

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 JUNE 2019**

**(ORIGINALLY ISSUED IN TURKISH)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 JUNE 2019**

<b>CONTENTS</b>	<b>PAGE</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....</b>	<b>1-3</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS.....</b>	<b>4</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME</b>	<b>5</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....</b>	<b>6</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS .....</b>	<b>7-8</b>
<b>NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....</b>	<b>9-57</b>
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS .....	9-10
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS .....	10-21
NOTE 3 SEGMENT REPORTING.....	22-23
NOTE 4 SHORT TERM AND LONG TERM BORROWINGS .....	23-25
NOTE 5 TRADE RECEIVABLE AND PAYABLES.....	25-26
NOTE 6 INVESTMENTS ACCOUNTED BY THE EQUITY METHOD.....	27
NOTE 7 INVESTMENT PROPERTIES .....	27-28
NOTE 8 PROPERTY, PLANT AND EQUIPMENT .....	29-30
NOTE 9 INTANGIBLE ASSETS .....	31-32
NOTE 10 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	33-34
NOTE 11 COMMITMENTS.....	34-35
NOTE 12 PROVISIONS FOR EMPLOYMENT BENEFITS.....	36-37
NOTE 13 EQUITY.....	37-40
NOTE 14 SALES AND COST OF SALES.....	40-41
NOTE 15 INCOMES FROM INVESTING ACTIVITIES.....	42
NOTE 16 EXPENSES FROM INVESTING ACTIVITIES .....	42
NOTE 17 FINANCIAL EXPENSES.....	42
NOTE 18 INCOME TAXES .....	43-44
NOTE 19 ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS .....	45
NOTE 20 RELATED PARTY DISCLOSURES.....	45-47
NOTE 21 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS .....	48-51
NOTE 22 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING).....	52-57
NOTE 23 EVENTS AFTER THE REPORTING PERIOD.....	57

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT  
1 JANUARY – 30 JUNE 2019**

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

	<b>Note references</b>	<b>(Reviewed) Current Period 30 June 2019</b>	<b>(Audited) Prior Period 31 December 2018</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		9,150,774	56,867,896
Financial investment		73,122	72,133
Trade receivables			
-Trade receivables from related parties	20	82,830,928	59,248,328
-Trade receivables from non-related parties	5	90,704,406	103,180,193
Other receivables			
-Other receivables from related parties	20	119,557,863	117,323,015
-Other receivables from non-related parties		12,974,088	4,326,809
Inventories		15,988,254	17,527,084
Prepaid expenses		5,593,321	4,291,302
Other current assets		2,931,380	15,893,989
<b>Total Current Asset</b>		<b>339,804,136</b>	<b>378,730,749</b>
<b>Non-current assets</b>			
Financial investments		313,923	313,923
Other receivables			
-Other receivables from non-related parties		4,717,327	5,363,176
Financial investments accounted for using the equity method	6	2,270,335	4,479,950
Investment properties	7	194,391,868	197,465,641
Tangible assets	8	278,625,862	273,576,563
Intangible assets			
-Other intangible assets	9	14,989,877	11,954,109
Deferred tax assets	18	2,001,100	1,966,834
Other non-current assets		315,267	317,705
<b>Total Non-Current Assets</b>		<b>497,625,559</b>	<b>495,437,901</b>
<b>Total Assets</b>		<b>837,429,695</b>	<b>874,168,650</b>

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

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT  
1 JANUARY – 30 JUNE 2019**

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

	Note references	(Reviewed) Current Period 30 June 2019	(Audited) Prior Period 31 December 2018
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short-term borrowings	4	-	67,887
Short-term payables from rental services	4		
-Payables from rental services to related parties		1,907,073	-
-Payables from rental services to non-related parties		1,378,529	-
Short-term portion of long-term borrowings	4	15,603,345	15,582,708
Trade payables			
-Trade payables to related parties	20	18,688,233	15,420,957
-Trade payables to non-related parties	5	42,753,364	50,890,149
Employee benefit payables		5,155,332	2,993,159
Other payables			
-Other payables to non-related parties		6,552,982	4,656,574
Deferred income		6,650,591	10,460,323
Current income tax liabilities	18	63,933	527,292
Short-term provisions			
-Short-term provisions for employment benefits	10	13,992,829	14,164,860
-Other short-term provisions	10	8,978,821	6,740,806
Other short-term liabilities		29,064,120	35,166,801
<b>Total Current Liabilities</b>		<b>150,789,152</b>	<b>156,671,516</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	3,911,112	11,733,333
Long-term payables from rental services	4		
-Payables from rental services to related parties		11,569,995	-
-Payables from rental services to non-related parties		3,089,655	-
Deferred income		486,960	901,525
Long-term provisions			
-Long-term provisions for employment benefits	12	47,675,658	45,317,176
Deferred tax liability	18	16,785,670	19,381,541
<b>Total Non-Current Liabilities</b>		<b>83,519,050</b>	<b>77,333,575</b>
<b>Total Liabilities</b>		<b>234,308,202</b>	<b>234,005,091</b>

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT  
1 JANUARY – 30 JUNE 2019**

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

	<b>Note references</b>	<b>(Reviewed) Current Period 30 June 2019</b>	<b>(Audited) Prior Period 31 December 2018</b>
<b>EQUITY</b>			
<b>Total equity</b>		<b>603,121,493</b>	<b>640,163,559</b>
<b>Equity attributable to equity holders of the parent company</b>		<b>603,278,634</b>	<b>639,981,423</b>
Paid-in share capital	13	592,000,000	592,000,000
Adjustment to share capital	13	77,198,813	77,198,813
Share premiums		76,944	76,944
Other comprehensive income and expenses that will not be reclassified subsequently to profit or loss			
- Gain (loss) on remeasurement			
- Gain (loss) on revaluation of tangible assets	13	212,241,738	212,241,738
- Gain (loss) on remeasurement of defined benefit plans	13	(21,093,944)	(21,093,944)
Other comprehensive income and expenses that may be reclassified subsequently to profit or loss			
- Currency translation differences	13	68,695,507	80,374,527
Restricted reserves	13	116,833,222	101,083,330
Retained earnings / Accumulated deficit		(417,649,877)	(671,268,213)
Net profit (loss) for the period		(25,023,769)	269,368,228
<b>Non-controlling interests</b>		<b>(157,141)</b>	<b>182,136</b>
<b>Total liabilities and equity</b>		<b>837,429,695</b>	<b>874,168,650</b>

These condensed consolidated interim financial statements as at and for the period ended 30 June 2019 were approved by the Board of Directors on 8 August 2019.

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE INTERIM PERIOD 1 JANUARY- 30 JUNE 2019**

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

		(Reviewed) Current Period 1 January - 30 June 2019	(Not Reviewed) Current Period 1 April - 30 June 2019	Revised (Reviewed) Prior Period 1 January - 30 June 2018	Revised (Not Reviewed) Prior Period 1 April - 30 June 2018
	Note References				
Sales	14	185,762,167	91,345,099	223,576,840	114,095,112
Cost of sales (-)	14	(160,208,813)	(81,070,799)	(142,014,929)	(74,169,751)
<b>Gross profit/(loss)</b>		<b>25,553,354</b>	<b>10,274,300</b>	<b>81,561,911</b>	<b>39,925,361</b>
General administrative expenses (-)		(38,060,143)	(18,113,266)	(36,770,001)	(16,316,292)
Marketing expenses (-)		(30,159,784)	(13,944,383)	(40,164,671)	(19,805,322)
Other operating income		32,735,338	18,575,512	34,839,069	20,873,680
Other operating expenses (-)		(19,035,886)	(13,004,396)	(27,989,280)	(19,930,806)
<b>Operating profit/(loss)</b>		<b>(28,967,121)</b>	<b>(16,212,233)</b>	<b>11,477,028</b>	<b>4,746,621</b>
Share of (loss)/gain of investments accounted by the equity method	6	(2,504,362)	(1,483,964)	(879,393)	(519,062)
Income from investing activities	15	13,858,259	2,682,230	304,610,411	303,123,940
Expenses from investing activities (-)	16	(345,526)	(192,594)	(1,665,576)	(71,499)
<b>Operating profit/(loss) before finance income/(expense)</b>		<b>(17,958,750)</b>	<b>(15,206,561)</b>	<b>313,542,470</b>	<b>307,280,000</b>
Finance expenses (-)	17	(14,827,279)	(7,394,949)	(15,505,278)	(6,278,943)
<b>Profit/(loss) before tax from continuing operations</b>		<b>(32,786,029)</b>	<b>(22,601,510)</b>	<b>298,037,192</b>	<b>301,001,057</b>
<b>Tax income/(expense) of continuing operations</b>	<b>18</b>	<b>2,679,876</b>	<b>1,583,407</b>	<b>(18,674,394)</b>	<b>(16,547,920)</b>
Current tax income (expense)	18	(393,435)	(256,446)	(20,583,339)	(20,457,305)
Deferred tax income (expense)	18	3,073,311	1,839,853	1,908,945	3,909,385
<b>Profit/(loss) for the period from continuing operations</b>		<b>(30,106,153)</b>	<b>(21,018,103)</b>	<b>279,362,798</b>	<b>284,453,137</b>
Profit (loss) for the period from discontinued operations		5,204,605	713,913	(3,850,504)	(3,917,729)
<b>Net profit/(loss) for the period</b>		<b>(24,901,548)</b>	<b>(20,304,190)</b>	<b>275,512,294</b>	<b>280,535,408</b>
<b>Allocation of net profit/(loss) for the period</b>					
Attributable to non-controlling interests		122,221	77,670	(67,099)	(3,651)
Attributable to equity holders of the parent company		(25,023,769)	(20,381,860)	275,579,393	280,539,059
<b>Loss per share</b>					
Attributable to shareholders of the parent company		(0.0423)	(0.0344)	0.4655	0.4739

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

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE  
INCOME FOR THE INTERIM PERIOD 1 JANUARY- 30 JUNE 2019**

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

		(Reviewed)	(Not Reviewed)	Revised (Reviewed)	Revised (Not Reviewed)
		Current Period	Current Period	Prior Period	Prior Period
	Note	1 January -	1 April -	1 January -	1 April -
	References	30 June 2019	30 June 2019	30 June 2018	30 June 2018
<b>Other comprehensive income statement</b>					
<b>Net profit/(loss) for the period</b>		<b>(24,901,548)</b>	<b>(20,304,190)</b>	<b>275,512,294</b>	<b>280,535,408</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income (expense) that will not be subsequently reclassified to profit and loss</b>					
- Gain/(loss) on foreign currency		(12,140,518)	(3,939,086)	1,477,156	502,443
- Other comprehensive income/ (expense) from cash flow hedges		-	-	3,101,031	161,571
Taxes related to other comprehensive income/ (expense) that will be subsequently reclassified to profit and loss					
- Other comprehensive income/ (expense) from cash flow hedges, tax effect	19	-	-	(682,227)	(35,546)
<b>Other comprehensive income/(expense)</b>		<b>(12,140,518)</b>	<b>(3,939,086)</b>	<b>3,895,960</b>	<b>628,468</b>
<b>Total comprehensive income/(expense)</b>		<b>(37,042,066)</b>	<b>(24,243,276)</b>	<b>279,408,254</b>	<b>281,163,876</b>
<b>Allocation of total comprehensive income/(expense)</b>					
Attributable to non-controlling interests		(339,277)	(57,107)	(218,073)	(103,123)
Attributable to shareholders of the parent company		(36,702,789)	(24,186,169)	279,626,327	281,266,999

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

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY- 30 JUNE 2019

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

	Note	Other comprehensive income (expense) that will be subsequently reclassified to profit or loss					Other comprehensive income (expense) that will not be subsequently reclassified to profit or loss			Accumulated profits		Equity attributable		Total
		Share	Adjustment to share	Share premiums (discounts)	Hedge instrument gain (loss)	Currency translation differences <sup>(1)</sup>	Gain (losses) on revaluation	Gain (losses) on remeasurement of defined benefit plan	Restricted reserves	Retained earnings / (losses) <sup>(2)</sup>	Net profit / (loss) for the period	to shareholders of the parent company	Non-controlling interests	
references	capital	capital		gain (loss)									equity	
Balances at 1 January 2018	13	552,000,000	77,198,813	76,944	(856,705)	72,041,619	187,778,810	(18,617,479)	191,532,907	(494,582,896)	(264,505,378)	302,066,635	1,040,275	303,106,910
Adjustments related to required changes in accounting policies (Note 2)		-	-	-	-	-	-	-	-	(2,784,761)	-	(2,784,761)	(122,369)	(2,907,130)
IFRS 9 policy change effect, net		-	-	-	-	-	-	-	-	(2,784,761)	-	(2,784,761)	(122,369)	(2,907,130)
Balances after adjustments		552,000,000	77,198,813	76,944	(856,705)	72,041,619	187,778,810	(18,617,479)	191,532,907	(497,367,657)	(264,505,378)	299,281,874	917,906	300,199,780
Transfers		-	-	-	-	-	-	-	(90,604,822)	(173,900,556)	264,505,378	-	-	-
Purchase or sale of subsidiary		-	-	-	-	-	-	-	-	-	-	-	(104,659)	(104,659)
Proceeds from changes in ownership interests in subsidiaries that do not result in loss of control <sup>(2)</sup>		-	-	-	-	-	-	-	-	-	-	-	197,652	197,652
Total comprehensive income / (expense)		-	-	-	2,418,804	1,628,130	-	-	-	-	275,579,393	279,626,327	(218,073)	279,408,254
- Other comprehensive income (expense)		-	-	-	2,418,804	1,628,130	-	-	-	-	-	4,046,934	(150,974)	3,895,960
-Net profit (loss) for the period		-	-	-	-	-	-	-	-	-	275,579,393	275,579,393	(67,099)	275,512,294
Balances at 30 June 2018	13	552,000,000	77,198,813	76,944	1,562,099	73,669,749	187,778,810	(18,617,479)	100,928,085	(671,268,213)	275,579,393	578,908,201	792,826	579,701,027
Balances at 1 January 2019	13	592,000,000	77,198,813	76,944	-	80,374,527	212,241,738	(21,093,944)	101,083,330	(671,268,213)	269,368,228	639,981,423	182,136	640,163,559
Transfers		-	-	-	-	-	-	-	15,749,892	253,618,336	(269,368,228)	-	-	-
Total comprehensive income / (expense)		-	-	-	-	(11,679,020)	-	-	-	-	(25,023,769)	(36,702,789)	(339,277)	(37,042,066)
-Other comprehensive income (expense)		-	-	-	-	(11,679,020)	-	-	-	-	-	(11,679,020)	(461,498)	(12,140,518)
- Changes in currency translation differences		-	-	-	-	(11,679,020)	-	-	-	-	-	(11,679,020)	(461,498)	(12,140,518)
-Net profit (loss) for the period		-	-	-	-	-	-	-	-	-	(25,023,769)	(25,023,769)	122,221	(24,901,548)
Balances at 30 June 2019	13	592,000,000	77,198,813	76,944	-	68,695,507	212,241,738	(21,093,944)	116,833,222	(417,649,877)	(25,023,769)	603,278,634	(157,141)	603,121,493

<sup>(1)</sup> In accordance with the board decision dated 22 November 2017 of Pronto Media Holding, which is located in Russia as the indirect subsidiary of Trader Media East Ltd. of which of the Group owns 97.29% shares, the Group decided to discontinue the digital operations within its body and impairment losses of such operations have been recognized under “discontinued operations” in the in statement of profit (loss). Additionally, currency translation differences recognized under equity attributable to TME activities will be transferred from equity to the statement of profit or loss when the necessary conditions are met.

<sup>(2)</sup> In 2019, The transfer is subjected to the restricted reserves.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE  
INTERIM PERIOD 1 JANUARY – 30 JUNE 2019**

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

	<b>Note References</b>	<b>(Reviewed) Current Period 1 January - 30 June 2019</b>	<b>Revised (Reviewed) Prior Period 1 January - 30 June 2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>(17,499,898)</b>	<b>40,486,036</b>
<b>Net profit (loss) for the period</b>		<b>(24,901,548)</b>	<b>275,512,294</b>
Profit (loss) from continuing operations		(30,106,153)	279,362,798
Profit (loss) from discontinued operations		5,204,605	(3,850,504)
<b>Adjustments to reconcile profit (loss) for the period</b>		<b>43,347,096</b>	<b>(249,343,206)</b>
Adjustments related to depreciation and amortization expenses	8, 9	16,696,343	10,576,911
Adjustments related to impairment (reversal)			
Adjustments related to impairment (reversal) of receivables	5	3,356,831	8,308,887
Adjustments related to provision for impairment of inventories		539,870	245
Adjustments related to impairment (reversal) of investment property	7	-	987,426
Adjustments related to provisions			
Adjustments related to (reversal) of provision for employment benefits	10, 12	6,349,409	4,619,243
Adjustments related to litigation and legal provisions (reversal)	10	2,737,696	980,862
Adjustment related to general provisions (reversals)	5	371,712	864,625
Adjustment related to other provisions (reversals)		1,076,591	6,008,880
Adjustments related to interest (income) expense			
Adjustments related to interest income		(600,887)	(1,056,082)
Adjustments related to interest expense	17	7,352,808	12,788,831
Unearned finance income due to term purchases		(14,761,908)	(4,560,027)
Unearned finance revenue due to term sales		288,084	15,347,646
Adjustments related to undistributed profits of investment accounted at equity method			
Adjustments related to undistributed profits of associates	6	2,504,362	879,393
Adjustments related to tax (income) expense	18	(2,679,876)	18,543,148
Other adjustment related to noncash items		-	(1,200)
Adjustments related to (gain) loss on sale of tangible assets	8,9	7,949	(1,209,120)
Adjustments related to (gain) loss on sale of assets held for sale		-	(300,838,136)
Other adjustments to reconcile profit (loss)		20,108,112	(21,584,738)
<b>Changes in working capital</b>		<b>(31,349,862)</b>	<b>17,944,238</b>
Adjustments related to (increase) decrease in trade receivables			
(Increase) decrease in trade receivables from related parties		(23,582,600)	(4,832,121)
(Increase) decrease in trade receivables from third parties		19,099,689	(13,367,995)
Adjustments related to (increase) decrease in inventories		645,946	(79,576)
(Increase) decrease in prepaid expenses		(1,302,019)	(1,025,128)
Adjustments related to increase (decrease) in trade payables			
Increase (decrease) in trade payables to related parties		3,267,276	(4,193,157)
Increase (decrease) in trade payables to third parties		(8,136,785)	8,761,263
Increase (decrease) in payables related to employee benefits		2,162,173	1,528,469
Increase (decrease) in deferred income		(5,027,418)	37,945,272
Adjustments related to other increase (decrease) in working capital			
(Increase) decrease in other assets related to operating activities		(14,292,906)	(1,887,418)
Increase (decrease) in other liabilities related to operating activities		(4,183,218)	(4,905,371)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE  
INTERIM PERIOD 1 JANUARY – 30 JUNE 2019**

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

	<b>Note References</b>	<b>(Reviewed) Current Period 1 January - 30 June 2019</b>	<b>Revised (Reviewed) Prior Period 1 January - 30 June 2018</b>
<b>Cash generated from operations</b>		<b>(12,904,314)</b>	<b>44,113,326</b>
Employment benefits paid	10, 12	(4,242,945)	(7,490,479)
Payments related to other provisions	10	(359,000)	(120,320)
Taxes returns / (payments)	18	(908,175)	(2,119,393)
Other cash inflows / (outflows)	5	914,536	6,102,902
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>1,010,901</b>	<b>149,473,120</b>
Cash inflows from the sale of asset held for sale		-	147,862,599
Cash inflows from sale of tangible, intangible assets	8, 9	95,303	11,514,068
Cash outflows from purchase of tangible, intangible assets and investment properties			
Purchases of tangible assets	8	(2,759,062)	(5,904,259)
Purchases of intangible assets	9	-	(5,056,570)
Cash inflows from sale of investment properties	7	4,254,764	-
Cash outflows from purchase of investment properties	7	(1,180,991)	-
Cash inflows from governmental incentive		-	(6,809,271)
Dividends received		-	1,200
Interests received		600,887	1,056,082
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(17,334,747)</b>	<b>(239,762,457)</b>
Cash flows from changes in ownership of an affiliate not resulting loss of control			
Cash inflows from changes in ownership of an affiliate not resulting loss of control		-	197,652
Cash inflows from borrowing			
Bank borrowings utilized		-	19,619,287
Cash outflows due from payment of rental agreements		(2,111,479)	-
Cash outflows related to loan payments		(7,869,471)	(246,788,545)
Interests paid	17	(7,352,808)	(12,788,831)
Other cash inflows / (outflows)		(989)	(2,020)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE CHANGES</b>		<b>(33,823,744)</b>	<b>(49,803,301)</b>
Effects of exchange rate changes on cash and cash equivalents		(13,893,378)	(1,430,794)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(47,717,122)</b>	<b>(51,234,095)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>56,867,896</b>	<b>65,946,767</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>9,150,774</b>	<b>14,712,672</b>

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

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

(Amounts expressed in Turkish Lira ("TRY") 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 undertakes journalism, printing, advertising, internet publishing activities and operates seven printing plants with locations in İstanbul, Ankara, İzmir, Adana, Antalya, Trabzon and Germany.

As stated in Note 13, Doğan Şirketler Grubu Holding A.Ş., which has 552.000.000 shares registered in its shares, representing 77.67% of the issued capital of Hürriyet, has transferred to Demirören Medya Yatırımları Ticaret A.Ş. ("Demirören Medya") on 16 May 2018. The share transfer was completed with the extraordinary general meeting held on 6 June 2018. As a result of this transaction, Demirören Medya has become the main shareholder of the Company.

In addition, the issued capital of the Company was increased by TRY 40,000,000 (7.24%) from TRY 552,000,000 to TRY 592,000,000 in accordance with the decision of the Board of Directors dated November 19, 2018. Which is divided into 552,000,000 shares and each share has a nominal value of TRY 1,00 within the registered share capital of TRY 800,000,000. The issuance certificate for the capital increase was approved by the Capital Markets Board dated December 13, 2018 and numbered 63/1446., The capital increase transaction was completed with the cash payment of Demirören Medya on December 21, 2018 and the transaction was registered on 15 January 2019.

The ultimate shareholder of the company is the Demirören family.

The number of employees of the Group as of 30 June 2019 is 1,134 (31 December 2018: 1,135).

The address of the registered office is as follows:

100. Yıl Mahallesi, 2264 Sokak No:1 34204 Bağcılar/İstanbul Turkey

The Company is registered of the Capital Markets Board ("CMB") and its shares have been quoted on the Borsa İstanbul A.Ş. ("BİAŞ or "Borsa" or "BİST") since 25 February 1992. In accordance with the resolution numbered 21/655 on 23 July 2010 and amendment held on 30 October 2014 of CMB; according to the records of Central Securities of Depositary of Turkey (CSD); shares representing 20.81 % as of 30 June 2019 (31 December 2018: 20.81%) of Hürriyet are accepted as "in circulation". As of the date of the report, this ratio is 20.81% (Note 13).

#### 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
Yenibiriş İnsan Kaynakları Hizmetleri	Turkey	Turkey	Internet Publishing
Danışmanlık ve Yayıncılık A.Ş. ("Yenibiriş")	Turkey	Turkey	Internet Publishing
Hürriyet Zweigniederlassung GmbH. ("Hürriyet Zweigniederlassung")	Almanya	Europe	Printing newspaper
Hürriyet Invest B.V. ("Hürriyet Invest")	Netherland	Europe	Investment
Trader Media East Ltd. ("TME")	Jersey	Europe	Investment
Sporarena Dijital Hizmetler Pazarlama ve Ticaret A.Ş. ("Sporarena")	Turkey	Turkey	Internet Publishing
Mirabridge International B.V.	Netherland	Europe	Investment
OOO Pronto Samara	Russia	Russia and EE	Investment
ID Impress Media LLC	Russia	Russia and EE	Newspaper and internet publishing
OOO Rukom	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Media Holding Ltd.	Russia	Russia and EE	Newspaper and internet publishing
OOO Rektcentr	Russia	Russia and EE	Publishing
Publishing House Pennsylvania Inc.	The United States of America	Russia and EE	Internet Publishing
OOO SP Belpronto	Belarus	Russia and EE	Newspaper and internet publishing
Publishing International Holding BV	Netherland	Europe	Newspaper and internet publishing

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 1 -ORGANISATION AND NATURE OF OPERATIONS (Continued)**

**Subsidiaries (Continued)**

<b>Joint Ventures</b>	<b>Registered country</b>	<b>Geographic segment</b>	<b>Nature of business</b>
TOV E-Prostir	Ukraine	Europe	Internet publishing
SP Pronto Kiev	Ukraine	Europe	Newspaper and internet publishing

**Subsidiaries**

Associates of the company, registered countries, nature of business, geographic segments are as follows:

<b>Associates</b>	<b>Registered Country</b>	<b>Geographic segment</b>	<b>Nature of business</b>
Demirören Media International GmbH. (“Demirören Media”)	Germany	Europe	Newspaper publishing

**NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**2.1 Basis of presentation**

**2.1.1 Preparation and presentation of financial statements**

**Statement of Compliance with IAS**

The accompanying consolidated financial statements are prepared in accordance with Capital Markets Board (“CMB”) Communiqué Serial XII, No: 14.1, IAS 34, “Basis of Financial Reporting in Capital Markets” and Turkish Financial Reporting Standards (“IFRS”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”), which is developed by POA and announced to the public by the decision of the POA on 2 June 2016.

For the period ended March 31, 2019, the Group prepared its condensed interim consolidated financial statements in accordance with the Turkish Accounting Standard No.34 Interim Financial Reporting. Condensed interim consolidated financial statements of the Group do not include all the information and disclosures required in the annual financial statements, therefore should be read in conjunction with the Group’s annual financial statements as of December 31, 2018.

The Group records its statutory accounting records in the Tax Legislation and T.C. (Accounting System Implementation General Communiqué) published by Ministry of Finance in accordance to with the Turkish Lira.

Consolidated financial tables are prepared on the historical cost basis except for lands, buildings, investment properties and derivative instruments.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

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

**2.1 Basis of presentation (Continued)**

**2.1.2 Principle of consolidation and equity accounting method**

**(a) Subsidiaries**

***Changes in share capital of the Group's existing subsidiaries:***

The Subsidiaries and their effective ownership interests at 30 June 2019 and 31 December 2018 are as follows:

Subsidiaries	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		Effective ownership interest (%)	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Yenibiriş	100.00	100.00	100.00	100.00
Hürriyet Zweigniederlassung	100.00	100.00	100.00	100.00
Hürriyet Invest	100.00	100.00	100.00	100.00
TME	97.29	97.29	97.29	97.29
SporArena	100.00	100.00	100.00	100.00
ID Impress Media LLC	91.00	91.00	88.53	88.53
Mirabridge International B.V.	100.00	100.00	97.29	97.29
OOO Pronto Samara	100.00	100.00	97.29	97.29
OOO Rukom <sup>(1)</sup>	100.00	100.00	97.29	97.29
OOO Pronto Media Holding Ltd	100.00	100.00	97.29	97.29
OOO SP Belpronto	60.00	60.00	58.37	58.37
OOO Rektcentr	100.00	100.00	97.29	97.29
Publishing House Pennsylvania Inc	100.00	100.00	97.29	97.29
Publishing International Holding BV	100.00	100.00	97.29	97.29

<sup>(1)</sup> The related subsidiary is in liquidation as of 25 June 2019.

**2.1.3 Comparative information and restatement of prior period financial statements**

The Group's condensed consolidated financial statements are prepared comparatively with the previous period to allow for the determination of the financial position and performance trends. In the current period, in case of a necessity, prior period financial statements are reclassified in order to comply with the presentation of its current period consolidated financial statements and significant changes are explained.

**2.1.4 Restatement and errors in the significant accounting policies and estimates**

Any change in the accounting policies resulted from the first time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognised in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

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

**2.1 Basis of presentation (Continued)**

**2.1.4 Restatement and errors in the significant accounting policies and estimates (Continued)**

Except for the changes below, the accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the Group’s last annual consolidated financial statements

The Group has adopted IFRS 16 “Leases” as at 1 January 2019 for the first time, in line with the transition provisions of the standard.

The Group has applied a partial retrospective approach that results in an equal amount of the right of use asset and the lease liability. Since the Group has benefited from all facilitation provisions in the first application, the comparative information presented for 2018 has not been restated, under IAS 17 and related interpretations. The effects of this standard-led accounting policy changes are as follows:

**a) Definition of a lease**

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRS Interpretation 4 “Determining Whether an Arrangement contains a Lease”. Under IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRS Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts that are effective as of 1 January 2019.

**b) As a lessee**

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases –i.e. these leases are on-balance sheet.

The Group has elected not to recognise right-of-use assets and lease liabilities or some leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

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

**2.1 Basis of presentation (Continued)**

**2.1.4 Restatement and errors in the significant accounting policies and estimates (Continued)**

*i. Significant accounting policies*

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

*ii. Transition*

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. The right-of-use assets for most leases were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- As of 1 January 2019, applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs in the measurement of the right of use asset
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

**c) Impacts on the interim condensed consolidated financial statements**

*i. Impacts on transition*

During the transition to IFRS 16, the transition effect of the additional right to use assets, including investment property and additional lease obligations, is summarized below:

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

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

**2.1 Basis of presentation (Continued)**

**2.1.4 Restatement and errors in the significant accounting policies and estimates (Continued)**

	<b>1 January 2019</b>
Right-of-use assets presented in property, plant and equipment	18,202,666
Lease liabilities	(18,202,666)

***ii. Impacts for the period***

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Company recognised TRY 8,443,118 of right-of-use assets (including investment property) and TRY 17,672,524 of lease liabilities as at 30 June 2019.

Also, in relation to those leases under IFRS 16, the Group has recognised depreciation, interest costs and foreign exchange loss instead of operating lease expense. During the three months ended 30 June 2019, the Group recognised TRY 9,759,548 of depreciation charges, TRY 2,123,929 of interest costs and TRY 353,658 foreign exchange loss from these leases.

**2.1.5 New and revised Turkish Financial Reporting Standards ("IFRS")**

In the current period there is no such standard or interpretation affecting the Group's financial performance, statement of financial position, presentation or note disclosures. However, the details of standards and interpretations effective in the current period but have no impact on the consolidated financial statements and standards and interpretations not yet effective and have not been early adopted by the Group are set out below.

**a) The new standards, amendments and interpretations which are effective for the financial statements as of 1 January 2019:**

- IFRS 16 Leases
- Amendments to IAS 28 "Investments in Associates and Joint Ventures" (Amendments)
- IFRIC 23 Uncertainty over Income Tax Treatments
- Annual Improvements – 2015–2017 Period
- Amendments to, "Curtailment or Settlement" (Amendments to IAS 19)
- Prepayment Features with Negative Compensation (Amendments to IFRS 9)

The amendments did not have a significant impact on the Group's financial position and performance except for IFRS 16. The effect of IFRS 16 is shown in Note 2.1.4.

**b) Standards, amendments and interpretations that are issued but not effective as at 30 June 2019:**

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim condensed consolidated financial statements are as follows. the Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

- IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)
- IFRS 17 - The new Standard for insurance contracts



# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

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

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

##### 2.2 Summary of significant accounting policies

The financial statements for the interim period ended on 30 June 2019 are prepared in accordance with IAS 34, "Interim Financial Reporting" for the preparation of IFRS interim period financial statements.

In addition, the financial statements as of 30 June 2019 have been prepared by applying the accounting policies consistent with the accounting policies applied during the preparation of the financial statements at 31 December 2018. Therefore, the financial statements in this attached interim summary should be evaluated together with the financial statements at the end of the year ended 31 December 2018.

##### 2.2.1 Revenue recognition

When the Group fulfills its obligation to perform the assignment by transferring a promised good or service to the customer, the Group records revenue in the financial statements. When the control of an asset is taken (or passed) by the customer, the asset is transferred.

The Group puts revenue into financial statements in accordance with the following 5 basic principles:

- Determination of customer contracts
- Determination of performance obligations in contracts
- Determination of transaction prices in contracts
- Distribution of the transaction price to performance obligations in the contract
- Recognizing revenue when each performance obligation is fulfilled

The Group recognizes a contract with the customer as a revenue if all of the following conditions are met:

- The parties to the agreement have endorsed the contract (in accordance with written, oral or other commercial conventions) and committed to their own performance,
- The Group can identify the rights of each party to the goods or services to be transferred,
- The Group is able to define the payment conditions for the goods or services to be transferred,
- The Convention is inherently commercial,
- It is probable that the Group will collect compensation for the goods or services to be transferred to the customers.

The Group considers only the ability of the customer to pay on time and the intention to do so when assessing whether the collectability of a consideration is probable.

At the beginning of the contract, the Group evaluates the goods or services it promises in the contract with the customer and defines each commitment for transfer to the customer as the obligation to act as follows:

- a) different goods or services (goods or services package) or
- b) a series of different goods or services that show great similarity and follow the same method at the time of transfer to the customer

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

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

**2.2 Summary of significant accounting policies (Continued)**

**2.2.1 Revenue recognition (Continued)**

A series of different goods or services is subject to the same cycle if the following conditions are met together:

- Each different goods or service in the series which the Group is committed to assign to the customer constitutes a performance obligation to be completed over time, meeting the necessary conditions,
- In accordance with the related paragraphs of the Standard, the same method shall be used to measure the progress of the Group in respect of the fulfillment of the obligation of performance of each different goods or services constituting a unit.

When another party intervenes in the provisions of the goods or services to the customer the Group determines that it has a performance obligation to provide the goods or services itself (noble) in accordance with the nature of the commitment or to mediate such goods or services provided by another party (proxy). The group is noble if it controls the designated goods or services before transferring the goods or services to the customer. In the case of fulfillment of the obligation (or bringing it), the gross amount of the price that it waits for the transferred goods or services is taken on the financial statements as a revenue. The Group is a proxy if it acts as intermediary for the provision of goods or services for which the performance obligation has been set aside, and does not reflect the financial statement for the obligation to fulfill the obligation

The fulfillment obligations of the Group are explained below:

<b>Obligation of Conduct</b>	<b>Context</b>
<b>Advertising Revenue</b>	The Group's advertising revenues consist mainly of revenues from advertising in print media and digital media. As advertising is published, the simultaneous use and consumption of the clients' rights shows that the Group has transferred the control of the service overtime. Therefore, revenue is recognised in accordance with output method when the performance obligation is satisfied (as advertising is published). Unpublished portions of advertisements are recognized in the statement of financial position as a contractual obligation.
<b>Subcontracted Printing Revenue</b>	Subcontracted printing revenues consist of the printing services given to the companies within and outside the Group, using the printing facilities owned by the Group. Revenues generated under this service are accounted for "at a specific moment in time" when the newspaper is delivered for distribution.
<b>Newspaper Sales (Circulation) Revenues</b>	Circulation revenues consist of distribution company and revenue from mass sales and newspaper sales. The revenues generated under this service are accounted for "at a specific moment in time" on the date when the newspapers are shipped.

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

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

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

##### 2.2 Summary of significant accounting policies (Continued)

###### 2.2.1 Revenue recognition (Continued)

The Group is an agent for some of the products and services it provides in its "Yakala.co" contracts that companies have agreed to in accordance with their digital marketing strategies. When the Group fulfills the obligation of performance for these contracts which it considers to be an agent, it puts the net amount or commission it expects to deserve into the financial statement. The net amount is the remaining amount after the Group has paid the price or commission, the portals are provided with goods or services. However, in the case of cinema tickets sold in the "Yakala.co" site operating in the field of E-commerce, the Group has an inventory risk regarding the tickets and is principle because it has the discretion in determining the price for this service. Revenue from ticket sales is not a commission income, but is recognized as gross on the financial statements.

The Group considers contractual provisions and commercial practices to determine the transaction price. The transaction price is the amount that the Group expects to qualify for the goods or services it has pledged, other than the amounts collected on behalf of third parties (eg some sales tax), for the customer transfer. Committed to a contract with a client, the price may include fixed amounts, variable amounts, or both. Group contracts can have variable amounts due to turnover based reductions, repayments, points. If the commitment price is a variable amount, the Group determines the cost of the goods or services promised to the customer through the estimated cost to be eligible for the acquisition. It is highly probable that there will not be a significant cancellation of the cumulative gross receipts in the financial statements when the uncertainty related to the variable cost is eliminated in the future because the Group can include part or all of the variable cost amount estimated by the Group. The Group considers both the likelihood and the magnitude of the cancellation of revenue, inasmuch as it is highly probable that there will not be a significant reversal of the cumulative gross receipts in the financial statements when the uncertainty regarding the variable cost subsequently disappears.

Revenue-based premiums that the Group has associated with retroactive service acquisitions to media agencies are variable costs. Revenue-based discounts determined by the Group through estimation are accounted as "contractual obligation" in the statement of financial position.

The Group offers advertising services for advertising and other products and services. The barter of the goods or services with similar characteristics and value is not defined as income generating transactions while the exchange of the goods or services with different characteristics and value is defined as those that generate income. In order to determine the transaction price related to the contracts where the customers committed to make non-cash payment, the Group measures the non- cash price at fair value. In cases where the fair value of the goods or services obtained cannot be measured reliably, revenue is recognized as the reasonable value of the goods or services received, including cash and cash equivalents transferred.

The Group records revenue from barter ad sales as based on accrual. The Group's non-published advertising revenue is recognized as "contractual obligation" in the statement of financial position.

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

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

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

##### 2.2 Summary of significant accounting policies (Continued)

###### 2.2.1 Revenue recognition (Continued)

If a contract has offered the option of obtaining additional goods or services to the business customer, this option will result in a liability if the customer provides a material right not to be obtained unless the contract is signed by the contracting party. If the option gives the customer a material right, the entitled customer pays in advance for the goods or services that it will receive in the future, and the entity receives the financial statements when the goods or services to be delivered in the future are transferred or the option is terminated. If the stand-alone selling price of the customer's option to purchase additional goods or services cannot be directly observed, the entity determines this through estimation. This estimate reflects the discount that the customer would receive if he/she used the option in question, corrected for both of the following:

- (a) a discount that the customer may receive if he/she does not use the option, and
- (b) the likelihood of your choice being used.

After the customer receives a prepayment, the entity shall acquire a contractual obligation of prepayment amount in the financial statement in exchange for the obligation to transfer the goods or services in the future or prepare for the prepayment. When the entity realizes the transfer of the goods or services and therefore fulfills the obligation, the contract derives the obligation from the financial statements (and is included as revenue in the financial statements).

The awards given to the dealers and final sellers of the Group are recognized as a contractual obligation in the financial statements as the awards related to the dealership loyalty project are awarded by the customer as a party and cannot be obtained unless they are signed by the contractor. These prizes won under the Dealer Loyalty Project will be deducted from the contractual obligation and used as financial statements in the form of proceeds.

In cases where the Group has collected a customer's consideration and expects to repay part or all of the consideration to the customer in question, the Group takes the restitution obligation in the financial statements. The return obligation is measured at the cost (ie, the amounts not included in the transaction price) or at the price (or receivable) that the entity does not expect to receive. The return obligation (the change in the transaction price and therefore the contract obligation) is updated at the end of each reporting period, taking into account the changes in the terms.

The Group puts all of the following items into the financial statements in order to account for transfer of the goods and services which may be returned (together with some services provided by registration)

- (a) gross receipts for products transferred at the amount that the entity is not entitled to receive (hence the revenue for the products that are expected to be returned is not included in the financial statements)
- (b) a restitution obligation and
- (c) an asset for which the entity is entitled to recover its products upon the fulfillment of the entity's obligation to return it (and an adjustment to be made in the cost of the sales accordingly).

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

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

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

##### 2.2 Summary of significant accounting policies (Continued)

###### 2.2.1 Revenue recognition (Continued)

An asset included in the financial statements within the scope of the right of withdrawal of the products from the customer for the fulfillment of the obligation of return shall be measured firstly from the previous carrying amount of the product, based on the amount to be found after deducting the expenses expected to be made within the scope of the withdrawal of these products. The Group returns the return obligation measurement at the end of each reporting period, reflecting the changes in the expected return amounts, and takes the necessary corrections as revenue (or rebates) financial statements.

The price specified for a goods or service is the selling price of that goods or service. If there are more than one goods or services to be transferred to the contract, the Group distributes the transaction price to each performance obligation (or different goods or services) at a rate that indicates the price the customer expects to qualify for the transfer of the goods or services promised. In order to reach the purpose of distribution, the Group distributes the transaction price to each performance obligation determined on the contract at a relative individual selling price. To distribute the transaction price on a per-sale price basis relative to each performance obligation, the Group determines the independent sale price of the different goods or services underlying each performance liability in the contract at the beginning of the contract and distributes the transaction price in proportion to these individual selling prices.

When a party fulfills the contract, the entity presents the contract in the statement of financial position as a contractual asset or contractual obligation, depending on the relationship between the actuation of the entity and the payment of the customer. The entity separately displays unconditional rights for the cost as a receivable.

The Group represents a contractual obligation before the transfer of a good or service to the customer, in the event that the customer has a payment of the price of the customer or the price of the customer unconditionally, on the date when the payment is made or on due date, whichever is sooner. The contractual obligation is the obligation to transfer the goods or services to the customer in exchange for the amount that the entity has collected (or is entitled to collect) from the customer.

The Group presents the contract as a contractual asset, except for the amounts presented as receivables, in the event that the Group fulfills the performance by transferring the goods or services to the customer before the payment is made or the payment is made. The contract asset is the right of collecting the price for the goods or services transferred to the customer.

The Group recognizes contractual assets and liabilities in the statement of financial position as "contractual asset" and "contractual obligation" in the balance sheet.

###### 2.2.2 Financial assets

###### Classification and measurement

The Group has categorized its financial assets into three accounts financial assets accounted at amortized cost, financial assets whose fair value is reflected to the statement of income and financial assets whose fair value is reflected to the other comprehensive income. Classification has been performed by considering business model according to the purpose of use and expected cash flow. Management classified its financial assets at the date that the purchase is completed.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

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

**2.2 Summary of significant accounting policies (Continued)**

**2.2.2 Financial assets (Continued)**

*(a) Financial assets accounted at amortized cost:*

Management, which adopted collection business model of cash flow as based on contract including only the payment of cash and the interest stemming from cash balance, classified the financial assets, which have certain and fixed payment, are not traded in active market and not derivative instrument, at amortized cost. If the maturity of the financial asset is less than 12 months, it is called current assets whereas if the maturity is more than 12 months, it is called non-current assets. The financial assets accounted at amortized cost include "Trade Receivable", "Other Receivable" and "Cash and Cash Equivalents". In addition to that, the trade receivables which are taken from factoring firm are classified in the financial assets accounted at amortized cost because its collection risk is not transferred.

*Impairment*

The Group uses the provision matrice by choosing simplified application method in the process of calculating the impairment of trade receivable because such receivables do not have significant funding component. In the case of unimpairment in the trade receivable due to any certain reasons, the Group consider that expected credit loss to be equal to lifelong expected credit loss. The calculation of provision for expected credit loss has been performed such calculation using the expected credit loss ratio determined by considering historical credit loss experience and macroeconomic indicators.

*(b) Assets accounted at fair value*

The assets which management adopted the collection or sale business model of cash flow resulted from contracts have been accounted at fair value. The assets as explained in previous sentence have been classified as the fixed asset if the management does not intend to sell within 12 months. The Group makes a decision about recording the fair value difference as equity investment in the income statement or the other comprehensive income for the investment on the financial assets as based on equity in the process of first record. This decision cannot be changed.

*i) The asset whose fair value is recorded in the income statement*

The assets whose fair value is recorded in the income statement include the "Derivative Instrument" accounts. Derivative instrument is recorded as an asset if its fair value is positive whereas derivative instrument is recorded as a liability if its fair value is negative.

*ii) The asset whose fair value is recorded in the other comprehensive income*

The assets whose fair value is recorded in the other comprehensive income include "Financial investment" and "Derivative instrument" accounts in the financial statement. Valuation difference has been classified in retained earnings in the case of the sale of the assets whose fair value difference is recorded in the other comprehensive income.

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

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

#### 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

The Group's trade receivables from providing goods or services to customers are carried at net of unrealized finance income "unearned financial income due to sales with maturity". Trade receivables, net of unrealized finance income, are calculated by discounting future cash inflows of receivables carried at the original invoice amount using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Effective interest method is calculating the present value in accordance with the compound interest basis. The rate determined by compound interest basis and applied in this method is named "effective interest rate". Short term receivables with indefinite interest rate are carried at cost unless the effect of imputing interest is significant (Note 5).

When calculating the impairment of trade receivables, which are recognised based on the amortised cost in financial statements and do not include an important financing component, Group preferred to adopt "simplified approach" in IFRS 9 standard.

According to "simplified approach" of IFRS 9 Standard, loss provisions concerning trade receivables are calculated equal to "lifetime expected credit loss" if trade receivables are not impaired due to valid reasons as stated in IFRS 9.

Instead of "realised credit losses model" of IAS 39, "Financial Instruments" standard which is valid before 1 January 2018, "expected credit loss model" was defined in accordance with IFRS 9 "Financial Instruments" standard. Expected credit loss is estimated by weighting credit losses, expected to occur throughout the expected life of financial instruments, based on previous statistics. When calculating the expected credit losses, realized credit losses in the previous years and forecasts of the Group are considered.

The Group uses "provision matrix" to calculate the expected credit losses of trade receivables. According to the overdue maturities of trade receivables, certain provision rates are calculated and these ratios are revised each reporting period, if necessary. The change related to the expected credit loss is recorded under other operating income/expense.

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 recognized under other operating income following the deduction from total provision amount.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 3 - SEGMENT REPORTING**

**a) Segment analysis for the period between 1 January - 30 June 2019:**

	<b>Turkey</b>	<b>Russia and EE (*)</b>	<b>Europe</b>	<b>Total</b>
Sales	142,969,378	7,479,181	35,313,608	185,762,167
Cost of sales (-)	(125,927,079)	(4,922,892)	(29,358,842)	(160,208,813)
<b>Gross profit/(loss)</b>	<b>17,042,299</b>	<b>2,556,289</b>	<b>5,954,766</b>	<b>25,553,354</b>
Marketing expenses (-)	(30,118,333)	(41,451)	-	(30,159,784)
Losses from investments accounted by the equity method (-)	(2,504,362)	-	-	(2,504,362)
<b>Net segment result</b>	<b>(15,580,396)</b>	<b>2,514,838</b>	<b>5,954,766</b>	<b>(7,110,792)</b>
General administrative expenses (-)				(38,060,143)
Other operating income				32,735,338
Other operating expenses (-)				(19,035,886)
Finance expenses (-)				(14,827,279)
Income from investing activities				13,858,259
Expense from investing activities (-)				(345,526)
<b>Profit (loss) before tax from continuing operations</b>				<b>(32,786,029)</b>
Tax income (expense) for the period				(393,435)
Deferred tax income (expense)				3,073,311
<b>Profit (loss) for the period from continuing operations</b>				<b>(30,106,153)</b>

(\*) The information related to the discontinued operations in Russia and EE and the financial investments classified as assets held for sale is disclosed in Note 20.

**b) Segment analysis for the period between 1 April – 30 June 2019:**

	<b>Turkey</b>	<b>Russia and EE (*)</b>	<b>Europe</b>	<b>Total</b>
Sales	66,919,963	5,510,212	18,914,924	91,345,099
Cost of sales (-)	(61,340,186)	(3,517,355)	(16,213,258)	(81,070,799)
<b>Gross profit/(loss)</b>	<b>5,579,777</b>	<b>1,992,857</b>	<b>2,701,666</b>	<b>10,274,300</b>
Marketing expenses (-)	(13,922,659)	(21,724)	-	(13,944,383)
Losses from investments accounted by the equity method (-)	(1,483,964)	-	-	(1,483,964)
<b>Net segment result</b>	<b>(9,826,846)</b>	<b>1,971,133</b>	<b>2,701,666</b>	<b>(5,154,047)</b>
General administrative expenses (-)				(18,113,266)
Other operating income				18,575,514
Other operating expenses (-)				(13,004,396)
Finance expenses (-)				(7,394,949)
Income from investing activities				2,682,230
Expense from investing activities (-)				(192,594)
<b>Profit (loss) before tax from continuing operations</b>				<b>(22,601,508)</b>
Tax income (expense) for the period				(256,446)
Deferred tax income (expense)				1,839,853
<b>Profit (loss) for the period from continuing operations</b>				<b>(21,018,101)</b>

(\*) The information related to the discontinued operations in Russia and EE and the financial investments classified as assets held for sale is disclosed in Note 19.



**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 3 - SEGMENT REPORTING (Continued)**

**c) Segment analysis for the period between 1 January – 30 June 2018:**

	<b>Russia and</b>			
	<b>Turkey</b>	<b>EE (*)</b>	<b>Europe</b>	<b>Total</b>
Sales	197,634,957	5,838,961	20,102,922	223,576,840
Cost of sales (-)	(119,836,991)	(3,784,836)	(18,393,102)	(142,014,929)
<b>Gross profit/(loss)</b>	<b>77,797,966</b>	<b>2,054,125</b>	<b>1,709,820</b>	<b>81,561,911</b>
Marketing expenses (-)	(40,128,706)	(35,965)	-	(40,164,671)
Losses from investments accounted by the equity method (-)	(879,393)	-	-	(879,393)
<b>Net segment result</b>	<b>36,789,867</b>	<b>2,018,160</b>	<b>1,709,820</b>	<b>40,517,847</b>
General administrative expenses (-)				(36,770,001)
Other operating income				34,839,069
Other operating expenses (-)				(27,989,280)
Finance expenses (-)				(15,505,278)
Income from investing activities				304,610,411
Expense from investing activities (-)				(1,665,576)
<b>Profit (loss) before tax from continuing operations</b>				<b>298,037,192</b>
Tax income (expense) for the period				(20,583,339)
Deferred tax income (expense)				1,908,945
<b>Profit (loss) for the period from continuing operations</b>				<b>279,362,798</b>

**d) Segment analysis for the period between 1 April – 30 June 2018:**

	<b>Russia and</b>			
	<b>Turkey</b>	<b>EE (*)</b>	<b>Europe</b>	<b>Total</b>
Sales	99,298,310	4,261,779	10,535,023	114,095,112
Cost of sales (-)	(61,659,388)	(2,627,153)	(9,883,210)	(74,169,751)
<b>Gross profit/(loss)</b>	<b>37,638,922</b>	<b>1,634,626</b>	<b>651,813</b>	<b>39,925,361</b>
Marketing expenses (-)	(19,785,010)	(20,312)	-	(19,805,322)
Losses from investments accounted by the equity method (-)	(519,062)	-	-	(519,062)
<b>Net segment result</b>	<b>17,334,850</b>	<b>1,614,314</b>	<b>651,813</b>	<b>19,600,977</b>
General administrative expenses (-)				(16,316,292)
Other operating income				20,873,680
Other operating expenses (-)				(19,930,806)
Finance expenses (-)				(6,278,943)
Income from investing activities				303,123,940
Expense from investing activities (-)				(71,499)
<b>Profit (loss) before tax from continuing operations</b>				<b>301,001,057</b>
Tax income (expense) for the period				(20,457,305)
Deferred tax income (expense)				3,909,385
<b>Profit (loss) for the period from continuing operations</b>				<b>284,453,137</b>

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019

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

NOTE 3 - SEGMENT REPORTING (Continued)

e) Segment assets:

	30 June 2019	31 December 2018
Turkey	754,940,588	785,041,897
Russia and EE	5,694,153	5,191,593
Europe	72,400,458	62,717,620
	<b>833,035,199</b>	<b>852,951,110</b>
Unallocated assets	2,970,389	16,737,590
Investments accounted by the equity method (Note 6)	2,270,335	4,479,950
<b>Total assets per consolidated financial statements</b>	<b>838,275,923</b>	<b>874,168,650</b>

f) Disclosures related to discontinued operations

*Discontinuing the operation of digital platform of Russia and EE*

In accordance with the Board of Directors decision dated 22 November 2017 of Pronto Media Holding, which is located in Russia, as the indirect subsidiary of Trader Media East Ltd, of which the Group owns 97.29% shares, the Group decided to discontinue the operations of digital platforms within its body, due to the intensity of the competition in the operating market and the lack of operational performance and classified such operations as "discontinued operations. The impairment losses due to discontinued operations recognized under "Discontinued Operations" in income statement. Information related to discontinued operations are disclosed in Note 19.

NOTE 4 - SHORT TERM AND LONG-TERM BORROWINGS

The details of financial borrowings at 30 June 2019 and 31 December 2018 are as follows:

	30 June 2019	31 December 2018
<b>Short-term borrowings:</b>		
Short-term bank borrowings	-	67,887
Short-term lease liabilities	3,285,602	-
	<b>3,285,602</b>	<b>67,887</b>
Short term portion of long-term financial liabilities	15,603,345	15,582,708
<b>Total</b>	<b>18,888,947</b>	<b>15,650,595</b>
<b>Long-term borrowings:</b>		
Long-term bank borrowings	3,911,112	11,733,333
Long-term lease liabilities	14,659,650	-
<b>Total</b>	<b>18,570,762</b>	<b>11,733,333</b>

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN  
TURKISH

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019

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

NOTE 4 - SHORT TERM AND LONG TERM BORROWINGS (Continued)

**Bank borrowings:**

The details of bank borrowings at 30 June 2019 and 31 December 2018 are as follows:

	Effective interest rate (%)		Original foreign currency		TRY	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<b>Short-term bank borrowings</b>						
- Euro	-	5.00	-	11,262	-	67,887
<b>Sub-total</b>					-	<b>67,887</b>
<b>Short-term portion of long-term bank borrowings</b>						
- TRY	28.00	28.00	15,603,345	15,582,708	15,603.345	15,582,708
<b>Sub-total</b>					<b>15,603,345</b>	<b>15,582,708</b>
<b>Total short-term bank borrowings</b>					<b>15,603.345</b>	<b>15,650,595</b>
<b>Long-term bank borrowings</b>						
- TRY	28.00	28.00	3,911,112	11,733,333	3,911,112	11,733,333
<b>Total long-term bank borrowings</b>					<b>3,911,112</b>	<b>11,733,333</b>

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019

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

NOTE 4 - SHORT TERM AND LONG TERM BORROWINGS (Continued)

**Bank borrowings (Continued):**

The repayment schedules of bank borrowings are as follows:

Period	30 June 2019	31 December 2018
Up to 6 months	3,870,012	7,828,373
6- 12 months	11,733,333	7,822,222
1- 5 year	3,911,112	11,733,333
<b>Total</b>	<b>19,514,457</b>	<b>27,383,928</b>

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

As of 30 June 2019, the Group has no bank borrowings with floating interest rates (31 December 2018: None).

NOTE 5- TRADE RECEIVABLE AND PAYABLES

Short-term trade receivables net-off of unearned finance income at 30 June 2019 and 31 December 2018 are as follows:

**Short-term receivables from third parties:**

	30 June 2019	31 December 2018
Trade receivables	162,972,011	166,410,199
Notes receivable and cheques	2,096,479	6,883,518
Credit cards receivables	2,768,034	3,262,996
Income accruals	629,676	1,001,388
Unearned finance income		
due from term sales	(2,027,291)	(2,240,276)
Less: Provision for doubtful receivables	(75,734,503)	(72,137,632)
<b>Total</b>	<b>90,704,406</b>	<b>103,180,193</b>

According to a revocable factoring agreement signed with Doruk Faktoring, trade receivables resulting from advertisements, amounting to TRY 69,335,287 (31 December 2018: TRY 80,054,333) are followed up by Doruk Faktoring. The Group has not transferred the risk of default of the receivables mentioned above and has continued to recognize its balance sheet. These receivables are related to commercial advertisements and classified ads. Weighted average maturity of the Group's sales followed up by Doruk Faktoring is 44 days. (31 December 2018: 60 days). The unearned finance income due from term sales related to the receivables followed up by Doruk Faktoring is TRY 994,946 (31 December 2018: TRY 1,614,905) and the compound interest rate is 23.49% per annum (31 December 2018: 23.44%). The rate used in this method and determined on the basis of compound interest is called "effective interest rate"; the aforementioned rate has been determined taking into consideration the data of The Central Bank of the Republic of Turkey.

As of 30 June 2019, and 31 December 2018 the average maturity days of trade receivables that are not followed by Doruk Faktoring are less than 3 months.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019

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

NOTE 5- TRADE RECEIVABLE AND PAYABLES (Continued)

The movements of provision for doubtful receivables are as follows:

	2019	2018
<b>1 January</b>	<b>(72,137,632)</b>	<b>(64,405,568)</b>
The opening effect of IFRS 9 <sup>(*)</sup>	-	(3,727,090)
<b>Reporting</b>	<b>(72,180,892)</b>	<b>(68,132,658)</b>
Additional provisions during the period	(3,356,831)	(7,327,340)
Sale of subsidiary	-	6,410,789
Collections and reversals during the period	914,536	6,102,902
Expected credit loss	-	(581,853)
Collections and provisions related to assets held for sale and discontinued operations	-	(399,694)
Currency translation differences	(1,154,576)	(130,853)
<b>30 June</b>	<b>(75,734,503)</b>	<b>(64,058,707)</b>

(\*)The effect of IFRS 9 amounting to TRY 2,026,428 on doubtful receivable is related to the sale of Glokal.

Short term trade payables to third parties:

Trade payables at 30 June 2019 and 31 December 2018 are as follows:

	30 June 2019	31 December 2018
Short-term trade payables and notes payable	41,858,538	50,473,258
Expense accruals	1,667,772	1,456,270
Unrealized financial expenses due to term purchases	(772,946)	(1,039,379)
<b>Total</b>	<b>42,753,364</b>	<b>50,890,149</b>

As of 30 June 2019, average turnover date of Group's trade payables is 34 days (31 December 2018: 37 days). As of 30 June 2019, unrealized financial expense due to term purchases is TRY 772,946 (31 December 2018: TRY 1,039,379) and the compound interest rate is 23.49% per annum (31 December 2018: 23.44%). The compound interest used in the calculations are defined as the "effective interest rate"; the rate has been determined taking into consideration of data of The Central Bank of the Republic of Turkey.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019

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

NOTE 6 - INVESTMENTS ACCOUNTED BY THE EQUITY METHOD

As of 30 June 2019, and 31 December 2018, the corresponding portion of associate's and joint venture's current assets, non-current assets, short-term and long-term liabilities and shareholders' equity, which are consolidated with the equity method in accordance with IFRS 11 are as follows:

Subsidiaries	30 June 2019 percentage of shares, directly or indirectly owned by Hürriyet and its Subsidiaries (%)	31 December 2018 percentage of shares, directly or indirectly owned by Hürriyet and its Subsidiaries (%)
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Demirören Media	42.42	42.42
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The summary of Group's share of the financial statements of the investments accounted by the equity method at 30 June 2019 and 2018 is as follows:

1 January- 30 June 2019	Total assets	Total liabilities	Net assets	Net sales	Net loss for the period
Demirören Media <sup>(1)</sup>	8,907,328	6,636,993	2,270,335	2,735,755	(2,504,362)
	<b>8,907,328</b>	<b>6,636,993</b>	<b>2,270,335</b>	<b>2,735,755</b>	<b>(2,504,362)</b>

1 January - 30 June 2018	Total assets	Total liabilities	Net assets	Net sales	Net loss for the period
Demirören Media <sup>(1)</sup>	10,187,064	2,755,423	7,431,641	2,672,212	(879,393)
	<b>10,187,064</b>	<b>2,755,423</b>	<b>7,431,641</b>	<b>2,672,212</b>	<b>(879,393)</b>

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019

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

NOTE 7 - INVESTMENT PROPERTY

The movements in investment property as of 30 June 2019 and 2018 are as follows:

	<b>Lands</b>	<b>Buildings <sup>(1)</sup></b>	<b>Total</b>
<b>1 January 2019</b>	<b>140,102,067</b>	<b>57,363,574</b>	<b>197,465,641</b>
Additions	-	1,180,991	1,180,991
Disposal	-	(4,254,764)	(4,254,764)
<b>30 June 2019</b>	<b>140,102,067</b>	<b>54,289,801</b>	<b>194,391,868</b>

	<b>Lands</b>	<b>Buildings <sup>(1)</sup></b>	<b>Total</b>
<b>1 January 2018</b>	<b>120,218,265</b>	<b>52,261,081</b>	<b>172,479,346</b>
Additions	-	7,120,426	7,120,426
Disposal	-	(5,230,000)	(5,230,000)
Change in fair value adjustment	-	(987,426)	(987,426)
Currency translation difference	-	93,755	93,755
<b>30 June 2018</b>	<b>120,218,265</b>	<b>53,257,836</b>	<b>173,476,101</b>

<sup>(1)</sup> Disposal and additions due from the sale of the investment properties occurred via barter agreement.

As of 30 June 2019, mortgage has been established on the land and building investment properties with a net book value of TRY 146,496,537 in the consolidated financial statements (31 December 2018: TRY 146,946,537).

The Group's rent income from investment properties amounted to TRY 2,241,537 as of 30 June 2019 (30 June 2018: TRY 2,159,263) (Note 15). The Group's direct operating expenses arising from the investment properties in the period amounted to TRY 144,836 (30 June 2018: TRY 99,345).

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 7 - INVESTMENT PROPERTY (Continued)**

The information and fair value hierarchy level classification of lands and buildings are as follows 30 June 2019 and 31 December 2018:

	<b>30 June 2019</b>	<b>Fair value as at reporting date</b>		
		<b>Level 1 TRY</b>	<b>Level 2 TRY</b>	<b>Level 3 TRY</b>
Land	140,102,067	-	140,102,067	-
Building	54,289,801	-	54,289,801	-

	<b>31 December 2018</b>	<b>Fair value as at reporting date</b>		
		<b>Level 1 TRY</b>	<b>Level 2 TRY</b>	<b>Level 3 TRY</b>
Land	140,102,067	-	140,102,067	-
Building	57,363,574	-	57,363,574	-

Investment properties of the Group, have been valued by the CMB licensed Real Estate Appraisal Companies using the market comparison analysis approach, cost approach and direct capitalization approach methods. As a result, it was determined that the values calculated from different approaches is similar and consistent with the market comparison method and value has been determined according to the market comparison method. Real Estate Appraisal Companies are authorized by CMB and provide property valuation appraisal services in accordance with the capital markets legislation and have sufficient experience and qualifications regarding the fair value measurement of the real estate in related regions.



**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 8 - PROPERTY, PLANT AND EQUIPMENT**

The movements of property, plant and equipment and related accumulated depreciation for the period ended 30 June 2019 are as follows:

	<b>1 January 2019</b>	<b>Currency translation differences</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>30 June 2019</b>
<b>Cost</b>						
Land and land improvements	176,847,456	1,381,104	-	-	-	178,228,560
Buildings	60,695,465	1,930,884	303,415	-	-	62,929,764
Machinery and equipment	634,317,471	12,101,851	1,124,308	(61,190)	-	647,482,440
Motor vehicles	920,142	-	-	-	-	920,142
Furnitures and fixtures	44,758,396	525,094	503,901	(357,531)	-	45,429,860
Leasehold improvements	14,525,123	-	98,267	-	-	14,623,390
Operational Lease Assets	-	-	18,202,666	-	-	18,202,666
Other tangible assets	4,096,588	354,711	66,142	-	-	4,517,441
Construction in progress	3,866,795	3,375	663,029	-	(4,533,199)	-
	<b>940,027,436</b>	<b>16,297,019</b>	<b>20,961,728</b>	<b>(418,721)</b>	<b>(4,533,199)</b>	<b>972,334,263</b>
<b>Accumulated amortization</b>						
Machinery and equipments	(612,063,654)	(11,884,056)	(3,509,547)	61,190	-	(627,396,067)
Motor vehicles	(581,161)	-	(74,303)	-	-	(655,464)
Furnitures and fixtures	(40,886,193)	(472,861)	(859,440)	254,279	-	(41,964,215)
Leasehold improvements	(10,223,189)	-	(571,798)	-	-	(10,794,987)
Operational Lease Assets	-	-	(9,759,548)	-	-	(9,759,548)
Other tangible assets	(2,696,676)	(232,316)	(209,128)	-	-	(3,138,120)
	<b>(666,450,873)</b>	<b>(12,589,233)</b>	<b>(14,983,764)</b>	<b>315,469</b>	<b>-</b>	<b>(693,708,401)</b>
<b>Net book value</b>	<b>273,576,563</b>					<b>278,625,862</b>

At 30 June 2019, there are mortgages on property, plant and equipment amounting to TRY 168,349,487. (31 December 2018: TRY 168,349,487)

At 30 June 2019 depreciation expense amounting to TRY 6,851,070 (31 December 2016: TRY 5,403,609) is added to cost of sales (Note 14), amounting to TRY 8,168,694 (30 June 2018: TRY 1,729,829) is added to marketing, selling and distribution and general administrative expenses. As of 30 June 2019, there is no classified depreciation expense to discontinued operation. (30 June 2018: TRY 56,388).

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

The movements of property, plant and equipment and related accumulated depreciation for the interim period ended 30 June 2018 are as follows:

	1 January 2018	Currency translation differences	Additions	Disposals	Transfers	Transfer To Assets for Held <sup>(1)</sup>	30 June 2018
<b>Cost</b>							
Land and land improvements	159,445,990	2,804,317	-	-	-	-	162,250,307
Buildings	46,321,552	2,540,408	170,589	-	-	-	49,032,549
Machinery and equipment	604,411,584	18,249,940	487,930	(234,087)	-	(47,926)	622,867,441
Motor vehicles	6,877,448	-	-	(5,957,306)	-	-	920,142
Furnitures and fixtures	43,551,743	707,484	1,345,762	(346,905)	-	(1,327,261)	43,930,823
Leasehold improvements	14,250,572	-	277,118	-	-	(747,646)	13,780,044
Other tangible assets	3,057,957	538,379	11,761	-	-	-	3,608,097
Construction in progress	2,558,748	3,333	3,611,099	-	(570,148)	-	5,603,032
	<b>880,475,594</b>	<b>24,843,861</b>	<b>5,904,259</b>	<b>(6,538,298)</b>	<b>(570,148)</b>	<b>(2,122,833)</b>	<b>901,992,435</b>
<b>Accumulated amortization</b>							
Buildings	(1,877)	-	-	-	-	-	(1,877)
Machinery and equipment	(574,117,072)	(17,991,645)	(4,892,096)	182,030	-	31,030	(596,787,753)
Motor vehicles	(2,599,977)	-	(393,515)	2,486,634	-	-	(506,858)
Furnitures and fixtures	(38,575,655)	(642,644)	(1,261,039)	301,922	-	725,614	(39,451,802)
Leasehold improvements	(9,942,741)	-	(488,652)	-	-	732,918	(9,698,475)
Other tangible assets	(1,736,657)	(316,751)	(154,524)	-	-	-	(2,207,932)
	<b>(626,973,979)</b>	<b>(18,951,040)</b>	<b>(7,189,826)</b>	<b>2,970,586</b>	<b>-</b>	<b>1,489,562</b>	<b>(648,654,697)</b>
<b>Net book value</b>	<b>253,501,615</b>					<b>(633,271)</b>	<b>253,337,738</b>

<sup>(1)</sup> As explained in Note 20, the Group's subsidiary Glokal has been sold to Glocal Invest BV on 14 May 2018 by the decision of the Group Parent Company dated on 6 April 2018.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 9 - INTANGIBLE ASSETS**

The movements of intangible assets and related accumulated amortization for the interim period ended 30 June 2019 are as follows:

	<b>1 January 2019</b>	<b>Currency translation differences</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>30 June 2019</b>
<b>Cost</b>						
Trade names and licenses	50,830,995	(1,531,213)	-	-	-	49,299,782
Customer list	361,869,275	(16,576,513)	-	-	-	345,292,762
Computer software and rights	101,451,788	(4,405,154)	-	(19,678)	-	97,026,956
Internet domain names	7,467,610	-	-	-	-	7,467,610
Other intangible assets <sup>(1)</sup>	12,709,838	-	-	(698,491)	4,533,199	16,544,546
	<b>534,329,506</b>	<b>(22,512,881)</b>	<b>-</b>	<b>(718,169)</b>	<b>4,533,199</b>	<b>515,631,656</b>
<b>Accumulated amortization</b>						
Trade names and licenses	(48,217,652)	1,528,176	(4,814)	-	-	(46,694,290)
Customer list	(361,869,275)	16,576,513	-	-	-	(345,292,762)
Computer software and rights	(96,978,495)	4,623,339	(321,484)	19,678	-	(92,656,963)
Internet domain names	(7,467,610)	-	-	-	-	(7,467,610)
Other intangible assets	(7,842,365)	-	(1,386,280)	698,491	-	(8,530,154)
	<b>(522,375,397)</b>	<b>22,728,028</b>	<b>(1,712,579)</b>	<b>718,169</b>	<b>-</b>	<b>(500,641,779)</b>
<b>Net Book Value</b>	<b>11,954,109</b>					<b>14,989,877</b>

Amortization expense amounting to TRY 778,933 has been included cost of sales (Note 14) (30 June 2018: TRY 2,183,374) and TRY 933,646 in marketing and general administrative expenses (30 June 2018: TRY 698,952) As of 30 June 2019 there are no classified amount into discontinued operations (30 June 2018: TRY 504,759)

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 9 - INTANGIBLE ASSETS (Continued)**

The movements of intangible assets and related accumulated amortization for the period ended 30 June 2018 are as follows:

	<b>1 January 2018</b>	<b>Currency Translation differences</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Transfer To Assets for Held <sup>(3)</sup></b>	<b>30 June 2018</b>
<b>Cost</b>							
Trade names and licenses	44,153,511	4,393,773	-	-	-	-	48,547,284
Customer list	260,233,900	36,140,280	-	-	-	-	296,374,180
Computer software and rights	75,737,317	9,558,664	2,284,285	-	-	(3,442,474)	84,137,792
Internet domain names <sup>(2)</sup>	15,789,329	918,099	-	(11,942,434)	-	-	4,764,994
Other intangible assets <sup>(1)</sup>	8,531,625	-	2,772,285	-	570,148	(2,318,170)	9,555,888
	<b>404,445,682</b>	<b>51,010,816</b>	<b>5,056,570</b>	<b>(11,942,434)</b>	<b>570,148</b>	<b>(5,760,644)</b>	<b>443,380,138</b>
<b>Accumulated amortization</b>							
Trade names and licenses	(38,832,743)	(3,331,737)	(7,615)	-	-	-	(42,172,095)
Customer list	(260,233,900)	(36,140,280)	-	-	-	-	(296,374,180)
Computer software and rights	(70,444,928)	(9,322,221)	(1,132,606)	-	-	2,175,687	(78,724,068)
Internet domain names	(12,921,283)	(935,880)	-	9,092,169	-	-	(4,764,994)
Other intangible assets	(3,735,495)	-	(2,246,864)	-	-	230,371	(5,751,988)
	<b>(386,168,349)</b>	<b>(49,730,118)</b>	<b>(3,387,085)</b>	<b>9,092,169</b>	<b>-</b>	<b>2,406,058</b>	<b>(427,787,325)</b>
<b>Net book value</b>	<b>18,277,333</b>						<b>15,592,813</b>

<sup>(1)</sup> As of 30 June 2018, website development costs amounting to TRY 1,060,263 capitalized under "other intangible assets" and amortized on a straight-line basis over their useful life. (31 December 2017: TRY 3,328,090)

<sup>(2)</sup> Internet domain names related to the sale of website and traffic of Job.ru in the result of discontinuing the digital activities of Russia and EE.

<sup>(3)</sup> As explained in Note 20, assets of Glokal, the Group's subsidiary, have been transferred to assets classified as held for sale by the Group with the decision dated 6 April 2018.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

As of 30 June 2019, and 31 December 2018, short term provisions are as follows:

**Short Term Provisions of Employment Termination Benefits:**

*Provision for unused vacation rights*

	<b>30 June 2019</b>	<b>31 December 2018</b>
Provision for unused vacation rights	13,992,829	14,164,860
<b>Total</b>	<b>13,992,829</b>	<b>14,164,860</b>

Movements of provision for unused vacation rights during the periods ended at 30 June 2019 and 2018 are as follows:

	<b>2019</b>	<b>2018</b>
<b>1 January</b>	<b>14,164,860</b>	<b>13,381,264</b>
Additions during the period	772,071	1,417,171
Payments related to provisions	(1,024,089)	(1,022,386)
Transfer to liabilities related to non-current asset groups as held for sale	-	(389,042)
Currency translation differences	79,987	117,165
<b>30 June</b>	<b>13,992,829</b>	<b>13,504,172</b>

**Other Short Term Provisions:**

*Provision for lawsuit and compensation*

	<b>30 June 2019</b>	<b>31 December 2018</b>
Provision for lawsuit and compensation	8,978,821	6,549,847
Provisions for promotion	-	190,959
<b>Total</b>	<b>8,978,821</b>	<b>6,740,806</b>

The lawsuits against the Group amounted to TRY 10,155,860 (31 December 2018: TRY 11,103,709). 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 analysis, as of 30 June 2019 the Group has set a provision of TRY 8,978,821 for lawsuits (31 December 2018: TRY 6,549,847) but not sure about the payment maturity for the litigation.

As at 30 June 2019 and 31 December 2018, ongoing lawsuits against the group are as follows:

	<b>30 June 2019</b>	<b>31 December 2018</b>
Legal lawsuits	7,004,839	9,959,404
Labor lawsuits	3,081,021	1,124,305
Commercial lawsuits	70,000	20,000
<b>Total</b>	<b>10,155,860</b>	<b>11,103,709</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**Other Short Term Provisions (Continued)**

*Provision for lawsuit and compensation (Continued)*

Movements of provision for lawsuits for the periods ending 30 June 2019 and 2018 are as follows:

	<b>2019</b>	<b>2018</b>
<b>1 January</b>	<b>6,549,847</b>	<b>5,928,728</b>
Additions during the period	3,757,790	1,603,975
Payments related to provisions	(359,000)	(120,320)
Provision reversed	(1,020,094)	(623,113)
Additions discontinued operations during the period	-	(327,013)
Currency translation differences	27,222	80,459
<b>30 June</b>	<b>8,978,821</b>	<b>6,542,716</b>

**NOTE 11 – COMMITMENTS**

**CPM's given by the Group**

As given in the table below, there are no CPM's given to third parties,

Shares belonging to the main shareholder of the Company were purchased by Demirören Media on 16 May 2018. Lenders have the right to place mortgages and pledges on the assets of the Company in the context of shareholder purchase agreement. There is no mortgage or pledge by the lender as of the reporting date.

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 30 June 2019, the Group has unused publication of advertisements commitment amounting to TRY 5,703,480 (31 December 2018: TRY 5,703,480) within these barter contracts. The Group has TRY 2,747,675 amounted receivables as of 30 June 2019 (31 December 2018: TRY 2,747,675) which were invoiced and recognized to financial statements but not yet goods or services were received.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 11 - COMMITMENTS (Continued)**

The Group's collaterals/pledge/mortgage ("CPM") position as of 30 June 2019 and 31 December 2018 are as follows:

	<b>30 June 2019</b>		<b>31 December 2018</b>	
	<b>Foreign Currency</b>	<b>TRY Equivalent</b>	<b>Foreign Currency</b>	<b>TRY Equivalent</b>
A. CPM's given in the name of its own legal personality				
- Collaterals				
TRY	2,661,793	2,661,793	2,661,793	2,661,793
Russian Ruble	-	-	-	-
- Warranty notes				
TRY	203,937	203,937	203,937	203,937
Euro	25,000	163,768	25,000	150,700
- Mortgages				
Avro	2,500,000	14,387,750	2,500,000	13,152,250
B. Total amount of CPM's given on behalf of the fully consolidated companies <sup>(1)</sup>				
- Commitments				
TRY	3,092,505	3,092,505	3,092,505	3,092,505
US Dollar	2,500,000	14,387,750	2,500,000	13,152,250
Euro	-	-	-	-
Russian Ruble	-	-	-	-
C. Total amount of 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				
TRY	-	-	-	-
US Dollar	-	-	-	-
Euro	-	-	-	-
Other	-	-	-	-
iii) Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
<b>Total</b>		<b>37,320,359</b>		<b>32,413,435</b>

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 12- PROVISION FOR EMPLOYEE BENEFITS**

Provision for employment termination benefits at 30 June 2019 and 31 December 2018 are as follows:

**Long term provisions for employment termination benefits**

	<b>30 June 2019</b>	<b>31 December 2018</b>
Provision for employment termination benefits	47,675,658	45,317,176
<b>Total</b>	<b>47,675,658</b>	<b>45,317,176</b>

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 maximum amount payable equals to one month of salary is TRY 6,017.60 as of 30 June 2019 (31 December 2018: TRY 5,434.42) for each year of service. In employee termination benefits provision calculation Group has taken into consideration the ceiling amount TRY 6,379.86 which is effective from 30 June 2019 (31 December 2018: TRY 6,017.60 effective from 1 January 2019).

On the other hand, the Group is liable to make payments to personnel who work for a minimum of 5 years and whose employment is terminated due to any 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.

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement probability of the employees of the Group.

IAS 19 Employee Benefits, requires companies to compute their liabilities by developing actuarial assumptions within defined benefit plans. According to the report prepared by Actuarial firm in order to calculate total liability, the assumptions below are used:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 30 September 2018, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement probability of the employees.

Discount rate is applied as 16.00%<sup>(1)</sup> (31 December 2018: 16.00%), inflation rate applied as 11.30%<sup>(2)</sup> (31 December 2018: 11.30%) and rate of increase in wages applied as 11.30% (31 December 2018: 11.30%) in the calculation.

<sup>(1)</sup> The discount rate used in the calculation of severance payment is determined as 16.00% which is 10 years long term government bond's compound interest rate.

<sup>(2)</sup> The maximum range of inflation rate which is declared in 2018 report of Central Bank of Turkey has been used in retirement payment provision calculation.



**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 12 - PROVISION FOR EMPLOYEE BENEFITS (Continued)**

**Long term provisions for employment termination benefits (Continued)**

Age of retirement is based on considering the Company's historical operating data and taken as the average age of retirement from the Group.

The movements in provision for employment termination benefits during the periods ended at 30 June 2019 and 2018 are as follows:

	2019	2018
<b>1 January</b>	<b>45,317,176</b>	<b>46,184,398</b>
Service cost during the period	1,979,170	1,218,464
Interest cost during the period	3,598,168	1,983,608
Payments and reversal of provisions during the period	(3,218,856)	(6,468,093)
Decrease related to sale of subsidiary	-	(598,458)
<b>30 June</b>	<b>47,675,658</b>	<b>42,319,919</b>

**NOTE 13 – 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 TRY 1. There are no privileged shares. The Company's historical authorized and paid-in share capital at 30 June 2019 and 31 December 2018 are as follows:

	30 June 2019	31 December 2018
Registered share capital	800,000,000	800,000,000
Paid-in share capital	592,000,000	592,000,000

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

Doğan Şirketler Grubu Holding A.Ş., which has 552,000,000 units of shares registered by Central Securities Depository of Turkey, representing 77.67% of the issued capital of Hürriyet, has transferred to Demirören Medya. The share transfer was completed with the extraordinary meeting held on 6 June 2018. As a result of this transaction, Demirören Media became the main shareholder of the Company. The ultimate shareholder of the Company is the Demirören Family.

In addition, in accordance with the decision of the Board of Directors dated November 19, 2018, the issued capital of the Company is TRY 552,000,000 divided into 552,000,000 shares, each having a nominal value of TRY 1,00 in the registered capital ceiling of TRY 800,000,000 to be increased by TRY 40,000,000 (7.24%) to TRY 592,000,000 and the issuance certificate for the capital increase was decided by the Capital Markets Board dated 13 December 2018 and numbered 63/1446 approved. On 21 December 2018, the capital increase transaction was completed and registered on 15 January 2019 by the Istanbul Trade Registry Office.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 13 - EQUITY (Continued)**

<b>Shareholders</b>	<b>30 June 2019</b>	<b>Pay (%)</b>	<b>31 December 2018</b>	<b>Pay (%)</b>
Demirören Medya	468,732,788	79.18	468,732,788	79.18
Other shareholders (BİAŞ and other shareholders)	123,267,212	20.82	123,267,212	20.82
<b>Issued share capital</b>	<b>592,000,000</b>	<b>100.00</b>	<b>592,000,000</b>	<b>100.00</b>
Adjustment to share capital	77,198,813		77,198,813	
<b>Total</b>	<b>669,198,813</b>	<b>100.00</b>	<b>669,198,813</b>	<b>100.00</b>

In accordance with the Capital Markets Board's (the "CMB") Resolution No: 31/1059 30 October 2014 and Resolution No. 21/655 issued on 23 July 2010, it is regarded that 20.81% of the shares are in circulation in accordance with CSD as of 30 June 2019 (31 December 2018: 22.34%) (Note 1). Shares in circulation rate is 20.81% as of reporting date.

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.

***Accumulated other comprehensive income/expenses that will not be reclassified in profit and loss***

Other comprehensive income (expenses) occurred from the gain or 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:

	<b>30 June 2019</b>	<b>31 December 2018</b>
Gain/(loss) from revaluation of property	212,241,738	212,241,738
Remeasurement gain (loss) in defined benefit plans	(21,093,944)	(21,093,944)
<b>Total</b>	<b>191,147,794</b>	<b>191,147,794</b>

The increase of TRY 212,241,738 in the fair value assessment for the financial period of 30 June 2019 for the consolidated financial statement has accounted under a shareholder's securities value increase fund under equity after its tax effect. A fair value assessment has not been taken for tangible assets for the period of 1 January 2019 and 30 June 2019.

The employee termination benefit provision is calculated according to the value of the benefits that the Group is liable for with today's monetary value. The Group has accounted all the actuarial loss and gains regarding employee terminations under the income statement as other income and other expense. The value for reassessed estimation differences accounted under equity is TRY 21,093,944 (31 December 2018: TRY 21,093,944).

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 13 - EQUITY (Continued)**

*Accumulated other comprehensive income and (expenses) that will not be reclassified in profit and loss (Continued)*

	<b>30 June 2019</b>	<b>31 December 2018</b>
Currency translation differences	68,695,507	80,374,527
<b>Total</b>	<b>68,695,507</b>	<b>80,374,527</b>

**Restricted reserves**

Restricted reserves are reserved from the prior period profit due to legal or contractual obligations or for certain purposes other than the profit distribution (for example, to obtain the tax advantage of gain on sale of associates). Restricted reserves are in the scope of solo legal records in accordance with Turkish Commercial Code and Tax Procedure Law.

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" (except for inflation differences) in accordance with IAS.

In accordance with IAS, The Company's restricted reserves amounting to TRY 116,833,222 as of 30 June 2019 (31 December 2018: TRY 101,083,330) consist of legal reserves and gain on sale of real estate and affiliates and R&D incentive grant.

	<b>30 June 2019</b>	<b>31 December 2018</b>
Gain on sale of real estate <sup>(1)</sup>	56,728,014	56,728,014
General legal reserves <sup>(2)</sup>	59,265,973	43,516,081
Gain on sale of subsidiary	683,990	683,990
Research and development grant	155,245	155,245
<b>Total</b>	<b>116,833,222</b>	<b>101,083,330</b>

<sup>(1)</sup> With the decision taken by the Group management, the real estate profit with the amount of TRY 86,647,154 occurred in statutory records from the gain of warehouse sale in Trabzon, sale of lands located in Gaziemir, Izmir and Esenyurt, Istanbul in 2014, gain from sale of investment property in Ankara Cinnah in 2016 and gain of land sale in Muğla Milas and Bağcılar, Istanbul in 2017, amounting to TRY 56,728,014 of total amount that benefits from the exemption referred to in Article 5-1/e of the Corporate Tax Law will not be involved in allocation of profits for periods 1 January 2014 - 31 December 2014, 1 January 2016 - 31 December 2016 and 1 January 2017- 31 December 2017 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.

<sup>(2)</sup> The Group has classified the amount of TRY 15,749,892 from the profits of the period 2018 as General Legal Reserve in 2019.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 13 - EQUITY (Continued)**

**Dividend distribution**

The Company takes dividend distribution decision in General Assembly 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". The principles of dividend distribution are determined by Dividend Distribution Policy.

On the other hand,

- In first adoption of IAS/IFRS, retained earnings resulted from redrafting of comparative financial statements in line with regulations,
- "Equity inflation adjustment differences" resulting from restricted reserves without any record preventing dividend distribution,
- Retained earnings resulting from the first time of inflation adjustments, 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, aforementioned account item is not considered as discount or premium item while calculating the net distributable profit.

**NOTE 14 - SALES AND COST OF SALES**

**Sales**

The detail of sales for the years ended 30 June 2019 and 2018 are as follows:

	<b>1 January- 30 June 2019</b>	<b>1 April- 30 June 2019</b>	<b>1 January- 30 June 2018</b>	<b>1 April- 30 June 2018</b>
Advertising revenue	83,111,773	38,821,439	127,465,749	66,077,317
Circulation and publishing sales	86,145,229	42,773,919	80,941,075	38,357,149
Other	16,505,165	9,749,741	15,170,016	9,660,646
<b>Net Sales</b>	<b>185,762,167</b>	<b>91,345,099</b>	<b>223,576,840</b>	<b>114,095,112</b>
Cost of sales (-)	(160,208,813)	(81,070,799)	(142,014,929)	(74,169,751)
<b>Gross profit (loss)</b>	<b>25,553,354</b>	<b>10,274,300</b>	<b>81,561,911</b>	<b>39,925,361</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 14 - SALES AND COST OF SALES (Continued)**

*Sales (Continued)*

	<b>Printing Media 1 January- 30 June 2019</b>	<b>Digital Media 1 January- 30 June 2019</b>	<b>Printing Media 1 January- 30 June 2018</b>	<b>Digital Media 1 January- 30 June 2018</b>
Domestic	117,630,947	25,338,431	162,340,116	35,294,841
Foreign	35,313,608	7,479,181	20,102,922	5,838,961
<b>Total Sales</b>	<b>152,944,555</b>	<b>32,817,612</b>	<b>182,443,038</b>	<b>41,133,802</b>

**Performance Obligations**

Circulation sales	68,823,385	-	60,072,333	-
Subcontracted printing sales	17,321,844	-	20,868,742	-
Advertising sales	57,773,341	25,338,431	92,170,908	35,294,841
Other sales	9,025,985	7,479,181	9,331,055	5,838,961
	<b>152,944,555</b>	<b>32,817,612</b>	<b>182,443,038</b>	<b>41,133,802</b>

**Fulfillment of the  
Performance Obligations**

In time	95,171,214	7,479,181	90,272,130	5,838,961
At a specific moment in time	57,773,341	25,338,431	92,170,908	35,294,841
	<b>152,944,555</b>	<b>32,817,612</b>	<b>182,443,038</b>	<b>41,133,802</b>

*Cost of Sales*

The details of cost of sales for the periods ended 30 June 2019 and 2018 are as follows:

	<b>1 January - 30 June 2019</b>	<b>1 April - 30 June 2019</b>	<b>1 January - 30 June 2018</b>	<b>1 April - 30 June 2018</b>
Raw material	(70,991,929)	(34,125,049)	(60,186,232)	(30,979,009)
Paper	(44,736,654)	(20,731,902)	(37,823,567)	(20,624,759)
Printing and ink	(15,483,103)	(8,186,726)	(15,558,204)	(7,782,107)
Other	(10,772,172)	(5,206,421)	(6,804,461)	(2,572,143)
Personnel expenses	(58,374,095)	(31,370,307)	(50,183,435)	(26,707,578)
Depreciation Expenses (Note 8,9)	(7,594,003)	(3,648,951)	(7,586,983)	(3,732,718)
Agency expenses	(4,694,798)	(2,326,748)	(4,675,196)	(2,430,036)
Distribution, storage and travel expenses	(2,750,949)	(1,382,920)	(3,364,588)	(1,673,001)
Fuel, electricity, water and office expenses	(2,942,193)	(1,613,072)	(2,416,956)	(1,245,132)
Outsourced services	(1,578,134)	(716,405)	(1,566,149)	(805,387)
Communication expenses	(1,635,652)	(881,772)	(1,476,177)	(765,709)
Maintenance and repair expenses	(1,532,039)	(907,302)	(1,384,281)	(697,859)
Rent expenses	(656,928)	(317,887)	(1,153,857)	(585,518)
Packaging expenses	(862,295)	(446,651)	(762,420)	(358,977)
Other	(6,595,798)	(3,333,735)	(7,258,655)	(4,188,827)
<b>Total</b>	<b>(160,208,813)</b>	<b>(81,070,799)</b>	<b>(142,014,929)</b>	<b>(74,169,751)</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 15- INCOME FROM INVESTING ACTIVITIES**

The details of income from investing activities for the periods ended at 30 June 2019 and 2018 are as follows:

	<b>1 January- 30 June 2019</b>	<b>1 April- 30 June 2019</b>	<b>1 January- 30 June 2018</b>	<b>1 April- 30 June 2018</b>
Gain a on sale of subsidiaries	-	-	294,939,894	294,939,894
Gain on Financial investments (Note 20)	-	-	5,898,242	5,898,242
Rent income (Note 7)	2,241,537	934,571	2,159,263	1,107,643
Gain on sale of tangible assets and investment properties	199,515	61,874	1,589,046	1,176,961
Foreign exchange and other gains	11,417,207	1,685,785	22,766	-
Dividend from financial investments	-	-	1,200	1,200
<b>Total</b>	<b>13,858,259</b>	<b>2,682,230</b>	<b>304,610,411</b>	<b>303,123,940</b>

**NOTE 16- EXPENSE FROM INVESTING ACTIVITIES**

The details of expenses from investing activities for the periods ended at 30 June 2019 and 2018 are as follows:

	<b>1 January- 30 June 2019</b>	<b>1 April- 30 June 2019</b>	<b>1 January- 30 June 2018</b>	<b>1 April- 30 June 2018</b>
Expenses related to investment properties	(138,062)	(6,138)	(297,817)	(17,091)
Loss on change in fair value of investment properties (Note 7)	-	-	(987,426)	-
Loss from sale of tangible assets and investment properties	(207,464)	(186,456)	(379,926)	(54,001)
Other	-	-	(407)	(407)
<b>Total</b>	<b>(345,526)</b>	<b>(192,594)</b>	<b>(1,665,576)</b>	<b>(71,499)</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 17- FINANCIAL EXPENSES**

The details of financial expenses for the periods ended at 30 June 2019 and 2018 are as follows:

	<b>1 January - 30 June 2019</b>	<b>1 April - 30 June 2019</b>	<b>1 January - 30 June 2018</b>	<b>1 April - 30 June 2018</b>
Interest expense on bank loans	(7,352,808)	(217,362)	(12,788,831)	(4,416,342)
Foreign exchange income/(losses), net	(299,344)	(304,398)	(43,960)	432,753
Loan commission, bank costs and factoring expenses	(176,361)	(90,657)	(203,074)	(94,658)
Other	(6,998,766)	(6,782,532)	(2,469,413)	(2,200,696)
<b>Total</b>	<b>(14,827,279)</b>	<b>(7,394,949)</b>	<b>(15,505,278)</b>	<b>(6,278,943)</b>

**NOTE 18- INCOME TAXES**

Assets related to current period tax:

	<b>30 June 2019</b>	<b>31 December 2018</b>
Corporate and income tax payable	358,701	20,703,195
Less: Prepaid taxes	(294,768)	(20,175,903)
<b>Current income tax liabilities</b>	<b>63,933</b>	<b>527,292</b>

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.

Corporate tax rate in Turkey is 22% (31 December 2018: 22%).

In accordance with the regulation numbered 7061, published in Official Gazette on 5 December 2017, "Law on the Amendment of Certain Tax Acts and Some Other Laws", corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22% (2018:22%). Therefore, deferred tax assets and liabilities as of 30 September 2018 are calculated with 22% tax rate for the temporary differences which will be realized in 2018, 2019 and 2020, and with 20% tax for those which will be realized after 2021 and onwards. 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.

The tax rates which are used for the deferred tax calculation in accordance with Tax Legislation of each country as of 30 June 2019 are as follows:

<b>Country</b>	<b>Tax Rate (%)</b>
Germany	28
Belarus	18
Russia	20
Netherland	25

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 18- 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 Financial Reporting Standards announced by Public Oversight Authority and financial statements prepared in accordance with the tax legislation. These differences usually stem from the income and expense to be accounted in different period because of the difference between Financial Reporting Standards announced by Public Oversight Authority and Tax legislation.

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.

	<b>30 June 2019</b>	<b>31 December 2018</b>
Deferred tax liabilities	(16,785,670)	(19,381,541)
Deferred tax assets	2,001,100	1,966,834
<b>Deferred tax liabilities, net</b>	<b>(14,784,570)</b>	<b>(17,414,707)</b>

The temporary differences and deferred tax assets/(liabilities) using the enacted tax rates as of 30 June 2019 and 31 December 2018 are as follows:

	<b>Total temporary differences</b>		<b>Deferred tax assets/ (liabilities)</b>	
	<b>30 June 2019</b>	<b>31 December 2018</b>	<b>30 June 2019</b>	<b>31 December 2018</b>
Provision for employee termination benefits and unused vacation rights	61,006,173	58,663,450	13,421,358	12,905,959
Difference between tax base and carrying value of trade receivables	34,166,496	35,240,250	7,516,629	7,752,855
Deferred income	3,130,632	3,429,868	688,739	754,569
Operational assets reclassification (IFRS 16)	11,139,895	-	2,227,980	-
Difference between tax bases and carrying value of property, plant and equipment and intangibles	(219,925,670)	(216,666,897)	(29,881,938)	(29,092,972)
Investment properties fair value differences	(138,188,956)	(136,003,536)	(12,404,953)	(11,967,870)
Other, net	17,380,298	10,676,298	3,647,615	2,232,752
<b>Total</b>	<b>(231,291,132)</b>	<b>(244,660,567)</b>	<b>(14,784,570)</b>	<b>(17,414,707)</b>

As of 30 June 2019, Group's total deductible loss of which deferred tax assets have not been calculated are TRY 348,616,132 (31 December 2018: TRY 348,616,132).



**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 18- INCOME TAXES (Continued)**

**Deferred Tax (Continued)**

The movements of net deferred tax liabilities for the periods ended 30 June 2019 and 2018 are as follows:

	<b>1 January- 30 June 2019</b>	<b>1 January- 30 June 2018</b>
Current tax income/(expense)	(393,435)	(20,583,339)
Deferred tax income/(expense)	3,073,311	1,908,945
<b>Total</b>	<b>2,679,876</b>	<b>(18,674,394)</b>

**NOTE 19- ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED  
OPERATIONS**

**a) *Discontinuing the digital operation in Russia and EE***

The Board of Directors of Pronto Media Holding, which is located in Russia as the indirect subsidiary of Trader Media East Ltd. ("TME"). That owned by 97.29% by the Group, has decided to discontinue the digital operations on 22 November 2017 due to the operational performance below the desired level. In accordance with the decision, digital operations under Pronto Media Holding are classified as "Discontinued Operations". The impairment losses due to discontinued operations are recognized under "Discontinued Operations" in the statement of profit/loss.

The Group may derecognise its operations abroad in the form of sales, liquidation, repayment of capital or partial or complete abandonment of the entity. A reduction in the carrying amount of an overseas entity will not result in a partial elimination because of its own loss or impairment recognized by the investor. Therefore, any gain or loss on exchange rate differences recognized in other comprehensive income is not reclassified to profit or loss when the impairment loss is recognized.

The Group has monetary liabilities and receivables arising from foreign operations that are not part of the net investment in the foreign operations during the current period. Exchange differences arising from these transactions are recognized in equity under currency translation differences in the Consolidated Financial Statements and will be reflected to profit or loss during sale or wholly liquidation of the net investment.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019

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

NOTE 20 - RELATED PARTY DISCLOSURES

i) Balances of related parties:

a) Short term trade receivables from related parties:

	30 June 2019	31 December 2018
<b>Trade receivables from related parties</b>		
Demirören İnternet Yayıncılığı ve Yatırım A.Ş. ("Demirören İnternet")	36,480,762	29,788,304
Demirören Gazetecilik A.Ş. ("Demirören Gazetecilik")	9,979,599	13,137,527
Demirören TV Holding A.Ş. ("Demirören TV Holding")	9,401,512	4,522,327
Demirören Media	7,273,671	3,725,870
Milliyet Gazetecilik ve Yayıncılık A.Ş. ("Milliyet Gazetecilik")	7,193,663	5,403,867
Doruk TV	5,598,843	-
Demirören Teknoloji A.Ş.	3,840,953	672,013
Demirören Dağıtım Satış ve Pazarlama A.Ş. ("Demirören Dağıtım")	2,482,888	1,820,822
Other	579,037	177,598
<b>Total</b>	<b>82,830,928</b>	<b>59,248,328</b>

b) Short term payables to related parties:

	30 June 2019	31 December 2018
<b>Trade payables to related parties</b>		
Demirören Media <sup>(1)</sup>	11,108,340	11.885.698
Demirören Haber Ajansı A.Ş. ("DHA")	4,241,043	2.611.011
Eko TV Televizyon ve Radyo Yayıncılık A.Ş. ("Eko TV")	2,467,918	247.981
Demirören TV Dijital Platform İşletmeciliği A.Ş. ("Demirören TV Dijital")	208,596	392.632
Other	662,336	283.635
<b>Total</b>	<b>18,688,233</b>	<b>15.420.957</b>

<sup>(1)</sup> The amounts paid by Demirören Media in return for the printing of Demirören Media newspapers at the facilities of Hürriyet Frankfurt Germany.

c) Other receivables from related parties

	30 June 2019	31 December 2018
<b>Short term other receivables from related parties:</b>		
Demirören Medya <sup>(1)</sup>	119,557,863	117,323,015
<b>Total</b>	<b>119,557,863</b>	<b>117,323,015</b>

<sup>(1)</sup> Consist of receivables that the Group will receive from its parent company related to the sale of its subsidiaries. The Company has assigned these receivables to its main shareholder Demirören Medya with regard to the sales contract between Doğan Holding and Demirören Media. Notes receivables from Demirören Media are taken for the collection of related receivables, as the late interest rate is charged, the amount does not discounted.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 20- RELATED PARTY DISCLOSURES (Continued)**

**ii) Significant transactions with related parties:**

Transactions in related parties for the periods ended as of 30 June 2019 and 2018 are as follows:

**a) Significant service and product sales to related parties:**

	<b>1 January - 30 June 2019</b>	<b>1 April - 30 June 2019</b>	<b>1 January - 30 June 2018</b>	<b>1 April - 30 June 2018</b>
Demirören İnternet Yayıncılığı <sup>(2)</sup>	21,404,018	9,980,704	17,978,705	9,210,874
Demirören Gazetecilik <sup>(3)</sup>	13,309,973	6,566,848	14,368,037	7,110,804
DTV Haber ve Görsel Yayıncılık A.Ş.	1,790,579	1,000,654	484,267	356,337
Demireön TV Holding A.Ş.	1,426,622	702,774	4,196	-
Milliyet Gazetecilik Yayıncılık A.Ş.	885,685	522,717	1,063,432	1,063,432
Demirören Dağıtım <sup>(1)</sup>	211,376	211,376	60,223,019	28,868,433
Doğan Holding Şirketleri	-	-	880,629	-
Diğer	2,001,545	827,318	1,915,360	1,602,583
<b>Total</b>	<b>41,029,798</b>	<b>19,812,391</b>	<b>96,917,645</b>	<b>48,212,463</b>

(1) The Group's newspaper distribution service purchases.

(2) The rent and security service purchases related to the building used by the The Group as head office.

(3) The Group's internet advertising sales and infrastructure services purchases.

**b) Significant service and product purchases from related parties:**

	<b>1 January - 30 June 2019</b>	<b>1 April - 30 June 2019</b>	<b>1 January - 30 June 2018</b>	<b>1 April - 30 June 2018</b>
Demirören Teknoloji A.Ş.	3,198,807	1,648,348	-	-
DHA <sup>(2)</sup>	3,034,485	1,516,387	3,371,426	1,685,093
Demirören Medya Yatırımları A.Ş.	2,813,985	1,627,018	-	-
Demirören Gazetecilik <sup>(3)</sup>	2,717,928	1,277,248	2,002,255	1,272,852
Demirören TV Digital	800,145	363,346	605,979	289,578
Demirören İnternet Yayıncılığı <sup>(4)</sup>	787,423	229,385	2,668,847	1,209,320
Total Oil Türkiye A.Ş.	622,387	332,832	-	-
Demirören Dağıtım <sup>(1)</sup>	109,595	109,595	12,643,635	6,120,515
Doğan Holding Şirketleri	-	-	22,766,036	-
Other	2,485,526	664,617	686,270	189,591
<b>Total</b>	<b>16,570,281</b>	<b>7,768,776</b>	<b>44,744,448</b>	<b>10,766,949</b>

(1) The Group's newspaper distribution service purchases.

(2) The Group's news service purchases.

(3) The Group's internet advertising sales and infrastructure services purchases.

(4) The rent and security service purchases related to the building used by the The Group as head office.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 20- RELATED PARTY DISCLOSURES (Continued)**

**c) Other income from related parties**

	<b>1 January - 30 June 2019</b>	<b>1 April - 30 June 2019</b>	<b>1 January - 30 June 2018</b>	<b>1 April - 30 June 2018</b>
Demirören TV Holding	2,716,238	1,436,855	2,071,218	1,884,453
Milliyet	1,371,250	628,990	-	-
Doğan Gazetecilik	942,164	506,207	629,193	476,892
Demirören TV Digital	926,898	539,289	650,090	649,008
Demirören Teknoloji	598,616	228,769	-	-
DHA	521,488	318,319	569,654	310,901
Demirören Medya	284,036	284,036	-	-
DTV Haber ve Görsel	212,866	63,908	-	-
Demirören Dağıtım	-	-	1,134,437	577,587
Doğan Holding Şirketleri	-	-	1,535,009	-
Other	391,849	74,815	627,628	374,335
<b>Total</b>	<b>7,965,405</b>	<b>4,081,188</b>	<b>7,217,229</b>	<b>4,273,176</b>

As of 30 June 2019, amounting to TRY 7,965,405 of other income which totally amounts to TRY 650,905 consists of rent income which Hürriyet received from the Group companies (1 January - 30 June 2018: TRY 925,081).

	<b>1 January - 30 June 2019</b>	<b>1 April - 30 June 2019</b>	<b>1 January - 30 June 2018</b>	<b>1 April - 30 June 2018</b>
<b>Finansal expenses:</b>				
Demirören Gazetecilik	-	-	311,721	311,721
Doğan Holding Şirketler Gurubu	-	-	60,858	-
Eko TV	-	-	11,866	5,405
Diğer	-	-	267	267
<b>Total</b>	<b>-</b>	<b>-</b>	<b>384,712</b>	<b>317,393</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 20- RELATED PARTY DISCLOSURES (Continued)**

**iii) Key Management Personnel:**

	<b>1 January - 30 June 2019</b>	<b>1 April - 30 June 2019</b>	<b>1 January - 30 June 2018</b>	<b>1 April - 30 June 2018</b>
Salaries and other short term benefits	3,099,933	1,531,373	8,101,691	2,639,852
Post-employment benefits	448,674	-	2,142,096	2,142,096
<b>Total</b>	<b>3,548,607</b>	<b>1,531,373</b>	<b>10,243,787</b>	<b>4,781,948</b>

The Company determined the key management personnel as Board of Directors and Executive Committee. Benefits provided to key management personnel consisted of wage, premium, health insurance, transportation and post-employment benefits.

**NOTE 21 - NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS**

**21.1 Financial Risk Management**

**Foreign currency risk**

The Group is exposed to foreign exchange risk because of the translation of the amounts of liability denominated in foreign currency into the functional currency. 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 3 to 6 months. However, this policy should be revised by the management when deemed necessary, according to market conditions.

TRY equivalents of assets and liabilities denominated in foreign currencies at 30 June 2019 and 31 December 2018 are as follows:

	<b>30 June 2019</b>	<b>31 December 2018</b>
Assets	3,807,910	120,613,880
Liabilities	(2,039,808)	(4,592,615)
<b>Net foreign currency position</b>	<b>1,768,102</b>	<b>116,021,265</b>

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 30 June 2019: 5.7551 TRY= 1 US Dollar and 6.5507 TRY=1 Euro (31 December 2018: 5.2609 TRY= 1 US Dollar and 6.028 TRY=1 Euro).

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 21 - NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS  
(Continued)**

**Foreign currency risk (Continued)**

The table below summarizes of the Group's foreign currency risk as of 30 June 2019 and 31 December 2018. The foreign currency assets and liabilities which is held on by the Group are as follows:

<b>30 June 2019</b>	<b>TRY Equivalent</b>	<b>USD</b>	<b>Euro</b>	<b>Other</b>
1. Trade receivables	2,671,894	148,753	277,193	-
2a. Monetary Financial Assets (Cash, Banks included)	120,693,879	20,801,907	13,050	891,340
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>123,365,773</b>	<b>20,950,659</b>	<b>290,243</b>	<b>891,340</b>
5. Trade receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>123,365,773</b>	<b>20,950,659</b>	<b>290,243</b>	<b>891,340</b>
10. Trade Payables	2,039,808	79,419	241,615	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>2,039,808</b>	<b>79,419</b>	<b>241,615</b>	<b>-</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>2,039,808</b>	<b>79,419</b>	<b>241,615</b>	<b>-</b>
<b>19. Net asset / liability position of off-balance sheet derivatives (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Off-balance sheet foreign currency derivative assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Off-balance sheet foreign currency derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net foreign currency asset liability position (9-18+19)</b>	<b>121,325,965</b>	<b>20,871,240</b>	<b>48,628</b>	<b>891,340</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>121,325,965</b>	<b>20,871,240</b>	<b>48,628</b>	<b>891,340</b>
<b>22. Fair value of foreign currency hedged financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 21 - NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS  
(Continued)**

**22.1 Financial Risk Management (Continued)**

**Foreign currency risk (Continued)**

<b>31 December 2018</b>	<b>TRY Equivalent</b>	<b>US</b>	<b>Euro</b>	<b>Other</b>
1. Trade receivables	2,530,224	150,344	288,533	-
2a. Monetary Financial Assets (Cash, Banks included)	-	-	-	-
	118,082,503	22,398,672	14,960	155,153
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	1,153	219	-	-
<b>4. Current Assets (1+2+3)</b>	<b>120,613,880</b>	<b>22,549,235</b>	<b>303,493</b>	<b>155,153</b>
5. Trade receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>120,613,880</b>	<b>22,549,235</b>	<b>303,493</b>	<b>155,153</b>
10. Trade Payables	4,592,615	334,746	469,076	3,959
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>4,592,615</b>	<b>334,746</b>	<b>469,076</b>	<b>3,959</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>4,592,615</b>	<b>334,746</b>	<b>469,076</b>	<b>3,959</b>
<b>19. Net asset / liability position of off-balance sheet derivatives (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Off-balance sheet foreign currency derivative assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Off-balance sheet foreign currency derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net foreign currency asset liability position (9-18+19)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	116,021,265	22,214,489	(165,583)	151,194
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	116,020,112	22,214,270	(165,583)	151,194
<b>22. Fair value of foreign currency hedged financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 21 - NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS  
(Continued)**

**22.1 Financial Risk Management (Continued)**

**Foreign currency risk (Continued)**

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

**30 June 2019**

	Profit/(Loss)	
	Foreign currency appreciations	Foreign currency depreciations
<b>If the US dollar had changed by 20% against the TRY</b>		
USD net (liabilities)/assets	111,642	(111,642)
Hedging amount of USD	-	-
<b>USD net effect on (loss)/income</b>	<b>111,642</b>	<b>(111,642)</b>

**If the EUR had changed by 20% against the TRY**

Euro net (liabilities)/assets	63,709	(63,709)
Hedging amount of Euro	-	-
<b>Euro net effect on (loss)/income</b>	<b>63,709</b>	<b>(63,709)</b>

**If other foreign currency had changed by  
20% against the TRY**

Other foreign currency net (liabilities)/assets	178,268	(178,268)
Hedging amount of other foreign currency	-	-
<b>Other foreign currency net effect on (loss)/income</b>	<b>178,268</b>	<b>(178,268)</b>

**31 December 2018**

	Profit/Loss	
	Foreign currency appreciation	Foreign currency depreciation
<b>If the US dollar had changed by 20% against the TRY</b>		
USD net (liabilities)/assets	23,373,411	(23,373,411)
Hedging amount of USD	-	-
<b>USD net effect on (loss)/income</b>	<b>23,373,411</b>	<b>(23,373,411)</b>

**If the EUR had changed by 20% against the TRY**

Euro net (liabilities)/assets	(199,627)	199,627
Hedging amount of Euro	-	-
<b>Euro net effect on (loss)/income</b>	<b>(199,627)</b>	<b>199,627</b>

**If other foreign currency had changed by  
20% against the TRY**

Other foreign currency net (liabilities)/assets	30,239	(30,239)
Hedging amount of other foreign currency	-	-
<b>Other foreign currency net effect on (loss)/income</b>	<b>30,239</b>	<b>(30,239)</b>



**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 22 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)**

<b>30 June 2019</b>	Financial assets measured at	Financial liabilities measured at	Financial assets at fair value through other	Carrying Value	Note
<b>Financial assets</b>	amortized cost	amortized cost	comprehensive income		
Cash and cash equivalents	9,150,774	-	-	9,150,774	-
Trade receivables	91,550,634	-	-	91,550,634	5
from non-related parties					
Trade receivables from related parties	82,830,928	-	-	82,830,928	20
Other receivables	12,974,088	-	-	12,974,088	-
from non-related parties					
Other receivables	119,557,863	-	-	119,557,863	20
from related parties					
Derivates	-	-	-	-	-
Financial investments	73,122	-	313,923	387,045	-
<b>Financial liabilities</b>					
Financial borrowings	-	37,459,709	-	37,459,709	4
Trade payables	-	42,753,364	-	42,753,364	20
ton on-related parties					
Trade payables to related parties	-	18,688,233	-	18,688,233	-
Employee benefit payables	-	757,030	-	757,030	-
Other payables	-	6,552,982	-	6,552,982	-
to non-related parties					
Other short-term liabilities	-	29,910,348	-	29,910,348	-

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

**NOTE 22 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)  
(Continued)**

<b>31 December 2018</b>	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial assets at fair value through other comprehensive income	Carrying Value	Note
<b>Financial assets</b>					
Cash and cash equivalents	56,867,896	-	-	56,867,896	-
Trade receivables from non-related parties	103,180,193	-	-	103,180,193	5
Trade receivables from related parties	59,248,328	-	-	59,248,328	20
Other receivables from non-related parties	9,689,985	-	-	9,689,985	-
Other receivables from related parties	117,323,015	-	-	117,323,015	20
Financial investments	72,133	-	313,923	386,056	-
<b>Financial liabilities</b>					
Financial borrowings	-	27,383,928	-	27,383,928	-
Trade payables to non-related parties	-	50,890,149	-	50,890,149	5
Trade payables to related parties	-	15,420,957	-	15,420,957	20
Employee benefit payables	-	715,049	-	715,049	-
Other payables to non-related parties	-	4,656,574	-	4,656,574	-
Other short-term liabilities	-	35,166,801	-	35,166,801	-

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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

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**NOTE 22 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND  
EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)**

Fair value of financial instruments

The fair value of financial assets and liabilities is assigned as below:

- Level 1: the fair value 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 value 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; and
- Level 3: the fair value of the financial assets and financial liabilities are determined where there is no observable market data.

**NOTE 23 - EVENTS AFTER REPORTING PERIOD**

*Approval of Financial Statements*

The consolidated financial statements for the period ended 30 June 2019 were approved by the Board of Directors on 8 August 2019.

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