

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

**CONVENIENCE TRANSLATION OF THE  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2014  
INTO ENGLISH**

**(ORIGINALLY ISSUED IN TURKISH)**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.****CONSOLIDATED BALANCE SHEETS****AS OF 30 JUNE 2014 AND 31 DECEMBER 2013**

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

	<b>Current Period (Limited Reviewed) 30 June 2014</b>	<b>Previous Period (Audited) 31 December 2013</b>
<b>ASSETS</b>		
<b>Current assets</b>	<b>417.662.023</b>	<b>419.004.238</b>
Cash and cash equivalents	97.783.664	47.206.848
Trade receivables		
-Due from related parties	30.214.150	28.053.511
-Trade receivable from non-related parties	196.506.695	184.461.348
Other receivables		
-Other receivables from non-related parties	32.492.474	77.097.231
Inventories	14.160.665	17.359.688
Prepaid expenses	6.283.216	5.225.920
Assets related with current tax	2.055.587	1.854.825
Other current assets	6.607.599	43.782.297
<b>Subtotal</b>	<b>386.104.050</b>	<b>405.041.668</b>
Non-current assets held for sale	31.557.973	13.962.570
<b>Non-current assets</b>	<b>928.624.013</b>	<b>1.019.399.816</b>
Other receivables	1.744.807	1.508.340
Financial investments	1.978.670	1.976.906
Investments accounted by the equity method	12.025.662	13.768.940
Investment property	60.372.462	57.378.321
Property, plant and equipment	235.855.588	272.180.560
Intangible assets		
-Goodwill	103.486.126	119.422.217
-Other intangible assets	506.092.939	535.242.276
Deferred tax assets	5.203.203	15.590.176
Other non-current assets	1.864.556	2.332.080
<b>Total assets</b>	<b>1.346.286.036</b>	<b>1.438.404.054</b>

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.****CONSOLIDATED BALANCE SHEETS****AS OF 30 JUNE 2014 AND 31 DECEMBER 2013**

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

	<b>Current Period (Limited Reviewed) 30 June 2014</b>	<b>Previous Period (Audited) 31 December 2013</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>374.392.324</b>	<b>294.282.082</b>
Short-term borrowings	13.103.548	8.823.406
Short-term portion of long-term borrowings	214.803.021	143.052.144
Other financial liabilities	0	16.154.517
Trade payables		
-Due to related parties	10.304.850	13.514.346
-Other payables to non-related parties	48.979.731	48.011.482
Employee benefit payable	11.879.537	9.636.330
Other payables		
-Due to related parties	-	3.279.095
-Other payables to non-related parties	8.228.741	4.079.129
Deferred income	10.034.118	10.072.664
Current income tax liabilities	6.019.060	886.742
Short-term provisions		
-Short-term provisions for employment benefits	18.327.439	17.760.561
-Other short-term provisions	21.060.232	4.069.499
Derivative financial instruments	-	2.440.486
Other current liabilities	3.683.928	3.223.879
<b>Subtotal</b>	<b>366.424.205</b>	<b>285.004.280</b>
Liabilities held for sale	7.968.119	9.277.802
<b>Non-current liabilities</b>	<b>286.425.551</b>	<b>420.980.088</b>
Long-term borrowings	153.081.419	266.158.639
Other payables	771.791	463.857
Long-term provisions		
-Long-term provisions for employment benefits	47.263.547	47.989.848
Deferred tax liability	85.308.794	106.367.744
<b>EQUITY</b>		
<b>Total Equity</b>	<b>685.468.161</b>	<b>723.141.884</b>
<b>Equity attributable to equity holders of the parent company</b>	<b>640.107.182</b>	<b>671.712.912</b>
Share capital	552.000.000	552.000.000
Inflation adjustment to share capital	77.198.813	77.198.813
Accumulated other comprehensive expenses and income that will not be reclassified to profit or loss		
-Re-measurement gains and losses of defined benefit plans	-15.453.900	-15.453.900
Share premium	76.944	76.944
Accumulated other comprehensive expenses and income that will be reclassified to profit or loss		
-Currency translation differences	85.899.648	97.673.595
Restricted reserves	165.883.369	167.305.861
Accumulated (losses)	-205.665.909	-145.994.420
Net (loss) for the period	-19.831.783	-61.093.981
<b>Non-controlling interests</b>	<b>45.360.979</b>	<b>51.428.972</b>
<b>Total liabilities and equity</b>	<b>1.346.286.036</b>	<b>1.438.404.054</b>

These consolidated financial statement as at and for the period ended 30 June 2014 were approved by the Board of Directors on 15 August 2014.

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

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE PERIODS ENDED 30 JUNE 2014 AND 2013**

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

	Current Period (Limited Reviewed) 1 January- 30 June 2014	Current Period (Limited Reviewed) 1 April- 30 June 2014	Restated Previous Period (Limited Reviewed) 1 January- 30 June 2013	Restated Previous Period (Limited Reviewed) 1 April- 30 June 2013
Sales	384.935.834	211.296.233	414.380.874	225.283.146
Cost of sales (-)	-253.233.001	-130.957.345	-251.044.964	-127.404.545
<b>Gross profit</b>	<b>131.702.833</b>	<b>80.338.888</b>	<b>163.335.910</b>	<b>97.878.601</b>
General administrative expenses (-)	-68.292.852	-33.132.440	-68.986.508	-32.506.911
Marketing expenses (-)	-60.320.722	-33.490.050	-71.228.141	-39.439.871
Other operating income	55.239.823	33.089.620	33.465.138	20.318.735
Other operating expenses (-)	-19.104.894	-8.611.105	-18.257.653	-9.997.174
<b>Operating profit</b>	<b>39.224.188</b>	<b>38.194.913</b>	<b>38.328.746</b>	<b>36.253.380</b>
Share of loss of investments accounted by the equity method	-157.803	-19.901	-4.902.046	-2.824.299
Income from investing activities	3.080.914	959.297	9.071.263	3.769.747
Expense from investing activities (-)	-23.410.296	-20.150.412	-10.152.238	-5.946.450
<b>Operating profit before financial expense</b>	<b>18.737.003</b>	<b>18.983.897</b>	<b>32.345.725</b>	<b>31.252.378</b>
Financial expenses (-)	-44.523.663	-8.665.100	-51.595.731	-34.351.464
<b>(Loss) before tax</b>	<b>-25.786.660</b>	<b>10.318.797</b>	<b>-19.250.006</b>	<b>-3.099.086</b>
<b>Continuing operations tax (expense) /benefit</b>				
Current tax (expense)	-6.948.061	-5.921.605	-6.025.235	-2.795.056
Deferred tax benefit	6.298.774	1.337.743	6.370.391	3.143.844
<b>Net (loss) from continuing operations</b>	<b>-26.435.947</b>	<b>5.734.935</b>	<b>-18.904.850</b>	<b>-2.750.298</b>
<b>Discontinued operations</b>				
Discontinued operations (loss) after tax	-	-	-549.906	201.381
<b>Net (loss) for period</b>	<b>-26.435.947</b>	<b>5.734.935</b>	<b>-19.454.756</b>	<b>-2.548.917</b>
<b>Allocation of net (loss) for period</b>				
Attributable to non-controlling interests	-6.604.164	962.658	-7.714.854	-3.904.186
Attributable to equity holders of the parent company	-19.831.783	4.772.277	-11.739.902	1.355.269
<b>(Loss) per share (TL)</b>				
(Loss) per share from continuing operations	-0,0359	0,0086	-0,0145	0,0116
(Loss) per share from discontinued operations	-	-	-0,0010	0,0004
(Loss) / Earning per share from continuing and discontinued operations	-0,0359	0,0086	-0,0155	0,0120
<b>Other comprehensive (expense) / income</b>				
Net (loss) for period	-26.435.947	5.734.935	-19.454.756	-2.548.917
Accumulated other comprehensive income or expenses that will be reclassified to profit or loss				
-Change in translation reserves	-13.163.129	-5.546.062	4.374.659	7.836.329
<b>Other comprehensive (expense) / income after tax</b>	<b>-13.163.129</b>	<b>-5.546.062</b>	<b>4.374.659</b>	<b>7.836.329</b>
<b>Total comprehensive (expense) / income</b>	<b>-39.599.076</b>	<b>188.873</b>	<b>-15.080.097</b>	<b>5.287.412</b>
<b>Allocation of total comprehensive (expense) / income</b>				
Attributable to non-controlling interests	-7.993.346	-368.625	-6.502.499	-1.811.800
Attributable to equity holders of the parent company	-31.605.730	557.498	-8.577.598	7.099.212

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

**CONSOLIDATED STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY  
FOR THE PERIODS ENDED 30 JUNE 2014 AND 2013**

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

				Accumulated	Accumulated						
				other comprehensive	other comprehensive						
				income/expense that	income/expense that						
				will be reclassified	will not be reclassified						
				to profit or loss	to profit or loss						
	Share	Inflation	Share	Translation	Re-measurement	Restricted	Retained	Net profit / (loss)	Equity	Non-	Total
	Capital	adjustment to	premiums	reserves	gains and losses of	reserves	earnings	for the period	allocated to	controlling	equity
		share capital			defined benefit plans				parent company	interests	
<b>Balances at 1 January 2013</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>58.453.680</b>	<b>(13.610.662)</b>	<b>34.266.877</b>	<b>(176.732.519)</b>	<b>150.661.297</b>	<b>682.314.430</b>	<b>61.715.189</b>	<b>744.029.619</b>
Transfers	-	-	-	-	-	133.038.984	17.622.313	(150.661.297)	-	-	-
Subsidiaries' dividend payments											
to non-group companies	-	-	-	-	-	-	-	-	-	(1.407.631)	(1.407.631)
Other	-	-	-	-	-	-	-	-	-	478.014	478.014
Total comprehensive income	-	-	-	3.162.304	-	-	-	(11.739.902)	(8.577.598)	(6.502.499)	(15.080.097)
- Change in translation reserves	-	-	-	3.162.304	-	-	-	-	3.162.304	1.212.355	4.374.659
- Net (loss) for the period	-	-	-	-	-	-	-	(11.739.902)	(11.739.902)	(7.714.854)	(19.454.756)
<b>Balances at 30 June 2013</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>61.615.984</b>	<b>(13.610.662)</b>	<b>167.305.861</b>	<b>(159.110.206)</b>	<b>(11.739.902)</b>	<b>673.736.832</b>	<b>54.283.073</b>	<b>728.019.905</b>
<b>Balances at 1 January 2014</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>97.673.595</b>	<b>(15.453.900)</b>	<b>167.305.861</b>	<b>(145.994.420)</b>	<b>(61.093.981)</b>	<b>671.712.912</b>	<b>51.428.972</b>	<b>723.141.884</b>
Transfers	-	-	-	-	-	(1.422.492)	(59.671.489)	61.093.981	-	-	-
Capital increase of Subsidiaries	-	-	-	-	-	-	-	-	-	3.279.095	3.279.095
Subsidiaries' dividend payments											
to non-group companies	-	-	-	-	-	-	-	-	-	(808.002)	(808.002)
Other	-	-	-	-	-	-	-	-	-	(545.740)	(545.740)
Total comprehensive expense	-	-	-	(11.773.947)	-	-	-	(19.831.783)	(31.605.730)	(7.993.346)	(39.599.076)
- Change in translation reserves	-	-	-	(11.773.947)	-	-	-	-	(11.773.947)	(1.389.182)	(13.163.129)
- Net (loss) for the period	-	-	-	-	-	-	-	(19.831.783)	(19.831.783)	(6.604.164)	(26.435.947)
<b>Balances at 30 June 2014</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>85.899.648</b>	<b>(15.453.900)</b>	<b>165.883.369</b>	<b>(205.665.909)</b>	<b>(19.831.783)</b>	<b>640.107.182</b>	<b>45.360.979</b>	<b>685.468.161</b>

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

**CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE PERIODS ENDED 30 JUNE 2014 AND 2013**

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

	<b>Current Period</b>	<b>Restated</b>
	<b>(Limited Reviewed)</b>	<b>Previous Period</b>
	<b>1 January-</b>	<b>1 January-</b>
	<b>30 June 2014</b>	<b>30 June 2014</b>
<b>CASH FLOW FROM COMPANY'S OPERATIONS</b>	<b>39.419.906</b>	<b>65.588.047</b>
(Loss) for the period	(26.435.947)	(19.454.756)
<b>Adjustments to reconcile net (loss) for the period</b>	<b>85.378.716</b>	<b>80.259.040</b>
Adjustments regarding depreciation	23.411.208	23.465.284
Adjustments regarding amortization	14.179.996	15.424.766
Adjustments regarding loss on disposal of property, plant and equipment	1.484.284	3.342.294
Adjustments regarding tax (income) / expense	649.287	(345.156)
Adjustments regarding provision for employment benefits and unused vacation rights	6.511.007	7.333.590
Profit on financial investment sale	-	-
Adjustments regarding income accruals	(409.048)	(920.169)
Adjustments regarding interest accruals and income	(2.597.998)	(2.296.771)
Accrual income / (expense) from sales with maturity	(6.505.770)	(3.785.012)
Unrealized finance income from term sales	2.104.819	1.014.198
Unrealized finance expense from term purchases	(161.135)	(171.442)
Adjustments regarding interest accruals and expenses	10.517.847	12.441.871
Unrealized foreign exchange expense from borrowings	(149.980)	18.534.376
Adjustments regarding change in fair value of investment properties	1.769.622	(3.319.457)
Adjustments regarding (Increase)/decrease in deferred income	(1.063.314)	(753.274)
Adjustments regarding provision for impairment of inventories	793.013	495.144
Loss from investments accounted by the equity method	157.803	4.902.046
Goodwill impairment	12.719.166	-
Provision for asset held for sale impairment	588.876	-
Loss from sale of subsidiary	599.123	3.176.112
Provision for doubtful receivables	3.839.612	3.896.553
Provision for lawsuits	17.106.733	802.181
Reversals of provisions	(166.435)	(2.978.094)
<b>Changes in working capital:</b>	<b>(19.522.863)</b>	<b>4.783.763</b>
Change in blocked deposit	3.103	3.280
Changes in trade and related party receivables	(15.992.549)	(48.680.349)
Changes in inventories	2.239.479	3.857.688
Change in prepaid expenses	(1.057.296)	(2.971.537)
Change in other current asset	(1.300.293)	36.442.053
Change in other financial assets and liabilities	(14.378.604)	998.437
Changes in trade and related party payables	4.499.371	(699.325)
Change in other short term liabilities	8.292.634	19.613.513
Changes in other non-current assets	(64.401)	1.244.966
Changes in payables due from employment benefits	2.243.207	2.448.604
Short term provision for employment benefit	-	1.709.837
Change in deferred revenues	(38.546)	1.391.958
Taxes paid	(2.016.505)	(5.462.769)
Collections from doubtful receivables	1.886.701	2.031.405
Employment benefits and unused vacation rights paid	(3.839.164)	(7.143.998)
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>	<b>32.797.083</b>	<b>6.912.924</b>
Purchases of property, plant and equipment	(4.259.371)	(7.815.003)
Purchases of intangible assets	(4.687.709)	(3.688.382)
Proceeds from sales of property, plant and equipment, intangible assets and investment properties	49.305.723	6.828.931
Interests received	6.789.712	9.113.348
Change in net book value of asset held for sale	(14.351.272)	(495.583)
Proceeds from sale of subsidiary	-	2.969.613
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>	<b>(7.319.381)</b>	<b>(153.908.198)</b>
Change in blocked deposit	36.591.493	(292.405)
Increase in share capital of non-controlling interests	3.279.095	-
Dividends paid to non-controlling interests	(808.002)	(1.407.630)
Bank borrowings received	82.343.222	141.306
Bank borrowings paid	(110.873.384)	(122.787.062)
Decrease in financial liabilities to suppliers	(6.584.953)	(16.658.945)
Interests paid	(11.266.852)	(12.903.462)
Effects of foreign exchange rate on cash and cash equivalents	(14.219.192)	14.321.467
Change in cash and cash equivalents	50.678.416	(67.085.760)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>46.972.961</b>	<b>108.044.224</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>97.651.377</b>	<b>40.958.464</b>