

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

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

(ORIGINALLY ISSUED IN TURKISH)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED BALANCE SHEETS

AS OF 30 SEPTEMBER 2015 AND 31 DECEMBER 2014

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

	Current Period (Unaudited) 30 September 2015	Previous Period (Audited) 31 December 2014
ASSETS		
Current assets	277.420.390	283.283.769
Cash and cash equivalents	45.833.675	56.609.424
Trade receivables		
-Due from related parties	28.814.595	28.886.410
-Trade receivable		
from non-related parties	175.218.333	169.806.864
Other receivables		
-Other receivables		
from non-related parties	3.669.695	3.420.288
Inventories	11.686.531	13.519.003
Prepaid expenses	4.029.878	3.136.250
Assets related with current tax	3.687.185	504.583
Other current assets	4.480.498	7.400.947
Subtotal	277.420.390	283.283.769
Non-current assets	626.591.582	651.694.887
Other receivables	1.484.780	1.764.612
Financial investments	1.304.265	1.976.568
Investments accounted		
by the equity method	9.093.933	9.013.738
Investment property	86.790.770	82.917.210
Property, plant and equipment	195.737.063	219.791.673
Intangible assets		
-Other intangible assets	320.090.952	328.454.758
Deferred tax assets	10.889.224	6.661.890
Other non-current assets	1.200.595	1.114.438
Total assets	904.011.972	934.978.656

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CONSOLIDATED BALANCE SHEETS

AS OF 30 SEPTEMBER 2015 AND 31 DECEMBER 2014

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

	Current Period (Unaudited)	Previous Period (Audited)
	30 September 2015	31 December 2014
LIABILITIES		
Current liabilities	339.739.292	303.268.721
Short-term borrowings	53.187.686	13.451.105
Short-term portion of long-term borrowings	157.059.974	159.660.282
Trade payables		
-Due to related parties	17.852.599	22.242.940
-Other payables to non-related parties	39.902.580	47.386.425
Employee benefit payable	8.635.122	6.121.303
Other payables		
-Due to related parties	-	339.868
-Other payables to non-related parties	724.118	1.677.796
Deferred income	8.420.953	7.078.107
Current income tax liabilities	11.007.543	2.633.452
Short-term provisions		
-Short-term provisions for employment benefits	13.157.682	15.696.372
-Other short-term provisions	28.835.775	23.673.992
Other current liabilities	955.260	3.307.079
Subtotal	339.739.292	303.268.721
Non-current liabilities	176.617.786	204.515.762
Long-term borrowings	65.255.654	92.128.150
Other payables	803.188	480.590
Long-term provisions		
-Long-term provisions for employment benefits	39.343.011	46.429.651
Deferred tax liability	71.215.933	65.477.371
EQUITY		
Total Equity	387.654.894	427.194.173
Equity attributable to equity holders of the parent company		
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 be	(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	(5.209.405)	6.633.568
-Change in investment properties		
fair value reserve	995.530	-
Restricted reserves	187.166.210	165.883.369
Accumulated (losses)	(383.832.771)	(201.896.442)
Net (loss) for the period	(13.393.112)	(168.672.590)
Non-controlling interests	(13.269.279)	11.302.468
Total liabilities and equity	904.011.972	934.978.656

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 SEPTEMBER 2015 AND 2014

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

	Current Period (Unaudited) 1 January- 30 September 2015	Current Period (Unaudited) 1 July- 30 September 2015	Restated Previous Period (Unaudited) 1 January- 30 September 2014	Restated Previous Period (Unaudited) 1 July- 30 September 2014
Sales	440.813.282	132.975.073	548.627.335	163.691.501
Cost of sales (-)	(247.812.106)	(79.329.324)	(361.987.862)	(108.754.861)
Gross profit	193.001.176	53.645.749	186.639.473	54.936.640
General administrative expenses (-)	(84.069.872)	(27.034.036)	(102.965.198)	(34.672.346)
Marketing expenses (-)	(98.692.482)	(31.111.248)	(93.023.278)	(32.702.556)
Other operating income	60.446.212	25.112.426	63.293.436	10.917.079
Other operating expenses (-)	(41.957.113)	(14.822.692)	(19.443.836)	(3.791.284)
Operating profit	28.727.921	5.790.199	34.500.597	(5.312.467)
Share of loss of investments accounted by the equity method	(1.089.238)	(429.319)	(2.039.658)	(1.881.855)
Income from investing activities	11.695.660	9.219.565	32.505.243	29.424.329
Expense from investing activities (-)	(36.393.404)	(1.474.510)	(27.437.025)	(3.437.853)
Operating profit before financial expense	2.940.939	13.105.935	37.529.157	18.792.154
Financial expenses (-)	(30.604.004)	(22.477.286)	(86.994.700)	(42.471.037)
(Loss) before tax	(27.663.065)	(9.371.351)	(49.465.543)	(23.678.883)
Continuing operations tax (expense) /benefit	(984.778)	579.225	6.555.106	7.204.393
Current tax (expense)	(9.419.519)	(1.268.170)	(2.356.882)	4.591.179
Deferred tax benefit	8.434.741	1.847.395	8.911.988	2.613.214
Net (loss) from continuing operations	(28.647.843)	(8.792.126)	(42.910.437)	(16.474.490)
Discontinued operations				
Net (loss) for period	(28.647.843)	(8.792.126)	(42.910.437)	(16.474.490)
Allocation of net (loss) for period				
Attributable to non-controlling interests	(15.254.731)	(4.718.989)	(16.892.834)	(10.288.670)
Attributable to equity holders of the parent company	(13.393.112)	(4.073.137)	(26.017.603)	(6.185.820)
(Loss) per share (TL)				
(Loss) per share from continuing operations	(0,0243)	(0,0074)	(0,0471)	(0,0112)
(Loss) per share from discontinued operations	-	-	-	-
(Loss) / Earning per share from continuing and discontinued operations	-	-	-	-
Other comprehensive (expense) / income				
Net (loss) for period	(28.647.843)	(8.792.126)	(42.910.437)	(16.474.490)
Accumulated other comprehensive income or expenses that will be reclassified to profit or loss				
-Change in foreign currency differences	(20.733.323)	(31.443.219)	(44.086.589)	(30.923.460)
-Change in investment properties fair value reserve	995.530	995.530	-	-
Other comprehensive (expense) / income after tax	(19.737.793)	(30.447.689)	(44.086.589)	(30.923.460)
Total comprehensive (expense) / income	(48.385.636)	(39.239.815)	(86.997.026)	(47.397.950)
Allocation of total comprehensive (expense) / income				
Attributable to non-controlling interests	(24.145.081)	(16.362.668)	(23.277.672)	(15.284.326)
Attributable to equity holders of the parent company	(24.240.555)	(22.877.147)	(63.719.354)	(32.113.624)

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

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

Note References	Share Capital	Inflation adjustment to share capital	Share premiums	Accumulated	Change in	Accumulated	Restricted reserves	Retained earnings	Net profit / (loss) for the period	Equity allocated to parent company	Non- controlling interests	Total equity	
				other comprehensive income/expense that will be reclassified to profit or loss	investment properties fair value reserve	other comprehensive income/expense that will not be reclassified to profit or loss							
				Translation reserves									
Balances at 1 January 2014	22	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
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 income	-	-	-	-	(37.701.751)	-	-	-	-	(26.017.603)	(63.719.354)	(23.277.672)	(86.997.026)
- <i>Change in translation reserves</i>	-	-	-	-	(37.701.751)	-	-	-	-	-	(37.701.751)	(6.384.838)	(44.086.589)
- <i>Net (loss) for the period</i>	-	-	-	-	-	-	-	-	-	(26.017.603)	(26.017.603)	(16.892.834)	(42.910.437)
Balances at 30 September 2014	22	552.000.000	77.198.813	76.944	59.971.844	-	(15.453.900)	165.883.369	(205.665.909)	(26.017.603)	607.993.558	29.555.584	637.549.142
Balances at 1 January 2015	22	552.000.000	77.198.813	76.944	6.633.568	-	(15.331.957)	165.883.369	(201.896.442)	(168.672.590)	415.891.705	11.302.468	427.194.173
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	-	-	-	-	-	-	-	-	-	-	-	(441.187)	(441.187)
Sale of subsidiary	-	-	-	-	-	-	1.253.921	-	2.987.605	-	4.241.526	71.809	4.313.335
Effect of change in subsidiary ownership	-	-	-	-	-	-	-	-	-	-	-	(57.288)	(57.288)
Total comprehensive expense	-	-	-	-	(11.842.973)	995.530	-	-	-	(13.393.112)	(24.240.555)	(24.145.081)	(48.385.636)
- <i>Revaluation losses on defined benefit plans</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
- <i>Change in investment properties fair value reserve</i>	-	-	-	-	-	995.530	-	-	-	-	995.530	-	995.530
- <i>Change in translation reserves</i>	-	-	-	-	(11.842.973)	-	-	-	-	-	(11.842.973)	(8.890.350)	(20.733.323)
- <i>Net (loss) for the period</i>	-	-	-	-	-	-	-	-	-	(13.393.112)	(13.393.112)	(15.254.731)	(28.647.843)
Balances at 30 September 2015	22	552.000.000	77.198.813	76.944	(5.209.405)	995.530	(14.078.036)	187.166.210	(383.832.771)	(13.393.112)	400.924.173	(13.269.279)	387.654.894

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

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

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

	Current Period (Unaudited) 1 January- 30 September 2015	Previous Period (Unaudited) 1 January- 30 September 2014
CASH FLOW FROM COMPANY'S OPERATIONS	22.961.223	(13.499.423)
(Loss) for the period	(28.647.843)	(42.910.437)
Adjustments to reconcile net (loss) for the period	109.616.408	62.938.609
Adjustments regarding depreciation	27.180.656	32.742.082
Adjustments regarding amortization	16.583.135	20.962.944
Adjustments regarding loss on disposal of property, plant and equipment	(4.322)	(25.414.819)
Adjustments regarding tax (income) / expense	984.778	(6.555.106)
Adjustments regarding provision for employment benefits and unused vacation rights	6.347.291	8.666.791
Impairment losses on intangible assets	34.845.374	-
Impairment losses on goodwill and assets held for sale	-	12.719.166
Adjustments regarding income accruals	(1.553.229)	(609.218)
Adjustments regarding interest accruals and income	(2.346.591)	(3.174.695)
Unrealized finance income from term sales	(4.826.526)	(5.130.031)
Unrealized finance expense from term purchases	(946.762)	(1.867.762)
Adjustments regarding interest accruals and expenses	14.436.504	12.031.098
Unrealized foreign exchange expense from borrowings	12.002.901	6.456.565
Adjustments regarding change in fair value of investment properties	(8.001.434)	1.760.418
Adjustments regarding (Increase)/decrease in deferred income	1.203.813	396.893
Adjustments regarding provision for impairment of inventories	2.502.625	981.020
Loss from investments accounted by the equity method	1.089.238	2.039.658
Provision for doubtful receivables	7.045.718	4.693.283
Provision for lawsuits	3.459.502	1.300.850
Reversals of provisions	(386.263)	(232.039)
Subsidiary Sales Loss	-	1.171.511
Changes in working capital:	(58.007.342)	(33.527.595)
Change in blocked deposit	-	1.590
Changes in trade and related party receivables	(3.953.831)	(28.844.789)
Changes in inventories	(2.685.775)	3.488.711
Change in prepaid expenses	(893.628)	(979.981)
Change in other current asset	(4.786.313)	3.092.449
Change in other financial assets and liabilities	(19.936.670)	(18.032.776)
Changes in trade and related party payables	(3.461.491)	(12.004.442)
Change in other short term liabilities	(14.650.900)	24.942.766
Changes in other non-current assets	(88.154)	(1.301.901)
Changes in payables due from employment benefits	2.513.819	2.193.211
Change in deferred revenues	1.342.846	(551.536)
Taxes paid	(5.485.904)	(2.394.882)
Collections from doubtful receivables	2.025.463	2.956.787
Employment benefits and unused vacation rights paid	(7.946.804)	(6.092.802)
CASH FLOW FROM INVESTING ACTIVITIES :	6.738.445	116.842.918
Purchases of property, plant and equipment	(4.160.011)	(5.712.713)
Purchases of intangible assets	(8.804.379)	(6.599.072)
Proceeds from sales of property, plant and equipment, intangible assets and investment properties	9.873.373	108.785.932
Interests received	7.003.333	8.632.815
Proceeds from sale of subsidiary	2.826.129	11.735.956
CASH FLOW FROM FINANCING ACTIVITIES :	(50.603.628)	(110.053.502)
Change in blocked deposit	(63.504)	36.592.072
Increase in share capital of non-controlling interests	-	3.279.095
Funds received from shareholders	6.289.371	-
Dividends paid to non-controlling interests	(441.187)	(1.302.938)
Bank borrowings received	58.830.109	117.866.698
Bank borrowings paid	(99.837.568)	(247.150.175)
Decrease in financial liabilities to suppliers	(2.215.374)	(6.472.257)
Interests paid	(13.165.475)	(12.865.997)
Effects of foreign exchange rate on cash and cash equivalents	10.132.988	29.581.591
Change in cash and cash equivalents	(10.770.972)	22.871.584
Cash and cash equivalents at the beginning of the period	56.604.647	46.972.961
Cash and cash equivalents at the end of the period	45.833.675	69.844.545