

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

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

**(ORIGINALLY ISSUED IN TURKISH)**

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER 2014 AND 31 DECEMBER 2013

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

	Current Period (Unaudited) 30 September 2014	Previous Period (Audited) 31 December 2013
<b>ASSETS</b>		
<b>Current assets</b>	<b>320.065.283</b>	<b>419.004.238</b>
Cash and cash equivalents	69.980.935	47.206.848
Trade receivables		
-Due from related parties	26.940.448	28.053.511
-Trade receivable from non-related parties	184.200.397	184.461.348
Other receivables		
-Other receivables from non-related parties	11.273.247	77.097.231
Inventories	13.480.075	17.359.688
Prepaid expenses	6.205.901	5.225.920
Assets related with current tax	1.986.010	1.854.825
Other current assets	5.998.270	43.782.297
<b>Subtotal</b>	<b>320.065.283</b>	<b>405.041.668</b>
Non-current assets held for sale	-	13.962.570
<b>Non-current assets</b>	<b>859.838.880</b>	<b>1.019.399.816</b>
Other receivables	1.778.104	1.508.340
Financial investments	1.976.488	1.976.906
Investments accounted by the equity method	10.123.708	13.768.940
Investment property	59.647.846	57.378.321
Property, plant and equipment	225.031.196	272.180.560
Intangible assets		
-Goodwill	93.741.434	119.422.217
-Other intangible assets	460.458.949	535.242.276
Deferred tax assets	5.309.548	15.590.176
Other non-current assets	1.771.607	2.332.080
<b>Total assets</b>	<b>1.179.904.163</b>	<b>1.438.404.054</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER 2014 AND 31 DECEMBER 2013

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

	Current Period (Unaudited) 30 September 2014	Previous Period (Audited) 31 December 2013
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>220.003.749</b>	<b>294.282.082</b>
Short-term borrowings	4.413.295	8.823.406
Short-term portion of long-term borrowings	93.500.577	143.052.144
Other financial liabilities	-	16.154.517
Trade payables		
-Due to related parties	7.679.144	13.514.346
-Other payables to non-related parties	45.401.768	48.011.482
Employee benefit payable	11.829.541	9.636.330
Other payables		
-Due to related parties	1.154.016	3.279.095
-Other payables to non-related parties	3.545.084	4.079.129
Deferred income	9.521.128	10.072.664
Current income tax liabilities	979.927	886.742
Short-term provisions		
-Short-term provisions for employment benefits	17.607.452	17.760.561
-Other short-term provisions	21.530.253	4.069.499
Derivative financial instruments	-	2.440.486
Other current liabilities	2.841.564	3.223.879
<b>Subtotal</b>	<b>220.003.749</b>	<b>285.004.280</b>
Liabilities held for sale	-	9.277.802
<b>Non-current liabilities</b>	<b>322.351.272</b>	<b>420.980.088</b>
Long-term borrowings	197.116.712	266.158.639
Other payables	502.343	463.857
Long-term provisions		
-Long-term provisions for employment benefits	47.589.825	47.989.848
Deferred tax liability	77.142.392	106.367.744
<b>EQUITY</b>		
<b>Total Equity</b>	<b>637.549.142</b>	<b>723.141.884</b>
<b>Equity attributable to equity holders of the parent company</b>	<b>607.993.558</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	59.971.844	97.673.595
Restricted reserves	165.883.369	167.305.861
Accumulated (losses)	(205.665.909)	(145.994.420)
Net (loss) for the period	(26.017.603)	(61.093.981)
<b>Non-controlling interests</b>	<b>29.555.584</b>	<b>51.428.972</b>
<b>Total liabilities and equity</b>	<b>1.179.904.163</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 SEPTEMBER 2014 AND 2013

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

	Current Period (Unaudited) 1 January- 30 September 2014	Current Period (Unaudited) 1 July- 30 September 2014	Restated Previous Period (Unaudited) 1 January- 30 September 2013	Restated Previous Period (Unaudited) 1 July- 30 September 2013
Sales	548.627.335	163.691.501	601.511.272	187.130.398
Cost of sales (-)	(361.987.862)	(108.754.861)	(374.947.087)	(123.902.123)
<b>Gross profit</b>	<b>186.639.473</b>	<b>54.936.640</b>	<b>226.564.185</b>	<b>63.228.275</b>
General administrative expenses (-)	(102.965.198)	(34.672.346)	(105.439.282)	(36.452.774)
Marketing expenses (-)	(93.023.278)	(32.702.556)	(101.463.478)	(30.235.337)
Other operating income	63.293.436	10.917.079	50.256.580	16.791.442
Other operating expenses (-)	(19.443.836)	(3.791.284)	(27.934.773)	(9.677.120)
<b>Operating profit</b>	<b>34.500.597</b>	<b>(5.312.467)</b>	<b>41.983.232</b>	<b>3.654.486</b>
Share of loss of investments accounted by the equity method	(2.039.658)	(1.881.855)	(3.810.055)	1.091.991
Income from investing activities	32.505.243	29.424.329	10.180.336	1.109.073
Expense from investing activities (-)	(27.437.025)	(3.437.853)	(10.945.173)	(792.935)
<b>Operating profit before financial expense</b>	<b>37.529.157</b>	<b>18.792.154</b>	<b>37.408.340</b>	<b>5.062.615</b>
Financial expenses (-)	(86.994.700)	(42.471.037)	(74.348.770)	(22.753.039)
<b>(Loss) before tax</b>	<b>(49.465.543)</b>	<b>(23.678.883)</b>	<b>(36.940.430)</b>	<b>(17.690.424)</b>
<b>Continuing operations tax (expense) /benefit</b>				
Current tax (expense)	(2.356.882)	4.591.179	(4.753.875)	1.271.360
Deferred tax benefit	8.911.988	2.613.214	15.312.407	8.942.016
<b>Net (loss) from continuing operations</b>	<b>(42.910.437)</b>	<b>(16.474.490)</b>	<b>(26.381.898)</b>	<b>(7.477.048)</b>
<b>Discontinued operations</b>				
Discontinued operations (loss) after tax	-	-	(2.172.025)	(1.622.119)
<b>Net (loss) for period</b>	<b>(42.910.437)</b>	<b>(16.474.490)</b>	<b>(28.553.923)</b>	<b>(9.099.167)</b>
<b>Allocation of net (loss) for period</b>				
Attributable to non-controlling interests	(16.892.834)	(10.288.670)	(7.438.447)	276.407
Attributable to equity holders of the parent company	(26.017.603)	(6.185.820)	(21.115.476)	(9.375.574)
<b>(Loss) per share (TL)</b>				
(Loss) per share from continuing operations	(0,0471)	(0,0112)	(0,0343)	(0,0029)
(Loss) per share from discontinued operations	-	-	(0,0040)	(0,0170)
(Loss) / Earning per share from continuing and discontinued operations	(0,0471)	(0,0112)	(0,0383)	(0,0199)
<b>Other comprehensive (expense) / income</b>				
Net (loss) for period	(42.910.437)	(16.474.490)	(28.553.923)	(9.099.167)
Accumulated other comprehensive income or expenses that will be reclassified to profit or loss				
-Change in translation reserves	(44.086.589)	(30.923.460)	18.678.681	14.304.022
<b>Other comprehensive (expense) / income after tax</b>	<b>(44.086.589)</b>	<b>(30.923.460)</b>	<b>18.678.681</b>	<b>14.304.022</b>
<b>Total comprehensive (expense) / income</b>	<b>(86.997.026)</b>	<b>(47.397.950)</b>	<b>(9.875.242)</b>	<b>4.654.949</b>
<b>Allocation of total comprehensive (expense) / income</b>				
Attributable to non-controlling interests	(23.277.672)	(15.284.326)	(4.585.772)	1.366.821
Attributable to equity holders of the parent company	(63.719.354)	(32.113.624)	(5.289.470)	3.288.128

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

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

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

	Share Capital	Inflation adjustment to share capital	Share premiums	Accumulated other comprehensive income/expense that will be reclassified to profit or loss	Accumulated other comprehensive income/expense that will not be reclassified to profit or loss	Restricted reserves	Retained earnings	Net profit / (loss) for the period	Equity allocated to parent company	Non- controlling interests	Total equity
				Translation reserves	Re-measurement gains and losses of defined benefit plans						
<b>Balances at 1 January 2013</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>58.584.776</b>	-	<b>34.266.877</b>	<b>(190.353.127)</b>	<b>150.662.628</b>	<b>682.436.911</b>	<b>65.236.344</b>	<b>747.673.255</b>
Effect of restatement	-	-	-	(131.096)	(13.610.662)	-	13.620.608	(1.331)	(122.481)	(3.521.155)	(3.643.636)
<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	-	-	-	-	-	-	-	-	-	(2.161.513)	(2.161.513)
Other	-	-	-	-	-	-	-	-	-	525.283	525.283
Effect of subsidiary sales	-	-	-	-	-	-	13.115.786	-	13.115.786	-	13.115.786
Total comprehensive income	-	-	-	15.826.006	-	-	-	(21.115.476)	(5.289.470)	(4.585.772)	(9.875.242)
- Change in translation reserves	-	-	-	15.826.006	-	-	-	-	15.826.006	2.852.675	18.678.681
- Net (loss) for the period	-	-	-	-	-	-	-	(21.115.476)	(21.115.476)	(7.438.447)	(28.553.923)
<b>Balances at 30 September 2013</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>74.279.686</b>	<b>(13.610.662)</b>	<b>167.305.861</b>	<b>(145.994.420)</b>	<b>(21.115.476)</b>	<b>690.140.746</b>	<b>55.493.187</b>	<b>745.633.933</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	-	-	-	-	-	-	-	-	-	(1.302.938)	(1.302.938)
Other	-	-	-	-	-	-	-	-	-	(571.873)	(571.873)
Total comprehensive expense	-	-	-	(37.701.751)	-	-	-	(26.017.603)	(63.719.354)	(23.277.672)	(86.997.026)
- Change in translation reserves	-	-	-	(37.701.751)	-	-	-	-	(37.701.751)	(6.384.838)	(44.086.589)
- Net (loss) for the period	-	-	-	-	-	-	-	(26.017.603)	(26.017.603)	(16.892.834)	(42.910.437)
<b>Balances at 30 September 2014</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>59.971.844</b>	<b>(15.453.900)</b>	<b>165.883.369</b>	<b>(205.665.909)</b>	<b>(26.017.603)</b>	<b>607.993.558</b>	<b>29.555.584</b>	<b>637.549.142</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE PERIODS ENDED 30 SEPTEMBER 2014 AND 2013

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

	Current Period (Unaudited) 1 January- 30 September 2014	Restated Previous Period (Unaudited) 1 January- 30 September 2013
<b>CASH FLOW FROM COMPANY'S OPERATIONS</b>	<b>(13.499.423)</b>	<b>150.946.746</b>
(Loss) for the period	(42.910.437)	(28.553.923)
<b>Adjustments to reconcile net (loss) for the period</b>	<b>63.247.638</b>	<b>118.217.980</b>
Adjustments regarding depreciation	32.742.322	35.185.663
Adjustments regarding amortization	20.962.944	23.634.044
Adjustments regarding loss on disposal of property, plant and equipment	(25.414.819)	3.396.174
Adjustments regarding tax (income) / expense	(6.555.106)	(10.558.532)
Adjustments regarding provision for employment benefits and unused vacation rights	8.666.791	10.781.638
Profit on financial investment sale	-	-
Adjustments regarding income accruals	(609.218)	(1.073.021)
Adjustments regarding interest accruals and income	(3.174.695)	(3.299.669)
Accrual income / (expense) from sales with maturity	(8.173.707)	(2.435.637)
Unrealized finance income from term sales	1.675.978	2.468.492
Unrealized finance expense from term purchases	(191.035)	(170.838)
Adjustments regarding interest accruals and expenses	12.031.098	18.639.764
Unrealized foreign exchange expense from borrowings	6.456.323	34.020.941
Adjustments regarding change in fair value of investment properties	1.760.418	(3.154.016)
Adjustments regarding (Increase)/decrease in deferred income	396.893	(753.274)
Adjustments regarding provision for impairment of inventories	981.020	601.101
Loss from investments accounted by the equity method	2.039.658	3.810.055
Goodwill impairment	12.719.166	-
Loss from sale of subsidiary	1.171.511	3.176.112
Provision for doubtful receivables	4.693.285	6.286.465
Provision for lawsuits	1.300.850	743.314
Reversals of provisions	(232.039)	(3.080.796)
<b>Changes in working capital:</b>	<b>(33.836.624)</b>	<b>61.282.689</b>
Change in blocked deposit	1.590	3.208
Changes in trade and related party receivables	(29.153.818)	(22.930.200)
Changes in inventories	3.488.711	461.378
Change in prepaid expenses	(979.981)	(2.836.316)
Change in other current asset	3.092.449	50.359.325
Change in other financial assets and liabilities	(18.032.776)	3.783.218
Changes in trade and related party payables	(12.004.442)	20.198.021
Change in other short term liabilities	24.942.766	10.566.266
Changes in other non-current assets	(1.301.901)	5.893.851
Changes in payables due from employment benefits	2.193.211	3.912.628
Short term provision for employment benefit	-	2.050.953
Change in deferred revenues	(551.536)	905.088
Taxes paid	(2.394.882)	(4.443.093)
Collections from doubtful receivables	2.956.787	2.449.495
Employment benefits and unused vacation rights paid	(6.092.802)	(9.091.133)
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>	<b>116.842.918</b>	<b>4.382.565</b>
Purchases of property, plant and equipment	(5.712.713)	(10.073.862)
Purchases of intangible assets	(6.599.072)	(5.352.503)
Proceeds from sales of property, plant and equipment, intangible assets and investment properties	108.785.932	11.371.264
Interests received	8.632.815	10.705.997
Change in work advances	-	(5.237.944)
Proceeds from sale of subsidiary	11.735.956	2.969.613
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>	<b>(110.053.502)</b>	<b>(160.999.676)</b>
Change in blocked deposit	36.592.072	-
Increase in share capital of non-controlling interests	3.279.095	-
Dividends paid to non-controlling interests	(1.302.938)	(2.161.512)
Bank borrowings received	117.866.698	6.749.673
Bank borrowings paid	(247.150.175)	(124.964.291)
Decrease in financial liabilities to suppliers	(6.472.257)	(21.555.089)
Interests paid	(12.865.997)	(19.068.457)
Effects of foreign exchange rate on cash and cash equivalents	29.581.591	(24.349.423)
Change in cash and cash equivalents	22.871.584	(30.019.788)
<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>69.844.545</b>	<b>78.024.436</b>