for the accounting year commencing 1 January 2005.

The Group maintain their books of account and prepare their statutory financial statements in TL in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion except investment properties, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB's Financial Reporting Standards.

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.2 Financial statements of Subsidiaries, Associates and Joint Ventures operating in foreign countries

Financial statements of subsidiaries, associates and joint ventures that are operating in foreign countries are prepared in accordance with applicable laws and regulations in countries in which they are registered and required adjustments and reclassifications are reflected for the purpose of fair presentation in accordance with the Group's accounting policies.

If the Group companies' functional currency is different from its presentation currency, the functional currency is translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement are translated at average exchange rates; and all resulting exchange differences are recognised as a separate component of equity and statements of comprehensive income (currency translation reserve).

When a foreign operation is partially disposed of or sold, exchange differences recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The financial statements of the companies operating in Belarus (Pronto Soft, OOO SP Belpronto) included within the accompanying consolidated financial statements are prepared on the historical cost basis adjusted in accordance with IAS No. 29. The methods used to measure the fair values are explained in Note 2.2.2. Determination of historical cost is generally based on the fair value of the amount paid for the asset. As explained in Note 2.1.1, effective from 1 January 2005, the application of inflation accounting has lasted for the companies operating in Turkey. Hyper-inflationary period is commenced on 1 January 2011 in Belarus. In the financial statements of subsidiaries operating in Belarus, restatement adjustments resulting from changes in the general purchasing power of the Belarusian Ruble have been made in accordance with IAS 29 which requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date. One characteristic that necessitates the application of IAS 29 is a cumulative three-year inflation rate approaching or exceeding 100%. The related cumulative rate became 193% for the three-year period ended as of 31 March 2014 based on the consumer price index published by Belarus National Statistic Committee.

Index and the conversion factors used to adjust the financial statements of the subsidiaries operating in Belarus as at 31 March 2014 are given below:

Dates	**Index**	**Conversion Factor**
31 December 2010	1,6362	3,1085
31 December 2011	3,4143	1,4896
31 December 2012	4,1549	1,2241
31 December 2013	4,8448	1,0498
31 March 2014	5,0860	1,0000

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.2 Financial statements of Subsidiaries, Associates and Joint Ventures operating in foreign countries (Continued)

The annual change in Belarusian Ruble ("BYR") exchange rate against USD and Euro compared with the consumer price index in Belarus is as follows:

Years	2012	2013	2014
Change in USD/BYR (%)	3	11	4
Change in Euro/BYR (%)	5	15	4
Belarus Consumer Price Index (%)	22	16	20

As of 31 March 2014, the exchange rate announced by the National Bank of the Republic of Belarus was USD 1= BYR 9.870, Euro 1= BYR 13.609 (31 December 2013: USD 1= BYR 9.510, Euro 1= BYR 13.080).

The main guidelines for the IAS 29 restatement are as follows:

- All items of financial statements of subsidiaries operating in Belarus, except for the ones already presented at the current purchasing power level, are restated by applying a general price index until 31 March 2014.

- Monetary assets and liabilities of the subsidiaries operating in Belarus are not restated because they are already expressed in terms of the current measuring unit at the balance sheet date. Monetary items present money held and items to be received or paid in cash and cash equivalents.

- Non-monetary assets and liabilities in financial statements of the subsidiaries operating in Belarus are restated by applying, to the initial acquisition cost and any accumulated depreciation, the change in the general price index from the date of acquisition or initial recording to the balance sheet date, in the manner that not to exceed their market values. Depreciation is similarly restated. The components of shareholders' equity are restated by applying the applicable general price index from the dates the components were contributed or arose otherwise.

- All items in the statement of income of the subsidiaries operating in Belarus, except non-monetary items in the statement of financial position that have effect over statement of income, are restated by applying the relevant conversion factors from the dates when the income and expense items were initially recorded in the financial statements.

- The gain or loss on the net monetary position is the result of the effect of general inflation and is the difference resulting from the restatement of non-monetary assets, shareholders' equity and statement of income items. The gain or loss on the net monetary position is included in net profit / (loss). However, the Group Management has not applied inflation accounting to the financial statements of the interim period 31 March 2014 since the effect of the application of inflation accounting is below materiality level.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.3 Consolidation principles

The consolidated financial statements include the accounts of the parent company, Hürriyet, its Subsidiaries, Joint Ventures, and its Associates (together the "Group") on the basis set out in sections (a) to (d) below. The financial statements of the companies included in the consolidation are based on historical cost of the statutory records and for the purpose of fair presentation in accordance with the accounting policies described in Note 2.1.1 and Note 2.1.2 and application of uniform accounting policies and presentations; adjustments and reclassifications.

Consolidation principles used in the preparation of these consolidated financial statements are summarized below:

(a) Subsidiaries

Subsidiaries are companies in which the Company has power to control the financial and operating policies for the benefit of the Company either (a) through the power to exercise more than 50% voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself, or (b) although not having the power to exercise more than 50% of the voting rights, through the power to govern the financial and operating policies. Control is achieved when the Company:

- Has power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to at least one of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all the relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, over vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.3 Consolidation principles (Continued)

(a) Subsidiaries (Continued)

The Subsidiaries and their effective ownership interests at 31 March 2014 and 31 December 2013 are as follows:

	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		**Effective ownership interests (%)**	
Subsidiaries	**31 March 2014**	**31 December 2013**	**31 March 2014**	**31 December 2013**
Hürriyet Medya Basım	100,00	100,00	100,00	100,00
Doğan Ofset	99,93	99,93	99,93	99,93
Yenibir	100,00	100,00	100,00	100,00
Doğan Haber	53,10	53,10	53,10	53,10
Nartek	60,00	60,00	60,00	60,00
Hürriyet Zweigniederlassung	100,00	100,00	100,00	100,00
Hürriyet Invest	100,00	100,00	100,00	100,00
TME	74,28	74,28	74,28	74,28
Oglasnik d.o.o. (1)	-	100,00	-	74,28
Impress Media Marketing LLC	97,00	97,00	72,05	72,05
TCM Adria d.o.o. (2)	100,00	100,00	74,28	74,28
Expressz Magyarorszag Media Kft.(2)	100,00	100,00	74,28	74,28
Job.ru LLC	100,00	100,00	74,28	74,28
Mirabridge International B.V.	100,00	100,00	74,28	74,28
Pronto Invest B.V.	100,00	100,00	74,28	74,28
ZAO Pronto Akzhol	80,00	80,00	59,42	59,42
TOO Pronto Akmola	100,00	100,00	74,28	74,28
OOO Pronto Atyrau	100,00	100,00	59,42	59,42
OOO Pronto Aktobe	80,00	80,00	47,54	47,54
OOO Pronto Aktau	100,00	100,00	59,42	59,42
OOO Pronto Rostov(3)	100,00	100,00	74,28	74,28
OO Delta-M	55,00	55,00	40,85	40,85
OOO Pronto Baikal	100,00	100,00	74,28	74,28
OOO Pronto DV	100,00	100,00	74,28	74,28
OOO Pronto Ivanovo	100,00	100,00	74,28	74,28
OOO Pronto Kaliningrad	95,00	95,00	70,57	70,57
OOO Pronto Kazan	72,00	72,00	53,48	53,48
OOO Pronto Krasnodar	80,00	80,00	59,42	59,42
OOO Pronto Nizhny Novgorod	90,00	90,00	66,85	66,85
OOO Pronto Novosibirsk	100,00	100,00	74,28	74,28
OOO Pronto Oka(4)	100,00	100,00	74,28	74,28
OOO Utro Peterburga(4)	55,00	55,00	40,85	40,85
OOO Pronto Samara	100,00	100,00	74,28	74,28
OOO Pronto UlanUde	90,00	90,00	66,85	66,85
OOO Pronto Vladivostok	90,00	90,00	66,85	66,85
OOO Pronto Moscow	100,00	100,00	74,28	74,28

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.3 Consolidation principles (Continued)

(a) Subsidiaries (Continued)

	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		Effective ownership interests (%)	
	31 March 2014	**31 December 2013**	**31 March 2014**	**31 December 2013**
OOO Tambukan	85,00	85,00	63,14	63,14
OOO Partner-Soft (5)	90,00	90,00	66,85	66,85
Pronto Soft	90,00	90,00	66,85	66,85
OOO Pronto Kemerovo (3)	100,00	100,00	74,28	74,28
OOO Pronto Smolensk	100,00	100,00	74,28	74,28
OOO Pronto Tula (3)	100,00	100,00	74,28	74,28
OOO Pronto Voronezh (3)	100,00	100,00	74,28	74,28
OOO SP Belpronto	60,00	60,00	44,57	44,57
OOO Tambov-Info	100,00	100,00	74,28	74,28
OOO Pronto Obninsk(6)	-	10,00	-	7,43
OOO Rektcentr	100,00	100,00	74,28	74,28
OOO Pronto Neva (7)	-	100,00	-	74,28
Publishing House Pennsylvania Inc	100,00	100,00	74,28	74,28
Bolji Posao d.o.o. Serbia (8)	-	100,00	-	74,28
Bolji Posao d.o.o. Bosnia (8)	-	100,00	-	74,28
OOO Rukom(9)	100,00	100,00	74,28	74,28
Pronto Ust Kamenogorsk	100,00	100,00	59,42	59,42
Publishing International Holding BV	100,00	100,00	74,28	74,28

(1) Related rates include put-options regarding non-controlling shares explained in detail in Note 8. Related subsidiary was sold on 28 February 2014.
(2) Affiliated companies are classified to long-term assets held for sale.
(3) Related subsidiary is in the liquidation process as of 2013.
(4) Related subsidiary has ceased its operations before the year 2010.
(5) Related subsidiary has been in liquidation process in 2012.
(6) 90% of the shares are sold in December 2013 and the remaining 10% is sold as of January 2014.
(7) The liquidation process of related subsidiary was completed in 2014.
(8) Related subsidiary was sold on 21 March 2014.
(9) Related subsidiary has ceased its operations in 2012.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.3 Consolidation principles (Continued)

(b) Investments in associates and joint ventures

Joint ventures are the entities where Hürriyet and its subsidiaries together with one or more parties are subject to joint control and undertake an economic operation through an agreement. Joint ventures were consolidated using the proportional consolidation method until 31 December, 2012. In accordance with the amendments to TFRS 11 effective from 1 January 2013, joint ventures are recognized under the equity method starting from this date .

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Subsisidaries and business combinations’ operational results, assets and liabilities are recognized by using equity pick up method in consolidated financial statements (note 13).

(c) Non-controlling interests

Non-controlling interests of shareholders over the net assets and operational results of subsidiaries are classified as “non-controlling interest” in the consolidated balance sheet and statement of income.

(d) Financial investments

Financial investments in which the Group and its subsidiaries, have less than 20%, or more than 20% direct or indirect participation but the Group has no significant influence over the related assets, or which are immaterial to consolidated financial statements are classified as available for sale financial assets. Available for sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be measured reliably are carried at cost less any allowance for impairment (Note 6).

2.1.4 Offsetting

All items, significant in terms of content and amount, are stated separately in the consolidated financial statements even if they bear the same characteristics. Insignificant amounts or items displaying similar characteristics are stated collectively.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.5 Comparative information and restatement of prior period financial statements

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. The Group prepared the consolidated balance sheet as of 31 March 2014 with 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the period ended as of 31 March 2014 with 1 January- 31 December 2013 accounting period's related financial statements comparatively.

2.1.6 Significant Accounting Policies and Changes in Accounting Estimates and Errors

Changes inaccounting policies arising from the first time adoption of a new IAS\IFRS are applied retrospectively or prospectively in accordance with the respective IASs\IFRSs transition requirements, if any. Where there are no transition requirements for any changes or optional significant changes in accounting policies and identified accounting errors, those are applied retrospectively and prior-period financial statments are restated accordingly.

As explained in Note 2.1.7, amendments to TFRS 10 should be applied retrospectively. Subsidiaries TOV E-Prostir and SP Pronto Kiev, which were accounted according to TAS 27, were included to the consolidated financial statement by equity method in accordance with TFRS 10 as of 1 January 2012 and prior periods' financial statements were restated accordingly.The effect of these changes to the financial statements is summarized in the following table:

In addition, Group's subsidiaries operating in Croatia and Hungary are classified under assets held for sale and discontinued operations. As a result of this reason, the assets, liabilities and operations are classified as assets held for sale and discontinued operations and presented separately in balance sheet. The related operations are classified as discontinued operations in profit or loss and other comprehensive income statements for the purpose of complying current period financial statements.

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. In the current period, the Group has reclassified its prior period financial statements in order to comply with the formats declared by CMB decision numbered 20/670 dated 7 June 2013. Related classifications does not have any effect on previously disclosed shareholders' equity and net loss for the period; besides the amount and the nature of the classifications on the financial statements for the year 2013 are stated below.

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.6 Significant Accounting Policies and Changes in Accounting Estimates and Errors (Continued)

	Previously reported	Related adjutments and classifications	Restated
Sales	193.338.402	(4.240.674)	189.097.728
Cost of sales (-)	(125.951.249)	2.310.830	(123.640.419)
General administrative expenses(-)	(38.769.063)	2.289.466	(36.479.597)
Marketing, Expenses(-)	(32.331.262)	542.992	(31.788.270)
Other operating income	2.763.793	(2.763.793)	-
Other operating expenses (-)	(7.651.895)	7.651.895	-
Other operating income	-	13.146.403	13.146.403
Other operating expenses (-)	-	(8.260.479)	(8.260.479)
Share of loss of investments accounted by the equity method	(2.309.641)	231.894	(2.077.747)
Income from investing activities	-	5.301.516	5.301.516
Expenses from investing activities (-)	-	(4.205.788)	(4.205.788)
Finance ıncome	17.753.290	(17.753.290)	-
Finance expenses (-)	(23.783.750)	6.539.483	(17.244.267)
Continued operations (loss) before tax	**(16.941.375)**	**790.455**	**(16.150.920)**
Continued operations tax (expense)/benefit			
Current tax (expense)	(3.317.414)	87.235	(3.230.179)
Deferred tax benefit	3.381.433	(154.886)	3.226.547
Continued operations (loss) for the period	(16.877.356)	722.804	(16.154.552)
Discontinued Operations			
Net (loss) for the period from discontinued operations after income taxe	-	(751.287)	(751.287)
Net (loss) for the period	**(16.877.356)**	**(28.483)**	**(16.905.839)**
Allocation of net (loss) for the period			
Attributable to non-controlling interests	(3.780.860)	(29.808)	(3.810.668)
Attributable to equity holders of the parent company	(13.096.496)	1.325	(13.095.171)
(Loss) per share (TL)			
(Loss) from continuing operations per share	(0,0237)	(0,0033)	(0,0270)
(Loss) from discontinued operations per share	-	(0,0014)	(0,0014)
(Loss) from continuing and discontinuing operations per share	(0,0237)	(0,0047)	(0,0284)

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.6 Significant Accounting Policies and Changes in Accounting Estimates and Errors (Continued)

	Previously reported	Related adjutments and classifications	Restated
Other comprehensive (expense)			
Net (loss) for the period	**(16.877.356)**	**(28.483)**	**(16.905.839)**
Accumulated other comprehensive income/expenses reclassified in profit and loss			
Change in foreign currency differences	(3.347.142)	(114.528)	(3.461.670)
Other comprehensive (expense) after tax	**(3.347.142)**	**(114.528)**	**(3.461.670)**
Total comprehensive (expense)	**(20.224.498)**	**(143.011)**	**(20.367.509)**
Allocation of total comprehensive (expense)			
Attributable to non-controlling interets	(4.554.033)	(136.666)	(4.690.699)
Attributable to equity holders of the parent company	(15.670.465)	(6.345)	(15.676.810)

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.7 Amendments in the CMB Financial Reporting Standards

(a) Standards that are effective as of 1 January 2014 and have effect on financial statements:

None.

(b) Standards that are effective as of 1 January 2014, but have no effect on financial statements:

Amendants to IAS 10, IAS 11 and IAS 27	*Investment Entities*
Amendments to IAS 32	*Offsetting Financial Assets and Financial Liabilities*[1]
Amendments to IAS 36	*Recoverable Amount Disclosures for Non-Financial Assets* [1]
Amendments to IAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
Amendments to TFRS 21	*Levies*

(c) New and Revised Standards and Interpretations that are not yet effective and have not been early adopted by the Group

The Group has not applied the following new and revised standars and interpretations that have been issued but are not yet effective:

TFRS 9	*Financial Instruments*
Amendments to TFRS 9 and TFRS 7	*Mandatory Effective Date of TFRS 9 and Transition Disclosures*

Above mentioned standards will be effective and following years and the Company has not yet had an opportunity to consider the potential impacts of the adoption of these revised standards and the Company does not anticipates that the amendments will have a significant effect on the financial statements.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies

2.2.1 Related parties

For the purpose of accompanying consolidated financial statements, related parties are referred to as legal entities in which Doğan Holding directly or indirectly has participation, including any entities under joint control; real persons and/or legal entities that have direct or indirect control or joint controlover the Company and their close family members (immediate family members) and legal entities having direct or indirect control or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company's affiliates, subsidiaries and members of the BOD, key management and their close family members (immediate family members) and real persons and/or legal entities that are directly or indirectly controlled individually or jointly (Note 34).

2.2.2 Financial assets

In accordance with IAS 39, the Group classifies its financial instruments as "available-for-sale" and "loans and receivables". All financial assets are recognised at cost including transaction costs in the initial measurement.

Financial assets classified by the Group as "available for sale financial assets" that do not have any control power or significant effect have no fair value. When fair value cannot be reliably measured as other fair value estimation methods are not applicable; the carrying value of the financial asset is measured at cost less any impairment loss (Note 6).

"Loans and receivables" are financial assets that have fixed or determinable payments and fixed maturity dates and non-derivative financial assets that are not quoted in an active market.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.3 Trade receivables and provision for doubtful receivables

Trade receivables, formed as a result of provided goods or services by the Group, are presented after netting of with unaccrued finance income. After netting of trade receivables with unaccrued finance income, remaining trade receivable balance is discounted by using the effective interest rate in the subsequent period in which the original invoice is issued. Short-term trade receivables with undetermined interest rate are presented at cost value when the original effective interest rate effect is insignificant.

Provision is allocated for receivables when the Group has an objective indication over the collectability. The Group also set allowance for the receivables which are overdue for more than one year unless there is no guarantee and collaterals taken or special agreement. The amount of the provision is the difference between the carrying amount and the recoverable amount. Recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collaterals discounted based on using the original effective interest rate of the trade receivable occurred. The management evaluates the possibility of reserving provision for doubtful receivables when the trade receivables are uncollectible and unguaranteed, in legal proceedings or due more than the regular commercial day terms.

If there is a partial or whole collection over the doubtful receivable amount subsequent to the allocation of provision for doubtful receivables, the collected portion is recognised as other income following the write-down of the total provision amount (Note 27).

2.2.4 Impairment of assets excluding goodwill and intangible assets with indefinite useful lives

At each balance sheet date, the Group evaluates whether there are any indications that an asset other than goodwill or intangible assets with indefinite useful lives may be impaired. When an indication of impairment exists, carrying value of the assets is compared with the net realizable value which is the higher of value in use and fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment exists if the carrying value of an asset or a cash generating unit including that asset is greater than its recoverable amount. Impairment losses are recognised in the consolidated statement of income.

2.2.5 Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make a sale. Cost elements included in inventory are purchase costs and other costs necessary to prepare the asset for its intended use. Cost elements included in inventories are materials, labor and production overheads. The unit cost of inventories is determined on the moving weighted average basis (Note 12).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.5 Inventories (Continued)

When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.The management evaluates the inventory impairment amount (if any) as of the balance sheet dates.

Promotion materials

Assessment of impairment on promotion materials and determination of impairment amount is carried out by the Group management. Impairment amount is determined by considering the purchase dates and rates identified by management.

2.2.6 Investment properties

Land and buildings that are held to earn rentals and/or for capital appreciation are classified as investment property. Investment properties are carried at cost less transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the year which they arise (Note 14).

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.The difference between fair value and cost value, as of the date in which the change has occured, is recognized as revaluation fund under other comprehensive income.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.7 Property, plant and equipment and depreciation

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Depreciation is provided using the straight-line method based on the estimated useful lives of tangible assets (except lands) (Note 15).

The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

Buildings	25-50 years
Machinery and equipment	3-15 years
Furniture and fixtures	3-15 years
Motor vehicles	5 years
Leasehold improvements	2-20 years

Useful life and depreciation are reviewed regularly and the Group also reviews the consistency of the useful life and depreciation method applied with the economic benefits to be obtained from the underlying assets.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets.

Gains or losses on disposals of property, plant and equipment are determined with respect to the difference between collections received and carrying amounts of property, plant and equipment and are included in the other income and expense accounts, as appropriate.

Repair and maintenance expenses are charged to the consolidated statement of income as they are incurred. Capital expenditures that increase the present value of the future cash flows expected to be derived from property, plant and equipment by increasing its capacity is added to the cost of tangible fixed asset.

2.2.8 Financial leases

Leases are classified as finance leases by the Group whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are treated as consisting of capital and interest.

Principal lease payments are treated as liabilities and reduced with their payments. Interest charges are charged directly against income statement over the financial lease period. Capitalized leased assets are depreciated over the estimated useful life of the asset.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.9 Intangible assets

Intangible assets excluding goodwill and assets with infinite useful lives comprise trade names and licenses, customer lists, computer software and rights, internet domain names and other intangible assets. All trade names, customer lists and internet domain names have been identified as a result of independent valuations performed for the purchase price allocation related with the business combinations. Useful lives of certain trade names are determined to be indefinite. Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually.

Estimated useful lives of the intangible assets with finite useful lives are as follows:

Trade names	20 years
Customer lists	9 and 18 years
Computer software and rights	5-15 years
Domain names	3-20 years
Other intangible assets	5 years

Intangible assets with finite useful lives are carried at their acquisition cost and amortised using the straight-line method over their estimated useful lives (Note 16).

Intangible assets with finite useful lives are evaluated for impairment losses and if the book value exceeds the recoverable value, a provision is reserved to decrease the book value to recoverable value. Recoverable amount is considered to be the higher of future net cash flows of the intangible asset or the fair value less costs to sell. Impairment losses are recognized immediately in the consolidated income statement.

<u>Web page development costs</u>

Costs associated with developing web pages are capitalized and are amortized over their estimated useful lives (Note 16). Following the planning phase and operation; all costs are recognized as expense. Maintenance costs of web pages are accounted as operational expenses.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.10 Goodwill

Goodwill and negative goodwill amount, which represent the difference between the purchase price and the fair value of the acquiree's net assets, arising from business combinations effected prior to 30 June 2004 in the consolidated financial statements is capitalized and amortized over the useful life by using the straight-line method prior to 31 December 2004. Goodwill arising from business combinations effected subsequent to 31 March 2004 is not amortized and instead reviewed for any impairment losses in accordance with TFRS 3 Business Combinations.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired as of the balance sheet dates. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period (Note 16).

2.2.11 Critical accounting estimates and judgements

Useful lives of intangible assets

Useful lives of some trademarks are expected to be indefinite by the Group management. Where useful life is definite, in case of useful lives of 20 years, such intangible assets' amortization would have increased by TL 3.348.252 (31 March 2013: TL 3.338.827) and their loss before tax and minority interests would have increased by TL 3.348.252 (31 March 2013: TL 3.338.827).

Group amortizes trade names, customer lists and domain names with definite useful lives specified in Note 2.2.9.

If the useful lives of tradenames, customer lists and domain names differ from the management's estimates by 10%, the effects on the financial statements would be as follows:

- Had the useful lives been higher by 10%, amortization charges would have decreased by TL 304.387 and loss before tax and non-controlling interests would have decreased by TL 304.387 (31 March 2013: TL 303.530) or
- Had the useful lives been lower by 10%, amortization charges would have increased by TL 372.028 and loss before tax and non-controlling interests would have increased by TL 372.028 (31 March 2013: TL 370.981).

2.2.12 Taxes

Taxation on profit or loss includes current period income taxes and deferred taxes. Current year tax liability consists of tax liability on period income calculated according to currently enacted tax rates and tax legislation in force as of balance sheet date and includes adjustments related to previous year's tax liabilities. Turkish tax legislation does not permit a parent company, its subsidiaries and joint ventures to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates that have been enacted by the balance sheet date.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.12 Taxes (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized (Note 32). Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they are related to income taxes levied by the same taxation authority.

2.2.13 Financial borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the income statement as finance expense over the period of the borrowings (Note 7).

2.2.14 Employment termination benefits

The Group is required to pay termination benefits to employees who is retired, whose employment is terminated without due causes in Labour Law, in accordance with the Law related with The Arrangement of the Relationships within the Employees in Press Sector (employees in media sector) and other laws. The total provision represents the present value of future probable obligation of the Group arising from the retirement of its employees regarding the actuarial projections (Note 20).

2.2.15 Provisions, contingent assets and liabilities

Provisions are recognised when the Group has a present legal or constructive obligation or a result of past events, it is probable that on outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are assessed continually to determine whether an outflow of resources comprising economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimation can be made.

The Group has disclosed the contingent liability if it becomes probable, but no reliable estimation can be made on the amounts of resources comprising economic benefits.

Possible assets that arise from past events and whose existence will be confirmed only by the Group occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the are treated as contingent assets. A contingent asset is disclosed where an inflow of economic benefit is probable.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.15 Provisions, contingent assets and liabilities (Continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.2.16 Share capital and dividends

Ordinary shares are classified as equity. Dividend income is recognised as income by the Group when right to obtain of dividend is generated in the consolidated financial statements. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

2.2.17 Foreign currency transactions

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in Turkish Lira, which is the functional currency of the Company.

Foreign currency transactions

Income and expenses arising in foreign currencies have been translated into TL at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated statement of income.

The results of Group undertakings using a measurement currency other than TL are first translated into TL by using the average exchange rate for the period. The assets and liabilities of such Group undertakings are translated into TL by using the closing rate at the balance sheet date. Differences arising on retranslation of the opening net assets of such Group undertakings and differences between the average and period-end rates are included in currency translation reserve in the equity.

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.17 Foreign currency transactions (Continued)

Foreign currency transactions and (Continued)

A significant portion of the Group's foreign operations are performed in Russia, Europe and Eastern Europe countries (Note 4). Foreign currencies and exchange rates at 31 March 2014 and 31 December 2013 are summarized below:

Country	Currency	31 March 2014	31 December 2013
Russia	Ruble	0,0614	0,0652
Eurozone	Euro	3,0072	2,9365
Hungary	Forint	0,0098	0,0099
Croatia	Kuna	0,3927	0,3846
Ukraine	Grivna	0,1999	0,2670
Romania	New Ley	0,6653	0,6549
Kazakhstan	Tenge	0,0120	0,0139
Belarus	Belarusian Ruble	0,0002	0,0002

2.2.18 Revenue recognition

Revenue is the fair value amount of sales of goods and services received or receivable which is resulted from Group's operations. Net sales represent the invoiced value of goods/services shipped less any trade discounts, rebates or commissions and are presented with the elimination of intercompany balances.

Revenue is initially recognized at the fair value of the consideration received or receivable when it can be measured reliably and when there is an inflow of economic benefits. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The interest rate used in discounting, is the rate to discount nominal amount of the receivable to the amortised cost of the related goods or services given.

The difference between the fair value and the nominal amount of the consideration is recognized as financing income on the related periods.

Revenues from advertisement

Revenues from advertisement are recognised on an accrual basis based on the time of publishing. Unpublished part of the advertisement is recorded as deferred revenue in balance sheet.

Revenues from newspaper sales

Revenues from newspaper sales are recognised on a matching principle at the time of delivery of the newspapers by the distribution company to the vendor at the invoiced values. Provision for newspaper sales returns is accounted at the time of delivery based on past experiences and other related information.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.18 Revenue recognition (Continued)

Revenues from printing services

Revenues from printing services arise from printing services given to Group companies and third parties by using Group’s printing facilities. Related income is recognised on an accrual basis at the time of services given.

Interest income

Interest income is recognized on accruals basis in accordance with effective interest yield method.

Rental income

Rental income is recognized on an accrual basis.

Other income:

Other income is recognized on an accrual basis.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.19 Barter agreements

The Group provides advertising services in return for advertisement and other products and services. When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a revenue generating transaction. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a revenue generating transaction. Revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. If the fair value of the goods or services received is not measured reliably, the revenue is measured at the fair value of the goods or services supplied, adjusted by the amount of any cash or cash equivalents transferred (Note 19). Barter agreements is recognized on an accrual basis.

2.2.20 (Loss) / profit per share

(Loss) / profit per share disclosed in the consolidated statements of income are determined by dividing net (loss) / profit for the period by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares "bonus shares" to existing shareholders from retained earnings (Note 23). For the purpose of earnings per share computations, such bonus shares issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by considering the retrospective effects of the issuances of the shares (Note 33).

In case of dividend payment, earnings per share are determined on existing number of shares rather than the weighted average numbers of shares.

2.2.21 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments without a significant risk over the change in their value, whose maturity at the time of purchase is three months or less (Note 5).

2.2.22 Subsequent events

Subsequent events and announcements related to net income or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when the balance sheet is authorised for issue.

In the case that events requiring a correction to be made occur subsequent to the balance sheet date, the Group makes the necessary corrections to the consolidated financial statements. In the case that events not requiring a correction to be made occur subsequent to the balance sheet date, those events are disclosed in the notes of consolidated financial statement.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.23 Reporting of cash flows

In the statement of cash flows, consolidated cash flows during the period are classified under operating, investing and financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group's operations.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in assets and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with 3 months or less to maturity (Note 5).

2.2.24 Financial liabilities to non-controlling interests put options

Under the certain terms of acquisition agreements, the Group is committed to acquire the interests owned by non-controlling shareholders in consolidated subsidiaries, upon the request of non-controlling interest holders.

As it is highly probable that the Group will fulfill this obligation, IAS 32, "Financial Instruments: Disclosure and Presentation", requires the value of such put option to be presented as a financial liability on the balance sheet for the discounted value of the expected exercise price of this option, notwithstanding the ability of the Company to settle part of these obligations with its own shares rather than cash. Furthermore, the share of non-controlling shareholders in the net asset of the company subject to the put option must be reclassified from "non-controlling interest" to "other financial liabilities" in the consolidated balance sheet. The Group recognises, on initial recognition, the difference between the exercise price of the option and the carrying value of the non-controlling interests as a reduction of non-controlling interest and then as additional goodwill. The subsequent unwinding of the discount is recognised in financial expense while the change in the value of the commitment is recorded through goodwill (Note 16).

2.2.25 Non-current assets held for sale and discontinued operations

Assets held for sale are operations that the Group disposes of or classified as available for sale and cash flows which can be treated as a part separately from the Group. Non-current assets held for sale and discontinued operations represents a separate major line of business or geographical area of operations; is part of single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. The Group must evaluate its discontinued operations with the lower of carrying value and fair values less costs to sell (Note 35).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.26 Segment reporting

The chief operating decision maker of the Group is the Executive Committee or Management Committee. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group has selected the geographical segment as the Group's primary segment reporting format based on the risks and returns in geographical areas reflecting the primary source of the enterprise's risks and returns (Note 4).

2.2.27 Derivative instruments

Derivative financial instruments consist of mainly foreign currency and interest rate swaps and forward foreign exchange contracts. Derivative instruments are initially recognized at acquisition cost. The related transaction costs are included in the acquisition cost. Derivative financial instruments are subsequently remeasured at their fair value. All derivative financial instruments are classified as financial assets carried at fair value through profit or loss. Fair value of derivative financial instruments is measured by using its market value or by applying discounted cash flows method. Derivative financial instruments are classified as assets or liabilities in accordance with their fair values to be positive or negative (Note 8).

According to valuation studies, changes in the fair value of derivatives at fair value through profit or loss are included in the statement of comprehensive income.

While certain derivatives provide effective hedge relationships, they are recognised as financial assets through profit or loss in accordance with IAS 39 and their fair value gains and losses are reported in the statement of comprehensive income.

NOTE 3 - BUSINESS COMBINATIONS

There are no business combinations as of 31 March 2014 and 31 December 2013.

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

NOTE 4 - SEGMENT REPORTING

a) Segmental analysis for the period between 1 January – 31 March 2014:

	Turkey	Russia and EE	Europe	Total
Sales	128.415.130	35.353.874	9.870.597	173.639.601
Cost of sales (-)	(92.905.179)	(19.422.042)	(9.948.435)	(122.275.656)
Gross operating profit	**35.509.951**	**15.931.832**	**(77.838)**	**51.363.945**
Marketing, selling and distribution expenses (-)	(19.710.733)	(7.119.939)	-	(26.830.672)
Losses from investments accounted by the equity method (-)	(179.979)	42.077	-	(137.902)
Net segment result	**15.619.239**	**8.853.970**	**(77.838)**	**24.395.371**
General administrative expenses (-)				(35.160.412)
Other operating income				22.150.203
Other operating expenses (-)				(10.493.789)
Finance expenses (-)				(35.858.563)
Income from investing activities				2.121.617
Expense from investing activities (-)				(3.259.884)
Loss before tax				**(36.105.457)**
Tax expenses for the period (-)				(1.026.456)
Deferred tax income				4.961.031
Net loss for the period				**(32.170.882)**

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

NOTE 4 - SEGMENT REPORTING (Continued)

b) Segmental analysis for the period between 1 January – 31 March 2013:

	Turkey	Russia and EE	Europe	Total
Sales	140.846.914	40.034.208	8.216.606	189.097.728
Cost of sales (-)	(94.951.060)	(21.272.344)	(7.417.015)	(123.640.419)
Gross operating profit	**45.895.854**	**18.761.864**	**799.591**	**65.457.309**
Marketing, selling and distribution expenses (-)	(25.453.963)	(6.203.571)	(130.736)	(31.788.270)
Losses from investments accounted by the equity method (-)	(2.505.019)	427.272	-	(2.077.747)
Net segment result	**17.936.872**	**12.985.565**	**668.855**	**31.591.292**
General administrative expenses (-)				(36.479.597)
Other operating income				13.146.403
Other operating expense (-)				(8.260.479)
Finance expenses (-)				(17.244.267)
Income from investing activities				5.301.516
Expense from investing activities (-)				(4.205.788)
Monetary gain				-
Loss before tax				**(16.150.920)**
Tax expenses for the period (-)				(3.230.179)
Deferred tax income				3.226.547
Net loss for the period				**(16.154.552)**

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

NOTE 4 - SEGMENT REPORTING (Continued)

c) Segment assets:

	31 March 2014	31 December 2013
Turkey	676.115.681	612.525.953
Russia and EE	618.313.734	658.048.124
Europe	40.188.825	134.628.186
	1.334.618.240	**1.405.202.263**
Unallocated assets	19.303.170	19.432.851
Investments accounted by the equity method	12.749.320	13.768.940
Total assets per consolidated financial statements	**1.366.670.730**	**1.438.404.054**

Group's assets other than segment assets include prepaid taxes (Note 22), VAT receivables (Note 22) and deferred taxes assets (Note 32).

d) Segment liabilities:

	31 March 2014	31 December 2013
Turkey	305.118.139	32.386.348
Russia and EE	181.786.755	169.726.775
Europe	22.111.393	66.195.033
	509.016.287	**268.308.156**
Unallocated liabilities	171.860.856	446.954.014
Total liabilities per consolidated financial statements	**680.877.143**	**797.097.497**

Group's liabilities other than segments liabilities are composed of provisions (Note 18), long-term provisions for employee termination benefits (Note 20), VAT payable (Note 22) unused vacation provision (Note 18), and current tax liability and deferred tax liabilities (Note 32).

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

NOTE 4 - SEGMENT REPORTING (Continued)

e) Property, plant and equipment, intangible assets and investment property purchases and depreciation and amortization

Property, plant and equipment, intangible assets and investment property purchases:

	31 March 2014	31 March 2013
Turkey	4.939.112	7.535.289
Russia and EE	1.916.292	1.439.245
Europe	5.380	8.229
Total	**6.860.784**	**8.982.763**

Depreciation and amortization charges:

	31 March 2014	31 March 2013
Turkey	12.115.852	10.806.730
Russia and EE	6.848.275	6.725.697
Europe	1.380.360	1.921.071
Total	**20.344.487**	**19.453.498**

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

NOTE 4 - SEGMENT REPORTING (Continued)

f) Non-cash other expenses:

	1 January-31 March 2014			
	Turkey	**Russia and EE**	**Europe**	**Total**
Provision of retirement pay and unused vacation (Note: 18,20)	1.706.827	1.505.928	-	3.212.755
Provision for doubtful receivables (Note9)	931.763	-	-	931.763
Provision of legal claims (Note 18)	730.164	-	-	730.164
Provision of inventory impairment (Note 12)	310.440	-	-	310.440
	3.679.194	**1.505.928**	**-**	**5.185.122**

	1 January - 31 March 2013			
	Turkey	**Russia and EE**	**Europe**	**Total**
Provision of goodwill impairment	-	-	3.536.674	3.536.674
Provision of employee termination benefits and unused vacation (Note 18,20)	6.839.865	1.835.489	-	8.675.354
Provision of doubtful receivables (Note 9)	196.509	129.830	17.935	344.274
Provision of legal claims (Note 18)	572.896	-	-	572.896
Provision of inventory impairment (Note 12)	280.405	-	-	280.405
	7.889.675	**1.965.319**	**3.554.609**	**13.409.603**

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

NOTE 5 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Cash	962.591	661.026
Banks		
- time deposits	36.124.580	24.717.629
- demand deposits	26.889.861	21.796.687
- blocked deposits	31.506	31.506
Total	**64.008.538**	**47.206.848**

The Group has blocked deposits amounting to TL 31.506 as of 31 March 2014 (31 December 2013: TL 31.506). The blocked deposits consist of demand deposits amounting to TL 30.341 (31 December 2013: TL 30.341).

Cash and cash equivalents included in the consolidated statements of cash flows as of 31 March 2014, 31 December 2013, 31 March 2013 and 31 December 2012 are as follows:

	31 March 2014	31 December 2013	31 March 2013	31 December 2012
Cash and Banks	64.008.538	47.206.848	47.570.575	108.189.130
Less: Blocked deposits	(31.506)	(31.506)	(37.607)	(37.525)
Less: Interest accruals	(202.381)	(202.381)	(78.271)	(107.381)
Total	**63.774.651**	**46.972.961**	**47.454.697**	**108.044.224**

The maturity analysis of time deposits including the blocked time deposits is as follows:

	31 March 2014	31 December 2013
0-1 month	22.033.953	24.620.616
1-3 months	14.091.792	98.178
	36.125.745	**24.718.794**

There are no time deposits with variable interest rates at 31 March 2014 and 31 December 2013. The gross interest rate for TL time deposits is 11,75 % as of 31 March 2014 (31 December 2013: 8,32%). The gross interest rate of foreign currency denominated time deposits is 3,81 % for USD (31 December 2013: 4,07%).

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

NOTE 6 - FINANCIAL ASSETS

Financial assets available for sale:

The details of financial assets available for sales as of 31 March 2014 and 31 December 2013 are as presented below:

	Share %	31 March 2014	Share %	31 December 2013
Doğan Faktoring Hizmetleri A.Ş. ("Doğan Factoring")	5,11	1.029.898	5,11	1.029.898
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	1,75	468.534	1,75	468.534
Coats İplik Sanayi A.Ş.	0,50	257.850	0,50	257.850
B2C Prodüksiyon Bilişim ve Emlak Danışmanlığı Sanayi Ticaret A.Ş. ("B2C")	15,00	150.000	15,00	150.000
Other	-	72.926	-	70.624
Total		**1.979.208**		**1.976.906**

Financial investments are carried at cost less provision for impairment since they are not being traded in an active market. There is no impairment during the period.

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

NOTE 7 - FINANCIAL LIABILITIES

The details of financial liabilities at 31 March 2014 and 31 December 2013 are as follows:

Short-term borrowings:	**31 March 2014**	**31 December 2013**
Bank borrowings (Note 37.ii)	1.954.198	2.387.299
Financial liabilities to suppliers (Note 37.ii)	7.221.115	6.436.107
	9.175.313	**8.823.406**
Short-term portion of long-term financial liabilities (Note 37.ii)	146.119.747	143.052.144
Total	**155.295.060**	**151.875.550**

Long-term financial liabilities:	**31 March 2014**	**31 December 2013**
Bank borrowings (Note 37.ii)	230.046.118	261.465.762
Financial liabilities to suppliers (Note 37.ii)	2.279.816	4.692.877
Total	**232.325.934**	**266.158.639**

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

NOTE 7 - FINANCIAL LIABILITIES (Continued)

Bank borrowings:

The details of bank borrowings at 31 March 2014 and 31 December 2013 are as follows:

	Effective interest rate (%)		Original foreign currency		TL	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Short-term bank borrowings						
- TL	-	-	1.954.198	2.387.299	1.954.198	2.387.299
Sub-total					1.954.198	2.387.299
Short-term portion of long-term bank borrowings						
- USD	6,3	6,1	61.757.454	62.117.344	135.236.472	132.577.048
- Euro	3,1	2,9	3.619.073	3.567.205	10.883.275	10.475.096
Sub-total					**146.119.747**	**143.052.144**
Total short-term bank borrowings					**148.073.945**	**145.439.443**
Long-term bank borrowings						
- USD	5,7	5,6	102.800.000	120.000.000	225.111.440	256.116.000
- Euro	2,9	2,9	1.640.954	1.821.816	4.934.678	5.349.762
Total long-term bank borrowings					**230.046.118**	**261.465.762**

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

NOTE 7 - FINANCIAL LIABILITIES (Continued)

Bank borrowings (Continued)

The repayment schedules of long-term bank borrowings are as follows:

Year	31 March 2014	31 December 2013
2015	226.452.357	257.904.161
2016	1.904.496	1.857.998
2017 and after	1.689.265	1.703.603
Total	**230.046.118**	**261.465.762**

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at balance sheet dates are as follows:

Period	31 March 2014	31 December 2013
Up to 6 months	367.534.718	405.378.225
6-12 months	10.585.345	1.350.790
1 to 5 years	-	176.190
Total	**378.120.063**	**406.905.205**

Carrying value of the financial liabilities is considered to approximate their fair value since discount effect is not material.

Group borrows loans on fixed and floating interest rates. Distribution of variable and fixed interest loans are presented in Note 37.1 (i).

In December 2013, OOO Pronto Moscow, one of the indirect subsidiaries of the Group, has restructured its bank loan amounting to USD 70.000.000 with a maturity of April 2014 and %6,25 interest rate and was classified in short term portion of long term bank borrowings as of 31 March 2014 and 31 December 2013 by using the extension option in the agreement. The maturity of the loan has been extended to 20 April 2015. Regarding to Doğan Holding's loan agreement, USD 70.000.000 deposits have been blocked as guarantee.

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

NOTE 7 - FINANCIAL LIABILITIES (Continued)

Financial liabilities to suppliers:

Short and long-term financial liabilities to suppliers are related with the purchase of machinery and equipment. Effective interest rates of short-term and long-term financial liabilities to suppliers are 1,83% for Euro (31 December 2013: Euro: 1,60%).

The repayment schedules of long-term financial liabilities to suppliers are as follows:

Year	31 March 2014	31 December 2013
2015 and after	2.279.816	4.692.877
Total	**2.279.816**	**4.692.877**

As of 31 March 2014, the Group's short-term financial liabilities to suppliers issued at variable interest rate are amounting to TL 4.577.848 (31 December 2013: TL 6.436.107), short-term financial liabilities issued at fixed interest rate are amounting to TL 2.643.367 (31 December 2013: none), long-term financial liabilities issued at variable interest rate are amounting to 2.279.816 (31 December 2013: TL 2.226.217) and there is no long-term financial liabilities issued at fixed interest rate (31 December 2013: TL 2.466.660).

The exposure of the Group's financial liabilities to suppliers to interest rate changes and the contractual repricing dates are as follows:

Period	31 March 2014	31 December 2013
Up to 6 months	6.857.664	8.662.324
1 to 5 years	2.643.267	2.466.660
Total	**9.500.931**	**11.128.984**

The fair values of short-term and long-term financial liabilities to suppliers are considered to approximate their carrying values as the effect of discount is not material.

The Group's bank borrowings and financial liabilities to suppliers with variable interest rate are amounting to TL 189.934.628 as of 31 March 2014 (31 December 2013: TL 224.302.700).

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

NOTE 8 - OTHER FINANCIAL ASSETS AND LIABILITIES

Other short term financial assets at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Financial liabilities due to put options	16.574.596	16.154.517
Derivative instruments	2.192.699	2.440.486
Total	**18.767.295**	**18.595.003**

a) Derivative instruments

i) Derivative instruments against foreign exchange risk

The Group has made a Euro swap transaction amounting to USD 17.000.000 (31 December 2013: USD 20.000.000) related with bank borrowings in the current period.

As of 31 March 2014, the financial liability arising from the fair value of swap agreements and other derivative transactions is amounting to TL 2.192.699 (31 December 2013: TL 2.440.486 of financial assets arising from the fair value of swap agreements and other derivative transactions) (Note 8).

ii) Interest rate swap transactions

Group had interest rate swap agreement for USD variable interest rate (Libor) of its loan, amounting to USD 10.000.000 with maturity to 2015, to convert EUR variable interest rate (Euribor). Financial expense amounting to TL 247.148 has been recognised during the period regarding to this agreement.

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

NOTE 8 - OTHER FINANCIAL ASSETS AND LIABILITIES (Continued)

b) Non-controlling interests put options

Oglasnik d.o.o. Option

The Group was granted a put option, on the remainder of 30% of non-controlling shares during the acquisition of 70% interest of the shares in its subsidiary Oglasnik d.o.o. located in Croatia. The negotiations related with using that put option is still continuing as of the date which the financial statements publicly announced. As of 31 March 2014, the fair value of this option is TL 16.574.596 and classified in "other short-term financial liabilities" (31 December 2012: TL 16.154.517). There is a dispute about the protocol between the parties concerned and an arbitration process is in progress in the presence of Zagreb Court of Arbitration. A declaratory lawsuit has been filed by the non-controlling shareholders against the Group since non-controlling shareholders could not exercise this put option. An alternative EUR 3.500.000 plus default interest is claimed as compensation together with the declaratory lawsuit. The third trial of the lawsuit was held on 3 July 2013 and the arbitration procedure is still on progress.

NOTE 9 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables net off of unearned finance income at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Trade receivables	231.128.662	233.608.011
Notes and cheques receivable	3.893.458	2.996.291
Receivables from credit cards	1.815.878	1.718.307
Income accruals	614.995	250.383
Unearned finance income due from term sales	(1.810.722)	(2.727.380)
Less: Provision for doubtful receivables	(50.818.930)	(51.384.264)
Short-term trade receivables	**184.823.341**	**184.461.348**

According to a revocable commitment agreement signed with Doğan Factoring Hizmetleri A.Ş., trade receivables resulting from advertisements, amounting to TL 122.698.563 (31 December 2013: TL 129.692.268) are followed up by Doğan Factoring Hizmetleri A.Ş. ("Doğan Factoring"). Group has not transferred the risk of not collecting the above mentioned receivables and has continued to bear in its balance sheets. These receivables are related to commercial advertisements and some of classified advertisements. The due date of the Group's trade receivables followed up by Doğan Factoring is 99 days (31 December 2013: 96 days). The unearned finance income due from sales with maturity related with the receivables followed up by Doğan Factoring is TL 666.051 (31 December 2013: TL 895.559) and the compound interest rate is 12,01% per annum (31 December 2013: 12,01%).

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

NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)

The movements of provision for doubtful receivables are as follows:

	2014	2013
1 January	**(51.384.264)**	**(57.655.704)**
Additions during the period (Note 28)	(931.763)	(344.274)
Collections during the period (Note 27)	649.205	532.634
Classification related to discontinued operations	-	287.583
Currency translation differences	847.892	592.396
31 March	**(50.818.930)**	**(56.587.365)**

Trade payables at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Short-term trade payables	56.413.010	46.499.414
Expense accruals	2.144.969	1.737.604
Unrealized financial expenses due to term purchases	(178.616)	(225.536)
Total	**58.379.363**	**48.011.482**

As of 31 March 2014, the due date of Group's trade payables is 38 days (31 December 2013: 50 days). As of 31 March 2014, urealized financial expense is TL 178.616 and the compound interest rate is 12,01% per annum (31 December 2013: 12,01 %).

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other short-term receivables at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Notes and cheques receivable (1)	52.843.135	73.576.936
Deposits and guarantees given	2.300.866	3.520.295
Total	**55.144.001**	**77.097.231**

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

NOTE 10 - OTHER RECEIVABLES AND PAYABLES (Continued)

Other long-term receivables at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Deposits and guarantees given	1.516.472	1.508.340
Total	**1.516.472**	**1.508.340**

(1) In 2012, the Group has sold the properties that consist of 58.609,45 m2 land and buildings including the building that has been used as company headquarters for 28 years (Hürriyet Media Towers) in Bağcılar, İstanbul to Nurol Garimenkul Yatırım Ortaklığı in consideration of USD 127.500.000 (TL 225.993.750), excluding late interest. USD 17.500.000 of consideration was paid in advance and the remaining portion which amounts to USD 110.000.000 is payable in 32 equal installments starting from 6 March 2012 by applying 3,5% interest for remaining balance after the each payment. As of 31 March 2014, USD 26.052.500 (TL 52.692.063) of the related consideration is recognized as short term notes receivable. Total collectable interest amount related to principal payments is USD 6.395.692 and USD 5.190.816 of this amount (TL 9.200.721), excluding VAT, has been collected in 2012 and 2013 and is recognized as other operating income in the accompanying financial statements in the current period. Interest accrual calculated by using the effective interest rate in the current period amounts to USD 68.989 (TL 151.072) and is recognized as short term notes and cheques receivable and finance income in the accompanying financial statements.

Other short-term payables at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Taxes payable	2.198.736	3.501.640
Deposits and guarantees received	2.197.566	577.489
Total	**4.396.302**	**4.079.129**

Other long-term payables at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Deposits and guarantees received	183.376	235.345
Other	157.160	228.512
Total	**340.536**	**463.857**

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

NOTE 11 – EMPLOYEE BENEFIT PAYABLES

Employee benefit payables as of 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Due to personnel	7.992.620	6.107.888
Social security withholdings payable	4.092.515	3.528.442
Total	**12.085.135**	**9.636.330**

NOTE 12 - INVENTORIES

	31 March 2014	31 December 2013
Raw materials and supplies	14.108.182	15.074.781
Promotion materials (1)	5.179.397	4.122.716
Finished goods and merchandise	1.540.764	1.978.084
Semi-finished goods	218.442	352.940
	21.046.785	**21.528.521**
Provision for impairment of inventory	(4.367.733)	(4.168.833)
Total	**16.679.052**	**17.359.688**

(1) Promotion materials include promotion materials such as books, CDs and DVDs.

Movements of the provision for impairment of promotion inventories, raw materials and supplies and finished goods and merchandise are as follows:

	2014	2013
1 January	**(4.168.833)**	**(3.433.906)**
Provision of promotion inventories	(5.785)	(105.715)
Reversal of provision of promotion materials	25.297	84.577
Provision of raw materials and supplies	(304.655)	(174.690)
Reversal of provision of raw materials and supplies	86.243	-
31 March	**(4.367.733)**	**(3.629.734)**

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

NOTE 13 - INVESTMENTS ACCOUNTED BY THE EQUITY METHOD

As of 31 March 2014 and 31 December 2013, the corresponding portion of subsidiaries' and joint ventures' current assets, non-current assets, short-term and long-term liabilities and shareholders' equity, which are consolidated with the equity method in accordance with TFRS 10 and TFRS 11 are as follows:

Subidiaries	**31 March 2014 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries**	**31 December 2013 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries**
Doğan Media International GmbH ("Doğan Media")	42,42	42,42
SP Pronto Kiev	37,14	37,14
TOV E-Prostir	37,14	37,14

Joint Ventures	**31 March 2014 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries**	**31 December 2013 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries**
ASPM Holding B.V.	37,88	37,88

Profit and loss resulting from transactions between the Group companies and its subsidiaries are eliminated with the direct proportion of the ownership percentage. As of 31 March 2014, the Group's share of financial statements which are valued by equity method, are as follows:

31 March 2014	**Total assets**	**Total liabilities**	**Net assets**	**Net sales**	**Net (loss)/profit for the period**
Dogan Media	11.442.335	2.067.495	9.374.840	3.952.094	(179.979)
SP Pronto Kiev	3.392.665	128.385	3.264.280	487.023	(42.847)
ASPM Holding B.V.	93.930	34.805	59.125	-	-
TOV E-Prostir	133.758	82.683	51.075	131.397	84.924
	15.062.688	**2.313.368**	**12.749.320**	**4.570.514**	**(137.902)**

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

NOTE 13 - INVESTMENTS ACCOUNTED BY THE EQUITY METHOD (Continued)

The summary of Group's share of the financial statements of the investments accounted by the equity method at 31 December 2013 is as follows:

31 December 2013	**Total assets**	**Total liabilities**	**Net assets**	**Net sales**	**Net (loss)/profit for the period**
Dogan Media	14.180.969	4.855.641	9.325.328	18.843.636	(7.770.000)
SP Pronto Kiev	4.582.656	196.670	4.385.986	2.985.867	570.093
ASPM Holding B.V.	91.570	33.944	57.626	-	(3.866)
TOV E-Prostir	212.755	212.755	-	451.189	42.829
	19.067.950	**5.299.010**	**13.768.940**	**22.280.692**	**(7.160.944)**

The investments accounted by the equity method as of 31 March 2014 and 31 December 2013 are as follows:

	Share %	**31 March 2014**	**Share %**	**31 December 2013**
Doğan Media International GmbH ("Dogan Media")	42,42	9.374.840	42,42	9.325.328
SP Pronto Kiev	37,14	3.264.280	37,14	4.385.986
ASPM Holding B.V.	37,88	59.125	37,88	57.626
TOV E-Prostir	37,14	51.075	37,14	-
		12.749.320		**13.768.940**

The summary of Group's share of the financial statements of the investments accounted by the equity method at 31 March 2014 and 2013 is as follows:

	2014	**2013**
1 January	**13.768.940**	**8.905.216**
Loss from associates	(137.902)	(2.077.747)
Currency translation differences	(881.718)	(174.102)
Dividend distribution	-	(111.366)
31 March	**12.749.320**	**6.542.001**

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

NOTE 14 - INVESTMENT PROPERTY

The movements in investment property as of 31 March 2014 are as follows:

	1 January 2014	Additions	Disposals (1)	Change in fair value adjustment	31 March 2014
Land	40.383.785	-	-	-	40.383.785
Buildings	16.994.536	1.354.373	(2.008.299)	201.090	16.541.700
	57.378.321	**1.354.373**	**(2.008.299)**	**201.090**	**56.925.485**

(1) Disposals due from the sale of investment properties acquired by the barter agreements.

With the decision taken based on the review done by the group management, investment properties, which were carried at cost less accumulated depreciation under cost method less impairment charges if any in the previous financial statements, are decided to carry at their fair values (Note 2.2.6).

The Group's rent income from investment properties amounted to TL 25.483 as of 31 March 2014 (31 March 2013: 23.595). The Group's direct operating expenses arising from the investment properties in the period amounted to TL 123.755. (31 March 2013: TL 82.800).

The movements in investment property as of 31March 2013 are as follows:

	1 January 2013	Additions	Disposals	Change in fair value adjustment	31 March 2013
Cost:					
Land	26.109.998	-	-	-	26.109.998
Buildings	23.941.139	3.768.142	(8.027.051)	580.941	20.263.171
	50.051.137	**3.768.142**	**(8.027.051)**	**580.941**	**46.373.169**

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

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment and related accumulated depreciation for the period ended 31 March 2014 are as follows:

	1 January 2014	Currency translation differences	Additions	Disposals	Transfers (1)	31 March 2014
Cost						
Land and land improvements	20.555.973	157.981	-	-	-	20.713.954
Buildings	157.304.701	(441.558)	-	(261.323)	-	156.601.820
Machinery and equipment	624.821.865	794.102	64.394	-	(10.908)	625.669.453
Motor vehicles	9.894.704	(10.328)	43.724	(37.087)	-	9.891.013
Furnitures and fixtures	53.232.221	(548.539)	1.827.118	(710.887)	-	53.799.913
Leasehold improvements	37.168.974	(34.903)	-	-	-	37.134.071
Other intangible assets	941.814	214.904	-	-	-	1.156.718
Construction in progress	1.110.935	(307.477)	115.279	-	10.908	929.645
	905.031.187	**(175.818)**	**2.050.515**	**(1.009.297)**	**-**	**905.896.587**
Accumulated amortization						
Land and land improvements	(429.981)	-	(12.921)	-	-	(442.902)
Buildings	(47.620.451)	355.279	(1.010.017)	137.305	-	(48.137.884)
Machinery and equipments	(512.397.282)	(848.875)	(8.186.776)	23.410	-	(521.409.523)
Motor vehicles	(7.508.306)	(395.395)	(336.037)	37.087	-	(8.202.651)
Furnitures and fixtures	(37.056.364)	440.581	(2.003.787)	673.240	-	(37.946.330)
Leasehold improvements	(26.639.578)	23.286	(531.488)	-	-	(27.147.780)
Other intangible assets	(1.198.665)	67.208	(20.414)	-	-	(1.151.871)
	(632.850.627)	**(357.916)**	**(12.101.440)**	**871.042**	**-**	**(644.438.941**
Net book value	**272.180.560**					**261.457.646**

At 31 March 2014, net book value of the property, plant and equipment included in machinery and equipments and acquired through financial leases is amounting to TL 4.075.437 (31 December 2013: TL 4.379.154).

At 31 March 2014 there are mortgages on property, plant and equipment amounting to TL 19.546.800 (31 December 2013: TL 19.087.250).

For the period ended at 31 March 2014 depreciation expense amounting to TL 9.110.538 (31 March 2013: TL 9.231.502) is added to cost of sales (Note 24), amounting to TL 2.990.902 (31 March 2013: TL2.442.472) is added to marketing, selling and distribution and general administrative expenses (Note 25).

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

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movements of property, plant and equipment and related accumulated depreciation for the period ended 31 March 2013 are as follows:

	1 January 2013	Currency translation differences	Additions	Disposals	Transfers	Reclassified as assets held for sale	31 March 2013
Cost							
Land and land improvements	23.224.425	(157.660)	-	-	-	-	23.066.765
Buildings	153.376.334	(891.890)	31.902	-	(469.999)	-	152.046.347
Machinery and equipment	612.730.375	(436.572)	81.474	(813.108)	-	-	611.562.169
Motor vehicles	9.915.741	(83.998)	-	(419.612)	-	-	9.412.131
Furnitures and fixtures	51.339.237	(114.006)	1.628.619	(414.120)	-	(156.666)	52.283.064
Leasehold improvements	36.381.954	(18.554)	450.662	-	469.999	-	37.284.061
Other intangible assets	757.635	(12.902)	-	-	-	-	744.733
Construction in progress	531.190	(125.338)	1.457.912	(30.265)	-	-	1.833.499
	888.256.891	**(1.840.920)**	**3.650.569**	**(1.677.105)**	**-**	**(156.666)**	**888.232.769**
Accumulated amortization							
Land and land improvements	(378.298)	-	(12.921)	-	-	-	(391.219)
Buildings	(41.551.713)	134.838	(948.251)	-	-	-	(42.365.126)
Machinery and equipment	(471.584.453)	738.118	(8.251.881)	775.685	-	-	(478.322.531)
Motor vehicles	(6.922.655)	147.398	(59.629)	201.244	-	-	(6.633.642)
Furnitures and fixtures	(34.362.648)	69.690	(1.804.584)	389.849	-	144.204	(35.563.489)
Leasehold improvements	(24.508.776)	9.275	(552.344)	-	-	-	(25.051.845)
Other intangible assets	(751.688)	82.729	(44.364)	-	-	-	(713.323)
	(580.060.231)	**1.182.048**	**(11.673.974)**	**1.366.778**	**-**	**144.204**	**(589.041.175)**
Net book value	**308.196.660**						**299.191.594**

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

NOTE 16 - INTANGIBLE ASSETS

i) Goodwill

The movements of goodwill for the periods ended at 31 March are as follows:

	2014	2013
1 January	**119.422.217**	**118.331.349**
Currency translation differences	(4.069.401)	(779.878)
Disposal of subsidiary (1) (Note 36)	-	(8.990.851)
Other (1)	-	(1.395.756)
31 December	**115.352.816**	**107.164.864**

(1) Represents the changes in the fair value of the put options (Note 2.2.24).

As of 31 March 2014, the goodwill amounting to TL 115.352.816 (31 December 2013: TL 119.422.217) is arising from the acquisition of Group's subsidiary TME which operates in abroad.

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

NOTE 16 - INTANGIBLE ASSETS (Continued)

ii) Other intangible assets

The movements of intangible assets and related accumulated amortization for the period ended 31 December 2013 are as follows:

	1 January 2014	Currency translation differences	Additions	Disposals	Transfers	31 March 2014
Cost						
Trade names and licenses	331.417.081	(5.322.061)	-	-	-	326.095.020
Customer list	339.350.912	(14.922.981)	-	-	-	324.427.931
Computer software and rights	65.325.354	(361.230)	2.093.757	(2.695.030)	321.117	64.683.968
Internet domain names	30.051.963	(1.694.814)	814.973	-	183.812	29.355.934
Other intangible assets	3.098.494	12.435	10.571	-	-	3.121.500
Construction in progress	11.592	360.103	536.595	-	(504.929)	403.361
	769.255.396	**(21.928.548)**	**3.455.896**	**(2.695.030)**	**-**	**748.087.714**
Accumulated amortization						
Trade names and licenses	(23.355.430)	659.510	(393.870)	-	-	(23.089.790)
Customer list	(143.570.507)	2.455.936	(5.175.520)	-	-	(146.290.091)
Computer software and rights	(51.742.375)	224.336	(1.636.751)	2.677.451	-	(50.477.339)
Internet domain names	(12.325.494)	800.158	(1.029.625)	-	-	(12.554.961)
Other intangible assets	(3.019.314)	(10.524)	(7.281)	-	-	(3.037.119)
	(234.013.120)	**4.129.416**	**(8.243.047)**	**2.677.451**	**-**	**(235.449.300)**
Net book value	**535.242.276**					**512.638.414**

Amortization expense amounting to TL 8.243.047 (31 December 2013: TL 7.779.524) has been included in marketing, selling and distribution and general administrative expenses as of 31 March 2014.

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

NOTE 16 - INTANGIBLE ASSETS (Continued)

ii) Other intangible assets (Continued)

The movements in intangible assets and related accumulated amortization for the period ended 31 March 2013 are as follows:

	1 January 2013	Currency translation differences	Additions	Disposals	Transfers	Classified to assets held for sale	31 March 2013
Cost							
Trade names and licenses	311.021.324	(2.504.739)	-	-	-	-	308.516.585
Customer list	310.305.078	(3.990.133)	-	-	-	-	306.314.945
Computer software and rights	73.267.479	(530.953)	531.369	(43.484)	-	(806.680)	72.417.731
Internet domain names	26.829.768	(224.395)	761.968	-	-	-	27.367.341
Other intangible assets	6.659.793	(200.609)	40.368	-	-	-	6.499.552
Construction in progress	33.460	(21.772)	230.347	-	-	-	242.035
	728.116.902	**(7.472.601)**	**1.564.052**	**(43.484)**	**-**	**(806.680)**	**721.358.189**
Accumulated amortization							
Trade names and licenses	(20.792.733)	74.433	(365.366)	-	-	-	(21.083.666)
Customer list	(108.189.520)	1.834.232	(4.682.189)	-	-	-	(111.037.477)
Computer software and rights	(53.768.283)	454.953	(1.951.182)	41.408	-	347.270	(54.875.834)
Internet domain names	(9.727.370)	107.987	(689.379)	-	-	-	(10.308.762)
Other intangible assets	(6.174.891)	202.801	(91.408)	-	-	-	(6.063.498)
	(198.652.797)	**2.674.406**	**(7.779.524)**	**41.408**	**-**	**347.270**	**(203.369.237)**
Net book value	**529.464.105**						**517.988.952**

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

NOTE 16 - INTANGIBLE ASSETS (Continued)

The cost of trade names and licenses with indefinite useful lives amounted to TL 267.860.140 as of 31 March 2014 (31 December 2013: TL 277.517.400). The utilization period of the assets with indefinite useful lives is determined based on the stability of the industry, changes in market demands as to the products and services provided through assets, control period over the assets and legal or similar restrictions on their utilization.

NOTE 17 - GOVERNMENT GRANTS

The Group obtained six investment incentives certificates for the imported equipments amounting to USD 13.805.393 and domestic equipments amounting to TL 1.502.399 for the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 28 October, 2, 4 November and 30 December 2011. The agreements are valid for two years and equipment imported within the scope of the certificate is exempt from Customs Duty and VAT. The investments amounting to USD 13.595.062 for imported equipments and TL 1.502.399 for domestic equipments are realized within these certificates as of 31 March 2014 (31 December 2013: for the imported equipments amounting to USD 13.595.062, for the domestic equipments amounting to TL 1.502.399).

NOTE 18 -PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 March 2014 and 31 December 2013, short term provisions are as follows:

	31 March 2014	31 December 2013
Provision for unused vacation rights	18.336.662	17.760.561
Other provisions for lawsuit and compensation	4.799.663	4.069.499
Total	**23.136.325**	**21.830.060**

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

NOTE 18 -PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

i. Provision of unused vacation rights

The movements in provision for unused vacation rights during the periods ended at 31 March are as follows:

	2014	**2013**
1 January	**(17.760.561)**	**(14.836.862)**
Additions during the period	(1.517.377)	(7.081.952)
Payments during the period and reversal of provision	724.576	1.052.605
Currency translation difference	216.700	29.894
31 March	**(18.336.662)**	**(20.836.315)**

The lawsuits against the Group amounted to TL 27.050.254 (31 December 2013: 29.686.311). The Group recognises provision related to cases when there is a legal or valid liability resulting from past event and it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimation can be made of the amount of the obligation. As a result of these analyses, as of 31 March 2014 the Group has set a provision of TL 4.799.663 for lawsuits (31 December 2013: TL 4.069.499).

ii. Provision of litigation

As at 31 March 2014 and 31 December 2013, the Group's ongoing lawsuits are as follows:

	31 March 2014	**31 December 2013**
Legal lawsuits	25.412.944	23.199.519
Labor lawsuits	1.262.293	3.200.000
Commercial lawsuits	375.017	3.286.792
Total	**27.050.254**	**29.686.311**

The movements of provision for lawsuits for the periods ending 31 March are as follows:

	2014	**2013**
1 January	**(4.069.499)**	**(3.680.581)**
Additions during the period (Note 28)	(730.164)	(572.896)
Payments related to provisions	-	425.967
31 March	**(4.799.663)**	**(3.827.510)**

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

NOTE 19 - COMMITMENTS

Group's collaterals/pledge/mortgage ("CPM") position as of 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014		31 December 2013	
	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
A. CPM's given in the name of its own legal personality				
-Collaterals				
TL	1.819.226	1.819.226	1.624.865	1.624.865
Euro	25.000	75.180	25.000	73.413
-Mortgages				
TL	-	-	-	-
Euro	6.500.000	19.546.800	6.500.000	19.087.250
B. CPM's given on behalf of the fully consolidated companies (1)				
-Commitments				
TL	918.982	918.982	918.903	918.903
USD	3.540	7.752	3.540	7.555
Euro	3.055.000	9.186.996	3.055.000	8.971.008
C. CPM's given on behalf of third parties for ordinary course of the business	-	-	-	-
D. Total amount of other CPM's given				
i) Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-
ii) Total amount of CPM's given on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii) Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
Total		**31.554.936**		**30.682.994**

(1) Commitments given regarding to the borrowings obtained for the main operations of the Group, that are intended to meet various financial needs of subsidiaries.

CPM's given by the Group

There is no CPM's given for third parties as indicated in the table above except CPM's given for their own legal entities. The ratio of other CPM's given against the Group's equity is 0% as of 31 March 2014 (31 December 2013: 0%).

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

NOTE 19 – COMMITMENTS (Continued)

Commitments and contingencies which the Management does not expect significant losses or liabilities are as follows:

Barter agreements:

The Group, as a common practice in the media sector, enters into barter agreements which involve the exchange of goods or services without cash collections or payments. As of 31 March 2014, the Group has a commitment for the publication of advertisements amounting to TL 2.523.761 (31 December 2013: TL : 5.379.691) in exchange for purchasing goods and services and has an option to purchase goods and services amounting to TL 9.830.937 (31 December 2013: TL 14.997.250) in exchange of the goods or services sold.

NOTE 20 – EMPLOYMENT TERMINATION BENEFITS

Provision for employment termination benefits at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Provision for employment termination benefits	48.480.501	47.989.848
Total	**48.480.501**	**47.989.848**

Except the legal requirements other than Turkey in which the Group operates, there are no pension plans and benefits.

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires. The amount payable maximum equals to one month of salary is TL 3.438,22 (31 December 2012: TL 3.254,44) for each year of service.

On the other hand Group is liable to make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due cause in accordance with the regulations with regards to Employees Employed in the Press Sector. The maximum payable amount is 30 days' salary for each year of service.

Employment termination benefit liabilities are not subject to any funding and there are no legal requirements for funding of these liabilities.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The Group has preferred to early adopt the amendment for IAS 19 which occurred in 2012 and has been effective as of 1 January 2013, therefore the Group has recognized all actuarial gains and losses in other comprehensive income.

The main actuarial assumptions used in the calculation of the total provision for employment benefits are as follows:

- in calculation, the discount rate, inflation rate and real wage increase rate are regarded as 9,70% (31 December 2013: 9,70%), 6,40% (31 December 2013: 6,40%) and 6,40% (31 December 2012: 6,40%), respectively.

- in calculation, ceiling wage amounting to TL 3.438,22 which is valid as of 31 March 2014 (31 December 2013: TL 3.254,44) has been taken into consideration as basis.

- retirement age is regarded as the earliest age at which each employee can retire.

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

NOTE 20 - EMPLOYMENT TERMINATION BENEFITS (Continued)

The movements in provision for employment termination benefits during the periods ended at 31 March are as follows:

	2014	2013
1 January	**(47.989.848)**	**(44.563.930)**
Service cost during the period	(803.288)	(900.048)
Net interest expense due to the defined benefit obligation	(892.090)	(693.354)
Payments and reversal of provisions during the period	1.204.725	1.541.415
31 March	**(48.480.501)**	**(44.615.917)**

Total costs resulting from employee termination benefits with the exception actuarial losses have been included in the consolidated statement of income as of 31 March 2014.

NOTE 21 – PREPAID EXPENSES

	31 March 2014	31 December 2013
Prepaid expenses	11.014.246	5.225.920
	11.014.246	**5.225.920**

Prepaid expenses are mostly composed of the prepaid rents and insurance expenses.

	31 March 2014	31 December 2013
Deferred income	11.041.043	10.072.664
	11.041.043	**10.072.664**

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

NOTE 22 - OTHER ASSETS AND LIABILITIES

Other Current Assets

Other current assets at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Blocked deposits (1)	7.746.466	36.591.846
Advances given to personnel	3.299.658	3.908.028
Value added tax ("VAT") receivables	762.050	1.235.760
Job advances	487.882	466.137
Advances given	58.357	88.716
Other	3.953.058	2.364.739
Provision for other doubtful receivable (-)	(812.416)	(872.929)
Total	**15.495.055**	**43.782.297**

(1) According to the amendment agreement of USD 50.000.000 bank loan made in 24 February 2014, together with the addition to blocked deposit amount at 31 December 2013, total of USD 17.200.000 was paid as principal of related loan.

Other Current Assets

Movements of the provision for other doubtful receivables are as follows:

	2014	2013
1 January	**(872.929)**	**(746.910)**
Currency translation difference	60.513	(25.405)
31 March	**(812.416)**	**(772.315)**

Other Non-Current Assets

Other non-current assets at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Value added tax ("VAT") receivable	669.396	752.090
Advance given due to fixed asset purchase	409.877	395.093
Blocked deposit	20.036	19.683
Prepaid expenses	-	1.165.214
Total	**1.099.309**	**2.332.080**

Other Short-Term Liabilities

Other short-term liabilities at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
VAT payable	3.013.166	3.113.944
Other	228.061	109.935
Total	**3.241.227**	**3.223.879**

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

NOTE 23 - EQUITY

The Company adopted the registered share capital system and set a ceiling on its registered share capital representing registered type shares with a nominal value of TL 1. There are no privileged shares. The Company's historical authorised and paid-in share capital at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	**31 December 2013**
Registered share capital	800.000.000	800.000.000
Paid-in share capital	552.000.000	552.000.000

Companies in Turkey may exceed the limit for registered share capital in case of issuance of free capital shares to existing shareholders.

Aydın Doğan and Doğan family (Işıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y. Begümhan Doğan Faralyalı) are the ultimate parent of the Company.

	31 March 2014	**Share (%)**	**31 December 2013**	**Share (%)**
Doğan Yayın Holding (1)	367.416.194	66,56	367.416.194	66,56
Doğan Holding (1)	61.200.274	11,09	61.200.274	11,09
Registered at Borsa İstanbul and other	123.383.532	22,35	123.383.532	22,35
Issued share capital	**552.000.000**	**100**	**552.000.000**	**100**
Adjustment to share capital	77.198.813		77.198.813	
Total	**629.198.813**	**100**	**629.198.813**	**100**

(1) As of 31 March 2014, 6,56% (31 December 2013: 6,56%) of Hürriyet's share capital belonging to Doğan Yayın Holding which is the main shareholder of the Group, and 11,09% (31 December 2013: 11,09%) of Hürriyet's share capital belonging to Doğan Holding, have "open" status and are in circulation in stock market.

In accordance with the Capital Markets Board's (the "CMB") Resolution No: 21/655 issued on 23 July 2010, it is regarded that 21,99% of the shares (31 December 2013: 21,98%) are outstanding as of 31 March 2014 based on the Central Registry Agency's ("CRA") records. 40,00% of Hürriyet's shares are publicly available.

Adjustment to share capital represents the difference between balances which restatement effect of cash contributions to share capital equivalent purchasing power and balance before the inflation adjustment calculated.

Premium on shares

The share premium of public offering represents the difference between with the nominal amount and the sales amount.

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

NOTE 23 – EQUITY (Continued)

Restricted reserves

Restricted reserves are reserves which are reserved from profit of previous period for particular purposes (for instance, to advantage from sales of investment in associates) except dividend distribution or any purposes for necessity of law and agreement.

The legal reserves are appropriated out in accordance with the Article 519 of Turkish Commercial Code (TCC) and are used according to the procedures specified in this Article. Related amounts have to be classified in "Restricted Reserves" in accordance with the CMB Financial Reporting Standards.

In accordance with the CMB Financial Reporting Standards, Company's restricted reserves amounting to TL 167.305.861 (31 December 2013: TL 167.305.861) consist of legal reserves and gain on sales of real estate as of 31 March 2013.

Restricted reserves:	**31 March 2014**	**31 December 2013**
Composition restricted reserves	39.284.095	39.284.095
Gain on sales of real estate (1)	128.021.766	128.021.766
Total	**167.305.861**	**167.305.861**

(1) With the decision taken by the Group management, the real estate profit with the amount of TL 168.313.315 occurred in statutory records in 2012 from the sale of Hürriyet headquarter and a land located in Esenyurt amounting to TL 126.234.986 that benefits from the exemption (75%) referred to in Article 5-1/e of the Corporate Tax Law will not be involved in allocation of profits for periods 1 January 2012 – 31 December 2012 in compliance with the Tax Legislation, Capital Market Legislation and any other fiscal legislations, and will be deposited in a special fund account in liabilities.

Items that will not be Reclassified to Profit or Loss

Other comprehensive expenses occurred from the losses based on revaluation and measurement and which are not to be reclassified in profit or loss, are related with the defined benefit plans and summarized below.

Remeauserement Losses in Defined Benefit Plans

Provision for employment benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group. In 2012, the Group has decided to early adopt the amendments to TAS 19 which is applicable as of 1 January 2013 and recognized all actuarial gains and losses in other comprehensive income. Remeasurement loss recognized under equity in the balance sheet amounts to TL 15.453.900 (31 December 2013: TL 15.453.900).

NOTE 23 – EQUITY (Continued)

Capital Reserves and Retained Earnings

Subsequent to the first inflation adjusted financial statements, equity items such as; "Capital, Emission Premiums, Legal Reserves, Statutory Reserves, Special Reserves and Extraordinary Reserves" are carried at carrying value in the balance sheet and their adjusted values are collectively presented in equity.

The valuation differences resulted due to the application of the requirements set out in the communiqué (such as, inflation adjustment differences) shall be disclosed as follows:

- If the difference is arising due to the inflation adjustment of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment to Share Capital" following "Paid-in Capital" ;

- If the difference is due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilised in dividend distribution or capital increase yet, it shall be classified under "Retained Earnings".

Other equity items shall be carried at the amounts valued in accordance with CMB Financial Reporting Standards. Capital adjustment differences can only be included to capital.

Dividend distribution

The company takes dividend distribution decision in general board by taking into account Turkish Commercial Code (TCC), Capital Markets Law (CMB) and Capital Market Regulations, Corporate Tax, Income Tax, other relevant legislations and relevant legislations of the Articles of Association of the Company and "Dividend Distribution Policy".

On the other hand,

a) In early adaption of TAS/ TFRS, retained earnings resulted from redrafting of comperative financial statements in line with regulations, ,
b) "Equity inflation adjustment differences" resulting from restricted reserves without any record preventing dividend distribution,
c) Retained earning resulting from the adjustments of financial statements according to inflation for the first time, can be distributed to the shareholders as dividend.

Besides, in case "Equity Effect Related to the Share Purchase" account is in the consolidated financial statement of equity, related account item is not considered as discount or premium item while calculating the net distributable profit.

The CMB's requires the disclosure of total amount of net profit in the statutory records and other resources which may be subject to profit distribution in the financial statements and to be announced to public. The total gross amount that can be subject to profit distribution according to legal records is TL 160.146.442.

NOTE 23 – EQUITY (Continued)

Capital Reserves and Retained Earnings (Continued)

Dividend distribution (Continued)

Resolutions of the Ordinary General Assembly Meeting of the Company, held on March 29, 2014, considering Turkish Commercial Code (TTK), Capital Market Statutes, Capital Market Law (SPKn), Capital Market Board (SPK), Regulations/Decisions, Company Tax, Tax Procedural Law (VUK) and other relevant statute provisions and relevant provisions in our Company's Articles of Association and our "Dividend Policy" announced to the public; according to the financial statements for the 01.01.2013-31.12.2013 financial period prepared in accordance with "Statement on Principles Regarding Financial Reporting on Capital Market" (II - 14.1) provisions of SPK and according to Turkish Accounting Standards and Turkish Financial Reporting Standards published by "Public Oversight, Accounting and Auditing Standards Institute;" its principles of presentation defined according to SPK decisions on the subject, passed through independent auditing; a total of 61.093.981 TL "Net Period Loss" has occurred when considering "Continuing Operations Loss Before Tax", "Discontinued Operations Loss Before Tax", "Tax Revenues for the Period (comprised of tax revenues for the period regarding continuing operations and deferred tax revenue and tax revenues for discontinued operations)" and "Consolidated Equity of Participations" all together, subtracting a 145.994.420 TL section of this amount for "Previous Year Losses" and adding 1.124.620TL donations and seeing that 205.963.781 TL is "net period losses", in accordance with the regulations of SPK regarding profit distribution; informing shareholders that no profit distribution shall be made for the 01.01.2013- 31.12.2013 financial period and submitting this matter to General Meeting for approval, as our legal records held in the scope of TTK and VUK reveal that we had 4.017.881 -TL "Net Period Losses" for the 01.01.2013-31.12.2013 financial period; informing General Meeting that legal reserves in the scope of TTK shall not be allocated and transferring this amount to previous years losses.

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

NOTE 24 - SALES AND COST OF SALES

Sales

	31 March 2014	**31 March 2013**
Advertisement sales	106.989.291	120.398.684
Circulation and publishing sales	56.534.998	58.296.569
Other	10.115.312	10.402.475
Net sales	**173.639.601**	**189.097.728**
Cost of sales	(122.275.656)	(123.640.419)
Gross profit	**51.363.945**	**65.457.309**

Cost of Sales

The details of cost of sales for the years ended 31 March are as follows:

	2014	**2013**
Raw material	45.655.774	46.750.788
Paper	*30.010.885*	*30.532.983*
Printing and ink	*11.455.620*	*11.640.762*
Other	*4.189.269*	*4.577.043*
Payroll	42.966.681	45.258.147
Amortization (Dipnot 15)	9.110.538	9.231.502
Commissions	3.636.373	3.841.887
Fuel, electricity, water and office expenses	2.544.760	2.112.927
Distribution, storage and travel	2.421.036	2.312.973
Rent expenses	2.166.596	2.053.336
News agency expenses	1.687.768	1.059.542
Outsourced services	1.353.589	1.119.854
Maintenance and repair expenses	1.341.076	1.428.458
Packaging expenses	1.068.246	1.046.034
Communication	913.238	1.014.441
Other	7.409.981	6.410.530
Total	**122.275.656**	**123.640.419**

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

NOTE 25 - GENERAL ADMINISTRATION EXPENSES, MARKETING EXPENSES

a) General administrative expenses:

	31 March 2014	31 March 2013
Payroll	12.512.485	14.439.656
Depreciation and amortization charges (Note 15,16)	11.157.587	10.187.810
Rent	3.557.605	2.783.154
Consultancy	3.081.262	2.661.076
Fuel, electricity, water and office expenses	1.298.002	1.746.794
Communication	772.016	814.829
Transportation, storage and travel	724.013	790.752
Maintenance and repair expenses	584.710	797.470
Other	1.472.732	2.258.056
Total	**35.160.412**	**36.479.597**

b) Marketing expenses:

	31 March 2014	31 March 2013
Advertisement	9.416.261	12.405.648
Transportation, storage and travel	6.643.515	7.041.467
Payroll	5.742.209	5.429.247
Promotion	3.045.628	4.748.920
Sponsorship	408.052	223.409
Outsourced services	238.404	446.598
Depreciation and amortization charges (Note 15,16)	76.362	34.186
Other	1.260.241	1.458.795
Total	**26.830.672**	**31.788.270**

NOTE 26 - EXPENSES BY NATURE

	31 March 2014	31 March 2013
Payroll	61.221.375	65.127.050
Depreciation and amortization charges	20.344.487	19.453.498
Total	**81.565.862**	**84.580.548**

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

NOTE 27 - OTHER OPERATING INCOME

The details of other operating income for the periods ended at 31 March are as follows:

	2014	**2013**
Foreign exchange gains	14.394.861	8.051.640
Finance income due from term sales	4.033.153	2.184.398
Interest income on bank deposits	799.772	965.124
Terminated provisions	649.205	532.634
Unrealised finance expense due from term purchases	178.616	111.108
Finance income from trade and other receivables	90.583	1.178.010
Other	2.004.013	123.489
	22.150.203	**13.146.403**

NOTE 28 - OTHER OPERATING EXPENSES

The details of other operating expenses for the periods ended at 31 March are as follows:

	2014	**2013**
Foreign exchange losses	3.520.608	2.022.904
Unrealized finance income due from term sales	1.810.722	675.179
Provision for doubtful receivables (Note 9)	931.763	344.274
Provision for lawsuits (Note 18)	730.164	572.896
Punishment and compensation expense	466.168	189.540
Aids and donations	93.831	161.001
Provision for impairment of assets held for sale	-	3.536.674
Other	2.940.533	758.011
	10.493.789	**8.260.479**

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

NOTE 29 – INCOME FROM INVESTING ACTIVITIES

The details of income from investing activities for the periods ended at 31 March are as follows:

	2014	**2013**
Rent and building service income	928.569	922.400
Gain on sale of subisidaries	728.603	-
Gain on sales of property, plant and equipment	254.443	454.329
Gain on fair value changes of the investment property (Note 14)	201.090	580.941
Foreign exchange gains	8.912	3.343.846
	2.121.617	**5.301.516**

NOTE 30 – EXPENSES FROM INVESTING ACTIVITIES

The details of expenses from investing activities for the periods ended at 31 March are as follows:

	2014	**2013**
Foreign exchange losses	2.671.166	2.070.001
Loss on investment property, plant and equipments (1)	588.718	2.135.787
	3.259.884	**4.205.788**

(1) Amounting to TL 588.718 (2013: TL 1.869.835) is arising from the sale of investment properties acquired by the Group's barter agreements and there is not any loss (2013: TL 265.952) arising from the disposal of property, plant and equipments.

NOTE 31 – FINANCIAL EXPENSES

The details of financial expenses for the periods ended at 31 March are as follows:

	2014	**2013**
Foreign exchange losses	29.294.036	9.623.245
Interest expense on bank loans	5.676.641	6.664.485
Credit comission, banking and factoring expenses	758.249	922.062
Other	129.637	34.475
	35.858.563	**17.244.267**

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

NOTE 32 – INCOME TAXES

	31 March 2014	31 December 2013
Corporate and income taxes payable	1.020.320	886.742
Less: Prepaid taxes	(2.270.860)	(1.854.825)
Tax receivables	**(1.250.540)**	**(968.083)**

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

The details of the effective tax laws in countries which Group has significant operations are stated below:

Turkey:

In accordance with Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006, corporation tax is 20% for 2014 (2013: 20%). Corporation tax is payable on the total income of the companies after adjusting for certain disallowable expenses, corporate income tax exemptions (gain from associates' exemption, investment allowances etc.) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, having representative office in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital is not considered as a profit distribution.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is to be declared by the 14th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In accordance with Tax Law No: 5024 "Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law" that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, the income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira. In accordance with the aforementioned law provisions, in order to apply inflation adjustment, cumulative inflation rate (TURKSTAT WPI) over last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not fulfilled in the years 2013 and 2014.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate.

NOTE 32 – INCOME TAXES (Continued)

Turkey (continued):

Tax authorities can review accounting records within five years and if they determine any errors on the accounting records, tax payable can be reassessed.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses can not be carried back to offset profits from previous periods. As publicly disclosed on 19 April 2011, the Company plans to make use of the requirements set out in relation to "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees"; therefore, 50% of losses attributable to the periods that are subject to tax base increase will not be offset against the income to be obtained in 2011 and subsequent periods.

As of 31 March 2014, the Company has offset its financial losses attributable to the calculation of offsetting of tax asset against deductible financial losses or current tax provision in accordance with the above-mentioned principles.

There are numerous exemptions in the Corporate Income Tax Law. This is one of the exceptions to the Company are described below:

Dividend income from shares in capital of another corporation subject to resident taxpaying (except dividends from investment funds participation certificates and investment trusts shares) are exempt from corporate tax.

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

For companies participating in 10% or more of the capital of a non-resident limited liability or joint stock company, (except for those whose principal activity is financial leasing or investment property) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business centre at the rate of at least 15% (minimum corporate income tax applicable in Turkey for those whose principal activity is finance assurance or insurance).

The income of corporations arising from their offices or permanent representatives abroad (except for corporations whose principal activity is financial leasing or investment of marketable securities) for at least a year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax and provided that the foreign office or permanent representative must be subject to corporate income tax, or alike, in the country it is located at the rate of at least 15% (at corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in liabilities and it must be withdrawn from the entity for a period of 5 years. The sales consideration should be collected until the end of the second calendar year following the year the sale was realized.

NOTE 32 – INCOME TAXES (Continued)

Turkey (continued):

According to the regulation, published in the 27659 numbered Official Gazette on August 1, 2010 based on Law No. 6009 through article 5, the phrase " regarding only the years 2006, 2007 and 2008" on temporary article 69 of Income Tax Law.193 has been revised which was abolished by The Constitutional Court decision numbered 2009/144 published in the Official Gazette on 8 January 2010. With respect to this revision, undeductible investment allowance due to insufficient income and deferred investment allowance amounts can be used without a year limitation. Investment allowance amount, which will be used in determination of the tax assessment, will not exceed 25% profit of the relevant year. In addition to this, instead of the corporate tax rate 30% for the ones that benefit the related allowance, effective corporate tax rate (20%) will be applied on the income after the deduction of the allowance.

In accordance with Law No:6009, which is related to the 25% threshold and requires the incentive amount that will be subject to investment incentive exemption in determining tax base cannot exceed 25% of the respective income, has been revoked based on the ground that it is contrary to the Constitution upon the Constitutional Court's resolution No: E. 2010/93 K. 2012/9 ("stay of execution") issued on 9 February 2012 and published in the Official Gazette No: 28208 on 18 February 2012. The related Constitutional Court's decision was published in the official Gazette No: 28719 as at 26 July 2013.

Russian Federation

The corporate tax rate effective in Russian Federation is 20% (2013: 20%).

Russian tax year is the calendar year and other fiscal year ends are not permitted. Profit tax is calculated on a year-to-date basis. Advance payments are made monthly, with different calculation methods for quarterly or monthly schedules subject to the taxpayer's choice.

Tax returns are filed till the 28th of March, following the close of the financial year.

According to Russian Federation's tax system, losses may be carried forward for 10 years to be deducted from future taxable income. Starting from 2007 there is no limitation as to the maximum amount that can be deducted in each particular year. Rights related to tax losses that have not been utilized in the related periods will be lost.

Tax refunds are technically possible but are very difficult to obtain in practice. Tax consolidations of tax reporting/payments by different legal entities (or grouping) are not permitted in Russia at present. Generally, dividend income payable to a foreign organization is subject to withholding tax at 15%. This standard rate may, however, be reduced under the provisions of applicable double tax treaty.

In Russian Federation the tax regulations are subject to various comments and change frequently. Regarding to TME's operations the interpretation of tax regulations by tax authorities may differ from the management.

NOTE 32 – INCOME TAXES (Continued)

Ukraine

On 4 December 2010, the Tax Code of Ukraine (the "TCU" or the "Code") was adopted and officially published. The TCU comes into effect on 1 January 2011, although some of its provisions come into effect at a later date (the most important of these being Section III, which deals with corporate income tax and came into effect on 1 April 2011). The Code makes essential changes to the existing Ukrainian tax rules, introducing a number of concepts common in other jurisdictions (e.g. beneficial ownership, substance over form) to various degrees.

The tax that companies pay is known as corporate income tax (CIT). Currently, this tax is calculated at a flat rate of 16% (2013: 19%). The most recent changes to Ukrainian tax legislation envisage a gradual reduction in CIT rates, as follows:

21% from 1 January 2012 until 31 December 2012;
19% from 1 January 2013 until 31 December 2013;
16% from 1 January 2014 onwards.

According to domestic tax accounting rules, taxable items are normally recognized on the basis of the accrual method. In accordance with this method, taxable income is generally recognized in the reporting period, in which it was accrued. Cost of sold goods/services is recognized in the period when income is recognized (in line with financial accounting rules).

Other deductible expenses are generally recognized when they are incurred (i.e. upon receipt of goods or services), regardless of the period of payment. However, certain types of taxable income are recognized on a cash basis. This includes fines and financial assistance received from non-residents (unless financial assistance is provided by the company's shareholders and returned within 365 days).

Gross taxable income is defined as any income, from domestic or foreign sources, that is received or accrued by the taxpayer in the course of conducting any activity. This income may be in monetary, tangible or intangible form.

The tax year for CIT is a calendar year, while CIT reporting periods are a calendar quarter, half year, first three quarters and calendar year. Taxpayers must submit tax returns for each reporting period and make quarterly tax payments. Quarterly tax returns must be submitted within 40 days of the last calendar day of each reporting period (10 May, 9 August, 9 November, 9 February). Quarterly tax payments should be made within 50 days of the end of a reporting period.

Belarus

The corporate tax rate effective in Belarus is 18% (2013: 18%).

The tax period is the calendar year. Profit tax is calculated as progressive total. Advance payments are made quarterly, on the basis of either the previous year results or expected current year profits.

The annual corporate tax declaration is due by 20 March of the following year. Tax loss carry forward is not allowed.

Tax refunds are possible. Tax consolidations of tax reporting/payments by different legal entities (or grouping) are not permitted in Belarus at present. Generally, dividend income payable to a foreign organization is subject to withholding tax at 12%. This standard rate may, however, be reduced under the provisions of applicable double tax treaty.

The Belarus tax regulations change frequently.

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

NOTE 32 – INCOME TAXES (Continued)

Kazakhstan

Under the Tax Code of the Republic of Kazakhstan companies shall pay the CIT on taxable income at a 20% rate (2013: 20%).

According to the Tax Code, taxable income is defined as the difference between gross annual income and deductible expenses provided for under the Tax Code taking into account adjustments made. Gross annual income is defined as any income, from domestic or foreign sources, that is received or accrued by a taxpayer during the tax period. This income may be in monetary, tangible or intangible form.

Deductible expenses should be directly associated with generating taxable income from activities performed by a company. An accrual method is applied with respect to income and expenses determination for CIT purposes. According to the tax legislation, losses may be carried forward for 10 years to be deducted from future taxable income.

A tax period for CIT is a calendar year. A taxpayer is to forecast its expected taxable income and calculate advance monthly payments which are due not later than 25th day of each month of the reporting year. The annual CIT return is due by 30 June of the year following the reporting year. Should actual CIT liability be different from the initially estimated advances, taxpayers may correct their tax liabilities during the tax year but not later than 20 December of the reporting tax period. There are other special requirements relative to calculation of advance payments in the Tax Code. The following taxpayers shall be entitled not to calculate and make CIT advance payments:

- Taxpayers whose gross annual income after adjustments for the tax period preceding the previous tax period, did not exceed 325 times the monthly calculation index set by the law on the state budget and effective at January 1 of the relevant financial year;

- Newly created taxpayers – during the tax period in which state registration (record of registration) was carried out with the justice authorities, and also during the subsequent tax period;

- Non-resident legal entities newly registered with the tax authorities as taxpayers, and operating in Kazakhstan through a permanent establishment without a branch or representative office – during the tax period in which registration with the tax bodies was carried out, and also during the subsequent tax period.

The tax rates at 31 March 2014, which are used in the calculation of deferred tax, taking each country's tax legislations into consideration are as follows:

Country	Tax rates (%)	Country	Tax rates (%)
Germany	28,0	Kazakhstan	20,0
Holland	25,0	Ukraine	16,0
Belarus	18,0	Russia	20,0

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

NOTE 32 – INCOME TAXES (Continued)

Deferred Tax

The Group recognizes deferred tax assets and liabilities based on temporary differences arising between the financial statements as reported for CMB Financial Reporting Standards and financial statements prepared in accordance with the tax legislation. . These differences usually result in the recognition of revenue and expenses in different reporting periods fort he CMB's Financial Reporting Standards and tax purposes.

Deferred taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using tax rates enacted at the balance sheet dates.

Deferred tax assets and liabilities are presented in net in the consolidated financial statements of the Group, since they are presented in net in the financial statements of subsidiaries and joint ventures, which are each individual tax payers. Temporary differences deferred tax assets and deferred tax liabilities at the table below are presented based on gross amounts.

	31 March 2014	**31 December 2013**
Deferred tax liabilities	(96.210.544)	(106.367.744)
Deferred tax assets	15.600.864	15.590.176
Deferred tax liabilities, net	**(80.609.680)**	**(90.777.568)**

The temporary differences and deferred tax assets / (liabilities) using the enacted tax rates as of 31 March 2014 and 31 December 2013 are as follows:

	Total temporary differences		**Deferred tax assets / (liabilities)**	
	2014	**2013**	**2014**	**2013**
Provision for employment benefits and unused vacation rights	66.817.163	65.750.409	13.370.542	13.151.427
Difference between tax base and carrying value of trade receivables	20.515.232	18.890.857	4.102.791	3.778.465
Investment incentives	56.958.599	56.958.599	742.605	742.605
Carry forward tax losses (1)	50.676.352	53.792.898	10.134.394	10.759.006
Investment properties valuation difference	(12.771.725)	(12.536.712)	(289.591)	(247.676)
Deferred revenue	1.096.518	2.074.046	219.304	414.809
Difference between tax bases and carrying value of property, plant and equipment and intangibles	(578.042.384)	(594.799.841)	(116.190.456)	(124.579.430)
Other, net	36.732.407	23.714.891	7.300.731	5.203.226
Total	**(358.017.838)**	**(386.154.853)**	**(80.609.680)**	**(90.777.568)**

(1) As of 31 March 2014, carry forward tax losses for which no deferred income tax asset was recognised amounted to TL 86.880.279 (31 December 2013: TL 85.519.173).

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

NOTE 32 – INCOME TAXES (Continued)

The maturity analysis of carry forward tax losses utilized is as follows:

	31 March 2014	31 December 2013
2015 and after	50.676.352	53.792.898
Total	**50.676.352**	**53.792.898**

The movements of net deferred tax liabilities for the periods ended 31 March are as follows:

	2014	2013
1 January	**(90.777.568)**	**(98.061.141)**
Deferred tax liability in consolidated income statements	4.961.031	3.226.547
Currency translatin differences	5.206.857	1.471.625
Classified to assets held for sale	-	(3.617)
31 March	**(80.609.680)**	**(93.366.586)**

The analysis of the tax expense / (income) for the periods ended at 31 March are as follows:

	2014	2013
Current	(1.026.456)	(3.230.179)
Deferred	4.961.031	3.226.547
Total	**3.934.575**	**(3.632)**

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

NOTE 32 – INCOME TAXES (Continued)

The reconciliation of the current period tax expense in the consolidated statement of income for the periods ended at 31 March and consolidated tax and the tax (income) / expense calculated with the current tax rate over income before tax and non-controlling interests are as follows:

	31 March 2014	31 March 2013
(Loss) before taxes and non-controlling interests	(36.105.457)	(16.150.920)
Current period tax calculated at the effective tax rates of countries	(7.559.920)	(2.915.402)
Expenses not deductible for tax purposes	3.071.166	472.715
Effect of impairment of goodwill	-	707.335
Effect of share losses investments accounted by the equity method	58.763	462.037
Carry forward losses utilized	(56.980)	-
Effect of financial losses which the deferred tax assets not calculated	3.939.773	1.845.723
Income not deductible for tax purposes	(546.174)	(13.076)
Other, net	(2.841.203)	(555.700)
Tax (income) / expense	**(3.934.575)**	**3.632**

NOTE 33 – (LOSS) PER SHARE

(Loss) per share is calculated by dividing the net (loss) for the period attributable to equity holders of the company to the weighted average number of ordinary shares in issue. (Loss) per share for the periods ended 31 March is as follows:

	31 March 2014	31 March 2013
Continued operations net (loss) for the period	(24.604.060)	(16.154.552)
Discontinued operations net (loss) for the period	-	(751.287)
Net (loss) for the period	**(24.604.060)**	**(16.905.839)**
Number of ordinary shares in issue (with nominal value of TL 1 each)	552.000.000	552.000.000
(Loss) per share (TL)		
(Loss) per share from continued operations	**(0,0446)**	**(0,0270)**
(Loss) per share from discontinued operations	**-**	**(0,0014)**
(Loss) per share from continued and discontinued operations	**(0,0446)**	**(0,0284)**

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

NOTE 34 - RELATED PARTY DISCLOSURES

For the purpose of accompanying consolidated financial statements, related parties are referred to as legal entities in which Doğan Holding directly or indirectly has participation, including any entities under joint control; real persons and/or legal entities that have direct or indirect control or joint control over the Company and their and their close family members (immediate family members) and legal entities having direct or indirect control or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company's affiliates, subsidiaries and members of the BOD, key management and their close family member (immediate family members) and real persons and/or legal entities that are directly or indirectly controlled individually or jointly. As of 31 March 2014, 31 December 2013 and 31 March 2013 related party balances and transactions are described below.

i) Balances of related parties:

Short term receivables due from related parties:

Short term trade receivables from related parties	**31 March 2014**	**31 December 2013**
Doğan İnternet Yayıncılığı ve Yatırım A.Ş. ("Doğan İnternet") (1)	10.918.042	10.469.632
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik") (2)	7.404.717	8.258.663
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım") (3)	4.383.246	3.047.138
Milta Turizm İşletmeleri A.Ş. ("Milta") (4)	2.250.217	2.914.750
Doğan TV Holding	1.556.728	1.076.734
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	1.048.752	551.110
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") (5)	451.831	492.938
D- Market Elektronik Hizmetler ve Tic. A.Ş. ("D Market")	251.236	442.473
Doğan Media International GmbH ("Doğan Media") (6)	203.326	225.625
Other(7)	1.173.406	574.448
	29.641.501	**28.053.511**

(1) The balance is arising from sales of internet commercials to Doğan İnternet Yayıncılığı ve Yatırım A.Ş. through websites. Medyanet and Doğan İnternet Yayıncılığı ve Yatırım A.Ş. have been merged on 8 February 2013. Transactions made with these two companies are shown in the same line for all periods.
(2) Receivable arising from printing newspapers of Doğan Gazetecilik in the Group's printing houses.
(3) Receivables arising from the daily distribution of newspapers of the Group.
(4) Receivables arising from transportation services provided by Milta regarding to barter agreement made in 2013.
(5) The receivable is arising from the Group's commercial advertisement sales to Doğan Burda Dergicilik together with fason printing of magazine, book and insert.
(6) Receivables arising from printing of Doğan Media newspapers in the Hürriyet Frankfurt Germany plants.
(7) TL 799.004 is arising from the receivables of Katalog Yayın ve Tanıtım Hizmet A.Ş. which is an inactive group company and is deducted from other receivables.

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

NOTE 34 - RELATED PARTY DISCLOSURES (Continued)

i) Balances of related parties (Continued):

Short term receivables due from related parties (Continued):

Movement of allowance for doubtful receivables are as follows:

	2014 (1)	2013 (1)
1 January	(799.004)	(799.004)
Collections	-	-
31 March	**(799.004)**	**(799.004)**

(1) Doubtful amount is arising from the receivables of Katalog Yayın ve Tanıtım Hizmet A.Ş. which is an inactive group company.

Short term payables to related parties:

	31 March 2014	31 December 2013
Short term trade payables to related parties		
Doğan Media International GmbH (1)	3.930.194	5.247.811
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret") (2)	3.068.668	2.061.706
Doğan Holding (3)	1.515.038	2.371.925
DTES Elektrik Enerjisi Toptan Satış A.Ş. ("DTES") (4)	864.080	1.477.892
Falcon Purchasing Services Ltd. ("Falcon") (5)	419.956	1.514.309
D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım")	368.334	57.038
Milta Turizm	355.551	69.433
Doğan TV Dijital Platform İşl. A.Ş. (Doğan TV Digital")	191.944	109.346
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv")	129.380	167.700
Doğan Yayın Holding	83.737	83.008
Other	917.626	354.178
	11.844.508	**13.514.346**
Short term other payables to related parties		
Doğan Yayın Holding	-	3.277.571
Doğan Holding	-	1.524
	11.844.508	**16.793.441**

(1) Arising from the cash paid by Doğan Media International for the printing service.

(2) The Group's raw materials are provided by Doğan Dış Ticaret.

(3) The balance is arising from financial, legal, information technology and other consultancy services together with other services which are received from Doğan Holding.

(4) The balance is arising from electricity energy provided for the Hürriyet building and printing houses in regions.

(5) Arising from cost of paper purchased by Hürriyet Zweigniederlassung GmbH.

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

NOTE 34 - RELATED PARTY DISCLOSURES (Continued)

ii) Significant transactions with related parties:

Transactions in related parties for the periods ended as of 31 March 2014 and 2013 are as follows:

Significant service and product sales to related parties:

	2014	2013
Doğan Dağıtım (1)	23.952.918	26.422.295
Doğan İnternet Yayıncılığı (2)	10.255.110	872.526
Doğan Gazetecilik (3)	6.251.155	5.987.010
Kanal D (4)	1.107.494	990.150
Doğan Burda (5)	655.491	836.247
Doruk TV ve Radyo Yayincılık A.Ş (6)	396.259	489.605
Mozaik İletişim Hizmetleri A.Ş. (7)	321.821	532.699
Doğan ve Egmont Yayıncılık ve Yapımcı Ticaret A.Ş. ("Doğan Egmont") (8)	276.441	377.715
Doğan Media (9)	227.648	2.913.442
Doğan Müzik Kitap	77.092	-
Doğan TV Digital Platform İşl. A.Ş.	10.516	809
Other	412.059	181.078
	43.944.004	**39.603.576**

(1) The group makes the sales of daily newspapers to Doğan Dağıtım.
(2) The sales of internet commercials of the Group are carried out through Doğan İnternet Yayıncılığı ve Yatırım A.Ş.
(3) The newspapers owned by Doğan Gazetecilik are printed in the Group's printing houses.
(4) The balance is arising from the Group's commercial advertisement sales to Kanal D.
(5) The Group provides the printing services of fason magazine, book and insert to Doğan Burda together with the sale of commercial advertisement.
(6) The balance is arising from the Group's commercial advertisement sales.
(7) The balance is arising from the Group's commercial advertisement sales to Mozaik.
(8) The Group provides the printing services of fason magazine to Doğan Egmont together with the sale of commercial advertisement.
(9) The sale and the commercial of Hürriyet Europe edition are carried out by Doğan Media.

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

NOTE 34 - RELATED PARTY DISCLOSURES (Continued)

ii) Significant transactions with related parties (Continued):

Significant service and product purchases from related parties:

	2014	**2013**
Doğan Dış Ticaret (1)	27.665.896	29.033.401
Doğan Dağıtım (2)	5.109.932	5.255.283
DTES (3)	2.361.420	1.291.198
Doğan Holding (4)	1.222.261	1.180.104
Doğan İnternet Yayıncılık	940.722	55.480
Milta (5)	916.147	639.731
Falcon (6)	905.931	750.508
Doğan TV Digital Platform İşl. A.Ş. (7)	825.758	741.912
Doğan Gazetecilik (8)	624.026	780.634
Doğan Müzik Kitap	361.325	477.644
D Yapım Reklamcılık ve Dağıtım A.Ş. (“D Yapım Reklamcılık”)	314.658	234.743
Mozaik	307.069	143.109
Kanal D	258.092	1.463.873
Dogan Burda	170.465	113.085
Ortadoğu Otomotiv	124.236	882.873
Doğan TV –Radyo	63.148	110.781
Doruk TV ve Radyo Yayıncılığı	27.305	234.955
Doğan Media	15.239	3.667
Other	424.722	574.295
	42.638.352	**43.967.276**

(1) The Group’s raw materials are provided by Doğan Dış Ticaret.

(2) Doğan Dağıtım provides newspaper distribution services to the Group. The amount of services and goods purchased from Doğan Dağıtım comprises newspaper returns, distribution and transportation expenses.

(3) The balance is arising from electricity energy provided for the Hürriyet building and printing houses in regions.

(4) Financial, legal, information technology and other consultancy services together with other services which had been received from Doğan Yayın Holding A.Ş. in the prior period have started to be provided by Doğan Şirketler Grubu Holding A.Ş. in the current period.

(5) The balance is comprised of part of the Group’s car rental, organization and transportation expenses provided by Milta.

(6) Hürriyet Zweigniederlassung GmbH, one of the subsidiaries of the Group, has started to purchase of paper from Falcon since 2012.

(7) Doğan Iletişim and Doğan TV Digital Platform Işl. A.Ş. have been merged on 30 April 2012. Transactions made with these two companies are shown in the same line for all periods.

(8) The balance is arising from rent, security and other expenses of the Group’s building, which is rented as headquarter.

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

NOTE 34 - RELATED PARTY DISCLOSURES (Continued)

ii) Significant transactions with related parties (Continued)

Other Income:	**2014**	**2013**
Doğan Dış Ticaret	348.777	435.360
Doğan Dağıtım	142.432	137.149
Doğan Gazetecilik	50.614	18.698
Doğan Burda	11.396	20.061
Doğan Media	-	101.271
Other	19.510	19.734
	572.729	**732.273**

Amounting to TL 523.763 of other income which totally amounts to TL 572.729 consists of rent income which Hürriyet gathers from the Group companies (31 March 2013: TL 594.668).

Purchase of property, plant and equipment and intangible asset:	**2014**	**2013**
D-Market	7.041	2.376
Doğan Media International	2.333	-
Doğan TV Digital Platform İşl. A.Ş.	-	36.573
Other	229	-
	9.603	**38.949**

Financial income:	**2014**	**2013**
Doğan TV –Radyo	28.223	-
Doğan Media	-	48.914
Other	443	-
	28.666	**48.914**

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

NOTE 34 - RELATED PARTY DISCLOSURES (Continued)

ii) Significant transactions with related parties (Continued)

Financial Expenses:	**2014**	**2013**
Doğan Factoring (1)	160.721	177.724
Doğan Dış Ticaret	55.069	-
Doğan Yayın Holding	52	2.121
Doğan Holding	-	384
	215.842	**180.229**

(1) Invoicing and controlling of Grup's commercial advertisement and collection of these commercial advertisement receivables are made by Doğan Factoring, commisions paid for these services are accounted in financial expenses.

iii) Key Management Personnel:

The Group determined the key management personnel as board of directors and executive committee. Benefits provided to key management personnel consist of wage, premium, health insurance, transportation and post-employment benefits.

	2014	**2013**
Salaries and other short term benefits	1.358.512	1.727.737
Post-employment benefits	504.055	-
	1.862.567	**1.727.737**

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

NOTE 35 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In November 2013, the Group decided to sell its subsidiaries operating in Hungary, so that companies' assets and liabilities are classified as assets held for sale and presented seperately in the balance sheet. In 7 April 2014, the Group transferred its subsidiary Expressz Magyarorszag Media Kft. for Euro 1 to the non-controlling interests.

The details of assets and liabilities held for sale are as follows:

Assets and liabilities	**31 March 2014**
Cash and cash equivalemts	595.626
Trade receivables	470.807
Other receivables and current assets	720.444
Property, plant and equipment and intangible assets	2.108.777
Provision for net assets disposed	(192.702)
Total assets classified as held for sale	3.702.952
Trade payables	732.013
Other payables	687.013
Deferred tax liabilities	2.283.926
Total liabilities classified as held for sale	3.702.952

In 19 September 2013, the Group made an agreement to sell the plant for USD 9 million which is located in Istanbul Esenyurt and 17.725,69 m2. According to the agreement, this area is classified as assets held for sale.

Assets	**31 March 2014**
Property, plant and equipment	4.571.650
Total assets classified as held for sale	4.571.650

In November 2013, the Group decided to sold its subsidiaries operating in Hungary and Croatia and classified their operations as discontinued operations for the current period and prior period. Any income or expense has not occured for the period ended 31 March 2014.

Net result of discontinued operations	**2013**
Gain from sale	2.446.132
Cost of sales (-)	(1.447.384)
General administrative expenses (-)	(1.639.656)
Marketing, sales and distribution expenses (-)	(372.083)
Other operating income	240.341
Other operating expenditures (-)	(97.917)
Financial expenses (-)	(3.560)
Loss before taxes	(874.127)
Tax income	122.840
Loss from discontinued operations after income taxes	**(751.287)**

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

NOTE 36 - DISPOSAL OF SUBSIDIARY

In 2014, the Group has disposed of its entire shares in its subsidiary operating in Croatia.

Book value of net assets disposed of	**31 March 2014**
Current assets	
Cash and cash equivalents	271.535
Trade receivables	240.878
Other receivables	28.467
Other current assets	41.606
Non-current assets	
Tangible and intangible assets	17.115.477
Provision for net assets disposed of	(12.784.052)
Short-term liabilities	
Trade payables	1.778.118
Other payables	343.198
Other short-term liabilities	63.504
Long-term liabilities	
Deferred tax liabilities	3.424.847
Other long-term liabilities	32.847
Net assets disposed of	**(728.603)**
Loss on sale of subsidiary	
Consideration:	
Consideration paid in cash and cash equivalents	-
Net cash inflow on disposal:	
(Less) cash and cash equivalent balances disposed of	(271.535)
Total cash obtained from sale	(271.535)
Loss on sale of subsidiary (Note 29)	**728.603**

NOTE 37 - FINANCIAL RISK MANAGEMENT

37.1 Financial Risk Management

(i) Interest rate risk

The Group's interest rate sensitive financial instruments are as follows:

	31 March 2014	31 December 2013
Financial instruments with fixed interest rate		
Bank deposits (Note 5)	36.125.745	24.718.794
Loans and receivables	53.538.702	73.576.936
Financial liabilities (Note 7)	197.686.366	193.731.489
Financial instruments with floating interest rate		
Financial liabilities (Note 7)	189.934.628	224.302.700

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. The Group management uses interest bearing short term assets within natural policy context to stabilize the maturity of the interest bearing liabilities and assets. Furthermore, the Group hedges interest rate risks arising from floating rate borrowings, by limited use of derivatives, such as interest rate swaps.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk. As of 31 March 2014 and 31 March 2013, the Group's borrowings at floating rates are predominantly denominated in US Dollars and Euros.

At 31 March 2014, had the interest rates on USD and Euro denominated borrowings been 100 basis point higher/lower with all other variables held constant, mainly as a result of higher/lower interest expense on floating rate borrowings; net profit for the period before tax and non-controlling interests would have been lower/higher by TL 350.441 (31 March 2013: TL 824.580).

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

NOTE 37 - FINANCIAL RISK MANAGEMENT (Continued)

37.1 Financial Risk Management (Continued)
(ii) Liquidity risk

The table below shows the liquidity risk arising from financial liabilities of the Group:

31 March 2014	**Carrying value**	**Total contractual cash outflow**	**Less than 3 months**	**3-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Financial liabilities (Note 7)	387.620.994	405.575.697	9.170.397	159.876.443	236.528.857	-
Other financial liabilities (Note 8)	16.574.596	16.574.596	16.574.596	-	-	-
Derivative financial liabilities (Note 8)	2.192.699	2.192.699	-	2.192.699	-	-
Trade payables						
- Related party (Note 34)	*12.454.606*	*12.454.606*	*12.454.606*	-	-	-
- Other (Note 9)	*58.379.363*	*58.557.979*	*18.857.865*	*39.700.114*	-	-
Other payables						
- Related party (Note 34)	*3.279.095*	*3.279.095*	*3.279.095*	-	-	-
- Other (Note 10)	*1.457.743*	*1.457.743*	*1.117.207*	-	*340.536*	-

31 December 2013	**Carrying value**	**Total contractual cash outflow**	**Less than 3 months**	**3-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Financial liabilities (Note 7)	418.034.189	442.860.458	10.201.429	157.844.204	274.814.825	-
Other financial liabilities (Note 8)	16.154.517	16.154.517	16.154.517	-	-	-
Derivative financial liabilities (Note 8)	2.440.486	2.440.486	-	2.440.486	-	-
Trade payables						
- Related party (Note 34)	*13.514.346*	*13.514.346*	*13.514.346*	-	-	-
- Other (Note 9)	*48.011.482*	*48.237.018*	*8.536.904*	*39.700.114*	-	-
Other payables						
- Related party (Note 34)	*3.279.095*	*3.279.095*	*3.279.095*	-	-	-
- Other (Note 10)	*4.542.986*	*4.542.986*	*4.079.129*	-	*463.857*	-

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

NOTE 37 - FINANCIAL RISK MANAGEMENT (Continued)

37.1 Financial Risk Management (Continued)

(ii) Liquidity risk (Continued)

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims maintaining flexibility in funding by keeping committed credit lines available.

Funding risk of current and future debt requirements is managed by continuance of sufficient and highly qualified creditor's access. The Group aims at maintaining cash and cash equivalents for the anticipated cash flows of raw material purchase for the subsequent six-months.

The liquidity table demonstrates the Group's net financial liabilities in accordance with the redemption schedule. Such amounts are undiscounted future cash flows of financial liabilities of the Group. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2014, the Group has long-term bank borrowings amounting to TL 230.046.118 (31 December 2013: TL 261.465.762) and long-term trade payables to suppliers amounting to TL 2.279.816 (31 December 2013: TL 4.692.877) (Note 7).

(iii) Credit Risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by limiting the credit amount of any individual counterparty. The credit risk is generally highly spread due to the large number of entities comprising the customer bases.

Aging analysis for trade receivables:

As of 31 March 2014 there are past due trade receivables amounting to TL 111.093.001 which are not considered as doubtful receivables (31 December 2013: TL 98.979.383). The Group does not foresee any collection risk for the delay up to one month due to sector dynamics and conditions. The Group restructures the trade receivables by applying due date differences which are due over one month and/or the Group does not foresee any collection risk since they are under coverage of guarantees such as mortgage, indemnity or guarantee notes. As of 31 March 2014, the amount of mortgage and indemnity received is TL 8.419.052 for the related receivables. (31 December 2013: TL 11.117.148)

As of 31 March 2014 and 31 December 2013, aging analysis for trade receivables that are past due but not impaired are as follows:

	31 March 2014		**31 December 2013**	
	Related party	**Other receivables**	**Related party**	**Other receivables**
0-1 month	7.082.844	27.970.291	6.067.740	24.687.770
1-3 months	9.027.580	28.563.843	11.628.381	22.243.183
3-6 months	5.638.906	12.523.103	93.530	13.900.614
6-12 months	156.321	11.205.662	1.209.586	12.161.327
1-2 years	476.044	8.448.407	78.688	6.908.564
	22.381.695	**88.711.306**	**19.077.925**	**79.901.458**

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

NOTE 37 - FINANCIAL RISK MANAGEMENT (Continued)

37.1 Financial Risk Management (Continued)

(iii) Credit Risk (Continued)

As of 31 March 2014 and 31 December 2013, aging analysis for trade receivables that are past due and impaired is as follows:

Impaired	**31 March 2014**	**31 December 2013**
Past due 0 - 3 months	628.473	510.098
Past due 3 - 6 months	604.385	1.182.402
Past due 6 months and over	51.280.704	51.363.697
Less: Provision for impairment (Note 9, 34.i)	(52.513.562)	(53.056.197)

The balance of related party receivables that are past due and impaired as of 31 March 2014 is TL 799.004 (31 December 2013: TL 799.004). There is no trade receivable which is not over due and impaired as of 31 March 2014.

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

NOTE 37 - FINANCIAL RISK MANAGEMENT (Continued)

37.1 Financial Risk Management (Continued)

(iii) Credit Risk (Continued)

The Group's credit risk of financial instruments as of 31 March 2014 is as follows:

	Trade receivables		Other receivables		Bank	Derivative	Other
31 March 2014	**Related party**	**Other**	**Related party**	**Other**	**deposits**	**instruments**	**assets**
Maximum credit risk exposure as of balance sheet date	**29.641.501**	**184.823.341**	**-**	**56.660.473**	**63.045.947**	**-**	**20.036**
- The part of maximum credit risk under guarantee with collateral	*-*	***13.454.777***	*-*	*-*	*-*	*-*	*-*
A. Net book value of financial assets that are not past due/impaired	7.259.806	96.112.035	-	56.660.473	63.045.947	-	20.036
- The part under guarantee with collateral	-	*5.035.725*	-	-	-	-	-
B. Net book value of financial assets that are renegotiated if not that will be accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	22.381.695	88.711.306	-	-	-	-	-
- The part under guarantee with collateral	-	*8.419.052*	-	-	-	-	-
D. Net book value of impaired asset							
- Past due (gross carrying amount)	799.004	50.818.930	-	895.628	-	-	-
- Impairment (-)	(799.004)	(50.818.930)	-	(895.628)	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-	-
- Not over due (gross carrying amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

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

NOTE 37 - FINANCIAL RISK MANAGEMENT (Continued)

37.1 Financial Risk Management (Continued)

(iii) Credit Risk (Continued)

The Group’s credit risk of financial instruments as of 31 December 2013 is as follows:

	Trade receivables		Other receivables		Bank	Derivative	Other
31 December 2013	**Related party**	**Other**	**Related party**	**Other**	**deposits**	**instruments**	**assets**
Maximum credit risk exposure as of balance sheet date	**28.053.511**	**184.461.348**	**-**	**78.605.571**	**46.545.822**	**-**	**19.683**
- The part of maximum credit risk under guarantee with collateral	***-***	***15.695.353***	***-***	***-***	***-***		***-***
A. Net book value of financial assets that are not past due/impaired	8.975.586	104.559.890	-	78.605.571	46.545.822	-	19.683
- The part under guarantee with collateral	-	*3.362.975*	-	-	-	-	-
B. Net book value of financial assets that are renegotiated if not that will be accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (Note 9)	19.077.925	79.901.458	-	-	-	-	-
- The part under guarantee with collateral	-	*11.117.148*	-	-	-	-	-
D. Net book value of impaired asset							
- Past due (gross carrying amount)	799.004	51.384.264	-	872.929	-	-	-
- Impairment (-)	(799.004)	(51.384.264)	-	(872.929)	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-	-
- Not over due (gross carrying amount)							
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

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

NOTE 37 - FINANCIAL RISK MANAGEMENT (Continued)

37.1 Financial Risk Management (Continued)

(iv) Foreign currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to TL. These risks are monitored by the analysis of foreign currency position.

The foreign exchange risk mainly arises from the impact of rate changes in the translation of the Group's foreign currency denominated borrowings which are obtained to fund capital expenditures in domestic and overseas operations (The risk is monitored in regular meetings). The Group maintains a certain portion of its excess cash and cash equivalents in foreign currency to minimize the currency risk exposure.

The Group's risk management policy for currency risk is to maintain sufficient liquid assets for the anticipated cash flows of raw material purchase and borrowing repayment amounts in each major foreign currency for the subsequent three to six months. However, this policy should be revised by the management when deemed necessary, according to market conditions.

TL equivalents of assets and liabilities denominated in foreign currencies at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	**31 December 2013**
Assets	109.263.477	163.899.403
Liabilities	(440.662.088)	(461.403.160)
Net (liability) position of off-balance sheet derivatives	(970.675)	(2.571.782)
Net foreign currency position	**(332.369.286)**	**(300.075.539)**

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 March 2014: 2,1898 TL= 1 USD and 3,0072 TL=1 Euro (31 December 2013: 2,1343 TL= 1 USD and 2,9365 TL=1 Euro).

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

NOTE 37 - FINANCIAL RISK MANAGEMENT (Continued)

37.1 Financial Risk Management (Continued)

(iv) Foreign currency risk (Continued)

The table summarizes the foreign currency position risk as of 31 March 2014 and 31 December 2013. The carrying amount of foreign currency denominated assets and liabilities of the Group are as follows:

31 March 2014	**TL Equivalent**	**USD**	**Euro**	**Other**
1. Trade Receivables	11.754.908	726.793	5.846.613	5.181.502
2a. Monetary Financial Assets (Cash, Banks included)	21.344.904	3.153.096	3.539.536	14.652.272
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	68.402.163	53.823.683	3.007	14.575.473
4. Current Assets (1+2+3)	**101.501.975**	**57.703.572**	**9.389.156**	**34.409.247**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	7.761.502	7.746.466	15.036	-
8. Non-Current Assets (5+6+7)	**7.761.502**	**7.746.466**	**15.036**	**-**
9. Total Assets (4+8)	**109.263.477**	**65.450.038**	**9.404.192**	**34.409.247**
10. Trade Payables	15.527.018	902.742	1.764.497	12.859.779
11. Financial Liabilities (Note 7)	153.340.862	135.236.474	18.104.388	-
12a. Other Monetary Financial Liabilities	39.468.274	396.474	443.868	38.627.932
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	**208.336.154**	**136.535.690**	**20.312.753**	**51.487.711**
14. Trade Payables	-	-	-	-
15. Financial Liabilities (Note 7)	232.325.934	225.111.440	7.214.494	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**232.325.934**	**225.111.440**	**7.214.494**	**-**
18. Total Liabilities (13+17)	**440.662.088**	**361.647.130**	**27.527.247**	**51.487.711**
19. Net asset / liability position of off-balance sheet derivatives (19a-19b)	**(970.675)**	**59.124.600**	**(60.095.275)**	**-**
19a. Off-balance sheet foreign currency derivative assets	**59.124.600**	**59.124.600**	**-**	**-**
19b. Off-balance sheet foreign currency derivative liabilities	**60.095.275**	**-**	**60.095.275**	**-**
20. Net foreign currency asset liability position (9-18+19)	**(332.369.286)**	**(237.072.492)**	**(78.218.330)**	**(17.078.464)**
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(407.562.276)**	**(357.767.241)**	**(18.141.098)**	**(31.653.937)**
22. Fair value of foreign currency hedged financial assets	**-**	**-**	**-**	**-**

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

NOTE 37 - FINANCIAL RISK MANAGEMENT (Continued)

37.1 Financial Risk Management (Continued)

(iv) Foreign currency risk (Continued)

31 December 2013	TL Equivalent	USD	Euro	Other
1. Trade Receivables	11.307.150	592.985	6.280.952	4.433.213
2a. Monetary Financial Assets (Cash, Banks included)	29.896.020	8.370.923	3.688.131	17.836.966
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	85.899.751	73.892.522	151.033	11.856.196
4. Current Assets (1+2+3)	**127.102.921**	**82.856.430**	**10.120.116**	**34.126.375**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	36.796.482	36.591.846	14.683	189.953
8. Non-Current Assets (5+6+7)	**36.796.482**	**36.591.846**	**14.683**	**189.953**
9. Total Assets (4+8)	**163.899.403**	**119.448.276**	**10.134.799**	**34.316.328**
10. Trade Payables	10.436.324	823.352	2.228.527	7.384.445
11. Financial Liabilities (Note 7)	149.488.251	132.577.048	16.911.203	-
12a. Other Monetary Financial Liabilities	35.319.946	369.249	454.183	34.496.514
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	**195.244.521**	**133.769.649**	**19.593.913**	**41.880.959**
14. Trade Payables	-	-	-	-
15. Financial Liabilities (Note 7)	266.158.639	256.116.000	10.042.639	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**266.158.639**	**256.116.000**	**10.042.639**	**-**
18. Total Liabilities (13+17)	**461.403.160**	**389.885.649**	**29.636.552**	**41.880.959**
19. Net asset / liability position of off-balance sheet derivatives (19a-19b)	**(2.571.782)**	**10.671.500**	**(13.243.282)**	**-**
19a. Off-balance sheet foreign currency derivative assets	**77.127.864**	**46.954.600**	**30.173.264**	**-**
19b. Off-balance sheet foreign currency derivative liabilities	**79.699.646**	**36.283.100**	**43.416.546**	**-**
20. Net foreign currency asset liability position (9-18+19)	**(300.075.539)**	**(259.765.873)**	**(32.745.035)**	**(7.564.631)**
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(420.199.990)**	**(380.921.741)**	**(19.667.469)**	**(19.610.780)**
22. Fair value of foreign currency hedged financial assets	**-**	**-**	**-**	**-**

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

NOTE 37 - FINANCIAL RISK MANAGEMENT (Continued)

37.1 Financial Risk Management (Continued)

(iv) Foreign currency risk (Continued)

The Group is exposed to foreign currency risk of USD, Euro and other foreign currency.

31 March 2014	**Profit / Loss**	
	Foreign currency appreciation	**Foreign currency depreciation**
If the US dollar had changed by 10% against the TL		
USD net (liabilities) / assets	(29.619.709)	29.619.709
Hedging amount of USD	-	-
USD net effect on (loss) / income	**(29.619.709)**	**29.619.709**
If the EUR had changed by 10% against the TL		
Euro net (liabilities) / assets	(1.812.306)	1.812.306
Hedging amount of Euro	-	-
Euro net effect on (loss) / income	**(1.812.306)**	**1.812.306**
If other foreign currency had changed by 10% against the TL		
Other foreign currency net (liabilities) / assets	(1.707.846)	1.707.846
Hedging amount of other foreign currency	-	-
Other foreign currency net effect on (loss) / income	**(1.707.846)**	**1.707.846**

31 December 2013	**Profit / Loss**	
	Foreign currency appreciation	**Foreign currency depreciation**
If the US dollar had changed by 10% against the TL		
USD net (liabilities) / assets	(27.043.737)	27.043.737
Hedging amount of USD	-	-
USD net effect on (loss) / income	**(27.043.737)**	**27.043.737**
If the EUR had changed by 10% against the TL		
Euro net (liabilities) / assets	(1.950.175)	1.950.175
Hedging amount of Euro	-	-
Euro net effect on (loss) / income	**(1.950.175)**	**1.950.175**
If other foreign currency had changed by 10% against the TL		
Other foreign currency net (liabilities) / assets	(756.463)	756.463
Hedging amount of other foreign currency	-	-
Other foreign currency net effect on (loss) / income	**(756.463)**	**756.463**

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

NOTE 37 - FINANCIAL RISK MANAGEMENT (Continued)

37.2 Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in and to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders in accordance with the CMB regulations, issue new shares or sell assets to decrease borrowing. There are covenants related with the bank borrowings stated in Note 7 which the Group has to fulfill net debt / equity ratio as stated in the contracts of the related bank borrowings.

The net liability/total equity ratio at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Total liability (1)	581.453.580	605.567.198
Less: Cash and cash equivalents (Note 5)	(64.008.538)	(47.206.848)
Net liability	517.445.042	558.360.350
Equity	685.793.587	723.141.884
Total capital	552.000.000	552.000.000
Net liability / Total equity ratio	**0,94**	**1,01**

(1) It is calculated by subtracting income tax liability, derivative financial liability and deferred tax liability from total liability.

37.3 Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value.

(i) Monetary assets (Continued)

The fair value of the balances denominated in foreign currencies, which are translated by using the exchange rates prevailing at year-end, is considered to approximate carrying value.

NOTE 37 - FINANCIAL RISK MANAGEMENT (Continued)

37.3 Fair value of financial instruments (Continued)

(i) Monetary assets (Continued)

The fair values of certain financial assets carried at cost where the fair values cannot be measured reliably, including cash and bank deposits, are considered to approximate their respective carrying values due to their short-term nature and is negligible impairment risk of the receivables.

The carrying value of trade receivables measured at amortised cost using the effective interest method, less provision for impairment are assumed to approximate their fair values.

(ii) Monetary liabilities

The fair value of the bank borrowings and other monetary liabilities are considered to approximate their carrying value.

The fair values of long term foreign exchange borrowings are translated by using the exchange period-end rate and because of this their fair value approximates their carrying value.

The carrying value of trade receivables measured at amortised cost using the effective interest method, are assumed to approximate their fair values.

37.4 Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

•Level 1: The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

•Level 2: The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

•Level 3: The fair values of the financial assets and financial liabilities are determined in accordance with the unobservable current market data.

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

NOTE 37 - FINANCIAL RISK MANAGEMENT (Continued)

37.3 Fair value of financial instruments (Continued)

Level classification of financial assets and liabilities that are valued with their fair values are as follows:

		Fair value as of reporting date		
Financial assets	31 March 2014	Level 1 TL	Level 2 TL	Level 3 TL
Financial assets at FVTPL				
Investment properties	56.925.485	-	56.925.485	-
Total	56.925.485	-	56.925.485	-

		Fair value as of reporting date		
Financial liabilities	31 March 2014	Level 1 TL	Level 2 TL	Level 3 TL
Derivative instruments	2.192.699	-	2.192.699	-
Other financial liabilities	16.574.596	-	-	16.574.596
Total	18.767.295	-	2.192.699	16.574.596

		Fair value as of reporting date		
Financial assets	31 December 2013	Level 1 TL	Level 2 TL	Level 3 TL
Financial assets at FVTPL				
Investment properties	57.378.321	-	57.378.321	-
Total	57.378.321	-	57.378.321	-

		Fair value as of reporting date		
Financial liabilities	31 December 2013	Level 1 TL	Level 2 TL	Level 3 TL
Derivative instruments	2.440.486	-	2.440.486	-
Other financial liabilities	16.154.517	-	-	16.154.517
Total	18.595.003	-	2.440.486	16.154.517

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

NOTE 38 – SHARES IN OTHER ENTITIES

Summary of the financial informations of TME, a subsidiary over which the Group has non-controlling shares, are stated below. These summarized financial informations represent the amounts without considering the related party eliminations.

	31 March 2014
Current assets	40.463.124
Non current assets	585.640.052
Current liabilities	100.601.602
Non current liabilities	246.628.715
Equity attributable to equity holders of the parent company	207.767.566
Non-controlling interests	71.105.295

	1 January-31 March 2014
Revenue	35.353.874
Costs	(64.922.193)
Net loss for the period	(29.568.319)
Allocation of net loss for the period:	
Attributable to equity holders of the parent company	(21.568.546)
Attributable to non-controlling interests	(7.999.773)
Net loss for the period	**(29.568.319)**

NOTE 39 - SUBSEQUENT EVENTS

Confirmation of financial statements

1) The Board of Directors Resolution dated at 14 April 2014 of Doğan Holding, our ultimate shareholder, is publicly announced on 14 April 2014 with regards to merger transcation of Doğan Yayın Holding A.Ş. under the umbrella of Doğan Şirketler Grubu Holding A.Ş. through all our assets and liabilities being "taken over".

2) In 7 April 2014, the Group transferred its subsidiary Expressz Magyarorszag Media Kft. for Euro 1 to the non-controlling interests.

3)The studies of finding a strategic partner and/or sale/transfer to non-related party/parties have been started for all of the owned shares of Doğan Ofset Yayıncılık ve Matbaacılık A.Ş., a subsidiary which the company has 99,93% of related subsidiary's entirely issued share capital amounting to TL 25.000.000.

4) The consolidated financial statements for the period ended 31 March 2014 were approved by the Board of Directors on 9 March 2014. Other than Board of Directors has no authority to change financial statements.