

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

**CONVENIENCE TRANSLATION OF THE  
CONSOLIDATED FINANCIAL STATEMENTS  
AND THE AUDITOR'S REPORT FOR THE PERIOD  
1 JANUARY - 30 JUNE 2015  
INTO ENGLISH**

**(ORIGINALLY ISSUED IN TURKISH)**

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### CONSOLIDATED BALANCE SHEETS AS OF 30 JUNE 2015 AND 31 DECEMBER 2014

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

	Current Period (Unaudited) 30 June 2015	Previous Period (Audited) 31 December 2014
<b>ASSETS</b>		
<b>Current assets</b>	<b>277.372.604</b>	<b>283.283.769</b>
Cash and cash equivalents	40.847.378	56.609.424
Trade receivables		
-Due from related parties	31.164.867	28.886.410
-Trade receivable		
from non-related parties	180.321.284	169.806.864
Other receivables		
-Other receivables		
from non-related parties	4.667.322	3.420.288
Inventories	10.615.880	13.519.003
Prepaid expenses	4.072.683	3.136.250
Assets related with current tax	738.802	504.583
Other current assets	4.944.388	7.400.947
<b>Subtotal</b>	<b>277.372.604</b>	<b>283.283.769</b>
<b>Non-current assets</b>	<b>646.140.062</b>	<b>651.694.887</b>
Other receivables	1.474.398	1.764.612
Financial investments	1.357.259	1.976.568
Investments accounted		
by the equity method	8.363.791	9.013.738
Investment property	78.386.452	82.917.210
Property, plant and equipment	203.911.992	219.791.673
Intangible assets		
-Other intangible assets	343.302.067	328.454.758
Deferred tax assets	8.145.703	6.661.890
Other non-current assets	1.198.400	1.114.438
<b>Total assets</b>	<b>923.512.666</b>	<b>934.978.656</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### CONSOLIDATED BALANCE SHEETS AS OF 30 JUNE 2015 AND 31 DECEMBER 2014

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

	Current Period (Unaudited) 30 June 2015	Previous Period (Audited) 31 December 2014
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>288.831.615</b>	<b>303.268.721</b>
Short-term borrowings	18.004.936	13.451.105
Short-term portion of long-term borrowings	143.271.901	159.660.282
Trade payables		
-Due to related parties	19.433.061	22.242.940
-Other payables to non-related parties	38.910.650	47.386.425
Employee benefit payable	9.136.975	6.121.303
Other payables		
-Due to related parties	-	339.868
-Other payables to non-related parties	3.202.395	1.677.796
Deferred income	7.687.282	7.078.107
Current income tax liabilities	9.460.844	2.633.452
Short-term provisions		
-Short-term provisions for employment benefits	13.368.020	15.696.372
-Other short-term provisions	23.253.963	23.673.992
Other current liabilities	3.101.588	3.307.079
<b>Subtotal</b>	<b>288.831.615</b>	<b>303.268.721</b>
<b>Non-current liabilities</b>	<b>207.476.660</b>	<b>204.515.762</b>
Long-term borrowings	93.245.001	92.128.150
Other payables	668.582	480.590
Long-term provisions		
-Long-term provisions for employment benefits	40.106.232	46.429.651
Deferred tax liability	73.456.845	65.477.371
<b>EQUITY</b>		
<b>Total Equity</b>	<b>427.204.391</b>	<b>427.194.173</b>
<b>Equity attributable to equity holders of the parent company</b>	<b>423.801.320</b>	<b>415.891.705</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	(14.078.036)	(15.331.957)
Share premium	76.944	76.944
Accumulated other comprehensive expenses and income that will be reclassified to profit or loss		
-Currency translation differences	14.590.135	6.633.568
Restricted reserves	187.166.210	165.883.369
Accumulated (losses)	(383.832.771)	(201.896.442)
Net (loss) for the period	(9.319.975)	(168.672.590)
<b>Non-controlling interests</b>	<b>3.403.071</b>	<b>11.302.468</b>
<b>Total liabilities and equity</b>	<b>923.512.666</b>	<b>934.978.656</b>

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

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE PERIODS ENDED 30 JUNE 2015 AND 2014**

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

	<b>Current Period (Unaudited) 1 January- 30 June 2015</b>	<b>Previous Period (Unaudited) 1 January- 30 June 2014</b>
Sales	307.838.209	384.935.834
Cost of sales (-)	(168.482.782)	(253.233.001)
<b>Gross profit</b>	<b>139.355.427</b>	<b>131.702.833</b>
General administrative expenses (-)	(57.035.836)	(68.292.852)
Marketing expenses (-)	(67.581.234)	(60.320.722)
Other operating income	35.333.786	55.239.823
Other operating expenses (-)	(27.134.421)	(18.516.018)
<b>Operating profit</b>	<b>22.937.722</b>	<b>39.813.064</b>
Share of loss of investments accounted by the equity method	(659.919)	(157.803)
Income from investing activities	2.476.095	3.080.914
Expense from investing activities (-)	(34.918.894)	(23.999.172)
<b>Operating profit before financial expense</b>	<b>(10.164.996)</b>	<b>18.737.003</b>
Financial expenses (-)	(8.126.718)	(44.523.663)
<b>(Loss) before tax</b>	<b>(18.291.714)</b>	<b>(25.786.660)</b>
<b>Continuing operations tax (expense) /benefit</b>	<b>(1.564.003)</b>	<b>(649.287)</b>
Current tax (expense)	(8.151.349)	(6.948.061)
Deferred tax benefit	6.587.346	6.298.774
<b>Net (loss) from continuing operations</b>	<b>(19.855.717)</b>	<b>(26.435.947)</b>
<b>Net (loss) for period</b>	<b>(19.855.717)</b>	<b>(26.435.947)</b>
<b>Allocation of net (loss) for period</b>		
Attributable to non-controlling interests	(10.535.742)	(6.604.164)
Attributable to equity holders of the parent company	(9.319.975)	(19.831.783)
<b>(Loss) per share (TL)</b>		
(Loss) per share from continuing operations	(0,0169)	(0,0359)
(Loss) / Earning per share from continuing and discontinued operations	(0,0169)	(0,0359)
<b>Other comprehensive (expense) / income</b>		
Net (loss) for period	(19.855.717)	(26.435.947)
Accumulated other comprehensive income or expenses that will be reclassified to profit or loss		
-Change in foreign currency differences	10.709.896	(13.163.129)
- Actuarial loss in defined benefit plans	-	-
- Tax effect of actuarial loss in defined pension plans	-	-
<b>Other comprehensive (expense) / income after tax</b>	<b>10.709.896</b>	<b>(13.163.129)</b>
<b>Total comprehensive (expense) / income</b>	<b>(9.145.821)</b>	<b>(39.599.076)</b>
<b>Allocation of total comprehensive (expense) / income</b>		
Attributable to non-controlling interests	(7.782.413)	(7.993.346)
Attributable to equity holders of the parent company	(1.363.408)	(31.605.730)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY  
FOR THE PERIODS ENDED 30 JUNE 2015 AND 2014

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

	Note References	Share Capital	Inflation adjustment to share capital	Share premiums	Accumulated	Accumulated	Restricted reserves	Retained earnings	Net profit / (loss) for the period	Equity allocated to parent company	Non- controlling interests	Total equity
					Translation reserves	other comprehensive income/expense that will be reclassified to profit or loss						
<b>Balances at 1 January 2014</b>	<b>22</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)
Effect of subsidiary sales		-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	(11.773.947)	-	-	-	(19.831.783)	(31.605.730)	(7.993.346)	(39.599.076)
- Revaluation losses on defined benefit plans		-	-	-	-	-	-	-	-	-	-	-
- 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>22</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>
<b>Balances at 1 January 2015</b>	<b>22</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>6.633.568</b>	<b>(15.331.957)</b>	<b>165.883.369</b>	<b>(201.896.442)</b>	<b>(168.672.590)</b>	<b>415.891.705</b>	<b>11.302.468</b>	<b>427.194.173</b>
Transfers		-	-	-	-	-	21.282.841	(189.955.431)	168.672.590	-	-	-
Funds received from shareholders		-	-	-	-	-	-	5.031.497	-	5.031.497	-	5.031.497
Subsidiaries' dividend payments to non-group companies		-	-	-	-	-	-	-	-	-	(271.941)	(271.941)
Sale of subsidiary		-	-	-	-	-	1.253.921	2.987.605	-	4.241.526	71.809	4.313.335
Effect of change in subsidiary ownership		-	-	-	-	-	-	-	-	-	83.148	83.148
Total comprehensive expense		-	-	-	7.956.567	-	-	-	(9.319.975)	(1.363.408)	(7.782.413)	(9.145.821)
- Revaluation losses on defined benefit plans		-	-	-	-	-	-	-	-	-	-	-
- Sale of subsidiary		-	-	-	-	-	-	-	-	-	-	-
- Change in translation reserves		-	-	-	7.956.567	-	-	-	-	7.956.567	2.753.329	10.709.896
- Net (loss) for the period		-	-	-	-	-	-	-	(9.319.975)	(9.319.975)	(10.535.742)	(19.855.717)
<b>Balances at 30 June 2015</b>	<b>22</b>	<b>552.000.000</b>	<b>77.198.813</b>	<b>76.944</b>	<b>14.590.135</b>	<b>(14.078.036)</b>	<b>187.166.210</b>	<b>(383.832.771)</b>	<b>(9.319.975)</b>	<b>423.801.320</b>	<b>3.403.071</b>	<b>427.204.391</b>

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

**CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE PERIODS ENDED 30 JUNE 2015 AND 2014**

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

	Current Period (Unaudited) 1 January- 30 June 2015	Previous Period (Unaudited) 1 January- 30 June 2014
<b>CASH FLOW FROM COMPANY'S OPERATIONS</b>	<b>31.874.974</b>	<b>(1.134.815)</b>
(Loss) for the period	(19.855.717)	(26.435.947)
<b>Adjustments to reconcile net (loss) for the period</b>	<b>86.121.255</b>	<b>69.306.701</b>
Adjustments regarding depreciation	18.638.937	23.411.208
Adjustments regarding amortization	10.387.065	14.179.996
Adjustments regarding loss on disposal of property, plant and equipment	480.489	1.484.284
Adjustments regarding tax (income) / expense	1.564.003	649.287
Adjustments regarding provision for employment benefits and unused vacation rights	4.339.690	6.511.007
Impairment losses on intangible assets	34.273.774	-
Impairment losses on goodwill and assets held for sale	-	12.719.166
Adjustments regarding income accruals	(1.148.987)	(409.048)
Adjustments regarding interest accruals and income	(1.682.915)	(2.597.998)
Accrual income / (expense) from sales with maturity	(4.484.501)	(6.505.770)
Unrealized finance income from term sales	1.012.868	2.104.819
Unrealized finance expense from term purchases	(22.242)	(161.135)
Adjustments regarding interest accruals and expenses	8.622.041	10.517.847
Unrealized foreign exchange expense from borrowings	6.928.384	(149.980)
Adjustments regarding change in fair value of investment properties	(809.132)	1.769.622
Adjustments regarding (Increase)/decrease in deferred income	710.762	(1.063.314)
Adjustments regarding provision for impairment of inventories	2.498.016	793.013
Loss from investments accounted by the equity method	659.919	157.903
Provision for doubtful receivables	4.028.147	3.839.612
Provision for impairment on intangible assets	-	588.876
Provision for lawsuits	512.700	1.034.718
Reversals of provisions	(387.763)	(166.435)
Subsidiary Sales Loss	-	599.123
<b>Changes in working capital:</b>	<b>(34.390.564)</b>	<b>(44.005.569)</b>
Change in blocked deposit	-	3.103
Changes in trade and related party receivables	(26.243.427)	(29.819.219)
Changes in inventories	433.761	3.502.411
Change in prepaid expenses	(936.433)	(1.057.296)
Change in other current asset	(2.289.041)	1.876.720
Change in other financial assets and liabilities	3.325.402	(6.774.337)
Changes in trade and related party payables	(7.056.046)	(9.904.701)
Change in other short term liabilities	912.116	(1.028.715)
Changes in other non-current assets	(114.864)	960.772
Changes in payables due from employment benefits	3.015.672	2.243.207
Change in deferred revenues	609.175	(38.546)
Taxes paid	(2.816.050)	(2.016.505)
Collections from doubtful receivables	1.840.187	1.886.701
Employment benefits and unused vacation rights paid	(5.071.016)	(3.839.164)
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>	<b>5.756.311</b>	<b>47.148.355</b>
Purchases of property, plant and equipment	(2.664.859)	(4.259.371)
Purchases of intangible assets	(7.229.964)	(4.687.709)
Proceeds from sales of property, plant and equipment, intangible assets and investment properties	6.652.060	49.305.723
Interests received	6.172.945	6.789.712
Proceeds from sale of subsidiary	2.826.129	-
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>	<b>(48.933.517)</b>	<b>(7.319.380)</b>
Change in blocked deposit	(56.910)	36.591.493
Increase in share capital of non-controlling interests	-	3.279.095
Dividends paid to non-controlling interests	6.289.371	-
Bank borrowings received	(271.941)	(808.002)
Bank borrowings received	53.248.182	82.343.222
Bank borrowings paid	(97.890.577)	(110.873.383)
Decrease in financial liabilities to suppliers	(2.215.374)	(6.584.593)
Interests paid	(8.036.268)	(11.266.852)
Effects of foreign exchange rate on cash and cash equivalents	(4.455.037)	11.984.256
Change in cash and cash equivalents	(15.757.269)	50.678.416
<b>Cash and cash equivalents at the beginning of the period</b>	<b>56.604.647</b>	<b>46.972.961</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>40.847.378</b>	<b>97.651.377</b>