HÜRRİYET 2013 ANNUAL REPORT

print web mobile tablet

CONTENTS

The Hürriyet Internet Group operates in the same league, and is ranked fourth just behind the world's giants; namely the websites of Google, Facebook, and Microsoft. Even though Hurriyet.com.tr, Radikal.com.tr and Hurriyetdailynews.com comprise Turkey's biggest media force, we still greatly value our newspaper. Owing to social media and digitalization, Hürriyet can now reach much larger audiences, as well as different age groups.

As we celebrated our 65th anniversary in 2013, we felt immensely proud of being a media company that drives change, and not merely keeps pace with change. While promoting fair journalism, we were awarded several prizes for our efforts.

Although our newspaper is still the apple of our eye, we attained our goal to become leader on many platforms on the strength of our brand. Our Internet Group competes with international giants; And based on our strong corporate reputation, we are endeavoring to become a model company in all areas.

VUSLAT DOĞAN SABANCI
CHAIRWOMAN

Vuslat DOĞAN SABANCI

Chairwoman

A graduate of Bilkent University's Department of Economics, Vuslat Doğan Sabancı went on to attend Columbia University in New York for her graduate studies in International Media and Communications. Ms. Doğan Sabancı currently chairs the Board of Directors at Hürriyet, and has held this post since May 26, 2010.

During her tenure as CEO between 2004 and 2010, Ms. Doğan Sabancı transformed Hürriyet from a leading paper in Turkey into an international powerhouse through her acquisition of Trader Media East (TME) in 2007 in a move that represented the largest ever foreign acquistion executed by a Turkish company. TME is an online and printed media advertising company operating in Russia, Ukraine, Belarus and Kazakhstan as of 2013. Among TME's most important brands are Iz Ruk Ruki, one of the most well-known media brands in Russia, and Irr.ru, that country's leading online classifieds provider.

Ms. Doğan Sabancı ensured Hürriyet's position as a major player within Turkey's emerging new media industry by investing in digital publishing and services. These prudent investments resulted in the launch of hurriyet.com.tr as one of the highest trafficked websites across Europe. Hürriyet currently offers classified advertising services through its affiliated family of sites including hurriyetemlak.com, hurriyetoto.com, yenibiris.com, in addition to yakala.co, a deal finder website, and yenicarsim.com.

Ms. Doğan Sabancı has also evolved into a strong voice for human rights and especially issues related to gender equality in Turkey, by investing in such topics through Hürriyet. A law was enacted on domestic violence following an eight-year effort on her part through the "No! To Domestic Violence" campaign that she had initiated. Ms. Doğan Sabancı also established the "Rightful Women Platform" to gather all NGOs formed around issues concerning women under the same roof, and function as a pressure lobby to ensure more women could be voted into Parliament, prior to the General Elections in 2011. As a result of this effort, the number of female MPs rose to 78 after the 2011 elections, up from 48. In addition, Ms. Doğan Sabancı carries on with a multitude of activities in the name of giving women their rightful place both within society in general and within the economy in particular. A microloan project for women is one of such social responsibility projects.

Ms. Doğan Sabancı joined Hürriyet in 1996 as Vice President in charge of Advertising, before her promotion to the post of Marketing Group President three years later. Her responsibilities at Hürriyet included marketing, sales, human resources and information technologies (IT).

Before joining Hürriyet, Ms. Doğan Sabancı worked in the editorial department of The New York Times for a year, and later at The Wall Street Journal, where she was instrumental in the formation of the Asian Business World News Channel and the paper's Latin America edition.

Born in 1971, Vuslat Doğan Sabancı is married with two children. Ms. Doğan Sabancı speaks English.

Ms. Doğan Sabancı is a lifetime honorary member of the International Press Institute (IPI), where she served an eight-year term as a Board Member.

Endeavor, a New York based international NGO, where Ms. Doğan Sabancı has served as Board Member since its inception, commenced its operations in Turkey in 2006. Endeavor Turkey furthers its efforts in the country through the support provided by its Board, Members of the Advisory Council, as well as Endeavor Mentors; the organization identifies Endeavor Entrepreneurs and supports them.

Ms. Doğan Sabancı has also been a member of TÜSİAD since 2003.

YAHYA ÜZDİYEN
VICE CHAIRMAN

Yahya ÜZDİYEN

Vice Chairman

Born in 1957, Yahya Üzdiyen graduated from Middle East Technical University, Department of Business Administration in 1980. From 1980 to 1996, he worked as trade and investment specialist and manager in several privately owned companies in Turkey and abroad.

He joined Doğan Group in 1997 and served as President of the Strategy Group at Doğan Holding until 2011; on January 18, 2011, he was appointed Vice Chairman of the Board of Directors. He played a significant role in the acquisition, partnership and sales processes of the Group's affiliates, including POAŞ, Ray Sigorta and Star TV.

Mr. Üzdiyen currently serves as a Board Member at various Group companies and was appointed the CEO of Doğan Holding as of January 24, 2012.

DURSUN ALİ YILMAZ
BOARD MEMBER

Dursun Ali YILMAZ

Board Member

Born in 1958 in Rize, Dursun Ali Yılmaz graduated from Middle East Technical University, Department of Economics in 1982. He earned his master's degree from Dokuz Eylül University, Department of Business Administration in 1988.

Mr. Yılmaz began his professional career as Operations Manager at Özdemir Çelik Döküm Sanayi A.Ş., and then served in various positions in the Financial Affairs Department of Anadolu Denizcilik A.Ş., Türkiye Şişe ve Cam Fabrikaları A.Ş., and Hacı Ömer Sabancı Holding A.Ş. Subsequently, he worked as Budget and Financial Analysis Manager at Hürriyet from 1993 to 1995. During the next decade, Mr. Yılmaz served as Deputy General Manager at Akın Tekstil A.Ş., and he joined Doğan Yayın Holding in 2005 as Financial and Administrative Coordinator.

Having experience in a variety of fields, including installation and improvement of accounting and basic financial systems, installation and follow up of budget systems, public offerings and fulfilment of responsibilities of public offered companies, business development by data system departments required for corporations, systematization of procurement operations and adopting relevant programs, optimizing company structuring required for holding companies, management of mergers, conducting corporate governance activities of publicly traded companies, defining loan structuring corresponding to a company's financial situation and using derivative products for financing, assessment and follow up of real properties, Dursun Ali Yılmaz was appointed head of Financial and Administrative Affairs Group at Hürriyet Newspaper in 2010 while also serving as the Member of Executive Committee responsible for Financial and Administrative Affairs. Mr. Yılmaz has been serving as Board Member at Hürriyet Gazetecilik ve Matbaacılık A.Ş. since June 20, 2013.

AYŞE SÖZERİ CEMAL
BOARD MEMBER

Ayşe SÖZERİ CEMAL

Board Member

Ayşe Sözeri Cemal graduated from Istanbul Boys' High School and then from Istanbul University, Faculty of Economics and completed her post graduate degree at Istanbul University, Faculty of Business Administration.

She served as Market Research Reporter at Cam Pazarlama, Market Research Specialist at the Turkish Glass Works and Advertising Manager at Cumhurriyet Newspaper.

On June 21, 2013, she retired from her post as Head of the Advertising Group and was appointed as a member of Board of Directors. She is a member of I.A.A. and is fluent in German and English. Ms. Sözeri is married with one child.

KAI DIEKMANN
BOARD MEMBER

Kai DIEKMANN

Board Member

Born in 1964 in Ravensburg, Germany, Kai Diekmann joined the army as an enlistee, after his graduation from secondary school, and served for two years. Then he underwent training at Axel Springer AG and worked in Hamburg, Bonn and New York during a two-year period. Mr. Diekmann worked in Bonn as Parliament Correspondent for BILD and BILD am SONNTAG from 1987. He became News Director for BUNTE Magazine in 1989. Two years later, he became Co-Editor for B.Z. published in Berlin, and then served as Co-Editor and Politics Editor for BILD for five years. Following a short stint in Central America, he became Editor in Chief for WELT am SONNTAG in 1998. He has been serving as Editor in Chief at BILD and Publisher for BILD and BILD am SONNTAG since January 2011. In addition, he has been the Publisher of BILD Group since 2008. In 2012 and 2013, he was charged by Axel Springer AG, he spent ten months in Silicon Valley, USA to studying digital projects and business models as Chief Editor of BILD. Kai Diekmann has been serving as an Independent member of the Board of Hürriyet Newspaper since 2004 and as a Member of Board of Times Limited since 2011.

AHMET BURAK
INDEPENDENT
BOARD MEMBER

Ahmet BURAK

Independent Board Member

Ahmet Burak was born in 1954 in Istanbul and graduated from FMV Işık High School and then from the School of Business Administration of Middle East Technical University, University of Denver BSBA, and the University of Denver MBA, Finance Departments, respectively. After working at the Istanbul and London offices of Arthur Andersen, in 1986 he began to work as the Manager of Financial and Administrative Affairs for Coca-Cola. He assumed the duties of General Manager of Bottling Operations in Turkey in 1991 and Assistant to the Chairman of the Executive Committee of Coca-Cola Canada in 1992. He returned to Turkey in 1993 to initiate Coca-Cola operations in Central Asia and Caucasia, where no Coca-Cola products had been sold up to that time. During this period, Coca-Cola established factories in eight countries, thus became the biggest soft drink company in the region. After serving as General Manager for eight years, he became the President of Coca-Cola Turkey in 2001. The Turkey region reached the highest profitability and market share in its history within eight years and the Company placed 13th among 200 Coca-Cola countries. Mr. Burak retired from the Coca-Cola company in 2009 and is currently acting as Member of the Board of Trustees of Coca-Cola Life Plus Foundation, of which he is one of the founders.

BÉATRICE DE CLERMONT TONNERRE
INDEPENDENT
BOARD MEMBER

Béatrice de CLERMONT TONNERRE

Independent Board Member

Béatrice de Clermont Tonnerre has been serving as Director of Southern Europe for Joint Project Solutions since May 2013. Mrs. Tonnerre lives in Paris and has served in various projects, from Pay TV and publishing to sports franchises, from sports franchises to book publishing, digital media and purchasing on the internet. She is also well experienced in organic growth and the launch of new products.

Mrs. Tonnerre started her career as radio correspondent at Radio France Internationale Latin America and Europe 1 and joined Lagardere in 1995 as an analyst in the technology division of the Strategy Department. In 1998 she promoted as director of the Media Department and was appointed as the Head of the Interactive Televisions Group of Canal Satellite in 2001, followed by her appointment as Co-Head for Programming in 2003.

Béatrice de Clermont Tonnerre graduated from the Institut d'Etudes Politiques de Paris, Department of Politics and obtained her MBA degree from École Supérieure des Sciences Economiques et Commerciales. In addition, she serves as a Board Member at LACIE, a technology company quoted on the French Stock Exchange.

EXECUTIVE COMMITTEE

AHMET DALMAN
BOARD MEMBER
VICE CHAIRMAN OF THE EXECUTIVE COMMITTEE

Ahmet DALMAN
Board Member
Vice Chairman of the Executive Committee

Ahmet Dalman was born in 1964 and graduated from Boğaziçi University, Department of Electrical-Electronics Engineering in 1986. Starting his career as an Information Technologies specialist in the media sector, Mr. Dalman carried on his activities as partner and executive of a company producing technological solutions for media and different sectors and made remarkable contributions to the digitalizing and technology application process of many media companies.

In 1994, Mr. Dalman joined Hürriyet as Information Systems Manager and served as Technology Director at e-kolay.net Internet Service Provider Company of Doğan Group between 1999 and 2000. In 2011, he was appointed as Information Systems Coordinator at Hürriyet, in 2008 as Executive Committee Member, in 2010 as Head of Hürriyet Internet and Information Technologies Group and is currently serving as Vice Chairman of the Executive Committee at Hürriyet a post he has held since 2012.

Mr. Dalman is married with two children and is fluent in English.

KADRİ ENİS BERBEROĞLU
BOARD MEMBER
EDITOR IN CHIEF

Kadri Enis BERBEROĞLU
Board Member
Editor in Chief

Born in 1956 in Istanbul, Enis Berberoğlu graduated from the Austrian High School and then from Boğaziçi University, Faculty of Administrative Sciences, Department of Economics in 1980 and obtained his post graduate degree from Istanbul University, Faculty of Economics, Department of Econometrics.

Currently serving as the Editor in Chief of Hürriyet, Mr. Berberoğlu started his journalism career at Dünya Newspaper in 1980 and then served as reporter at Hürriyet, Cumhuriyet, Güneş, Radikal newspapers; CNN Turk News channel, and in Istanbul, Ankara and Bonn, followed by Ankara Office Representative, Bonn Representative, War Correspondent in Baghdad, as Economy Department Manager and columnist, respectively. Mr. Berberoğlu is fluent in English and German and is the author of three books: “20 Yıllık Domino Oyunu (The Domino Game of 20 Years Susurluk),” “Susurluk,” and “Yüksekova ve Öbür Türkler (The Other Turks).” He is married to a journalist, Oya Berberoğlu, and has a daughter.

GÖNÜL SAYAN BİRKİYE
ADVERTISING DIRECTOR
EXECUTIVE COMMITTEE MEMBER

Gönül Sayan BİRKİYE
Advertising Director
Executive Committee Member

Born in 1963, Gönül Sayan Birkiye graduated from Çamlıca Girls' High School and then from Marmara University, Faculty of Communication. She obtained her post graduate degree from Istanbul University, Institute of Social Sciences.

Having served numerous clients in the Customer Relations Departments of various advertising agencies, she joined Hürriyet Advertising Group in 1993 as Customer Relations Director and took on various tasks during the establishment of Hürriyet Advertising Group. She served as Advertising Coordinator and Deputy Head of Advertising Group and was appointed Advertising Director and Executive Committee Member during the restructuring process that was initiated in 2013.

EDİZ HAŞMET KÖKYAZICI
FINANCE DIRECTOR
EXECUTIVE COMMITTEE MEMBER

Ediz Haşmet KÖKYAZICI
Finance Director
Executive Committee Member

Born in 1970 in Manisa, Ediz Kökyazıcı graduated from Izmir Science High School and then from Bilkent University, Department of Industrial Engineering.

Mr. Kökyazıcı started his career as Assistant Specialist at Yapı Kredi Bank and served in various positions at Yapı Kredi Corporate Banking Department until 1995. In 1996, he joined Vestel A.Ş. where he served as Finance and Budget Manager, Finance and Audit Director responsible for overseas affiliates in the Netherlands and Deputy General Manager for Finance and Accounting at Vestel until 2010.

In 2010, Mr. Kökyazıcı joined Actera Partners/G2M Dağıtım as CFO where he assumed responsibility for the Finance, Accounting, IT, Information Systems and Law Departments. Between 2012 and 2013, he served as CFO at Multi Turkey company, an investor in eight shopping malls in Turkey.

On June 21, 2013, Mr. Kökyazıcı joined the Hürriyet Family as Finance Director. He is married with one child.

EXECUTIVE COMMITTEE

TUBA KÖSEOĞLU OKÇU
HUMAN RESOURCES DIRECTOR EXECUTIVE COMMITTEE MEMBER

Tuba Köseoğlu OKÇU
Human Resources Director
Executive Committee Member

Born in 1971 in Istanbul, Tuba Köseoğlu Okçu graduated from Notre Dame de Sion French High School and then from Boğaziçi University, Department of Translation and Interpreting in 1994.

She began her professional career as a Simultaneous Conference Interpreter in 1994, served on the Translation Council and lectured at Boğaziçi University. After joining Doğuş Group, from 1997 to 2008, she served as Performance Consultant in the Training Department at Garanti Bank, as Senior Executive Development Manager at Humanitas Doğuş HR Management, as Head of the Human Resources Department at Doğuş Holding and Human Resources Coordinator at Doğuş Automotive, respectively.

Ms. Köseoğlu Okçu held the position of Human Resources & Organizational Development Director at Deva Holding from 2008 to 2012 before she joined Hürriyet on March 15, 2012 as Human Resources Director and Executive Committee Member.

BİRİM GÖNÜLŞEN ÖZYÜREKLİ
MARKETING DIRECTOR EXECUTIVE COMMITTEE MEMBER

Birim GÖNÜLŞEN ÖZYÜREKLİ
Marketing Director
Executive Committee Member

Birim Gönülşen was born in 1979, graduated from Karşıyaka Anatolian High School and from Boğaziçi University, Department of Politics and International Relations.

Ms. Gönülşen started her career as Management Trainee at Coca-Cola A.Ş. in 2001 and has served at this company until recently in various positions both in and outside the country.

At Coca-Cola A.Ş., she successfully served as Deputy Brand Manager for Schweppes & Burn Turkey, Brand Manager for Fanta Turkey, Coca-Cola Senior Brand Manager for Romania and Moldova, Coca-Cola Marketing Manager for Central and Eastern Europe, Business Development Manager for Fruit Juice and Fusion Beverages, Eurasia and Africa Group and Turkey Marketing Manager for the Fruit Juice Category, respectively. On May 20, 2013, Ms. Gönülşen joined the Hürriyet Family as Marketing Director and Executive Committee Member.

MESSAGE FROM THE CHAIRWOMAN VUSLAT DOĞAN SABANCI

Leaving behind a difficult year in terms of economic development, we take pride in our reliability and dedication to the profession of journalism. We are committed to print objective and unbiased publications.

Esteemed Members of the Hürriyet Family,
Distinguished Shareholders,

Having recorded growth of 2,2% in 2012, which was a stable year as a result of measures taken to attain financial stability, Turkey started 2013 with positive developments and was evaluated as an "investible" country by two credit rating agencies during the first half of the year. In this period, interest rates experienced historical low levels in many countries, including Turkey, due to the moderate conditions prevailing in the global economy. On the other hand, several developments, including the resolution adopted by the Federal Reserve to make reductions in its asset purchase program, upgrading of growth expectations of developed economies, among from developing countries, as a result of acceleration of economic growth in the USA and England, that the Euro Zone got out of recession and the recovery of the Japan economy slowed down fund inflows into developing economies, including Turkey. All these factors, coupled with Turkey's own social dynamics, 2013 became a hard year for us. Considering growth of 4% attained in the first three quarters of the year and a 4% growth expectation for the full year, we cannot evaluate the year as a stable one; nevertheless, upstream mobility in foreign exchange rate and particularly the US$-rate that pushed to record highs at the year-end, caused pressure on our operational results.

Leaving behind a difficult year in terms of economic development, we take pride in our reliability and dedication to the profession of journalism. We are committed to printing objective and unbiased publications. Although our newspaper is still the apple of our eye, we at Hürriyet World, are pioneers in digital change in Turkey, keeping up with technological developments affecting the media sector in recent times. Every survey affirms that the Hürriyet brand is the indisputable leader in its sector. Having examined every feature that strengthen its well established newspaper brands, it becomes obvious that Hürriyet is the leading company in this sector due to its accurate reporting, trustworthy nature and unbiased views as well as its delivery of high-quality content. I can envisage that we are able to reinforce our leadership through our vision, strategy, emphasis on technology and trend awareness; and through building strong teams.

Due to compelling conditions prevailing in 2013, we concentrated on productivity and maintained our cash generating capacity through practices for cost management while attempting to safeguard our revenues, realized loan repayments, ceased operations proved to be unprofitable and focused on profitable fields and kept the EBITDA margin under control.

As regards to the advertising sector that has the biggest share in our operations, it is estimated that it has demonstrated growth of 12% over 2012 and its size increased to TL 5,6 billion from TL 5 billion; meanwhile the newspaper advertising segment contracted 3% and fell to TL 992 million from TL 1.022 million. Despite this, newspapers maintained their place as the second most preferred medium after television. As in previous years, the Internet advertising segment enjoyed rapid growth and its volume climbed toTL 827 million from TL 734 million. As a result of these developments, Hürriyet's domestic print media ad revenues dropped by 6,5 % while domestic online revenues increased 34%, a figure that is well above the Internet advertising market average of 13,0%

2013 was the year when Hürriyet World enjoyed the confidence for having anticipated the current developments in Internet advertising well in advance. According to Comscore data, the Hürriyet Internet Group moved up to rank fourth in Turkey's Internet traffic, following Google, Facebook and Microsoft.

Similar to previous years, Hürriyet continued to place emphasis on the Corporate Governance Principles and again ranked among the top companies in the Corporate Governance Index. According to the Corporate Governance Rating Methodology that was renewed with the aim of complying with the Communiqué on Corporate Governance that was redrafted on January 3, 2014, the Company succeeded to get a high mark of 8,86.

Furthermore, Fitch Ratings improved the Company’s local and foreign currency credit ratings from “B+” to “BB-” and domestic long-term credit rating from “A(tur)” to “A+(tur)” and changed its outlook from “positive” to “stable” for both factors.

Hürriyet continued to remain at the top of the list in all fields and Hürriyet World realized 6,9 million accesses per day while keeping its circulation and operational profitability at a certain level. At the same time, the Company was recognized for not compromising on its stance pertaining to fair journalism and received numerous prizes in this regard. Our “Hürriyet Benim (Hürriyet is Mine)” project that left its mark in 2013 enhanced the integration with our readers and followers and crowned our interactive communication achievement. The number of videos created and shared by our readers on hurriyetbenim.com address reached 14 thousand in a month while the site was visited by 500 thousand persons. By means of our “Geri Dönüşüm (Recycling)” project, which was enthusiastically participated in by our readers, more than 1 million 200 thousand were collected in three weeks: An amount of 216 tons of scrap paper was collected thereby 4 thousand trees were saved and the revenue generated by this endeavor was donated to TEMA (Turkish Foundation for Combating Erosion Reforestation and the Protection of Natural Habitats).

For the past nine years, Hürriyet has been in the forefront of the fight against domestic violence with its social responsibility project. In 2013, Hürriyet continued its “No to Domestic Violence!” campaign, by carrying out several activities to create awareness on this subject. These activities are reaching out to more people than ever before and are instigating real change. The number of calls received by the Domestic Violence Hotline established under the campaign to provide legal, psychological and security-related support to women exposed to domestic abuse and violence reached almost 40 thousand. The service receives calls from provinces throughout Turkey as well as from Germany and France. Remaining committed in its support to women and children, in 2013 Hürriyet, as an active member of Rightful Women Platform, started its efforts to motivate political parties to nominate and elect more women candidates before the 2014 local elections.

I am very pleased to announce that Hürriyet World is moving ahead to achieve its objective “to create the future,” a concept that was introduced two years ago. This is being done in conjunction with associates that currently work with our organization serving in key positions, as well as all our employees. The Company endeavors to maintain its leadership with innovation.

I hereby extend my gratitude to our shareholders, business partners, employees and our readers for their contributions in the transformation of Hürriyet from being the flagship of print media into Hürriyet World, an enterprise that meets its challenges on numerous platforms.

Vuslat Doğan Sabancı
Chairwoman of the Board of Directors

MESSAGE FROM THE EDITOR IN CHIEF ENİS BERBEROĞLU

Hürriyet has managed to blend technological transformation with the Company's values inherited from its long-established history and its editorial principles which were updated in the previous year, thus, we provided younger, faster, more dynamic, as well as multi-channel journalism. In 2013, the Company adhered to the principle of fair journalism more than ever and reaped the benefits.

Esteemed Members of the Hürriyet Family,
Distinguished Shareholders,

Hürriyet continued to be the destination for quality journalism and the major newspaper for the Turkish nation, while carrying on its innovative applications.

Having completed a digital transformation that sets an example for the entire media world, Hürriyet maintained its leadership position in 2013 backed by its re-engineered publishing processes and its centrally managed newspaper, web, mobile and tablet publishing. With all these channels, the Company succeeded to become the brand with the highest number of visits with the daily page views reached 6,9 million.

Hürriyet has managed to blend technological transformation with the Company's values inherited from its long-established history and its editing principles which were updated in the previous year, thus, we provided younger, faster, more dynamic, as well as multi-channel journalism. In 2013, the Company adhered to the principle of fair journalism more than ever and enjoyed the results it obtained: It has increased the newspaper sales volume, and the Internet Group that reaches 15,3 million people a month was announced as the traditional media internet group with highest level of media access, according to Comscore data. Hurriyet.com.tr maintained its leadership in different categories. The different channels we have, such as Hürriyet Emlak, Hürriyet Aile and Hürriyet TV, had marked achievements in their respective categories and increase access trendlines. Hurriyet.com.tr was the most shared link on Twitter and 1,8 million individuals were reached on a daily basis through the newspapers while on a monthly basis 16 million visitors were reached via the internet.

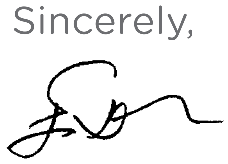
By introducing supplements providing the highest numbers of visits in the ABC1 SES groups, Hürriyet was awarded numerous prizes. Our editorial team was presented with awards in many fields varying from a Human Rights Award by the South-eastern Europe Media Organization (SEEMO) of the International Press Institute (IPI) to an Achievement Award by the Economics Press as well as the Best Youth Newspaper by the World Newspapers Association WAN-IFRA.

The "Hürriyet Benim (Hürriyet is Mine)" project that left its mark in 2013 enhanced the integration with our readers and followers and crowned our interactive communication target. The number of videos created and shared by our readers on hurriyetbenim.com reached 14 thousand in a month while the site was visited by 500 thousand persons. By means of our "Geri Dönüşüm (Recycling)" project, implemented with the enthusiastic participation of our readers, more than 1 million 200 thousand were collected in three weeks; thus, 216 tons of scrap paper were obtained. Accordingly, around 4 thousand trees were saved from being felled and the revenue generated was donated to TEMA.

The ultimate lesson that we have taken from the past 65 years is the vision and skill to manage change rather than merely keeping up with it. Hürriyet will continue to carry on its operations based on the fact that today's publishing world should embrace all aspects of life and abide by a management approach that is based on corporate values and universal publishing ethics.

I hereby extend my gratitude to our shareholders, business partners, employees and our readers for their contributions.

Sincerely,



Enis Berberoğlu
Hürriyet Newspaper
Editor in Chief

Hürriyet Gazetecilik is registered with the Capital Markets Board (CMB) and its stocks has traded on the Istanbul Stock Exchange (ISE) since February 25, 1992.

Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet" or the "Company") was founded and registered in Turkey in 1960. Operating in the fields of journalism, printing, advertising, publicity and online publishing, the Company has seven printing centers located in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon and Germany. The majority shares of Hürriyet are owned by Doğan Yayın Holding A.Ş. ("Doğan Yayın Holding"), founded under Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding"). The Company's indirect controlling shareholder/shareholders are Aydın Doğan and the Doğan Family (Işıl Doğan, Arzuhan Doğan Yalçındağ, Vuslat Doğan Sabancı, Hanzade V. Doğan Boyner and Y. Begümhan Doğan Faralyalı).

Hürriyet Gazetecilik is registered with the Capital Markets Board (CMB) and has been listed on the Istanbul Stock Exchange (now, BIST) since February 25, 1992. Pursuant to the Capital Markets Board's resolution dated July 23, 2010, No: 21/655 and according to the records of the Central Registry Agency, 21,98% of shares representing Hürriyet's total capital are free float shares as of December 31, 2013 (this figure was 20,87% on December 31, 2012). Some 40% of shares representing Hürriyet's total capital are in "open" status.

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Doğan Medya Tesisleri 34850 Esenyurt, Istanbul/Turkey	+ 90 212 622 28 00	+90 212 622 28 02
Esenboğa Yolu Üzeri 15. Km Dereyurt Mevkii 06150 Sarayköy, Keçiören, Ankara/Turkey	+90 312 306 91 00	+90 312 306 92 92
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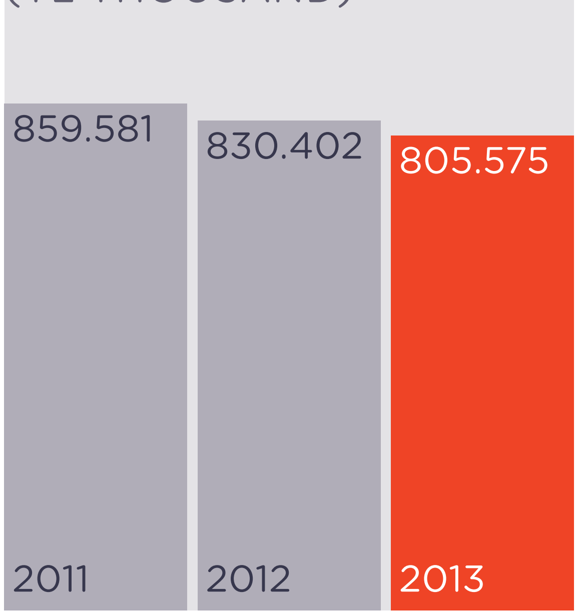
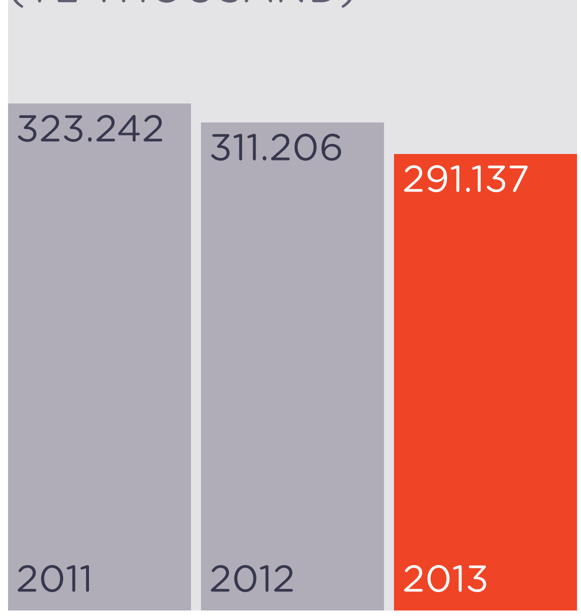
Şehitler Caddesi No: 16/1 35230 Alsancak, Izmir/Turkey	+90 232 488 65 00	+90 232 463 73 11
Ege Caddesi No: 36 35414 Sarnıç, Izmir/Turkey	+90 232 298 22 00	+90 232 281 65 80
Adana-Ceyhan Karayolu 5. Km 01260 Adana/Turkey	+90 322 346 16 00	+90 322 346 36 02
Havalimanı Yolu 8. Km 07300 Antalya/Turkey	+90 242 340 38 38	+90 242 340 38 22
Organize Sanayii Arsin Yolu 61900 Trabzon/Turkey	+90 462 711 25 00	+90 462 711 25 02
An Der Brücke 20-22 D 64546 Mörfelden Walldorf Frankfurt/Germany	+49 6105327130	+49 6105327373

FINANCIAL HIGHLIGHTS*

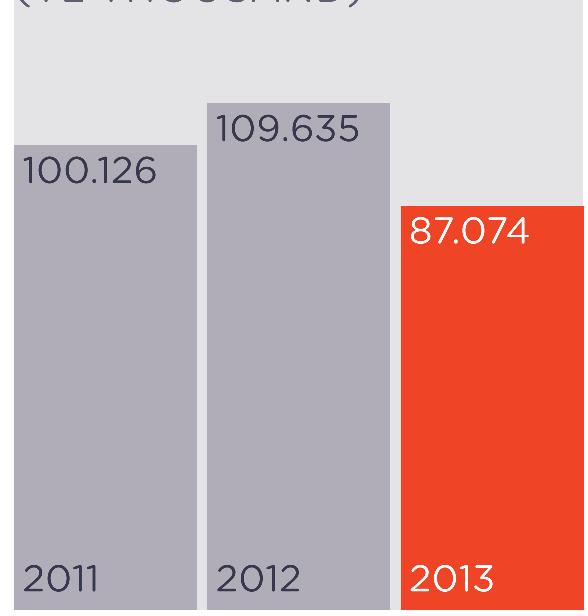
TOTAL REVENUE
(TL THOUSAND)



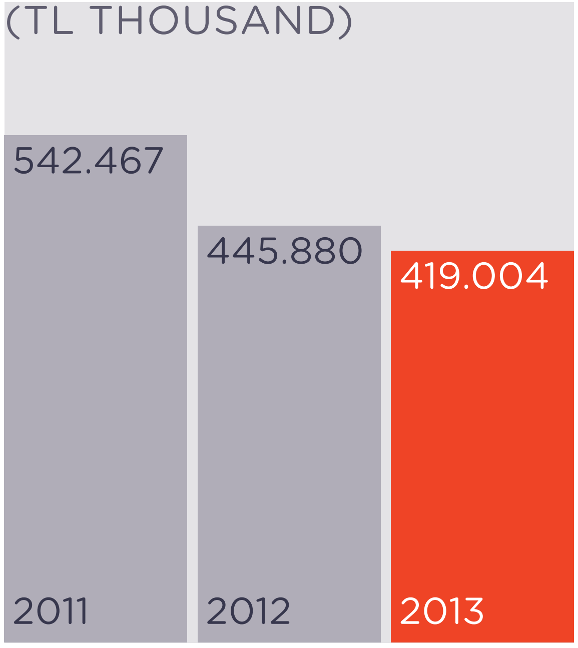
GROSS PROFIT
(TL THOUSAND)



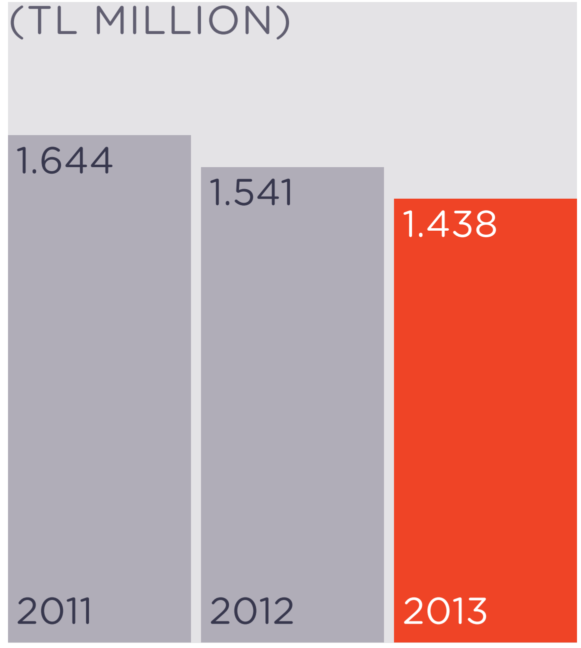
EBITDA
(TL THOUSAND)



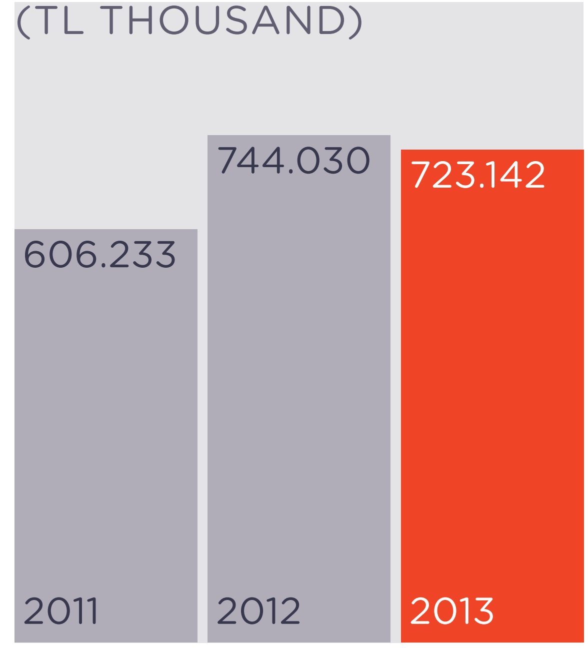
CURRENT ASSETS
(TL THOUSAND)



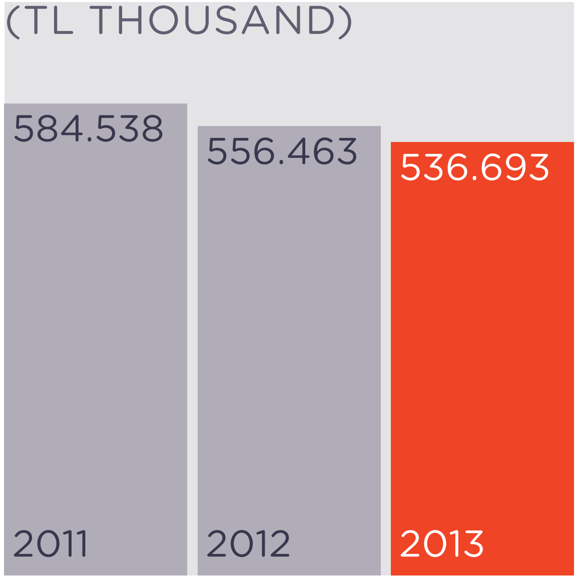
TOTAL ASSETS
(TL MILLION)



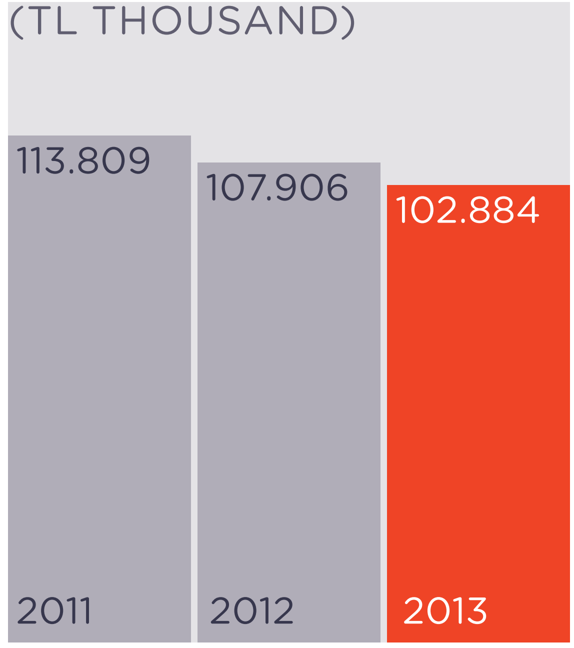
SHAREHOLDERS' EQUITY
(TL THOUSAND)



ADVERTISING AND INTERNET REVENUE
(TL THOUSAND)



CIRCULATION REVENUE
(TL THOUSAND)



PRINT REVENUE
(TL THOUSAND)

*2011 and 2012 data are readjusted.

BALANCE SHEET SUMMARY (TL THOUSAND)	31 DECEMBER 13	31 DECEMBER 12 (*)
Current Assets	419.004	445.880
Non-Current Assets	1.019.400	1.095.247
Total Assets	1.438.404	1.541.127
Current Liabilities	294.282	431.396
Non-Current Liabilities	420.980	365.701
Shareholders' Equity	723.142	744.030

INCOME STATEMENT SUMMARY (TL THOUSAND)	31 DECEMBER 13	31 DECEMBER 12 (*)
Net Sales	805.575	830.402
Gross Profit	291.137	311.206
EBITDA**	87.074	109.635
Net Profit/Loss (Attributable to Equity Holders)	(61.094)	150.661

	31 DECEMBER 13	31 DECEMBER 12
Gross Profit Margin (%)	36,1	37,9
EBITDA Margin (%)	10,8	12,9
Net Profit Margin (%)	(1,2)	19,7

*Revised
**EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization.

The national economy ended 2012 with a growth rate of 2,2% as a result of global stagnation and measures taken to slow the economy and attained 3,1%, 4,5% and 4,4% growth in the first, second and third quarters of 2013, respectively. In light of this data, it is estimated that the national economy that had attained a growth rate of 4,0% during the first nine months of the year will end the year with the same growth rate.

As regards to the sectors we operate in, DYH Advertising Platform estimates that the Turkish advertising market which had reached a size of TL 5,0 billion in 2012, continued to grow in 2013, as well. It is estimated that the market recorded growth of 12% and reached a size of TL 5,6 billion at year-end. In 2013, television advertisements were ranked first among total advertising expenditures with a share of 54%, similar to previous years. It has been observed that advertising expenditures for television channels continued to increase during 2013 showing a 20% increase over the previous year and reached an estimated size of TL 3,0 billion.

It is estimated that the newspaper advertising expenditures that were TL 1,02 billion in 2012 decreased by 3% in 2013 and reached a number of TL 992 million at the year-end. Despite this contraction, newspapers advertising, which is the second most preferred advertising segment after television channels, maintains its strong position in the market.

As in previous years, the internet channel which kept on growing in 2013 as well, was the third most preferred channel after television and newspapers. Internet advertising expenditures were estimated to increase by around 13% and reached TL 827 million at the end of 2013. Internet advertisement expenses carried a 15% share of total advertising expenditures and this figure remained unchanged in 2013.

Despite positive developments experienced in growth rates, the revaluation of the US dollar against the Turkish lira resulted in increase of unit prices of materials used by Hürriyet Gazetecilik ve Matbaacılık A.Ş. for its domestic operations. An increase in exchange rates was the prime reason for decline in the newspaper’s average daily net sales by 2% to 403 thousand from 411 thousand copies as a result of the application of strict cost control, paper savings realized through a reduction in page size. Moreover, the decrease in average paper prices, denominated in US dollars, compared to the previous year was reflected in the financial statements in a very positive manner.

The effect of the increase in exchange rates on our financial statements was not limited to only raw material cost, but it yielded adverse effects in the sense of exchange rate expenses due to our net liabilities position. Besides the devaluation of TL against USD, the Rouble, the Russian currency that plays an important role in our operations, was also devaluated against US$ and the loan obtained on foreign exchange were two factors that imposed additional adverse effects.

A breakdown of estimated advertising spending in Turkey on the basis of advertising channels are as shown below.

BREAKDOWN OF ESTIMATED ADVERTISING EXPENDITURES IN TURKEY ON THE BASIS OF ADVERTISING CHANNELS (TL MILLION) (*)

TL MILLION	2013	2012	CHANGE (%)
TV	3.008	2.517	20
Newspaper	992	1.022	(3)
Internet	827	734	13
Outdoor	404	383	6
Radio	133	131	1
Magazine	123	124	(1)
Cinema	72	56	29
TOTAL	**5.560**	**4.968**	**12**

(*) Estimated figures obtained from DYH Advertising Platform

The breakdown of advertising spending in terms of industry indicates that the sectors with the highest advertising spending were food, finance and telecommunications, similar to the previous year. The top ten industries with the highest advertising spending in the Turkish advertising market are the following:

BREAKDOWN OF ADVERTISING REVENUES IN TURKEY BY SECTOR	2013 SHARE (%)	2012 SHARE (%)
Food	10,0	8,7
Finance	8,4	8,6
Telecommunication	7,2	7,9
Construction	6,0	5,9
Cosmetics	5,0	4,5
Publishing	4,6	5,0
Automotive	4,6	5,6
Retail	4,4	5,0
Beverages	3,6	3,7
Furniture	3,1	3,2
Others	43,1	41,9
TOTAL	**100,0**	**100,0**

Ranked fourth after Google, Facebook and Microsoft sites in terms of unique visitors (UV), the Hürriyet Internet Group has long since gained its place as Turkey's most strongly positioned internet group. Backed by this strength the Hürriyet newspaper increased its domestic internet advertising revenues above the average, as in the previous year and has attained a 34% increase while the internet advertising market realized a 13% growth. Accordingly, Hürriyet's domestic internet advertising revenues increased from TL 34,7 million to TL 46,5 million.

For many years now, the Hürriyet Newspaper has by far maintained its leadership in the newspaper advertising market and continued to do so in 2013 as well. With a market share well-above its next competitor in terms of both revenue and column/cm, Hürriyet's advertising revenues in 2013 fell down by 3,6% to TL 536,6 million down from TL 556,5 million. Domestic advertising revenues decreased by 2,8% to a total of TL 371,1 million from TL 381,89 million, while foreign advertising revenues dropped 5,2%, and fell to TL 165,4 million falling from TL 174,6 million.

The top ten industries with the greatest share in Hürriyet advertising revenues are the following:

BREAKDOWN OF HÜRRİYET ADVERTISING REVENUES BY SECTOR	2013 SHARE (%)	2012 SHARE (%)
Construction	18	18
Retail	10	10
Tourism	7	9
Social Ads (HR included)	8	8
Classified Ads	8	7
Automotive	9	8
Finance	5	5
Education	4	4
Furniture and Home Textile	3	3
Textiles	3	2
Others	25	27
TOTAL	**100**	**100**

According to data published by the Press Advertising Association, the average daily net newspaper sales throughout Turkey was 5.1 million copies in 2013, compared to 4.8 million copies in 2012, showing 7% growth. The average daily net newspaper sales throughout Turkey was 4.8 million copies in 2012 and increased to 5.1 million in 2013. It is presumed that the increase in circulation particular resulted from free newspaper distribution and new newspapers that have entered the market.

Hürriyet's average daily net sales in 2012 were 411 thousand copies while this figure was 403 thousand copies in 2013. Since the sales price of the newspaper did not considerably change in 2013, circulation revenues in 2013 fell 2% paralleling the decline in average daily net sales.

Paper, constituting the major portion of cost of goods sold, is imported mainly from the USA, Canada, Northern European countries and Russia, thus paper prices are affected by world paper prices as well as the USD/TL rate. The price of paper used for production of Hürriyet fell by 5,2% from 748 USD/ton in 2012 to 708 USD/ton in 2013. The amount of paper used decreased from 72 thousand tons in 2012 to 66 thousand tons in 2013 in parallel with the reduction in page size initiated during the last quarter of 2012 and the reduction in average daily net sales. Under these circumstances, paper costs dropped 5,2% compared to the previous year, while the effect of positive developments on financial results were limited due to the increase in the US$ rate from TL 1,79 up to TL 1,90.

Trader Media East Ltd (TME), that makes up a substantial portion of the consolidated financial statements of Hürriyet Gazetecilik ve Matbaacılık A.Ş. adopted the resolution to terminate its activities in Hungary and Croatia in 2013 with the intent to focus on Russia; accordingly, the assets of TL 24.6 million that appeared on financial statements of related companies were recorded as an expense. Since these companies made a loss on EBITDA basis, termination of operations is expected to yield positive effects in the future. Although the Company achieved its objectives to a large extent on an EBITDA basis, its revenues fell due to stagnation prevailing in the Russian economy and the continuation of concern the transformation from a print company into an online concern.

The net adverse effect of fluctuations in foreign exchange on financial gain/expense was realized as 43.4 (in 2012: positive effect of TL 29.3 million).

During 2012, the Company sold the Hürriyet Medya Towers building and the parcel located in Esenyurt and made approximately TL 171 million in a one-time sales profit. However, in 2013 there was no similar sale, so the Company did not enjoy a similar increase in net operating profit as it had in 2012.

TOTAL CURRENT ASSETS (TL THOUSAND)

2011	542.467
2012	445.880
2013	419.004

TOTAL ASSETS (TL MILLION)

2011	1.644
2012	1.541
2013	1.438

TOTAL SHAREHOLDERS' EQUITY (TL THOUSAND)

2011	606.233
2012	744.030
2013	723.142

ADVERTISING AND INTERNET REVENUES (TL THOUSAND)

2012	556.463
2013	536.593

CIRCULATION AND PRINTING REVENUES (TL THOUSAND)

2012	230.263
2013	230.984

REVENUES (TL THOUSAND)	2013	SHARE (%)	2012*	SHARE (%)	CHANGE (%)
Turkey	586.105	72,8	578.580	69,7	1
Russia and CIS	183.270	22,8	207.197	25,0	(12)
Europe	36.199	4,5	44.625	5,4	(19)
TOTAL REVENUES	**805.575**	**830.402**	**(3)**	**100**	**(3)**

* Hungary and Croatia due to operations classified as discontinued operations have been reorganized.

REVENUES (TL THOUSAND)**	2013	SHARE (%)	2012*	SHARE (%)
Advertising Revenues (Print)	433.086	53,76	472.826	56,9
Advertising Revenues (Online)	103.507	12,85	83.637	10,07
Circulation Revenues	102.884	12,77	107.906	12,99
Printing Revenues	128.100	15,90	122.357	14,73
Other Revenues	37.998	4,72	43.676	5,26
TOTAL REVENUES	**805.575**	**100**	**830.402**	**100**

* Hungary and Croatia due to operations classified as discontinued operations have been reorganized.
**In the IFRS Report, TL 522,2 million (2012: TL 545,2 million), circulation and print revenues and other income are not included in online income. These amounts, online classified advertising revenues of income,.

GROSS PROFIT (TL THOUSAND)	2013	SHARE (%)	2012	SHARE (%)
Turkey	197.890	68,00	196.209	63,10
Gross Profit Margin	33,76%		34,00%	
Russia & Eastern Europe	94.528	32.50	107.180	34,50
Gross Profit Margin	51,58%		51,80%	
Europe	(1.281)	(0,44)	7.817	2,60
Gross Profit Margin	(3.54)%		17,52%	
Total Gross Profit	291.137		311.206	
Gross Profit Margin	36,14%		37,50%	

The revenues of Hürriyet Gazetecilik Matbaacılık A.Ş. and its affiliate companies comprise newspaper advertising, online, circulation and printing revenues. On a regional basis, 72,8% of revenues are generated from Turkey operations.

MAIN FACTORS AFFECTING OPERATIONAL PERFORMANCE	2013	2012
GDP annual growth rate (%)	4 (estimated)	2,2
CPI rate (%)	7,4	6,2
TL/US Dollar Exchange rate (closing)	2.1343	1.7826
TL/US Dollar Exchange rate (average)	1.9033	1.7922
Rouble/ US Dollars Exchange rate (closing)	32.7292	30.3727
Rouble/ US Dollars Exchange rate (average)	31.8496	31.0709
Turkish Advertising Market (TL billion)	5,6	5,0
Newspaper Advertising Market (TL million)	992	1,022
Online Advertising Market (TL million)	827	734
Turkey's daily average net sales (million copies)	5,1	4,8
Hürriyet daily average net sales (copies)	403	411
Hürriyet Newspaper daily average number of pages	79,8	79,3
Amount of paper used (000 tons)	66	72
Average paper price (USD/ton)	708	748
Net Debt/(Cash) Status* (TL thousand)	370.827	395.938
Net Debt/(Cash) Status ** (USD Thousand)	173.746	222.113

*2012 figures have been re-adjusted. The figure for 2013 does not include the blocked deposit account of TL 36,6 million classified under other current assets.
** For calculation of Net Debt in US Dollars, the closing exchange rate of relevant years are used.

The revenues of Hürriyet Gazetecilik Matbaacılık A.Ş. and its affiliate companies comprise the newspaper advertising, online, circulation and printing revenues. On a regional basis, 72,8% of revenues are generated from Turkey operations. Therefore, the growth in the Turkish advertising, newspaper advertising and online advertising market considerably affect the revenues generated. Information on the national growth and inflation rates are also given, since they are important factors affecting the advertising sector.

As regards to costs, important factors are the changes in paper prices, the most important raw material, denominated in US Dollars, amount of use and the US Dollar exchange rate.

Another significant effect arising out of changes in exchange rates is seen on the finance income/(expense) due to our Net Debt situation. Since both Hürriyet Gazetecilik and Trader Media East have obtained US Dollar-denominated bank loans, the TL/US Dollar and Rouble/US Dollar rates are important.

Conducting its operations around the Doğan Publishing Principles, Hürriyet's top priority is unbiased and objective journalism.

PRINTED MEDIA DOĞAN MEDIA GROUP PUBLISHING PRINCIPLES

OUR SHARED VALUES

Doğan Media Group is a leading media provider offering exclusive, topical news stories, content and services that engage its audience in active dialogue and add value to their daily lives across all channel forms and at a global, 24/7 level. Our "Shared Values" are the most important shared asset between publisher and employee, and constitute the foundation of our publishing principles.

Our Shared Values also form the basis of the intangible yet critically important contract between Doğan Media Group and its readers, viewers and listeners.

We promise our readers, viewers and listeners a top-quality publishing activity – one that'screative and in line with professional and ethical principles, and one thatat times breaks the mold and traditions, but is ever-respectful of its audience.

1. TRUST

Earning society's trust through our general attitude and our audience's trust through what we print and broadcast is our most important value. The very foundation of Doğan Media Group today, as well as in the future, is comprised of trust.

2. INDEPENDENCE

a) The independent nature of Doğan Media Group, its management and employees, is what forms the basis of the trust we have established in society as well as with our audience. Doğan Media Group employees and management respect their professional position above and beyond any and all relationships based on interest and influence. They may not enter or partake in any activity or organization that could tarnish the Group's, the Company's or their own reputation, and should avoid any and all conflict-of-interest situations that would cast doubt on Dogan Media Group's independent stance.

b) Among the most integral factors of the Group's independence is the fact that Doğan Media Group's activities are built upon economic realities and prudent management principles. We will not engage in activities that do not create economic value. This is because a business activity that is not economic in nature is simply dependent on yet another source.

c) We separate and identify commercial elements appearing in our publications, such as advertisements, commercial messages and sponsorship matters, in a manner that leaves no doubt as to the commercial nature of such elements. We exercise care to not use commercial brand names of companies and commercial product names, provided that such names do not constitute the main story. We do not publish or broadcast any content whatsoever that is based on any suggestion or advice received from advertising sources.

3. ACCURACY AND TRUTHFULNESS

a) The fundamental purpose of our publications is to relay facts to the public at large in an objective manner, without distorting, exaggerating or censuring said facts, and without being influenced by any external pressure or special interest groups along the way.

b) The element of speed should never overshadow truthfulness, and exaggeration and simplification should never stand in the way of the multi-faceted nature of truth. We should openly admit to what we do not know and make an effort to avoid speculation.

c) Our goal is to never mislead our audience knowingly and deliberately, while minimizing any misleading behavior that stems from a lack of information and diligence on our part, and take corrective action at the earliest possible moment.

4. IMPARTIALITY, PLURALISM, FAIRNESS

a) Our publications should be pluralist in a manner that reflects different aspects of the truth, and be impartial in the face of ideas that represent different sides of the truth and social actors. Impartiality and pluralism means considering our publications in their entirety and within a reasonable time span, and reflecting all mainstream ideas existing within society, without ignoring any such ideas within the confines of proportional fairness.

b) We aim to be open-minded and free of prejudice in the course of evaluating opinions and elements of proof that either defend or oppose an idea, attitude or behavior.We must act fairly in the face of different opinions, ideas, attitudes and behavior. We must be able to place ourselves in the shoes of those that are different, and measure whether or not we have been acting fairly.

5. COMPLIANCE WITH SOCIAL VALUES

a) We live in a nation of many voices, within a society that is rapidly changing. We regard wealth in terms of the ideas, beliefs, attitudes and behaviors of our society, and consider it as a resource that feeds our publishing endeavor. We are respectful towards our democratic and secular system, and the Constitution and Laws that bind such diversity and wealth together.

b) We avoid publishing material that limits the freedom of speech, conscience and expression; is in violation of basic human rights; provokes hatred, brutality and animosity; fans hatred and animosity amongst communities and nations; and offends religious beliefs and sensitivities.

c) With regard to violence and criminal activity, we do not include details in our news stories that could a) adversely affect people, especially children, b) act as a motivational factor or c) divulge specific methods; this includes language and narration that glorifies violence in any publication that deals with violence and criminal activity.

d) We are mindful of the public's right to be informed and how this right must be carefully balanced against furthering terror propaganda in our publications dealing with terrorism. As such, we exercise care to not aggrandize the consequences of terrorist activities in an excessive and disproportionate manner, and we use language that is not ethnically discriminatory.

e) Our publications cover every aspect of global human life, and we are aware of the fact that this could at times prove to be disturbing, uncomfortable and/or regarded as out of place. While we engage in such reporting, we take pains to not cause deliberate harm to people – especially those groups that need special attention such as children, disabled people and minorities; and we avoid offending community values in an unnecessary, excessive and unjustified manner.

f) We abstain from defining individuals by their race, nation, social class, religious belief or lack thereof, professional group or physical or mental disabilities, as long as such elements are not an integral part of the story being reported, and we avoid creating a setting where such individuals could be subjected to mockery, belittlement, indignity or humiliation due to who or what they are.

g) We do not engage in "outing" a certain group or individual through various adjectives, assessments or methods, and render them subjects of hatred. We certainly and most definitely do not allow expressions that promote hate crimes.

h) We do not use monikers or references that mock or humiliate individuals and entities beyond the boundaries of fair criticism.

i) We are keenly aware of the fact that our audience expects that their children are protected. We exercise special care so that children and juveniles who appear in or constitute the subject matter of our publications and broadcasts are protected both physically and emotionally.

6. RIGHT TO PRIVACY AND PROTECTING PRIVACY

a) Our publications respect the privacy of individuals. We do not disclose individuals' private lives, communications, correspondence or documents unless there is a compelling reason to disregard the requirements of the principle of privacy in order to serve the greater good.
b) We do not use an individual's lifestyle, attitude or behavior as a pretext to disclose their private life unless for the greater good.
c) We do not publish secretly-obtained images and sound recordings that violate the sanctity of privacy, or any recordings that violate the freedom of communication, unless required for the greater good, even if such recording was obtained through legal means.
d) We exercise care to not accuse any individual of actions that are considered a crime by the law unless concrete facts exist to that effect, or pronounce individuals and entities guilty as charged in the course of legal investigations unless proven so. We provide equal coverage to the prosecution and the defense, avoid impacting investigations in a negative manner, and take care to not influence our audience.

7. TRANSPARENCY AND ACCOUNTABILITY

a) We are obligated to be accountable to our audience in every endeavor we undertake, starting with our publications. Owning up to our errors openly, if that is the case, and remedying such errors in the most expedient manner is our priority. We respect the right to respond and correct elements that are borne out of false stories and portrayals, and news and articles that infringe upon constitutional rights.
b) All publishing and broadcasting entities within Doğan Media Group take structural measures and establish mechanisms designed to avoid repetitive errors in printing and broadcasting, and facilitate prompt follow-up on the opinions and complaints stated by our audience.

8. CORPORATE DIGNITY

a) If it is the public's respect we strive to earn, we must first respect our own organization and colleagues.
b) Regardless of their position within Doğan Media Group, every employee exercises care to avoid behavior that would compromise the dignity of the company or their colleagues, or cause harm to the reputation of the companies under the Group's umbrella.

PUBLISHING PRINCIPLES FOR PRINTED MEDIA

1. The basic function of journalism is finding and reporting facts to the general public in an objective manner, without distorting or subjecting such facts to censorship, and without being influenced by any external pressure or special interest groups.
2. A journalist upholds his/her professional work above and beyond any and all relations based in special interest or influence, does not engage in actions that would tarnish the newspaper or his/herself, and may not actively serve with any professional sports club or political party.
a) Newspaper and magazine employees may not influence readers by announcing how they will vote before an election and may not take a stand that would be construed as binding the newspaper to a specific political viewpoint.
b) Outside contributors will inform readers of conflict of interest matters and institutional alignment by way of disclosing persons or entities with whom they are involved in a relationship.
3. Employees working in the economy and finance sections, as well as columnists commenting on these sections, may not own stocks and may not engage, directly or indirectly, in trading on the stock market. No newspaper or magazine employee may hold a post in an advisory board or Board of Directors in a commercial establishment.
4. No gifts, material interest or privileges that would infringe upon professional ethics and traditions may be accepted from persons or entities that are, or are considered to be, the subject matter of a publication.
5. The company assumes the travel costs for newspaper and magazine employees traveling for business purposes. As for trips made upon an invitation, taking such trips is contingent upon the Unit Manager's permission. In cases where a trip made upon an invitation is reported as a news item, the fact that the trip was an invitation must be clearly stated in the news story or article.
6. No individuals may be defined by their sexual identity, language, religious belief or lack thereof, race, nation, professional group, social class or physical disabilities, as long as such elements are not an integral part of the story being reported, and no individuals may be subjected to mockery, belittlement, indignity or humiliation due to who or what they are.
7. Newspaper and magazine employees constitute a part of and are biased in the matters of women's and children's rights. No news items discriminating against women or children, and which harm or offend them emotionally or physically, are allowed to appear in print. Instead, news items and articles that aim to prevent violence against women and children are published.
8. No material may be published that limits the freedom of speech, conscience or expression, is in violation of democracy and human rights, provokes hatred, brutality and animosity, or offends religious beliefs and sensitivities.
9. No monikers and references may be used that would mock or humiliate individuals or entities beyond the boundaries of criticism.
10. It is paramount that individuals and entities are not declared guilty as charged during the course of investigations carried out by law enforcement and the prosecutor's office

unless proven so, as the objective is to provide correct and complete information to our audience. There may be no intent to influence the public. Accusatory language is absolutely not permitted. As for active cases that are undergoing the legal process, equal and fair coverage is provided to both the prosecution and the defense.

11. Any and all news stories are published only when the story is thoroughly investigated using all available resources, and when the outcome of such investigations can be stated with absolute certainty and truthfulness of the story.

12. No individual may be accused of criminal actions unless concrete information and documentation exists to that effect.

13. An individual's privacy may not constitute the subject matter of any publication whatsoever, with the exception of consent from the concerned party or cases required for the greater good. Secretly obtained images and sound recordings that violate the sanctity of privacy, even if such recording was obtained through legal means, may not be published unless required for the greater good.

14. No news may be reported that employs methods which could be construed as an invasion of the concerned party's right to privacy, including the use of hidden cameras, secret or unauthorized sound recordings, monitoring electronic mail messages, and unauthorized intrusion into computers or private property.

15. Identities of relatives, friends and associates of suspects, defendants and convicts may not be disclosed, even in the form of aliases, unless such persons are involved in the incident that is the subject matter of the news item.

16. Information provided confidentially may not be published unless a significant necessity arises for the greater good. Embargo provisions are adhered to.

17. Confidentiality of news sources is respected and meticulously guarded with the exception of those cases where such sources are intending to mislead the public.

18. In the process of researching, preparing and publishing news stories, it is imperative to act in fairness, to stick to the facts so as to not distort the essence of the story, and to avoid using headlines that do not reflect the content of the story.

a) The opinions of the accused are absolutely included in a printed news item. In cases where the concerned party is unavailable for comment, or chooses not to comment, such a position must be stated in the news story.

b) Regarding statements and quotes, no summarizing or alterations may be made that would lead to a misunderstanding or mockery of an individual. The source as well as the date should be clearly stated when quoting an individual.

c) The name of the entity conducting the research, the identity of the requesting and financing party or parties for such research, the date and the number of individuals interviewed, and the research method are clearly stated in all news items covering matters of public research.

19. Material that might promote or provoke hatred, brutality, animosity, fan hatred or animosity amongst individuals, communities or nations may not be published. Certain groups or individuals may not be rendered subjects of hatred by engaging in "outting" them through various adjectives, assessments or methods. Expressions that constitute crimes of hatred are certainly and most definitely not allowed.

a) Using gory details when reporting violence and using pornographic language shall be avoided in news items covering matters of law enforcement and the legal process. Material that is sexual in nature and which could negatively affect children may not be published.
b) Photographs and images of individuals who are not public figures may not be taken and published without consent, unless such photos and images have tangible news value or are required for the greater good. Published photos and images must be clearly tagged to state whether they are archive material, animated illustrations, re-enactments, etc.
c) Close-up photos or images of bodies, or those which contain elements of gore or violence, may not be used.
d) No details that could prove to be a motivational factor or divulge specific methods may be included in news stories covering acts of suicide.
20. The public's right to be informed and the principle of not furthering terror propaganda are simultaneously heeded when publishing news items covering terrorism. Peace-time journalism and humanitarian concerns take precedence.
a) Bloody consequences of terrorist acts may not be aggrandized in a sensational manner, and language should be used that will not lead to ethnic discrimination.
b) As is the case in all other incidents involving death, the names of the deceased as a consequence of terrorist acts are absolutely not published before their respective families are notified. News coverage of funerals is carried out in an even-tempered manner that shall not increase human suffering or cause fresh emotional trauma.
21. Advertorials and commercial messages must be identified in a manner that shall erase any doubt as to their nature. Names and commercial trademarks of companies and commercial products are not used unless such names are an integral part of the news story or article. No news stories may be published under any advisement or with any suggestion by advertising sources.
22. The right to respond and correct is respected, and necessary action is taken in that regard.
a) Newspaper and magazine employees establish mechanisms designed to avoid repetitive errors in printing. The right to correction is closely guarded on websites as well, and legal decisions are published on the same page in a conspicuous manner.
23. Doğan Media Group's Shared Values cover publishing activities across all digital platforms, including newspaper and magazine activities in social media, and outside contributors to its publications.
24. Newspaper and magazine employees should be mindful of their professional and corporate identities in social media and abstain from behavior that would harm the company's reputation and cast doubts on his/her respectability. Employees should not make statements on the company's behalf unless authorized to do so, and should not share information on internal company matters.
25. Newspaper and magazine employees should be aware of all professional rules, beginning with honesty and truthfulness, as well as ethics principles in digital platforms. Group employees should not engage in discrimination based on nationality, race, gender, language, religion, sect, class or faith, and should not provoke war, fan violence or hatred, or propagate content to such ends.

26. Newspaper and magazine employees should abstain from providing misleading personal information on social media and should behave transparently. They should not mislead their followers by using assumed names when opening personal accounts; instead, they should use their own names and photographs, and state the media organization they are employed by and their position.

27. Newspaper and magazine employees will submit content such as news stories, information, photographs and images only to the media organization they are employed by. Such content may only be shared via social media once it is published by the media organization they are employed with, or with their respective manager's approval. Such content should not be manipulated and individuals or entities should not be implicated through unconfirmed information.

28. Newspaper and magazine employees should not engage in advertising, public relations or propaganda in their tweets, blogs or messages; they should not write under advisement or for material gain from advertising sources. What a journalist writes in a new media platform should not be offered in a cluster of advertisements and commercial messages, and no misleading labels should be attached to journalism products.

29. Newspaper and magazine employees may also utilize social media as a means for gathering intelligence. Any information obtained through digital mediums needs to be verified, just as is the case with all other mediums. The information source obtained in a digital medium must be checked as well, and approval must be secured for publishing. The address for the website, account, blog or tweet in question must be stated when the news story is composed.

30. Newspaper and magazine employees have an obligation to verify the links they share, the messages they forward and the tweets they respond to for correctness and truthfulness, as well as indicate their sources and take corrective action with a follow-up message in cases where they find out that their sources are not correct or true.

31. Newspaper and magazine employees should be mindful of the fact that third parties might take what they write in a digital platform out of context and forward it to others. In responses to their readers and followers, a journalist should abstain from using language containing insults, belittlement, mockery and accusations. They must not interfere with individuals' private lives and they must remain constructive and receptive towards criticism.

32. Any content such as a news item, video, photograph, article, comment, and the like. whose source is a Doğan Group of Companies entity, should be shared primarily by stating the appropriate Doğan Group of Companies entity as the source for such content.

33. In cases where newspaper and magazine employees have doubts regarding specific content to be shared or an action to be taken in social media, they should seek advice from their respective department manager or the social media editorial office.

34. Office matters and meeting contents may not be posted and shared in social media if they contain details that could potentially constitute a risk to the Group in terms of confidentiality, security or competition.

1 GENERAL INFORMATION

A. PERIOD FOR THE REPORT

This annual report covers the period from 1 January 2013 to 31 December 2013.

B. COMPANY'S TRADE NAME, TRADE REGISTRY NUMBER, CONTACT DETAILS OF HEADQUARTERS AND BRANCHES, AND WEBSITE

Trade Name	: Hürriyet Gazetecilik ve Matbaacılık A.Ş.
Trade Registry Office	: Istanbul Chamber of Commerce
Trade Registry Number	: 78044/19200
Address	: Hürriyet Dünyası 100. Yıl Mah. Matbaacılar Cad.
No	: 78 Bağcılar 34204, Istanbul/Turkey
Phone	: +90 212 677 00 00
Fax	: +90 212 677 01 82
Website	: www.hurriyetcorporate.com

PRINTING HOUSES AND REGIONAL OFFICES CONTACT INFORMATION	PHONE	FACSIMILE
Hürriyet Dünyası, 100. Yıl Mahallesi, Matbaacılar Caddesi No: 78 34204 Bağcılar/Istanbul	0212 677 00 00	0212 677 01 82
Doğan Medya Tesisleri 34850 Esenyurt/Istanbul	0212 622 28 00	0212 622 28 02
Esenboğa Yolu Üzeri 15. Km Dereyurt Mevkii 06150 Sarayköy/Keçiören Ankara	0312 306 91 00	0312 306 92 92
Dumlupınar Bulvarı No: 12 Söğütözü/Ankara	0312 207 00 00	0312 207 01 00
Şehitler Cad. No: 16/1 35230 Alsancak/Izmir	0232 488 65 00	0232 463 73 11
Ege Cad. No: 36 35414 Sarnıç/İzmir	0232 298 22 00	0232 281 65 80
Adana-Ceyhan Karayolu 5. Km. 01260 Adana	0322 346 16 00	0322 346 36 02
Havalimanı Yolu 8. Km 07300 Antalya	0242 340 38 38	0242 340 38 22
Organize Sanayii Arsin Yolu 61900 Trabzon	0462 711 25 00	0462 711 25 02
An Der Brücke 20-22 D-64546 Mörfelden Walldorf Frankfurt/Germany	+49 6105327130	+49 6105327373

C. COMPANY'S ORGANIZATIONAL STRUCTURE, CAPITAL STRUCTURE, AND SHAREHOLDER STRUCTURE, AND RELATED CHANGES THAT OCCURRED DURING THE PERIOD

C.1. COMPANY'S ORGANIZATIONAL STRUCTURE

As of 31 December 2013, the Company's organizational structure is as below:

C.2. CAPITAL STRUCTURE AND SHAREHOLDER STRUCTURE

The shareholder structure of Hürriyet Gazetecilik ve Matbaacılık A.Ş. is presented below.

Registered Capital TL 800.000.000-
Issued Capital TL 552.000.000-

SHAREHOLDERS	SHARE (TL)	SHARE (%)
Doğan Yayın Holding (*)	367.416.194	66,56
Doğan Holding (*)	61.200.274	11,09
Traded on BIST and Other 123.383.532	22,35	22,35
Total Capital	552.000.000	100

(*) As of 31 December 2013, shares held by the Group's parent company Doğan Yayın Holding and representing 6,56% of Hürriyet's total capital are free float shares (31 December 2012: 6,56%). Shares held by Doğan Holding and representing 11,09% of Hürriyet's total capital are in "open" status (31 December 2012: 11,09%).

Some 21,98% of shares representing Hürriyet's total capital are free float shares as of 31 December 2013 (31 December 2012: 20,87%). Some 40% of shares representing Hürriyet's total capital are in "open" status.

D. INFORMATION ON PRIVILEGED SHARES AND VOTING RIGHTS OF SHARES

Each share is entitled to one vote in our Company. No upper limits have been set forth regarding the voting rights of shareholders. The Company avoids practices that make it difficult to exercise voting rights. All shareholders are given the opportunity to exercise their voting rights in the easiest and most convenient manner.

The Company issues no preferred stock.

E. COMPANY'S DIRECT OR INDIRECT INVESTMENT IN ASSOCIATES, SUBSIDIARIES AND SHARE PERCENTAGE

SUBSIDIARIES

The Subsidiaries and the Company's share in these Subsidiaries as of 31 December 2013 and 31 December 2012 are presented below:

	VOTING RIGHTS OF HÜRRİYET AND ITS SUBSIDIARIES (%)		CONTROLLING INTEREST (%)	
SUBSIDIARIES	**2013**	**2012**	**2013**	**2012**
Hürriyet Medya Basım	100,00	100,00	100,00	100,00
Doğan Ofset	99,93	99,93	99,93	99,93
Yenibiriş	100,00	100,00	100,00	100,00
Doğan Haber	53,10	53,10	53,10	53,10
Nartek	60,00	60,00	60,00	60,00
Hürriyet Zweigniederlassung	100,00	100,00	100,00	100,00
Hürriyet Invest	100,00	100,00	100,00	100,00
TME	74,28	74,28	74,28	74,28
Oglasnik d.o.o.(1), (2)	100,00	100,00	74,28	74,28
Impress Media Marketing LLC	97,00	100,00	72,05	74,28
Moje Delo, spletni marketing, d.o.o.(3)	-	100,00	-	74,28
TCM Adria d.o.o.(2)	100,00	100,00	74,28	74,28
Expressz Magyarorszag Media Kft.(2)	100,00	100,00	74,28	74,28
Job.ru LLC	100,00	100,00	74,28	74,28
Mirabridge International B.V.	100,00	100,00	74,28	74,28
Pronto Invest B.V.	100,00	100,00	74,28	74,28
ZAO Pronto Akzhol	80,00	80,00	59,42	59,42
TOO Pronto Akmola	100,00	100,00	74,28	74,28
OOO Pronto Atyrau	100,00	100,00	59,42	59,42

	VOTING RIGHTS OF HÜRRİYET AND ITS SUBSIDIARIES (%)		CONTROLLING INTEREST (%)	
SUBSIDIARIES	2013	2012	2013	2012
OOO Pronto Aktobe	80,00	80,00	47,54	47,54
OOO Pronto Aktau	100,00	100,00	59,42	59,42
OOO Pronto Rostov(4)	100,00	100,00	74,28	74,28
OOO Novoprint(5)	-	100,00	-	74,28
ZAO NPK(5)	-	100,00	-	74,28
OOO Delta-M	55,00	55,00	40,85	40,85
OOO Pronto Baikal	100,00	100,00	74,28	74,28
OOO Pronto DV	100,00	100,00	74,28	74,28
OOO Pronto Ivanovo	100,00	100,00	74,28	74,28
OOO Pronto Kaliningrad	95,00	95,00	70,57	70,57
OOO Pronto Kazan	72,00	72,00	53,48	53,48
OOO Pronto Krasnodar	80,00	80,00	59,42	59,42
OOO Pronto Krasnoyarsk(5)	-	100,00	-	74,28
OOO Pronto Nizhny Novgorod	90,00	90,00	66,85	66,85
OOO Pronto Novosibirsk	100,00	100,00	74,28	74,28
OOO Pronto Oka(6)	100,00	100,00	74,28	74,28
OOO Utro Peterburga(6)	55,00	55,00	40,85	40,85
OOO Pronto Samara	100,00	100,00	74,28	74,28
OOO Pronto Stavropol(7)	-	100,00	-	74,28
OOO Pronto UlanUde	90,00	90,00	66,85	66,85
OOO Pronto Vladivostok	90,00	90,00	66,85	66,85
OOO Pronto Moscow	100,00	100,00	74,28	74,28
OOO Rosprint Samara(8)	-	100,00	-	74,28
OOO Tambukan	85,00	85,00	63,14	63,14
OOO Partner-Soft(9)	90,00	90,00	66,85	66,85
Pronto Soft	90,00	90,00	66,85	66,85
OOO Pronto Kemerovo(4)	100,00	100,00	74,28	74,28
OOO Pronto Smolensk	100,00	100,00	74,28	74,28

SUBSIDIARIES	VOTING RIGHTS OF HÜRRİYET AND ITS SUBSIDIARIES (%) 2013	2012	CONTROLLING INTEREST (%) 2013	2012
OOO Pronto Tula(4)	100,00	100,00	74,28	74,28
OOO Pronto Voronezh(4)	100,00	100,00	74,28	74,28
OOO SP Belpronto	60,00	60,00	44,57	44,57
OOO Tambov-Info	100,00	100,00	74,28	74,28
OOO Pronto Obninsk (10)	10	100,00	7,43	74,28
OOO Rektcentr	100,00	100,00	74,28	74,28
OOO Pronto Neva(11)	100,00	100,00	74,28	74,28
Publishing House Pennsylvania Inc	100,00	100,00	74,28	74,28
Bolji Posao d.o.o. Serbia(2)	100,00	100,00	74,28	40,85
Bolji Posao d.o.o. Bosnia(2)	100,00	100,00	74,28	40,85
Sklad Dela Prekmurje NGO(3)	-	100,00	-	40,85
OOO Rukom(12)	100,00	100,00	74,28	74,28
Pronto Ust Kamenogorsk	100,00	100,00	59,42	59,42
OOO Pronto Pskov(13)	-	100,00	-	66,85

(1) The respective rate contains the call options of non-controlling interests, as detailed under Note 19 to the Consolidated Financial Statements of Hürriyet Gazetecilik ve Matbaacılık A.Ş. as of 31 December 2013.
(2) The relevant companies are classified under fixed assets retained for sale.
(3) Sold on 23 April 2013.
(4) Liquidation procedures initiated in 2013.
(5) Was liquidated in 2013.
(6) Terminated its operations before 2012.
(7) Merger with OOO Pronto Rostov was completed in April 2013.
(8) Merger with Pronto Samara was completed in September 2013.
(9) Liquidation procedures initiated in 2012.
(10) Some 90% of its shares were sold in December 2013 and the remaining 10% in January 2014.
(11) Was liquidated in 2014.
(12) Terminated its operations during 2012.
(13) Sold on 26 April 2013.

BUSINESS PARTNERSHIPS	31 DECEMBER 2013 DIRECT AND INDIRECT SHARE (%)	31 DECEMBER 2012 DIRECT AND INDIRECT SHARE (%)
OOO Autoscout24(1)	-	37,88
ASPM Holding B.V.	37,88	37,88
Tipeez Internet Hizmetleri A.Ş. ("Tipeez")(2)	-	30,00

(1) Was liquidated in 2013.
(2) All shares owned as of 25 June 2013 were sold to Tweege Holdings LP, the controlling shareholder.

AFFILIATES	31 DECEMBER 2013 DIRECT AND INDIRECT SHARE (%)	31 DECEMBER 2012 DIRECT AND INDIRECT SHARE (%)
Doğan Media International GmbH ("Doğan Media")	42,42	42,42
SP Pronto Kiev	37,14	37,14
TOV E-Prostir	37,14	37,14

F. ACQUISITION OF THE COMPANY'S OWN SHARES

During the accounting period from 1 January 2013 to 31 December 2013 the Company did not repurchase its own shares.

G. INFORMATION ON THE BOARD OF DIRECTORS, SENIOR EXECUTIVES AND NUMBER OF EMPLOYEES

G.1. BOARD OF DIRECTORS AND COMMITTEES

The duties of the Members elected to the Board of Directors at the Ordinary General Meeting held on 20 June 2013 are presented below:

NAME/LAST NAME	TITLE	STATUS
Vuslat Doğan Sabancı	Chairwoman	Non-Executive
Yahya Üzdiyen	Vice Chairman	Non-Executive
Ahmet Nafi Dalman	Board Member	Executive
Enis Berberoğlu	Board Member	Executive
Kai Georg Diekmann	Board Member	Non-Executive
Dursun Ali Yılmaz	Board Member	Non-Executive
Ayşe Sözeri Cemal	Member	Non-Executive
Ahmet Burak	Independent Board Member	Non-Executive
Béatrice de Clermont Tonnerre	Independent Board Member	Non-Executive

The Members of the Board of Directors were unanimously elected to serve until the date of the Ordinary General Assembly, where the operations for the fiscal year 1 January 2013 – 31 December 2013 will be discussed.

On 28 May 2013 and 19 June 2013, Ahmet Burak and Béatrice de Clermont Tonnerre submitted their applications and statements of independence for Independent Board Membership; on 20 June 2013, the Board of Directors submitted and resolved to disclose their applications to the public on 21 June 2013.

In 2013, the Board of Directors held 35 meetings and approved all resolutions unanimously, without any opposing votes.

Duties performed by the Members of the Board of Directors are as follows:

Pursuant to the Board of Directors' resolution dated 03 July 2013, No: 25, the below listed executives are selected to serve as the chairman and members of the committees formed by the Board of Directors. Appointed committee members will serve until the date of the Ordinary General Assembly where the results for the accounting year 2013 will be discussed:

EXECUTIVE COMMITTEE

NAME/LAST NAME	TITLE
Ahmet Nafi Dalman	Vice Chairman of the Executive Committee
Enis Berberoğlu	Executive Committee Member in charge of Editorial Affairs/Editor-in-Chief
Gönül Sayan Birkiye	Executive Committee Member in charge of Advertising/ Advertising Director
Ediz Haşmet Kökyazıcı	Executive Committee Member in charge of Finance/Finance Director
Birim Gönülşen Özyürekli	Executive Committee Member in charge of Marketing/Marketing Director
Tuba Köseoğlu Okçu	Executive Committee Member in charge of Human Resources/Human Resources Director

The Executive Committee has been established in accordance with Article 16 of the Company's Articles of Association. In principle, the Committee convenes once a week.

AUDIT COMMITTEE

NAME/LAST NAME	TITLE	STATUS
Ahmet Burak	Chairman	Independent Member of the Board of Directors, Non-Executive
Béatrice de Clermont Tonnerre	Member	Independent Member of the Board of Directors, Non-Executive

The duties and the working principles of the Audit Committee are detailed on Hürriyet Gazetecilik's corporate website (www.hurriyetcorporate.com).

The Audit Committee conducts its activities on a regular basis and in accordance with the Capital Market Law and CMB regulations and decisions.

THE STATEMENTS OF INDEPENDENCE OF INDEPENDENT BOARD MEMBERS ARE PRESENTED BELOW.

STATEMENT OF INDEPENDENCE

To the Office of the Chairperson:

I hereby declare that, as a Board Member of Hürriyet Gazetecilik A.Ş., I meet the conditions for "Independent Board Membership" outlined in the Capital Market Law, Capital Markets Board's Communiqués, Guidelines and other regulations, as well as the Company's Articles of Association; and that in case the referenced conditions cease to exist, I shall immediately inform the Office of the Chairperson and resign from this position if so required by a resolution of the Board of Directors.

Best regards,

Ahmet Burak

STATEMENT OF INDEPENDENCE

To the Chairwoman of the Board of Directors,

I, as a member of the Board of Hürriyet Gazetecilik ve Matbaacılık A.Ş., hereby affirm that I meet the conditions of "Independent Member of the Board of Directors" as stipulated in the Capital Markets Law, the Communiqué and resolutions of the Capital Markets Board and other legislation as well as Article of Association of your Company; that I shall immediately notify the Chairmanship of the Board of Directors as soon as I come to know that the aforementioned independence conditions no longer exist and that I shall obey the Board Resolution and resign if deemed necessary.

Yours respectfully,

Béatrice de Clermont Tonnerre

CORPORATE GOVERNANCE COMMITTEE

Through the Resolution No. 2013/25 of 3 July 2013, the Board of Directors agreed to assign the Chairperson and Members of the Corporate Governance Committee, they will serve until next meeting of the Board of Directors to be held after the General Assembly meeting where the operating results for 2013 will be discussed and assume the duties of "Nomination Committee" and "Remuneration Committee" as well, as specified in the Capital Market Board's (CMB) Communiqué Series IV, No: 56 on the Definition and Implementation of Corporate Governance Principles.

NAME/LAST NAME	TITLE	STATUS
Ahmet Burak	Chairman	Independent Member of the Board of Directors, Non-Executive
Yahya Üzdiyen	Member	Board Member/Non-Executive
Dr. Murat Doğu	Member	Non-Executive

The duties and the working principles of the Corporate Governance Committee are detailed on Hürriyet Gazetecilik's corporate website (www.hurriyetcorporate.com).

EARLY DETECTION OF RISK COMMITTEE

Pursuant to CMB Communiqué Series: IV, No: 63 Amending the Communiqué Series: IV, No: 56 on the "Principles Regarding Determination and Application of Corporate Governance Principles" (published in the Official Gazette dated 22 February 2013, Issue: 28567), it became mandatory to establish a separate Early Detection of Risk Committee. Accordingly, it was decided to reappoint a chairman and members for the Committee, which was established pursuant to the Board of Directors' resolution dated 18 March 2013, No: 2013/05, and in accordance with Article 378 of the Turkish Commercial Code; and to form the Early Detection of Risk Committee as a separate committee; and to relieve the Corporate Governance Committee of its duties regarding early risk detection.

NAME/LASTNAME	DUTY
Ahmet Burak	Chairman
Erem Turgut Yücel	Member
Tolga Babalı	Member
Ediz Haşmet Kökyazıcı	Member

G.2. SENIOR EXECUTIVES

NAME/LASTNAME	TITLE
Ahmet Nafi Dalman	Vice Chairman of the Executive Committee
Enis Berberoğlu	Executive Committee Member/Editor in Chief
Gönül Sayan Birkiye	Executive Committee Member/ Advertising Director
Birim Gönülşen Özyürekli	Executive Committee Member/Marketing Director
Ediz Haşmet Kökyazıcı	Executive Committee Member/Finance Director
Tuba Köseoğlu Okçu	Executive Committee Member /Human Resources Director

1 GENERAL INFORMATION

The current positions of senior executives, their commencement of duty at the Company, educational backgrounds and years of professional experience are presented below:

NAME/ LAST NAME	TITLE	COMMENCEMENT OF DUTY AT THE COMPANY	EDUCATION	YEARS OF EXPERIENCE
Ahmet Nafi Dalman	Vice Chairman of the Executive Committee	1 October 1994	Bachelor's Degree: Boğaziçi University, Department of Electrical-Electronics Engineering	27
Enis Berberoğlu	Executive Committee Member, Editor in Chief	1 January 2003	Bachelor's Degree: Boğaziçi University, Faculty of Administrative Sciences, Department of Economics; Master's Degree: Istanbul University, Faculty of Economics, Department of Econometrics	32
Gönül Sayan Birkiye	Executive Committee Member/ Advertising Director	9 February 1993	Bachelor's Degree: Marmara University; Master's Degree: Istanbul University, Institute of Social Sciences Department of Radio – TV	20
Ediz Haşmet Kökyazıcı	Executive Committee Member/ Finance Director	21 June 2013	Bachelor's Degree: Bilkent University Department of Industrial Engineering	22
Tuba Köseoğlu Okçu	Executive Committee Member/ Human Resources Director	15 March 2012	Bachelor's Degree: Boğaziçi University, Department of Translation and Interpreting	20
Birim Gönülşen Özyürekli	Executive Committee Member/ Marketing Director	20 May 2013	Bachelor's Degree: Boğaziçi University, Department of Political Science and International Relations	12

*Gönül Sayan Birkiye resigned in February 2014; following the decision of the Board of Directors dated 3 March 2014, Zeynep Tandoğan was appointed to the vacated position.

G.3. NUMBER OF EMPLOYEES

The total number of employees of the Company and its subsidiaries was 5.209 as of 31 December 2013 (December 31, 2012: 6.345).

H. INFORMATION ON THE BOARD MEMBERS' TRANSACTIONS WITH THE COMPANY ON THEIR OWN BEHALF OR ON BEHALF OF THIRD PARTIES, AND INFORMATION RELATED TO ACTIVITIES IN THE FRAMEWORK OF RESTRICTIONS ON COMPETING WITHIN THE PERMISSION GRANTED BY THE GENERAL ASSEMBLY

Except for those transactions prohibited by the Turkish Commercial Code, Board Members obtain the permission of the General Assembly to carry out the transactions outlined in Articles 395 and 396 of the Turkish Commercial Code. According to the information available to the Company, in 2012, Board Members did not conduct any commercial activities on their own behalf in the Company's line of business.

I. ADMINISTRATIVE OR LEGAL SANCTIONS IMPOSED ON THE COMPANY OR BOARD MEMBERS DUE TO ACTION IN VIOLATION OF LEGISLATION

During the period, no administrative or legal sanction was imposed on the Company or Board Members due to actions in violation of legislation.

J. AMENDMENTS TO THE ARTICLES OF ASSOCIATION DURING THE PERIOD AND REASONS THEREOF

The Board of Directors convened on 28 May 2013 and resolved to empower the Board of Directors to obtain necessary authorization from the Capital Market Board and General Directorate of Domestic Trade of the Ministry of Customs and Commerce regarding the amendment of Articles 3, 4, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 and 27 and revocation of Articles 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42 of the Company's Articles of Association with the aim to comply with the provisions of the Turkish Commercial Code no 6102 and to improve the wording of the Articles of Association in view of reforms, the entire process was completed before the General Assembly meeting held on June 20, 2013, submitted for the approval by the shareholders and the amendments to the Articles of Incorporation were realized. New wording of Articles 3, 4, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 and 27 of the Articles of Association are disclosed on Hürriyet's corporate website at www.hurriyetkurumsal.com.

2 REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

All rights, benefits and remuneration offered to Board Members are determined at the Annual General Assembly Meeting. The Company has identified its key executives as the Members of the Board of Directors and the Members of the Executive Committee. The total benefits offered to the key executives consist of a salary, bonus, health insurance, transportation and a severance package.

At the Ordinary General Meeting held on 30 June 2013, it was unanimously resolved that the Chairperson of the Board of Directors be paid a monthly net fee of TL 10.000, the Vice Chairperson a monthly net fee of TL 8.500, Board Members Kai Georg Diekmann and Béatrice de Clermont Tonnerre a monthly net fee of USD 5.000 each, and other Board Members a monthly net fee of TL 5.000 each. There is no additional bonus mechanism based on performance for the members of the Board of Directors.

	2013	2012
Remuneration and other short term benefits	8.038.531	**7.676.202**
Post-employment benefits	1.235.931	380.914
TOTAL	**9.274.463**	**8.057.116**

3 RESEARCH AND DEVELOPMENT ACTIVITIES

In 2013, the Company did not conduct any research/development activities and did not incur any costs accordingly.

4 COMPANY OPERATIONS AND RELATED MAJOR DEVELOPMENTS

Having attained an important position in the media, Hürriyet carries out its operations as one of the strongest sector leaders not only in Turkey, but in the whole region. The newspapers Hürriyet, Radikal and Hürriyet News and websites including hurriyet.com.tr, Hürriyet Emlak, Hürriyet Aile, Hürriyet Oto and Bigpara are all fully owned by the Company.

A. COMPANY'S CORE BUSINESS, SECTOR AND ITS POSITION WITHIN THE SECTOR

Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet" or the "Company") was founded and registered in Turkey in 1960.

Hürriyet holds an important position in the media sector and is among the strongest of the sector's leaders, not only in Turkey but also in the region. Hürriyet operates with its fully owned newspapers Hürriyet, Radikal and Hürriyet Daily News; websites hurriyet.com.tr, Hürriyet Emlak, Hürriyet Aile, Hürriyet Oto, Piyasanet and Bigpara; and subsidiaries Doğan Ofset, Hürriyet Germany, Doğan News Agency, Yenibiriş Human Resources, yakala.co (Nartek), and Trader Media East Ltd. (TME), which was acquired by the Company in 2007. Trader Media East Ltd., in which Hürriyet owns a 74,28% stake through its subsidiary, is a leading classified ads publisher and is listed on the London Stock Exchange. TME has its own subsidiaries in Russia, Belarus, Ukraine, Kazakhstan, Hungary, Croatia and Slovenia. This acquisition by Hürriyet undoubtedly marks an important milestone on the Company's journey toward becoming a global brand.

4 COMPANY OPERATIONS AND MATERIAL DEVELOPMENTS CONCERNING THE OPERATIONS

print web mobile tablet

HÜRRİYET NEWSPAPER

Since its launch on 1 May 1948, Hürriyet has never compromised on its principle of publishing “unbiased and accurate news from the source.” As the sector’s leading and model newspaper, Hürriyet takes its reputation even further and reaches out to the future with the goal of becoming a global media brand.

Embracing the slogan “every morning is a new day and the printing press starts rolling,” Hürriyet has never lost its enthusiasm and has over the years become a well-established company. Today, it is one of the most popular newspapers in Turkey and reflects the nation with many voices of the society. As a mainstream newspaper, Hürriyet reaches a wide audience, from the coffee shops in the far-flung corners of Turkey to the kitchens of housewives across the country. Hürriyet’s print edition has a daily readership of 1,6 million. In line with globalization trends and the changes taking place in journalism, Hürriyet strives to communicate with its readers and stakeholders on every platform possible, and reaches millions of people every day via the printed newspaper as well as on the web-mobile-tablet. Hürriyet feels the well-deserved pride of reaching 6,9 million readers every day.

In 2013, Hürriyet recorded daily average sales of 403 thousand copies, and it ranked second in Turkey in terms of circulation; however, the newspaper is far ahead of the competition in terms of advertising revenue.

HÜRRİYET'S SUPPLEMENTS

Reaching approximately 1,6 million people each day, Hürriyet, in addition to providing its readers' need for accurate news and reliable commentary, also publishes supplements to add value to its readership's lives, led by the conviction that contemporary publishing should embrace all aspects of life. These supplements are a major factor that sets Hürriyet apart from its competitors in Turkish media. Another significant aspect of these supplements is the creation of new opportunities for advertisers. Additionally, Hürriyet also publishes daily regional newspapers.

HÜRRİYET KELEBEK

Reaching Hürriyet readers since 1972, despite some interruptions, Kelebek (Butterfly), one of the most important brands under Hürriyet, joined readers once again as a Hürriyet supplement on 15 March 2004. Kelebek is now also published on Sundays, thus reaching readers seven days a week. With 1 million readers, Hürriyet Kelebek maintains its leading position among daily newspaper supplements in Turkey.

With its extensive content and distinctive columnists, Kelebek seeks to present a snapshot of all aspects of life and aims to embrace the entire readership of Hürriyet. The latest fashion trends, issues of interest for women, celebrity news, social trends and health are among the leading topics of Kelebek. In 2013, the Altın Kelebek (Golden Butterfly) Competition took place for the 40th year demonstrating the strength and endurance of the Kelebek brand.

HÜRRİYET IK

Ever since its first issue in October 1995, Hürriyet İK (Hürriyet HR) has been the most effective medium to bring prospective employers and job seekers together. A small ad in Hürriyet İK can lead to the start of a robust career. Reaching about 399 thousand readers with each issue for 18 years, Hürriyet İK has undertaken a very significant role to establish professional human resources management in Turkey. The supplement has served as a pioneer in establishing the concept of human resources in the private sector and has contributed to the cultivation of a qualified workforce in Turkey.

HÜRRİYET KAMPÜS

Published as a school day newspaper since its launch on 1 March 2010 in 17 cities, at 23 universities and on 32 campuses, Hürriyet Kampüs (Hürriyet Campus) targets university students and has been sold as a supplement to Hürriyet since 2011. In the period of 2012-2013, Hürriyet Kampüs reached 51 campuses and 46 universities in 35 cities and 18,000 units in average daily sales. This supplement features current news, arts & culture, entertainment/celebrity news, Zaytung, sports and campus activities as well as articles written by university students. Hürriyet Campus was awarded "The Best Youth Magazine Honorable Mention" by Wan-IFRA in 2013.

HÜRRİYET CUMARTESİ

Hürriyet Cumartesi (Hürriyet Saturday) has been published since 1994 and reaches 1 million readers every weekend. This supplement serves as a weekly guide featuring content on urban living, prominent figures in arts & culture, fashion, food & beverage.

Hürriyet Cumartesi readers continue to enjoy the "Top Ten" and "Things to Do before This Week Ends" sections, trademarks of Hürriyet Cumartesi, as well as columns by Doğan Hızlan, Ayşe Arman, Kanat Atkaya and Figen Batur; style pages by Sibel Arna; healthcare pages by Mesude Erşan; all of which are accepted as the standard in the Turkish media in terms of editorial content. Recently, new sections have been added to Hürriyet Cumartesi, including a health section by Dr. Mehmet Öz, men's fashion by Başak Dizer Fransez, and a culture section by Ahmet Mümtaz Taylan.

HÜRRİYET PAZAR

Published since 1994, Hürriyet Pazar (Hürriyet Sunday) is an unrivalled supplement in its field. It is followed by 871 thousand readers every weekend and sets the standard for the Sunday supplements of other newspapers. Since April 2011, Hürriyet Pazar has been published as a newspaper with an increased number of pages and enriched content. The publication's trademark sections include Ayşe Arman's interviews, Uğur Cebeci's articles on aviation, eating and kitchen culture by Mehmet Yaşin, Yorgo Kırbaki's articles on Greece and Tolga Tanış's op-ed pieces from the US. Latif Demirci's cartoons present the humorous side of Hürriyet Pazar. Recently, with several star writers, including Ertuğrul Özkök, Ahmet Hakan, Gülse Birsel and Pucca, Hürriyet Pazar has become even stronger.

SEYAHAT

Hürriyet's travel supplement, Seyahat, launched on 26 June 2003. Published on Thursdays until 1 March 2004, Seyahat has since been offered to readers on Mondays. Featuring domestic and overseas travel and holiday alternatives accompanied by compelling articles and photographs, Hürriyet Seyahat also offers readers tips and information about their destinations. The supplement serves as a guide for Hürriyet readers on several topics, from local cuisine to travelling with children, from the latest news in the tourism sector to holiday options for different budgets. Seyahat features a selected destination in Turkey or abroad on the cover of each issue. Acclaimed travel writer Mehmet Yaşin's articles have appeared in this supplement since 2008. Each issue of Hürriyet Seyahat is followed by 307 thousand readers.

OTO YAŞAM

Since 8 October 2003, Hürriyet Oto Yaşam (Hürriyet Auto Life) has been distributed free of charge with Hürriyet on Wednesdays. Hürriyet Oto Yaşam offers extensive content from innovations in the automotive industry to motor sports and from financial services to technology news.

HÜRRİYET KEYİF PAZAR

Predominantly featuring pieces on cinema, culture and the arts, Hürriyet Keyif Pazar is published in tabloid format in Istanbul, Ankara and Izmir. The supplement contains reviews on newly released books and music, as well as news about exhibitions, theater performances, concerts and new films. Exclusive interviews with acclaimed figures dominating the arts and culture scene during that week also appear. Hürriyet Keyif Pazar is followed by approximately 405 thousand readers.

TRENDY

Published as a supplement to Hürriyet newspaper since 23 December 2002, Trendy targets young people and features rich content that include interviews with celebrities, fashion and beauty section, arts & culture news, real-life stories from readers. Trendy is a paid supplement published every Monday and is available the entire week.

HÜRRİYET EMLAK

With a finger firmly on the pulse of Istanbul's real estate market since 24 March 2005, Hürriyet Emlak (Hürriyet Real Estate) has been published on Sundays since 15 April 2012. With its new format and enriched content, covering the issues and the outlook of companies in the construction industry, current legal environment and municipal urban development programs, Hürriyet Emlak is the voice of the real estate sector.

In addition to real estate news, this supplement also covers all details related to urban living and consumer needs in line with its publishing principle aligned with the economy pages of Hürriyet newspaper. Hürriyet Emlak is published in Istanbul and has 96 thousand readers.

HÜRRİYET REGIONAL NEWSPAPERS

HÜRRİYET AKDENİZ (HÜRRİYET MEDITERRANEAN)

Launched on 26 February 2001, Hürriyet Akdeniz has been published every day of the week since 16 June 2003. The newspaper is distributed in the provinces of Antalya, Burdur, Isparta and Afyon. The content of Hürriyet Akdeniz was revamped in February 2012, and the newspaper now features new sections, such as Latest Trends in the Economy, Voice of the Citizens, Flavor Room, Doctors Beside You.

HÜRRİYET EGE (HÜRRİYET AEGEAN)

Launched on 26 February 2001, Hürriyet Ege was being published three days a week from 8 October 2003, and it has been published seven days a week since 3 May 2004. The newspaper has been prepared in Izmir since February 2011, and distributed throughout the entire Aegean Region, from Çanakkale to Muğla, reflecting the voice of Aegean residents.

HÜRRİYET BURSA

Launched on 19 April 2004, Hürriyet Bursa underwent a complete revision exactly seven years after its launch. As a result, the newspaper became a more local and Bursa oriented regional publication. Hürriyet Bursa is distributed in the provinces of Bursa, Yalova and Balıkesir.

HÜRRİYET ANKARA

Launched on 31 March 2006, Hürriyet Ankara has introduced many firsts and continues to set the agenda with various sponsorships and social responsibility projects, such as "High School Music Contest" and "Let's Write History Together."

HÜRRİYET ÇUKUROVA-GAP

Launched on 26 February 2001, Hürriyet Çukurova was published three days a week from 8 October 2003, and seven days a week since 3 May 2004. GAP was launched on 10 April 2006, and is distributed in 23 provinces, from Adana to Hakkari.

HÜRRİYET ESKİŞEHİR

Launched on October 31, 2010, Hürriyet Eskişehir is published seven days a week and distributed in the districts of Eskişehir, Kütahya, Bilecik and Afyon.

RADİKAL NEWSPAPER

With a radical approach to journalism as well as to content and size, Radikal Newspaper ushered in a revolution in the media sector on 17 October 2010, bringing the world news to its readers in a dynamic manner and from a different perspective. Radikal is published daily as a 40-page newspaper, and reaches an elite segment of 181.000 readers.

According to the results of the latest Turkish National Readership Survey conducted by the Press Monitoring and Research Agency (BİAK), which seeks to identify readership profiles and uncover other data related to newspapers in Turkey, Radikal has the highest percentage of readers from the highest socioeconomic groups.

Some 75% of Radikal readers belong to the AB socioeconomic segment, 76% live in cities and 64% are university graduates. In addition, the average age of Radikal readers is 38 years, although its reader profile skews younger compared to its competitors.

RADİKAL CUMARTESİ

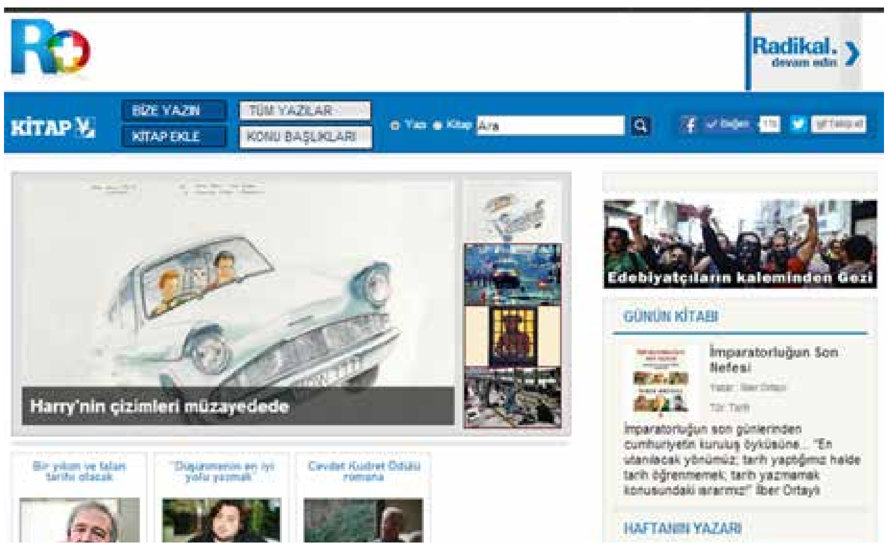
Re-published in 2013, the Radikal Cumartesi (Radikal Saturday) supplement is a city guide that covers urban culture and all subjects related to modern ving. A dynamic and colorful weekly publication with articles on interesting details of everyday life and the universal lifestyle of urbanites, Radikal Cumartesi offers its readers entertainment on weekends with interviews and sections on television, food and beverages as well as mother and child sections.

RADİKAL PAZAR

Radikal’s Sunday issue features a format change, just like leading European and US counterparts, and introduces the “weekend newspaper” concept with a completely new vision as the first Sunday newspaper in Turkey. Radikal Pazar continues to present its readers rich content, comprising detailed articles and a wide range of Sunday interviews.

RADİKAL KİTAP

As one of the most reputable publications in the literature and publishing world, Radikal Kitap (Radikal Book) has reached Radikal readers for 11 years and continues to have its finger on the pulse of the literary world. The publication is closely followed by bookstores and publishing houses in addition to individual readers, as proof of its strong standing in the market. The main factors underlying Radikal Kitap’s success include readers’ trust in its rich editorial content, the optimal news/ads ratio, and regular publication on a specific day of the week. Based on the information sourced from fairs, opinions of publishing houses and annual advertising revenues, Radikal Kitap has become the most preferred supplement related to books.



radikalkitap.com

Through Radikalkitap.com, readers are offered the opportunity to create their own libraries and reading lists and to view and comment on categorized books. Radikal allows all readers to offer their own critiques.

RADİKAL İKİ

Published with Radikal newspaper as a weekly Sunday supplement for the last 15 years, Radikal İki (Radikal Two) has created a debate platform accessible to everyone across Turkey who has something to say. Radikal İki stands out from other Sunday supplements with its rich content that focuses on politics, intellectual debates and current topics on the national agenda; its out-of-the-ordinary approach also includes culture and arts as well as interviews. Radikal İki is an objective and satisfying publication for its readers.

radikal.com.tr

Offering all domestic and international news with a dynamic and different point of view, from headings to headlines and from cover photo to wide ranging content, for two decades now, Radikal Newspaper introduced Turkey's first digital newspaper, radikal.com.tr, in December 2013 in order to keep pace with the current changes in the world.

Having adopted the "digital first" principle after a long research process, Radikal has been transformed into a digital newspaper with a more rapid, more innovative and simpler design that can be personalized. It has also introduced the double main page as a first in Turkey.

Regularly updated to follow up the rapidly changing agenda, radikal.com.tr offers readers breaking news, the latest news and news flashes in summary; meanwhile, Radikal Artı updated five times a day, has a more detailed and comprehensive analysis.

SENDEN HABER (NEWS FROM YOU)

Readers are offered the possibility to broadcast their news items on radikal.com.tr or to add onto to any news topic. In this way, readers keep their finger on the pulse of the medium and help actively shape Radikal.

radikalblog.com

At Radikal Blog, interesting authors cover various topics ranging from technology to everyday life and from politics to arts. Numerous ideas are brought together on this portal and new heroes of the internet are born on Radikal Blog.

HÜRRİYET DAILY NEWS

Since the publication of its first issue on 15 March 1961 as Turkish Daily News and embracing a “world’s window to Turkey” approach, Hürriyet Daily News has been a pioneering, leading and guiding news source for Turkey over its 52-year history. The newspaper was acquired by Doğan Group on 20 January 2000 and renamed Hürriyet Daily News. As a witness to history for the last 52 years, Hürriyet Daily News is the long-established and ever-dynamic English-language newspaper with continuously updated content. The newspaper is a rising star in print as well as online, strengthening its market position as a major source of news not only for Turkey but also for the entire region.

The www.hurriyetdailynews.com website has 840.000 monthly unique visitors (UV) per month, of which about 550.000 access the site from abroad. The website features a wide variety of topics including politics, arts, economy, technology, sports and daily life.

The site’s content is also fed by blogs and social networks, and its readers can access fresh and accurate news thanks to “New,” “Update,” “Breaking News” notifications. In addition to its Facebook pages and Twitter feed, Hürriyet Daily News introduced an Android application in March 2012 in line with its objective of reaching an ever wider audience through mobile and social media. The iPad application of the newspaper, introduced mid-2011, was downloaded 48 thousand times in 2013 while the Android application, launched in 2012, was downloaded 53 thousand times and followed on 9,700 individual devices.

INTERNET SERVICES

hurriyet.com.tr

One of Hürriyet's main business objectives is to expand its market leading position in print media to online media. To this end, hurriyet.com.tr was launched on 1 January 1997 and became one of the earliest examples of an online newspaper in Turkey. By October 2000, the website had grown into a full-fledged news portal offering a continuous stream of the latest news, updated 24-hours a day, moving well beyond being merely the online version of Hürriyet newspaper. The website continued its groundbreaking activities with the introduction of sub channels such as Web TV and astrology at end-2009, followed by the rollout of interactive services including Bumerang and Yazarkafe and subsequently the development and launch of various new mobile applications in 2010. With these various initiatives, the Company then focused on creating a perception of hurriyet.com.tr as a multi-dimensional online media platform through marketing and social media activities. The website maintained its leadership in digital publishing during 2013. As of end-2013, hurriyet.com.tr was accessed by 2 million per day and 26 million unique visitors per month.

According to 2013 Comscore data a recognized worldwide as reference, hurriyet.com.tr was the digital news portal where visitors spent most of their times in terms of total minutes.

Successful implementation of “convergence” strategy, one of the most innovative strategies in the publishing world that building a platform that enables consolidation across platforms including offline access, web, mobiles and tablets, strengthened the journalistic base of hurriyet.com.tr.

Adhering to the principle of providing access to its readers via all devices, Hürriyet launched the mobile website at m.hurriyet.com.tr and offered its users the new Hürriyet application. Furthermore, in 2013 hurriyet.com.tr appeared for the first time on the SmartTv platform, a new channel.

Social media integration with Facebook, Twitter accounts and fan pages was achieved and accordingly a large mass audience was reached via social media.

iPad/e-newspaper application was downloaded to 494 thousand iPads and 356 thousand Android-based devices as of end 2013. Additionally, the Hürriyet tablet application, whose superior visual quality and distinct design differentiates it from its peers, made its debut in 2013.

Making its mark with innovative interactive services in 2013, hurriyet.com.tr brought its interaction with its readers to a maximum level through questions posed to its readership.

hurriyetemlak.com

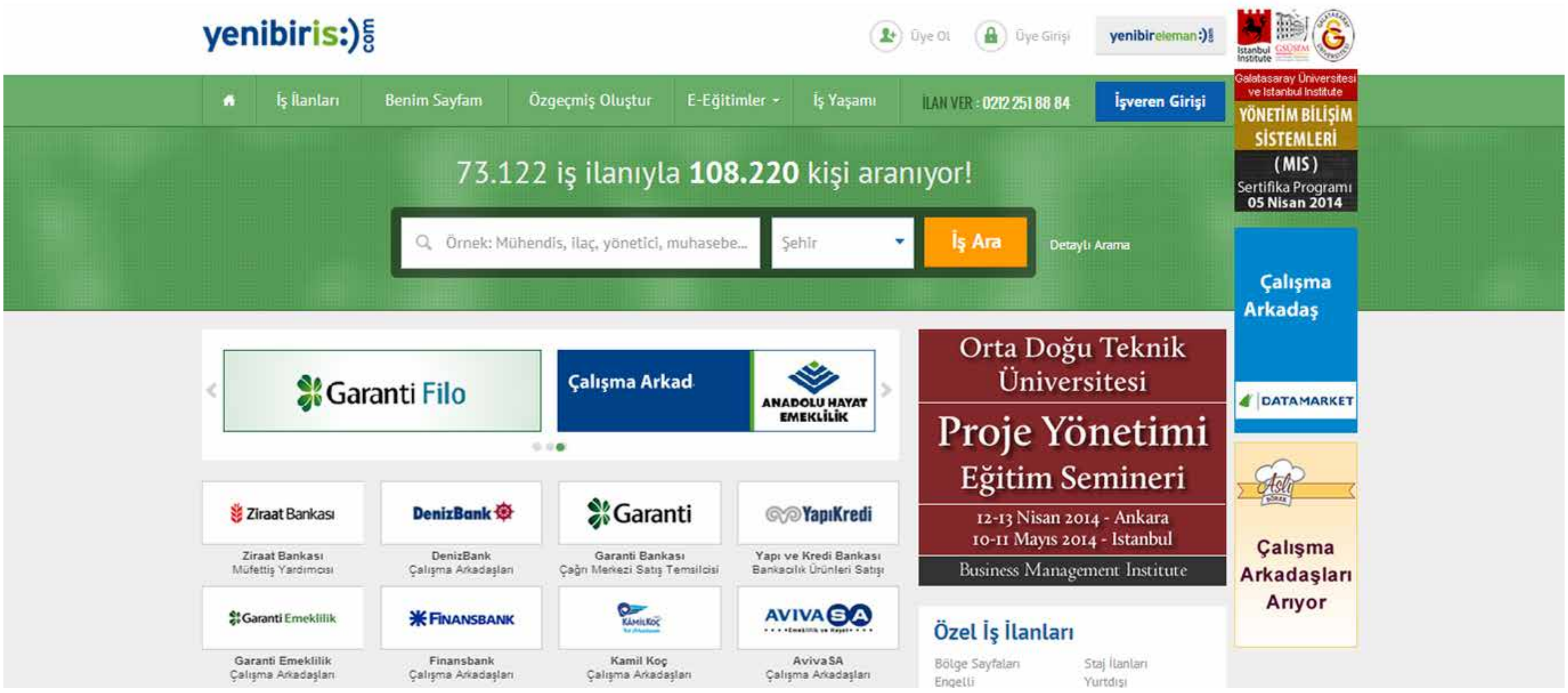
According to Comscore data for 2013, hurriyetemlak.com was the real property website with the highest numbers of visitors. Compared to 2012 data, the average number of unique visitors attained 32% growth while immediate page exit rates was reduced by 2.5%.

The number of visits via mobile devices enjoyed a record increase and attained 333% growth over the previous year. According to data on mobile devices, Android application is visited by 388.000 persons, on average, and iOS applications (together with iPhone and iPad) by 230 thousand persons per month. Monthly page views via mobile devices reached 7.5 million on average.

Individual users were offered one free announcement each in all categories and marketing activities were aimed at individual users activated for the first time. New products for individual users, such as "Siz İsteyin Biz Bulalım" (You Will Ask, We Will Find)," "Bankalardan Satılık Gayrimenkuller" (Real Estate for Sale by Banks) and "Konut Değeri Hesapla (Calculate the Housing Value)," were introduced. As a result of these new applications, a growth over 100% was attained in the number of individual announcements during 2013.

Hurriyet.emlak.com offered the map search option before all its peers in the sector. General performance of the website was improved visibly. Within this endeavor, the design of the main page, category main pages, search result's pages and projects interface were renewed. Search fields in housing, office and parcel categories were recreated, integration with Breadcrumb was realized and the facet structure of the announcement listings was changed.

In 2013, the map search option was inserted in mobile applications (iOS and Android operating systems). The "Place an ad" option using mobile applications was offered to users by hurriyetemlak.com for the first time.



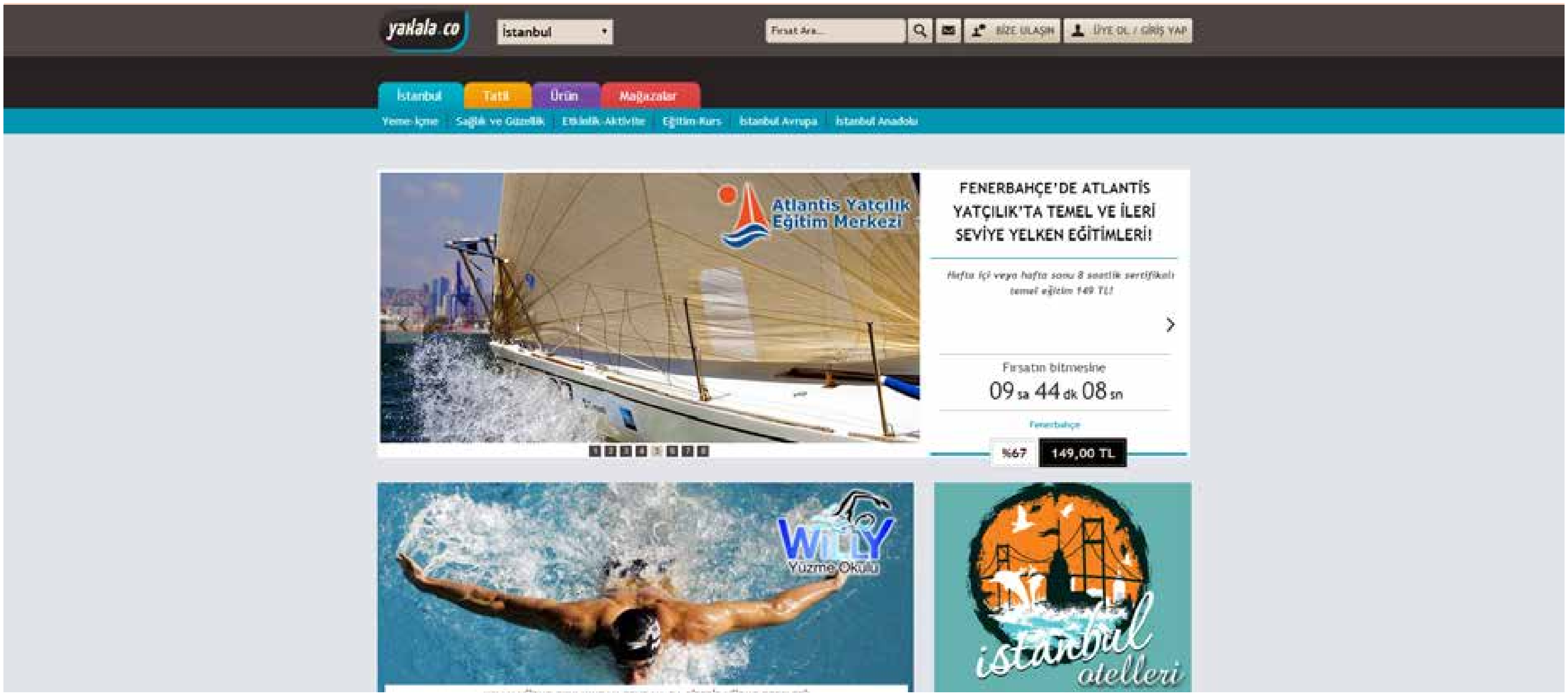
yenibiris.com

yenibiris.com's vision is to become the home page for both job seekers and employers for Turkey's business world. Its mission is to provide added value by applying its innovative ideas via advanced technology to shape the labor market. yenibiris.com is an interactive platform for employers and job seekers; the site facilitates the processes of recruitment and job search. yenibiris.com functions as an intermediary for companies to assist them in their candidacy search and to develop related HR consultancy and evaluation strategies.

According to December 2012 data from Comscore, the leading global digital analytics firm, yenibiris.com had the second highest reach among all career related websites in Turkey.

The average number of unique visitors attained 14% growth, compared to 2012, while average page view's increased 6,5%. In 2013, corporate members' expectations were met and as a result, large-scale clients such as Mercedes Benz, Boyner Holding and Yıldız Holding have become corporate members. Accordingly, the average monthly number of applications via the website reached 2 million, a record in the history of Yenibiriş.

In order to boost traffic and interaction on social media and to reach individual and corporate target audiences, yenibiris.com actively used five fan pages on Facebook, a Twitter feed and viral video campaigns.



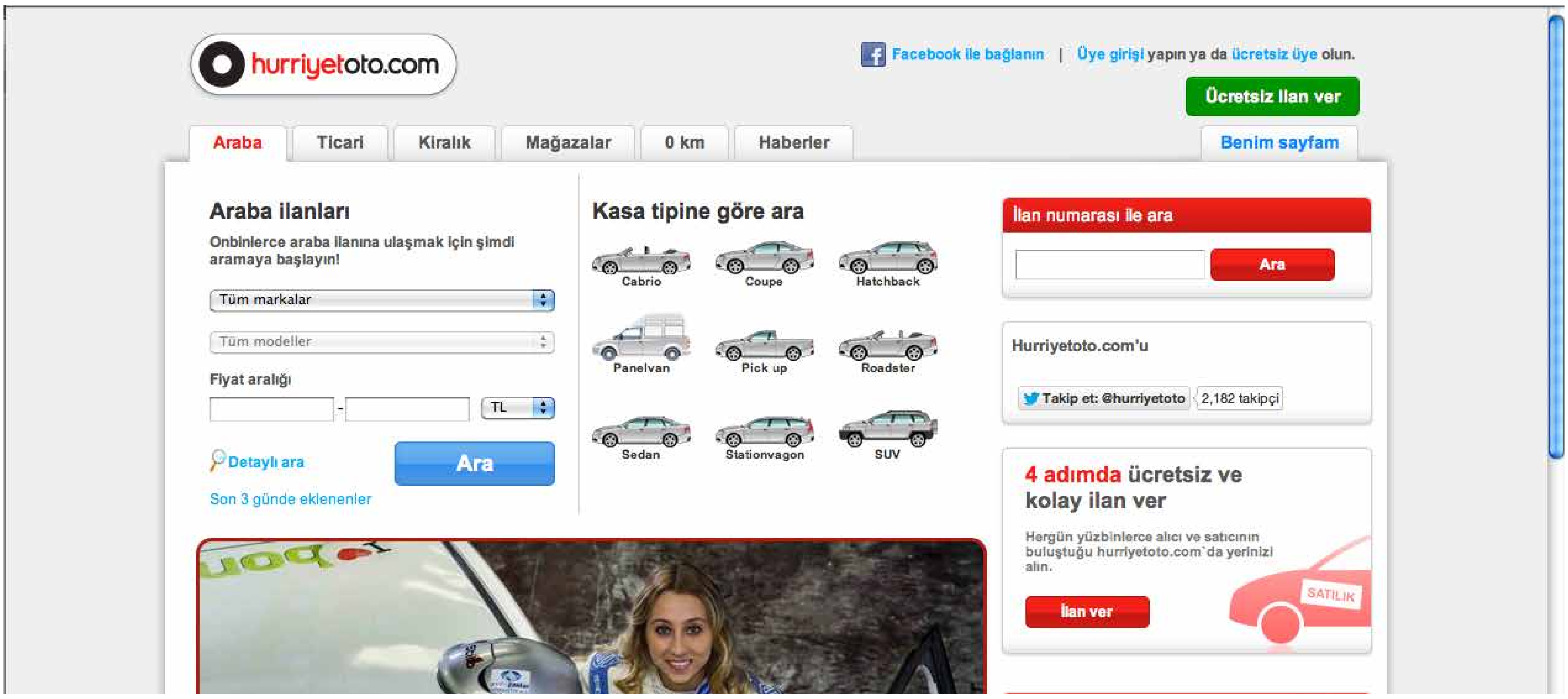
yakala.co

Yakala.co is a promotions and deals website that offers customers a range of services and experiences in their own hometowns and across Turkey. The website features a variety of deals offered by numerous brands in several areas such as food & beverage, travel, massage, spa treatments, photography classes, concert and theater tickets. The site also serves as an online advertising and sales channel for participating brands.

In 2013, yakala.co remained among the top three brands in the mass occasion purchasing sector. Furthermore, it maintained sector leadership for efficiency in terms of per member turnover.

Average monthly page view's increased 13%, the rate of immediate page exits decreased by 10% and the number of visited pages per capita increased by 25% compared with the previous year showing an increase in general traffic attributed to the new interface design.

The customer satisfaction and sales optimization oriented CRM program started its testing in 2013. In 2014, we expect an incremental increase due to the benefits of the implementation of this program reflected in the turnover of the business.



hurriyetoto.com

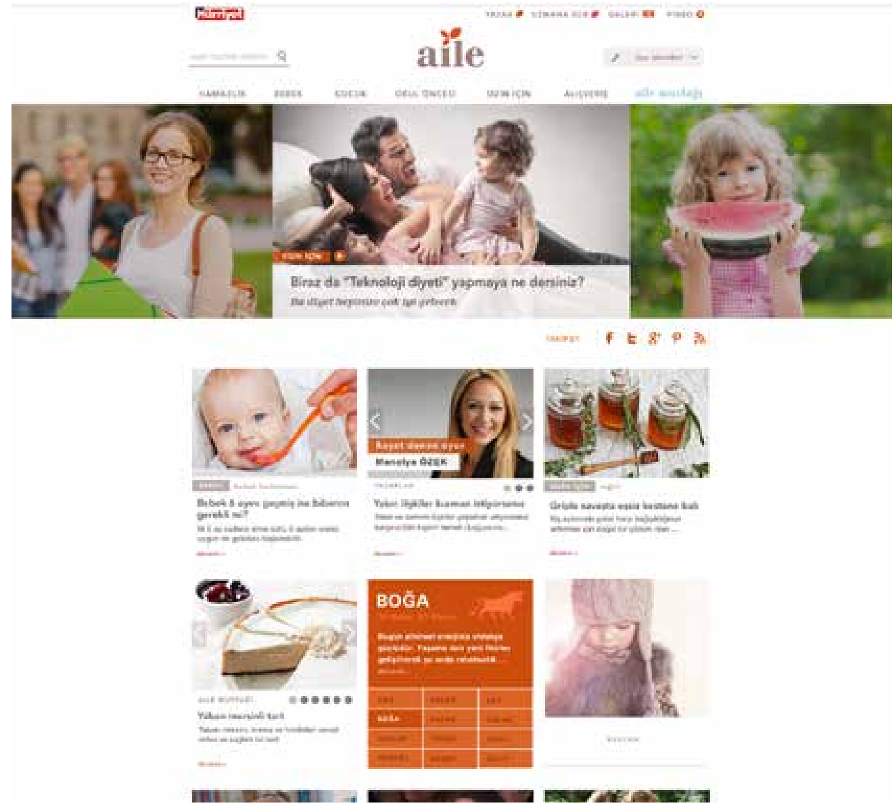
The pulse of the automotive sector beats with hurriyetoto.com, a free automobile announcement platform with its uninterrupted, high quality services, detailed announcements and news.

Both individuals and businesses can enjoy the services offered by hurriyetoto.com, announcing the sale of their vehicles on a speedy and practical platform while being informed about latest developments in the automotive sector.

The Hürriyet Internet Group which controls hurriyetoto.com, has set the goals of the website as to be the provision of high quality and continuous service, both in visual and technical terms, to individual users and corporate business partners while continually improving its listings.

The number of visitors fell by 15% in parallel with the contraction in marketing budgets and the average number of visitors totaled 693 thousand. On the other hand, internet traffic to the site via smart phones increased by 44% in line with sectorial trends and climbed to 65 thousand individuals on average.

In 2013, a preliminary survey on the re-engineering of hurriyetoto.com was held. Periodical maintenance and minor developments in the existing site were completed, while SEO developments were executed.

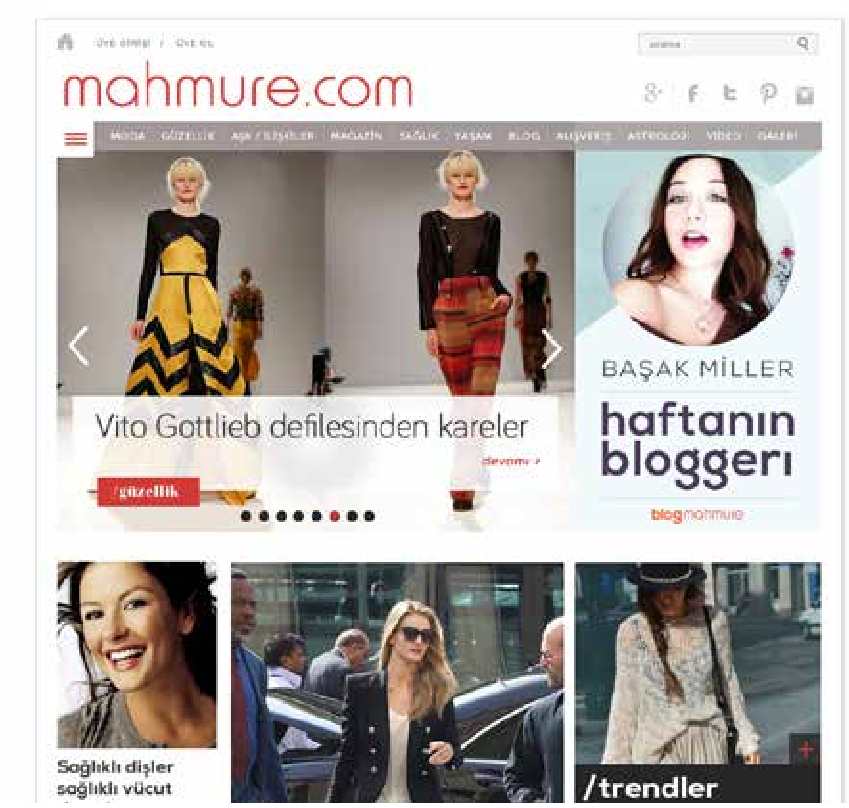


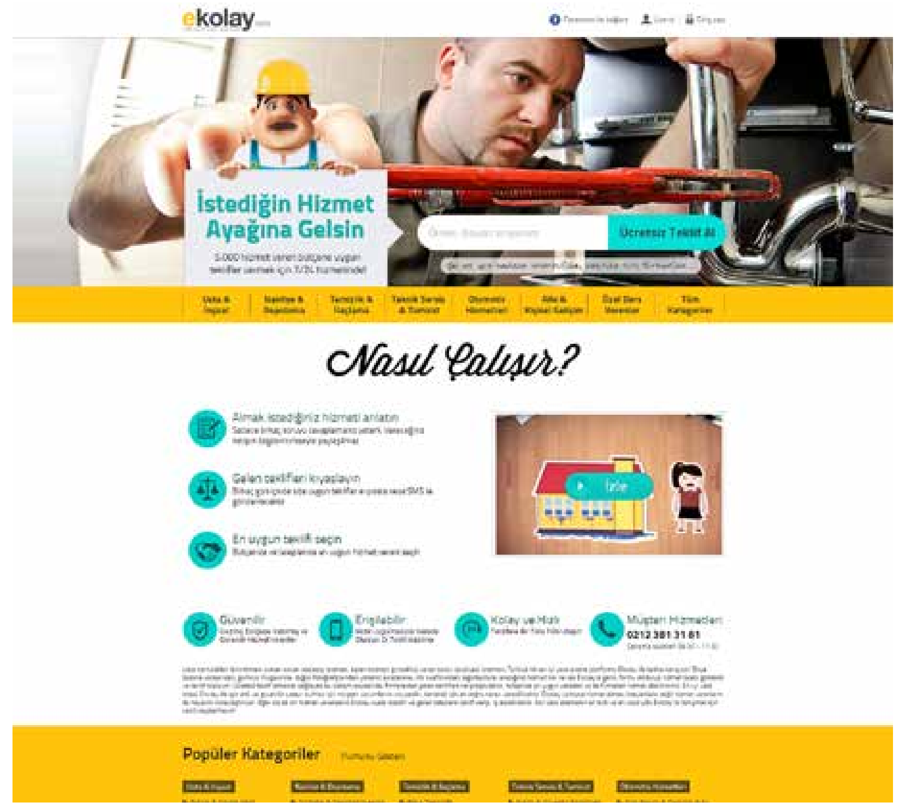
bigpara.com

At the end of 2013, bigpara.com integrated with Piyasanet and reached a monthly 2.3 unique visitors since the site was taken over by the Hürriyet Group in November 2012. As Turkey's largest finance portal, bigpara.com will continue its operations with new sections, functions and technical infrastructure.

hurriyetaile.com

With its staff of influential authors and specialists, hurriyetaile.com covers the family concept from different perspectives while offering content addressing various interests. The website brings together a rich range of content, extending from male-female relationships to shopping, from pregnancy to technological products and from health care to city guides.





mahmure.com

Along with Hürriyet Aile, mahmure.com continues operations as a female oriented network enjoying Turkey's highest internet traffic. At the end of 2013, the web site reached two million unique visitors per month exceeding 100% growth since the site was taken over in November 2012 by Hürriyet Internet Group. Mahmure.com creates a difference among its peers with its new design of high visual quality which makes new generation young women loyal to the channel. New mobile application and content quality, in various categories, including fashion, beauty, career, healthy life, healthy nutrition and fitness are some of the other reasons why young women are loyal to the channel.

ekolay.net

As from 2014, Ekolay.net will service the industry under the slogan "Modern Yellow Pages." The platform continued its original mission as a portal until end-2013.

B. COMMENTS ON THE COMPANY'S PRODUCTION UNITS QUALITY, CAPACITY UTILIZATION RATES AND DEVELOPMENTS, GENERAL CAPACITY UTILIZATION RATES, DEVELOPMENTS IN PRODUCTION, QUANTITY, QUALITY, COMPARISON OF CURRENT VERSION AND PRICES WITH PREVIOUS VERSIONS

Operating in the fields of journalism, printing, advertising, publicity and online publishing, the Company has seven printing centers located in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon and Germany.

Hürriyet Group's newspapers are printed at DPC (Doğan Printing Center) facilities in six locations in Turkey, Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon; overseas printing activities are carried out by Hürriyet's Germany branch (Hürriyet Zweigniederlassung GmBH) in Frankfurt. Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s investments between 1997 and 2013 amounted to about USD 484,2 million, while the Company invested around USD 296,7 million in its DPC facilities during the same period.

The newspapers printed at DPC facilities are Hürriyet, Radikal, Hürriyet Daily News and the supplements of these newspapers. Doğan Printing Centers also undertake the daily, weekly and monthly printing of other newspapers and supplements published by companies within or outside the Group, on a contractual basis.

DPC İSTANBUL

With a covered area of 18.000 square meters and a storage area of 15.000 square meters, Istanbul DPC is the largest newspaper printing center in Turkey. In terms of machine park and printing capacity, DPC Istanbul also ranks among the three largest printing centers in Europe. The installed transformer capacity is 10.000 KVA and the existing generator capacity is 11.000 KVA; in addition, all mechanical and electrical installation systems are controlled by the building automation system. Daily paper consumption at the facility ranges between 200 and 260 tons. DPC Istanbul accounts for 47% of the Company's total printing output.

With the new ovens added to the two Man Colorman branded printing presses at the DPC Istanbul facility in 2012, it has become possible to print on glossy paper and/or newsprint paper thanks to the drying process. As a result, readers' hands do not get stained with the ink from newsprint paper; this method also achieves a higher quality output. Additionally, the width of the newspaper was reduced by three centimeters in Istanbul as in all other regions. This size change offers a more comfortable reading experience. Our investment and production parameters remained unchanged during 2013.

DPC ANKARA

With the second largest area after the Istanbul facility, DPC Ankara extends over an area of about 58.000 square meters, including 16.000 square meters of covered space, and is located by the Esenboğa Airport Road. The facility is of steel construction. The Goss Universal printing press of 120 units is designed to print four newspapers simultaneously through the four folding system installed.

DPC Ankara is home to one of the longest Universal printing press lines in the world. Also, 180.000 newspapers can be printed per hour using the four folding system on the machine. Three automatic inserting machines were installed at DPC Ankara in 2007. The installed transformer capacity is 4.500 KVA and the existing generator capacity is 4,500 KVA. The daily paper consumption at the facility is between 50 and 100 tons. DPC Ankara accounts for 16% of the Company's total printing output.

No changes were made to the machine park at DPC Ankara in 2012, with the exception of UV dryers added to the two towers. This addition has made it possible to print a total of eight glossy papers, four papers in two folds, thanks to the UV curing capability. Our investment and production parameters remained unchanged during 2013.

DPC İZMIR

DPC Izmir moved into its new premises in January 2007, 20 kilometers from Izmir city center and two kilometers from Izmir's Adnan Menderes Airport. The facility extends over an area of approximately 35.000 square meters, with a covered area of about 16.000 square meters and 12.000 square meters of green space. The total installed power capacity of the facility is 5 MVA. There are two 2.500 KVA transformers and two power generators with capacities of 2.000 KVA and 2.500 KVA. DPC Izmir is also equipped with one of the longest Universal printing press lines in the world and the existing Goss Universal printing press of 120 units is designed to print four newspapers simultaneously thanks to the four folding system installed. Daily paper consumption at the facility ranges from 70 to 110 tons. DPC Izmir accounts for 17% of the Company's total printing output.

With the new UV curing system installed at DPC Izmir in 2012, it has become possible to print the cover pages of two newspaper simultaneously by using UV ink that does not stain readers' hands. There has been no addition to DPC Izmir.

DPC ANTALYA

DPC Antalya consists of a total covered area of 4.900 square meters on a parcel of about 11.000 square meters. The facility's transformer capacity is 2.500 KVA, with an existing generator capacity of 3.600 KVA. In 2012, no changes were made to DPC Antalya's machine park or printing capacity; however, with the UV dryers added to the two printing towers, it has become possible to print a total of eight pages in two separate folds, thanks to the drying system. The installed Tensot T1400 printing press has the print capacity of 40 pages total, 32 of which are color pages; one of the two Goss Community printing presses has the print capacity of 40 pages total, 28 of which are color pages while the press has a capacity of 32 pages, 24 of which are colored. DPC Antalya is capable of printing three different newspapers simultaneously. Using the three folding system in the machine park, 105.000 newspapers can be printed per hour. At two separate printing machines, UV dried printing can be made on four pages each. Daily paper consumption at the DPC Antalya facility is 25 tons on average and the facility accounts for 6% of the Company's total printing output.

4 COMPANY OPERATIONS AND MATERIAL DEVELOPMENTS CONCERNING THE OPERATIONS

During 2011 DPC Antalya Facility satisfied all the necessary requirements and received the "Environmental Permit", valid for five years, from the Provincial Directorate of Environment and Forestry for Antalya.

DPC ADANA

As a result of the renovation carried out at DPC Adana, the facility now operates in a total covered area of 5.800 square meters, established on a tract of about 11.000 square meters. The installed transformer capacity of the facility is 2.500 KVA, and there are two generators with 1.600 and 2.000 KVA capacities. DPC Adana is equipped with three Tensor printing presses with top printing capacity of 35.000 units per hour. The daily paper consumption at the facility is between 36 and 45 tons. DPC Adana accounts for 10% of the Company's total printing output.

In 2012, DPC Adana renewed OG cells, replaced AGATE lines, and completed the installation of a generator with 2.000 KVA capacity, a transformer with 2.500 KVA capacity, and a third CTP.

DPC TRABZON

The first facility to be established as a Doğan Printing Center, DPC Trabzon is situated on a tract of about 24.000 square meters, with 3.500 square meters of covered area. The transformer capacity of the facility was increased to 2.000 KVA with the renewed transformer, and a existing generator capacity is 1.054 KVA. The Goss Community 1 printing press has a print capacity of 40 pages total, 32 of which are color pages. The Goss Community 2 printing press has a print capacity of 40 pages total, 28 of which are colored. The maximum print capacity per hour is 70.000 newspapers.

In 2011, DPC Trabzon added UV dryers to the two towers, making it possible to print four glossy papers at each of the printing presses. The daily paper consumption at the facility ranges between 20 and 25 tons. DPC Trabzon accounts for 4% of the Company's total printing output. As of year-end 2012, the facility completed the installation of four CTPs.

The breakdown of Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s unconsolidated investments between 1997 and 2013 is as follows:

INVESTMENT TYPE	AMOUNT (USD MILLION)	SHARE IN TOTAL (%)
Machinery	296,7	61,3
Buildings and Land	139,0	28,7
Other	48,6	10,0

2013 capacity utilization rates by region and in comparison with 2012 figures are as follows:

REGION	2013 (%)	2012 (%)
İstanbul	50	51
Ankara	46	46
İzmir	56	53
Adana	41	44
Antalya	32	33
Trabzon	37	38
Frankfurt	90	62

The results in product and service production can be seen in the number of printed pages as presented below:

PRINTING ACTIVITY	2013	2012
Total Number of Pages Printed	32.836.829.486	32.731.637.094

The total number of printed pages increased by 0,3% in 2013, compared with the previous year. The total number of printed pages comprises the number of pages of Hürriyet, Radikal and Hürriyet Daily News as well as other newspapers published by companies within or outside the Group.

In 2013, the daily average net newspaper sales across the country totaled 5.088 thousand copies, compared with 4.748 thousand copies sold per day a year earlier. Although some newspapers may see an increase in overall sales, the circulation of many newspapers in the sector is dropping. Hürriyet's daily average net sales also amounted to 403 thousand copies while it was 411 thousand copies a year earlier.

Newsprint, which makes up the most important portion of cost of goods sold, is mainly imported from the USA, Canada, North European countries and Russia. Therefore, newsprint cost is affected by both global paper prices and the USD to Turkish Lira exchange rate. The price of newsprint used for publishing Hürriyet was USD 759 per ton in 2011, while it decreased 1,3% in 2012, down to USD 748 per ton.

The price of paper used for the production of Hürriyet Newspaper declined by 5% in 2013 to 708 USD/ton compared to 747 USD/ ton in 2012. Meanwhile, the average number of pages of Hürriyet newspaper increased to 79.8 pages in 2013 from 79.3 in 2012. Amount of paper used was 72 thousand tons in 2012 and fell to 66 thousand in 2013. The contraction of page size, realized in October 2012, played an important role in this saving.

Even though these developments had a positive effect on overall costs, the negative effect of the increase in the USD exchange rate, from 1,67 to 1,79, was also felt strongly. Due to fierce competition in newspaper sales, it is not always possible to reflect the increase in newsprint and printing costs in cover prices.

C. PRICES, SALES REVENUES, SALES CONDITIONS OF GOODS AND SERVICES, IMPROVEMENTS SEEN DURING THE YEAR, DEVELOPMENTS IN THE EFFICIENCY AND PRODUCTIVITY RATES, SIGNIFICANT CHANGES IN THESE SUBJECTS COMPARED TO PREVIOUS YEARS

The consolidated sales revenues of Hürriyet Gazetecilik ve Matbaacılık A.Ş. should be evaluated in two approaches. First, in terms of regional breakdown, 72,8% of the Company's total revenue is generated in Turkey, 22,8% in Russia and Eastern Europe, and the rest from the operations in Europe.

As a result of the decision to exit Hungary and Croatia operations that caused loss on the EBITDA and net profit basis in line with the Company's strategic decision, the revenue/expense amounts pertaining to these countries were classified under discontinued operations and the same adjustment was made also for 2012. Accordingly, the table on turnover in 2012 shows the readjusted figures.

GEOGRAPHIC REGION	2013	SHARE (%)	2012*	SHARE (%)
Turkey	586.105	72,8	578.580	69,7
Russia & CIS	183.270	22,8	207.197	25,0
Europe	36.199	4,5	44.625	5,4
TOTAL	**805.575**		**830.402**	

*Reclassified due to discontinued operations.

As seen in the regional breakdown presented above, operations outside of Turkey are conducted for the most part by the Company's indirect subsidiary Trader Media East Ltd.

The breakdown of revenues by category is as follows:

REVENUES	2013	SHARE (%)	2012	SHARE (%)
Advertising	522.237	65	545.239	66
Circulation and Printing	242.256	30	238.690	29
Other	41.082	5	46.473	6
TOTAL	**805.575**		**830.402**	

*Reclassified due to closed operations.

An increase in circulation and printing revenues originated from the printing revenues, while printing revenues exhibited decline for Turkey as well as the overseas affiliate companies. The decline in Turkey was in parallel with 2% drop in circulation, while it was realized at a higher rate because of transformation of TME from a print media company into an online company. This amount changes depending directly on the circulation number of the related companies since it arises out of printing services rendered to in- and non-Group newspapers

D. ACHIEVEMENT OF TARGETS SET IN PREVIOUS PERIODS, IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTIONS, ANY REASONS FOR FAILURE TO ACHIEVE TARGETS OR IMPLEMENT RESOLUTIONS, AND ASSESSMENTS

The Company implemented all General Assembly resolutions in the concerned accounting period.

E. FORECASTS ON OUTLOOK FUTURE DEVELOPMENTS

For domestic printed media operations, the Company is focused on productivity growth. As regards to domestic internet and digital media market, it plans to continue its investments and increase its share. Today, Hürriyet reaches approximately 6,8 million readers and users daily through channels that include the printed newspaper, web, mobile phones and tablets. The Company aims to expand its reach to 10 million readers, users and followers in coming years, and thus to increase the share of online media revenue in total revenue.

In terms of overseas operations, the Company estimates that once its subsidiary Trader Media East, which mainly operates as a classified ads company in print media, completes its transformation into becoming an online media company, TME will generate 50% of its revenue from online media operations in the coming periods.

F. FORESEEABLE RISKS RELATED TO OPERATIONS

The risks that the Company is exposed to include: adverse developments in the Company’s field of activity such as print media; risks related to raw material prices and supply due to developments in global markets; financial risks related to interest rates, liquidity, credit, exchange rates; legal risks; strategic risks due to the Company’s operations extending over a wide geographic area; operational risks such as sustaining business continuity under extraordinary circumstances; and risks related to maintaining brand equity. The Company’s related departments monitor and take the necessary measures to manage such risks.

G. INFORMATION ON THE COMPANY'S INVESTMENTS MADE DURING THE RELATED FINANCIAL YEAR

Hürriyet and its subsidiaries' in consolidated tangible and intangible assets during 2013 amounted to USD 10,2 million (investment property excluded). Of this total, USD 4,5 million was attributed to Hürriyet Gazetecilik ve Matbaacılık A.Ş. and almost USD 3 million the sum from TME companies. In 2013, the Company did not make any significant investment and some capital spending was incurred on furniture and furnishing as regards to Hürriyet domestic subsidiaries and for internet domain names regarding the overseas subsidiaries.

H. INFORMATION ON LAWSUITS FILED AGAINST THE COMPANY THAT COULD AFFECT ITS FINANCIAL SITUATION AND OPERATIONS AND THEIR POSSIBLE OUTCOME

As of 31 December 2013, lawsuit claims against the Group amounted to TL 29.686.311. The Company set aside a total of TL 4.069.499 in reserves for these legal claims.

I. INFORMATION RELATED TO FISCAL EXTRAORDINARY GENERAL ASSEMBLY

No Extraordinary General Assembly was held during the period.

J. INFORMATION ON PRIVATE AND PUBLIC AUDITS CARRIED OUT DURING THE FISCAL PERIOD

The Company has not been subject to private or public audits during 2013.

K. INFORMATION ON THE COMPANY'S DONATIONS, AID MADE BY THE COMPANY AND SPENDING ON SOCIAL RESPONSIBILITY PROJECTS

The composition of the TL 1.124.620 (2012: TL 931.489) of donations made by the Hürriyet Group in 2013 to various foundations and associations working for the public good are as follows:

NAME	AMOUNT (TL)
Foundation of Aralık Volunteers	312.961
Directorate of National Education	121.764
Columbia University	108.889
Istanbul Culture & Foundation	107.453
Endeavour Association	90.098
Basin END	88.742
Aydın Doğan Foundation	36.480
Losev	27.765
Koruncuk Foundation	15.623
Turkish Red Crescent	12.372
Güney Association of Advertising Agencies	10.000
Sevda Cenap and Music Foundation	8.083
Others	184.390
TOTAL	**1.124.620**

Social responsibility projects pioneered and/or participated in by Hürriyet Gazetecilik ve Matbaacılık A.Ş. are as follows:

“NO! TO DOMESTIC VIOLENCE” CAMPAIGN

For the past nine years Hürriyet has been in the forefront of the fight against domestic violence as its social responsibility project. In 2013 Hürriyet continued its “No! to Domestic Violence” campaign, by carrying out several activities to create awareness on this subject. These activities are reaching out to more people than ever before and is instigating real change.

Hürriyet continued to keep people informed, participated in studies and research, used all forms of mass media, attended fairs, facilitated conferences at universities, created workshops, encouraged national and international exchange of ideas, gave donations, sponsored specific announcements and TV ads. Furthermore, Hürriyet actively participated in all of the above the platforms regarding the fight against violence to women as a solution partner of the Ministry and non-governmental organizations.

On International Women’s day 8th March 2013, working closely with the International One Billion Rising project Hürriyet participated in bringing thousands of women from all over Turkey to take part in the Istanbul protest of expression against domestic violence in its “No! to Domestic Violence” Campaign.

On April 17, 2013, the Domestic Violence Hotline received the income of the Nilüfer 13 Duets concert which was organized by the campaign team. Kırmızı Group took an unusual approach in their support to our cause by dedicating the song Araf (Purgatory) to the Campaign, releasing it on digital platforms for the first time. Similarly, Nerhan dedicated the video shot for her song on domestic child abuse “Bi’ tek Sen Anlardın” (Only you’d understand) to the “No! to Domestic Violence” Campaign.

The SMS campaign initiated to generate funds for the campaign. Meanwhile, Penti’s cooperation to sell campaign-specific stockings continued in 2013. The revenues raised were transferred to the campaign accounts.

In 2013, the Public Health Agency of Turkey awarded the Altın Örümcek (Golden Spider) social responsibility award which is under the award in the Women’s Health category to the website siddetekarsiyuzbinsms.com of “No! to Domestic Violence” Campaign. In addition, the Campaign won the first prize for Corporate Social Responsibility and Public Awareness by Mediacat Felis Awards.

There was further work on the social media accounts of the No! to Domestic Violence campaign in 2013 which increased the overall traffic to the site.

DOMESTIC VIOLENCE HOTLINE

Hürriyet's Domestic Violence Hotline continued to give support to victims of domestic violence in 2013. The Hotline was established under the Campaign to provide legal, psychological and security-related support to women exposed to domestic mistreatment and violence.

In 2013, the Domestic Violence Hotline served 24 hours a day 7 days a week with its senior psychologists who responded to the 4.181 calls were received by the Domestic Violence Hotline. 2.070 persons were provided information on domestic violence and 1.724 calls were made by victims or relatives of victims.

Two out of five victims who called complained about physical violence and half of these people stated that they were exposed to one or two types of other violence besides physical violence they encountered. The demographics of the calls seem to indicate that 4% of victims are men, 90% women and 6% children. The age range is between 2 and 90 years. In 2013, the rate of persons who were exposed to violence by spouses was at 63,43%.

In 2013, 299 people who called the hotline faced life threatening situations. Working with the security forces, the Hotline helped most of them find shelter. One out of every five women was referred to institutions providing psychological support.

Domestic Violence Hotline received calls from all provinces in Turkey as well as from Germany and France.

TRAINING, INFORMING AND CONFERENCES

Under the "No! to Domestic Violence" campaign, in 2013

- Awareness training programs were organized at Esenler Şerife Balcı Cultural Center and Sancaktepe Community Center;
- The campaign was launched at Yıldız Technical University, Koç University and Istanbul Technical University;
- Domestic violence was explained to the students of Ankara Atılım University and the Domestic Violence Hotline and the psychological state of staff was handled as course subject for psychology students.

Furthermore, conferences were organized at Yıldız Teknik, Acıbadem and Istanbul Technical Universities and various panels were held relating to domestic violence.

RIGHTFUL WOMEN PLATFORM

In 2013 Hürriyet continued its activities under the Rightful Women Platform, another social responsibility project. Striving to prevent all types of discrimination against women, the Rightful Women Platform participated in activities ro raise public awareness on practices impeding women rights and initiated efforts to motivate political parties to nominate and elect more women candidates in 2013 before the 2014 local elections.

RECYCLING CAMPAIGN

Hürriyet Newspaper successfully carried out a “Recycling” campaign between October 7 and 31, 2013. Hürriyet of that day was presented to readers for free if they brought three old-dated newspapers. 1.200.218 return newspapers were collected during 24 days and in return, 400.000 Hürriyet newspapers were handed out free.

The weight of scrap newspaper collected reached 216 tons, thus 3.672 trees were saved from being chopped down and the revenue of TL 67.887 obtained was donated to TEMA.

HÜRRİYET-KORUNCUK FOUNDATION COOPERATION

In 2013, Hürriyet Newspaper developed cooperation with the Turkish Foundation for Children in need for Protection and accordingly

- Koruncuk village was visited and gifts (books, CD, electronic equipment) were distributed among children according to age groups,
- The children visited the newspaper building and had the opportunity to interview journalists like Yılmaz Özdil, Doğan Hızlan, Mehmet Arslan and Murat Yetkin,
- A photography course was organized under lead by Sebati Karakurt, our photo editor,
- Students went to theatre, cinema and visited exhibitions and those who are subject to compulsory job training were given the opportunity to undergo training at the Hürriyet World.

SPONSORSHIPS

In 2013, Hürriyet World gave support to noteworthy cultural, artistic and social activities organized during the year, through its platforms.

HÜRRİYET INITIATIVES ON ENVIRONMENTAL PROTECTION AND ENVIRONMENTAL SUSTAINABILITY

Sustainability is broadly defined as the capacity to endure. According to the definition declared by UN World Commission on Environment and Development in 1987, sustainability “is the capability to meet people’s daily needs, to attain sustainable development without jeopardizing the capacity to meet the next generations’ requirements.”

Environmental sustainability is defined as the process of ensuring the relations with the environment are based on protecting the environment as much as possible.

Hürriyet Group considers “respect for humanity” and environmental protection among its main priorities and duties to ensure a healthy future for humankind and natural life.

In accordance with its sustainability policies, the Company conducts its operations in line with the protection of the environment and prudent use of natural resources, and complies with all legal and regulatory requirements related to environmental protection.

The Company understands that high quality products can only be produced in a safe and clean environment. Based on this principle, the Company's corporate policy proscribes using fewer consumables and less energy, and deploying and implementing environmentally friendly production equipment and techniques. This approach is applied in accordance with the current circumstances at every phase of production, from selecting project and equipment to ensuring an environmentally aware staff and engaging in day-to-day operations. The Company's overarching goal is to attain a healthy environment and to hand it down to future generations.

To this end, the Company established an "Environmental Control Unit" on 31 January 2011 and initiated studies to prevent and mitigate the impact of its production and operations on the environment and to increase environmental awareness among employees.

- The Company's Environmental Control Regulations, which are regularly updated by the Environmental Control Unit, are closely monitored, and environmental practices are improved at all printing houses and offices on an ongoing basis.
- During 2013, senior management received reports regarding the printing houses based on the Environmental Law and the relevant Regulations. In 2014, the same examinations and reviews will be conducted once more and the reports will be submitted to the Senior Management.

In order to reduce energy consumption such as electricity and natural gas, all facilities go through various procedures in order to maximize the usage of the most efficient equipment. There are also studies that are carried out to reduce CO_2 emission into the atmosphere.

ENVIRONMENTAL PERMITS AND LICENSES

The Provisional Directorate of Environment and Urbanization of Antalya and Trabzon have received the relevant permits classified under EK2 which discharge the obligations outlined under the "Regulation on Permits and Licenses required by the Environmental Law". On July 6, 2011 the Trabzon and Antalya facilities received the "Environmental Permit" valid for five years. This was the first environmental permit granted to any printing house in the media sector in Turkey.

The facilities of DPC in Istanbul, Ankara, Adana and İzmir are exempted from emission permit under SKHKKY – the Regulation on Industrial Air Pollution Control.

WATER UTILIZATION MANAGEMENT

Daily water consumption reports of the facilities are submitted to the management highlighting warning labels as well as the efficiency of water usage. These reports are a part of the activities on environmental sustainability on all our facilities.

PREVENTING ENVIRONMENTAL POLLUTION

Hürriyet Newspaper fulfills its environmental responsibilities by:
- Protecting natural resources,
- Choosing not to pollute in the first place instead of cleaning afterwards,
- Complying with all environmental legal and regulatory requirements; and beyond that, looking out for the protection of the environment and natural life,
- Monitoring and preventing the impact of its operational processes on climate change, the air, the earth and the water; and continuously improving its processes to minimize such adverse effects.

All employee and management levels at the Company fully participate in these efforts.

The Company consistently pursues efforts to reduce operational waste at the source and takes corrective measures as necessary. To that end, the Company conducts analytical studies on effective production planning, keeping inventory at minimum levels and improving operational methods.

In accordance with the Regulation on Packaging Wastes, in 2011, Hürriyet Group disclosed the amount of packaging waste it has produced between 2005 and 2012 on the online system of the Ministry of Environment and Urbanization. Additionally, the Company signed a delegation of authority agreement with TUKÇEV, the Environmental Education Foundation authorized to collect packaging materials put on the market according to a set quota.

Hürriyet Group's other efforts in this area are as follows:
- Placing paper recycling boxes on office floors;
- Placing paper, glass, plastic, composite and waste battery collection units at production and office facilities;
- Installing contaminated material depositories;
- Placing HP toner and cartridge collection containers on Company premises; and
- Installing packaging waste containers.

WASTE MANAGEMENT, DISPOSAL AND RECYCLING

As part of waste management efforts, the Company strives to:
- Prevent waste at source;
- Reuse waste in processes;
- Recycle waste materials; and
- Resort to energy recovery processes for hazardous wastes for which the above steps cannot be implemented.

The Company’s operational waste output is put down in writing in three-year Industrial Waste Management Plans; these plans are approved by the Provincial Directorates of Environment and Urbanization of respective cities, on behalf of the Governors of these cities. Additionally, the Company has also established temporary storage rooms for hazardous waste at its facilities, which are approved by the authorities in these regions.

Waste collected at temporary storage rooms is delivered to disposal or recycling companies, licensed by the Ministry of Environment and Urbanization, for treatment; detailed records are kept on all waste delivered.

The Ministry of Environment and Urbanization receives a full report of the waste delivered to recycling and/or disposal companies via the Hazardous Waste Statement System (TABS). Furthermore, we are fully insured against any indemnification of possible damages to third parties caused by the temporary hazardous waste storage rooms. This insurance policy is always renewed at its expiration date as it is required by law and has to comply with the requirements of the “Mandatory Financial Liability Insurance for Hazardous Substances and Waste.”

T.C.
ANTALYA VALİLİĞİ
İl Çevre ve Orman Müdürlüğü

ÇEVRE İZİN BELGESİ

Belge No	: 16
Çevre İzninin Başlangıç Tarihi	: 06/07/2011
Çevre İzninin Bitiş Tarihi	: 06/07/2016
İşletmenin/Faaliyetin Adı	: HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
İşletmenin/Faaliyetin Adresi	: DPC HÜRRİYET BASKI TESİSLERİ HAVAALANI YOLU 8. KM. ANTALYA Merkez / Antalya
İşletmenin/Faaliyetin Vergi Dairesi ve No'su	: BÜYÜK MÜK. VD. [illegible]
Çevre İzninin Konusu	: Atıksu Deşarjı

Yukarıda adı ve açık adresi belirtilen işletme/faaliyete bu belgenin ekinde yeralan izin koşulları çerçevesinde çalışması için 2872 sayılı Çevre Kanunu gereğince hazırlanmış Çevre Kanununca Alınması Gereken İzin ve Lisanslar Hakkında Yönetmelik kapsamında **ÇEVRE İZNİ** verilmiştir.

Bu belge 06/07/2011 tarih ve 16 sayılı yazı ile birlikte geçerlidir. Ayrı kullanılamaz.

MİNE KARA
İl Çevre ve Orman Müdürü

EK: İzin Koşulları

T.C.
[illegible] VALİLİĞİ

ÇEVRE İZİN BELGESİ

Belge No	: 60
Çevre İzninin Başlangıç Tarihi	: 05/07/2012
Çevre İzninin Bitiş Tarihi	: 05/07/2017
İşletmenin/Faaliyetin Adı	: HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
İşletmenin/Faaliyetin Adresi	: [illegible]
İşletmenin/Faaliyetin Vergi Dairesi ve No'su	: BÜYÜK MÜK. VD. [illegible]
Çevre İzninin Konusu	: Atıksu Deşarjı

Bu belge 05/07/2012 tarih ve 60 sayılı yazı ile birlikte geçerlidir. Ayrı kullanılamaz.

ALİ VEDAT ÇİFTCİ
İl Müdürü

EK: İzin Koşulları

L. COMPANY’S LEGAL ACTIONS, AND MEASURES TAKEN OR AVOIDED IN FAVOR OF THE PARENT COMPANY OR GROUP COMPANIES

In the reporting period, the Company carried out no legal action in favor of the parent company or any subsidiary thereof, with instructions by the parent company. The Company did not take or avoid taking any measures in favor of the parent company or its subsidiaries, or carry out any transactions that need to be redressed.

M. ANY CORRECTIONS AGAINST THE LEGAL ACTIONS MENTIONED IN PARAGRAPH (4.L), ANY DAMAGES INFLICTED ON THE COMPANY ARISING FROM MEASURES TAKEN OR AVOIDED, ANY CORRECTIONS FOR SUCH DAMAGES

Since the Company did not take any action falling under the scope of Paragraph 4.1 of the report, there are no damages that need to be redressed.

A. MANAGEMENT'S ANALYSIS AND ASSESSMENT OF THE FINANCIAL POSITION AND OPERATIONAL RESULTS, THE DEGREE TO WHICH PLANNED ACTIVITIES WERE REALIZED, COMPANY'S POSITION AGAINST DEFINED STRATEGIC GOALS

The advertising revenues have decreased by 7% in 2013 as there was a decrease in the sales of domestic newspapers. Newspaper sales revenues followed a parallel course as to the previous year. The exchange rates at the end of the year, played adhesive role in the cost of importing paper and other printing materials. The import dependent costs increased. In order to minimize the loss on profit at the EBITDA level, the Company implemented a savings plan under revenue loss and exchange rate increase. FX-denominated assets and liabilities were realized as TL 41,4 million as a result of net exchange difference expenses. A growth of online revenues that exceeded the market expectations was achieved through its decisive steps in all its activities which it started in 2013. In addition, a CRM Unit was established to enhance the interactivity with its readers.

Trader Media East (TME), the Company's overseas subsidiary achieved results that were parallel to the budget in terms of EBITDA, but since the Russian economy performed below expectations, the anticipated increase in revenues did not happen. In line with the resolution to focus on the Russian operations, the Company decided to liquidate the operations in Hungary and Croatia.

B. COMPANY'S ANNUAL SALES, PRODUCTIVITY, INCOME GENERATION CAPACITY, PROFITABILITY AND DEBT TO EQUITY RATIO, IN COMPARISON WITH PREVIOUS YEARS; INFORMATION ON OTHER ISSUES THAT MIGHT IMPACT THE COMPANY'S OPERATIONAL RESULTS, AND FUTURE EXPECTATIONS

In 2013, the Company improved its net debt status by selling the Hürriyet Medya Towers building to Nurol Gayrimenkul Yatırım Ortaklığı A.Ş., for US$ 41.300.000. Consequently, the current debt ratio rose to 1,42 from 1,03. The improvement in the debt ratio is even more evident when the blocked deposit of USD 17,1 million, equivalent to TL 36,1 million, recorded under other receivables, is incorporated to the balance sheet with an improvement of TL 25,1 million, as shown on the following table on net debt.

NET DEBT	31.12.2013 (TL THOUSAND)	31.12.2012* (TL THOUSAND)
Cash and cash equivalents	47.207	108.189
Current liabilities	151.876	295.749
Long-term liabilities	266.159	208.379
Net Debt/(Net Cash)	370.827	395.938

* Re-adjusted.

KEY FINANCIAL INDICATORS AND RATIOS

SUMMARY OF BALANCE SHEET	31.12.2013 (TL THOUSAND)	31.12.2012* (TL THOUSAND)
CURRENT ASSETS	419.004	445.880
FIXED ASSETS	1.019.400	1.095.247
TOTAL ASSETS	**1.438.404**	**1.541.127**
SHORT-TERM LIABILITIES	294.282	431.396
LONG-TERM LIABILITIES	420.980	365.701
SHAREHOLDERS' EQUITY	723.142	744.030
TOTAL LIABILITIES	**1.438.404**	**1.541.127**
RATIOS	**31.12.2013**	**31.12.2012***
Current Ratio (%)	1,42	1,03
Net Liability/Total Equity (%)	0,99	1,07

* Re-adjusted

SUMMARY OF INCOME STATEMENT	31.12.2013 (TL THOUSAND)	31.12.2012 (TL THOUSAND)
NET SALES	805.575	830.402
GROSS PROFIT	291.137	311.206
EBITDA	87.074	109.635
OPERATING PROFIT/(LOSS)	39.078	63.586
PROFIT/(LOSS) BEFORE TAXES	(61.288)	171.857
NET PROFIT/(LOSS)	(61.094)	150.661

* Re-adjusted

RATIOS (%)	31.12.2013	31.12.2012
Gross Profit Margin	36,1	37,9
EBITDA Margin	10,8	12,9
Operating Profit Margin	(1.2)	19,7

C. TYPES AND THE AMOUNT OF ISSUED CAPITAL MARKET INSTRUMENTS

The Company did not issue any securities in the period 1 January 2013 – 31 December 2013.

D. MANAGEMENT'S ASSESSMENT ON WHETHER THE COMPANY SUFFERS CAPITAL LOSS OR INSOLVENCY

The Company does not suffer capital loss or insolvency.

E. MEASURES TO IMPROVE THE COMPANY'S FINANCIAL STRUCTURE

In 2013, under current liabilities, the Company improved its net debt position by TL 61,2 million, taking into account also the blocked deposits amounting to TL 36,1 million. In the future, the debt amount may be decreased due to cash generated from operations and the amount remaining after the investment expenditures.

F. INFORMATION ON THE DIVIDEND DISTRIBUTION POLICY, REASONS FOR NON-DISTRIBUTION OF AND PROPOSAL ON USE OF UNDISTRIBUTED PROFIT

Our Company determines its dividend policy in accordance with the relevant provisions of the Turkish Commercial Code (TCC), the Capital Markets Law, Regulations and Resolutions of the Capital Markets Board (CMB), the corporation tax, other applicable legislation and the article on dividend distribution of its Articles of Association.

The Board of Directors of the Company decided that according to the consolidated financial statements of Hürriyet Gazetecilik A.Ş. for the accounting period of January 01, 2013 - December 31, 2013, prepared pursuant to CMB Communiqué on Principles for Financial Reporting in the Capital Market (II-14.1) and in accordance with the Turkish Accounting Standards and Turkish Financial Reporting Standards, announced by the Public Oversight, Accounting and Auditing Standards Authority, presented in line with the principles set forth in the CMB's decision regarding the issue and independent audit, when Continuing Operations Loss before Tax, Discontinued Operations Loss before Tax, Tax Revenue for the Period (consists of tax revenues for the period concerning continuing operations and deferred tax revenues and tax revenues concerning discontinued operations) and off-holding company shares were considered together, there was a resultant TL 61.093.981 net loss for the period, when TL 61.093.981 accumulated losses were deducted from and TL 1.124.620 donations were added to this amount, the end figure was TL 205.963.781 net loss for the period, therefore the shareholders will be advised that there can be no dividend distribution for the accounting period of January 01, 2013 - December 31, 2013 under CMB's relevant regulations of profit distribution and this issue should be submitted to the approval of the General Assembly, that according to financial records kept in accordance with Turkish Commercial Code and Tax Procedure Law, TL 4.017.881 was net loss for the period of January 01, 2013 - December 31, 2013, the General Assembly will be advised that there will be no legal reserve set aside under the Turkish Commercial Code and this amount will be carried over to the accumulated losses account.

6 RISKS AND EVALUATION BY THE BOARD OF DIRECTORS

A. INFORMATION ON THE COMPANY'S INTERNAL CONTROL SYSTEMS AND INTERNAL AUDIT ACTIVITES AND THE BOARD OF DIRECTOR'S OPINION ON THIS MATTER

The office of Vice Head of Audit Department at the parent company Doğan Group of Companies Holding A.Ş. plays a guiding role in carrying out internal control functions and provides support to our Company.

The findings obtained as a result of studies made by the office of Vice Head of Audit Department of Doğan Group of Companies Holding A.Ş. are evaluated by our Company, necessary adjustments and regulations are made in accordance with the proposals and the internal control systems that have been developed.

B. COMPANY'S RISK MANAGEMENT POLICY AGAINST FORESEEABLE RISKS

The Finance Department is entrusted with risk management for the Company.

Financial risks are controlled through systems and procedures developed by the Finance Department meanwhile the operational and compliance risks are controlled by those developed by the Financial Control and Investor Relations Department.

C. ACTIVITIES AND REPORTS OF THE EARLY DETECTION OF RISK COMMITTEE

The duty of the Early Detection of Risk Committee is to detect, manage and take the necessary measures against risks that may endanger the existence, development or continuity of the Company. The Committee makes the necessary improvements in line with the bimonthly report presented to it, and reports the Committee's findings to the Board of Directors.

D. FUTURE RISKS RELATED TO SALES, PRODUCTIVITY, INCOME GENERATION CAPACITY, PROFITABILITY, DEBT-TO-EQUITY RATIO AND OTHER ISSUES

The Company has been the industry leader in printed media for many years and has been emerging as a powerful news brand. Domestic need, both overseas activities related to advertising in print media while focusing on productivity, internet and digital activities aims to increase its market share. With strong brands, industry-leading position and experienced human resources through income generation capacity is strong. Debt/Equity ratio is kept at a reasonable level, cash generated from operating activities after capital expenditures remainder of the debt / equity ratio is used in improving.

7 INFORMATION ON THE PARENT COMPANY

A. CAPITAL INCREASES/DECREASES IN SUBSIDIARIES AND REASONS

The list of affiliates and subsidiaries that issued a capital increase in 2012 due to working capital needs, and the amount of the respective increase are presented below:

COMPANY	TYPE	DATE	CAPITAL INCREASE	TOTAL CAPITAL AFTER INCREASE
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş.	Subsidiary	27.12.2013	TL 2.500.000	TL 8.500.000

B. INFORMATION ON THE PARENT COMPANY SHARES HELD BY GROUP COMPANIES

The Company holds no shares in the parent company.

C. NOTES ON THE INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS OF THE GROUP RELATED TO THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements and footnotes of the Company were prepared on a consolidated basis, pursuant to the provisions of the CMB Communiqué II-14.1, in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards, announced by the Public Oversight, Accounting and Auditing Standards Authority, presented in line with the principles set forth in the CMB's decision 20/670 dated 7 June 2013 and announced in the CMB's Weekly Journal numbered 2013/19 dated 7 June 2013, audited independently in compliance with the Turkish Audit Standards and were publicly disclosed.

D. INFORMATION ON REPORTS OUTLINED IN ARTICLE 199 OF THE TURKISH COMMERCIAL CODE

The Company's annual report and affiliation report are issued in line with the provisions of the Turkish Commercial Code. The Company's Board Members made no demands falling under the scope of the Turkish Commercial Code, Article 199/4.

After the reporting period, no events of material significance have occurred at the Company, which may have an impact on the rights of shareholders, creditors or other individuals or entities.

A. PERSONNEL AND WORKERS ORGANIZATIONS, COLLECTIVE BARGAINING AGREEMENT, COMPENSATION AND BENEFITS

Within the framework of 2013 Strategy, the Human Resources Department continued its research on how to make the dynamic, contemporary and continuous development-oriented working environment offered by Hürriyet World known and recognized by the larger public. It has also created infrastructure for the preparation of the present employees for the vast changes every aspect the sector is subject to; as well as setting in place new business processes and structures allowing such preparations.

As part of these strategies, the main operations of Hürriyet Human Resources Department in 2013 are as summarized below:

RECRUITMENT

With the purpose of attracting the right skills to the Company, besides traditional recruitment methods different channels exclusive only to the digital sector were used. Recruitment processes were done the most efficient and expeditious manner. By using these new options, the recruitment time was shortened and the rate of identifying the right candidates during the first interview was improved.

In 2013, a total of 85 recruits were hired for new positions and 150 for replacements at various units of Hürriyet.

Surveys showed that offering a transparent career environment to employees creates a reliable and long-lasting employment environment and for the sake of initiating an internal reference system, the “Internal Application/Internal Reference” platform was developed and named “Wanted”. Through “Wanted”, 70 internal references and four internal applications were received in 2013 and these individuals were included in the selection – placement process.

As is the case every year, Hürriyet provided winter and summer internship opportunities to a total of 319 university and high school students in 2013. High-performing interns are given priority for employment when there is an appropriate open position available.

ACTIVITIES RELATED TO THE EMPLOYER'S BRAND

SOCIAL MEDIA MANAGEMENT

As of December 2013, some 12.600 people were followers of the Hürriyet Human Resources Facebook page. This page was created with the aim to promote Hürriyet as a dynamic, contemporary, continuous development-oriented workplace and the best company to work for among the 18-25 target age group who is known to effectively use social media.

HÜRRİYET GARAGE

Hürriyet Garage, a project launched to provide information and financial support to entrepreneurs to develop and realize innovative, sustainable and high potential business ideas in order to establish their own companies. It enjoyed 946 registrations between September and December 2013.

TRAINING

In line with its "Learning Organization" principle, Hürriyet offered employees several in-house and external training programs to improve their knowledge, skills and competencies; to spread knowledge and expertise across the Company; and to improve communication among different teams. In 2013, 931 employees participated in 98 training programs and conferences.

The average training evaluation result was 4,5 on a scale of 5.

In particular, 60% of line management employees attended the "Future-Shaping Management" training program, consisting of three-day in-class first module for all managers and second module comprising one-to-one coaching interviews. Encouraging outcomes translated to positive on-the-job results.

A total of 76 employees attended the "Particulars of Persuasion – Sales Techniques" training courses which were specifically designed according to the business needs of field sales and tele-sales teams. Informative drama techniques were integrated in the training program. The training evaluation result was 5 out of 5 and these training programs made a notably positive contribution to business results.

Information was provided and new skills introduced to publishing team members who are responsible for creating content and increasing traffic by the use of the SEO/Concepts covered in Digital World Training Programs. A total of 126 employees participated and benefitted from the new information imparted which would likely improve the way they go about their daily business activities in the digital world.

In addition, the Company provides foreign language training at various training centers upon request from employees; coaching sessions are also organized for managers who need further management development support.

ORIENTATION

In 2013, 175 persons joined the Orientation program, prepared to ensure the adaptation of all newly recruits at Hürriyet and its subsidiaries within the shortest time by informing them about the Company's mission and vision, objectives, operation and procedures. According to the participants' evaluations, the success rate of the orientation program is five out of a possible.

HARVARD GLOBAL PARTNERSHIP PROGRAM

In 2013, Hürriyet joined the FIELD Global Immersion project realized every year by Harvard Business School MBA students in small groups in certain selected cities of the world and earned the title "FIELD Global Partner of Harvard Business School."

REWARDING PERFORMANCE

In 2013, Hürriyet continued its award program, "The Best", meant to ensure the recognition of the work and content created by the publishing group in the categories of the best page, the best photograph and the best interview. The names of award winners were announced to all employees of Hürriyet through the "Exhibition of the Best" organized biannually.

The "Employee of the Month" implementation was initiated in May 2013 to evaluate the quality of services rendered by the System Support Team and to offer better services in line with feedback received from employees.

SERVICE SATISFACTION SURVEY

The "Hürriyet Internal Services Satisfaction Survey" was launched in January 2013 in order to identify the improvable fields by evaluating the quality of services offered by units for the employees of Hürriyet World and to generate solutions to this end.
The study was repeated in December 2013 to monitor the changes and developments that occurred in related fields during the period and to develop new action plans.

EMPLOYEE RELATIONS

HÜRWEB

In order to create a visually influential, user-friendly and interactive intranet that creates difference with its new functionality and enhances the internal synergy, newly designed Hürweb was introduced in April 2013 as a result of the collaborative work of the Human Resources, Corporate Communication and Information Technologies Departments.

Lotteries for movie, theatre and concert tickets regularly held on Hürweb continued in 2013 with increasing frequency.

THURSDAY TALKS

Organized as illuminating, stimulating talks and hosting guests from different fields like literature, movie, theatre, sports and travel, Thursday Talks aim to enhance the communication with employees.

HÜR GÖNÜLLÜLER (HÜR VOLUNTEERS)

Organised in line with the results of the social responsibility survey carried out in the company, the "Hür Volunteers" group collaborated with the Koruncuk Foundation for Children in Need of Protection throughout the year and within this framework, various opportunities were offered to children, including participation in events like movie, theatre and cultural trips, practical training within the Hürriyet Group and photography training. The distinguishing attribute of this project is that all activities were realized on contribution and time allocated by the volunteers.

CORPORATE GAMES

At Corporate Games organized between 6-8 September 2013, the Company employees ranked first in ping pong single women, second in tennis mixed doubles open and sixth in sailing categories.

"CORPORATIONS ON THE STAGE WITH BALLANTINE'S" MUSIC CONTEST

"Hür Rock" band participated in the "Corporations on the Stage with Ballantine's" Music Contest held between 12 February and 9 March 2013 and put on a great performance.

STUDIES ON SYSTEMIC INFRASTRUCTURE

PREMIUM SYSTEM

Separate premium models were established considering the business process of departments and a common premium system began to be implemented for various functions in the Company that utilize the same revenue model.

For the purpose of online tracking of performance indicators of the advertising unit, a Premium tracking module called "Score" was purchased and implemented.

HAY GROUP REMUNERATION STUDY

As the first step of studies to re-engineer the remuneration system in a more efficient manner, in 2013 Hürriyet Group joined the Hay Group Remuneration Survey where 1,030 companies from 44 sectors took part, and began to use the Paynet system developed by Hay Group.

1. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

In corporate governance practices, our Company pays strict attention to comply with the Capital Market Legislation and the Capital Market Board (CMB) regulations and has adopted the equality, transparency, accountability and responsibility as concepts that constitute the basis of corporate governance.

Our Company's corporate governance applications are subject to corporate governance rating by ISS Corporate Services Inc. (ICS) an international rating company that obtained official authorization to conduct ratings in Turkey in accordance with methodology approved by the CMB.

Hürriyet is one of the companies in Turkey that has received a corporate governance rating score. In 2007, the Company was, for the first time, granted a good corporate governance rating of 8.00 out of 10, followed by 8.32 in 2008, 8.43 in 2009, 8.47 in 2010, 8.56 in 2011 and 9.09 in 2012. During the evaluation made in 2013, our corporate governance rating was confirmed again as 9.09., ICS has rated our Company highly for years now, particularly in the public disclosure and transparency subcategories. In 2013, the ICS granted a high rating of 9.39 out of 10 to Hürriyet's practices in the "public disclosure and transparency" subcategory and 9.16 for practices in the "Shareholders" subcategory. Amendments were made in the Articles of Association in step with regulations and resolutions of the CMB, comprising also the latest developments in the field of corporate governance, and were approved by the General Assembly. Corporate Governance Rating and Corporate Governance Compliance Reports can be accessed at www.hurriyetkurumsal.com.

Based on the local corporate governance rating granted by an internationally recognized rating company, in 2007 our Company became one of seven companies that joined the Corporate Governance index of Borsa İstanbul A.Ş. and is steadily continuing with its strong practices.

In the accounting period ending on December 31, 2013, the Company complied with the Corporate Governance Principles as required by the CMB Regulations and Resolutions and regarding the issues not included in these Principles where the Company does not fully comply, the Company came to the conclusion that these issues do not lead to a significant conflict of interest.

Vuslat Sabancı
Chairwoman

Ahmet Nafi Dalman
Board Member

SECTION I - SHAREHOLDERS

2. INVESTOR RELATIONS UNIT

2.1. All provisions of applicable legislation, the Articles of Association and other Company policies regarding the exercise of shareholders' rights are being complied with and every precaution is being taken to ensure the exercise of these rights.

2.2. The "Shareholder Relations Unit" was established to observe the relations between the shareholders and the Company and to ensure that the requirements for shareholders' right to information are fully satisfied, it carries out its duties in accordance with the Capital Market Legislation, CMB Regulations and the Articles of Association. The main duties of this unit are to:

- Ensure that shareholder records are accurate, safe and up-to-date,
- Respond to written requests for information by shareholders about the Company in accordance with Capital Markets Legislation,
- Observe that General Assembly Meetings are held in compliance with the applicable legislation, the Articles of Incorporation and other Company policies,
- Prepare the documents to be submitted to shareholders at General Assembly meetings,
- Ensure that the voting results are recorded properly and the reports on results are delivered to all shareholders,
- Observe and monitor all issued related with public disclosure, including legislation and the Company's information policy,
- Ensure the execution of Capital Market compliance activities and
- Ensure the performance of investor relations activities.

2.3. İnci Tarı, Financial Control and Investor Relations manager, is serving as Investor Relations Manager. Her contact details are as follows:

NAME	İnci Tarı
TITLE	Financial Control and Investor Relations Manager
LICENCE DATA	Corporate Management Rating Licence no: 700895 Capital Market Operations Advanced Licence: 206564
ADDRESS	Hürriyet Dünyası 100. Yıl Mahallesi, Matbaacılar Caddesi No: 78 34204 Bağcılar / Istanbul
PHONE - FACSIMILE	212 449 60 30 – 212 677 01 82
E-MAIL	itari@hurriyet.com.tr yatirimciiliskileri@hurriyet.com.tr

All Hürriyet shares are included in the Central Registry System (CRS). Formalities related to CRS are managed by the Company internally.

2.4. All requests for information received from investors and shareholders in 2013 were responded to in accordance with the Capital Market Legislation, CMB Regulations and Resolutions; relevant information and documents, excluding those regarded as confidential or holding trade secrets, were delivered to investors and shareholders, observing the principle of equality.

All e-mailed and verbal requests for information were responded to without delay, all meeting requests from Hürriyet analysts were met to the extent permitted by the schedule. The conference titled "TURKEY DRESSED TO IMPRESS" organized by TEB Investment at Bodrum between May 30 and 31 was attended with the Investor Relations Unit of Doğan Yayın Holding A.Ş. On the day after the financial disclosures, made on quarterly basis, four teleconferences were organized to discuss the results of the disclosures.

2.5. Maximum care is taken to reply to inquiries in accordance with applicable legislation and the Articles of Association. To the best of the Company's knowledge, no written or verbal complaints concerning the exercise of shareholders' rights were received in 2013, nor were there any official investigations launched against the Company.

3. EXERCISE OF SHAREHOLDERS' RIGHT TO INFORMATION

3.1. The Company does not discriminate against different groups of shareholders, including minority and foreign shareholders, in terms of their rights to information.

3.2. Maximum care is taken to reply to the requests for information received from investors and shareholders in 2013 in accordance with the Capital Market Legislation, CMB Regulations and Resolutions.

3.3. Presentations on developments related with the Company and financial highlights together with all necessary information that would affect the proper exercise of shareholders' rights are updated and available on the Company's website at www.hurriyetkurumsal.com, both in Turkish and English.

3.4. The Articles of Association do not yet provide for an individual's right to appoint a special auditor and no request for appointment of a special auditor was received from shareholders during the year. However, this right might be included in the Articles of Association in the future, depending on changes in relevant legislation.

4. GENERAL ASSEMBLY MEETINGS

4.1. The Ordinary General Meeting of Shareholders to discuss the activities of the year 2012 was held on June 20, 2013 at the Company's head office. Pursuant to Article 1527 of the Turkish Commercial Code 6102 dated 13.01.2011, that allows for electronically attendance, suggesting a proposal, expressing opinions and voting at the general assembly meetings of joint stock companies, the Company has provided the opportunity to shareholders who are entitled to attend general assembly meetings, to attend the meetings via electronic means. Besides the methods set forth in the legislation, the General Assembly meeting was announced at the Company's website (www.hurriyetkurumsal.com), advertisements published in Hürriyet and Radikal and via Electronic General Assembly System of the Central Registry Agency (CRA) to ensure maximum participation by shareholders, at least 3 weeks in advance, as set forth in the Company's Articles of Association.

4.2. Regulations on the Company's General Assembly meetings are given in the Articles of Association of Hürriyet Gazetecilik ve Matbaacılık A.Ş. that is announced on the Company's website and is accessible by the public. Information regarding the agenda items is prepared and announced to the public before the General Assembly meeting. Financial statements and reports, including the annual report, dividend distribution proposals, informative document on the agenda items, any documents supporting the agenda and the most recent version of the Articles of Association, any amendments and their reasons are made available to all shareholders for scrutiny at the Company's headquarters, branches and websites following the announcement of the General Assembly Meeting. Prior to the General Assembly Meeting, forms of proxy statements are made available on the website for those desiring to be represented by proxy.

4.3. The meeting procedure for the General Assembly ensures maximum participation of shareholders. "Electronic signatory" shareholders who intend to attend the General Assembly meeting via electronic means obtained the information about the attendance to the meeting electronically from "CRA" and/or CRA's website at www.mkk.com.tr. General Assembly meetings were held in a way not to create any inequality between shareholders, with minimum cost incurred by shareholders and in the least complex manner.

4.4. The voting procedure is announced to shareholders on the website and through announcements in newspapers. Unless otherwise decided by the General Assembly, all General Meetings are open to interested parties and members of the media, pursuant to the Company's Articles of Association. The venue of General Assembly Meetings facilitates maximum participation of shareholders. However, shareholders or proxies who attend a General Assembly Meeting without an entrance card are not entitled to speak and vote at the meeting. At the General Assembly Meetings, agenda items are explained in an unbiased, detailed, clear and understandable manner and shareholders are allowed to explain their views, ask questions and discuss related issues in a democratic environment.

4.5. At the General Assembly Meeting, a total of 340.094.912,182 shares (61,61%) out of 552.000.000 shares of the Company were present, where 7 shares attended the meeting personally and 340.094.905,18 were represented by proxy, thus the quorum as set forth by law and the Company's Articles of Association was met.

4.6. Voting rights at General Assembly Meeting are exercised as open votes and by the showing of hands. In 2013, the shareholders exercised their right to pose questions at General Assembly but no written responses were required since all questions were responded to.

4.7. In principle, it is ensured that the Board Member responsible for specific agenda items, other related persons, executives responsible for preparation of financial statements and auditors attend the General Assembly meeting to provide necessary information and to respond to questions posed.

4.8. At the General Assembly meeting held on June 20, 2013, it was announced that the amount of donations made during the accounting period between January 1 – December 31, 2012 to foundations, associations, state institutions and organizations for social aid purposes amounted to TL 931.489,00.

4.9 It is anticipated that the financial results for 2013 will be announced within 10 weeks after the closing of the accounting period. Accordingly, the practice in this regard does not constitute any contradiction, in general sense, to the Capital Market Legislation and hence to the spirit of Principles.

4.10 Company shareholders, certain Board members, Company's employees and the independent audit company attended the General Assembly meetings, while the media did not.

5. VOTING RIGHTS AND MINORITY RIGHTS

5.1. The Company avoids practices that make it difficult to exercise voting rights. All shareholders are given the opportunity to exercise their voting rights in the easiest and most convenient manner.

5.2. There are no preferred stocks or different classes of shares in the Company.

5.3. Each share is entitled to one vote in the Company. There is no Company regulation that restricts the exercise of shareholders' voting rights for a certain period of time following the acquisition date of their shares.

5.4. There exists no provisions that postpone voting rights until a specific date following the acquisition of a share.

5.5. The Articles of Association do not contain any provisions that prevent a non-shareholder from voting as proxy as a representative of a shareholder.

5.6. According to the Articles of Association, in the event that the beneficial interests and rights of disposal of a share belong to different persons, they may have themselves represented as they deem fit, upon mutual agreement. However, if they fail to agree, the right to attend and vote at the General Meeting of Shareholders shall be given to the beneficial owner.

5.7. The Company's share capital does not involve any cross-shareholdings.

5.8. Minority rights are granted to shareholders collectively holding 5% of the share capital (Article 32 of the Articles of Association).

5.8.1. The Company takes the utmost care to ensure the exercise of minority rights. During 2013, the Company did not receive any criticism or complaint in this regard.

5.9. The Articles of Association do not provide for "cumulative voting". The advantages and disadvantages of this method are being assessed within the framework of legislative developments.

6. DIVIDEND RIGHT

The Company determines its dividend policy and realizes dividend distribution in accordance with the relevant provisions of the Turkish Commercial Code, the Capital Market Legislation, Capital Market Board (CMB) Regulations and Resolutions, tax laws, other applicable legislation and its Articles of Association and the resolutions adopted by the Board of Directors.

Accordingly,

1- In principle, a minimum 50% of "net distributable profit" calculated in accordance with Capital Market Legislation, CMB Regulations and Resolutions, taking into account the financial statements prepared according to Capital Market Legislation, CMB Regulations and Resolutions are distributed,

2- In case of an intention to distribute 50% to 100% of the net distributable profit, the dividend payout ratio is determined considering the financial statements, financial structure and budget of the Company,

3- The dividend distribution proposal is made public taking into consideration legal time frames and in line with Capital Market Legislation and CMB Regulations and Resolutions.

4- In the event that the net distributable profit based on financial statements prepared in line with the Turkish Commercial Code and Tax Laws is:
a. Lower than the amount calculated according to Article 1, the amount calculated within the framework of this article is applied and all distributable amounts is distributed,
b. Higher than the amount calculated according to Article 1, Article 2 is the guideline for the action to be taken.

5- In case there is no distributable profit based on legal records kept pursuant the Turkish Commercial Code and the Tax Laws, no dividend distribution is made even if a net distributable profit is calculated according to the financial statements prepared in accordance with the Capital Market Legislation and CMB Regulations and Resolutions and pursuant to Capital Market Legislation and CMB Regulations and Resolutions.

6- In case the net distributable profit is below 5% of the Company's issued capital, it may be decided not to distribute any dividends.

7- The upper limit of aid and donations to be granted by the Company within an accounting period is fixed by the General Assembly within the framework of the rules set forth in the Capital Market Legislation and CMB Regulations and Resolutions.

8- Dividend distribution starts as of, and not later than the 30th day after the General Assembly meeting when the resolution on dividend distribution is adopted and in any case as of the end of the accounting period.

9- The Company may distribute the dividends in cash and/or as "bonus shares", in advance or by installments, in accordance with the Capital Market Legislation and CMB Regulations and Resolutions and in line with the General Assembly resolution.

10- The Company may distribute dividends to non-shareholders, according to the resolution by the General Assembly. In such a case, the provisions of the Turkish Commercial Code, Capital Market Legislation and CMB Regulations and Resolutions and the Articles of Association shall apply.

11- The Company may decide on and distribute dividends in advance in accordance with the provisions of the Turkish Commercial Code, Capital Market Legislation, CMB Regulations and Resolutions, tax laws, other legal regulations and the Company's Articles of Association and the General Assembly resolution.

12- Investment aiming to increase the Company's value that require considerable cash outflow, material issues that affect the financial structure, important uncertainties that emerge in economy, markets or other fields, beyond the Company's control, are taken into consideration when taking the decisions on dividend distribution.

7. TRANSFER OF SHARES

The Articles of Association do not contain any provisions that restrict the free transfer of shares by shareholders.

SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. DISCLOSURE POLICY OF THE COMPANY

8.1. A disclosure policy to provide necessary information to the public was prepared and announced on the Company's website. This policy is available at www.hurriyetkurumsal.com.

8.2. To this end, informational meetings are organized and/or such meetings are attended further the material disclosures and periodical financial statements and annual reports disclosed to public. Investors, analysts and press members are invited to these meetings. Within this framework, Board Members and senior managers attend these meetings and make presentations.

Additionally, introduction documents, disclosures to data delivery companies, announcements and news published on the Company's website are other instruments used under the disclosure policy.

8.3. The Company Disclosure Policy has been approved by the Board of Directors and presented to the shareholders at the General Meeting. The Board of Directors is in charge of monitoring, reviewing and improving the Disclosure Policy. The Corporate Governance Committee informs and makes recommendations to the Board of Directors, Executive Committee, Audit Committee and the CFO on issues related to the Disclosure Policy.

8.4. The Investor Relations Unit is authorized to oversee and monitor any issues related to public disclosure. Enquiries received from outside the Company are responded to either by the Chief Executive Officer, Chief Financial Officer, or the Financial Control and Investor Relations Manager, within the knowledge of and authorization limits set by the CEO and CFO, depending on the content of the query. In responding to queries, utmost care is taken to avoid any violation of the equal rights of stakeholders to obtain information.

The individuals authorized to make public disclosure on Borsa Istanbul Public Disclosure Platform under the Company's Disclosure Policy and their contact details are as follows:

NAME	İnci Tarı
TITLE	Financial Control and Investor Relations Manager
NAME	Halil Özkan
TITLE	Financial Affairs Manager
PHONE- **FACSIMILE**	212 449 60 30 212 677 01 82
E-MAIL	itari@hurriyet.com.tr yatirimciiliskileri@hurriyet.com.tr

In 2013, there were a total of 21 material event disclosures. The Capital Market Board and/or Management of Borsa Istanbul did not issue any notifications and/or amendments and requests for additional material event disclosures regarding the public disclosures the Company made in 2013.

8.5. Except where applicable legislation requires otherwise, information distribution companies and the website of the Company are used effectively for public disclosures. Principles governing the disclosure of information on future prospects are defined in the Company's Disclosure Policy.

8.6. In public announcements, information on future prospects is disclosed together with the justifications and the statistical data underlying the forecasts and is associated with the Company's financial position and operational results. Only the Chief Executive Officer and the Chief Financial Officer are authorized to make such announcements.

8.7. Board Members, executives and shareholders who directly or indirectly own 5% of the Company's capital are required to disclose all their dealings in the Company's securities, in accordance with the Capital Market Law. There were no transactions or public disclosures in 2013 related to this issue.

8.7.1. All material disclosures are entered into the website both in Turkish and English version, thus the material event disclosures made are automatically announced on the website.

8.7.2. The Company does not have any stock-based derivative products. In 2013, no commercial and/or non-commercial transactions took place between Hürriyet and other companies in which Board Members, executives or shareholders who directly or indirectly own at least 5% or more of Hürriyet's capital, hold at least a 5% stake or have management control irrespective of the amount of shares they hold.

8.8. The financial statements and footnotes of the Company were prepared on a consolidated basis, pursuant to the provisions of the CMB Communiqué II-14.1, in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards, announced by the Public Oversight, Accounting and Auditing Standards Authority, presented in line with the principles set forth in the CMB's decision 20/670 dated 7 June 2013 and announced in the CMB's Weekly Journal numbered 2013/19 dated 7 June 2013, audited independently in compliance with the Turkish Audit Standards and were publicly disclosed. The Annual Report 2013 is prepared in accordance with the Capital Market Legislation and CMB Regulations and Principles.

9. THE WEBSITE AND ITS CONTENTS

9.1. The Company's website is designed in accordance with the Turkish Commercial Code, Capital Market Legislation and CMB Regulations and Resolutions, is accessible at at www.hurriyetkurumsal.com and is actively used for public disclosures.

In addition to the mandatory information requirements prescribed by relevant legislation, the Company's website also contains: information related to its trade registry; the latest shareholding and management structure; detailed information on preferred shares; the dates and issues of the trade registry gazette in which changes have been published; the latest version of the Articles of Association; public disclosures; financial statements and annual reports; registration statements; circulars related to initial public offerings; agendas of general meetings; attendance charts and minutes of general meetings; proxy voting form; mandatory information forms prepared for the call for the collection of shares and proxies; the Company's policy regarding acquisition of its own shares, if any; profit distribution policy; disclosure policy; information on related-party transactions; the Company's code of ethics; and requests for information, questions and notices received by the Company and responses given to these, under the frequently asked questions section. Information and records on the website date back at least five years.

9.1.1. The content and layout of the Turkish and English pages of the website were redesigned in accordance with the Turkish Commercial Code, Capital Market Legislation and CMB Regulations and Resolutions.

The Company's website comprises the information below:

a) Corporate
- Company Profile
- Mission, Vision and Strategy
- Shareholding Structure
- Board of Directors
- Committees
- Organization
- Values and Hürriyet Publishing Principles

b) Investor Relations
- Investor Relations Contact Information
- Corporate Information
- Financial Statements
- Annual Reports
- General Assembly Meetings
- Investor Presentations
- Public Disclosures
- Calender
- Analysts
- Share Performance
- Frequently Asked Questions
- Investor Relations Site Map

c) Corporate Governance
- Shareholding Structure
- Articles of Association
- Trade Registry Gazettes
- Board of Directors
- Minority Rights and Privileged Shares
- Corporate Governance Principles Compliance Report
- Corporate Governance Rating Report
- Corporate Governance Committee
- Code of Ethics
- Disclosure Policy
- Dividend Distribution Policy

d) Social Responsibility
- No! To Domestic Violence Campaign
- Domestic Violence Hotline
- Rightful Women Platform
- Hürriyet Hakkımızdır Treni (Freedom is Our Right Train)
- Van Earthquake and Hürriyet
- Environmental

e) Investments
- Printed Media
- Internet Operations
- Printing Activities
- Foreign Operations

f) Human Resources
- Human Resources Practices
- Human Resources Policy
- Job Application

g) Visual Gallery
- Photographs
- Videos

h) Contact Us
- Contact Information
- Printing Center and Regional Offices
- Address

9.1.2. Studies to improve the website are steadily carried on.

9.1.3. The address of the website is clearly indicated on the Company's letterhead.

9.1.4. Guidelines related to the management of the website are included in the disclosure policy.

9.2. For public disclosures, the Capital Market Legislation, CMB and Stock Exchange Regulations and CMB Principles.

10. ANNUAL REPORT

Annual Report 2012 as well as the annual report issued quarterly in 2013 are prepared on annual and interim basis both in Turkish and English languages to reflect the economic and financial status and operations of the Company accurately and fairly in accordance with the Turkish Commercial Code and CMB legislation, Corporate Governance Principles, Public Disclosure and Transparency principle and are announced on the Company's website.

SECTION III - STAKEHOLDERS

Advertisers are important stakeholders for the Company since the Company carries on business in the media sector and the advertising revenues have important share among total revenues. The Executive Committee and Advertising Department are responsible for advertising policies and practices. The Company actively participates in and gives support to non-governmental organisations acting in the advertising and media sector. On the other hand, based on the importance of human resources in the media sector, the human resources management is represented at high level and the human resources policies are handled at macro level. General policies as regards to readers and audience of printed and visual/audio media are defined and implemented by the Executive Committee.

11. DISCLOSURES TO STAKEHOLDERS

As detailed in Section I of the report, disclosures to shareholders and investors are made in accordance with the Capital Markets Legislation and the CMB Regulations and Principles, using tools that are determined in advance. Management is encouraged to join NGOs formed by stakeholders. Participation in such endeavours together with advertisers helps the Company understand their needs and ensures sustainable growth and financial strength. The stakeholders can contact the members of the Corporate Governance Committee or the Audit Committee or persons authorized to provide information under the Company's Disclosure Policy, via e-mail, regarding the Company's actions that are against the legislation and ethically inappropriate.

12. PARTICIPATION OF STAKEHOLDERS IN MANAGEMENT

The Company is in constant contact with the stakeholders, verbally and in written from Feedback received from stakeholders is evaluated and submitted to senior management, to assist the development of solutions and policies. There is no provision in the Articles of Association regarding the participation of stakeholders in management. Information to employees about general activities and practices of the Company and obtaining the proposals are provided via the Company's Intranet website.

13. HUMAN RESOURCES POLICY

13.1. The Company offers equal opportunity to persons with the same qualifications in recruitment and career planning. Succession plans are put in place in order to prevent operational impediments if/when a manager resigns.

13.2. All recruitment criteria have been detailed in writing and are efficiently implemented.

13.3. All employees are treated equally with regard to their rights. Training programs are organized and training policies are developed to enhance the knowledge, skills, and conduct of personnel.
Meetings are organized for personnel to give them information and share opinions about the Company's financial position, compensation, career planning, training, health and similar topics.

13.4. Job descriptions, distribution of duties, performance and rewarding criteria are shared with employees. In determining compensation and other benefits offered to personnel, the Company takes productivity measures into account. The Company may choose to develop employee stock ownership plans.

13.5. The Company does not discriminate among its employees in terms of their race, religious belief, language or gender, and takes all precautions to protect employees against all kinds of physical, emotional or psychological abuse.

13.6. Safe working environment and conditions are provided for the employees.

14. CODE OF ETHICS AND SOCIAL RESPONSIBILITY

The Company's ethical rules are announced to the public on the corporate website. The ethical rules are continuously reviewed and updated.

The Company conducts the social responsibility projects backed up by its employees of high social sensitivity, its corporate structure and the synergy created by all corporations within its organization.

Under its "No! to Domestic Violence" campaign, carried to its ninth year, the Company continues its efforts to raise public awareness on this subject, create social sensitivity, ensure behavioral change and contribute to the solution of this problem in conjunction with the government.

The Company complies with the regulations on environment, consumer and public health as well as ethical rules.

The Company supports and respects internationally recognized human rights.

SECTION IV - BOARD OF DIRECTORS

15. STRUCTURE AND FORMATION OF THE BOARD OF DIRECTORS

15.1. The composition and election of the Board of Directors are subject to the Turkish Commercial Code, Capital Market Legislation, Law, CMB Regulations and Resolutions. The applicable principles are set forth also in the Articles of Association. Some arrangements have been made to comply with the CMB Principles.

Accordingly,
15.1.1. The Company is managed and represented by a Board of Directors that consists of nine members elected from among the shareholders at the General Meeting of Shareholders.

15.1.2. At least one-third of the Board Members must be independent members who meet the qualifications specified in the CMB's Corporate Governance Principles. Individuals who have served on the Board for more than six years during last decade cannot be elected Independent Board Members.

The Company's Board of Directors consists of two Independent Members. As per CMB's Communiqué Series: IV, No: 56, which took effect on 30 December 2011, the Company falls into "Category 3" companies as its market capitalization is below TL 1 billion, and the total value of its outstanding shares is below TL 0,25 billion. Therefore, the Company meets the requirement of having two independent members on its Board.

The consent of a majority of independent members is sought in Board of Directors' resolutions regarding the Company's transactions with related parties and for providing collateral, surety or lien in favor of third parties. In the event that the majority of independent members do not approve the action, then it is disclosed to the public with all related information about the action, and submitted to the General Meeting of Shareholders for approval. The shareholders, with the exception of related parties in the transaction, are given the opportunity to participate in such decisions through voting at the related General Meeting. Quorum is not sought at the General Meetings that convene to resolve the issues described in this clause. Resolutions require an absolute majority.

Board and General Assembly resolutions that are not adopted according to the principles stated under this paragraph shall not be valid. The Articles of Association comprise provisions in this regard.

15.1.3. The number of executive directors cannot exceed half of the Board of Directors and this point is taken into consideration, especially when defining the duties of Board Members.

15.1.4. The Chairman of the Board of Directors and the Chairman of the Executive Committee is not the same person.

15.2. Members of the Board of Directors and their status are as follows:

NAME/LASTNAME	TITLE	NOTE
Vuslat Doğan Sabancı	Chairwoman	Non-Executive
Yahya Üzdiyen	Vice Chairman	Non-Executive
Ahmet Nafi Dalman	Board Member	Executive
Enis Berberoğlu	Board Member	Executive
Kai Georg Diekmann	Board Member	Non-Executive
Dursun Ali Yılmaz	Board Member	Non-Executive
Ayşe Fatma Cemal	Board Member	Non-Executive
Ahmet Burak	Independent Board Member	Non-Executive
Béatrice de Clermont Tonnerre	Independent Board Member	Non-Executive

Board Members are unanimously appointed to serve until the General Assembly where the operations and accounts for the accounting year January 1 - December 31, 2013 will be discussed.

On June 20, 2013, the General Assembly resolved to disclose and announced to the public on June 21, 2013, the application of Ahmet Burak and Béatrice de Clermont Tonnerre to serve as Independent Board Members who presented statement of independence on May 28, 2013 and June 19, 2013, respectively. The Statement of Independence of the Independent Members of the Board of Directors are disclosed in the annual report.

Resumes of Board Members are given below.

VUSLAT DOĞAN SABANCI

Chairwoman

A graduate of Bilkent University's Department of Economics, Vuslat Doğan Sabancı went on to attend Columbia University in New York for her graduate studies in International Media and Communications. Ms. Doğan Sabancı currently chairs the Board of Directors at Hürriyet, and has held this post since May 26, 2010.

During her tenure as CEO between 2004 and 2010, Ms. Doğan Sabancı transformed Hürriyet from a leading paper in Turkey into an international powerhouse through her acquisition of Trader Media East (TME) in 2007 in a move that represented the largest ever foreign acquistion executed by a Turkish company. TME is an online and printed media advertising company operating in Russia, Ukraine, Belarus and Kazakhstan as of 2013. Among TME's most important brands are Iz Ruk Ruki, one of the most well-known media brands in Russia, and Irr.ru, that country's leading online classifieds provider.

Ms. Doğan Sabancı ensured Hürriyet's position as a major player within Turkey's emerging new media industry by investing in digital publishing and services. These prudent investments resulted in the launch of hurriyet.com.tr as one of the highest trafficked websites across Europe. Hürriyet currently offers classified advertising services through its affiliated family of sites including hurriyetemlak.com, hurriyetoto.com, yenibiris.com, in addition to yakala.co, a deal finder website, and yenicarsim.com.

Ms. Doğan Sabancı has also evolved into a strong voice for human rights and especially issues related to gender equality in Turkey, by investing in such topics through Hürriyet. A law was enacted on domestic violence following an eight-year effort on her part through the "No! To Domestic Violence" campaign that she had initiated. Ms. Doğan Sabancı also established the "Rightful Women Platform" to gather all NGOs formed around issues concerning women under the same roof, and function as a pressure lobby to ensure more women could be voted into Parliament, prior to the General Elections in 2011. As a result of this effort, the number of female MPs rose to 78 after the 2011 elections, up from 48.

In addition, Ms. Doğan Sabancı carries on with a multitude of activities in the name of giving women their rightful place both within society in general and within the economy in particular. A microloan project for women is one of such social responsibility projects.

Ms. Doğan Sabancı joined Hürriyet in 1996 as Vice President in charge of Advertising, before her promotion to the post of Marketing Group President three years later. Her responsibilities at Hürriyet included marketing, sales, human resources and information technologies (IT).

Before joining Hürriyet, Ms. Doğan Sabancı worked in the editorial department of The New York Times for a year, and later at The Wall Street Journal, where she was instrumental in the formation of the Asian Business World News Channel and the paper's Latin America edition.

Born in 1971, Vuslat Doğan Sabancı is married with two children. Ms. Doğan Sabancı speaks English.

Ms. Doğan Sabancı is a lifetime honorary member of the International Press Institute (IPI), where she served an eight-year term as a Board Member.

Endeavor, a New York based international NGO, where Ms. Doğan Sabancı has served as Board Member since its inception, commenced its operations in Turkey in 2006. Endeavor Turkey furthers its efforts in the country through the support provided by its Board, Members of the Advisory Council, as well as Endeavor Mentors; the organization identifies Endeavor Entrepreneurs and supports them.

Ms. Doğan Sabancı has also been a member of TÜSİAD since 2003.

YAHYA ÜZDİYEN

Vice Chairman

Born in 1957, Yahya Üzdiyen graduated from Middle East Technical University, Department of Business Administration in 1980. From 1980 to 1996, he worked as trade and investment specialist and manager in several privately owned companies in Turkey and abroad.

He joined Doğan Group in 1997 and served as President of the Strategy Group at Doğan Holding until 2011; on January 18, 2011, he was appointed Vice Chairman of the Board of Directors. He played a significant role in the acquisition, partnership and sales processes of the Group's affiliates, including POAŞ, Ray Sigorta and Star TV.

Mr. Üzdiyen currently serves as a Board Member at various Group companies and was appointed the CEO of Doğan Holding as of January 24, 2012.

AHMET DALMAN

Board Member

Vice Chairman of the Executive Committee

Ahmet Dalman was born in 1964 and graduated from Boğaziçi University, Department of Electrical-Electronics Engineering in 1986. Starting his career as an Information Technologies specialist in the media sector, Mr. Dalman carried on his activities as partner and executive of a company producing technological solutions for media and different sectors and made remarkable contributions to the digitalizing and technology application process of many media companies.

In 1994, Dalman joined Hürriyet as Information Systems Manager and served as Technology Director at e-kolay.net Internet Service Provider Company of Doğan Group between 1999 and 2000. In 2011, he was appointed as Information Systems Coordinator at Hürriyet, in 2008 as Executive Committee Member, in 2010 as Head of Hürriyet Internet and Information Technologies Group and is currently serving as Vice Chairman of the Executive Committee at Hürriyet since 2012.

Mr. Dalman is married with two children and is fluent in English.

ENİS BERBEROĞLU

Board Member

Editor in Chief

Born in 1956 in Istanbul, Enis Berberoğlu graduated from the Austrian High School and then from Boğaziçi University Faculty of Administrative Sciences, Department of Economics in 1980 and obtained his post graduate degree from Istanbul University, Faculty of Economics, Department of Econometrics.

Currently serving as the Editor in Chief of Hürriyet, Mr. Berberoğlu started his journalism career at Dünya Newspaper in 1980 and then served as reporter at Hürriyet, Cumhuriyet, Güneş, Radikal newspapers; CNN Turk News channel, and in Istanbul, Ankara and Bonn, followed by Ankara Office Representative, Bonn Representative, War Correspondent at Baghdad, as Economy Department Manager and columnist, respectively. Mr. Berberoğlu is fluent in English and German and is the author of three books: "20 Yıllık Domino Oyunu (The Domino Game of 20 Years Susurluk)," "Susurluk," and "Yüksekova ve Öbür Türkler (The Other Turks)." He has been married to a journalist, Oya Berberoğlu, and has a daughter.

DURSUN ALİ YILMAZ

Board Member

University, Department of Economics in 1982 and earned his master's degree from Dokuz Eylül University, Department of Business Administration in 1988.

Mr. Yılmaz began his professional career as Operations Manager at Özdemir Çelik Döküm Sanayi A.Ş., and then served in various positions in the Financial Affairs Department of Anadolu Denizcilik A.Ş., Türkiye Şişe ve Cam Fabrikaları A.Ş., and Hacı Ömer Sabancı Holding A.Ş. Subsequently, he worked as Budget and Financial Analysis Manager at Hürriyet from 1993 to 1995. During the next decade, Mr. Yılmaz served as Deputy General Manager at Akın Tekstil A.Ş., and he joined Doğan Yayın Holding in 2005 as Financial and Administrative Coordinator.

Furnished with experience in a variety of fields, including installation and improvement of accounting and basic financial systems, installation and follow up of budget systems, public offerings and fulfilment of responsibilities of public offered companies, business development by data system departments required for corporations, systematization of procurement operations and adopting relevant programs, optimizing the company structuring required for holding companies, management of mergers, conducting corporate governance activities of publicly traded companies, defining loan structure corresponding to the company's financial data and using derivative products for financing, assessment and follow up of real properties, Dursun Ali Yılmaz was appointed as head of Financial and Administrative Affairs Group at Hürriyet Newspaper in 2010 while serving also as the Member of Executive Committee responsible for Financial and Administrative Affairs. Yılmaz has been serving as Board Member at Hürriyet Gazetecilik ve Matbaacılık A.Ş. as from June 20, 2013.

AYŞE SÖZERİ CEMAL

Board Member

Ayşe Sözeri Cemal graduated from Istanbul Boys' High School and then from Istanbul University, Faculty of Economics and completed her post graduate degree at Istanbul University, Faculty of Business Administration.

She served as Market Research Reporter at Cam Pazarlama, Market Research Specialist at the Turkish Glass Works and Advertising Manager at Cumhurriyet Newspaper.

On June 21, 2013, she retired from her office as the Head of Advertising Group and was appointed as a member of Board of Directors. She is a member of I.A.A and is fluent in German and English. Sözeri is married with one child.

KAI DIEKMANN

Board Member

Born in 1964 in Ravensburg of Germany, Kai Diekmann joined the army as an enlistee, after his graduation from secondary school, and served for two years. Then he underwent training at Axel Springer AG and worked in Hamburg, Bonn and New York during two-year period. Diekmann worked in Bonn as Parliament Correspondent for BILD and BILD am SONNTAG as from 1987. He became News Director for BUNTE Magazine in 1989. Two years later he became Co-Editor for B.Z. published in Berlin, and then served as Co-Editor and Politics Editor for BILD for five years. Following a short stint in Central America, he became Editor in Chief for WELT am SONNTAG in 1998. He has been serving as Editor in Chief at BILD and Publisher for BILD and BILD am SONNTAG since January 2011. In addition, he has been the Publisher of BILD Group since 2008. In 2012 and 2013 he was charged by Axel Springer AG and spent ten months in the Silicon Valley, USA to study digital projects and business models as Chief Editor of BILD. Kai Diekmann has been serving as an Independent member of the Board of Hürriyet Newspaper since 2004 and as a Member of Board of Times Limited since 2011.

AHMET BURAK

Independent Board Member

Ahmet Burak was born in 1954 in Istanbul and has graduated from FMV Işık High School and then from the School of Business Administration of Middle Eastern Technical University, University of Denver BSBA, and the University of Denver MBA, Finance Departments, respectively. After working at the Istanbul and London offices of Arthur Andersen, in 1986 he began to work as the Manager of Financial and Administrative Affairs for Coca-Cola. He assumed the duties of General Manager of Bottling Operations in Turkey in 1991 and Assistant to Chairman of the Executive Committee of Coca-Cola Canada in 1992. He returned to Turkey in 1993 to initiate Coca-Cola operations in Middle Asia and Caucasia, where no Coca-Cola products had been sold up to that time. During this period, Coca-Cola established factories in eight countries, thus became the biggest soft drink company in the region. After serving as General Manager for eight years, he became the President of Coca-Cola Turkey in 2001. Turkey Region reached the highest profitability and market share in its history within eight years and the Company placed 13th among 200 countries. Mr. Burak retired from the Coca-Cola Company in 2009 and is currently acting as Member of the Board of Trustees of Coca-Cola Life Plus Foundation, of which he is one of the founders.

BÉATRICE DE CLERMONT TONNERRE

Independent Board Member

Béatrice de Clermont Tonnerre has been serving as Director of Southern Europe for Joint Project Solutions since May 2013. Tonnerre lives in Paris and has served in various projects, from Pay TV and publishing to sports franchises, from sports franchises to book publishing, digital media and purchasing on internet. She is also well experienced in organic growth and launch of new products.

Ms. Tonnerre started her career as radio correspondent at Radio France Internationale Latin America and Europe 1 and joined Lagardere in 1995 as an analyst in the technology division of the Strategy Department. In 1998 she promoted as director of the Media Department and was appointed as the Head of Interactive Televisions Group of Canal Satellite in 2001, followed by her appointment as Co-Head for Programming in 2003.

Béatrice de Clermont Tonnerre graduated from the Institut d'Etudes Politiques de Paris, Department of Politics and obtained her MBA degree from École Supérieure des Sciences Economiques et Commerciales. In addition, she serves as a Board Member at LACIE, a technology company quoted on the French Stock Exchange.

NAME/ LASTNAME	TASKS TAKEN ON DURING LAST DECADE	CURRENT TASKS ASSUMED OUTSIDE THE COMPANY	BOARD MEMBER TYPE	INVOLVED AND DUTY
Vuslat Doğan Sabancı	Board Member, Chairwoman of Executive Committee, Vice Chairwoman of Board	Board Member at Group companies	Not independent member	-
Yahya Üzdiyen	Head of Strategy Group at Doğan Holding	Vice Chairman and Member of Board at Group companies	Not independent member	-
Ahmet Nafi Dalman	Head of Internet and Information Technologies Group	Board Member at Group companies	Not independent member	-
Enis Berberoğlu	Editor in Chief	-	Not independent member	-
Dursun Ali Yılmaz	Head of Financial Affairs Group	Board Member at Group companies	Not independent member	-
Ayşe Sözeri Cemal	Head of Advertising Group	-	Not independent member	-
Kai Georg Diekmann	Independent Board Member	-	Not independent member	-
Ahmet Burak	-	-	Independent Member	Chairman of Audit Committee, Chairman of Corporate Governance Committee
Béatrice de Clermont Tonnerre	-	-	Independent Member	Member of Audit Committee

16. OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS

16.1. The Board of Directors meets whenever required by the business of the Company and at least once every month. Members of the Board of Directors are promptly provided all information they may need to adequately perform their duties.
In 2013, the Board of Directors held/adopted 35 meetings/resolutions where the resolutions were taken unanimously without any opponent Board member.

16.2. The Board resolutions are signed by members and affixed to resolutions book. Any opponent member must sign the minutes by indicating the grounds for opposition. The meeting documents and related correspondence are regularly filed by the Board of Director's Secretariat Office. If the Independent Board Members cast negative vote in cases where their affirmative votes are required, the measures set forth in the Capital Market Law and the Capital Market Board Regulations.

16.3. Meetings of the Board of Directors take place at the Company's Headquarters, but upon a decision of the Board of Directors, meetings can be held in a different location. Members of the Board of Directors primarily attend meetings in person. However, it is also possible to utilize remote access technology. Written opinions of members who cannot attend the meetings in person are conveyed to the other members.

16.4. In order to perform the powers and responsibilities assumed, every year the Board of Directors identifies those from among its members who will be responsible for subjects requiring expertise; and makes duty allocation by designating executive directors who will assume a part of the Board's powers and a certain portion of Company business as well as observing the implementation of the decisions made, if required. Further, the Board carries on studies to delegate its powers, completely or partially, as allowed by the Turkish Commercial Code and the Capital Market Board, to senior managers by determining the methods and principles of assignment in accordance with the Turkish Commercial Code by issuing an internal directive.

16.5. Resumes of the Board Members are published in the Annual Report and on Company's website at www.hurriyetkurumsal.com

16.6. Members of the Board of Directors are promptly provided all information they may need to adequately perform their duties. It is mandatory that the call for a meeting contains the agenda, is made at least 7 days prior the meeting and all information and documents related with the agenda items are attached thereto.

16.7. Members of the Board of Directors shall be elected from among individuals who have basic knowledge of the legal environment in the Company's line of business, are professional and experienced in management, can review financial statements and, preferably, hold relevant university degrees.

16.8. Members of the Board of Directors do not have weighted voting and/or veto rights.

16.9. Board of Directors meetings require the presence of at least one more than half of the full number of members and decisions require a simple majority of members present at the meeting. In case of equality of votes, the subject matter is added to the agenda of the next Board meeting and if it cannot be approved and decided upon by a majority of the votes at the next Board meeting, the relevant motion is deemed to have been disapproved. Each member is entitled to one vote, irrespective of their position and duties in the Board of Directors.

16.10. The Board's Secretariat Office, reporting to the Chairperson, is established to render services to all Board Members with the purpose to keep the documents of the Board meetings. The duties and responsibilities of the Board's Secretariat Office are set forth in the Articles of Association.

16.11. The Board of Directors makes a separate decision for the approval of financial statements and their notes as well as the Independent Audit Report, Corporate Governance Compliance Report and the Annual Report.

16.12. The Board Members may not attend any meeting where any subject involving its own interests as well as those of its spouse and relatives by blood and marriage up to third degree are discussed.

16.13. Meetings and travel expenses of the Board of Directors, special studies it may request in relation to its duties and related expenses are paid out of the general budget without any restriction.

17. NUMBER, STRUCTURE AND INDEPENDENCE OF THE COMMITTEES CONSTITUTED BY THE BOARD OF DIRECTORS

17.1. In line with the Company's current position, legal regulations and needs, four committees have been established to ensure that the Board of Directors properly fulfils its duties and responsibilities: Executive Committee (Executive Board), Audit Committee, Corporate Governance Committee and Early Risk Determination Committee.

17.2. General principles applicable for the committees are given in the Company's Articles of Association.

17.3. Additionally, the charters of the Audit Committee and the Corporate Governance Committee have been approved by the Board of Directors and are available at www.hurriyetkurumsal.com These charters have been carefully designed in light of the Capital Market Legislation, CMB Regulations and Resolutions, the Articles of Association as well as practices in other countries. The committees meet at least on quarterly basis.

17.4. The Committees meet at intervals as required by their activities and upon call by the Chairman. The decisions made are kept in written and in a separate book. All correspondence and information by the Committees are performed by persons or a unit designated by the Board of Directors.

17.5. The Chief Executive does not serve on any committee.

17.6. Executive Committee (Executive Board)

17.6.1. Members of the Executive Committee are appointed to serve until first Board meeting to be held after the Ordinary General Assembly Meeting where the operating results for 2013 will be discussed. As per the Board resolution dated July 3, 2013, the Committee consists of the following members:

NAME/LASTNAME		TITLE
Ahmet N. Dalman	Vice Chairman of Executive Committee	Vice Chairman
Enis Berberoğlu	Executive Committee Member	Chief Editor
Gönül Sayan Birkiye	Executive Committee Member	Advertising Director
Ediz Haşmet Kökyazıcı	Executive Committee Member	Finance Director
Tuba Köseoğlu Okçu	Executive Committee Member	Human Resources Director
Birim Gönülşen Özyürekli	Executive Committee Member	Marketing Director

17.7. Corporate Governance Committee

17.7.1. According to Board Decision No. 2013/25 dated July 3, 2013, the Corporate Governance Committee shall consist of the following chairperson and members:

NAME/LASTNAME	TITLE	Note
Ahmet Burak	Chairman	Independent Board Member/Non-Executive
Yahya Üzdiyen	Member	Board Member/Non-Executive
Dr. Murat Doğu	Member	Non-Executive

Additionally, it was resolved that the Corporate Governance Committee shall perform also the tasks of the "Nomination Committee" and the "Remuneration Committee", as set forth in the Communiqué Series IV, No 56 on the Definition and Implementation of Corporate Governance Principles, announced by the Capital Market Board (CMB).

17.7.2. All Committee Members are non-executive Board Members. Ahmet Burak, the Chairman and Member, is an Independent Board Member.

17.7.3. Dr Murat Doğu, Member of Corporate Governance Member, is serving also as a member of the Corporate Governance Committee at DYH.

17.7.4. Since its inception, the Committee has been continuing its activities in a regular manner. Accordingly:
- Corporate governance rating studies were carried out,
- Corporate governance compliance reports prepared by the Company were reviewed,
- Annual reports prepared by the Company were reviewed,
- It was ensured that the Ordinary General Assembly Meeting, where the operations of 2013 were discussed, was held in compliance with related legislation and principles,
- It was ensured that relations with shareholders and investors are pursued in compliance with related legislation and principles,
- Public disclosures of the Company were reviewed,
- The website was regularly updated and improved.
- In September 2013, the revised corporate governance rating score was obtained from ICS, the world's reputable corporate governance rating agency, and disclosed to the public.
- The Corporate Governance Committee held four meetings during 2013.

17.8. Audit Committee

17.8.1. The Board of Directors convened on July 3, 2013 and resolved, taking into consideration the relevant provisions of the Articles of Association, that the Audit Committee shall consist of the following Chairman and Members to serve until the General Assembly Meeting where the operating results will be discussed:

NAME/LASTNAME	TITLE	NOTE
Ahmet Burak	Chairman	Independent Board Member / Non-Executive
Béatrice de Clermont Tonnerre	Member	Independent Board Member / Non-Executive

17.8.2. The Chairman of the Audit Committee is not an Independent Board member. Furthermore, the members' position complies with the provisions of the Capital Market Board Legislation because they are non-executive members.

17.8.3. The charters of the Audit Committee and the Corporate Governance Committee have been approved by the Board of Directors and are available at www.hurriyetkurumsal.com These charters have been carefully designed in light of the Capital Market Legislation, CMB Regulations and Resolutions, the Articles of Association as well as practices in other countries. Within this framework, in 2013;

- The Company's financial statements and their footnotes, as well as the independent audit report of the previous year were reviewed prior to their public disclosure and meetings were held with the Independent Audit Firm;
- The Company's independent audit contract was revised;
- Results of the internal controls performed by the Internal Control Department and the measures taken have been reviewed.
- Studies on risk management activities were carried out;
- The Audit Committee held four meetings during 2013.

17.9. Early Risk Determination Committee

17.9.1. The Board of Directors convened on July 3, 2013 and resolved, taking into consideration the relevant provisions of the Articles of Association, that the Early Risk Determination Committee shall consist of the following Chairman and Members to serve until the General Assembly Meeting where the operating results will be discussed:

NAME/LASTNAME	TITLE	NOTE
Ahmet Burak	Chairman	Independent Board Member /Non-Executive
Erem Turgut Yücel	Member	Non-Executive
Tolga Babalı	Member	Non-Executive
Ediz Haşmet Kökyazıcı	Member	Executive

17.9.2. The Early Risk Determination Committee held six meetings during 2013.

17.10. The Company's committees act within their authority and responsibility and make recommendations to the Board of Directors. All final decisions are made by the Board of Directors.

17.11. A Board Member is serving at more than one committee, because the Board of Directors has two Independent Board Members.

18. RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

The Audit Committee and the Corporate Governance Committee communicate the risk management and internal control mechanism, the problems faced in these areas and their solutions with the Board of Directors, as the occasion arises. During 2013, risk management and reporting as well as restructuring studies were emphasised. The Early Risk Determination Committee, established on March 18, 2013, will make recommendations to the Board of Directors on determination and management of risks.

The Early Risk Determination Committee carries out studies on early determination of risks that would jeopardise the existence, development and continuity of the Company, implementation of necessary measures as regards to risks determined and management of risks. Risk management systems are reviewed at least once a year.

In addition, the Chairman and Members of the Committee, established as per the resolution 2013/25 dated July 3, 2013 and pursuant to Article 378 of the Turkish Commercial Code, were replaced in accordance with the Communiqué Series IV, No 56 on the "Definition and Implementation of Corporate Governance Principles", announced by CMB.

19. STRATEGIC OBJECTIVES OF THE COMPANY

19.1. The Company's mission is to provide news, content and services as a global media brand, on a 24/7 basis, in continuous interaction with its readers and customers, using all channels and in all formats, and to add value to their lives. To accomplish this objective, the main task of the executives of Hürriyet and its subsidiaries is to maintain the independence of both the Company and the newspaper and to manage the Company in a way that will protect its independency, the basis of this objective and to provide maximum value to shareholders.

As regards to Turkey's efforts to attain its modernisation objective, the Company comes to the forefront with its qualified publishing, the value given to its employees and care for its social responsibilities. The support it gives to social benefit and the consistency of its leading role in this field will guide the objectives, as was in the past. The aim is to become a media company accessing daily 10 million persons by 2015 and consequently to increase the share of digital media revenues among total revenues up to 30%.

19.2. The vision and mission of the Company is disclosed to public on the corporate website and in the annual report.

19.3. The strategic objectives defined by the managers in line with the Company's plans are submitted to the Board of Directors for approval.

19.4. Whether the objectives are attained is evaluated during monthly meetings organized by the Board, and detailed reports on the Company's operating results and performance are examined and reviewed.

19.5. The Board of Directors and the management continuously review Hürriyet's position in line with its strategic objectives. At regular and frequent Board meetings, the Company reviews its position in the market and devises new targets and strategies responding to changing market conditions.

20. FINANCIAL BENEFITS

20.1. The remuneration to be paid to the Chairman, Vice Chairman and Members of the Board of Directors is determined at the General Meeting of Shareholders. The decision for the remuneration amount is based on the time Board Members spend for meetings, the time involved in pre- and post-meeting preparations and the duties assumed, as well as the CEO's salary. The attendance fee to be paid to Board Members for each meeting is also determined at the General Meeting of Shareholders.

20.2. At the Ordinary General Assembly Meeting held on June 20, 2013, it has been unanimously resolved that the monthly remuneration of the Chairwoman, will be TL 10,000, net, of Kai George Diekmann, Béatrice de Clermont Tonnerre and Ahmet Burak TL equivalent of USD 5.000 each and of other Board Members TL 5.000, net.

20.3. No loans or credits are extended by the Company to any of its Board Members and executives, either directly or indirectly.

10 BOARD OF DIRECTOR'S RESOLUTION ON THE APPROVAL OF THE FINANCIAL STATEMENTS, ANNUAL REPORT AND CORPORATE GOVERNANCE REPORT

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

RESOLUTION OF THE BOARD OF DIRECTORS

Date of resolution : 06.03.2014
Number : 2014/11
Attending : Vuslat SABANCI (Chairwoman)
Yahya ÜZDİYEN (Vice Chairman)
Ahmet Nafi DALMAN (Member)
Kadri Enis BERBEROĞLU (Member)
Dursun Ali YILMAZ (Member)
Fatma Ayşe CEMAL (Member)
Kai Georg DIEKMANN (Member)
Ahmet BURAK (Member)
Béatrice de Clermont TONNERRE (Member)

This Resolution is signed by the Members of the Board of Directors pursuant to the provision of Article 390/IV of the Turkish Commercial Code.

- To approve and submit for the General Assembly's approval the Company's financial statements for the accounting year January 1 – December 31, 2013 submitted to the Board with the opinion of appropriateness the Audit Committee's in line with its adjustment recommendations, prepared on a consolidated basis, pursuant to the provisions of the CMB Communiqué II-14.1, in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards, announced by the Public Oversight, Accounting and Auditing Standards Authority, presented in line with the principles set forth in the CMB's decision 20/670 dated 7 June 2013 and announced in the CMB's Weekly Journal numbered 2013/19 dated 7 June 2013, audited independently in compliance with the Turkish Audit Standards, comparative with the financial statements of the previous year,
- To approve and submit for the shareholders' information the Annual Report 2013 and the Corporate Governance Compliance Report 2013 submitted for the Board of Directors' approval with the Corporate Governance Committee's and relevant managers' opinion of appropriateness.

Vuslat SABANCI
Chairwoman

Yahya ÜZDİYEN
Vice Chairman

Ahmet Nafi DALMAN
Member

Kadri Enis BERBEROĞLU
Member

Dursun Ali YILMAZ
Member

F. Ayşe CEMAL
Member

Kai Georg DIEKMANN
Member

Ahmet BURAK
Member

Béatrice de Clermont TONNERRE
Member

11 CORPORATE GOVERNANCE COMMITTEE RESOLUTION

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
RESOLUTION OF THE CORPORATE GOVERNANCE COMMITTEE

DATE : 03.03.2014
SUBJECT : Approval of the Annual Report and Other Issues

The Committee convened at the Company's Headquarters and:

1- Examined the Corporate Governance Compliance Report, prepared pursuant to CMB Communiqué on Principles for Financial Reporting in the Capital Market (II-14.1), to be included in the Annual Report for the accounting year January 1 – December 31, 2013 and the Annual Report, taking the opinions of the executives who had responsibility in the preparation of the Annual Report as well.

Being limited to the information we have and that has been provided to us, we have transmitted our opinion on the subject matter of the Annual Report and the Corporate Governance Compliance Report to the executives who had responsibility in the preparation of the Company's financial statements; based on this opinion, it has been concluded that the aforesaid Annual Report and the Corporate Governance Compliance Report accurately reflect the results of the Company's operations and do not contain any major deficiency that would result in these financial statements being misleading and comply with the CMB Regulations.

2- It has been considered that the Board of Directors should be informed about the policies and rules to be defined and/or revised together with the actions to be taken in line with the CMB's Corporate Governance Communiqué II-17.1 and the provisions of the Communiqué that came into force upon announcement in the Official Gazette 28871 dated January 3, 2014.

3- Pursuant to the Turkish Commercial Code, Capital Market legislation and the implementation of the Corporate Governance Principles, the studies made as regards to the Company's website were reviewed and recommendations were made accordingly.

Ahmet BURAK	Yahya ÜZDİYEN	Dr. Murat DOĞU
Chairman of Corporate Governance Committee	Member of Corporate Governance Committee	Member of Corporate Governance Committee

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
RESOLUTION OF THE AUDIT COMMITTEE

DATE : 03.03.2014
SUBJECT : Financial Report on accounting year January 1 – December 31, 2013

The Company's financial report for the accounting year January 1 – December 31, 2013, prepared on a consolidated basis, pursuant to the provisions of the CMB Communiqué II-14.1, in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards, announced by the Public Oversight, Accounting and Auditing Standards Authority, presented in line with the principles set forth in the CMB's decision 20/670 dated 7 June 2013 and announced in the CMB's Weekly Journal numbered 2013/19 dated 7 June 2013, audited independently in compliance with the Turkish Audit Standards, comparative with the financial statements of the previous year was examined taking the opinions of the executives who had responsibility in the preparation of the Annual Report as well.

Being limited to the information we have and that has been provided to us, we have transmitted our opinion on the aforesaid Report to the executives who had responsibility in the preparation of the Company's financial statements; based on this opinion, it has been concluded that the Report accurately reflects the results of the Company's operations and does not contain any major deficiency that would result in these financial statements being misleading and complies with the CMB Regulations.

Ahmet BURAK
Chairman of Audit Committee

Béatrice de CLERMONT TONNERRE
Member of Audit Committee

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
OF THE BOARD'S RESOLUTION ON THE APPROVAL OF FINANCIAL REPORT AND ANNUAL REPORT

DATE : 06.03.2014
NUMBER : 2014/11

STATEMENT OF RESPONSIBILITY PURSUANT TO CAPITAL MARKETS BOARD COMMUNIQUÉ II-14.1, SECTION THREE, ARTICLE 9

Having examined the Company's consolidated financial report for the accounting year January 1 – December 31, 2013, prepared on a consolidated basis, pursuant to the provisions of the CMB Communiqué II-14.1, in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards, announced by the Public Oversight, Accounting and Auditing Standards Authority, presented in line with the principles set forth in the CMB's decision 20/670 dated 7 June 2013 and announced in the CMB's Weekly Journal numbered 2013/19 dated 7 June 2013, audited independently in compliance with the Turkish Audit Standards, and the annual report for the accounting year January 1 – December 31, 2013, we have concluded being limited to the information we have and that has been provided to us that

- The Financial Report and the Annual Report does not contain any misrepresentation of the facts on major issues or any deficiency that may be construed as misleading as from the date of the disclosure,

- The Financial Report, issued in accordance with the applicable financial reporting standards fairly reflects the fairly reflects the facts on the assets, liabilities, financial condition and profit and loss of the Company and the Annual Report fairly reflects the development and performance of the business as well as the financial condition, along with the significant risk and uncertainties the Company is exposed to.

Ediz Haşmet KÖKYAZICI
Executive Committee Member
Finance Director

İnci TARI
Financial Control and
Investor Relations Manager

14 BOARD OF DIRECTOR'S RESOLUTION ON DIVIDEND DISTRIBUTION AND DIVIDEND DISTRIBUTION TABLE

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF DIRECTOR'S RESOLUTION

Date : 06.03.2014
Number : 2014/12
Attending : Vuslat SABANCI (Chairwoman)
Yahya ÜZDİYEN (Vice Chairman)
Ahmet Nafi DALMAN (Member)
Kadri Enis BERBEROĞLU (Member)
Dursun Ali YILMAZ (Member)
Fatma Ayşe CEMAL (Member)
Kai Georg DIEKMANN (Member)
Ahmet BURAK (Member)
Béatrice de Clermont TONNERRE (Member)

This Resolution is signed by the Members of the Board of Directors pursuant to the provision of Article 390/IV of the Turkish Commercial Code.

Taking into account the provisions of the Turkish Commercial Code, Capital Market Legislation, Capital Market Law, Capital Market Board (CMB) Regulations/Resolution, Income Tax, Tax Procedure Law and other legal legislation as well as the applicable provisions of the Articles of Association and the "Dividend Distribution Policy" disclosed to the public, it was concluded that

- that according to the financial statements for the accounting period of January 01, 2013 - December 31, 2013, prepared pursuant to CMB Communiqué on Principles for Financial Reporting in the Capital Market (II-14.1) and in accordance with the Turkish Accounting Standards and Turkish Financial Reporting Standards, announced by the Public Oversight, Accounting and Auditing Standards Authority, presented in line with the principles set forth in the CMB's decision regarding the issue and audited independently, when Continuing Operations Loss before Tax, Discontinued Operations Loss before Tax, Tax Revenue for the Period (consists of tax revenues for the period concerning continuing operations and deferred tax revenues and tax revenues concerning discontinued operations) and off-holding company shares were considered together, there was a resultant TL 61,093,981 net loss for the period, when TL 61,093,981 accumulated losses were deducted from and TL 1,124,620 donations were added to this amount, the end figure was TL 205,963,781 net loss for the period, therefore the shareholders will be advised that there can be no dividend distribution for the accounting period of January 01, 2013 - December 31, 2013 under CMB's relevant regulations of profit distribution and this issue will be submitted to the approval of the General Assembly,
- that according to financial records kept in accordance with the Turkish Commercial Code and Tax Procedure Law; TL 4,017,881 was net loss for the period of January 01, 2013 - December 31, 2013, the General Assembly will be advised that there will be no legal reserve set aside under the Turkish Commercial Code and this amount will be carried over to the accumulated losses account.

Vuslat SABANCI
Chairwoman

Yahya ÜZDİYEN
Vice Chairman

Ahmet Nafi DALMAN
Member

Kadri Enis BERBEROĞLU
Member

Dursun Ali YILMAZ
Member

F. Ayşe CEMAL
Member

Kai Georg DIEKMANN
Member

Ahmet BURAK
Member

Béatrice de Clermont TONNERRE
Member

APPENDIX 1: DIVIDEND DISTRIBUTION TABLE

HÜRRIYET GAZETECILIK VE MATBAACILIK A.Ş.
DIVIDEND DISTRIBUTION TABLE 2012

1	Issued Capital	552.000.000	
2	Total Legal Reserves (acc. to legal records)	39.284.096	
	Information on privilege in dividend distribution, if there is any privilege pursuant to the Articles of Incorporation	-	

		ACCORDING TO CMB	ACCORDING TO LEGAL RECORDS
3	Profit/Loss for the period(1)	-68.530.610	-3.929.367
4	Taxes (+/-)(2)	7.436.629	-88.514
5	Net Profit/Loss for the period (+/-)	-61.093.981	-4.017.881
6	Accumulated (Losses) (-)	-145,99	4,420
7	General legal reserves (-)	0	0
8	NET DISTRIBUTABLE PROFIT/LOSS FOR THE PERIOD(+/-)	-207.088.401	-4,017,881
9	Donations made during the year (+)	1.124.620	
10	Net Distributable Profit/Loss for the profit including donations (+/-) (3)	-205.963.781	
11	First dividend to shareholders	0	
	Cash	0	
	Bonus	0	
	Total	0	
12	Dividend Distributed to Privileged Shareholders	0	
13	Other Dividend Distributed	0	
	- to Members of Board of Directors		
	- to Employees		
	- to Non-shareholders		
14	Dividend Distributed to Dividend Share Holders 0		0
15	Second dividend to shareholders	0	
16	General legal reserves	0	
17	Statutory reserves	0	0
18	Special Reserves	0	0
19	EXTRA RESERVE	0	0
20	Other resources anticipated for distribution	0	0
	Retained Earnings	0	0
	Extra Reserves	0	0
	Other Reserves pursuant to TCC and Articles of Incorporation	0	0

(1) comprises the sum of pre-tax loss for the period related with ongoing and discontinued operations and non-controlling shares. .
(2) consists of tax revenue as regards to ongoing and discontinued operations.
(3) there is no distributable profit for the period.

	GROUP	TOTAL DISTRIBUTED DIVIDEND	TOTAL DISTRIBUTED DIVIDEND/NET DISTRIBUTABLE PROFIT FOR THE PERIOD		AMOUNT OF DIVIDEND PER SHARE WITH NOMINAL VALUE OF 1 TL	
		CASH (TL)	BONUS (TL)	RATE (%)	AMOUNT (TL)	RATE (%)
NET	A	0	0	0	0	0
	B	0	0	0	0	0
	TOTAL	**0**	**0**	**0**	**0**	**0**

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş

CONVENIENCE TRANSLATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2013 INTO ENGLISH

(ORIGINALLY ISSUED IN TURKISH)

Deloitte.

DRT Bağımsız Denetim ve
Serbest Muhasebeci
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(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Hürriyet Gazetecilik Ve Matbaacılık A.Ş.
İstanbul

We have audited the accompanying consolidated balance sheet Hürriyet Gazetecilik Ve Matbaacılık A.Ş. (the "Company"), its subsidiaries (together the "Group") as at 31 December 2013 and the related consolidated statement of profit or loss, the related consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year ended 31 December 2013, and a summary of significant accounting policies and other explanatory notes.

Group Managements' Responsibility for the Financial Statements

Group management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Accounting Standards ("TAS") published by Public Oversight Accounting and Auditing Standards Authority ("POA"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued by Capital Markets Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Hürriyet Gazetecilik Ve Matbaacılık A.Ş. and its subsidiaries as at 31 December 2013, and of their financial performance and their cash flows for the year then ended in accordance with TAS (refer to Note 2).

Reports on Other Legal and Regulatory Requirements

In accordance with Article 402 of Turkish Commercial Code No. 6102 ("TCC"), the Board of Directors provided us all the required information and documentation in terms of audit; and nothing has come to our attention that may cause us to believe that the Group's set of accounts prepared for the period 1 January-31 December 2013 does not comply with the code and the provisions of the Group's articles of association in relation to financial reporting.

In accordance with Article 378 of Turkish Commercial Code No. 6102, in publicly traded companies, the board of directors is obliged to establish a committee consisting of specialized experts, to run and to develop the necessary system for the purposes of early identification of any risks that may compromise the existence, development and continuation of the company; applying the necessary measures and remedies in this regard and managing such risks. According to paragraph 4 of Article 398 of the same code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include the evaluation of the operational efficiency and adequacy of the operations carried out by the management of the Group in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report, yet. Therefore, no separate report has been drawn up regarding this matter. On the other hand, the Company established the mentioned committee on 26 July 2012, and the committee is comprised of 4 members. Since the date of its establishment, the committee has held 9 meetings for the purposes of early identification of any risks that may compromise the existence and development of the Company, applying the necessary measures and remedies in this regard and managing such risks, and has submitted the relevant reports to the Board of Directors.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU LIMITED
Istanbul, 6 March 2014

Berkman Özata, SMMM
Partner

CONTENTS		PAGE

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2013, 2012 AND 2011
(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.

	Note references	Current Period (Audited) 31 December 2013	Restated (Audited) Prior Period 31 December 2012	Restated (Audited) Prior Period 31 December 2011
ASSETS				
Current assets		419.004.238	445.879.948	542.467.281
Cash and cash equivalents	5	47.206.848	108.189.130	275.910.951
Trade receivables		212.514.859	214.312.273	142.089.657
-Due from related parties	34	28.053.511	21.915.410	21.769.432
-Trade receivables from non-related parties	9	184.461.348	192.396.863	120.320.225
Other receivables		77.097.231	77.513.017	496.145
-Due from related parties	34	-	2.992.773	-
-Other receivables from non-related parties	10	77.097.231	74.520.244	496.145
Inventories	12	17.359.688	19.050.935	18.150.472
Prepaid expenses	21	5.225.920	3.906.513	5.982.263
Assets related with current tax	32	1.854.825	11.395.894	7.735.578
Derivative instruments	8	-	573.393	-
Other current assets	22	43.782.297	10.938.793	11.414.896
Subtotal		405.041.668	445.879.948	461.779.962
Assets held for sale	35	13.962.570	-	80.687.319
Non-current assets		1.019.399.816	1.095.247.168	1.101.152.764
Other receivables	10	1.508.340	62.460.105	910.363
Financial investments	6	1.976.906	2.227.330	4.534.498
Investments accountedby the equity method	13	13.768.940	8.905.216	11.348.405
Investment property	14	57.378.321	50.051.137	42.320.984
Property, plant and equipment	15	272.180.560	308.196.660	336.403.872
Intangible assets		654.664.493	647.795.454	685.490.137
-Goodwill	16	119.422.217	118.331.349	136.195.646
-Other intangible assets	16	535.242.276	529.464.105	549.294.491
Deferred tax assets	32	15.590.176	14.371.902	13.382.408
Other non-current assets	22	2.332.080	1.239.364	6.762.097
Total assets		1.438.404.054	1.541.127.116	1.643.620.045

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

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED

	Note references	Current Period (Audited) 31 December 2013	Restated (Audited) Prior Period 31 December 2012	Restated (Audited) Prior Period 31 December 2011
LIABILITIES				
Current liabilities		294.282.082	431.396.001	546.397.750
Short-term borrowings	7	8.823.406	46.048.788	56.395.501
Short-term portion of long-term borrowings	7	143.052.144	249.699.732	208.789.989
Other financial liabilities	8	16.154.517	18.207.476	66.438.280
Trade payables		61.525.828	56.105.002	55.352.470
-Trade payables to related parties	34	13.514.346	4.946.300	11.972.022
-Other payables to non-related parties	9	48.011.482	51.158.702	43.380.448
Employee benefit payables	11	9.636.330	10.102.221	13.740.128
Other payables		7.358.224	1.717.936	107.072.223
-Other payables to related parties	34	3.279.095	-	97.434.767
-Other payables to non-related parties	10	4.079.129	1.717.936	9.637.456
Deferred income	21	10.072.664	8.915.597	10.927.060
Current income tax liabilities	32	886.742	17.942.352	477.892
Short-term provisions		21.830.060	18.517.443	18.244.040
-Short-term provisions for employment benefits	18	17.760.561	14.836.862	15.430.714
-Other short-term provisions	18	4.069.499	3.680.581	2.813.326
Derivative financial instruments	8	2.440.486	-	299.825
Other current liabilities	22	3.223.879	4.139.454	8.660.342
Subtotal		285.004.280	431.396.001	546.397.750
Assets held for sale	35	9.277.802	-	-
Non-current liabilities		420.980.088	365.701.496	490.988.811
Long-term borrowings	7	266.158.639	208.378.761	337.956.619
Other payables	10	463.857	170.675	132.529
Long-term provisions				
-Long-term provisions for employment benefits	20	47.989.848	44.563.930	26.158.276
Deferred tax liability	32	106.367.744	112.550.695	118.309.079
Other non-current liabilities	-	37.435	8.432.308	

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

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	Note references	Current Period (Audited) 31 December 2013	Restated (Audited) Prior Period 31 December 2012	Restated (Audited) Prior Period 31 December 2011
EQUITY				
Total equity		723.141.884	744.029.619	606.233.484
Equity attributable to equity holders of the parent company		671.712.912	682.314.430	528.938.059
Share capital	23	552.000.000	552.000.000	552.000.000
Inflation adjustment to share capital	23	77.198.813	77.198.813	77.198.813
Items that will not be reclassified subsequently to profit or loss				
-Actuarial losses in defined benefit plan		(15.453.900)	(13.610.662)	-
Share premiums		76.944	76.944	76.944
Items that may be reclassified subsequently to profit or loss				
-Currency translation differences		97.673.595	58.453.680	57.275.667
Restricted reserves	23	167.305.861	34.266.877	34.266.877
(Accumulated losses) / retained earnings		(145.994.420)	(176.732.519)	42.086.198
Net (loss) / income for the period		(61.093.981)	150.661.297	(233.966.440)
Non-controlling interests		51.428.972	61.715.189	77.295.425
Total liabilities		1.438.404.054	1.541.127.116	1.643.620.045

These consolidated financial statements as at and for the period ended 31 December 2013 were approved by the Board of Directors on 6 March 2014.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEARS ENDED 31 DECEMBER 2013 AND 201
(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	Note References	Current Period (Audited) 1 January- 31 December 2013	Restated Prior Period (Audited) 1 January- 31 December2012
Sales	24	805.574.612	830.402.405
Cost of sales (-)	24	(514.437.753)	(519.195.921)
Gross profit		291.136.859	311.206.484
General administrative expenses(-)	25	(144.178.097)	(144.337.312)
Marketing, selling and distribution expenses(-)	25	(145.417.796)	(141.401.298)
Other operating income	27	82.810.976	98.189.553
Other operating expenses (-)	28	(45.274.193)	(60.071.167)
Operating profit		39.077.749	63.586.260
Share of loss of investments accounted by the equity method	13	(7.160.944)	(11.166.626)
Monetary gain		74.229	118.285
Income from investing activities	29	21.220.794	196.497.070
Expenses from investing activities (-)	30	(13.020.147)	(12.626.368)
Operating profit before finance expense		40.191.681	236.408.621
Finance expenses (-)	31	(101.479.505)	(64.551.705)
		(61.287.824)	171.856.916
Continued operations tax benefit / (expense)		7.063.582	(21.111.585)
Current tax (expense) / benefit	32	(5.218.150)	(24.136.886)
Deferred tax benefit	32	12.281.732	3.025.301
Continued operations net (loss) / profit for the period		(54.224.242)	150.745.331
Discontinued operations			
Net income for the period from discontinued operations after income taxes	35	(24.583.900)	(3.718.815)
Net (loss) / profit for the period		(78.808.142)	147.026.516
Allocation of net profit/(loss) for the period			
Attributable to non-controlling interets		(17.714.161)	(3.634.781)
Attributable to equity holders of the parent company		(61.093.981)	150.661.297
(Loss) / earnings per share (TL)			
(Loss)/ earnings from continuing operations per share	33	(0,0982)	0,2731
(Loss) from discontinued operations per share	33	(0,0445)	(0,0067)
(Loss)/ earnings from continuing and discontinuing operations per share		(0,1427)	0,2664

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

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	Note References	Current Period (Audited) 1 January- 31 December 2013	Restated Prior Period (Audited) 1 January- 31 December 2012
Other comprehensive income/(expense)			
Net profit/(loss) for the period		(78.808.142)	147.026.516
Accumulated other comprehensive			
income/expenses reclassified in profit and loss Change in foreign currency differences		49.244.586	1.526.538
Accumulated other comprehensive income/ expenses not to be reclassified in profit and loss			
Actuarial loss in defined pension plans		(2.304.048)	(17.013.328)
Tax effect of actuarial loss in defined pension plans		460.810	3.402.666
Other comprehensive income/(expense) after tax		47.401.348	(12.084.124)
Total comprehensive income/(expense)		(31.406.794)	134.942.392
Allocation of total comprehensive income/(expense)			
Attributable to non-controlling interets		(7.689.490)	(3.286.256)
Attributable to equity holders of the parent company		(23.717.304)	138.228.648

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2013
(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

							Retained earnings					
	Note references	Share capital	Inflation adjustment to share capital	Share premiums	Items will be reclassified subsequently to profit or loss Translation currency differences	Items will not be reclassified subsequently to profit or loss Actuarial losses in defined benefit plan	Retained reserves	Restricted earnings / (accumulated losses)	Net profit / (loss) for the period	Equity attributable to equity holders of the parent company	Non-controlling interests	Total equity
Balances at 1 January 2012 (as previously reported)	23	552.000.000	77.198.813	76.944	57.275.667	-	34.266.877	28.856.851	(235.674.317)	514.000.835	77.295.425	591.296.260
Effect of change in accounting policy (Note 2.1.6)	-	-	-	-	-	-	13.229.347	1.707.877	14.937.224	-	14.937.224	
Balances at 1 January 2012 (as restated)		552.000.000	77.198.813	76.944	57.275.667	-	34.266.877	42.086.198	(233.966.440)	528.938.059	77.295.425	606.233.484
Transfer		-	-	-	-	-	-	(233.966.440)	233.966.440	-	-	-
Capital increase of subsidiary		-	-	-	-	-	-	-	-	-	4.014.072	4.014.072
Subsidiaries' dividend payments to non-group companies		-	-	-	-	-	-	-	-	-	(2.724.446)	(2.724.446)
Put-option adjustment for non-controlling interests		-	-	-	-	-	-	35.114.191	-	35.114.191	12.017.025	47.131.216
Other [(1)]		-	-	-	-	-	-	-	-	-	245.527	245.527
Purchase of subsidiary shares (Note 2.1.3)		-	-	-	-	-	-	(19.966.468)	-	(19.966.468)	(25.846.158)	(45.812.626)
Total comprehensive income		-	-	-	1.178.013	(13.610.662)	-	-	150.661.297	138.228.648	(3.286.256)	134.942.392
- Revaluation losses on defined benefit plans		-	-	-	-	(13.610.662)	-	-	-	(13.610.662)	-	(13.610.662)
- Change in translation reserves		-	-	-	1.178.013	-	-	-	-	1.178.013	348.525	1.526.538
- Net profit/(loss) for the period		-	-	-	-	-	-	-	150.661.297	150.661.297	(3.634.781)	147.026.516
Balances at 31 December 2012		552.000.000	77.198.813	76.944	58.453.680	(13.610.662)	34.266.877	(176.732.519)	150.661.297	682.314.430	61.715.189	744.029.619
Balances at 1 January 2013	23	552.000.000	77.198.813	76.944	58.453.680	(13.610.662)	34.266.877	(176.732.519)	150.661.297	682.314.430	61.715.189	744.029.619
Transfer		-	-	-	-	-	133.038.984	17.622.313	(150.661.297)	-	-	-
Subsidiaries' dividend payments to non-group companies		-	-	-	-	-	-	-	-	-	(3.244.945)	(3.244.945)
Other [(1)]		-	-	-	-	-	-	-	-	-	648.218	648.218
Disposal of associate (Note 13) [(2)]		-	-	-	-	-	-	13.115.786	-	13.115.786	-	13.115.786
Total comprehensive expense		-	-	-	39.219.915	(1.843.238)	-	(61.093.981)	(23.717.304)	(7.689.490)	(31.406.794)	
- Revaluation losses on defined benefit plans		-	-	-	-	(1.843.238)	-	-	-	(1.843.238)	-	(1.843.238)
- Change in translation reserves		-	-	-	39.219.915	-	-	-	-	39.219.915	10.024.671	49.244.586
- Net loss for the period		-	-	-	-	-	-	-	(61.093.981)	(61.093.981)	(17.714.161)	(78.808.142)
Balances at 31 December 2013	23	552.000.000	77.198.813	76.944	97.673.595	(15.453.900)	167.305.861	(145.994.420)	(61.093.981)	671.712.912	51.428.972	723.141.884

[(1)] Represents fair value changes of put option liabilities and acquisition and disposal of shares from non-controlling shareholders.
[(2)] Kanal D Romania, subsidiary of Doğan Media International Gmbh which was consalidated by the equity method, was sold to a related party in 2013. The accompanying notes form an integral part of these consolidated financial statements.

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

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	Note references	Current Period (Audited) 1 January- 31 December 2013	Prior Period (Audited) 1 January- 31 December 2012
CASH FLOWS FROM OPERATING ACTIVITIES		143.064.863	(60.132.213)
Net (loss) / profit for the period		(78.808.142)	147.026.516
Adjustments to reconcile net (loss) / profit for the period		176.867.078	(31.123.621)
Adjustments regarding depreciation	15	46.647.326	46.103.551
Adjustments regarding amortization	16	31.799.159	30.629.467
Adjustments regarding loss / (gain) on sale of plant,property and equipment, intangible assets	29,30	3.863.360	(168.716.721)
Adjustments regarding tax (income) / expense	32	(7.063.582)	21.111.585
Adjustments regarding provision for employment benefits and unused vacation rights	18,20	15.773.714	13.160.899
Gain on sale of financial assets		(128.021)	(1.141.650)
Adjustments regarding income accruals	9	(250.383)	172.896
Adjustments regarding interest income	27	(2.702.793)	(7.128.483)
Finance income/expense accruals due from sales with maturity	27,28	(4.268.955)	(5.338.486)
Unrealized finance expenses due to purchases with maturity	27	(225.536)	(79.748)
Adjustments regarding interest expenses and accruals	31	23.292.953	28.919.845
Unrealized foreign exchange expense / (income) from borrowings		47.192.807	(21.900.712)
Provision for impairment of goodwill and available for sale assets		23.301.137	18.105.868
Changes in fair value adjustments	14	(16.743.808)	(502.696)
Adjustments regarding increase in deferred income		(214.833)	(215.174)
Accrual of tax penalties and tax base increase expense		-	416.353
Adjustments regarding provision for impairment of inventories	12	1.116.831	2.109.581
Loss from investments accounted by the equity method	13	7.160.944	11.166.626
Provision for doubtful receivables	28	8.201.319	7.604.720
Provision for lawsuits	18	1.897.012	2.576.440
Reversal of provisions		(4.308.090)	(7.629.369)
Loss on sale of subsidiary	30,36	2.526.517	(548.413)
Changes in working capital:		(45.005.927)	(176.035.108)
Changes in blocked deposits	5	6.019	(2.221)
Changes in trade and related party receivables		(6.289.773)	(113.330.354)
Changes in inventories		1.285.692	(5.624.949)
Changes in prepaid expenses		(1.319.407)	2.075.750
Changes in other current assets		50.574.839	(10.016.269)
Changes in other financial assets and liabilities		3.013.879	(8.181.133)
Changes in trade and related party payables		10.990.273	6.145.788
Changes in other short term liabilities		(4.003.760)	(17.360.868)
Changes in other non-current assets		(2.285.392)	2.860.622
Changes in payables due from employment benefits		(465.891)	(3.637.907)
Changes in deferred revenue		1.157.067	(2.011.463)
Changes in short-term provisions for employment benefits		2.923.699	(593.852)
Taxes paid		(951.940)	(10.493.298)
Tax penalty paid and tax base increase		-	(8.795.894)
Collections from doubtful receivables	9	2.418.092	5.302.701
Employment benefits and unused vacation rights paid	18, 20	(12.047.470)	(12.371.761)

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	Note references	Current Period (Audited) 1 January-31 December 2013	Prior Period (Audited) 1 January-31 December 2012
CASH FLOWS FROM INVESTING ACTIVITIES		8.646.126	117.321.801
Purchases of property, plant and equipment	15	(12.981.167)	(47.965.002)
Purchases of intangible assets	16	(6.733.893)	(11.826.722)
Proceeds from sales of property, plant and equipment, intangible assets and investment properties		12.770.816	162.622.279
Interests received		12.492.736	16.575.336
Proceeds from disposal of financial assets		128.021	3.446.550
Proceeds from disposal of subsidiary		2.969.613	1.128.386
Share capital increase in investments accounted by the equity method		-	(9.905.723)
Changes in blocked deposits	-	3.246.697	
CASH FLOWS FROM FINANCING ACTIVITIES		(215.498.963)	(243.129.759)
Changes in blocked deposits		(36.594.775)	-
Increase in share capital of non-controlling interests		-	4.014.072
Purchase of subsidiary shares		-	(45.812.626)
Dividends paid to non-controlling interests		(2.649.869)	(2.724.446)
Bank borrowings received		17.549.573	131.186.000
Bank borrowings paid		(141.415.377)	(164.144.910)
Decrease in financial liabilities to suppliers		(32.767.172)	(35.353.378)
Interests paid		(22.900.438)	(29.866.931)
Changes in financial payables to related parties		3.279.095	(97.434.767)
Changes in advances teken from related parties		-	(2.992.773)
Effects of foreign exchange rate fluctuations on cash and cash equivalents		2.716.711	18.621.389
Change in cash and cash equivalents		(61.071.263)	(167.318.782)
Cash and cash equivalents at the beginning of the period	5	108.044.224	275.363.006
Cash and cash equivalents at the end of the period	5	46.972.961	108.044.224

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

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") 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 which undertakes journalism, printing, advertising and internet publishing activities operates seven printing plants in Turkey with locations in İstanbul, Ankara, İzmir, Adana, Antalya, Trabzon and in Germany. The Company is a member of Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding") through the investment of Doğan Yayın Holding A.Ş. ("Doğan Yayın Holding"), which has a majority ownership in the Company (Note 23). Aydın Doğan and Doğan Family (Işıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y.Begümhan Doğan Faralyalı) are ultimate shareholders of the Company.

The address of the registered office is as follows:

100. Yıl Mahallesi, Matbaacılar Caddesi No:78
34204 Bağcılar/Istanbul
Turkey

The Company is registered to the Capital Markets Board ("CMB") and its shares have been quoted on the Borsa İstanbul ("BIST") since 25 February 1992. In accordance with the resolution numbered 21/655 on 23 July 2010 of CMB; according to the records of Central Registry Agency (CRA); shares representing 21,98 % as of 31 December 2013 (31 December 2012: 20,87%) of Hürriyet are accepted as "in circulation". Shares representing 40,00% (31 December 2012:39,98%) of Hürriyet are in "open" status.

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
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. ("Hürriyet Medya Basım")	Turkey	Turkey	Printing and administrative services
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	Turkey	Turkey	Magazine and book publishing
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. ("Yenibir")	Turkey	Turkey	Internet publishing
Doğan Haber Ajansı A.Ş. ("Doğan Haber")	Turkey	Turkey	News agency
Nartek Bilişim Turizm ve Pazarlama Hizmetleri Ticaret A.Ş. ("Nartek")	Turkey	Turkey	Internet publishing
Hürriyet Zweigniederlassung GmbH. ("Hürriyet Zweigniederlassung")	Germany	Europe	Newspaper publishing
Trader Media East ("TME")	Jersey	Europe	Investment
Publishing House Pennsylvania Inc	USA	Russia and EE	Investment
Pronto Soft	Belarus	Russia and EE	Internet publishing
OOO SP Belpronto	Belarus	Russia and EE	Newspaper and internet publishing
Bolji Posao d.o.o. Bosnia	Bosnia-Herzegovina	Europe	Internet publishing
Oglasnik d.o.o.	Croatia	Europe	Newspaper and internet publishing
TCM Adria d.o.o.	Croatia	Europe	Investment
Hürriyet Invest B.V. ("Hürriyet Invest")	Holland	Europe	Investment
Pronto Invest B.V.	Holland	Europe	Investment
Mirabridge International B.V.	Holland	Europe	Investment
TOO Pronto Akmola	Kazakhstan	Russia and EE	Newspaper and internet publishing

Subsidiaries	Registered country	Geographic segment	Nature of business
OOO Pronto Aktau	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Aktobe	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Atyrau	Kazakhstan	Russia and EE	Newspaper and internet publishing
Pronto Ust Kamenogorsk	Kazakhstan	Russia and EE	Newspaper publishing
ZAO Pronto Akzhol	Kazakhstan	Russia and EE	Newspaper and internet publishing
Expressz Magyarorszag Media Kft.	Hungary	Europe	Newspaper and internet publishing
Impress Media Marketing LLC	Russia	Russia and EE	Publishing
OOO Delta-M	Russia	Russia and EE	Newspaper and internet publishing
OOO Novoprint	Russia	Russia and EE	Newspaper and internet publishing
OOO Partner-Soft	Russia	Russia and EE	Internet publishing
OOO Pronto Baikal	Russia	Russia and EE	Newspaper and internet publishing
Job.ru LLC	Russia	Russia and EE	Internet publishing
OOO Pronto DV	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Ivanovo	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kaliningrad	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kazan	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kemerovo	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Krasnodar	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Krasnoyarsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Moscow	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Neva	Russia	Russia and EE	Internet publishing
OOO Pronto Nizhny Novgorod	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Novosibirsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Obninsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Oka	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Rostov	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Samara	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Smolensk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Tula	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto UlanUde	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Vladivostok	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Voronezh	Russia	Russia and EE	Newspaper and internet publishing
OOO Rektcentr	Russia	Russia and EE	Investment
OOO Tambov-Info	Russia	Russia and EE	Newspaper and internet publishing
OOO Tambukan	Russia	Russia and EE	Newspaper and internet publishing
OOO Utro Peterburga	Russia	Russia and EE	Newspaper and internet publishing
OOO Rukom	Russia	Russia and EE	Internet publishing
ZAO NPK	Russia	Russia and EE	Call center
Bolji Posao d.o.o. Serbia	Serbia	Europe	Internet publishing
Publishing International Holding BV	Holland	Europe	Investment

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Associates

Associates of the Company, registered countries, nature of businesses, geographic segments are as follows:

Associates	Registered country	Geographic segment	Nature of business
ASPM Holding B.V. ("ASPM")	Hollanda	Europe	İnvestment

Joint Ventures

Joint Ventures of the Company, registered countries, nature of businesses, geographic segments are as follows:

Joint Venture	Registered country	Geographic segment	Nature of business
Doğan Media International GmbH ("Doğan Media")	Germany	Europe	Newspaper publishing
SP Pronto Kiev	Ukraine	Russia and EE	Newspaper and internet publishing
TOV E-Prostir	Ukraine	Russia and EE	Internet publishing

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial reporting standards

Public Oversight, Accounting and Auditing Standards Board ("POA"), published the "Financial Statement Samples and User Guide", to be prepared in the scope of TAS/TFRS in accordance with the "Turkey Accounting / Financial Reporting Standards" in the Official Gazette No. 28652 dated 20 May 2013 for the companies that are obliged to apply Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS") except for the financial institutions such as banks, insurance companies, capital market institutions operating under the scope of Banking Act No. 5411, the Capital Market Law No. 6362, No. 5684, No. 4683 of the Insurance Law, Private Pension Savings and Investment.

In accordance with the Capital Markets Board ("CMB")'s No. II-14.1 "Principles of Financial Reporting in Capital Markets" ("Communiqué No. II-1.14"), capital market institutions except for the partnerships whose issued capital market instruments are traded on a stock exchange and investment funds, housing finance and asset finance funds, financial statements, should prepare its financial statements in accordance with TAS / TFRS.

Upon the CMB's resolution dated 7 June 2013 and 20/670, for capital market institutions, except for the corporations whose capital market instruments are traded on a stock exchange and investment funds, housing finance and asset finance funds within the scope of Communique No: II-14.1, formats are declared in the weekly bulleting at 7 June 2013 numbered 2013/19 starting from the interim periods 31 March 2013. The Company prepared the consolidated financial statements as of 31 December 2013 in accordance with the standards described above.

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards. Accordingly, IAS 29, "Financial Reporting in Hyperinflationary Economies" ("IAS 29"), issued by the IASB, has not been applied in the financial statements for the accounting year commencing 1 January 2005.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The Group maintain their books of account and prepare their statutory financial statements in TL in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion except investment properties, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB's Financial Reporting Standards.

Financial statements of subsidiaries, associates and joint ventures that are operating in foreign countries are prepared in accordance with applicable laws and regulations in countries in which they are registered and required adjustments and reclassifications are reflected for the purpose of fair presentation in accordance with the Group's accounting policies.

If the Group companies' functional currency is different from its presentation currency, the functional currency is translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement are translated at average exchange rates; and all resulting exchange differences are recognised as a separate component of equity and statements of comprehensive income (currency translation reserve).

When a foreign operation is partially disposed of or sold, exchange differences recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The financial statements of the companies operating in Belarus (Pronto Soft, OOO SP Belpronto) included within the accompanying consolidated financial statements are prepared on the historical cost basis adjusted in accordance with IAS No. 29. The methods used to measure the fair values are explained in Note 2.2.2. Determination of historical cost is generally based on the fair value of the amount paid for the asset. As explained in Note 2.1.1, effective from 1 January 2005, the application of inflation accounting has lasted for the companies operating in Turkey. Hyper-inflationary period is commenced on 1 January 2011 in Belarus. In the financial statements of subsidiaries operating in Belarus, restatement adjustments resulting from changes in the general purchasing power of the Belarusian Ruble have been made in accordance with IAS 29 which requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date. One characteristic that necessitates the application of IAS 29 is a cumulative three-year inflation rate approaching or exceeding 100%. The related cumulative rate became 196% for the three-year period ended as of 31 December 2013 based on the consumer price index published by Belarus National Statistic Committee.

Index and the conversion factors used to adjust the financial statements of the subsidiaries operating in Belarus as at 31 December 2013 are given below:

Dates	Index	Conversion Factor
31 December 2009	1,4907	3,2535
31 December 2010	1,6362	2,9598
31 December 2011	3,4197	1,4183
31 December 2012	4,1645	1,1646
31 December 2013	4,8501	1,0000

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The annual change in Belarusian Ruble ("BYR") exchange rate against USD and Euro compared with the consumer price index in Belarus is as follows:

Years	2011	2012	2013
Change in USD/BYR (%)	178	3	11
Change in Euro/BYR (%)	172	5	15
Belarus Consumer Price Index (%)	109	22	16

As of 31 December 2013, the exchange rate announced by the National Bank of the Republic of Belarus was USD 1= BYR 9.510, Euro 1= BYR 13.080 (31 December 2012: USD 1= BYR 8.570, Euro 1= BYR 11.340).

The main guidelines for the IAS 29 restatement are as follows:

- All items of financial statements of subsidiaries operating in Belarus, except for the ones already presented at the current purchasing power level, are restated by applying a general price index until 31 December 2013.

- Monetary assets and liabilities of the subsidiaries operating in Belarus are not restated because they are already expressed in terms of the current measuring unit at the balance sheet date. Monetary items present money held and items to be received or paid in cash and cash equivalents.

- Non-monetary assets and liabilities in financial statements of the subsidiaries operating in Belarus are restated by applying, to the initial acquisition cost and any accumulated depreciation, the change in the general price index from the date of acquisition or initial recording to the balance sheet date, in the manner that not to exceed their market values. Depreciation is similarly restated. The components of shareholders' equity are restated by applying the applicable general price index from the dates the components were contributed or arose otherwise.

- All items in the statement of income of the subsidiaries operating in Belarus, except non-monetary items in the statement of financial position that have effect over statement of income, are restated by applying the relevant conversion factors from the dates when the income and expense items were initially recorded in the financial statements.

- The gain or loss on the net monetary position is the result of the effect of general inflation and is the difference resulting from the restatement of non-monetary assets, shareholders' equity and statement of income items. The gain or loss on the net monetary position is included in net profit / (loss).

2.1.3 Consolidation principles

The consolidated financial statements include the accounts of the parent company, Hürriyet, its Subsidiaries, Joint Ventures, and its Associates (together the "Group") on the basis set out in sections (a) to (d) below. The financial statements of the companies included in the consolidation are based on historical cost of the statutory records and for the purpose of fair presentation in accordance with the accounting policies described in Note 2.1.1 and Note 2.1.2 and application of uniform accounting policies and presentations; adjustments and reclassifications.

Consolidation principles used in the preparation of these consolidated financial statements are summarized below:

(a) Subsidiaries

Subsidiaries are companies in which the Company has power to control the financial and operating policies for the benefit of the Company either (a) through the power to exercise more than 50% voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself, or (b) although not having the power to exercise more than 50% of the voting rights, through the power to govern the financial and operating policies. Control is achieved when the Company:

- Has power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to at least one of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all the relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, over vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made,including voting patterns at previous shareholders' meetings.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The Subsidiaries and their effective ownership interests at 31 December 2013 and 31 December 2012 are as follows:

	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		Effective ownership interests (%)	
Subsidiaries	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Hürriyet Medya Basım	100,00	100,00	100,00	100,00
Doğan Ofset	99,93	99,93	99,93	99,93
Yenibir	100,00	100,00	100,00	100,00
Doğan Haber	53,10	53,10	53,10	53,10
Nartek	60,00	60,00	60,00	60,00
Hürriyet Zweigniederlassung	100,00	100,00	100,00	100,00
Hürriyet Invest	100,00	100,00	100,00	100,00
TME	74,28	74,28	74,28	74,28
Oglasnik d.o.o. (1) (2)	100,00	100,00	74,28	74,28
Impress Media Marketing LLC	97,00	100,00	72,05	74,28
Moje Delo, spletni marketing, d.o.o (3)	-	100,00	-	74,28
TCM Adria d.o.o. (2)	100,00	100,00	74,28	74,28
Expressz Magyarorszag Media Kft. (2)	100,00	100,00	74,28	74,28
Job.ru LLC	100,00	100,00	74,28	74,28
Mirabridge International B.V.	100,00	100,00	74,28	74,28
Pronto Invest B.V.	100,00	100,00	74,28	74,28
ZAO Pronto Akzhol	80,00	80,00	59,42	59,42
TOO Pronto Akmola	100,00	100,00	74,28	74,28
OOO Pronto Atyrau	100,00	100,00	59,42	59,42
OOO Pronto Aktobe	80,00	80,00	47,54	47,54
OOO Pronto Aktau	100,00	100,00	59,42	59,42
OOO Pronto Rostov(4)	100,00	100,00	74,28	74,28
OOO Novoprint(5)	-	100,00	-	74,28
ZAO NPK(5)	-	100,00	-	74,28
OOO Delta-M	55,00	55,00	40,85	40,85
OOO Pronto Baikal	100,00	100,00	74,28	74,28
OOO Pronto DV	100,00	100,00	74,28	74,28
OOO Pronto Ivanovo	100,00	100,00	74,28	74,28
OOO Pronto Kaliningrad	95,00	95,00	70,57	70,57
OOO Pronto Kazan	72,00	72,00	53,48	53,48
OOO Pronto Krasnodar	80,00	80,00	59,42	59,42
OOO Pronto Krasnoyarsk(5)	-	100,00	-	74,28
OOO Pronto Nizhny Novgorod	90,00	90,00	66,85	66,85
OOO Pronto Novosibirsk	100,00	100,00	74,28	74,28
OOO Pronto Oka(6)	100,00	100,00	74,28	74,28
OOO Utro Peterburga(6)	55,00	55,00	40,85	40,85
OOO Pronto Samara	100,00	100,00	74,28	74,28
OOO Pronto Stavropol(7)	-	100,00	-	74,28
OOO Pronto UlanUde	90,00	90,00	66,85	66,85
OOO Pronto Vladivostok	90,00	90,00	66,85	66,85
OOO Pronto Moscow	100,00	100,00	74,28	74,28

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		Effective ownership interests (%)	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
OOO Rosprint Samara [8]	-	100,00	-	74,28
OOO Tambukan	85,00	85,00	63,14	63,14
OOO Partner-Soft [9]	90,00	90,00	66,85	66,85
Pronto Soft	90,00	90,00	66,85	66,85
OOO Pronto Kemerovo [4]	100,00	100,00	74,28	74,28
OOO Pronto Smolensk	100,00	100,00	74,28	74,28
OOO Pronto Tula [4]	100,00	100,00	74,28	74,28
OOO Pronto Voronezh [4]	100,00	100,00	74,28	74,28
OOO SP Belpronto	60,00	60,00	44,57	44,57
OOO Tambov-Info	100,00	100,00	74,28	74,28
OOO Pronto Obninsk[10]	10,00	100,00	7,43	74,28
OOO Rektcentr	100,00	100,00	74,28	74,28
OOO Pronto Neva[11]	100,00	100,00	74,28	74,28
Publishing House Pennsylvania Inc	100,00	100,00	74,28	74,28
Bolji Posao d.o.o. Serbia[2]	100,00	100,00	74,28	40,85
Bolji Posao d.o.o. Bosnia[2]	100,00	100,00	74,28	40,85
Sklad Dela Prekmurje NGO [3]	-	100,00	-	40,85
OOO Rukom [12]	100,00	100,00	74,28	74,28
Pronto Ust Kamenogorsk	100,00	100,00	59,42	59,42
OOO Pronto Pskov [13]	-	100,00	-	66,85
Publishing International Holding BV	100,00	100,00	74,28	74,28

[1] Related rates include put-options regarding non-controlling shares explained in detail in Note 19.
[2] Affiliated companies are classified to long-term assets held for sale.
[3] Related subsidiary was sold on 23 April 2013.
[4] Related subsidiary is in the liquidation process as of 2013.
[5] The liquidation process of related subsidiary was completed in 2013.
[6] Related subsidiary has ceased its operations before the year 2010.
[7] The merger process with OOO Pronto Rostov has been completed in April 2013.
[8] Related subsidiary's merger process with Pronto Samara completed in September 2013.
[9] Related subsidiary has been in liquidation process in 2012.
[10] 90% of the shares are sold in December 2013 and the remaining 10% is sold as of January 2014.
[11] The liquidation process of related subsidiary was completed in 2014.
[12] Related subsidiary has ceased its operations in 2012.
[13] Related subsidiary was sold on 26 April 2013.

(b) Investments in associates and joint ventures

Joint ventures are the entities where Hürriyet and its subsidiaries together with one or more parties are subject to joint control and undertake an economic operation through an agreement. Joint ventures were consolidated using the proportional consolidation method until 31 December, 2012. In accordance with the amendments to TFRS 11 effective from 1 January 2013, joint ventures are recognized under the equity method starting from this date.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Subsisidaries and business combinations' operational results, assets and liabilities are recognized by using equity pick up method in consolidated financial statements (note 13).

(c) Non-controlling interests

Non-controlling interests of shareholders over the net assets and operational results of subsidiaries are classified as "non-controlling interest" in the consolidated balance sheet and statement of income.

(d) Financial investments

Financial investments in which the Group and its subsidiaries, have less than 20%, or more than 20% direct or indirect participation but the Group has no significant influence over the related assets, or which are immaterial to consolidated financial statements are classified as available for sale financial assets. Available for sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be measured reliably are carried at cost less any allowance for impairment (Note 6).

2.1.4 Offsetting

All items, significant in terms of content and amount, are stated separately in the consolidated financial statements even if they bear the same characteristics. Insignificant amounts or items displaying similar characteristics are stated collectively.

2.1.5 Comparative information and restatement of prior period financial statements

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. The Group prepared the consolidated balance sheet as of 31 December 2013 with 31 December 2011 and 31 December 2012, and the consolidated statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the period ended as of 31 December 2013 with 1 January- 31 December 2012 accounting period's related financial statements comparatively.

2.1.6 Significant Accounting Policies and Changes in Accounting Estimates and Errors

Changes inaccounting policies arising from the first time adoption of a new IAS\IFRS are applied retrospectively or prospectively in accordance with the respective IASs\IFRSs transition requirements, if any. Where there are no transition requirements for any changes or optional significant changes in accounting policies and identified accounting errors, those are applied retrospectively and prior-period financial statments are restated accordingly.

As explained in Note 2.1.7, amendments to TFRS 10 should be applied retrospectively. Subsidiaries TOV E-Prostir and SP Pronto Kiev, which were accounted according to TAS 27, were included to the consolidated financial statement by equity method in accordance with TFRS 10 as of 1 January 2012 and prior periods' financial statements were restated accordingly.The effect of these changes to the financial statements is summarized in the following table:

In addition, Group's subsidiaries operating in Croatia and Hungary are classified under assets held for sale and discontinued operations. As a result of this reason, the assets, liabilities and operations are classified as assets held for sale and discontinued operations and presented separately in balance sheet. The related operations are classified as discontinued operations in profit or loss and other comprehensive income statements for the purpose of complying current period financial statements.

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. In the current period, the Group has reclassified its prior period financial statements in order to comply with the formats declared by CMB decision numbered 20/670 dated 7 June 2013. Related classifications does not have any effect on previously disclosed shareholders' equity and net loss for the period; besides the amount and the nature of the classifications on the financial statements for the year 2012 are stated below.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	(Audited) 31 December 2012	Consolidated by the equity accounting	Effect of CMB Communique method on 7 June 2013	Restated Prior Period (Audited) 31 December 2012
Assets				
Current Assets	460.821.654	(7.360.356)	(7.581.350)	445.879.948
Cash and cash equivalents	113.469.192	(5.280.062)	-	108.189.130
Trade receivables				
- Trade receivables from related parties	24.908.183	-	(2.992.773)	21.915.410
- Trade receivables from non-related parties	192.287.740	(228.173)	337.296	192.396.863
Other receivables				
- Other receivables from related parties	-	-	2.992.773	2.992.773
- Other receivables from non-related parties	74.520.244	-	-	74.520.244
Inventories	19.396.759	(345.824)	-	19.050.935
Prepaid expenses	-	(1.406.471)	5.312.984	3.906.513
Assets related with current tax	-	-	11.395.894	11.395.894
Derivative instruments	573.393	-	-	573.393
Other current assets	35.666.143	(99.826)	(24.627.524)	10.938.793
Non-current assets	1.092.027.793	3.219.375	-	1.095.247.168
Other receivables	62.460.105	-	-	62.460.105
Financial investments	2.227.330	-	-	2.227.330
Investments accounted for by using the equity method	5.258.016	3.647.200	-	8.905.216
Investment property	50.051.137	-	-	50.051.137
Property, plant and equipment	308.448.007	(251.347)	-	308.196.660
Intangible assets				
- Goodwill	118.374.132	(42.783)	-	118.331.349
- Other intangible assets	529.480.148	(16.043)	-	529.464.105
Deferred tax asset	14.489.554	(117.652)	-	14.371.902
Other non-current assets	1.239.364	-	-	1.239.364
Total assets	1.552.849.447	(4.140.981)	(7.581.350)	1.541.127.116

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	(Audited) 31 December 2012	Consolidated by the equity accounting method	Effect of CMB Communique on 7 June 2013	Restated Prior Period (Audited) 31 December 2012
Current Liabilities	439.474.696	(497.345)	(7.581.350)	431.396.001
Financial Liabilities	295.748.520	-	(295.748.520)	-
Short-term liabilities	-	-	46.048.788	46.048.788
Short-term portion of long-term liabilities	-	-	249.699.732	249.699.732
Other financial liabilities	18.207.476	-	-	18.207.476
Trade payables				
- Trade payables to related parties	4.924.909	21.391	-	4.946.300
- Trade payables to non-related parties	47.396.084	(46.347)	3.808.965	51.158.702
Provisions	3.680.581	-	(3.680.581)	-
Payables regarding employee benefits		(1.782)	10.104.003	10.102.221
Other payables				
- Other payables to related parties		-	-	-
- Other payables to non-related parties	16.841.053	(103.391)	(15.019.726)	1.717.936
Deferred income	-	(165.782)	9.081.379	8.915.597
Current income tax liabilities	18.124.177	(181.825)	-	17.942.352
Short-term provisions				
- Short-term provisions regardingemployee benefits	-	-	14.836.862	14.836.862
- Other short-term provisions		-	3.680.581	3.680.581
Other current liabilities	34.551.896	(19.609)	(30.392.833)	4.139.454
Non-current liabilities	365.701.496	-	-	365.701.496
Long-term liabilities	208.378.761	-	-	208.378.761
Other liabilities	170.675	-	-	170.675
Long-term provisions				
- Short-term provisions regarding employee benefits	44.563.930	-	-	44.563.930
Deferred tax liability	112.550.695	-	-	112.550.695
Other non-current liabilities	37.435	-	-	37.435

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	(Audited) 31 December 2012	Consolidated by the equity accounting method	Effect of CMB Communique on 7 June 2013	Restated Prior Period (Audited) 31 December 2012
Equity				
Total equity	747.673.255	(3.643.636)	-	744.029.619
Equity attributable to equity holdersof the parent company	682.436.911	(122.481)	-	682.314.430
Share capital	552.000.000	-	-	552.000.000
Inflation adjustment to share capital	77.198.813	-	-	77.198.813
Items that will not be reclassified subsequently to profit or loss				
- Actuarial losses in defined benefit plan	-	-	(13.610.662)	(13.610.662)
Share premiums	76.944	-	-	76.944
Items that may be reclassified subsequently to profit or loss				
-Currency translation differences	58.584.776	(131.096)	-	58.453.680
Restricted reserves	34.266.877	-	-	34.266.877
(Accumulated losses) / retained earnings	(190.353.127)	9.946	13.610.662	(176.732.519)
Net (loss) / income for the period	150.662.628	(1.331)	-	150.661.297
Non-controlling interests	65.236.344	(3.521.155)	-	61.715.189

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	(Audited) 31 December 2012	Consolidated by the equity accounting method	Reclassified to Discontinued operations	Effect of CMB Communique on 7 June 2013	Restated Prior Period (Audited) 31 December 2012
Sales	853.127.501	(8.803.286)	(13.921.810)	-	830.402.405
Cost of sales (-)	(529.936.576)	4.000.190	6.740.464	-	(519.195.921)
Gross profit	323.190.925	(4.803.096)	(7.181.345)	-	311.206.484
General administrative expenses(-)	(153.276.806)	2.562.846	6.376.648	-	(144.337.312)
Marketing, Expenses(-)	(144.283.155)	562.751	2.319.106	-	(141.401.298)
Other operating income	184.450.566	-	-	(184.450.566)	-
Other operating expenses (-)	(42.251.901)	-	-	42.251.901	-
Other operating income	-	-	(28.675)	98.218.228	99.189.553
Other operating expenses (-)	-	10.753	1.833.421	(61.915.341)	(60.071.167)
Operating profit	167.829.629	(1.666.746)	3.319.154	(105.895.778)	63.586.260
Share of loss of investments accounted by the equity method	(12.007.168)	840.542	-	-	(11.166.626)
Monetary gain	118.285	-	-	-	118.285
Finance income	114.220.117	(510.777)	(3.444.607)	(110.264.732)	-
Finance expenses (-)	(101.379.363)	-	4.537.850	96.841.513	-
Income from investing activities	-	-	-	196.497.070	196.497.070
Expenses from investing activities (-)	-	-	-	(12.626.369)	(12.626.369)
Operating profit before finance expense	-	-	-	236.408.621	236.408.621
Finance expenses (-)	-	-	-	(64.551.705)	(64.551.705)
Continued operations (loss)/ profit before tax	168.781.500	(1.336.981)	4.412.397	-	171.856.916
Continued operations tax (expense)/benefit	(20.923.404)	494.647	(682.828)	-	(21.111.585)
Current tax expense	(24.771.325)	476.725	168.467	-	(24.136.886)
Deferred tax benefit	3.847.921	17.922	(840.542)	-	3.025.301
Continued operations (loss)/ profit for the period	147.858.096	(842.334)	3.718.815	-	150.745.331
Discontinued Operations					
Net income for the period from discontinued operations after income taxes	-	-	(3.718.815)	-	(3.718.815)
Net (loss) / profit for the period	147.858.096	(842.334)	-	-	147.026.516
Allocation of net (loss) / profit for the period					
Attributable to non-controlling interests	(2.804.532)	(840.542)	-	-	(3.634.781)
Attributable to equity holders the parent company	150.662.628	(1.792)	-	-	150.661.297
(Loss) / earnings per share (TL)					
(Loss)/ Earnings from continuing operations per share	0,2679	(0,0015)	0,0067	-	0,2731
(Loss) from discontinued operations per share	-	-	(0,0067)	-	(0,0067)

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	(Audited) 31 December 2012	Consolidated by the equity accounting method	Effect of CMB Communique on 7 June 2013	Restated Prior Period (Audited) 31 December 2012
ASSETS				
Current assets	553.169.468	(7.761.487)	(2.940.700)	542.467.281
Cash and cash equivalents	281.604.096	(5.693.145)	-	275.910.951
-Trade receivables due from related parties	21.769.432	-	-	21.769.432
-Trade receivables from non-related parties	119.991.368	(181.335)	510.192	120.320.225
-Other receivables due from related parties	-			-
-Other receivables from non-related parties	496.145	-	-	496.145
Inventories	18.571.696	(421.224)	-	18.150.472
Prepaid expenses	-	(1.173.007)	7.155.270	5.982.263
Assets related with current tax	-	-	7.735.578	7.735.578
Derivative instruments	-	-	-	-
Other current assets	30.049.412	(292.776)	(18.341.740)	11.414.896
Subtotal	472.482.149	(7.761.487)	(2.940.700)	461.779.962
Non-current assets held for sale	80.687.319	-	-	80.687.319
Non-current assets	1.097.722.523	3.430.241	-	1.101.152.764
Other receivables	910.363	-	-	910.363
Financial investments	4.534.498	-	-	4.534.498
Investments accounted by the equity method	7.423.271	3.925.134	-	11.348.405
Investment property	42.320.984	-	-	42.320.984
Property, plant and equipment	336.713.652	(309.780)	-	336.403.872
Intangible assets	685.533.582	(43.445)	-	685.490.137
-Goodwill	136.195.646	-	-	136.195.646
-Other intangible assets	549.337.936	-	-	549.294.491
Deferred tax assets	13.524.076	(141.668)	13.382.408	
Other non-current assets	6.762.097	-	-	6.762.097
Total assets	1.650.891.991	(4.331.246)	(2.940.700)	1.643.620.045

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	(Audited) 31 December 2012	Consolidated by the equity accounting method	Effect of CMB Communique on 7 June 2013	Restated Prior Period (Audited) 31 December 2012
LIABILITIES				
Current liabilities	549.788.007	(6.330.957)	2.940.700	546.397.750
Financial liabilities	265.185.490	(265.185.490)	-	
Short-term borrowings	-	-	56.395.501	56.395.501
Short-term portion oflong-term borrowings	-	-	208.789.989	208.789.989
Other financial liabilities	66.438.280	-	-	66.438.280
Trade payables	52.898.715	(45.333)	2.499.088	55.352.470
- Trade payables to related parties	11.972.022	-	-	11.972.022
- Other payables	40.926.693	(45.333)	2.499.088	43.380.448
Employee benefit payables	-	-	13.740.128	13.740.128
Other payables	119.880.023	(4.992.273)	(7.815.527)	107.072.223
- Other payables to related parties	97.434.767	-	-	97.434.767
- Other payables	22.445.256	(4.992.273)	(7.815.527)	9.637.456
Deferred income	-	(145.445)	11.072.505	10.927.060
Current income tax liabilities	638.448	(160.556)	-	477.892
Short-term provisions	2.813.326	-	15.430.714	18.244.040
-Short-term provisions foremployment benefits		-	15.430.714	15.430.714
-Other short-term provisions	2.813.326	-	-	2.813.326
Derivative financial instruments	299.825	-	-	299.825
Other current liabilities	41.633.900	(987.350)	(31.986.208)	8.660.342
Non-current liabilities	490.988.711	100	-	490.988.811
Long-term borrowings	337.956.619	-	-	337.956.619
Other payables	132.529	-	-	132.529
Long-term provisions				
-Long-term provisions foremployment benefits	26.158.276	-	-	26.158.276
Deferred tax liability	118.308.979	100	-	118.309.079
Other non-current liabilities	8.432.308	-	-	8.432.308

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	(Audited) 31 December 2012	Consolidated by the equity accounting method	Effect of CMB Communique on 7 June 2013	Restated Prior Period (Audited) 31 December 2012
EQUITY				
Total equity	610.115.273	(3.881.789)	-	606.233.484
Equity attributable to equity holders of the parent company	529.035.097	(97.038)	-	528.938.059
Share capital	552.000.000	-	-	552.000.000
Inflation adjustment to share capital	77.198.813	-	77.198.813	
Items that will not be reclassified subsequently to profit or loss				
-Actuarial losses in defined benefit plan	-	-	-	-
Share premiums	76.944	-	76.944	
Items that may be reclassified subsequently to profit or loss				
-Currency translation differences	57.382.651	(106.984)	-	57.275.667
Restricted reserves	34.266.877	-	-	34.266.877
(Accumulated losses) / retained earnings	42.086.198	-	-	42.086.198
Net (loss) / income for the period	(233.976.386)	9.946	-	(233.966.440)
Non-controlling interests	81.080.176	(3.784.751)	-	77.295.425
Total liabilities	1.650.891.991	(10.212.646)	2.940.700	1.643.620.045

The preparation of consolidated financial statements requires the use of estimations and assumptions that may have an effect over the assets and liabilities reported at the balance sheet date, contingent assets and liabilities disclosures and income and expenses reported during the accounting period. The estimates and assumptions are based on the best available information on the current circumstances and operations; however, they may differ from the actual results. If changes in accounting estimates only relate to one period, the change is reflected in the current period in which the change is made, if they relate to future periods, the change is both reflected in the current period in which the change is made and prospectively for future periods. Significant accounting policies used in the current period are consistent with those that are used in the preparation of the consolidated financial statements for the year ended 31 December 2012.

2.1.7 Amendments in the CMB Financial Reporting Standards

(a) Standards that are effective as of 1 January 2013 and have effect on financial statements:

TFRS 10 Consolidated Financial Statements and TFRS 11 Joint Agreements

TFRS 10 replaces the parts of TAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation - Special Purpose Entities will be withdrawn upon the effective date of TFRS 10. Under TFRS 10, there is only one basis for consolidation, that is control. In addition, TFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's return. Extensive guidance has been added in TFRS 10 to deal with complex scenarios.

TFRS 11 replaces TAS 31 Interests in Joint Ventures. TFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Venturers will be withdrawn upon the effective date of TFRS 11.

Under TFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under TAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under TFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under TAS 31 can be accounted for using the equity method of accounting or proportional consolidation.

TFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in TFRS 12 are more extensive than those in the current standards.

In June 2012, the amendments to TFRS 10, TFRS 11 and TFRS 12 were issued to clarify certain transitional guidance on the application of these TFRSs for the first time.

These five standards together with the amendments regarding the transition guidance are effective for annual periods beginning on or after 1 January 2013. The application of these five standards, except for the amendments to TFRS 10, does not have a significant impact on amounts reported in the consolidated financial statements. These amendments should be applied retrospectively. Entities under common control recognized under TAS 27 are considered as joint ventures and have been accounted for by using the equity method rather than the proportionate consolidation method in accordance with TFRS 10 and prior period financial statements are restated accordingly as explained in detail in Note 2.1.6.

TAS 19 Employee Benefits

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. The group ,has decided to apply the changes made on IAS 19 in 2012, which are effective as of 1 January 2013, in 31 December 2012 and recognized actuarial gains/losses in the consolidated statement of income.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

TAS 1 Presentation of Financial Statements

The amendments to IAS 1 Presentation of Items of Other Comprehensive Income are effective for the annual periods beginning on or after 1 July 2012. The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed the 'statement of profit or loss and other comprehensive income' and the 'income statement' is renamed the 'statement of profit or loss'. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments can be applied retrospectively. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

(b) Standards that are effective as of 1 January 2013, but have no effect on financial statements:

Amendments to TFRS 7	Offsetting Financial Assets and Liabilities and relates Disclosures
Amendments to TAS 16	Property, plant and equipment
Amendments to TAS 32	Financial Instruments: Disclosure
Amendments to TAS 34	Financial Reporting for Annual Period
Amendments to TAS 12	Deferred Tax– Recovery of Underlying Assets
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interest in Other Entities
TFRS 7	Financial Instruments: Disclosures- Offsetting Financial Assets and liabilities
TFRS 10, TFRS 11	Consolidated Financial Statements, Joint Arrangements
Amendments to TFRS 12	Disclosure of Interest in Other Entities: Transition Rules
TAS 27	Separate Financial Statements
TAS 28	Investments in Associates and Joint Ventures
Amendments to TFRSs	Annual Improvements except for the amendment to IAS 1
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

(c) New and Revised Standards and Interpretations that are not yet effective and have not been early adopted by the Group

The Group has not applied the following new and revised TFRSs and interpretations that have been issued but are not yet effective:

TFRS 9	Financial Instruments
Amendments to TFRS 9 and TFRS 7	Mandatory Effective Date of TFRS 9 and Transition Disclosures
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities1
Amendants to IAS 10, IAS 11 and IAS 27	Investment Entities1
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets (1)
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to TFRS 21	Levies

(1) Effective for annual periods starting on 1 January 2014 or subsequent periods

Above mentioned standards will be effective in 2014 and following years and the Company has not yet had an opportunity to consider the potential impacts of the adoption of these revised standards and the Company does not anticipates that the amendments will have a significant effect on the financial statements.

2.2 Summary of significant accounting policies

2.2.1 Related parties

For the purpose of accompanying consolidated financial statements, related parties are referred to as legal entities in which Doğan Holding directly or indirectly has participation, including any entities under joint control; real persons and/or legal entities that have direct or indirect control or joint controlover the Company and their close family members (immediate family members) and legal entities having direct or indirect control or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company's affiliates, subsidiaries and members of the BOD, key management and their close family members (immediate family members) and real persons and/or legal entities that are directly or indirectly controlled individually or jointly (Note 34).

2.2.2 Financial assets

In accordance with IAS 39, the Group classifies its financial instruments as "available-for-sale" and "loans and receivables". All financial assets are recognised at cost including transaction costs in the initial measurement.

Financial assets classified by the Group as "available for sale financial assets" that do not have any control power or significant effect have no fair value. When fair value cannot be reliably measured as other fair value estimation methods are not applicable; the carrying value of the financial asset is measured at cost less any impairment loss (Note 6).

"Loans and receivables" are financial assets that have fixed or determinable payments and fixed maturity dates and non-derivative financial assets that are not quoted in an active market.

2.2.3 Trade receivables and provision for doubtful receivables

Trade receivables ,formed as a result of provided goods or services by the Group, are presented after netting of with unaccrued finance income. After netting of trade receivables with unaccrued finance income, remaining trade receivable balance is discounted by using the effective interest rate in the subsequent period in which the original invoice is issued. Short-term trade receivables with undetermined interest rate are presented at cost value when the original effective interest rate effect is insignificant.

Provision is allocated for receivables when the Group has an objective indication over the collectability. The Group also set allowance for the receivables which are overdue for more than one year unless there is no guarantee and collaterals taken or special agreement. The amount of the provision is the difference between the carrying amount and the recoverable amount. Recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collaterals discounted based on using the original effective interest rate of the trade receivable occurred.The management evaluates the possibility of reserving provision for doubtful receivables when the trade receivables are uncollectible and unguaranteed, in legal proceedings or due more than the regular commercial day terms.

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 recognised as other income following the write-down of the total provision amount (Note 27).

2.2.4 Impairment of assets excluding goodwill and intangible assets with indefinite useful lives

At each balance sheet date, the Group evaluates whether there are any indications that an asset other than goodwill or intangible assets with indefinite useful lives may be impaired. When an indication of impairment exists, carrying value of the assets is compared with the net realizable value which is the higher of value in use and fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment exists if the carrying value of an asset or a cash generating unit including that asset is greater than its recoverable amount. Impairment losses are recognised in the consolidated statement of income.

2.2.5 Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make a sale. Cost elements included in inventory are purchase costs and other costs necessary to prepare the asset for its intended use. Cost elements included in inventories are materials, labor and production overheads. The unit cost of inventories is determined on the moving weighted average basis (Note 12).

When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.The management evaluates the inventory impairment amount (if any) as of the balance sheet dates.

Promotion materials

Assessment of impairment on promotion materials and determination of impairment amount is carried out by the Group management. Impairment amount is determined by considering the purchase dates and rates identified by management.

2.2.6 Investment properties

Land and buildings that are held to earn rentals and/or for capital appreciation are classified as investment property. Investment properties are carried at cost less transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the year which they arise (Note 14). The Group recognized its investment properties by using cost method in previous years, however, as of 31 December 2012, the Group decided to adopt fair value method and restated the financial statements as shown in note: 2.1.6 according to "Significant accounting policies and changes in estimates and errors" IAS 8.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.The difference between fair value and cost value, as of the date in which the change has occured, is recognized as revaluation fund under other comprehensive income.

2.2.7 Property, plant and equipment and depreciation

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Depreciation is provided using the straight-line method based on the estimated useful lives of tangible assets (except lands) (Note 15).

The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

Buildings	25-50 years
Machinery and equipment	3-15 years
Furniture and fixtures	3-15 years
Motor vehicles	5 years
Leasehold improvements	2-20 years

Useful life and depreciation are reviewed regularly and the Group also reviews the consistency of the useful life and depreciation method applied with the economic benefits to be obtained from the underlying assets.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets.

Gains or losses on disposals of property, plant and equipment are determined with respect to the difference between collections received and carrying amounts of property, plant and equipment and are included in the other income and expense accounts, as appropriate.

Repair and maintenance expenses are charged to the consolidated statement of income as they are incurred. Capital expenditures that increase the present value of the future cash flows expected to be derived from property, plant and equipment by increasing its capacity is added to the cost of tangible fixed asset.

2.2.8 Financial leases

Leases are classified as finance leases by the Group whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are treated as consisting of capital and interest.

Principal lease payments are treated as liabilities and reduced with their payments. Interest charges are charged directly against income statement over the financial lease period. Capitalized leased assets are depreciated over the estimated useful life of the asset.

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2.2.9 Intangible assets

Intangible assets excluding goodwill and assets with infinite useful lives comprise trade names and licenses, customer lists, computer software and rights, internet domain names and other intangible assets. All trade names, customer lists and internet domain names have been identified as a result of independent valuations performed for the purchase price allocation related with the business combinations. Useful lives of certain trade names are determined to be indefinite. Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually.

Estimated useful lives of the intangible assets with finite useful lives are as follows:

Trade names	20 years
Customer lists	9 and 18 years
Computer software and rights	5-15 years
Domain names	3-20 years
Other intangible assets	5 years

Intangible assets with finite useful lives are carried at their acquisition cost and amortised using the straight-line method over their estimated useful lives (Note 16).

Intangible assets with finite useful lives are evaluated for impairment losses and if the book value exceeds the recoverable value, a provision is reserved to decrease the book value to recoverable value. Recoverable amount is considered to be the higher of future net cash flows of the intangible asset or the fair value less costs to sell. Impairment losses are recognized immediately in the consolidated income statement.

Web page development costs

Costs associated with developing web pages are capitalized and are amortized over their estimated useful lives (Note 16). Following the planning phase and operation; all costs are recognized as expense. Maintenance costs of web pages are accounted as operational expenses.

2.2.10 Goodwill

Goodwill and negative goodwill amount, which represent the difference between the purchase price and the fair value of the acquiree's net assets, arising from business combinations effected prior to 30 June 2004 in the consolidated financial statements is capitalized and amortized over the useful life by using the straight-line method prior to 31 December 2004. Goodwill arising from business combinations effected subsequent to 31 March 2004 is not amortized and instead reviewed for any impairment losses in accordance with TFRS 3 Business Combinations.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired as of the balance sheet dates. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period (Note 16).

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2.2.11 Critical accounting estimates and judgements

Useful lives of intangible assets

Useful lives of some trademarks are expected to be indefinite by the Group management. Where useful life is definite, in case of useful lives of 20 years, such intangible assets' amortization would have increased by TL 13.875.870 (31 December 2012: TL 13.468.004) and their loss before tax and minority interests would have increased by TL 13.875.870 (31 December 2012: TL 13.468.004).

Group amortizes trade names, customer lists and domain names with definite useful lives specified in Note 2.2.9.

If the useful lives of tradenames, customer lists and domain names differ from the management's estimates by 10%, the effects on the financial statements would be as follows:

- Had the useful lives been higher by 10%, amortization charges would have decreased by TL 1.261.443 and loss before tax and non-controlling interests would have decreased by TL 1.261.443 (31 December 2012: TL 1.224.364) or

- Had the useful lives been lower by 10%, amortization charges would have increased by TL 1.541.763 and loss before tax and non-controlling interests would have increased by TL 1.541.763 (31 December 2012: TL 2.219.056).

Impairment of goodwill and intangible assets:

The Group conducted goodwill impairment analysis as of 31 December 2013 and 2012 according to the details occured as explained below:

The recoverable amounts of cash generating units have been calculated using value in use model.Value in use is measured based on estimated cash flows after tax using financial budgets covering five-year period and EBITDA (profit margin before budgeted interest, taxes, amortization and depreciation, impairment charges and other non-operating expenses) expectations play an important role in these calculations.

Discount and EBITDA increase rates for projected cash flows following the five-year period are as below:

	EBITDA Increase Rate (%)	Discount Rate (%)
TME	40	12,6

The Group has not set a provision for impairment of goodwill in consolidated financial statements as of 31 December 2013 (31 December 2012, TRY 18.109.868 has been set as goodwill impairment provision) (Note: 16).

If after-tax discount rate applied to cash flow projection on cash generating units is 1% more than management's estimates, the Group would account an additional provision for goodwill amounting to TL 25.962.498 (31 December 2012 : 51.648.365 for goodwill and itangible assets) to its financial statements and net profit before tax and non-controlling interests would decrease by TL 25.962.498 (31 December 2012 51.648.365).

If the cash generating units to cash flow projections applied to EBITDA ratio is 5% lower than management's estimates, the Group would account an additional provision for goodwill amounting to TL 24.141.823, to its financial statements and net profit before tax and non-controlling interest would decrease by TL 24.141.823.

2.2.12 Taxes

Taxation on profit or loss includes current period income taxes and deferred taxes. Current year tax liability consists of tax liability on period income calculated according to currently enacted tax rates and tax legislation in force as of balance sheet date and includes adjustments related to previous year's tax liabilities. Turkish tax legislation does not permit a parent company, its subsidiaries and joint ventures to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates that have been enacted by the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized (Note 32). Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they are related to income taxes levied by the same taxation authority.

2.2.13 Financial borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the income statement as finance expense over the period of the borrowings (Note 7).

2.2.14 Employment termination benefits

The Group is required to pay termination benefits to employees who is retired, whose employment is terminated without due causes in Labour Law, in accordance with the Law related with The Arrangement of the Relationships within the Employees in Press Sector (employees in media sector) and other laws. The total provision represents the present value of future probable obligation of the Group arising from the retirement of its employees regarding the actuarial projections (Note 20).

2.2.15 Provisions, contingent assets and liabilities

Provisions are recognised when the Group has a present legal or constructive obligation or a result of past events, it is probable that on outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are assessed continually to determine whether an outflow of resources comprising economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimation can be made.

The Group has disclosed the contingent liability if it becomes probable, but no reliable estimation can be made on the amounts of resources comprising economic benefits.

Possible assets that arise from past events and whose existence will be confirmed only by the Group occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the are treated as contingent assets. A contingent asset is disclosed where an inflow of economic benefit is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.2.16 Share capital and dividends

Ordinary shares are classified as equity. Dividend income is recognised as income by the Group when right to obtain of dividend is generated in the consolidated financial statements. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

2.2.17 Foreign currency transactions

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in Turkish Lira, which is the functional currency of the Company.

Foreign currency transactions and balances

Income and expenses arising in foreign currencies have been translated into TL at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated statement of income.

The results of Group undertakings using a measurement currency other than TL are first translated into TL by using the average exchange rate for the period. The assets and liabilities of such Group undertakings are translated into TL by using the closing rate at the balance sheet date. Differences arising on retranslation of the opening net assets of such Group undertakings and differences between the average and period-end rates are included in currency translation reserve in the equity.

A significant portion of the Group's foreign operations are performed in Russia, Europe and Eastern Europe countries (Note 4). Foreign currencies and exchange rates at 31 December 2013 and 31 December 2012 are summarized below:

Country	Currency	31 December 2013	31 December 2012
Russia	Ruble	0,0652	0,0587
Eurozone	Euro	2,9365	2,3517
Hungary	Forint	0,0099	0,0081
Croatia	Kuna	0,3846	0,3113
Ukraine	Grivna	0,2670	0,2230
Romania	New Ley	0,6549	0,5319
Kazakhstan	Tenge	0,0139	0,0118
Belarus	Belarusian Ruble	0,0002	0,0002

2.2.18 Revenue recognition

Revenue is the fair value amount of sales of goods and services received or receivable which is resulted from Group's operations. Net sales represent the invoiced value of goods/services shipped less any trade discounts, rebates or commissions and are presented with the elimination of intercompany balances.

Revenue is initially recognized at the fair value of the consideration received or receivable when it can be measured reliably and when there is an inflow of economic benefits. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The interest rate used in discounting, is the rate to discount nominal amount of the receivable to the amortised cost of the related goods or services given.

The difference between the fair value and the nominal amount of the consideration is recognized as financing income on the related periods.

Revenues from advertisement

Revenues from advertisement are recognised on an accrual basis based on the time of publishing. Unpublished part of the advertisement is recorded as deferred revenue in balance sheet.

Revenues from newspaper sales

Revenues from newspaper sales are recognised on a matching principle at the time of delivery of the newspapers by the distribution company to the vendor at the invoiced values. Provision for newspaper sales returns is accounted at the time of delivery based on past experiences and other related information.

Revenues from printing services

Revenues from printing services arise from printing services given to Group companies and third parties by using Group's printing facilities. Related income is recognised on an accrual basis at the time of services given.

Interest income

Interest income is recognized on accruals basis in accordance with effective interest yield method.

Rental income

Rental income is recognized on an accrual basis.

Other income:

Other income is recognized on an accrual basis.

2.2.19 Barter agreements

The Group provides advertising services in return for advertisement and other products and services. When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a revenue generating transaction. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a revenue generating transaction. Revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. If the fair value of the goods or services received is not measured reliably, the revenue is measured at the fair value of the goods or services supplied, adjusted by the amount of any cash or cash equivalents transferred (Note 19). Barter agreements is recognized on an accrual basis.

2.2.20 (Loss) / profit per share

(Loss) / profit per share disclosed in the consolidated statements of income are determined by dividing net (loss) / profit for the period by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares "bonus shares" to existing shareholders from retained earnings (Note 23). For the purpose of earnings per share computations, such bonus shares issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by considering the retrospective effects of the issuances of the shares (Note 33).

In case of dividend payment, earnings per share are determined on existing number of shares rather than the weighted average numbers of shares.

2.2.21 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments without a significant risk over the change in their value, whose maturity at the time of purchase is three months or less (Note 5).

2.2.22 Subsequent events

Subsequent events and announcements related to net income or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when the balance sheet is authorised for issue.

In the case that events requiring a correction to be made occur subsequent to the balance sheet date, the Group makes the necessary corrections to the consolidated financial statements. In the case that events not requiring a correction to be made occur subsequent to the balance sheet date, those events are disclosed in the notes of consolidated financial statement.

2.2.23 Reporting of cash flows

In the statement of cash flows, consolidated cash flows during the period are classified under operating, investing and financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group's operations.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in assets and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with 3 months or less to maturity (Note 5).

2.2.24 Financial liabilities to non-controlling interests put options

Under the certain terms of acquisition agreements, the Group is committed to acquire the interests owned by non-controlling shareholders in consolidated subsidiaries, upon the request of non-controlling interest holders.

As it is highly probable that the Group will fulfill this obligation, IAS 32, "Financial Instruments: Disclosure and Presentation", requires the value of such put option to be presented as a financial liability on the balance sheet for the discounted value of the expected exercise price of this option, notwithstanding the ability of the Company to settle part of these obligations with its own shares rather than cash. Furthermore, the share of non-controlling shareholders in the net asset of the company subject to the put option must be reclassified from "non-controlling interest" to "other financial liabilities" in the consolidated balance sheet. The Group recognises, on initial recognition, the difference between the exercise price of the option and the carrying value of the non-controlling interests as a reduction of non-controlling interest and then as additional goodwill. The subsequent unwinding of the discount is recognised in financial expense while the change in the value of the commitment is recorded through goodwill (Note 16).

2.2.25 Non-current assets held for sale and discontinued operations

Assets held for sale are operations that the Group disposes of or classified as available for sale and cash flows which can be treated as a part separately from the Group. Non-current assets held for sale and discontinued operations represents a separate major line of business or geographical area of operations; is part of single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. The Group must evaluate its discontinued operations with the lower of carrying value and fair values less costs to sell (Note 35).

2.2.26 Segment reporting

The chief operating decision maker of the Group is the Executive Committee or Management Committee. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group has selected the geographical segment as the Group's primary segment reporting format based on the risks and returns in geographical areas reflecting the primary source of the enterprise's risks and returns (Note 4).

2.2.27 Derivative instruments

Derivative financial instruments consist of mainly foreign currency and interest rate swaps and forward foreign exchange contracts. Derivative instruments are initially recognized at acquisition cost. The related transaction costs are included in the acquisition cost. Derivative financial instruments are subsequently remeasured at their fair value. All derivative financial instruments are classified as financial assets carried at fair value through profit or loss. Fair value of derivative financial instruments is measured by using its market value or by applying discounted cash flows method. Derivative financial instruments are classified as assets or liabilities in accordance with their fair values to be positive or negative (Note 8).

According to valuation studies, changes in the fair value of derivatives at fair value through profit or loss are included in the statement of comprehensive income.

While certain derivatives provide effective hedge relationships, they are recognised as financial assets through profit or loss in accordance with IAS 39 and their fair value gains and losses are reported in the statement of comprehensive income.

NOTE 3 - BUSINESS COMBINATIONS

There are no business combinations as of 31 December 2013 and 31 December 2012.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 4 - SEGMENT REPORTING

a) Segmental analysis for the period between 1 January – 31 December 2013:

	Turkey	Russia and EE	Europe	Total
Sales	586.105.099	183.270.112	36.199.401	805.574.612
Cost of sales (-)	(388.215.159)	(88.742.514)	(37.480.080)	(514.437.753)
Gross operating profit	197.889.940	94.527.598	(1.280.679)	291.136.859
Marketing, selling and distribution expenses (-)	(112.157.628)	(33.120.637)	(139.531)	(145.417.796)
Losses from investments accounted by the equity method (-)	(7.770.000)	609.056	-	(7.160.944)
Net segment result	77.962.312	62.016.017	(1.420.210)	138.558.119
General administrative expenses (-)				(144.178.097)
Other operating income				82.810.976
Other operating expenses (-)				(45.274.193)
Finance expenses (-)				(101.479.505)
Income from investing activities				21.220.794
Expense from investing activities (-)				(13.020.147)
Monetary gain				74.229
Loss before tax				(61.287.824)
Tax expenses for the period (-)				(5.218.150)
Deferred tax income				12.281.732
Net loss for the period				(54.224.242)

b) Segmental analysis for the period between 1 January – 31 December 2012:

	Turkey	Russia and EE	Europe	Total
Sales	578.580.397	207.196.640	44.625.368	830.402.405
Cost of sales (-)	(382.371.706)	(100.016.273)	(36.807.942)	(519.195.921)
Gross operating profit	196.208.691	107.180.367	7.817.426	311.206.484
Marketing, selling and distribution expenses (-)	(111.450.052)	(26.985.470)	(2.965.776)	(141.401.298)
Losses from investments accounted by the equity method (-)	(11.166.626)	-	-	(11.166.626)
Net segment result	73.592.013	80.194.897	4.851.650	158.638.560
General administrative expenses (-)				(144.337.312)
Other operating income				98.189.553
Other operating expense (-)				(60.071.167)
Finance expenses (-)				(64.551.705)
Income from investing activities				196.497.070
Expense from investing activities (-)				(12.626.368)
Monetary gain				118.285
Loss before tax				171.856.916
Tax expenses for the period (-)				(24.136.886)
Deferred tax income				3.025.301
Net loss for the period				150.745.331

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

c) Segment assets:

	31 December 2013	31 December 2012
Turkey	612.525.953	710.676.637
Russia and EE	658.048.124	649.462.944
Europe	134.628.186	143.890.723
	1.405.202.263	1.504.030.304
Unallocated assets	19.432.851	28.191.596
Investments accounted by the equity method	13.768.940	8.905.216
Total assets per consolidated financial statements	1.438.404.054	1.541.127.116

Group's assets other than segment assets include prepaid taxes (Note 22), VAT receivables (Note 22) and deferred taxes assets (Note 32).

d) Segment liabilities:

	31 December 2013	31 December 2012
Turkey	32.386.348	16.858.991
Russia and EE	169.726.775	141.112.296
Europe	66.195.033	63.842.780
	268.308.156	221.814.067
Unallocated liabilities	446.954.014	575.283.430
Total liabilities per consolidated financial statements	715.262.170	797.097.497

Group's liabilities other than other segments liabilities is composed of short and long-term borrowings (Note 7) , provisions (Note 18), employee termination benefits (Note 20), VAT payable (Note 22) unused vacation provision (Note 18), and current tax liability and deferred tax liabilities (Note 32).

e) Property, plant and equipment, intangible assets and investment property purchases and depreciation and amortization

Capital expenditures:

	2013	2012
Turkey	19.261.397	76.748.786
Russia and EE	5.036.455	7.892.883
Europe	1.272.213	1.660.185
Total	25.570.065	86.301.854

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Depreciation and amortization charges:

	2013	2012
Turkey	43.260.786	41.319.563
Russia and EE	26.772.653	27.325.370
Europe	8.413.046	8.088.085
Total	78.446.485	76.733.018

f) Non-cash other expenses:

	1 January-31 December 2013			
	Turkey	Russia and EE	Europe	Total
Provision of impairment for assets available for sale (Note 35)	-	-	23.301.137	23.301.137
Provision of retirement pay and unused vacation (Note: 18,20)	9.964.842	5.808.872	-	15.773.714
Allowance for doubtful receivables (Note16)	5.418.694	2.782.625	-	8.201.319
Provision of legal claims (Note 18)	1.897.012	-	-	1.897.012
Provision of inventory impairment (Note 12)	1.116.831	-	-	1.116.831
	18.397.379	8.591.497	23.301.137	50.290.013

	1 January - 31 December 2012			
	Turkey	Russia and EE	Europe	Total
Provision of goodwill impairment	-	18.105.868	-	18.105.868
Provision of employee termination benefits and unused vacation (Note 18,20)	8.418.738	4.742.161	-	13.160.899
Provision of doubtful receivables (Note 9,22)	5.772.487	1.658.829	285.708	7.717.024
Provision of legal claims (Note 18)	2.576.440	-	-	2.576.440
Provision of inventory impairment (Note 12)	2.109.581	-	-	2.109.581
	18.877.246	24.506.858	285.708	43.669.812

NOTE 5 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Cash	661.026	727.452
Banks		
- time deposits	24.717.629	90.072.204
- demand deposits	21.796.687	17.351.949
- blocked deposits	31.506	37.525
Total	47.206.848	108.189.130

The Group has blocked deposits amounting to TL 31.506 as of 31 December 2013 (31 December 2012: TL 37.525). The blocked deposits consist of demand deposits amounting to TL 30.341 (31 December 2012: TL 15.663).

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Cash and cash equivalents included in the consolidated statements of cash flows as of 31 December 2013, 31 December 2012 and 31 December 2011 are as follows:

	31 December 2013	31 December 2012	31 December 2011
Cash and Banks	47.206.848	108.189.130	275.910.951
Less: Blocked deposits	(31.506)	(37.525)	(35.304)
Less: Interest accruals	(202.381)	(107.381)	(512.641)
Total	46.972.961	108.044.224	275.363.006

The maturity analysis of time deposits including the blocked time deposits is as follows:

	31 December 2013	31 December 2012
0-1 month	24.620.616	87.976.338
1-3 months	98.178	2.117.728
	24.718.794	90.094.066

There are no time deposits with variable interest rates at 31 December 2013 and 31 December 2012. The gross interest rate for TL time deposits is 8,32% as of 31 December 2013 (31 December 2012: 7,27%). The gross interest rate of foreign currency denominated time deposits is 4,07 % for USD (31 December 2012: 2,50%).

NOTE 6 - FINANCIAL ASSETS

Financial assets available for sale:

The details of financial assets available for sales as of 31 December 2013 and 31 December 2012 are as presented below:

	Share %	31 December 2013	Share %	31 December 2012
Doğan Faktoring Hizmetleri A.Ş. ("Doğan Factoring")	5,11	1.029.898	5,11	1.029.898
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	1,75	468.534	1,75	468.534
Coats İplik Sanayi A.Ş.	0,50	257.850	0,50	257.850
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. ("Hürservis")(1)	-	-	19,00	169.166
B2C Prodüksiyon Bilişim ve Emlak Danışmanlığı Sanayi Ticaret A.Ş. ("B2C")	15,00	150.000	15,00	150.000
Other	-	70.624	-	151.882
Total	1.976.906			2.227.330

At 30 December 2013, Hürservis was sold to Doğan Müzik Kitap Mağazacılık Pazarlama A.Ş. for TL 604.200. Regarding to this sale, loss amounting to TL 485.734 has occured in the financial statements pepared in accordance with the regulations of CMB and Turkish Tax Legislation.

Financial investments are carried at cost less provision for impairment since they are not being traded in an active market. There is no impairment during the period.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

As of 31 December 2012, the provision for impairment of financial assets in consolidated income statement is related to Doğan Havacılık which was sold at 11 December 2012 and its movement in the period is as follows:

	2013	2012
1 January	-	(2.208.193)
Provision for impairment	-	2.208.193
31 December	-	-

NOTE 7 - FINANCIAL LIABILITIES

The details of financial liabilities at 31 December 2013 and 31 December 2012 are as follows:

Short-term borrowings:	31 December 2013	31 December 2012
Bank borrowings (Note 37.ii)	2.387.299	11.855.588
Financial liabilities to suppliers (Note 37.ii)	6.436.107	34.193.200
	8.823.406	46.048.788
Short-term portion of long-term financial liabilities (Note 37.ii)	143.052.144	249.699.732
Total	151.875.550	295.748.520

Long-term financial liabilities:	31 December 2013	31 December 2012
Bank borrowings (Note 37.ii)	261.465.762	201.449.549
Financial liabilities to suppliers (Note 37.ii)	4.692.877	6.929.212
Total	266.158.639	208.378.761

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Bank borrowings:

The details of bank borrowings at 31 December 2013 and 31 December 2012 are as follows:

	Effective interest rate (%)		Original foreign currency		TL	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Short-term bank borrowings						
- Euro	-	4,0	-	5.041.285	-	11.855.588
- TL	-	-	2.387.299	-	2.387.299	-
Sub-total					2.387.299	11.855.588
Short-term portion of long-term bank borrowings						
- USD	6,1	5,4	62.117.344	134.087.546	132.577.048	239.024.460
- Euro	2,9	5,4	3.567.205	4.539.385	10.475.096	10.675.272
Sub-total					143.052.144	249.699.732
Total short-term bank borrowings					145.439.443	261.555.320
Long-term bank borrowings						
- USD	5,6	5,4	120.000.000	110.000.000	256.116.000	196.086.000
- Euro	2,9	3,8	1.821.816	2.280.711	5.349.762	5.363.549
Total long-term bank borrowings					261.465.762	201.449.549

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The repayment schedules of long-term bank borrowings are as follows:

Year	31 December 2013	31 December 2012
2014	-	108.216.862
2015	257.904.161	90.422.284
2016	1.857.998	1.489.359
2017 and after	1.703.603	1.321.044
Total	261.465.762	201.449.549

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at balance sheet dates are as follows:

Period	31 December 2013	31 December 2012
Up to 6 months	405.378.225	461.617.366
6-12 months	1.350.790	1.387.503
1 to 5 years	176.190	-
Total	406.905.205	463.004.869

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

Group borrows loans on fixed and floating interest rates. Distribution of variable and fixed interest loans are presented in Note 37.1 (i).

In December 2013, OOO Pronto Moscow, one of the indirect subsidiaries of the Group, has restructured its bank loan amounting to USD 70.000.000 with a maturity of April 2014 and was classified in short term portion of long term bank borrowings as of 31 December 2013 and 31 December 2012 by using the extension option in the agreement. The maturity of the loan has been extended to 20 April 2015. Besides, the interest rate which was 6,40 % as of 31 December 2012 was decreased to 6,25 % in the current period. Regarding to Doğan Holding's loan agreement, USD 70.000.000 deposits have been blocked as guarantee.

Financial liabilities to suppliers:

Short and long-term financial liabilities to suppliers are related with the purchase of machinery and equipment. Effective interest rates of short-term and long-term financial liabilities to suppliers are 1,60% for Euro (31 December 2012: Euro: 1,22%).

The repayment schedules of long-term financial liabilities to suppliers are as follows:

Year	31 December 2013	31 December 2012
2014	-	5.146.343
2015 and after	4.692.877	1.782.869
Total	4.692.877	6.929.212

As of 31 December 2013, the Group's short-term financial liabilities to suppliers issued at variable interest rate are amounting to TL 6.436.107 (31 December 2012: TL 34.193.200), long-term financial liabilities issued at variable interest rate are amounting to 2.226.217 (31 December 2012: TL 6.929.212) and the long-term financial liabilities issued at fixed interest rate are TL 2.466.660 (31 December 2012: none).

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The exposure of the Group's financial liabilities to suppliers to interest rate changes and the contractual repricing dates are as follows:

Period	31 December 2013	31 December 2012
Up to 6 months	8.662.324	41.122.412
1 to 5 years	2.466.660	-
Total	11.128.984	41.122.412

The fair values of short-term and long-term financial liabilities to suppliers are considered to approximate their carrying values as the effect of discount is not material.

The Group's bank borrowings and financial liabilities to suppliers with variable interest rate are amounting to TL 224.302.700 as of 31 December 2013 (31 December 2012: TL 298.739.972).

NOTE 8 - OTHER FINANCIAL ASSETS AND LIABILITIES

Other short term financial assets at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Derivative instruments	-	573.393
Total	-	573.393

Other short term financial liabilities at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Derivative instruments	2.440.486	-
Financial liabilities due to put options	16.154.517	18.207.476
Total	18.595.003	18.207.476

a) Derivative instruments

i) Derivative instruments against foreign exchange risk

The Group has made a Euro swap transaction amounting to USD 20.000.000 (31 December 2012: USD 25.221.500) related with bank borrowings in the current period.

Group has a right to buy or sell 1 million USD on every monday of each week depending on the market rates, which is valid until 13 January 2014. As of 31 December 2013, the financial liability arising from the fair value of swap agreements and other derivative transactions is amounting to TL 2.440.486 (31 December 2012: TL 573.393 of financial assets arising from the fair value of swap agreements and other derivative transactions) (Note 8).

ii) Interest rate swap transactions

Group had interest rate swap agreement for USD variable interest rate (Libor) of its loan, amounting to USD 10.000.000 with maturity to 2015, to convert EUR variable interest rate (Euribor). Financial expense amounting to TL 634.886 has been recognised during the period regarding to this agreement.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

b) Non-controlling interests put options

Oglasnik d.o.o. Option

The Group was granted a put option, on the remainder of 30% of non-controlling shares during the acquisition of 70% interest of the shares in its subsidiary Oglasnik d.o.o. located in Croatia. The negotiations related with using that put option is still continuing as of the date which the financial statements publicly announced. As of 31 December 2013, the fair value of this option is TL 16.154.517 and classified in "other short-term financial liabilities" (31 December 2012: TL 18.207.476). There is a dispute about the protocol between the parties concerned and an arbitration process is in progress in the presence of Zagreb Court of Arbitration. A declaratory lawsuit has been filed by the non-controlling shareholders against the Group since non-controlling shareholders could not exercise this put option. An alternative EUR 3.500.000 plus default interest is claimed as compensation together with the declaratory lawsuit. The third trial of the lawsuit was held on 3 July 2013 and the arbitration procedure is still on progress.

NOTE 9 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables net off of unearned finance income at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Trade receivables	233.608.011	238.540.783
Notes and cheques receivable	2.996.291	4.029.429
Receivables from credit cards	1.718.307	9.135.537
Income accruals	250.383	337.296
Unearned finance income due from term sales	(2.727.380)	(2.015.435)
Less: Provision for doubtful receivables (Note 36)	(51.384.264)	(57.630.747)
Short-term trade receivables	184.461.348	192.396.863

According to a revocable commitment agreement signed with Doğan Factoring Hizmetleri A.Ş., trade receivables resulting from advertisements, amounting to TL 129.692.268 (31 December 2012: TL 134.954.258) are followed up by Doğan Factoring Hizmetleri A.Ş. ("Doğan Factoring"). Group has not transferred the risk of not collecting the above mentioned receivables and has continued to bear in its balance sheets. These receivables are related to commercial advertisements and some of classified advertisements. The due date of the Group's trade receivables followed up by Doğan Factoring is 96 days (31 December 2012: 98 days). The unearned finance income due from sales with maturity related with the receivables followed up by Doğan Factoring is TL 895.559 (31 December 2012: TL 939.315) and the compound interest rate is 12,01% per annum (31 December 2012: 10,03%).

The movements of provision for doubtful receivables are as follows:

	2013	2012
1 January	(57.630.747)	(55.438.024)
Additions during the period (Note 28)	(8.201.319)	(7.317.968)
Collections during the period (Note 27)	2.418.092	3.264.976
Provisions classified to assets disposed of	6.650.273	1.750.973
Currency translation differences	965.589	109.296
Disposal of subsidiary	4.413.848	-
31 December	(51.384.264)	(57.630.747)

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Trade payables at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Short-term trade payables	46.499.414	47.429.485
Expense accruals	1.737.604	3.808.965
Unrealized financial expenses due to term purchases	(225.536)	(79.748)
Total	48.011.482	51.158.702

As of 31 December 2013, the due date of Group's trade payables is 50 days (31 December 2012: 51 days). As of 31 December 2013, urealized financial expense is TL 225.536 and the compound interest rate is 12,01% per annum (31 December 2012: 10,03 %).

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other short-term receivables at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Notes and cheques receivable (1)	73.576.936	73.918.846
Deposits and guarantees given	3.520.295	601.398
Total	77.097.231	74.520.244

Other long-term receivables at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Deposits and guarantees given	1.508.340	1.183.230
Cheques receivable (1)	-	61.276.875
Total	1.508.340	62.460.105

(1) In 2012, the Group has sold the properties that consist of 58.609,45 m2 land and buildings including the building that has been used as company headquarters for 28 years (Hürriyet Media Towers) in Bağcılar, İstanbul to Nurol Garimenkul Yatırım Ortaklığı in consideration of USD 127.500.000 (TL 225.993.750), excluding late interest. USD 17.500.000 of consideration was paid in advance and the remaining portion which amounts to USD 110.000.000 is payable in 32 equal installments starting from 6 March 2012 by applying 3,5% interest for remaining balance after the each payment. As of 31 December 2013, USD 34.375.000 (TL 73.366.563) of the related consideration is recognized as short term notes receivable. Total collectable interest amount related to principal payments is USD 6.395.692 and USD 2.013.898 of this amount (TL 3.569.633), excluding VAT, has been collected and is recognized as finance income in the accompanying financial statements in the current period. Interest accrual calculated by using the effective interest rate in the current period amounts to USD 98.568 (TL 210.373) and is recognized as short term notes and cheques receivable and finance income in the accompanying financial statements.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Other short-term payables at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Taxes payable	3.501.640	1.015.705
Deposits and guarantees received	577.489	702.231
Total	4.079.129	1.717.936

Other long-term payables at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Deposits and guarantees received	235.345	170.675
Other	228.512	-
Total	463.857	170.675

NOTE 11 – EMPLOYEE BENEFIT PAYABLES

Employee benefit payables as of 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Social security withholdings payable	3.528.442	3.733.101
Due to personnel	6.107.888	6.369.120
Total	9.636.330	10.102.221

NOTE 12 - INVENTORIES

	31 December 2013	31 December 2012
Raw materials and supplies	15.074.781	13.926.117
Promotion materials (1)	4.122.716	6.882.221
Finished goods and merchandise	1.978.084	1.451.622
Semi-finished goods	352.940	224.881
	21.528.521	22.484.841
Provision for impairment of inventory	(4.168.833)	(3.433.906)
Total	17.359.688	19.050.935

(1) Promotion materials include promotion materials such as books, CDs and DVDs.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Movements of the provision for impairment of promotion inventories, raw materials and supplies and finished goods and merchandise are as follows:

	2013	2012
1 January	(3.433.906)	(1.941.808)
Provision of promotion inventories	(427.515)	(361.041)
Reversal of provision of promotion materials	326.866	617.483
Provision of raw materials and supplies	(689.316)	(1.569.253)
Reversal of provision of raw materials and supplies	55.038	-
Provision of finished goods and merchandise	-	(179.287)
31 December	(4.168.833)	(3.433.906)

NOTE 13 - INVESTMENTS ACCOUNTED BY THE EQUITY METHOD

As of 31 December 2013 and 31 December 2012, the corresponding portion of subsidiaries' and joint ventures' current assets, non-current assets, short-term and long-term liabilities and shareholders' equity, which are consolidated with the equity method in accordance with TFRS 10 and TFRS 11 are as follows:

Subidiaries	31 December 2013 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries	31 December 2012 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries
Doğan Media International GmbH ("Doğan Media")	42,42	42,42
SP Pronto Kiev	37,14	37,14
TOV E-Prostir	37,14	37,14

Joint Ventures	31 December 2013 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries	31 December 2012 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries
OOO Autoscout24 (1)	-	37,88
ASPM Holding B.V.	37,88	37,88
Tipeez İnternet Hizmetleri A.Ş. ("Tipeez") (2)	-	30,00

(1) Liquidated in 2013.
(2) All of the shares were sold to controlling shareholder, Tweege Holding LP on 25 June 2013.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Profit and loss resulting from transactions between the Group companies and its subsidiaries are eliminated with the direct proportion of the ownership percentage. As of 31 December 2013, the Group's share of financial statements which are valued by equity method, are as follows:

31 December 2013	Total assets	Total liabilities	Net assets	Net sales	Net profit/(loss)
Dogan Media	14.180.969	4.855.641	9.325.328	18.843.636	(7.770.000)
SP Pronto Kiev	4.582.656	196.670	4.385.986	2.985.867	570.093
ASPM Holding B.V.	91.570	33.944	57.626	-	(3.866)
TOV E-Prostir	212.755	212.755	-	451.189	42.829
	19.067.950	5.299.010	13.768.940	22.280.692	(7.160.944)

The summary of Group's share of the financial statements of the investments accounted by the equity method at 31 December 2012 is as follows:

31 December 2012	Total assets	Total liabilities	Net assets	Net sales	Net (loss)/profit for the period
Dogan Media	19.078.823	13.820.807	5.258.016	49.741.861	(12.007.168)
SP Pronto Kiev	3.857.923	210.723	3.647.200	3.685.333	921.641
TOV E-Prostir	99.522	99.522	-	231.429	(81.099)
	23.036.268	14.131.052	8.905.216	53.658.623	(11.166.626)

The investments accounted by the equity method as of 31 December 2013 and 31 December 2012 are as follows:

	Share %	31 December 2013	Share %	31 December 2012
Doğan Media International GmbH ("Dogan Media")	42,42	9.325.328	42,42	5.258.016
SP Pronto Kiev	37,14	4.385.986	37,14	3.647.200
ASPM Holding B.V.	37,88	57.626	37,88	-
TOV E-Prostir	37,14	-	37,14	-
		13.768.940		8.905.216

The summary of Group's share of the financial statements of the investments accounted by the equity method at 31 December 2013 and 31 December 2012 is as follows:

	2013	2012
1 January	8.905.216	11.348.405
Increase in share capital	-	9.905.723
Disposal of subsidiary [1]	13.115.786	-
Loss from associates	(7.160.944)	(11.166.626)
Currency translation differences	(496.043)	(285.220)
Dividend distribution	(595.075)	(897.066)
31 December	13.768.940	8.905.216

[1] Kanal D Romania, which is consolidated by using under the equity method, has been sold to related company as of 31 December 2013 and the effect of this sale is recognized under equitiy.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 14 - INVESTMENT PROPERTY

The movements in investment property as of 31 December 2013 are as follows:

	1 January 2013	Additions	Disposals [1]	Change in fair value adjustment	31 December 2013
Land	26.109.998	225.000	-	14.048.787	40.383.785
Buildings	23.941.139	5.630.005	(15.271.629)	2.695.021	16.994.536
	50.051.137	5.855.005	(15.271.629)	16.743.808	57.378.321

[1] Disposals due from the sale of investment properties acquired by the barter agreements.

With the decision taken based on the review done by the group management, investment properties, which were carried at cost less accumulated depreciation under cost method less impairment charges if any in the previous financial statements, are decided to carry at their fair values (Note 2.2.6).

The Group's rent income from investment properties amounted to TL 95.638 as of 31 December 2013 (31 December 2012: 30.000). The Group's direct operating expenses arising from the investment properties in the period amounted to TL 366.723. (31 December 2012: TL 177.755).

The movements in investment property as of 31 December 2012 are as follows:

	1 January 2013	Additions	Disposals [1]	Change in fair value adjustment	31 December 2013
Cost:					
Land	22.995.000	2.306.355	-	808.643	26.109.998
Buildings	19.325.984	24.203.775	(19.282.673)	(305.947)	23.941.139
	42.320.984	26.510.130	(19.282.673)	502.696	50.051.137

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment and related accumulated depreciation for the period ended 31 December 2013 are as follows:

	1 January 2013	Currency translation differences	Additions	Disposals	Transfers [1]	Reclassified as assets held for sale [3]	Disposal of subsidiary [2]	31 December 2013
Cost								
Land and land improvements	23.224.425	1.903.198	-	-	-	(4.571.650)	-	20.555.973
Buildings	153.376.334	4.579.642	108.142	(1.903)	(479.632)	(277.882)	-	157.304.701
Machinery and equipment	612.730.375	10.993.948	2.667.402	(1.626.797)	56.937	-	-	624.821.865
Motor vehicles	9.915.741	490.792	228.229	(740.058)	-	-	-	9.894.704
Furnitures and fixtures	51.339.237	27.251	7.290.367	(2.204.250)	177.007	(3.226.094)	(171.297)	53.232.221
Leasehold improvements	36.381.954	28.784	689.719	-	479.630	(411.113)	-	37.168.974
Other intangible assets	757.635	181.483	2.696	-	-	-	-	941.814
Construction in progress	531.190	71.445	1.994.612	(32.355)	(233.942)	(1.220.015)	-	1.110.935
	888.256.891	18.276.543	12.981.167	(4.605.363)	-	(9.706.754)	(171.297)	905.031.187
Accumulated amortization								
Land and land improvements	(378.298)	-	(51.683)	-	-	-	-	(429.981)
Buildings	(41.551.713)	(2.291.629)	(3.858.951)	-	-	81.842	-	(47.620.451)
Machinery and equipments	(471.584.453)	(9.507.059)	(32.697.386)	1.391.616	-	-	-	(512.397.282)
Motor vehicles	(6.922.655)	(186.879)	(826.970)	428.198	-	-	-	(7.508.306)
Furnitures and fixtures	(34.362.648)	(688.233)	(7.013.523)	2.023.665	-	2.826.401	157.974	(37.056.364)
Leasehold improvements	(24.508.776)	(96.971)	(2.130.899)	-	-	97.068	-	(26.639.578)
Other intangible assets	(751.688)	(379.063)	(67.914)	-	-	-	-	(1.198.665)
	(580.060.231)	(13.149.834)	(46.647.326)	3.843.479	-	3.005.311	157.974	(632.850.627)
Net book value	308.196.660							272.180.560

At 31 December 2013, net book value of the property, plant and equipment included in machinery and equipments and acquired through financial leases is amounting to TL 4.379.154 (31 December 2012: TL 5.349.438).
At 31 December 2013 there are mortgages on property, plant and equipment amounting to TL 19.087.250 (31 December 2012: TL 15.286.050).
For the period ended at 31 December 2013 depreciation expense amounting to TL 35.778.039 (31 December 2012: TL 36.648.028) is added to cost of sales (Note 24), amounting to TL 10.869.287 (31 December 2012: TL 9.455.523) is added to marketing, selling and distribution and general administrative expenses (Note 25).
[1] As a result of the review of plant property and equipment, additional fixed assets amounting to TL 479.630 are decided to be classified from building to leasehold improvements.
[2] In 2013, the Group has disposed of its entire shares in its subsidiary Moje Delo, spletni marketing d.o.o.(Note 35).
[3] Group has agreed to sale by 9 million USD its land with the size of 17.725,69 m2 which is located in Esenler, İstanbul. In accordance whith the agreement the land has classified to non current assets held for sale. In addition, the Group's subsidiaries, which operate in Hungary and Croatia, are classified as assets held for sale.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The movements of property, plant and equipment and related accumulated depreciation for the period ended 31 December 2012 are as follows:

	1 January 2012	Currency translation differences	Additions	Disposals	Transfers	Reclassified as assets held for sale	Disposal of subsidiary	31 December 2012
Cost								
Land and land improvements	40.852.448	(264.483)	1.444.281	(20.901.406)	-	2.093.585	-	23.224.425
Buildings	165.179.647	(804.008)	638.388	(2.048.485)	462.388	(9.944.064)	(107.532)	153.376.334
Machinery and equipment	693.924.022	(722.970)	12.679.332	(104.069.140)	11.474.713	-	(555.582)	612.730.375
Motor vehicles	11.573.299	(79.185)	241.755	(1.820.128)	-	-	-	9.915.741
Furnitures and fixtures	104.952.151	(149.062)	8.572.979	(62.578.075)	591.426	-	(50.182)	51.339.237
Leasehold improvements	25.052.071	13.648	11.360.589	(44.354)	-	-	-	36.381.954
Other intangible assets	685.177	(23.428)	95.886	-	-	-	-	757.635
Construction in progress	414.290	(60.548)	12.931.792	(225.817)	(12.528.527)	-	-	531.190
	1.042.633.105	(2.090.036)	47.965.002	(191.687.405)	-	(7.850.479)	(713.296)	888.256.891
Accumulated amortization								
Land and land improvements	(272.438)	-	(53.464)	-	-	(52.396)	-	(378.298)
Buildings	(41.892.377)	42.835	(3.883.096)	517.946	-	3.627.135	35.844	(41.551.713)
Machinery and equipment	(543.029.694)	739.817	(33.214.293)	103.534.394	-	-	385.323	(471.584.453)
Motor vehicles	(8.545.165)	94.362	(56.471)	1.584.619	-	-	-	(6.922.655)
Furnitures and fixtures	(88.509.193)	447.415	(7.571.114)	61.225.439	-	-	44.805	(34.362.648)
Leasehold improvements	(23.580.234)	5.919	(952.117)	17.656	-	-	-	(24.508.776)
Other intangible assets	(400.132)	21.440	(372.996)	-	-	-	-	(751.688)
	(706.229.233)	1.351.788	(46.103.551)	166.880.054	-	3.574.739	465.972	(580.060.231)
Net book value	336.403.872							308.196.660

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 16 - INTANGIBLE ASSETS

i) Goodwill

The movements of goodwill for the periods ended at 31 December are as follows:

	2013	2012
1 January	118.331.349	136.195.646
Currency translation differences	11.091.759	(618.685)
Provision for goodwill impairment (1) (Note 28)	-	(18.105.868)
Disposal of subsidiary (2) (Note 36)	(6.457.517)	-
Other (3)	(3.543.374)	860.256
31 December	119.422.217	118.331.349

(1) As of 31 December 2013, there is no goodwill impairment as described in Note 2.2.11 (31 December 2012: TRY 18.105.868).
(2) In 2013, the Group has disposed of its entire shares in its subsidiary Moje Delo, spletni marketing, d.o.o. according to the Slovenia statutory legislation.
(3) Represents the changes in the fair value of the put options (Note 2.2.24).

As of 31 December 2013, the goodwill amounting to TL 119.422.217 (31 December 2012: TL 118.374.132) is arising from the acquisition of Group's subsidiary TME which operates in abroad.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

ii) Other intangible assets

The movements of intangible assets and related accumulated amortization for the period ended 31 December 2013 are as follows:

	1 January 2013	Currency translation differences	Additions	Disposals	Transfers	Reclassified to assets held for sale[2]	Disposals of subsidiary[1]	31 December 2013
Cost								
Trade names and licenses	311.021.324	33.712.058	-	-	-	(13.316.301)	-	331.417.081
Customer list	310.305.078	60.085.100	-	-	-	(31.039.266)	-	339.350.912
Computer software and rights	73.267.479	7.818.100	2.547.747	(1.814.701)	526.037	(16.141.887)	(877.421)	65.325.354
Internet domain names	26.829.768	3.205.066	3.406.907	(1.516.930)	262.655	(2.135.503)	-	30.051.963
Other intangible assets	6.659.793	413.466	52.415	(3.604)	-	(4.023.576)	-	3.098.494
Construction in progress	33.460	40.000	726.824	-	(788.692)	-	-	11.592
	728.116.902	105.273.790	6.733.893	(3.335.235)	-	(66.656.533)	(877.421)	769.255.396
Accumulated amortization								
Trade names and licenses	(20.792.733)	(1.071.529)	(1.491.168)	-	-	-	-	(23.355.430)
Customer list	(108.189.520)	(39.387.620)	(19.272.816)	-	-	23.279.449	-	(143.570.507)
Computer software and rights	(53.768.283)	(6.683.750)	(7.009.033)	1.550.236	-	13.743.729	424.726	(51.742.375)
Internet domain names	(9.727.370)	(1.951.344)	(3.473.181)	1.522.640	-	1.303.761	-	(12.325.494)
Other intangible assets	(6.174.891)	(311.030)	(552.961)	3.605	-	4.015.963	-	(3.019.314)
	(198.652.797)	(49.405.273)	(31.799.159)	3.076.481	-	42.342.902	424.726	(234.013.120)
Net book value	529.464.105							535.242.276

Amortization expense amounting to TL 31.799.159 (31 December 2012: TL 29.822.977) has been included in marketing, selling and distribution and general administrative expenses as of 31 December 2013.

(1) In 2013, the Group has disposed of its entire shares in its subsidiary Moje Delo, spletni marketing, d.o.o. (Note 36).
(2) The Group's subsidiaries operating in Hungary and Croatia are classified as non-current assets held for sale.

The movements in intangible assets and related accumulated amortization for the period ended 31 December 2012 are as follows:

	1 January 2012	Currency translation differences	Additions	Disposals	Transfers	31 December 2012
Cost						
Trade names and licenses	311.871.261	(849.937)	-	-	-	311.021.324
Customer list	309.421.118	883.960	-	-	-	310.305.078
Computer software and rights	65.141.269	(972.557)	7.910.555	(200.218)	1.388.430	73.267.479
Internet domain names	23.783.299	(39.699)	3.086.168	-	-	26.829.768
Other intangible assets	6.041.314	76.424	553.145	(11.090)	-	6.659.793
Construction in progress	1.127.673	17.363	276.854	-	(1.388.430)	33.460
	717.385.934	(884.446)	11.826.722	(211.308)	-	728.116.902
Accumulated amortization						
Trade names and licenses	(19.324.214)	(29.211)	(1.439.308)	-	-	(20.792.733)
Customer list	(88.936.526)	(689.386)	(18.563.608)	-	-	(108.189.520)
Computer software and rights	(47.070.877)	736.185	(7.596.703)	163.112	-	(53.768.283)
Internet domain names	(6.959.178)	(33.332)	(2.734.860)	-	-	(9.727.370)
Other intangible assets	(5.800.648)	(79.255)	(294.988)	-	-	(6.174.891)
	(168.091.443)	(94.999)	(30.629.467)	163.112	-	(198.652.797)
Net book value	549.294.491					529.464.105

The cost of trade names and licenses with indefinite useful lives amounted to TL 277.517.400 as of 31 December 2013 (31 December 2012: TL 269.360.081). The utilization period of the assets with indefinite useful lives is determined based on the stability of the industry, changes in market demands as to the products and services provided through assets, control period over the assets and legal or similar restrictions on their utilization.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 17 - GOVERNMENT GRANTS

The Group obtained six investment incentives certificates for the imported equipments amounting to USD 13.805.393 and domestic equipments amounting to TL 1.502.399 for the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 28 October, 2, 4 November and 30 December 2011. The agreements are valid for two years and equipment imported within the scope of the certificate is exempt from Customs Duty and VAT. The investments amounting to USD 13.595.062 for imported equipments and TL 1.502.399 for domestic equipments are realized within these certificates as of 31 December 2013 (31 December 2012: for the imported equipments amounting to USD 13.450.323, for the domestic equipments amounting to TL 1.279.898).

NOTE 18 -PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 December 2013 and 31 December 2012, short term provisions are as follows:

	31 December 2013	31 December 2012
Provision for unused vacation rights	17.760.561	14.836.862
Other provisions for lawsuit and compensation	4.069.499	3.680.581
Total	21.830.060	18.517.443

i. Provision of unused vacation rights

The movements in provision for unused vacation rights during the periods ended at 31 December are as follows:

	2013	2012
1 January	(14.836.862)	(15.430.714)
Additions during the period	(8.049.497)	(5.114.456)
Payments during the period and reversal of provision	5.445.123	5.717.644
Currency translation difference	(319.325)	(9.336)
31 December	(17.760.561)	(14.836.862)

The lawsuits against the Group amounted to TL 29.686.311 (31 December 2012: TL 26.678.044). 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 analyses, as of 31 December 2013 the Group has set a provision of TL 4.069.499 for lawsuits (31 December 2012: TL 3.680.581).

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

ii. Provision of litigation

As at 31 December 2013 and 31 December 2012, the Group's ongoing lawsuits are as follows:

	31 December 2013	31 December 2012
Legal lawsuits	23.199.519	20.720.990
Commercial lawsuits	3.286.792	3.234.000
Labor lawsuits	3.200.000	2.423.645
Administrative lawsuits	-	299.409
Total	29.686.311	26.678.044

The movements of provision for lawsuits for the periods ending 31 December are as follows:

	2013	2012
1 January	(3.680.581)	(2.813.326)
Payments related to provisions	1.508.094	1.709.185
Additions during the period (Note 28)	(1.897.012)	(2.576.440)
31 December	(4.069.499)	(3.680.581)

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 19 - COMMITMENTS

Group's collaterals/pledge/mortgage ("CPM") position as of 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013		31 December 2012	
	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
A. CPM's given in the name of its own legal personality				
-Collaterals				
TL	1.624.865	1.624.865	3.362.593	3.362.593
Euro	25.000	73.413	25.000	58.793
HRK	-	-	2.706.054	842.323
-Mortgages				
TL	-	-	-	-
Euro	6.500.000	19.087.250	6.500.000	15.286.050
B. CPM's given on behalf of the fully consolidated companies (1)				
-Commitments				
TL	918.903	918.903	1.115.751	1.115.751
USD	3.540	7.555	-	-
Euro	3.055.000	8.971.008	4.075.000	9.583.178
C. 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	-	-	-	-
iii)Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
Total		30.682.994		30.248.688

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

CPM's given by the Group

There is no CPM's given for third parties as indicated in the table above except CPM's given for their own legal entities. The ratio of other CPM's given against the Group's equity is 0% as of 31 December 2013 (31 December 2012: 0%).

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 31 December 2013, the Group has a commitment for the publication of advertisements amounting to TL 5.379.691 (31 December 2012: TL 7.103.533) in exchange for purchasing goods and services and has an option to purchase goods and services amounting to TL 14.997.250 (31 December 2012: TL 15.003.096) in exchange of the goods or services sold.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 20 – EMPLOYMENT TERMINATION BENEFITS

Provision for employment termination benefits at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Provision for employment termination benefits	47.989.848	44.563.930
Total	47.989.848	44.563.930

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 amount payable maximum equals to one month of salary is TL 3.254,44 (31 December 2012: TL 3.033,98) for each year of service.

On the other hand Group is liable to make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due 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.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The Group has preferred to early adopt the amendment for IAS 19 which occurred in 2012 and has been effective as of 1 January 2013, therefore the Group has recognized all actuarial gains and losses in other comprehensive income.

The main actuarial assumptions used in the calculation of the total provision for employment benefits are as follows:

- in calculation, the discount rate, inflation rate and real wage increase rate are regarded as 9,70% (31 December 2012: 7,69%), 6,40% (31 December 2012: 4,98%) and 6,40% (31 December 2012: 4,98%), respectively.

- in calculation, ceiling wage amounting to TL 3.254,44 which is valid as of 31 December 2013 (31 December 2012: TL 3.033,98) has been taken into consideration as basis.

- retirement age is regarded as the earliest age at which each employee can retire.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The movements in provision for employment termination benefits during the periods ended at 31 December are as follows:

	2013	2012
1 January	(44.563.930)	(26.158.276)
Actuarial loss	(2.304.048)	(17.013.328)
Service cost during the period	(3.600.194)	(2.602.993)
Net interest expense due to the defined benefit obligation	(2.773.416)	(2.794.975)
Unrecognized amortisation of prior service cost	(141.288)	-
Payments and reversal of provisions during the period	6.602.347	6.654.117
Settlement/curtailment/termination loss	(1.209.319)	(2.648.475)
31 December	(47.989.848)	(44.563.930)

Total costs resulting from employee termination benefits with the exception actuarial losses have been included in the consolidated statement of income as of 31 December 2013.

NOTE 21 – PREPAID EXPENSES

	31 December 2013	31 December 2012
Prepaid expenses	5.225.920	3.906.513
	5.225.920	3.906.513

Prepaid expenses are mostly composed of the prepaid rents and insurance expenses.

	31 December 2013	31 December 2012
Deferred income	10.072.664	8.915.597
	10.072.664	8.915.597

NOTE 22 - OTHER ASSETS AND LIABILITIES

Other Current Assets

Other current assets at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Blocked deposits [1]	36.591.846	-
Advances given to personnel	3.908.028	3.913.762
Value added tax ("VAT") receivables	1.235.760	1.582.473
Job advances	466.137	420.358
Advances given	88.716	152.395
Other	2.364.739	5.616.715
Provision for other doubtful receivable (-)	(872.929)	(746.910)
Total	43.782.297	10.938.793

[1] According to the amendment agreement of USD 50.000.000 bank loan made in 24 February 2014, together with the addition to blocked deposit amount at 31 December 2013, total of USD 17.200.000 was paid as principal of related loan.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Other Current Assets

Movements of the provision for other doubtful receivables are as follows:

	2013	2012
1 January	(746.910)	(833.005)
Additions during the period (Note 26)	-	(112.436)
Currency translation difference	(126.019)	198.399
31 December	(872.929)	(746.910)

Other Non-Current Assets

Other non-current assets at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Value added tax ("VAT") receivable	752.090	841.327
Prepaid expenses	1.165.214	171.130
Advance given due to fixed asset purchase	395.093	165.589
Blocked deposit	19.683	16.754
Deposits and guarantees given	-	44.564
Total	2.332.080	1.239.364

Other Short-Term Liabilities

Other short-term liabilities at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
VAT payable	3.113.944	3.959.156
Other	109.935	180.298
Total	3.223.879	4.139.454

NOTE 23 - 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 TL 1. There are no privileged shares. The Company's historical authorised and paid-in share capital at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Registered share capital	800.000.000	800.000.000
Paid-in share capital	552.000.000	552.000.000

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

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Aydın Doğan and Doğan family (Işıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y. Begümhan Doğan Faralyalı) are the ultimate parent of the Company.

	31 December 2013	Share (%)	31 December 2012	Share (%)
Doğan Yayın Holding [1]	367.416.194	66,56	367.416.194	66,56
Doğan Holding [1]	61.200.274	11,09	61.200.274	11,09
Registered at Borsa İstanbul and other	123.383.532	22,35	123.383.532	22,35
Issued share capital	552.000.000	100	552.000.000	100
Adjustment to share capital	77.198.813	77.198.813		
Total	629.198.813	100	629.198.813	100

[1] As of 31 December 2013, 6,56% (31 December 2012: 6,56%) of Hürriyet's share capital belonging to Doğan Yayın Holding which is the main shareholder of the Group, and 11,09% (31 December 2012: 11,09%) of Hürriyet's share capital belonging to Doğan Holding, have "open" status and are in circulation in stock market.

In accordance with the Capital Markets Board's (the "CMB") Resolution No: 21/655 issued on 23 July 2010, it is regarded that 21,98% of the shares (31 December 2012: 20,87%) are outstanding as of 31 December 2013 based on the Central Registry Agency's ("CRA") records. 40,00% of Hürriyet's shares are publicly available.

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.

Premium on shares

The share premium of public offering represents the difference between with the nominal amount and the sales amount.

Restricted reserves

Restricted reserves are reserves which are reserved from profit of previous period for particular purposes (for instance, to advantage from sales of investment in associates) except dividend distribution or any purposes for necessity of law and agreement.

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" in accordance with the CMB Financial Reporting Standards.

In accordance with the CMB Financial Reporting Standards, Company's restricted reserves amounting to TL 167.305.861 (31 December 2012: TL 34.266.877) consist of legal reserves and gain on sales of real estate as of 31 December 2013.

Restricted reserves:	31 December 2013	31 December 2012
Composition restricted reserves	39.284.095	32.480.097
Gain on sales of real estate [1]	128.021.766	1.786.780
Total	167.305.861	34.266.877

[1] With the decision taken by the Group management, the real estate profit with the amount of TL 168.313.315 occurred in statutory records in 2012 from the sale of Hürriyet headquarter and a land located in Esenyurt amounting to TL 126.234.986 that benefits from the exemption (75%) referred to in Article 5-1/e of the Corporate Tax Law will not be involved in allocation of profits for periods 1 January 2012 – 31 December 2012 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.

Items that will not be Reclassified to Profit or Loss

Other comprehensive expenses occurred from the 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.

Remeauserement Losses in Defined Benefit Plans

Provision for employment benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group. In 2012, the Group has decided to early adopt the amendments to TAS 19 which is applicable as of 1 January 2013 and recognized all actuarial gains and losses in other comprehensive income. Remeasurement loss recognized under equity in the balance sheet amounts to TL 15.453.900 (31 December 2012: TL 13.610.662).

Capital Reserves and Retained Earnings

Subsequent to the first inflation adjusted financial statements, equity items such as; "Capital, Emission Premiums, Legal Reserves, Statutory Reserves, Special Reserves and Extraordinary Reserves" are carried at carrying value in the balance sheet and their adjusted values are collectively presented in equity.

The valuation differences resulted due to the application of the requirements set out in the communiqué (such as, inflation adjustment differences) shall be disclosed as follows:

- If the difference is arising due to the inflation adjustment of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment to Share Capital" following "Paid-in Capital";

- If the difference is due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilised in dividend distribution or capital increase yet, it shall be classified under "Retained Earnings".

Other equity items shall be carried at the amounts valued in accordance with CMB Financial Reporting Standards. Capital adjustment differences can only be included to capital.

Dividend distribution

The company takes dividend distribution decision in general board 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".

On the other hand,

a) In early adaption of TAS/ TFRS, retained earnings resulted from redrafting of comperative financial statements in line with regulations, ,
b) "Equity inflation adjustment differences" resulting from restricted reserves without any record preventing dividend distribution,
c) Retained earning resulting from the adjustments of financial statements according to inflation for the first time, 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, related account item is not considered as discount or premium item while calculating the net distributable profit.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The CMB's requires the disclosure of total amount of net profit in the statutory records and other resources which may be subject to profit distribution in the financial statements and to be announced to public. The total gross amount that can be subject to profit distribution according to legal records is TL 160.146.442.

The company's Board of Directors has, on the date of 20 June 2013, resolved that:

The shareholders be advised that, according to the consolidated financial statements for the fiscal period of 01.01.2012-31.12.2012, prepared pursuant to the provisions of the Capital Market Board's (CMB) Communiqué Series: XI, No.29 and in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (TFRS) and presented in compliance with the related resolutions of the CMB and audited independently; when "tax expenses for the period", "deferred tax revenue" and the "non-controlling interests" are considered together, there is an amount of TL 150.662.628 "Consolidated Net Period Profit"; however, after setting aside the amount of TL 6.803.998, as the "First Legal Reserves", persuant to article 519 of the TCC, deduction of the amount of TL 190.353.127, as "accumulated losses from previous years" and as resolved by the Board of Directors on 14.02.2012 with the meeting number of 2012/08 and on 28.11.2012 with the meeting number of 2012/64, article 5-1/e of the Corporate Tax Law will not be involved in allocation of profits for the period 01 January 2012 – 31 December 2012 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 and (which is 75% the profit on sale) the amount of TL 126.234.986 gain on sale from real estate , it is determined that there is no "distributable profit for the period" (loss of TL 172.729.483) in accordance with the CMB's regulations on profit distribution; and the related issue be presented for approval to the General Assembly accordingly; It has been determined that the company's fiscal records for the period 01 January 2012 - 31 December 2012 show a net profit amounting to TL 180.216.737 calculated in accordance with Turkish Commercial Code and Tax Procedure Law. Net distributable profit is calculated to be TL 3.040.976 after following deductions are made; taxes payable amounting to TL 16.334.288, prior period loss amounting to TL 44.136.777, primary reserve amounting to TL 6.803.998 calculated in line with Turkish Commercial Code, Article 519; profit from sales of property, plant and equipment which is announced to be kept in a special reserve account in the balance sheet to benefit from the tax exemption as defined by Corporate Tax Legislation, Capital Market Board Legislation , Article Number 5-1 /e, in line with Tax Legislation, Capital Market Board Legislation and all other related rules and regulations. The calculated amount (which is 75% the profit on sale) is TL 126.234.986 and the calculation is made in accordance with Turkish Commercial Cade and Tax procedure Law. The announcement with respect to booking this amount to a special reserve account were made on 14.02.2012 and 28.11.2012 in conjunction with Board Decisions numbered 2012/08 and 2012/64 respectively. Offsetting the prior year loss with the current year profit, the booking of profit from property, plant, equipment sales to a special reserve account and recording TL 3.040.976 as extraordinary reserve will be presented to the approval of General Assembly.

NOTE 24 - SALES AND COST OF SALES

Sales

	2013	2012
Advertisement sales	522.236.809	545.239.427
Circulation and publishing sales	242.256.103	238.690.076
Other	41.081.700	46.472.902
Net sales	805.574.612	830.402.405
Cost of sales	(514.437.753)	(519.195.921)
Gross profit	291.136.859	311.206.484

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Cost of Sales

The details of cost of sales for the years ended 31 December are as follows:

	2013	2012
Raw material	196.420.901	212.389.184
Paper	*127.217.157*	*140.581.531*
Printing and ink	*50.026.681*	*51.955.398*
Other	*19.177.063*	*19.852.255*
Payroll	179.895.979	169.776.811
Amortization (Dipnot 15)	35.778.039	35.841.538
Commissions	17.399.969	17.710.520
Distribution, storage and travel	10.240.547	9.372.374
Fuel, electricity, water and office expenses	8.804.845	9.986.439
Rent expenses	8.349.872	7.208.243
Maintenance and repair expenses	6.282.144	6.413.611
Outsourced services	5.679.225	4.754.859
News agency expenses	4.859.509	5.220.109
Communication	4.291.301	4.469.668
Packaging expenses	4.068.856	5.317.085
Other	32.366.566	30.735.480
Total	514.437.753	519.195.921

NOTE 25 - GENERAL ADMINISTRATION EXPENSES, MARKETING EXPENSES

a) General administrative expenses:

	2013	2012
Payroll	54.119.512	47.922.884
Depreciation and amortization charges (Note 15,16)	42.439.080	39.786.127
Consultancy	10.941.973	14.778.232
Rent	11.632.095	10.439.395
Fuel, electricity, water and office expenses	6.302.475	8.371.172
Transportation, storage and travel	3.495.228	3.895.541
Communication	3.372.990	3.768.103
Maintenance and repair expenses	3.143.708	3.035.930
Other	8.731.036	12.339.928
Total	144.178.097	144.337.312

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

b) Marketing expenses:

	2013	2012
Advertisement	54.760.314	54.782.684
Transportation, storage and travel	28.542.626	26.666.507
Payroll	25.368.924	24.942.328
Promotion	23.079.886	22.261.864
Outsourced services	4.461.614	2.301.795
Sponsorship	1.924.028	2.439.396
Depreciation and amortization charges (Note 15,16)	229.366	298.863
Other	7.051.038	7.707.861
Total	145.417.796	141.401.298

NOTE 26 - EXPENSES BY NATURE

	2013	2012
Payroll	259.384.415	242.642.023
Depreciation and amortization charges	78.446.485	75.926.528
Total	337.830.900	318.568.551

NOTE 27 - OTHER OPERATING INCOME

The details of other operating income for the periods ended at 31 December are as follows:

	2013	2012
Foreign exchange gains	58.476.989	72.181.611
Finance income from trade and other receivables	7.953.970	5.868.005
Finance income due from term sales	6.996.335	7.433.669
Interest income on bank deposits	2.702.793	7.128.483
Terminated provisions	2.418.092	3.264.976
Rent and building service income	466.836	991.890
Unrealised finance expense due from term purchases	225.536	-
Other	3.570.425	1.320.919
	82.810.976	98.189.553

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 28 - OTHER OPERATING EXPENSES

The details of other operating expenses for the periods ended at 31 December are as follows:

	2013	2012
Foreign exchange losses	26.764.523	25.816.167
Provision for doubtful receivables (Note 9, 22)	8.201.319	7.430.272
Provision for impairment of goodwill (Note 16)	-	18.105.868
Unrealized finance income due from term sales	2.727.380	2.015.435
Provision for lawsuits (Note 18)	1.897.012	2.576.440
Aids and donations	1.124.625	931.489
Punishment and compensation expense	574.431	1.062.670
Other	3.984.903	2.132.826
	45.274.193	60.071.167

NOTE 29 – INCOME FROM INVESTING ACTIVITIES

The details of income from investing activities for the periods ended at 31 December are as follows:

	2013	2012
Gain on fair value changes of the investment property (Note 14)	16.743.808	502.696
Foreign exchange gains	3.653.904	17.419.428
Gain on sales of property, plant and equipment (1)	695.061	176.884.883
Gain on sale of subisidaries	-	548.413
Gain on sale of financial investments	128.021	1.141.650
	21.220.794	196.497.070

(1) As of 31 December 2012, amounting to TL 142.905.241 is arising from the sale of Hürriyet headquarter to Nurol Gayrimenkul Yatırım Ortaklığı occurred on 1 February 2012 and amounting to TL 28.098.595 is gain on sale of fixed assets arising from the sale of the Group's land located in Esenyurt and calculated in accordance with TAS.

NOTE 30 – EXPENSES FROM INVESTING ACTIVITIES

The details of expenses from investing activities for the periods ended at 31 December are as follows:

	2013	2012
Foreign exchange losses	5.935.209	4.458.206
Loss on investment property, plant and equipments (1)	4.558.421	8.168.162
Loss on sale of subisidiaries (Note 36) (2)	2.526.517	-
	13.020.147	12.626.368

(1) Amounting to TL 4.170.103 (2012: TL 4.829.523) is arising from the sale of investment properties acquired by the Group's barter agreements and amounting to TL 388.318 (2012: TL 3.338.639) is arising from the disposal of property, plant and equipments.
(2) The Group disposed of its shares of Moje Delo, Spletni Marketin, D.O.O according Slovenian legislation in 2013.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 31 – FINANCIAL EXPENSES

The details of financial expenses for the periods ended at 31 December are as follows:

	2013	2012
Foreign exhange losses	72.804.417	30.003.472
Interest expense on bank loans	23.292.953	28.919.845
Credit comission, banking and factoring expenses	4.840.775	3.411.757
Interest expense on tax base increase under Law: 6111	-	416.353
Other	541.360	1.800.278
	101.479.505	64.551.705

NOTE 32 – INCOME TAXES

	31 December 2013	31 December 2012
Corporate and income taxes payable	886.742	17.942.352
Less: Prepaid taxes	(1.854.825)	(11.395.894)
Tax receivables	(968.083)	6.546.458

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.

The details of the effective tax laws in countries which Group has significant operations are stated below:

Turkey:

In accordance with Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006, corporation tax is 20% for 2013 (2012: 20%). 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.

Dividends paid to non-resident corporations, having representative office in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital is not considered as a profit distribution.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is to be declared by the 14th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In accordance with Tax Law No: 5024 "Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law" that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, the income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira. In accordance with the aforementioned law provisions, in order to apply inflation adjustment, cumulative inflation rate (TURKSTAT WPI) over last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not fulfilled in the years 2012 and 2013.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate.

Tax authorities can review accounting records within five years and if they determine any errors on the accounting records, tax payable can be reassessed.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses can not be carried back to offset profits from previous periods. As publicly disclosed on 19 April 2011, the Company plans to make use of the requirements set out in relation to "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees"; therefore, 50% of losses attributable to the periods that are subject to tax base increase will not be offset against the income to be obtained in 2011 and subsequent periods.

As of 31 December 2013, the Company has offset its financial losses attributable to the calculation of offsetting of tax asset against deductible financial losses or current tax provision in accordance with the above-mentioned principles.

There are numerous exemptions in the Corporate Income Tax Law. This is one of the exceptions to the Company are described below:

Dividend income from shares in capital of another corporation subject to resident taxpaying (except dividends from investment funds participation certificates and investment trusts shares) are exempt from corporate tax.

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

For companies participating in 10% or more of the capital of a non-resident limited liability or joint stock company, (except for those whose principal activity is financial leasing or investment property) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business centre at the rate of at least 15% (minimum corporate income tax applicable in Turkey for those whose principal activity is finance assurance or insurance).

The income of corporations arising from their offices or permanent representatives abroad (except for corporations whose principal activity is financial leasing or investment of marketable securities) for at least a year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax and provided that the foreign office or permanent representative must be subject to corporate income tax, or alike, in the country it is located at the rate of at least 15% (at corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in liabilities and it must be withdrawn from the entity for a period of 5 years. The sales consideration should be collected until the end of the second calendar year following the year the sale was realized.

According to the regulation, published in the 27659 numbered Official Gazette on August 1, 2010 based on Law No. 6009 through article 5, the phrase " regarding only the years 2006, 2007 and 2008" on temporary article 69 of Income Tax Law.193 has been revised which was abolished by The Constitutional Court decision numbered 2009/144 published in the Official Gazette on 8 January 2010. With respect to this revision, undeductible investment allowance due to insufficient income and deferred investment allowance amounts can be used without a year limitation. Investment allowance amount, which will be used in determination of the tax assessment, will not exceed 25% profit of the relevant year. In addition to this, instead of the corporate tax rate 30% for the ones that benefit the related allowance, effective corporate tax rate (20%) will be applied on the income after the deduction of the allowance.

In accordance with Law No:6009, which is related to the 25% threshold and requires the incentive amount that will be subject to investment incentive exemption in determining tax base cannot exceed 25% of the respective income, has been revoked based on the ground that it is contrary to the Constitution upon the Constitutional Court's resolution No: E. 2010/93 K. 2012/9 ("stay of execution") issued on 9 February 2012 and published in the Official Gazette No: 28208 on 18 February 2012. The related Constitutional Court's decision was published in the official Gazette No: 28719 as at 26 July 2013.

Russian Federation

The corporate tax rate effective in Russian Federation is 20% (2012: 20%).

Russian tax year is the calendar year and other fiscal year ends are not permitted. Profit tax is calculated on a year-to-date basis. Advance payments are made monthly, with different calculation methods for quarterly or monthly schedules subject to the taxpayer's choice.

Tax returns are filed till the 28th of March, following the close of the financial year.

According to Russian Federation's tax system, losses may be carried forward for 10 years to be deducted from future taxable income. Starting from 2007 there is no limitation as to the maximum amount that can be deducted in each particular year. Rights related to tax losses that have not been utilized in the related periods will be lost.

Tax refunds are technically possible but are very difficult to obtain in practice. Tax consolidations of tax reporting/ payments by different legal entities (or grouping) are not permitted in Russia at present. Generally, dividend income payable to a foreign organization is subject to withholding tax at 15%. This standard rate may, however, be reduced under the provisions of applicable double tax treaty.

In Russian Federation the tax regulations are subject to various comments and change frequently. Regarding to TME's operations the interpretation of tax regulations by tax authorities may differ from the management.

Hungary

The corporate tax rate effective in Hungary is 19% (2012: 19%).

According to Hungary's tax system, there is no time limit while transporting financial damages. The tax authority's permission is needed to carry forward the tax-year's losses if a company's pre-tax profit is negative and its income is less than 50% of its costs and expenses or the company's tax base was also negative in the previous two years.

From 1 January 2007, capital gains from the sale of registered shareholdings are tax-exempt, provided that the taxpayer has held the shareholding for at least two years prior to its disposal.

The two-year holding period has been reduced to one year from 1 January 2008. Capital losses and impairments on registered shares are not deductible for corporate income tax purposes.

Croatia

The corporate tax rate effective in Croatia is 20% (2012: 20%).

There are no formal procedures in Croatia to agree the final level of tax charge upon submission of the declaration for corporate tax and VAT. However, such tax charges may be subject to review by the relevant tax authorities during the limitation period of three years. The limitation period of three years starts with the year that follows the year of submission of tax declarations. The counting of three years starts again with any action of tax authorities with the purpose to collect tax, interest or fines until absolute statute of limitation of six years expires.

Tax losses may be carried forward and used within five years following the year in which they were incurred.

When paying fees for the use of intellectual property, market research services, tax and business consultation, auditing and similar services, and interest to foreign legal persons, Croatian taxpayers are obliged to withhold and pay 15% tax.

Ukraine

On 4 December 2010, the Tax Code of Ukraine (the "TCU" or the "Code") was adopted and officially published. The TCU comes into effect on 1 January 2011, although some of its provisions come into effect at a later date (the most important of these being Section III, which deals with corporate income tax and came into effect on 1 April 2011). The Code makes essential changes to the existing Ukrainian tax rules, introducing a number of concepts common in other jurisdictions (e.g. beneficial ownership, substance over form) to various degrees.

The tax that companies pay is known as corporate income tax (CIT). Currently, this tax is calculated at a flat rate of 21% (2012: 21%). The most recent changes to Ukrainian tax legislation envisage a gradual reduction in CIT rates, as follows:

21% from 1 January 2012 until 31 December 2012;
19% from 1 January 2013 until 31 December 2013;
16% from 1 January 2014 onwards.

According to domestic tax accounting rules, taxable items are normally recognized on the basis of the accrual method. In accordance with this method, taxable income is generally recognized in the reporting period, in which it was accrued. Cost of sold goods/services is recognized in the period when income is recognized (in line with financial accounting rules).

Other deductible expenses are generally recognized when they are incurred (i.e. upon receipt of goods or services), regardless of the period of payment. However, certain types of taxable income are recognized on a cash basis. This includes fines and financial assistance received from non-residents (unless financial assistance is provided by the company's shareholders and returned within 365 days).

Gross taxable income is defined as any income, from domestic or foreign sources, that is received or accrued by the taxpayer in the course of conducting any activity. This income may be in monetary, tangible or intangible form.

The tax year for CIT is a calendar year, while CIT reporting periods are a calendar quarter, half year, first three quarters and calendar year. Taxpayers must submit tax returns for each reporting period and make quarterly tax payments. Quarterly tax returns must be submitted within 40 days of the last calendar day of each reporting period (10 May, 9 August, 9 November, 9 February). Quarterly tax payments should be made within 50 days of the end of a reporting period.

Belarus

The corporate tax rate effective in Belarus is 18% (2012: 18%).

The tax period is the calendar year. Profit tax is calculated as progressive total. Advance payments are made quarterly, on the basis of either the previous year results or expected current year profits.

The annual corporate tax declaration is due by 20 March of the following year. Tax loss carry forward is not allowed.

Tax refunds are possible. Tax consolidations of tax reporting/payments by different legal entities (or grouping) are not permitted in Belarus at present. Generally, dividend income payable to a foreign organization is subject to withholding tax at 12%. This standard rate may, however, be reduced under the provisions of applicable double tax treaty.

The Belarus tax regulations change frequently.

Kazakhstan

Under the Tax Code of the Republic of Kazakhstan companies shall pay the CIT on taxable income at a 20% rate (2012: 20%).

According to the Tax Code, taxable income is defined as the difference between gross annual income and deductible expenses provided for under the Tax Code taking into account adjustments made. Gross annual income is defined as any income, from domestic or foreign sources, that is received or accrued by a taxpayer during the tax period. This income may be in monetary, tangible or intangible form.

Deductible expenses should be directly associated with generating taxable income from activities performed by a company. An accrual method is applied with respect to income and expenses determination for CIT purposes. According to the tax legislation, losses may be carried forward for 10 years to be deducted from future taxable income.

A tax period for CIT is a calendar year. A taxpayer is to forecast its expected taxable income and calculate advance monthly payments which are due not later than 25th day of each month of the reporting year. The annual CIT return is due by 30 June of the year following the reporting year. Should actual CIT liability be different from the initially estimated advances, taxpayers may correct their tax liabilities during the tax year but not later than 20 December of the reporting tax period. There are other special requirements relative to calculation of advance payments in the Tax Code. The following taxpayers shall be entitled not to calculate and make CIT advance payments:

- Taxpayers whose gross annual income after adjustments for the tax period preceding the previous tax period, did not exceed 325 times the monthly calculation index set by the law on the state budget and effective at January 1 of the relevant financial year;
- Newly created taxpayers – during the tax period in which state registration (record of registration) was carried out with the justice authorities, and also during the subsequent tax period;
- Non-resident legal entities newly registered with the tax authorities as taxpayers, and operating in Kazakhstan through a permanent establishment without a branch or representative office – during the tax period in which registration with the tax bodies was carried out, and also during the subsequent tax period.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The tax rates at 31 December 2013, which are used in the calculation of deferred tax, taking each country's tax legislations into consideration are as follows:

Country	Tax rates (%)	Country	Tax rates (%)
Germany	28,0	Kazakhstan	20,0
Croatia	20,0	Hungary	19,0
Belarus	18,0	Holland	25,0
Russia	20,0	Ukraine	21,0

Deferred Tax

The Group recognizes deferred tax assets and liabilities based on temporary differences arising between the financial statements as reported for CMB Financial Reporting Standards and financial statements prepared in accordance with the tax legislation. . These differences usually result in the recognition of revenue and expenses in different reporting periods fort he CMB's Financial Reporting Standards and tax purposes.

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.

	31 December 2013	31 December 2012
Deferred tax liabilities	(106.367.744)	(112.550.695)
Deferred tax assets	15.590.176	14.371.902
Deferred tax liabilities, net	(90.777.568)	(98.178.793)

The temporary differences and deferred tax assets / (liabilities) using the enacted tax rates as of 31 December 2013 and 31 December 2012 are as follows:

	Total temporary differences		Deferredtax assets / (liabilities)	
	2013	2012	2013	2012
Provision for employment benefits and unused vacation rights	65.750.409	59.400.792	13.151.427	11.832.801
Difference between tax base and carrying value of trade receivables	18.890.857	20.516.409	3.778.465	4.010.511
Investment incentives	56.958.599	56.958.599	742.605	742.604
Carry forward tax losses [1]	53.792.898	5.396.867	10.759.006	1.078.660
Investment properties valuation difference	(12.536.712)	(12.386.955)	(247.676)	32.064
Deferred revenue	2.074.046	1.594.318	414.809	318.863
Difference between tax bases and carrying value of property, plant and equipment and intangibles	(594.799.841)	(607.388.434)	(124.579.430)	(121.692.751)
Other, net	23.714.891	26.832.633	5.203.226	5.498.455
Total	(386.154.853)	(449.075.771)	(90.777.568)	(98.178.793)

[1] As of 31 December 2013, carry forward tax losses for which no deferred income tax asset was recognised amounted to TL 85.519.173 (31 December 2012: TL 113.620.671).

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The maturity analysis of carry forward tax losses utilized is as follows:

	31 December 2013	31 December 2012
2014	-	5.396.867
2015 and after	53.792.898	-
Total	53.792.898	5.396.867

The movements of net deferred tax liabilities for the periods ended 31 December are as follows:

	2013	2012
1 January	(98.178.793)	(104.926.671)
Deferred tax liability in consolidated income statements	12.281.732	3.025.301
Actuarial loss	460.810	3.402.666
Translation reserves	(5.337.700)	(452.892)
Disposal of subsidiary	(3.617)	(67.739)
Discontinued operations	-	840.542
31 December	(90.777.568)	(98.178.793)

The analysis of the tax expense / (income) for the periods ended at 31 December are as follows:

	2013	2012
Current	5.218.150	(24.136.886)
Deferred	(12.281.732)	3.025.301
Total	(7.063.582)	(21.111.585)

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The reconciliation of the current period tax expense in the consolidated statement of income for the periods ended at 31 December and consolidated tax and the tax (income) / expense calculated with the current tax rate over income before tax and non-controlling interests are as follows:

	31 December 2013	31 December 2012
Profit/ (loss) before taxes and non-controlling interests	(61.287.824)	171.856.916
Current period tax expense / (income) calculated at the effective tax rates of countries	(19.031.199)	37.873.240
Expenses not deductible for tax purposes	3.804.602	3.597.360
Effect of impairment of goodwill	-	3.621.174
Effect of share losses investments accounted by the equity method	1.462.412	2.233.325
Carry forward losses utilized	(5.009.486)	(2.713.176)
Tax on dividend distributions	11.462.475	4.627.612
Income exempt from tax	(241.584)	(25.689.164)
Other, net	489.198	(2.438.786)
Tax (income) / expense	(7.063.582)	21.111.585

NOTE 33 – (LOSS) / PROFIT PER SHARE

(Loss) / profit per share is calculated by dividing the net (loss) / profit for the period attributable to equity holders of the company to the weighted average number of ordinary shares in issue. (Loss) / profit per share for the periods ended 31 December is as follows:

	2013	2012
Continued operations net (loss)/incomefort he period	(54.224.242)	150.745.331
Discontinued operations net (loss) for the period	(24.583.900)	(3.718.815)
Net (loss)/income fort he period	(78.808.142)	147.026.516
Number of ordinary shares in issue (with nominal value of TL 1 each)	552.000.000	552.000.000
Earning / (loss) per share (TL)		
Earning / (loss) pers hare from continued operations	(0,0982)	0,2731
Loss pers hare from discontinued operations	(0,0445)	(0,0067)
Loss pers hare from continued and discontinued operations	(0,1427)	0,2664

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 34 - RELATED PARTY DISCLOSURES

For the purpose of accompanying consolidated financial statements, related parties are referred to as legal entities in which Doğan Holding directly or indirectly has participation, including any entities under joint control; real persons and/or legal entities that have direct or indirect control or joint control over the Company and their and their close family members (immediate family members) and legal entities having direct or indirect control or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company's affiliates, subsidiaries and members of the BOD, key management and their close family member (immediate family members) and real persons and/or legal entities that are directly or indirectly controlled individually or jointly. As of 31 December 2013 and 31 December 2012 related party balances and transactions are described below.

i) Balances of related parties:

Short term receivables due from related parties:

	31 December 2013	31 December 2012
Short term trade receivables from related parties		
Doğan İnternet Yayıncılığı ve Yatırım A.Ş. ("Doğan İnternet") (1)	10.469.632	6.085.323
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik") (2)	8.258.663	7.200.095
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım") (3)	3.047.138	4.048.701
Milta Turizm İşletmeleri A.Ş. ("Milta") (4)	2.914.750	1.066.230
Doğan TV Holding	1.076.734	-
Doğan Media International GmbH ("Doğan Media") (5)	225.625	1.214.173
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	551.110	161.994
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") (6)	492.938	546.735
D- Market Elektronik Hizmetler ve Tic. A.Ş. ("D Market")	442.473	528.969
Işıl İthalat	-	593.930
Other	1.373.452	1.268.264
Allowance for doubtful receivables	(799.004)	(799.004)
	28.053.511	21.915.410
Short term other receivables from related parties		
Doğan Media	-	2.992.773
	28.053.511	24.908.183

(1) Medyanet and Doğan İnternet Yayıncılığı ve Yatırım A.Ş. have been merged on 8 February 2013. Transactions made with these two companies are shown in the same line for all periods. The balance is arising from sales of internet commercials to Doğan İnternet Yayıncılığı ve Yatırım A.Ş. through websites.
(2) Receivable arising from printing newspapers of Doğan Gazetecilik in the Group's printing houses.
(3) Receivables arising from the daily distribution of newspapers of the Group.
(4) Receivables arising from transportation services provided by Milta regarding to barter agreement made in 2013.
(5) Receivables arising from printing of Doğan Media newspapers in the Hürriyet Frankfurt Germany plants.
(6) The receivable is arising from the Group's commercial advertisement sales to Doğan Burda Dergicilik together with fason printing of magazine, book and insert.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Movement of allowance for doubtful receivables are as follows:

	2013 (1)	2012 (1)
1 January	(799.004)	(799.004)
Collections	-	-
31 December	(799.004)	(799.004)

(1) Doubtful amount is arising from the receivables of Katalog Yayın ve Tanıtım Hizmet A.Ş. which is an inactive group company.

Short term payables to related parties:

	31 December 2013	31 December 2012
Short term trade payables to related parties		
Doğan Media International GmbH (1)	5.247.811	-
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret") (2)	2.061.706	567.987
Doğan Holding (3)	2.371.925	644.018
Falcon Purchasing Services Ltd. ("Falcon") (4)	1.514.309	1.352.173
Galata Wind Enerji A.Ş. ("Galata Wind") (5)	1.477.892	1.508.161
Doğan Müzik Kitap Mağazacılık ve Pazarlama A.Ş. ("Doğan Müzik Kitap")	142.828	
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv")	167.700	53.201
Doğan TV Dijital Platform İşl. A.Ş. (Doğan TV Digital")	109.346	142.432
Doğan Yayın Holding	83.008	224.384
Doğanlar Sigorta Aracılık Hizmetleri Ltd. Şti.	72.528	48.986
Milta Turizm	69.433	21.143
Doruk Televizyon ve Radyo Yayıncılık ("Doruk Televizyon")	18.120	-
Other	320.568	240.987
	13.514.346	4.946.300
Short term other payables to related parties		
Doğan Yayın Holding	3.277.571	-
Doğan Holding	1.524	-
	16.793.441	4.946.300

(1) Arising from the cash paid by Doğan Media International for the printing service.
(2) The Group's raw materials are provided by Doğan Dış Ticaret.
(3) The balance is arising from financial, legal, information technology and other consultancy services together with other services which are received from Doğan Holding.
(4) Arising from cost of paper purchased by Hürriyet Zweigniederlassung GmbH.
(5) The balance is arising from electricity energy provided for the Hürriyet building and printing houses in regions.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

ii) Significant transactions with related parties:

Transactions in related parties for the periods ended as of 31 December 2013 and 2012 are as follows:

Significant service and product sales to related parties:

	2013	2012
Doğan Dağıtım [1]	99.309.970	100.155.142
Doğan Gazetecilik [2]	25.703.875	25.875.635
Doğan İnternet Yayıncılığı [3]	17.382.210	11.821.197
Doğan Media [4]	9.293.086	14.530.167
Kanal D [5]	3.834.669	3.445.412
D Market [6]	1.985.254	847.819
Doğan Burda [7]	3.212.043	4.295.887
Mozaik İletişim Hizmetleri A.Ş. [8]	1.668.412	2.220.439
Doruk TV ve Radyo Yayincılık A.Ş [9]	1.673.338	1.646.950
Doğan ve Egmont Yayıncılık ve Yapımcı Ticaret A.Ş. ("Doğan Egmont") [10]	1.224.024	1.376.820
Doğan Müzik Kitap	334.364	302.389
Doğan TV Digital Platform İşl. A.Ş.	89.019	501.352
Other	729.467	541.936
	166.439.731	167.561.145

[1] The group makes the sales of daily newspapers to Doğan Dağıtım.
[2] The newspapers owned by Doğan Gazetecilik are printed in the Group's printing houses.
[3] Medyanet and Doğan Internet Yayıncılığı ve Yatırım A.Ş. have been merged on 8 February 2013. Transactions made with these two companies are shown in the same line for all periods. The sales of internet commercials of the Group are carried out through Doğan İnternet Yayıncılığı ve Yatırım A.Ş.
[4] The sale and the commercial of Hürriyet Europe edition are carried out by Doğan Media.
[5] The balance is arising from the Group's commercial advertisement sales to Kanal D.
[6] The balance is arising from the Group's commercial advertisement sales to D Market.
[7] The Group provides the printing services of fason magazine, book and insert to Doğan Burda together with the sale of commercial advertisement.
[8] The balance is arising from the Group's commercial advertisement sales to Mozaik.
[9] The balance is arising from the Group's news and commercial advertisement sales to Mozaik.
[10] The Group provides the printing services of fason magazine to Doğan Egmont together with the sale of commercial advertisement.

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Significant service and product purchases from related parties:

	2013	2012
Doğan Dış Ticaret [1]	123.853.413	79.470.287
Doğan Dağıtım [2]	23.736.312	22.526.842
Doğan Holding [3]	6.128.897	7.676.566
Galata Wind [4]	10.911.851	-
Kanal D [5]	4.325.343	8.990.089
Falcon [6]	4.907.574	3.286.513
Ortadoğu Otomotiv [7]	3.732.370	3.058.586
Milta [8]	3.506.748	2.121.239
Doğan TV Digital Platform İşl. A.Ş. [9]	3.152.030	3.330.019
Doğan Gazetecilik [10]	2.956.739	2.144.543
Doğan İnternet Yayıncılık	1.134.327	1.150.980
Mozaik	1.130.406	1.348.907
Doruk TV ve Radyo Yayıncılığı	990.081	561.026
D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım Reklamcılık")	984.582	881.829
Dogan Burda	514.128	479.842
Doğan TV –Radyo	328.835	863.397
Kutup Televizyon ve Radyo Yayıncılık A.Ş	132.052	549.426
Doğan Media	124.396	2.230.163
Işıl İthalat	-	60.662.329
Diğer	4.061.327	2.109.719
	196.611.411	203.442.302

(1) The Group's raw materials are provided by Doğan Dış Ticaret. Doğan Dış Ticaret and Işıl Ithalat Ihracat have merged in 31 December 2012.
(2) Doğan Dağıtım provides newspaper distribution services to the Group. The amount of services and goods purchased from Doğan Dağıtım comprises newspaper returns, distribution and transportation expenses.
(3) The balance is arising from electricity energy provided for the Hürriyet building and printing houses in regions.
(4) Hürriyet Zweigniederlassung GmbH, one of the subsidiaries of the Group, has started to purchase of paper from Falcon since 2012.
(5) Financial, legal, information technology and other consultancy services together with other services which had been received from Doğan Yayın Holding A.Ş. in the prior period have started to be provided by Doğan Şirketler Grubu Holding A.Ş. in the current period.
(6) The balance is arising from Group's commercials.
(7) The balance is arising from rent and other expenses of the Group's building, which is rented from Ortadoğu Otomotiv in Ankara region.
(8) The balance is comprised of part of the Group's car rental, organization and transportation expenses provided by Milta.
(9) Doğan Iletişim and Doğan TV Digital Platform Işl. A.Ş. have been merged on 30 April 2012. Transactions made with these two companies are shown in the same line for all periods.
(10) The balance is arising from rent, security and other expenses of the Group's building, which is rented as headquarter.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Other Income:	2013	2012
Doğan Dış Ticaret[1]	1.618.804	1.844.424
Doğan Dağıtım	549.040	739.658
Doğan Media	317.051	397.050
Doğan Gazetecilik	77.597	242.449
Doğan Burda	68.667	417.546
D- Market Elektronik Hizmetler ve Tic. A.Ş. [2]	9.766	2.816
Doğan TV Digital Platform İşl. A.Ş.	4.957	145.944
Doğan Egmont	900	84.135
Doğan Yayın Holding	-	72.014
Other	74.223	163.173
	2.721.005	4.109.209

[1]The Group's raw materials are provided by Doğan Dış Ticaret. Işıl İthalat Ihracat has merged with Doğan Dış Ticaret on 31 December 2012. Transactions made with these two companies are shown in the same line for all periods.
[2]The website "yenicarsim.com" which operates under the Hürriyet Gazetecilik ve Matbaacılık A.Ş, is sold to D-Market Elektronik Hizmetler ve Ticaret A.Ş. with all brand, royalties, internet domain names and fixtures.

Amounting to TL 2.215.298 of other income which totally amounts to TL 2.215.298 consists of rent income which Hürriyet gathers from the Group companies.

Purchase of property, plant and equipment and intangible asset:

	2013	2012
Doğan TV Digital Platform İşl. A.Ş.	527.088	62.520
Doğan Media International	47.195	-
D-Market	25.132	88.876
Doğan İnternet Yayıncılığı ve Yatırım A.Ş.	-	2.620.000
Doğan Gazetecilik	-	124.684
Milpa	-	100.234
Other	6.708	35.108
	606.123	3.031.422

Financial income:	2013	2012
Doğan Holding [1]	295.750	7.856.650
Doğan Media [2]	239.735	102.379
Other	-	4.406
	535.485	7.963.435

[1] In 2013, the Group borrowed a financial debt amounting to USD 21.500.000 from Doğan Holding (2012: USD 51.500.000) and the last principal payment of the debt was made on 24 September 2013. Financial expense, due to realized foreign exchange and interest, has occured regarding to this debt.
[2] In 2013, the Group gave financial debt amounting to EUR 3.110.825 (2012: EUR 1.272.600) and the last principal payment of the debt was made on 29 November 2013. Financial income has occured regarding to this debt.

Financial Expenses:	2013	2012
Doğan Holding [1]	2.467.643	3.536.939
Doğan Faktoring [2]	788.771	1.205.733
Doğan Yayın Holding	2.595	527
	3.259.009	4.743.199

[1] In 2013, the Group borrowed a financial debt amounting to USD 21.500.000 from Doğan Holding (2012: USD 51.500.000) and the last principal payment of the debt was made on 24 September 2013. Financial expense, due to realized foreign exchange and interest, has occured regarding to this debt.
[2] Invoicing and controlling of Grup's commercial advertisement and collection of these commercial advertisement receivables are made by Doğan Factoring, commisions paid for these services are accounted in financial expenses.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

iii) Key Management Personnel:

The Group determined the key management personnel as board of directors and executive committee. Benefits provided to key management personnel consist of wage, premium, health insurance, transportation and post-employment benefits.

	2013	2012
Salaries and other short term benefits	8.038.531	7.676.202
Post-employment benefits	1.235.931	380.914
	9.274.462	8.057.116

NOTE 35 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In November 2013, the Group decided to sell its subsidiaries operating in Hungary and Crotia so that companies' assets and liabilities are classified as assets held for sale and presented seperately in the balance sheet. In 28 February 2014, the Group transferred its subsidiary Oglasnik d.o.o. for Kuna 2 to the non-controlling interests.

The details of assets and liabilities held for sale are as follows:

Assets and liabilities	31 December 2013
Cash and cash equivalemts	1.009.524
Trade receivables	894.272
Other receivables and current assets	968.972
Intengible assets	27.264.532
Property, plant and equipment	2.441.639
Provision for net assets disposed	(23.301.137)
Total assets classified as held for sale	9.277.802
Trade payables	2.439.505
Other financial liabilities	1.011.658
Other payables	34.149
Deferred tax liabilities	5.760.476
Other long term liabilities	32.014
Total liabilities classified as held for sale	9.277.802

In 19 September 2013, the Group made an agreement to sell the plant for USD 9 million which is located in Istanbul Esenyurt and 17.725,69 m2. According to the agreement, this area is classified as assets held for sale.

Assets	31 December 2013
Property, plant and equipment	4.684.768
Total assets classified as held for sale	4.684.768

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

In November 2013, the Group decided to sold its subsidiaries operating in Hungary and Croatia and classified their operations as discontinued operations.

Net result of discontinued operations	2013
Gain from sale	10.610.898
Cost of sales (-)	(5.831.711)
General administrative expenses (-)	(6.728.166)
Marketing, sales and distribution expenses (-)	(2.108.856)
Other operating income	3.899.923
Other operating expenditures (-)	(1.450.315)
Financial expenses (-)	(47.583)
Loss before taxes	(1.655.810)
Tax income	373.047
Net loss	(1.282.763)
Provision for net assets disposed	(23.301.137)
Loss from discontinued operations after income taxes	(24.583.900)

NOTE 36 - DISPOSAL OF SUBSIDIARY

In 2013, the Group has disposed of its entire shares in its subsidiary Moje Delo, spletni marketing, d.o.o. according to the Slovenia statutory legislation.

Book value of net assets disposed of	31 December 2013
Current assets	
Cash and cash equivalents	267.687
Trade receivables	168.209
Other receivables	117.566
Other current assets	25.521
Non-current assets	
Tangible and intangible assets	511.185
Deferred tax assets	3.617
Short-term liabilities	
Trade payables	1.859.475
Other payables	70.539
Other short-term liabilities	425.044
Net assets disposed of	(1.261.273)
Loss on sale of subsidiary	
Group's share on net assets disposed of (55%)	(693.700)
Goodwill (Note 16)	6.457.517
Consideration:	
Consideration paid in cash and cash equivalents	3.237.300
Net cash inflow on disposal:	
(Less) cash and cash equivalent balances disposed of	(267.687)
Total cash obtained from sale	2.969.613
Loss on sale of subsidiary (Note 30)	(2.526.517)

NOTE 37 - FINANCIAL RISK MANAGEMENT

37.1 Financial Risk Management

(i) Interest rate risk

The Group's interest rate sensitive financial instruments are as follows:

	31 December 2013	31 December 2012
Financial instruments with fixed interest rate		
Bank deposits (Note 5)	24.718.794	90.094.066
Loans and receivables	73.576.936	135.195.723
Financial liabilities (Note 7)	193.731.489	205.387.309
Financial instruments with floating interest rate		
Financial liabilities (Note 7)	224.302.700	298.739.972

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. The Group management uses interest bearing short term assets within natural policy context to stabilize the maturity of the interest bearing liabilities and assets. Furthermore, the Group hedges interest rate risks arising from floating rate borrowings, by limited use of derivatives, such as interest rate swaps.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk. As of 31 December 2013 and 31 December 2012, the Group's borrowings at floating rates are predominantly denominated in US Dollars and Euros.

At 31 December 2013, had the interest rates on USD and Euro denominated borrowings been 100 basis point higher/lower with all other variables held constant, mainly as a result of higher/lower interest expense on floating rate borrowings; net profit for the period before tax and non-controlling interests would have been lower/higher by TL 439.195 (31 December 2012: TL 536.396).

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

(ii) Liquidity risk

The table below shows the liquidity risk arising from financial liabilities of the Group:

31 December 2013	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Financial liabilities (Note 7)	418.034.189	442.860.458	10.201.429	157.844.204	274.814.825	-
Other financial liabilities (Note 8)	16.154.517	16.154.517	16.154.517	-	-	-
Derivative financial liabilities (Note 8)	2.440.486	2.440.486	-	2.440.486	-	-
Trade payables						
- Related party (Note 34)	*13.514.346*	*13.514.346*	*13.514.346*	-	-	-
- Other (Note 9)	*48.011.482*	*48.237.018*	*8.536.904*	*39.700.114*	-	-
Other payables						
- Related party (Note 34)	*3.279.095*	*3.279.095*	*3.279.095*	-	-	-
- Other (Note 10)	*4.542.986*	*4.542.986*	*4.079.129*	-	*463.857*	-

31 December 2012	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Financial liabilities (Note 7)	504.127.281	530.245.874	91.551.053	217.663.564	220.760.575	270.682
Other financial liabilities (Note 8)	18.207.476	18.207.476	-	18.207.476	-	-
Trade payables						
- Related party (Note 34)	4.946.300	4.946.300	4.946.300	-	-	-
- Other (Note 9)	51.158.702	51.238.450	13.946.909	37.291.541	-	-
Other payables						
- Other (Note 10)	1.888.611	1.888.611	1.717.936	-	170.675	-

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims maintaining flexibility in funding by keeping committed credit lines available.

Funding risk of current and future debt requirements is managed by continuance of sufficient and highly qualified creditor's access. The Group aims at maintaining cash and cash equivalents for the anticipated cash flows of raw material purchase for the subsequent six-months.

The liquidity table demonstrates the Group's net financial liabilities in accordance with the redemption schedule. Such amounts are undiscounted future cash flows of financial liabilities of the Group. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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At 31 December 2013, the Group has long-term bank borrowings amounting to TL 261.465.762 (31 December 2012: TL 201.449.549) and long-term trade payables to suppliers amounting to TL 4.692.877 (31 December 2012: TL 6.929.212) (Note 7).

(iii) Credit Risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by limiting the credit amount of any individual counterparty. The credit risk is generally highly spread due to the large number of entities comprising the customer bases.

Aging analysis for trade receivables:

As of 31 December 2013 there are past due trade receivables amounting to TL 98.979.383 which are not considered as doubtful receivables (31 December 2012: TL 96.089.440). The Group does not foresee any collection risk for the delay up to one month due to sector dynamics and conditions. The Group restructures the trade receivables by applying due date differences which are due over one month and/or the Group does not foresee any collection risk since they are under coverage of guarantees such as mortgage, indemnity or guarantee notes. As of 31 December 2013, the amount of mortgage and indemnity received is TL 11.117.148 for the related receivables. (31 December 2012: TL 12.677.246)

As of 31 December 2013 and 31 December 2012, aging analysis for trade receivables that are past due but not impaired are as follows:

	31 December 2013		31 December 2012	
	Related party	Other receivables	Related party	Other receivables
0-1 month	6.067.740	24.687.770	9.440.546	28.147.683
1-3 months	11.628.381	22.243.183	5.573.647	22.755.795
3-6 months	93.530	13.900.614	41.817	14.680.406
6-12 months	1.209.586	12.161.327	82.030	9.699.486
1-2 years	78.688	6.908.564	-	5.668.030
	19.077.925	79.901.458	15.138.040	80.951.400

As of 31 December 2013 and 31 December 2012, aging analysis for trade receivables that are past due and impaired is as follows:

Impaired	31 December 2013	31 December 2012
Past due 0 - 3 months	510.098	696.997
Past due 3 - 6 months	1.182.402	959.039
Past due 6 months and over	51.363.697	57.520.625
Less: Provision for impairment (Note 9, 34.i)	(53.056.197)	(59.176.661)

The balance of related party receivables that are past due and impaired as of 31 December 2013 is TL 799.004 (31 December 2012: TL 799.004). There is no trade receivable which is not over due and impaired as of 31 December 2013.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The Group's credit risk of financial instruments as of 31 December 2013 is as follows:

	Trade receivables		Other receivables				
31 December 2013	Related party	Other	Related party	Other	Bank deposits	Derivative instruments	Other assets
Maximum credit risk exposure as of balance sheet date	28.053.511	184.461.348	-	78.605.571	46.545.822	-	19.683
- The part of maximum credit risk under guarantee with collateral	-	15.695.353	-	-	-	-	-
A. Net book value of financial assets that are not past due/impaired	8.975.586	104.559.890	-	78.605.571	46.545.822	-	19.683
- The part under guarantee with collateral	-	3.362.975	-	-	-	-	-
B. Net book value of financial assets that are renegotiated if not that will be accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	19.077.925	79.901.458	-	-	-	-	-
- The part under guarantee with collateral	-	11.117.148	-	-	-	-	-
D. Net book value of impaired asset							
- Past due (gross carrying amount)	799.004	51.384.264	-	872.929	-	-	-
- Impairment (-)	(799.004)	(51.384.264)	-	(872.929)	-	-	-
- The part of net value under guarantee with collateral	-	-		-	-	-	-
- Not over due (gross carrying amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The Group's credit risk of financial instruments as of 31 December 2012 is as follows:

	Trade receivables		Other receivables				
31 December 2012	Related party	Other	Related party	Other	Bank deposits	Derivative instruments	Other assets
Maximum credit risk exposure as of balance sheet date	21.915.410	192.396.863	2.992.773	136.980.349	107.461.678	573.393	16.754
- The part of maximum credit risk under guarantee with collateral	-	16.151.125	-	-	-	-	-
A. Net book value of financial assets that are not past due/impaired	6.777.370	111.445.463	2.992.773	136.980.349	107.461.678	573.393	16.754
- The part under guarantee with collateral	-	3.403.801	-	-	-	-	-
B. Net book value of financial assets that are renegotiated if not that will be accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (Note 9)	15.138.040	80.951.400	-	-	-	-	-
- The part under guarantee with collateral	-	12.677.246	-	-	-	-	-
D. Net book value of impaired asset							
- Past due (gross carrying amount)	799.004	57.630.747	-	746.910	-	-	-
- Impairment (-)	(799.004)	(57.630.747)	-	(746.910)	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-	-
- Not over due (gross carrying amount)							
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

(iv) Foreign currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to TL. 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 three to six months. However, this policy should be revised by the management when deemed necessary, according to market conditions.

TL equivalents of assets and liabilities denominated in foreign currencies at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Assets	163.899.403	257.859.640
Liabilities	(461.403.156)	(555.238.493)
Net asset / (liability) position of off-balance sheet derivatives	(2.571.782)	19.261.171
Net foreign currency position	(300.075.535)	(278.117.682)

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 December 2013: 2,1343 TL= 1 USD and 2,9365 TL=1 Euro (31 December 2012: 1,7826 TL= 1 USD and 2,3517 TL=1 Euro).

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The table summarizes the foreign currency position risk as of 31 December 2013 and 31 December 2012. The carrying amount of foreign currency denominated assets and liabilities of the Group are as follows:

31 December 2013	TL Equivalent	USD	Euro	Other
1. Trade Receivables	11.307.150	592.985	6.280.952	4.433.213
2a. Monetary Financial Assets (Cash, Banks included)	29.896.020	8.370.923	3.688.131	17.836.966
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	85.899.751	73.892.522	151.033	11.856.196
4. Current Assets (1+2+3)	127.102.921	82.856.430	10.120.116	34.126.375
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	36.796.482	36.591.846	14.683	189.953
8. Non-Current Assets (5+6+7)	36.796.482	36.591.846	14.683	189.953
9. Total Assets (4+8)	163.899.403	119.448.276	10.134.799	34.316.328
10. Trade Payables	10.436.324	823.352	2.228.527	7.384.445
11. Financial Liabilities (Note 7)	149.488.251	132.577.048	16.911.203	-
12a. Other Monetary Financial Liabilities	35.319.946	369.249	454.183	34.496.514
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	195.244.517	133.769.649	19.593.913	41.880.955
14. Trade Payables	-	-	-	-
15. Financial Liabilities (Note 7)	266.158.639	256.116.000	10.042.639	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	266.158.639	256.116.000	10.042.639	-
18. Total Liabilities (13+17)	461.403.156	389.885.649	29.636.552	41.880.955
19. Net asset / liability position of off-balance sheet derivatives (19a-19b)	(2.571.782)	10.671.500	(13.243.282)	-
19a. Off-balance sheet foreign currency derivative assets	77.127.864	46.954.600	30.173.264	-
19b. Off-balance sheet foreign currency derivative liabilities	79.699.646	36.283.100	43.416.546	-
20. Net foreign currency asset liability position (9-18+19)	(300.075.535)	(259.765.873)	(32.745.035)	(7.564.627)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(420.199.990)	(380.921.741)	(19.667.469)	(19.610.780)
22. Fair value of foreign currency hedged financial assets	-	-	-	-

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

31 December 2012	TL Equivalent	USD	Euro	Other
1. Trade Receivables	17.452.649	497.495	8.109.173	8.845.981
2a. Monetary Financial Assets (Cash, Banks included)	89.270.856	49.696.545	13.241.094	26.333.217
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	89.643.565	74.990.744	162.066	14.490.755
4. Current Assets (1+2+3)	196.367.070	125.184.784	21.512.333	49.669.953
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	61.492.570	61.276.875	-	215.695
8. Non-Current Assets (5+6+7)	61.492.570	61.276.875	-	215.695
9. Total Assets (4+8)	257.859.640	186.461.659	21.512.333	49.885.648
10. Trade Payables	13.398.849	2.362.821	2.467.502	8.568.526
11. Financial Liabilities (Note 7)	295.748.520	240.584.431	38.345.036	16.819.053
12a. Other Monetary Financial Liabilities	37.674.928	4.160.288	1.121.613	32.393.027
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	346.822.297	247.107.540	41.934.151	57.780.606
14. Trade Payables	-	-	-	-
15. Financial Liabilities (Note 7)	208.378.761	196.085.999	12.292.762	-
16a. Other Monetary Financial Liabilities	37.435	-	-	37.435
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	208.416.196	196.085.999	12.292.762	37.435
18. Total Liabilities (13+17)	555.238.493	443.193.539	54.226.913	57.818.041
19. Net asset / liability position of off-balance sheet derivatives (19a-19b)	19.261.171	33.372.946	(14.111.775)	-
19a. Off-balance sheet foreign currency derivative assets	33.372.946	33.372.946	-	-
19b. Off-balance sheet foreign currency derivative liabilities	14.111.775	-	14.111.775	-
20. Net foreign currency asset liability position (9-18+19)	(278.117.682)	(223.358.934)	(46.826.355)	(7.932.393)
21. Net foreign currency asset / liability position of monetary items	(1+2a+5+6a-10-11-12a-14-15-16a)	(448.514.988)	(392.999.499)	(32.876.646)
22. Fair value of foreign currency hedged financial assets	-	-	-	-

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

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

31 December 2013	Profit / Loss	
	Foreign currency appreciation	Foreign currency depreciation
If the US dollar had changed by 10% against the TL		
USD net (liabilities) / assets	(27.043.737)	27.043.737
Hedging amount of USD	-	-
USD net effect on (loss) / income	(27.043.737)	27.043.737
If the EUR had changed by 10% against the TL		
Euro net (liabilities) / assets	(1.950.175)	1.950.175
Hedging amount of Euro	-	-
Euro net effect on (loss) / income	(1.950.175)	1.950.175
If other foreign currency had changed by 10% against the TL		
Other foreign currency net (liabilities) / assets	(756.463)	756.463
Hedging amount of other foreign currency	-	-
Other foreign currency net effect on (loss) / income	(756.463)	756.463

31 December 2012	Profit / Loss	
	Foreign currency appreciation	Foreign currency depreciation
If the US dollar had changed by 10% against the TL		
USD net (liabilities) / assets	(25.673.188)	25.673.188
Hedging amount of USD	-	-
USD net effect on (loss) / income	(25.673.188)	25.673.188
If the EUR had changed by 10% against the TL		
Euro net (liabilities) / assets	(3.271.458)	3.271.458
Hedging amount of Euro	-	-
Euro net effect on (loss) / income	(3.271.458)	3.271.458
If other foreign currency had changed by 10% against the TL		
Other foreign currency net (liabilities) / assets	(793.239)	793.239
Hedging amount of other foreign currency	-	-
Other foreign currency net effect on (loss) / income	(793.239)	793.239

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

37.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in and to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders in accordance with the CMB regulations, issue new shares or sell assets to decrease borrowing. There are covenants related with the bank borrowings stated in Note 7 which the Group has to fulfill net debt / equity ratio as stated in the contracts of the related bank borrowings.

The net liability/total equity ratio at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Total liability [(1)]	605.567.198	666.604.450
Less: Cash and cash equivalents (Note 5)	(47.206.848)	(108.189.130)
Net liability	558.360.350	558.415.320
Equity	723.141.884	744.029.619
Total capital	552.000.000	552.000.000
Net liability / Total equity ratio	1,01	1,01

[(1)] It is calculated by subtracting income tax liability, derivative financial liability and deferred tax liability from total liability.

37.3 Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value.

The fair value of the balances denominated in foreign currencies, which are translated by using the exchange rates prevailing at year-end, is considered to approximate carrying value.

The fair values of certain financial assets carried at cost where the fair values cannot be measured reliably, including cash and bank deposits, are considered to approximate their respective carrying values due to their short-term nature and is negligible impairment risk of the receivables.

The carrying value of trade receivables measured at amortised cost using the effective interest method, less provision for impairment are assumed to approximate their fair values.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

(ii) Monetary liabilities

The fair value of the bank borrowings and other monetary liabilities are considered to approximate their carrying value.

The fair values of long term foreign exchange borrowings are translated by using the exchange period-end rate and because of this their fair value approximates their carrying value.

The carrying value of trade receivables measured at amortised cost using the effective interest method, are assumed to approximate their fair values.

37.4 Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

•Level 1: The fair values 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 values 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.

•Level 3: The fair values of the financial assets and financial liabilities are determined in accordance with the unobservable current market data.

Level classification of financial assets and liabilities that are valued with their fair values are as follows:

		Fair value as of reporting date		
Financial assets	31 December 2013	Level 1 TL	Level 2 TL	Level 3 TL
Financial assets at FVTPLInvestment properties	57.378.321	-	57.378.321	-
Total	57.378.321	-	57.378.321	-

		Fair value as of reporting date		
Financial liabilities	31 December 2013	Level 1 TL	Level 2 TL	Level 3 TL
Derivative instruments	2.440.486	-	2.440.486	-
Other financial liabilities	16.154.517	-	-	16.154.517
Total	18.595.003	-	2.440.486	16.154.517

		Fair value as of reporting date		
Financial assets	31 December 2012	Level 1 TL	Level 2 TL	Level 3 TL
Financial assets at FVTPLDerivative instruments		573.393	-	573.393
Total		573.393	-	573.393

		Fair value as of reporting date		
Financial liabilities	31 December 2012	Level 1 TL	Level 2 TL	Level 3 TL
Other financial liabilities		18.207.476	-	-
Total		18.207.476	-	-

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 38 – SHARES IN OTHER ENTITIES

Summary of the financial informations of TME, a subsidiary over which the Group has non-controlling shares, are stated below. These summarized financial informations represent the amounts without considering the related party eliminations.

	31 December 2013
Current assets	48.638.563
Non current assets	609.219.816
Current liabilities	94.927.261
Non current liabilities	252.534.828
Equity attributable to equity holders of the parent company	231.320.184
Non-controlling interests	79.076.106

	1 January-31 December 2013
Revenue	183.870.200
Costs	(248.021.206)
Net loss for the period	(64.151.006)
Allocation of net loss for the period:	
Attributable to equity holders of the parent company	(45.756.914)
Attributable to non-controlling interests	(18.394.092)
Net loss for the period	(64.151.006)

NOTE 39 - SUBSEQUENT EVENTS

Confirmation of financial statements

The consolidated financial statements for the period ended 31 December 2013 were approved by the Board of Directors on 6 March 2014. Other than Board of Directors has no authority to change financial statements.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş

CONVENIENCE TRANSLATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2013 INTO ENGLISH

(ORIGINALLY ISSUED IN TURKISH)

Deloitte.

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**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)
INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of
Hürriyet Gazetecilik Ve Matbaacılık A.Ş.
İstanbul

We have audited the accompanying consolidated balance sheet Hürriyet Gazetecilik Ve Matbaacılık A.Ş. (the "Company"), its subsidiaries (together the "Group") as at 31 December 2013 and the related consolidated statement of profit or loss, the related consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year ended 31 December 2013, and a summary of significant accounting policies and other explanatory notes.

Group Managements' Responsibility for the Financial Statements

Group management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Accounting Standards ("TAS") published by Public Oversight Accounting and Auditing Standards Authority ("POA"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued by Capital Markets Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Hürriyet Gazetecilik Ve Matbaacılık A.Ş. and its subsidiaries as at 31 December 2013, and of their financial performance and their cash flows for the year then ended in accordance with TAS (refer to Note 2).

Reports on Other Legal and Regulatory Requirements

In accordance with Article 402 of Turkish Commercial Code No. 6102 ("TCC"), the Board of Directors provided us all the required information and documentation in terms of audit; and nothing has come to our attention that may cause us to believe that the Group's set of accounts prepared for the period 1 January-31 December 2013 does not comply with the code and the provisions of the Group's articles of association in relation to financial reporting.

In accordance with Article 378 of Turkish Commercial Code No. 6102, in publicly traded companies, the board of directors is obliged to establish a committee consisting of specialized experts, to run and to develop the necessary system for the purposes of early identification of any risks that may compromise the existence, development and continuation of the company; applying the necessary measures and remedies in this regard and managing such risks. According to paragraph 4 of Article 398 of the same code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include the evaluation of the operational efficiency and adequacy of the operations carried out by the management of the Group in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report, yet. Therefore, no separate report has been drawn up regarding this matter. On the other hand, the Company established the mentioned committee on 26 July 2012, and the committee is comprised of 4 members. Since the date of its establishment, the committee has held 9 meetings for the purposes of early identification of any risks that may compromise the existence and development of the Company, applying the necessary measures and remedies in this regard and managing such risks, and has submitted the relevant reports to the Board of Directors.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU LIMITED
Istanbul, 6 March 2014

Berkman Özata, SMMM
Partner

CONTENTS

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.

	Note references	Current Period (Audited) 31 December 2013	Restated (Audited) Prior Period 31 December 2012	Restated (Audited) Prior Period 31 December 2011
ASSETS				
Current assets		419.004.238	445.879.948	542.467.281
Cash and cash equivalents	5	47.206.848	108.189.130	275.910.951
Trade receivables		212.514.859	214.312.273	142.089.657
-Due from related parties	34	28.053.511	21.915.410	21.769.432
-Trade receivables from non-related parties	9	184.461.348	192.396.863	120.320.225
Other receivables		77.097.231	77.513.017	496.145
-Due from related parties	34	-	2.992.773	-
-Other receivables from non-related parties	10	77.097.231	74.520.244	496.145
Inventories	12	17.359.688	19.050.935	18.150.472
Prepaid expenses	21	5.225.920	3.906.513	5.982.263
Assets related with current tax	32	1.854.825	11.395.894	7.735.578
Derivative instruments	8	-	573.393	-
Other current assets	22	43.782.297	10.938.793	11.414.896
Subtotal		405.041.668	445.879.948	461.779.962
Assets held for sale	35	13.962.570	-	80.687.319
Non-current assets		1.019.399.816	1.095.247.168	1.101.152.764
Other receivables	10	1.508.340	62.460.105	910.363
Financial investments	6	1.976.906	2.227.330	4.534.498
Investments accountedby the equity method	13	13.768.940	8.905.216	11.348.405
Investment property	14	57.378.321	50.051.137	42.320.984
Property, plant and equipment	15	272.180.560	308.196.660	336.403.872
Intangible assets		654.664.493	647.795.454	685.490.137
-Goodwill	16	119.422.217	118.331.349	136.195.646
-Other intangible assets	16	535.242.276	529.464.105	549.294.491
Deferred tax assets	32	15.590.176	14.371.902	13.382.408
Other non-current assets	22	2.332.080	1.239.364	6.762.097
Total assets		1.438.404.054	1.541.127.116	1.643.620.045

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
CONSOLIDATED BALANCE SHEETS AS AT
31 DECEMBER 2013, 2012 AND 2011
(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED)

	Note references	Current Period (Audited) 31 December 2013	Restated (Audited) Prior Period 31 December 2012	Restated (Audited) Prior Period 31 December 2011
LIABILITIES				
Current liabilities		294.282.082	431.396.001	546.397.750
Short-term borrowings	7	8.823.406	46.048.788	56.395.501
Short-term portion of long-term borrowings	7	143.052.144	249.699.732	208.789.989
Other financial liabilities	8	16.154.517	18.207.476	66.438.280
Trade payables		61.525.828	56.105.002	55.352.470
-Trade payables to related parties	34	13.514.346	4.946.300	11.972.022
-Other payables to non-related parties	9	48.011.482	51.158.702	43.380.448
Employee benefit payables	11	9.636.330	10.102.221	13.740.128
Other payables		7.358.224	1.717.936	107.072.223
-Other payables to related parties	34	3.279.095	-	97.434.767
-Other payables to non-related parties	10	4.079.129	1.717.936	9.637.456
Deferred income	21	10.072.664	8.915.597	10.927.060
Current income tax liabilities	32	886.742	17.942.352	477.892
Short-term provisions		21.830.060	18.517.443	18.244.040
-Short-term provisions for employment benefits	18	17.760.561	14.836.862	15.430.714
-Other short-term provisions	18	4.069.499	3.680.581	2.813.326
Derivative financial instruments	8	2.440.486	-	299.825
Other current liabilities	22	3.223.879	4.139.454	8.660.342
Subtotal		285.004.280	431.396.001	546.397.750
Assets held for sale	35	9.277.802	-	-
Non-current liabilities		420.980.088	365.701.496	490.988.811
Long-term borrowings	7	266.158.639	208.378.761	337.956.619
Other payables	10	463.857	170.675	132.529
Long-term provisions				
-Long-term provisions for employment benefits	20	47.989.848	44.563.930	26.158.276
Deferred tax liability	32	106.367.744	112.550.695	118.309.079
Other non-current liabilities	-	37.435	8.432.308	

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

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	Note references	Current Period (Audited) 31 December 2013	Restated (Audited) Prior Period 31 December 2012	Restated (Audited) Prior Period 31 December 2011
EQUITY				
Total equity		723.141.884	744.029.619	606.233.484
Equity attributable to equity holders of the parent company		671.712.912	682.314.430	528.938.059
Share capital	23	552.000.000	552.000.000	552.000.000
Inflation adjustment to share capital	23	77.198.813	77.198.813	77.198.813
Items that will not be reclassified subsequently to profit or loss				
-Actuarial losses in defined benefit plan		(15.453.900)	(13.610.662)	-
Share premiums		76.944	76.944	76.944
Items that may be reclassified subsequently to profit or loss				
-Currency translation differences		97.673.595	58.453.680	57.275.667
Restricted reserves	23	167.305.861	34.266.877	34.266.877
(Accumulated losses) / retained earnings		(145.994.420)	(176.732.519)	42.086.198
Net (loss) / income for the period		(61.093.981)	150.661.297	(233.966.440)
Non-controlling interests		51.428.972	61.715.189	77.295.425
Total liabilities		1.438.404.054	1.541.127.116	1.643.620.045

These consolidated financial statements as at and for the period ended 31 December 2013 were approved by the Board of Directors on 6 March 2014.

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

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	Note References	Current Period (Audited) 1 January- 31 December 2013	Restated Prior Period (Audited) 1 January- 31 December2012
Sales	24	805.574.612	830.402.405
Cost of sales (-)	24	(514.437.753)	(519.195.921)
Gross profit		291.136.859	311.206.484
General administrative expenses(-)	25	(144.178.097)	(144.337.312)
Marketing, selling and distribution expenses(-)	25	(145.417.796)	(141.401.298)
Other operating income	27	82.810.976	98.189.553
Other operating expenses (-)	28	(45.274.193)	(60.071.167)
Operating profit		39.077.749	63.586.260
Share of loss of investments accounted by the equity method	13	(7.160.944)	(11.166.626)
Monetary gain		74.229	118.285
Income from investing activities	29	21.220.794	196.497.070
Expenses from investing activities (-)	30	(13.020.147)	(12.626.368)
Operating profit before finance expense		40.191.681	236.408.621
Finance expenses (-)	31	(101.479.505)	(64.551.705)
		(61.287.824)	171.856.916
Continued operations tax benefit / (expense)		7.063.582	(21.111.585)
Current tax (expense) / benefit	32	(5.218.150)	(24.136.886)
Deferred tax benefit	32	12.281.732	3.025.301
Continued operations net (loss) / profit for the period		(54.224.242)	150.745.331
Discontinued operations			
Net income for the period from discontinued operations after income taxes	35	(24.583.900)	(3.718.815)
Net (loss) / profit for the period		(78.808.142)	147.026.516
Allocation of net profit/(loss) for the period			
Attributable to non-controlling interets		(17.714.161)	(3.634.781)
Attributable to equity holders of the parent company		(61.093.981)	150.661.297
(Loss) / earnings per share (TL)			
(Loss)/ earnings from continuing operations per share	33	(0,0982)	0,2731
(Loss) from discontinued operations per share	33	(0,0445)	(0,0067)
(Loss)/ earnings from continuing and discontinuing operations per share		(0,1427)	0,2664

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

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	Note References	Current Period (Audited) 1 January- 31 December 2013	Restated Prior Period (Audited) 1 January- 31 December 2012
Other comprehensive income/(expense)			
Net profit/(loss) for the period		(78.808.142)	147.026.516
Accumulated other comprehensive			
income/expenses reclassified in profit and loss Change in foreign currency differences		49.244.586	1.526.538
Accumulated other comprehensive income/ expenses not to be reclassified in profit and loss			
Actuarial loss in defined pension plans		(2.304.048)	(17.013.328)
Tax effect of actuarial loss in defined pension plans		460.810	3.402.666
Other comprehensive income/(expense) after tax		47.401.348	(12.084.124)
Total comprehensive income/(expense)		(31.406.794)	134.942.392
Allocation of total comprehensive income/(expense)			
Attributable to non-controlling interets		(7.689.490)	(3.286.256)
Attributable to equity holders of the parent company		(23.717.304)	138.228.648

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2013

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

							Retained earnings					
	Note references	Share capital	Inflation adjustment to share capital	Share premiums	Items will be reclassified subsequently to profit or loss Translation currency differences	Items will not be reclassified subsequently to profit or loss Actuarial losses in defined benefit plan	Retained reserves	Restricted earnings / (accumulated losses)	Net profit / (loss) for the period	Equity attributable to equity holders of the parent company	Non-controlling interests	Total equity
Balances at 1 January 2012 (as previously reported)	23	552.000.000	77.198.813	76.944	57.275.667	-	34.266.877	28.856.851	(235.674.317)	514.000.835	77.295.425	591.296.260
Effect of change in accounting policy (Note 2.1.6)	-	-	-	-	-	-	13.229.347	1.707.877	14.937.224	-	14.937.224	
Balances at 1 January 2012 (as restated)		552.000.000	77.198.813	76.944	57.275.667	-	34.266.877	42.086.198	(233.966.440)	528.938.059	77.295.425	606.233.484
Transfer		-	-	-	-	-	-	(233.966.440)	233.966.440	-	-	-
Capital increase of subsidiary		-	-	-	-	-	-	-	-	-	4.014.072	4.014.072
Subsidiaries' dividend payments to non-group companies		-	-	-	-	-	-	-	-	-	(2.724.446)	(2.724.446)
Put-option adjustment for non-controlling interests		-	-	-	-	-	-	35.114.191	-	35.114.191	12.017.025	47.131.216
Other [1]		-	-	-	-	-	-	-	-	-	245.527	245.527
Purchase of subsidiary shares (Note 2.1.3)		-	-	-	-	-	-	(19.966.468)	-	(19.966.468)	(25.846.158)	(45.812.626)
Total comprehensive income		-	-	-	1.178.013	(13.610.662)	-	-	150.661.297	138.228.648	(3.286.256)	134.942.392
- Revaluation losses on defined benefit plans		-	-	-	-	(13.610.662)	-	-	-	(13.610.662)	-	(13.610.662)
- Change in translation reserves		-	-	-	1.178.013	-	-	-	-	1.178.013	348.525	1.526.538
- Net profit/(loss) for the period		-	-	-	-	-	-	-	150.661.297	150.661.297	(3.634.781)	147.026.516
Balances at 31 December 2012		552.000.000	77.198.813	76.944	58.453.680	(13.610.662)	34.266.877	(176.732.519)	150.661.297	682.314.430	61.715.189	744.029.619
Balances at 1 January 2013	23	552.000.000	77.198.813	76.944	58.453.680	(13.610.662)	34.266.877	(176.732.519)	150.661.297	682.314.430	61.715.189	744.029.619
Transfer		-	-	-	-	-	133.038.984	17.622.313	(150.661.297)	-	-	-
Subsidiaries' dividend payments to non-group companies		-	-	-	-	-	-	-	-	-	(3.244.945)	(3.244.945)
Other [1]		-	-	-	-	-	-	-	-	-	648.218	648.218
Disposal of associate (Note 13) [2]		-	-	-	-	-	-	13.115.786	-	13.115.786	-	13.115.786
Total comprehensive expense		-	-	-	39.219.915	(1.843.238)	-	(61.093.981)	(23.717.304)	(7.689.490)	(31.406.794)	
- Revaluation losses on defined benefit plans		-	-	-	-	(1.843.238)	-	-	-	(1.843.238)	-	(1.843.238)
- Change in translation reserves		-	-	-	39.219.915	-	-	-	-	39.219.915	10.024.671	49.244.586
- Net loss for the period		-	-	-	-	-	-	-	(61.093.981)	(61.093.981)	(17.714.161)	(78.808.142)
Balances at 31 December 2013	23	552.000.000	77.198.813	76.944	97.673.595	(15.453.900)	167.305.861	(145.994.420)	(61.093.981)	671.712.912	51.428.972	723.141.884

[1] Represents fair value changes of put option liabilities and acquisition and disposal of shares from non-controlling shareholders.

[2] Kanal D Romania, subsidiary of Doğan Media International Gmbh which was consalidated by the equity method, was sold to a related party in 2013. The accompanying notes form an integral part of these consolidated financial statements.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013
(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	Note references	Current Period (Audited) 1 January- 31 December 2013	Prior Period (Audited) 1 January- 31 December 2012
CASH FLOWS FROM OPERATING ACTIVITIES		143.064.863	(60.132.213)
Net (loss) / profit for the period		(78.808.142)	147.026.516
Adjustments to reconcile net (loss) / profit for the period		176.867.078	(31.123.621)
Adjustments regarding depreciation	15	46.647.326	46.103.551
Adjustments regarding amortization	16	31.799.159	30.629.467
Adjustments regarding loss / (gain) on sale of plant,property and equipment, intangible assets	29,30	3.863.360	(168.716.721)
Adjustments regarding tax (income) / expense	32	(7.063.582)	21.111.585
Adjustments regarding provision for employment benefits and unused vacation rights	18,20	15.773.714	13.160.899
Gain on sale of financial assets		(128.021)	(1.141.650)
Adjustments regarding income accruals	9	(250.383)	172.896
Adjustments regarding interest income	27	(2.702.793)	(7.128.483)
Finance income/expense accruals due from sales with maturity	27,28	(4.268.955)	(5.338.486)
Unrealized finance expenses due to purchases with maturity	27	(225.536)	(79.748)
Adjustments regarding interest expenses and accruals	31	23.292.953	28.919.845
Unrealized foreign exchange expense / (income) from borrowings		47.192.807	(21.900.712)
Provision for impairment of goodwill and available for sale assets		23.301.137	18.105.868
Changes in fair value adjustments	14	(16.743.808)	(502.696)
Adjustments regarding increase in deferred income		(214.833)	(215.174)
Accrual of tax penalties and tax base increase expense		-	416.353
Adjustments regarding provision for impairment of inventories	12	1.116.831	2.109.581
Loss from investments accounted by the equity method	13	7.160.944	11.166.626
Provision for doubtful receivables	28	8.201.319	7.604.720
Provision for lawsuits	18	1.897.012	2.576.440
Reversal of provisions		(4.308.090)	(7.629.369)
Loss on sale of subsidiary	30,36	2.526.517	(548.413)
Changes in working capital:		(45.005.927)	(176.035.108)
Changes in blocked deposits	5	6.019	(2.221)
Changes in trade and related party receivables		(6.289.773)	(113.330.354)
Changes in inventories		1.285.692	(5.624.949)
Changes in prepaid expenses		(1.319.407)	2.075.750
Changes in other current assets		50.574.839	(10.016.269)
Changes in other financial assets and liabilities		3.013.879	(8.181.133)
Changes in trade and related party payables		10.990.273	6.145.788
Changes in other short term liabilities		(4.003.760)	(17.360.868)
Changes in other non-current assets		(2.285.392)	2.860.622
Changes in payables due from employment benefits		(465.891)	(3.637.907)
Changes in deferred revenue		1.157.067	(2.011.463)
Changes in short-term provisions for employment benefits		2.923.699	(593.852)
Taxes paid		(951.940)	(10.493.298)
Tax penalty paid and tax base increase		-	(8.795.894)
Collections from doubtful receivables	9	2.418.092	5.302.701
Employment benefits and unused vacation rights paid	18, 20	(12.047.470)	(12.371.761)

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

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	Note references	Current Period (Audited) 1 January-31 December 2013	Prior Period (Audited) 1 January-31 December 2012
CASH FLOWS FROM INVESTING ACTIVITIES		8.646.126	117.321.801
Purchases of property, plant and equipment	15	(12.981.167)	(47.965.002)
Purchases of intangible assets	16	(6.733.893)	(11.826.722)
Proceeds from sales of property, plant and equipment, intangible assets and investment properties		12.770.816	162.622.279
Interests received		12.492.736	16.575.336
Proceeds from disposal of financial assets		128.021	3.446.550
Proceeds from disposal of subsidiary		2.969.613	1.128.386
Share capital increase in investments accounted by the equity method		-	(9.905.723)
Changes in blocked deposits	-	3.246.697	
CASH FLOWS FROM FINANCING ACTIVITIES		(215.498.963)	(243.129.759)
Changes in blocked deposits		(36.594.775)	-
Increase in share capital of non-controlling interests		-	4.014.072
Purchase of subsidiary shares		-	(45.812.626)
Dividends paid to non-controlling interests		(2.649.869)	(2.724.446)
Bank borrowings received		17.549.573	131.186.000
Bank borrowings paid		(141.415.377)	(164.144.910)
Decrease in financial liabilities to suppliers		(32.767.172)	(35.353.378)
Interests paid		(22.900.438)	(29.866.931)
Changes in financial payables to related parties		3.279.095	(97.434.767)
Changes in advances teken from related parties		-	(2.992.773)
Effects of foreign exchange rate fluctuations on cash and cash equivalents		2.716.711	18.621.389
Change in cash and cash equivalents		(61.071.263)	(167.318.782)
Cash and cash equivalents at the beginning of the period	5	108.044.224	275.363.006
Cash and cash equivalents at the end of the period	5	46.972.961	108.044.224

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

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") 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 which undertakes journalism, printing, advertising and internet publishing activities operates seven printing plants in Turkey with locations in İstanbul, Ankara, İzmir, Adana, Antalya, Trabzon and in Germany. The Company is a member of Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding") through the investment of Doğan Yayın Holding A.Ş. ("Doğan Yayın Holding"), which has a majority ownership in the Company (Note 23). Aydın Doğan and Doğan Family (Işıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y.Begümhan Doğan Faralyalı) are ultimate shareholders of the Company.

The address of the registered office is as follows:

100. Yıl Mahallesi, Matbaacılar Caddesi No:78
34204 Bağcılar/Istanbul
Turkey

The Company is registered to the Capital Markets Board ("CMB") and its shares have been quoted on the Borsa İstanbul ("BIST") since 25 February 1992. In accordance with the resolution numbered 21/655 on 23 July 2010 of CMB; according to the records of Central Registry Agency (CRA); shares representing 21,98 % as of 31 December 2013 (31 December 2012: 20,87%) of Hürriyet are accepted as "in circulation". Shares representing 40,00% (31 December 2012:39,98%) of Hürriyet are in "open" status.

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
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. ("Hürriyet Medya Basım")	Turkey	Turkey	Printing and administrative services
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	Turkey	Turkey	Magazine and book publishing
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. ("Yenibir")	Turkey	Turkey	Internet publishing
Doğan Haber Ajansı A.Ş. ("Doğan Haber")	Turkey	Turkey	News agency
Nartek Bilişim Turizm ve Pazarlama Hizmetleri Ticaret A.Ş. ("Nartek")	Turkey	Turkey	Internet publishing
Hürriyet Zweigniederlassung GmbH. ("Hürriyet Zweigniederlassung")	Germany	Europe	Newspaper publishing
Trader Media East ("TME")	Jersey	Europe	Investment
Publishing House Pennsylvania Inc	USA	Russia and EE	Investment
Pronto Soft	Belarus	Russia and EE	Internet publishing
OOO SP Belpronto	Belarus	Russia and EE	Newspaper and internet publishing
Bolji Posao d.o.o. Bosnia	Bosnia-Herzegovina	Europe	Internet publishing
Oglasnik d.o.o.	Croatia	Europe	Newspaper and internet publishing
TCM Adria d.o.o.	Croatia	Europe	Investment
Hürriyet Invest B.V. ("Hürriyet Invest")	Holland	Europe	Investment
Pronto Invest B.V.	Holland	Europe	Investment
Mirabridge International B.V.	Holland	Europe	Investment
TOO Pronto Akmola	Kazakhstan	Russia and EE	Newspaper and internet publishing

Subsidiaries	Registered country	Geographic segment	Nature of business
OOO Pronto Aktau	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Aktobe	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Atyrau	Kazakhstan	Russia and EE	Newspaper and internet publishing
Pronto Ust Kamenogorsk	Kazakhstan	Russia and EE	Newspaper publishing
ZAO Pronto Akzhol	Kazakhstan	Russia and EE	Newspaper and internet publishing
Expressz Magyarorszag Media Kft.	Hungary	Europe	Newspaper and internet publishing
Impress Media Marketing LLC	Russia	Russia and EE	Publishing
OOO Delta-M	Russia	Russia and EE	Newspaper and internet publishing
OOO Novoprint	Russia	Russia and EE	Newspaper and internet publishing
OOO Partner-Soft	Russia	Russia and EE	Internet publishing
OOO Pronto Baikal	Russia	Russia and EE	Newspaper and internet publishing
Job.ru LLC	Russia	Russia and EE	Internet publishing
OOO Pronto DV	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Ivanovo	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kaliningrad	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kazan	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kemerovo	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Krasnodar	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Krasnoyarsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Moscow	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Neva	Russia	Russia and EE	Internet publishing
OOO Pronto Nizhny Novgorod	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Novosibirsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Obninsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Oka	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Rostov	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Samara	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Smolensk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Tula	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto UlanUde	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Vladivostok	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Voronezh	Russia	Russia and EE	Newspaper and internet publishing
OOO Rektcentr	Russia	Russia and EE	Investment
OOO Tambov-Info	Russia	Russia and EE	Newspaper and internet publishing
OOO Tambukan	Russia	Russia and EE	Newspaper and internet publishing
OOO Utro Peterburga	Russia	Russia and EE	Newspaper and internet publishing
OOO Rukom	Russia	Russia and EE	Internet publishing
ZAO NPK	Russia	Russia and EE	Call center
Bolji Posao d.o.o. Serbia	Serbia	Europe	Internet publishing
Publishing International Holding BV	Holland	Europe	Investment

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Associates

Associates of the Company, registered countries, nature of businesses, geographic segments are as follows:

Associates	Registered country	Geographic segment	Nature of business
ASPM Holding B.V. ("ASPM")	Hollanda	Europe	İnvestment

Joint Ventures

Joint Ventures of the Company, registered countries, nature of businesses, geographic segments are as follows:

Joint Venture	Registered country	Geographic segment	Nature of business
Doğan Media International GmbH ("Doğan Media")	Germany	Europe	Newspaper publishing
SP Pronto Kiev	Ukraine	Russia and EE	Newspaper and internet publishing
TOV E-Prostir	Ukraine	Russia and EE	Internet publishing

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial reporting standards

Public Oversight, Accounting and Auditing Standards Board ("POA"), published the "Financial Statement Samples and User Guide", to be prepared in the scope of TAS/TFRS in accordance with the "Turkey Accounting / Financial Reporting Standards" in the Official Gazette No. 28652 dated 20 May 2013 for the companies that are obliged to apply Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS") except for the financial institutions such as banks, insurance companies, capital market institutions operating under the scope of Banking Act No. 5411, the Capital Market Law No. 6362, No. 5684, No. 4683 of the Insurance Law, Private Pension Savings and Investment.

In accordance with the Capital Markets Board ("CMB")'s No. II-14.1 "Principles of Financial Reporting in Capital Markets" ("Communiqué No. II-1.14"), capital market institutions except for the partnerships whose issued capital market instruments are traded on a stock exchange and investment funds, housing finance and asset finance funds, financial statements, should prepare its financial statements in accordance with TAS / TFRS.

Upon the CMB's resolution dated 7 June 2013 and 20/670, for capital market institutions, except for the corporations whose capital market instruments are traded on a stock exchange and investment funds, housing finance and asset finance funds within the scope of Communique No: II-14.1, formats are declared in the weekly bulleting at 7 June 2013 numbered 2013/19 starting from the interim periods 31 March 2013. The Company prepared the consolidated financial statements as of 31 December 2013 in accordance with the standards described above.

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards. Accordingly, IAS 29, "Financial Reporting in Hyperinflationary Economies" ("IAS 29"), issued by the IASB, has not been applied in the financial statements for the accounting year commencing 1 January 2005.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The Group maintain their books of account and prepare their statutory financial statements in TL in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion except investment properties, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB's Financial Reporting Standards.

Financial statements of subsidiaries, associates and joint ventures that are operating in foreign countries are prepared in accordance with applicable laws and regulations in countries in which they are registered and required adjustments and reclassifications are reflected for the purpose of fair presentation in accordance with the Group's accounting policies.

If the Group companies' functional currency is different from its presentation currency, the functional currency is translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement are translated at average exchange rates; and all resulting exchange differences are recognised as a separate component of equity and statements of comprehensive income (currency translation reserve).

When a foreign operation is partially disposed of or sold, exchange differences recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The financial statements of the companies operating in Belarus (Pronto Soft, OOO SP Belpronto) included within the accompanying consolidated financial statements are prepared on the historical cost basis adjusted in accordance with IAS No. 29. The methods used to measure the fair values are explained in Note 2.2.2. Determination of historical cost is generally based on the fair value of the amount paid for the asset. As explained in Note 2.1.1, effective from 1 January 2005, the application of inflation accounting has lasted for the companies operating in Turkey. Hyper-inflationary period is commenced on 1 January 2011 in Belarus. In the financial statements of subsidiaries operating in Belarus, restatement adjustments resulting from changes in the general purchasing power of the Belarusian Ruble have been made in accordance with IAS 29 which requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date. One characteristic that necessitates the application of IAS 29 is a cumulative three-year inflation rate approaching or exceeding 100%. The related cumulative rate became 196% for the three-year period ended as of 31 December 2013 based on the consumer price index published by Belarus National Statistic Committee.

Index and the conversion factors used to adjust the financial statements of the subsidiaries operating in Belarus as at 31 December 2013 are given below:

Dates	Index	Conversion Factor
31 December 2009	1,4907	3,2535
31 December 2010	1,6362	2,9598
31 December 2011	3,4197	1,4183
31 December 2012	4,1645	1,1646
31 December 2013	4,8501	1,0000

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The annual change in Belarusian Ruble ("BYR") exchange rate against USD and Euro compared with the consumer price index in Belarus is as follows:

Years	2011	2012	2013
Change in USD/BYR (%)	178	3	11
Change in Euro/BYR (%)	172	5	15
Belarus Consumer Price Index (%)	109	22	16

As of 31 December 2013, the exchange rate announced by the National Bank of the Republic of Belarus was USD 1= BYR 9.510, Euro 1= BYR 13.080 (31 December 2012: USD 1= BYR 8.570, Euro 1= BYR 11.340).

The main guidelines for the IAS 29 restatement are as follows:

- All items of financial statements of subsidiaries operating in Belarus, except for the ones already presented at the current purchasing power level, are restated by applying a general price index until 31 December 2013.

- Monetary assets and liabilities of the subsidiaries operating in Belarus are not restated because they are already expressed in terms of the current measuring unit at the balance sheet date. Monetary items present money held and items to be received or paid in cash and cash equivalents.

- Non-monetary assets and liabilities in financial statements of the subsidiaries operating in Belarus are restated by applying, to the initial acquisition cost and any accumulated depreciation, the change in the general price index from the date of acquisition or initial recording to the balance sheet date, in the manner that not to exceed their market values. Depreciation is similarly restated. The components of shareholders' equity are restated by applying the applicable general price index from the dates the components were contributed or arose otherwise.

- All items in the statement of income of the subsidiaries operating in Belarus, except non-monetary items in the statement of financial position that have effect over statement of income, are restated by applying the relevant conversion factors from the dates when the income and expense items were initially recorded in the financial statements.

- The gain or loss on the net monetary position is the result of the effect of general inflation and is the difference resulting from the restatement of non-monetary assets, shareholders' equity and statement of income items. The gain or loss on the net monetary position is included in net profit / (loss).

2.1.3 Consolidation principles

The consolidated financial statements include the accounts of the parent company, Hürriyet, its Subsidiaries, Joint Ventures, and its Associates (together the "Group") on the basis set out in sections (a) to (d) below. The financial statements of the companies included in the consolidation are based on historical cost of the statutory records and for the purpose of fair presentation in accordance with the accounting policies described in Note 2.1.1 and Note 2.1.2 and application of uniform accounting policies and presentations; adjustments and reclassifications.

Consolidation principles used in the preparation of these consolidated financial statements are summarized below:

(a) Subsidiaries

Subsidiaries are companies in which the Company has power to control the financial and operating policies for the benefit of the Company either (a) through the power to exercise more than 50% voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself, or (b) although not having the power to exercise more than 50% of the voting rights, through the power to govern the financial and operating policies. Control is achieved when the Company:

- Has power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to at least one of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all the relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, over vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made,including voting patterns at previous shareholders' meetings.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The Subsidiaries and their effective ownership interests at 31 December 2013 and 31 December 2012 are as follows:

	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		Effective ownership interests (%)	
Subsidiaries	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Hürriyet Medya Basım	100,00	100,00	100,00	100,00
Doğan Ofset	99,93	99,93	99,93	99,93
Yenibir	100,00	100,00	100,00	100,00
Doğan Haber	53,10	53,10	53,10	53,10
Nartek	60,00	60,00	60,00	60,00
Hürriyet Zweigniederlassung	100,00	100,00	100,00	100,00
Hürriyet Invest	100,00	100,00	100,00	100,00
TME	74,28	74,28	74,28	74,28
Oglasnik d.o.o. (1) (2)	100,00	100,00	74,28	74,28
Impress Media Marketing LLC	97,00	100,00	72,05	74,28
Moje Delo, spletni marketing, d.o.o (3)	-	100,00	-	74,28
TCM Adria d.o.o. (2)	100,00	100,00	74,28	74,28
Expressz Magyarorszag Media Kft. (2)	100,00	100,00	74,28	74,28
Job.ru LLC	100,00	100,00	74,28	74,28
Mirabridge International B.V.	100,00	100,00	74,28	74,28
Pronto Invest B.V.	100,00	100,00	74,28	74,28
ZAO Pronto Akzhol	80,00	80,00	59,42	59,42
TOO Pronto Akmola	100,00	100,00	74,28	74,28
OOO Pronto Atyrau	100,00	100,00	59,42	59,42
OOO Pronto Aktobe	80,00	80,00	47,54	47,54
OOO Pronto Aktau	100,00	100,00	59,42	59,42
OOO Pronto Rostov (4)	100,00	100,00	74,28	74,28
OOO Novoprint (5)	-	100,00	-	74,28
ZAO NPK (5)	-	100,00	-	74,28
OOO Delta-M	55,00	55,00	40,85	40,85
OOO Pronto Baikal	100,00	100,00	74,28	74,28
OOO Pronto DV	100,00	100,00	74,28	74,28
OOO Pronto Ivanovo	100,00	100,00	74,28	74,28
OOO Pronto Kaliningrad	95,00	95,00	70,57	70,57
OOO Pronto Kazan	72,00	72,00	53,48	53,48
OOO Pronto Krasnodar	80,00	80,00	59,42	59,42
OOO Pronto Krasnoyarsk (5)	-	100,00	-	74,28
OOO Pronto Nizhny Novgorod	90,00	90,00	66,85	66,85
OOO Pronto Novosibirsk	100,00	100,00	74,28	74,28
OOO Pronto Oka (6)	100,00	100,00	74,28	74,28
OOO Utro Peterburga (6)	55,00	55,00	40,85	40,85
OOO Pronto Samara	100,00	100,00	74,28	74,28
OOO Pronto Stavropol (7)	-	100,00	-	74,28
OOO Pronto UlanUde	90,00	90,00	66,85	66,85
OOO Pronto Vladivostok	90,00	90,00	66,85	66,85
OOO Pronto Moscow	100,00	100,00	74,28	74,28

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		Effective ownership interests (%)	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
OOO Rosprint Samara (8)	-	100,00	-	74,28
OOO Tambukan	85,00	85,00	63,14	63,14
OOO Partner-Soft (9)	90,00	90,00	66,85	66,85
Pronto Soft	90,00	90,00	66,85	66,85
OOO Pronto Kemerovo (4)	100,00	100,00	74,28	74,28
OOO Pronto Smolensk	100,00	100,00	74,28	74,28
OOO Pronto Tula (4)	100,00	100,00	74,28	74,28
OOO Pronto Voronezh (4)	100,00	100,00	74,28	74,28
OOO SP Belpronto	60,00	60,00	44,57	44,57
OOO Tambov-Info	100,00	100,00	74,28	74,28
OOO Pronto Obninsk(10)	10,00	100,00	7,43	74,28
OOO Rektcentr	100,00	100,00	74,28	74,28
OOO Pronto Neva(11)	100,00	100,00	74,28	74,28
Publishing House Pennsylvania Inc	100,00	100,00	74,28	74,28
Bolji Posao d.o.o. Serbia(2)	100,00	100,00	74,28	40,85
Bolji Posao d.o.o. Bosnia(2)	100,00	100,00	74,28	40,85
Sklad Dela Prekmurje NGO (3)	-	100,00	-	40,85
OOO Rukom (12)	100,00	100,00	74,28	74,28
Pronto Ust Kamenogorsk	100,00	100,00	59,42	59,42
OOO Pronto Pskov (13)	-	100,00	-	66,85
Publishing International Holding BV	100,00	100,00	74,28	74,28

(1) Related rates include put-options regarding non-controlling shares explained in detail in Note 19.
(2) Affiliated companies are classified to long-term assets held for sale.
(3) Related subsidiary was sold on 23 April 2013.
(4) Related subsidiary is in the liquidation process as of 2013.
(5) The liquidation process of related subsidiary was completed in 2013.
(6) Related subsidiary has ceased its operations before the year 2010.
(7) The merger process with OOO Pronto Rostov has been completed in April 2013.
(8) Related subsidiary's merger process with Pronto Samara completed in September 2013.
(9) Related subsidiary has been in liquidation process in 2012.
(10) 90% of the shares are sold in December 2013 and the remaining 10% is sold as of January 2014.
(11) The liquidation process of related subsidiary was completed in 2014.
(12) Related subsidiary has ceased its operations in 2012.
(13) Related subsidiary was sold on 26 April 2013.

(b) Investments in associates and joint ventures

Joint ventures are the entities where Hürriyet and its subsidiaries together with one or more parties are subject to joint control and undertake an economic operation through an agreement. Joint ventures were consolidated using the proportional consolidation method until 31 December, 2012. In accordance with the amendments to TFRS 11 effective from 1 January 2013, joint ventures are recognized under the equity method starting from this date.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Subsisidaries and business combinations' operational results, assets and liabilities are recognized by using equity pick up method in consolidated financial statements (note 13).

(c) Non-controlling interests

Non-controlling interests of shareholders over the net assets and operational results of subsidiaries are classified as "non-controlling interest" in the consolidated balance sheet and statement of income.

(d) Financial investments

Financial investments in which the Group and its subsidiaries, have less than 20%, or more than 20% direct or indirect participation but the Group has no significant influence over the related assets, or which are immaterial to consolidated financial statements are classified as available for sale financial assets. Available for sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be measured reliably are carried at cost less any allowance for impairment (Note 6).

2.1.4 Offsetting

All items, significant in terms of content and amount, are stated separately in the consolidated financial statements even if they bear the same characteristics. Insignificant amounts or items displaying similar characteristics are stated collectively.

2.1.5 Comparative information and restatement of prior period financial statements

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. The Group prepared the consolidated balance sheet as of 31 December 2013 with 31 December 2011 and 31 December 2012, and the consolidated statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the period ended as of 31 December 2013 with 1 January- 31 December 2012 accounting period's related financial statements comparatively.

2.1.6 Significant Accounting Policies and Changes in Accounting Estimates and Errors

Changes inaccounting policies arising from the first time adoption of a new IAS\IFRS are applied retrospectively or prospectively in accordance with the respective IASs\IFRSs transition requirements, if any. Where there are no transition requirements for any changes or optional significant changes in accounting policies and identified accounting errors, those are applied retrospectively and prior-period financial statments are restated accordingly.

As explained in Note 2.1.7, amendments to TFRS 10 should be applied retrospectively. Subsidiaries TOV E-Prostir and SP Pronto Kiev, which were accounted according to TAS 27, were included to the consolidated financial statement by equity method in accordance with TFRS 10 as of 1 January 2012 and prior periods' financial statements were restated accordingly.The effect of these changes to the financial statements is summarized in the following table:

In addition, Group's subsidiaries operating in Croatia and Hungary are classified under assets held for sale and discontinued operations. As a result of this reason, the assets, liabilities and operations are classified as assets held for sale and discontinued operations and presented separately in balance sheet. The related operations are classified as discontinued operations in profit or loss and other comprehensive income statements for the purpose of complying current period financial statements.

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. In the current period, the Group has reclassified its prior period financial statements in order to comply with the formats declared by CMB decision numbered 20/670 dated 7 June 2013. Related classifications does not have any effect on previously disclosed shareholders' equity and net loss for the period; besides the amount and the nature of the classifications on the financial statements for the year 2012 are stated below.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	(Audited) 31 December 2012	Consolidated by the equity accounting	Effect of CMB Communique method on 7 June 2013	Restated Prior Period (Audited) 31 December 2012
Assets				
Current Assets	460.821.654	(7.360.356)	(7.581.350)	445.879.948
Cash and cash equivalents	113.469.192	(5.280.062)	-	108.189.130
Trade receivables				
- Trade receivables from related parties	24.908.183	-	(2.992.773)	21.915.410
- Trade receivables from non-related parties	192.287.740	(228.173)	337.296	192.396.863
Other receivables				
- Other receivables from related parties	-	-	2.992.773	2.992.773
- Other receivables from non-related parties	74.520.244	-	-	74.520.244
Inventories	19.396.759	(345.824)	-	19.050.935
Prepaid expenses	-	(1.406.471)	5.312.984	3.906.513
Assets related with current tax	-	-	11.395.894	11.395.894
Derivative instruments	573.393	-	-	573.393
Other current assets	35.666.143	(99.826)	(24.627.524)	10.938.793
Non-current assets	1.092.027.793	3.219.375	-	1.095.247.168
Other receivables	62.460.105	-	-	62.460.105
Financial investments	2.227.330	-	-	2.227.330
Investments accounted for by using the equity method	5.258.016	3.647.200	-	8.905.216
Investment property	50.051.137	-	-	50.051.137
Property, plant and equipment	308.448.007	(251.347)	-	308.196.660
Intangible assets				
- Goodwill	118.374.132	(42.783)	-	118.331.349
- Other intangible assets	529.480.148	(16.043)	-	529.464.105
Deferred tax asset	14.489.554	(117.652)	-	14.371.902
Other non-current assets	1.239.364	-	-	1.239.364
Total assets	1.552.849.447	(4.140.981)	(7.581.350)	1.541.127.116

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	(Audited) 31 December 2012	Consolidated by the equity accounting method	Effect of CMB Communique on 7 June 2013	Restated Prior Period (Audited) 31 December 2012
Current Liabilities	439.474.696	(497.345)	(7.581.350)	431.396.001
Financial Liabilities	295.748.520	-	(295.748.520)	-
Short-term liabilities	-	-	46.048.788	46.048.788
Short-term portion of long-term liabilities	-	-	249.699.732	249.699.732
Other financial liabilities	18.207.476	-	-	18.207.476
Trade payables				
- Trade payables to related parties	4.924.909	21.391	-	4.946.300
- Trade payables to non-related parties	47.396.084	(46.347)	3.808.965	51.158.702
Provisions	3.680.581	-	(3.680.581)	-
Payables regarding employee benefits		(1.782)	10.104.003	10.102.221
Other payables				
- Other payables to related parties		-	-	-
- Other payables to non-related parties	16.841.053	(103.391)	(15.019.726)	1.717.936
Deferred income	-	(165.782)	9.081.379	8.915.597
Current income tax liabilities	18.124.177	(181.825)	-	17.942.352
Short-term provisions				
- Short-term provisions regardingemployee benefits	-	-	14.836.862	14.836.862
- Other short-term provisions		-	3.680.581	3.680.581
Other current liabilities	34.551.896	(19.609)	(30.392.833)	4.139.454
Non-current liabilities	365.701.496	-	-	365.701.496
Long-term liabilities	208.378.761	-	-	208.378.761
Other liabilities	170.675	-	-	170.675
Long-term provisions				
- Short-term provisions regarding employee benefits	44.563.930	-	-	44.563.930
Deferred tax liability	112.550.695	-	-	112.550.695
Other non-current liabilities	37.435	-	-	37.435

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	(Audited) 31 December 2012	Consolidated by the equity accounting method	Effect of CMB Communique on 7 June 2013	Restated Prior Period (Audited) 31 December 2012
Equity				
Total equity	747.673.255	(3.643.636)	-	744.029.619
Equity attributable to equity holdersof the parent company	682.436.911	(122.481)	-	682.314.430
Share capital	552.000.000	-	-	552.000.000
Inflation adjustment to share capital	77.198.813	-	-	77.198.813
Items that will not be reclassified subsequently to profit or loss				
- Actuarial losses in defined benefit plan	-	-	(13.610.662)	(13.610.662)
Share premiums	76.944	-	-	76.944
Items that may be reclassified subsequently to profit or loss				
-Currency translation differences	58.584.776	(131.096)	-	58.453.680
Restricted reserves	34.266.877	-	-	34.266.877
(Accumulated losses) / retained earnings	(190.353.127)	9.946	13.610.662	(176.732.519)
Net (loss) / income for the period	150.662.628	(1.331)	-	150.661.297
Non-controlling interests	65.236.344	(3.521.155)	-	61.715.189

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	(Audited) 31 December 2012	Consolidated by the equity accounting method	Reclassified to Discontinued operations	Effect of CMB Communique on 7 June 2013	Restated Prior Period (Audited) 31 December 2012
Sales	853.127.501	(8.803.286)	(13.921.810)	-	830.402.405
Cost of sales (-)	(529.936.576)	4.000.190	6.740.464	-	(519.195.921)
Gross profit	323.190.925	(4.803.096)	(7.181.345)	-	311.206.484
General administrative expenses(-)	(153.276.806)	2.562.846	6.376.648	-	(144.337.312)
Marketing, Expenses(-)	(144.283.155)	562.751	2.319.106	-	(141.401.298)
Other operating income	184.450.566	-	-	(184.450.566)	-
Other operating expenses (-)	(42.251.901)	-	-	42.251.901	-
Other operating income	-	-	(28.675)	98.218.228	99.189.553
Other operating expenses (-)	-	10.753	1.833.421	(61.915.341)	(60.071.167)
Operating profit	167.829.629	(1.666.746)	3.319.154	(105.895.778)	63.586.260
Share of loss of investments accounted by the equity method	(12.007.168)	840.542	-	-	(11.166.626)
Monetary gain	118.285	-	-	-	118.285
Finance income	114.220.117	(510.777)	(3.444.607)	(110.264.732)	-
Finance expenses (-)	(101.379.363)	-	4.537.850	96.841.513	-
Income from investing activities	-	-	-	196.497.070	196.497.070
Expenses from investing activities (-)	-	-	-	(12.626.369)	(12.626.369)
Operating profit before finance expense	-	-	-	236.408.621	236.408.621
Finance expenses (-)	-	-	-	(64.551.705)	(64.551.705)
Continued operations (loss)/ profit before tax	168.781.500	(1.336.981)	4.412.397	-	171.856.916
Continued operations tax (expense)/benefit	(20.923.404)	494.647	(682.828)	-	(21.111.585)
Current tax expense	(24.771.325)	476.725	168.467	-	(24.136.886)
Deferred tax benefit	3.847.921	17.922	(840.542)	-	3.025.301
Continued operations (loss)/ profit for the period	147.858.096	(842.334)	3.718.815	-	150.745.331
Discontinued Operations					
Net income for the period from discontinued operations after income taxes	-	-	(3.718.815)	-	(3.718.815)
Net (loss) / profit for the period	147.858.096	(842.334)	-	-	147.026.516
Allocation of net (loss) / profit for the period					
Attributable to non-controlling interests	(2.804.532)	(840.542)	-	-	(3.634.781)
Attributable to equity holders the parent company	150.662.628	(1.792)	-	-	150.661.297
(Loss) / earnings per share (TL)					
(Loss)/ Earnings from continuing operations per share	0,2679	(0,0015)	0,0067	-	0,2731
(Loss) from discontinued operations per share	-	-	(0,0067)	-	(0,0067)

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	(Audited) 31 December 2012	Consolidated by the equity accounting method	Effect of CMB Communique on 7 June 2013	Restated Prior Period (Audited) 31 December 2012
ASSETS				
Current assets	553.169.468	(7.761.487)	(2.940.700)	542.467.281
Cash and cash equivalents	281.604.096	(5.693.145)	-	275.910.951
-Trade receivables due from related parties	21.769.432	-	-	21.769.432
-Trade receivables from non-related parties	119.991.368	(181.335)	510.192	120.320.225
-Other receivables due from related parties	-			-
-Other receivables from non-related parties	496.145	-	-	496.145
Inventories	18.571.696	(421.224)	-	18.150.472
Prepaid expenses	-	(1.173.007)	7.155.270	5.982.263
Assets related with current tax	-	-	7.735.578	7.735.578
Derivative instruments	-	-	-	-
Other current assets	30.049.412	(292.776)	(18.341.740)	11.414.896
Subtotal	472.482.149	(7.761.487)	(2.940.700)	461.779.962
Non-current assets held for sale	80.687.319	-	-	80.687.319
Non-current assets	1.097.722.523	3.430.241	-	1.101.152.764
Other receivables	910.363	-	-	910.363
Financial investments	4.534.498	-	-	4.534.498
Investments accounted by the equity method	7.423.271	3.925.134	-	11.348.405
Investment property	42.320.984	-	-	42.320.984
Property, plant and equipment	336.713.652	(309.780)	-	336.403.872
Intangible assets	685.533.582	(43.445)	-	685.490.137
-Goodwill	136.195.646	-	-	136.195.646
-Other intangible assets	549.337.936	-	-	549.294.491
Deferred tax assets	13.524.076	(141.668)	13.382.408	
Other non-current assets	6.762.097	-	-	6.762.097
Total assets	1.650.891.991	(4.331.246)	(2.940.700)	1.643.620.045

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	(Audited) 31 December 2012	Consolidated by the equity accounting method	Effect of CMB Communique on 7 June 2013	Restated Prior Period (Audited) 31 December 2012
LIABILITIES				
Current liabilities	549.788.007	(6.330.957)	2.940.700	546.397.750
Financial liabilities	265.185.490	(265.185.490)	-	
Short-term borrowings	-	-	56.395.501	56.395.501
Short-term portion oflong-term borrowings	-	-	208.789.989	208.789.989
Other financial liabilities	66.438.280	-	-	66.438.280
Trade payables	52.898.715	(45.333)	2.499.088	55.352.470
- Trade payables to related parties	11.972.022	-	-	11.972.022
- Other payables	40.926.693	(45.333)	2.499.088	43.380.448
Employee benefit payables	-	-	13.740.128	13.740.128
Other payables	119.880.023	(4.992.273)	(7.815.527)	107.072.223
- Other payables to related parties	97.434.767	-	-	97.434.767
- Other payables	22.445.256	(4.992.273)	(7.815.527)	9.637.456
Deferred income	-	(145.445)	11.072.505	10.927.060
Current income tax liabilities	638.448	(160.556)	-	477.892
Short-term provisions	2.813.326	-	15.430.714	18.244.040
-Short-term provisions foremployment benefits		-	15.430.714	15.430.714
-Other short-term provisions	2.813.326	-	-	2.813.326
Derivative financial instruments	299.825	-	-	299.825
Other current liabilities	41.633.900	(987.350)	(31.986.208)	8.660.342
Non-current liabilities	490.988.711	100	-	490.988.811
Long-term borrowings	337.956.619	-	-	337.956.619
Other payables	132.529	-	-	132.529
Long-term provisions				
-Long-term provisions foremployment benefits	26.158.276	-	-	26.158.276
Deferred tax liability	118.308.979	100	-	118.309.079
Other non-current liabilities	8.432.308	-	-	8.432.308

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

	(Audited) 31 December 2012	Consolidated by the equity accounting method	Effect of CMB Communique on 7 June 2013	Restated Prior Period (Audited) 31 December 2012
EQUITY				
Total equity	610.115.273	(3.881.789)	-	606.233.484
Equity attributable to equity holders of the parent company	529.035.097	(97.038)	-	528.938.059
Share capital	552.000.000	-	-	552.000.000
Inflation adjustment to share capital	77.198.813	-	77.198.813	
Items that will not be reclassified subsequently to profit or loss				
-Actuarial losses in defined benefit plan	-	-	-	-
Share premiums	76.944	-	76.944	
Items that may be reclassified subsequently to profit or loss				
-Currency translation differences	57.382.651	(106.984)	-	57.275.667
Restricted reserves	34.266.877	-	-	34.266.877
(Accumulated losses) / retained earnings	42.086.198	-	-	42.086.198
Net (loss) / income for the period	(233.976.386)	9.946	-	(233.966.440)
Non-controlling interests	81.080.176	(3.784.751)	-	77.295.425
Total liabilities	1.650.891.991	(10.212.646)	2.940.700	1.643.620.045

The preparation of consolidated financial statements requires the use of estimations and assumptions that may have an effect over the assets and liabilities reported at the balance sheet date, contingent assets and liabilities disclosures and income and expenses reported during the accounting period. The estimates and assumptions are based on the best available information on the current circumstances and operations; however, they may differ from the actual results. If changes in accounting estimates only relate to one period, the change is reflected in the current period in which the change is made, if they relate to future periods, the change is both reflected in the current period in which the change is made and prospectively for future periods. Significant accounting policies used in the current period are consistent with those that are used in the preparation of the consolidated financial statements for the year ended 31 December 2012.

2.1.7 Amendments in the CMB Financial Reporting Standards

(a) Standards that are effective as of 1 January 2013 and have effect on financial statements:

TFRS 10 Consolidated Financial Statements and TFRS 11 Joint Agreements

TFRS 10 replaces the parts of TAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation - Special Purpose Entities will be withdrawn upon the effective date of TFRS 10. Under TFRS 10, there is only one basis for consolidation, that is control. In addition, TFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's return. Extensive guidance has been added in TFRS 10 to deal with complex scenarios.

TFRS 11 replaces TAS 31 Interests in Joint Ventures. TFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Venturers will be withdrawn upon the effective date of TFRS 11.

Under TFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under TAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under TFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under TAS 31 can be accounted for using the equity method of accounting or proportional consolidation.

TFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in TFRS 12 are more extensive than those in the current standards.

In June 2012, the amendments to TFRS 10, TFRS 11 and TFRS 12 were issued to clarify certain transitional guidance on the application of these TFRSs for the first time.

These five standards together with the amendments regarding the transition guidance are effective for annual periods beginning on or after 1 January 2013. The application of these five standards, except for the amendments to TFRS 10, does not have a significant impact on amounts reported in the consolidated financial statements. These amendments should be applied retrospectively. Entities under common control recognized under TAS 27 are considered as joint ventures and have been accounted for by using the equity method rather than the proportionate consolidation method in accordance with TFRS 10 and prior period financial statements are restated accordingly as explained in detail in Note 2.1.6.

TAS 19 Employee Benefits

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. The group ,has decided to apply the changes made on IAS 19 in 2012, which are effective as of 1 January 2013, in 31 December 2012 and recognized actuarial gains/losses in the consolidated statement of income.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

TAS 1 Presentation of Financial Statements

The amendments to IAS 1 Presentation of Items of Other Comprehensive Income are effective for the annual periods beginning on or after 1 July 2012. The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed the 'statement of profit or loss and other comprehensive income' and the 'income statement' is renamed the 'statement of profit or loss'. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments can be applied retrospectively. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

(b) Standards that are effective as of 1 January 2013, but have no effect on financial statements:

Amendments to TFRS 7	Offsetting Financial Assets and Liabilities and relates Disclosures
Amendments to TAS 16	Property, plant and equipment
Amendments to TAS 32	Financial Instruments: Disclosure
Amendments to TAS 34	Financial Reporting for Annual Period
Amendments to TAS 12	Deferred Tax– Recovery of Underlying Assets
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interest in Other Entities
TFRS 7	Financial Instruments: Disclosures- Offsetting Financial Assets and liabilities
TFRS 10, TFRS 11	Consolidated Financial Statements, Joint Arrangements
Amendments to TFRS 12	Disclosure of Interest in Other Entities: Transition Rules
TAS 27	Separate Financial Statements
TAS 28	Investments in Associates and Joint Ventures
Amendments to TFRSs	Annual Improvements except for the amendment to IAS 1
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

(c) New and Revised Standards and Interpretations that are not yet effective and have not been early adopted by the Group

The Group has not applied the following new and revised TFRSs and interpretations that have been issued but are not yet effective:

TFRS 9	Financial Instruments
Amendments to TFRS 9 and TFRS 7	Mandatory Effective Date of TFRS 9 and Transition Disclosures
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities1
Amendants to IAS 10, IAS 11 and IAS 27	Investment Entities1
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets (1)
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to TFRS 21	Levies

(1) Effective for annual periods starting on 1 January 2014 or subsequent periods

Above mentioned standards will be effective in 2014 and following years and the Company has not yet had an opportunity to consider the potential impacts of the adoption of these revised standards and the Company does not anticipates that the amendments will have a significant effect on the financial statements.

2.2 Summary of significant accounting policies

2.2.1 Related parties

For the purpose of accompanying consolidated financial statements, related parties are referred to as legal entities in which Doğan Holding directly or indirectly has participation, including any entities under joint control; real persons and/or legal entities that have direct or indirect control or joint controlover the Company and their close family members (immediate family members) and legal entities having direct or indirect control or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company's affiliates, subsidiaries and members of the BOD, key management and their close family members (immediate family members) and real persons and/or legal entities that are directly or indirectly controlled individually or jointly (Note 34).

2.2.2 Financial assets

In accordance with IAS 39, the Group classifies its financial instruments as "available-for-sale" and "loans and receivables". All financial assets are recognised at cost including transaction costs in the initial measurement.

Financial assets classified by the Group as "available for sale financial assets" that do not have any control power or significant effect have no fair value. When fair value cannot be reliably measured as other fair value estimation methods are not applicable; the carrying value of the financial asset is measured at cost less any impairment loss (Note 6).

"Loans and receivables" are financial assets that have fixed or determinable payments and fixed maturity dates and non-derivative financial assets that are not quoted in an active market.

2.2.3 Trade receivables and provision for doubtful receivables

Trade receivables ,formed as a result of provided goods or services by the Group, are presented after netting of with unaccrued finance income. After netting of trade receivables with unaccrued finance income, remaining trade receivable balance is discounted by using the effective interest rate in the subsequent period in which the original invoice is issued. Short-term trade receivables with undetermined interest rate are presented at cost value when the original effective interest rate effect is insignificant.

Provision is allocated for receivables when the Group has an objective indication over the collectability. The Group also set allowance for the receivables which are overdue for more than one year unless there is no guarantee and collaterals taken or special agreement. The amount of the provision is the difference between the carrying amount and the recoverable amount. Recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collaterals discounted based on using the original effective interest rate of the trade receivable occurred.The management evaluates the possibility of reserving provision for doubtful receivables when the trade receivables are uncollectible and unguaranteed, in legal proceedings or due more than the regular commercial day terms.

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 recognised as other income following the write-down of the total provision amount (Note 27).

2.2.4 Impairment of assets excluding goodwill and intangible assets with indefinite useful lives

At each balance sheet date, the Group evaluates whether there are any indications that an asset other than goodwill or intangible assets with indefinite useful lives may be impaired. When an indication of impairment exists, carrying value of the assets is compared with the net realizable value which is the higher of value in use and fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment exists if the carrying value of an asset or a cash generating unit including that asset is greater than its recoverable amount. Impairment losses are recognised in the consolidated statement of income.

2.2.5 Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make a sale. Cost elements included in inventory are purchase costs and other costs necessary to prepare the asset for its intended use. Cost elements included in inventories are materials, labor and production overheads. The unit cost of inventories is determined on the moving weighted average basis (Note 12).

When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.The management evaluates the inventory impairment amount (if any) as of the balance sheet dates.

Promotion materials

Assessment of impairment on promotion materials and determination of impairment amount is carried out by the Group management. Impairment amount is determined by considering the purchase dates and rates identified by management.

2.2.6 Investment properties

Land and buildings that are held to earn rentals and/or for capital appreciation are classified as investment property. Investment properties are carried at cost less transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the year which they arise (Note 14). The Group recognized its investment properties by using cost method in previous years, however, as of 31 December 2012, the Group decided to adopt fair value method and restated the financial statements as shown in note: 2.1.6 according to "Significant accounting policies and changes in estimates and errors" IAS 8.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.The difference between fair value and cost value, as of the date in which the change has occured, is recognized as revaluation fund under other comprehensive income.

2.2.7 Property, plant and equipment and depreciation

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Depreciation is provided using the straight-line method based on the estimated useful lives of tangible assets (except lands) (Note 15).

The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

Buildings	25-50 years
Machinery and equipment	3-15 years
Furniture and fixtures	3-15 years
Motor vehicles	5 years
Leasehold improvements	2-20 years

Useful life and depreciation are reviewed regularly and the Group also reviews the consistency of the useful life and depreciation method applied with the economic benefits to be obtained from the underlying assets.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets.

Gains or losses on disposals of property, plant and equipment are determined with respect to the difference between collections received and carrying amounts of property, plant and equipment and are included in the other income and expense accounts, as appropriate.

Repair and maintenance expenses are charged to the consolidated statement of income as they are incurred. Capital expenditures that increase the present value of the future cash flows expected to be derived from property, plant and equipment by increasing its capacity is added to the cost of tangible fixed asset.

2.2.8 Financial leases

Leases are classified as finance leases by the Group whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are treated as consisting of capital and interest.

Principal lease payments are treated as liabilities and reduced with their payments. Interest charges are charged directly against income statement over the financial lease period. Capitalized leased assets are depreciated over the estimated useful life of the asset.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

2.2.9 Intangible assets

Intangible assets excluding goodwill and assets with infinite useful lives comprise trade names and licenses, customer lists, computer software and rights, internet domain names and other intangible assets. All trade names, customer lists and internet domain names have been identified as a result of independent valuations performed for the purchase price allocation related with the business combinations. Useful lives of certain trade names are determined to be indefinite. Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually.

Estimated useful lives of the intangible assets with finite useful lives are as follows:

Trade names	20 years
Customer lists	9 and 18 years
Computer software and rights	5-15 years
Domain names	3-20 years
Other intangible assets	5 years

Intangible assets with finite useful lives are carried at their acquisition cost and amortised using the straight-line method over their estimated useful lives (Note 16).

Intangible assets with finite useful lives are evaluated for impairment losses and if the book value exceeds the recoverable value, a provision is reserved to decrease the book value to recoverable value. Recoverable amount is considered to be the higher of future net cash flows of the intangible asset or the fair value less costs to sell. Impairment losses are recognized immediately in the consolidated income statement.

Web page development costs

Costs associated with developing web pages are capitalized and are amortized over their estimated useful lives (Note 16). Following the planning phase and operation; all costs are recognized as expense. Maintenance costs of web pages are accounted as operational expenses.

2.2.10 Goodwill

Goodwill and negative goodwill amount, which represent the difference between the purchase price and the fair value of the acquiree's net assets, arising from business combinations effected prior to 30 June 2004 in the consolidated financial statements is capitalized and amortized over the useful life by using the straight-line method prior to 31 December 2004. Goodwill arising from business combinations effected subsequent to 31 March 2004 is not amortized and instead reviewed for any impairment losses in accordance with TFRS 3 Business Combinations.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired as of the balance sheet dates. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period (Note 16).

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2.2.11 Critical accounting estimates and judgements

Useful lives of intangible assets

Useful lives of some trademarks are expected to be indefinite by the Group management. Where useful life is definite, in case of useful lives of 20 years, such intangible assets' amortization would have increased by TL 13.875.870 (31 December 2012: TL 13.468.004) and their loss before tax and minority interests would have increased by TL 13.875.870 (31 December 2012: TL 13.468.004).

Group amortizes trade names, customer lists and domain names with definite useful lives specified in Note 2.2.9.

If the useful lives of tradenames, customer lists and domain names differ from the management's estimates by 10%, the effects on the financial statements would be as follows:

- Had the useful lives been higher by 10%, amortization charges would have decreased by TL 1.261.443 and loss before tax and non-controlling interests would have decreased by TL 1.261.443 (31 December 2012: TL 1.224.364) or

- Had the useful lives been lower by 10%, amortization charges would have increased by TL 1.541.763 and loss before tax and non-controlling interests would have increased by TL 1.541.763 (31 December 2012: TL 2.219.056).

Impairment of goodwill and intangible assets:

The Group conducted goodwill impairment analysis as of 31 December 2013 and 2012 according to the details occured as explained below:

The recoverable amounts of cash generating units have been calculated using value in use model.Value in use is measured based on estimated cash flows after tax using financial budgets covering five-year period and EBITDA (profit margin before budgeted interest, taxes, amortization and depreciation, impairment charges and other non-operating expenses) expectations play an important role in these calculations.

Discount and EBITDA increase rates for projected cash flows following the five-year period are as below:

	EBITDA Increase Rate (%)	Discount Rate (%)
TME	40	12,6

The Group has not set a provision for impairment of goodwill in consolidated financial statements as of 31 December 2013 (31 December 2012, TRY 18.109.868 has been set as goodwill impairment provision) (Note: 16).

If after-tax discount rate applied to cash flow projection on cash generating units is 1% more than management's estimates, the Group would account an additional provision for goodwill amounting to TL 25.962.498 (31 December 2012 : 51.648.365 for goodwill and itangible assets) to its financial statements and net profit before tax and non-controlling interests would decrease by TL 25.962.498 (31 December 2012 51.648.365).

If the cash generating units to cash flow projections applied to EBITDA ratio is 5% lower than management's estimates, the Group would account an additional provision for goodwill amounting to TL 24.141.823, to its financial statements and net profit before tax and non-controlling interest would decrease by TL 24.141.823.

2.2.12 Taxes

Taxation on profit or loss includes current period income taxes and deferred taxes. Current year tax liability consists of tax liability on period income calculated according to currently enacted tax rates and tax legislation in force as of balance sheet date and includes adjustments related to previous year's tax liabilities. Turkish tax legislation does not permit a parent company, its subsidiaries and joint ventures to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates that have been enacted by the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized (Note 32). Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they are related to income taxes levied by the same taxation authority.

2.2.13 Financial borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the income statement as finance expense over the period of the borrowings (Note 7).

2.2.14 Employment termination benefits

The Group is required to pay termination benefits to employees who is retired, whose employment is terminated without due causes in Labour Law, in accordance with the Law related with The Arrangement of the Relationships within the Employees in Press Sector (employees in media sector) and other laws. The total provision represents the present value of future probable obligation of the Group arising from the retirement of its employees regarding the actuarial projections (Note 20).

2.2.15 Provisions, contingent assets and liabilities

Provisions are recognised when the Group has a present legal or constructive obligation or a result of past events, it is probable that on outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are assessed continually to determine whether an outflow of resources comprising economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimation can be made.

The Group has disclosed the contingent liability if it becomes probable, but no reliable estimation can be made on the amounts of resources comprising economic benefits.

Possible assets that arise from past events and whose existence will be confirmed only by the Group occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the are treated as contingent assets. A contingent asset is disclosed where an inflow of economic benefit is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.2.16 Share capital and dividends

Ordinary shares are classified as equity. Dividend income is recognised as income by the Group when right to obtain of dividend is generated in the consolidated financial statements. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

2.2.17 Foreign currency transactions

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in Turkish Lira, which is the functional currency of the Company.

Foreign currency transactions and balances

Income and expenses arising in foreign currencies have been translated into TL at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated statement of income.

The results of Group undertakings using a measurement currency other than TL are first translated into TL by using the average exchange rate for the period. The assets and liabilities of such Group undertakings are translated into TL by using the closing rate at the balance sheet date. Differences arising on retranslation of the opening net assets of such Group undertakings and differences between the average and period-end rates are included in currency translation reserve in the equity.

A significant portion of the Group's foreign operations are performed in Russia, Europe and Eastern Europe countries (Note 4). Foreign currencies and exchange rates at 31 December 2013 and 31 December 2012 are summarized below:

Country	Currency	31 December 2013	31 December 2012
Russia	Ruble	0,0652	0,0587
Eurozone	Euro	2,9365	2,3517
Hungary	Forint	0,0099	0,0081
Croatia	Kuna	0,3846	0,3113
Ukraine	Grivna	0,2670	0,2230
Romania	New Ley	0,6549	0,5319
Kazakhstan	Tenge	0,0139	0,0118
Belarus	Belarusian Ruble	0,0002	0,0002

2.2.18 Revenue recognition

Revenue is the fair value amount of sales of goods and services received or receivable which is resulted from Group's operations. Net sales represent the invoiced value of goods/services shipped less any trade discounts, rebates or commissions and are presented with the elimination of intercompany balances.

Revenue is initially recognized at the fair value of the consideration received or receivable when it can be measured reliably and when there is an inflow of economic benefits. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The interest rate used in discounting, is the rate to discount nominal amount of the receivable to the amortised cost of the related goods or services given.

The difference between the fair value and the nominal amount of the consideration is recognized as financing income on the related periods.

Revenues from advertisement

Revenues from advertisement are recognised on an accrual basis based on the time of publishing. Unpublished part of the advertisement is recorded as deferred revenue in balance sheet.

Revenues from newspaper sales

Revenues from newspaper sales are recognised on a matching principle at the time of delivery of the newspapers by the distribution company to the vendor at the invoiced values. Provision for newspaper sales returns is accounted at the time of delivery based on past experiences and other related information.

Revenues from printing services

Revenues from printing services arise from printing services given to Group companies and third parties by using Group's printing facilities. Related income is recognised on an accrual basis at the time of services given.

Interest income

Interest income is recognized on accruals basis in accordance with effective interest yield method.

Rental income

Rental income is recognized on an accrual basis.

Other income:

Other income is recognized on an accrual basis.

2.2.19 Barter agreements

The Group provides advertising services in return for advertisement and other products and services. When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a revenue generating transaction. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a revenue generating transaction. Revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. If the fair value of the goods or services received is not measured reliably, the revenue is measured at the fair value of the goods or services supplied, adjusted by the amount of any cash or cash equivalents transferred (Note 19). Barter agreements is recognized on an accrual basis.

2.2.20 (Loss) / profit per share

(Loss) / profit per share disclosed in the consolidated statements of income are determined by dividing net (loss) / profit for the period by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares "bonus shares" to existing shareholders from retained earnings (Note 23). For the purpose of earnings per share computations, such bonus shares issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by considering the retrospective effects of the issuances of the shares (Note 33).

In case of dividend payment, earnings per share are determined on existing number of shares rather than the weighted average numbers of shares.

2.2.21 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments without a significant risk over the change in their value, whose maturity at the time of purchase is three months or less (Note 5).

2.2.22 Subsequent events

Subsequent events and announcements related to net income or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when the balance sheet is authorised for issue.

In the case that events requiring a correction to be made occur subsequent to the balance sheet date, the Group makes the necessary corrections to the consolidated financial statements. In the case that events not requiring a correction to be made occur subsequent to the balance sheet date, those events are disclosed in the notes of consolidated financial statement.

2.2.23 Reporting of cash flows

In the statement of cash flows, consolidated cash flows during the period are classified under operating, investing and financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group's operations.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in assets and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with 3 months or less to maturity (Note 5).

2.2.24 Financial liabilities to non-controlling interests put options

Under the certain terms of acquisition agreements, the Group is committed to acquire the interests owned by non-controlling shareholders in consolidated subsidiaries, upon the request of non-controlling interest holders.

As it is highly probable that the Group will fulfill this obligation, IAS 32, "Financial Instruments: Disclosure and Presentation", requires the value of such put option to be presented as a financial liability on the balance sheet for the discounted value of the expected exercise price of this option, notwithstanding the ability of the Company to settle part of these obligations with its own shares rather than cash. Furthermore, the share of non-controlling shareholders in the net asset of the company subject to the put option must be reclassified from "non-controlling interest" to "other financial liabilities" in the consolidated balance sheet. The Group recognises, on initial recognition, the difference between the exercise price of the option and the carrying value of the non-controlling interests as a reduction of non-controlling interest and then as additional goodwill. The subsequent unwinding of the discount is recognised in financial expense while the change in the value of the commitment is recorded through goodwill (Note 16).

2.2.25 Non-current assets held for sale and discontinued operations

Assets held for sale are operations that the Group disposes of or classified as available for sale and cash flows which can be treated as a part separately from the Group. Non-current assets held for sale and discontinued operations represents a separate major line of business or geographical area of operations; is part of single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. The Group must evaluate its discontinued operations with the lower of carrying value and fair values less costs to sell (Note 35).

2.2.26 Segment reporting

The chief operating decision maker of the Group is the Executive Committee or Management Committee. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group has selected the geographical segment as the Group's primary segment reporting format based on the risks and returns in geographical areas reflecting the primary source of the enterprise's risks and returns (Note 4).

2.2.27 Derivative instruments

Derivative financial instruments consist of mainly foreign currency and interest rate swaps and forward foreign exchange contracts. Derivative instruments are initially recognized at acquisition cost. The related transaction costs are included in the acquisition cost. Derivative financial instruments are subsequently remeasured at their fair value. All derivative financial instruments are classified as financial assets carried at fair value through profit or loss. Fair value of derivative financial instruments is measured by using its market value or by applying discounted cash flows method. Derivative financial instruments are classified as assets or liabilities in accordance with their fair values to be positive or negative (Note 8).

According to valuation studies, changes in the fair value of derivatives at fair value through profit or loss are included in the statement of comprehensive income.

While certain derivatives provide effective hedge relationships, they are recognised as financial assets through profit or loss in accordance with IAS 39 and their fair value gains and losses are reported in the statement of comprehensive income.

NOTE 3 - BUSINESS COMBINATIONS

There are no business combinations as of 31 December 2013 and 31 December 2012.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 4 - SEGMENT REPORTING

a) Segmental analysis for the period between 1 January – 31 December 2013:

	Turkey	Russia and EE	Europe	Total
Sales	586.105.099	183.270.112	36.199.401	805.574.612
Cost of sales (-)	(388.215.159)	(88.742.514)	(37.480.080)	(514.437.753)
Gross operating profit	197.889.940	94.527.598	(1.280.679)	291.136.859
Marketing, selling and distribution expenses (-)	(112.157.628)	(33.120.637)	(139.531)	(145.417.796)
Losses from investments accounted by the equity method (-)	(7.770.000)	609.056	-	(7.160.944)
Net segment result	77.962.312	62.016.017	(1.420.210)	138.558.119
General administrative expenses (-)				(144.178.097)
Other operating income				82.810.976
Other operating expenses (-)				(45.274.193)
Finance expenses (-)				(101.479.505)
Income from investing activities				21.220.794
Expense from investing activities (-)				(13.020.147)
Monetary gain				74.229
Loss before tax				(61.287.824)
Tax expenses for the period (-)				(5.218.150)
Deferred tax income				12.281.732
Net loss for the period				(54.224.242)

b) Segmental analysis for the period between 1 January – 31 December 2012:

	Turkey	Russia and EE	Europe	Total
Sales	578.580.397	207.196.640	44.625.368	830.402.405
Cost of sales (-)	(382.371.706)	(100.016.273)	(36.807.942)	(519.195.921)
Gross operating profit	196.208.691	107.180.367	7.817.426	311.206.484
Marketing, selling and distribution expenses (-)	(111.450.052)	(26.985.470)	(2.965.776)	(141.401.298)
Losses from investments accounted by the equity method (-)	(11.166.626)	-	-	(11.166.626)
Net segment result	73.592.013	80.194.897	4.851.650	158.638.560
General administrative expenses (-)				(144.337.312)
Other operating income				98.189.553
Other operating expense (-)				(60.071.167)
Finance expenses (-)				(64.551.705)
Income from investing activities				196.497.070
Expense from investing activities (-)				(12.626.368)
Monetary gain				118.285
Loss before tax				171.856.916
Tax expenses for the period (-)				(24.136.886)
Deferred tax income				3.025.301
Net loss for the period				150.745.331

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

c) Segment assets:

	31 December 2013	31 December 2012
Turkey	612.525.953	710.676.637
Russia and EE	658.048.124	649.462.944
Europe	134.628.186	143.890.723
	1.405.202.263	1.504.030.304
Unallocated assets	19.432.851	28.191.596
Investments accounted by the equity method	13.768.940	8.905.216
Total assets per consolidated financial statements	1.438.404.054	1.541.127.116

Group's assets other than segment assets include prepaid taxes (Note 22), VAT receivables (Note 22) and deferred taxes assets (Note 32).

d) Segment liabilities:

	31 December 2013	31 December 2012
Turkey	32.386.348	16.858.991
Russia and EE	169.726.775	141.112.296
Europe	66.195.033	63.842.780
	268.308.156	221.814.067
Unallocated liabilities	446.954.014	575.283.430
Total liabilities per consolidated financial statements	715.262.170	797.097.497

Group's liabilities other than other segments liabilities is composed of short and long-term borrowings (Note 7) , provisions (Note 18), employee termination benefits (Note 20), VAT payable (Note 22) unused vacation provision (Note 18), and current tax liability and deferred tax liabilities (Note 32).

e) Property, plant and equipment, intangible assets and investment property purchases and depreciation and amortization

Capital expenditures:

	2013	2012
Turkey	19.261.397	76.748.786
Russia and EE	5.036.455	7.892.883
Europe	1.272.213	1.660.185
Total	25.570.065	86.301.854

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Depreciation and amortization charges:

	2013	2012
Turkey	43.260.786	41.319.563
Russia and EE	26.772.653	27.325.370
Europe	8.413.046	8.088.085
Total	78.446.485	76.733.018

f) Non-cash other expenses:

	1 January-31 December 2013			
	Turkey	Russia and EE	Europe	Total
Provision of impairment for assets available for sale (Note 35)	-	-	23.301.137	23.301.137
Provision of retirement pay and unused vacation (Note: 18,20)	9.964.842	5.808.872	-	15.773.714
Allowance for doubtful receivables (Note16)	5.418.694	2.782.625	-	8.201.319
Provision of legal claims (Note 18)	1.897.012	-	-	1.897.012
Provision of inventory impairment (Note 12)	1.116.831	-	-	1.116.831
	18.397.379	8.591.497	23.301.137	50.290.013

	1 January - 31 December 2012			
	Turkey	Russia and EE	Europe	Total
Provision of goodwill impairment	-	18.105.868	-	18.105.868
Provision of employee termination benefits and unused vacation (Note 18,20)	8.418.738	4.742.161	-	13.160.899
Provision of doubtful receivables (Note 9,22)	5.772.487	1.658.829	285.708	7.717.024
Provision of legal claims (Note 18)	2.576.440	-	-	2.576.440
Provision of inventory impairment (Note 12)	2.109.581	-	-	2.109.581
	18.877.246	24.506.858	285.708	43.669.812

NOTE 5 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Cash	661.026	727.452
Banks		
- time deposits	24.717.629	90.072.204
- demand deposits	21.796.687	17.351.949
- blocked deposits	31.506	37.525
Total	47.206.848	108.189.130

The Group has blocked deposits amounting to TL 31.506 as of 31 December 2013 (31 December 2012: TL 37.525). The blocked deposits consist of demand deposits amounting to TL 30.341 (31 December 2012: TL 15.663).

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Cash and cash equivalents included in the consolidated statements of cash flows as of 31 December 2013, 31 December 2012 and 31 December 2011 are as follows:

	31 December 2013	31 December 2012	31 December 2011
Cash and Banks	47.206.848	108.189.130	275.910.951
Less: Blocked deposits	(31.506)	(37.525)	(35.304)
Less: Interest accruals	(202.381)	(107.381)	(512.641)
Total	46.972.961	108.044.224	275.363.006

The maturity analysis of time deposits including the blocked time deposits is as follows:

	31 December 2013	31 December 2012
0-1 month	24.620.616	87.976.338
1-3 months	98.178	2.117.728
	24.718.794	90.094.066

There are no time deposits with variable interest rates at 31 December 2013 and 31 December 2012. The gross interest rate for TL time deposits is 8,32% as of 31 December 2013 (31 December 2012: 7,27%). The gross interest rate of foreign currency denominated time deposits is 4,07 % for USD (31 December 2012: 2,50%).

NOTE 6 - FINANCIAL ASSETS

Financial assets available for sale:

The details of financial assets available for sales as of 31 December 2013 and 31 December 2012 are as presented below:

	Share %	31 December 2013	Share %	31 December 2012
Doğan Faktoring Hizmetleri A.Ş. ("Doğan Factoring")	5,11	1.029.898	5,11	1.029.898
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	1,75	468.534	1,75	468.534
Coats İplik Sanayi A.Ş.	0,50	257.850	0,50	257.850
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. ("Hürservis")[1]	-	-	19,00	169.166
B2C Prodüksiyon Bilişim ve Emlak Danışmanlığı Sanayi Ticaret A.Ş. ("B2C")	15,00	150.000	15,00	150.000
Other	-	70.624	-	151.882
Total	1.976.906			2.227.330

At 30 December 2013, Hürservis was sold to Doğan Müzik Kitap Mağazacılık Pazarlama A.Ş. for TL 604.200. Regarding to this sale, loss amounting to TL 485.734 has occured in the financial statements pepared in accordance with the regulations of CMB and Turkish Tax Legislation.

Financial investments are carried at cost less provision for impairment since they are not being traded in an active market. There is no impairment during the period.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

As of 31 December 2012, the provision for impairment of financial assets in consolidated income statement is related to Doğan Havacılık which was sold at 11 December 2012 and its movement in the period is as follows:

	2013	2012
1 January	-	(2.208.193)
Provision for impairment	-	2.208.193
31 December	-	-

NOTE 7 - FINANCIAL LIABILITIES

The details of financial liabilities at 31 December 2013 and 31 December 2012 are as follows:

Short-term borrowings:	31 December 2013	31 December 2012
Bank borrowings (Note 37.ii)	2.387.299	11.855.588
Financial liabilities to suppliers (Note 37.ii)	6.436.107	34.193.200
	8.823.406	46.048.788
Short-term portion of long-term financial liabilities (Note 37.ii)	143.052.144	249.699.732
Total	151.875.550	295.748.520

Long-term financial liabilities:	31 December 2013	31 December 2012
Bank borrowings (Note 37.ii)	261.465.762	201.449.549
Financial liabilities to suppliers (Note 37.ii)	4.692.877	6.929.212
Total	266.158.639	208.378.761

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Bank borrowings:

The details of bank borrowings at 31 December 2013 and 31 December 2012 are as follows:

	Effective interest rate (%)		Original foreign currency		TL	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Short-term bank borrowings						
- Euro	-	4,0	-	5.041.285	-	11.855.588
- TL	-	-	2.387.299	-	2.387.299	-
Sub-total					2.387.299	11.855.588
Short-term portion of long-term bank borrowings						
- USD	6,1	5,4	62.117.344	134.087.546	132.577.048	239.024.460
- Euro	2,9	5,4	3.567.205	4.539.385	10.475.096	10.675.272
Sub-total					143.052.144	249.699.732
Total short-term bank borrowings					145.439.443	261.555.320
Long-term bank borrowings						
- USD	5,6	5,4	120.000.000	110.000.000	256.116.000	196.086.000
- Euro	2,9	3,8	1.821.816	2.280.711	5.349.762	5.363.549
Total long-term bank borrowings					261.465.762	201.449.549

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The repayment schedules of long-term bank borrowings are as follows:

Year	31 December 2013	31 December 2012
2014	-	108.216.862
2015	257.904.161	90.422.284
2016	1.857.998	1.489.359
2017 and after	1.703.603	1.321.044
Total	261.465.762	201.449.549

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at balance sheet dates are as follows:

Period	31 December 2013	31 December 2012
Up to 6 months	405.378.225	461.617.366
6-12 months	1.350.790	1.387.503
1 to 5 years	176.190	-
Total	406.905.205	463.004.869

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

Group borrows loans on fixed and floating interest rates. Distribution of variable and fixed interest loans are presented in Note 37.1 (i).

In December 2013, OOO Pronto Moscow, one of the indirect subsidiaries of the Group, has restructured its bank loan amounting to USD 70.000.000 with a maturity of April 2014 and was classified in short term portion of long term bank borrowings as of 31 December 2013 and 31 December 2012 by using the extension option in the agreement. The maturity of the loan has been extended to 20 April 2015. Besides, the interest rate which was 6,40 % as of 31 December 2012 was decreased to 6,25 % in the current period. Regarding to Doğan Holding's loan agreement, USD 70.000.000 deposits have been blocked as guarantee.

Financial liabilities to suppliers:

Short and long-term financial liabilities to suppliers are related with the purchase of machinery and equipment. Effective interest rates of short-term and long-term financial liabilities to suppliers are 1,60% for Euro (31 December 2012: Euro: 1,22%).

The repayment schedules of long-term financial liabilities to suppliers are as follows:

Year	31 December 2013	31 December 2012
2014	-	5.146.343
2015 and after	4.692.877	1.782.869
Total	4.692.877	6.929.212

As of 31 December 2013, the Group's short-term financial liabilities to suppliers issued at variable interest rate are amounting to TL 6.436.107 (31 December 2012: TL 34.193.200), long-term financial liabilities issued at variable interest rate are amounting to 2.226.217 (31 December 2012: TL 6.929.212) and the long-term financial liabilities issued at fixed interest rate are TL 2.466.660 (31 December 2012: none).

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The exposure of the Group's financial liabilities to suppliers to interest rate changes and the contractual repricing dates are as follows:

Period	31 December 2013	31 December 2012
Up to 6 months	8.662.324	41.122.412
1 to 5 years	2.466.660	-
Total	11.128.984	41.122.412

The fair values of short-term and long-term financial liabilities to suppliers are considered to approximate their carrying values as the effect of discount is not material.

The Group's bank borrowings and financial liabilities to suppliers with variable interest rate are amounting to TL 224.302.700 as of 31 December 2013 (31 December 2012: TL 298.739.972).

NOTE 8 - OTHER FINANCIAL ASSETS AND LIABILITIES

Other short term financial assets at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Derivative instruments	-	573.393
Total	-	573.393

Other short term financial liabilities at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Derivative instruments	2.440.486	-
Financial liabilities due to put options	16.154.517	18.207.476
Total	18.595.003	18.207.476

a) Derivative instruments

i) Derivative instruments against foreign exchange risk

The Group has made a Euro swap transaction amounting to USD 20.000.000 (31 December 2012: USD 25.221.500) related with bank borrowings in the current period.

Group has a right to buy or sell 1 million USD on every monday of each week depending on the market rates, which is valid until 13 January 2014. As of 31 December 2013, the financial liability arising from the fair value of swap agreements and other derivative transactions is amounting to TL 2.440.486 (31 December 2012: TL 573.393 of financial assets arising from the fair value of swap agreements and other derivative transactions) (Note 8).

ii) Interest rate swap transactions

Group had interest rate swap agreement for USD variable interest rate (Libor) of its loan, amounting to USD 10.000.000 with maturity to 2015, to convert EUR variable interest rate (Euribor). Financial expense amounting to TL 634.886 has been recognised during the period regarding to this agreement.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

b) Non-controlling interests put options

Oglasnik d.o.o. Option

The Group was granted a put option, on the remainder of 30% of non-controlling shares during the acquisition of 70% interest of the shares in its subsidiary Oglasnik d.o.o. located in Croatia. The negotiations related with using that put option is still continuing as of the date which the financial statements publicly announced. As of 31 December 2013, the fair value of this option is TL 16.154.517 and classified in "other short-term financial liabilities" (31 December 2012: TL 18.207.476). There is a dispute about the protocol between the parties concerned and an arbitration process is in progress in the presence of Zagreb Court of Arbitration. A declaratory lawsuit has been filed by the non-controlling shareholders against the Group since non-controlling shareholders could not exercise this put option. An alternative EUR 3.500.000 plus default interest is claimed as compensation together with the declaratory lawsuit. The third trial of the lawsuit was held on 3 July 2013 and the arbitration procedure is still on progress.

NOTE 9 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables net off of unearned finance income at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Trade receivables	233.608.011	238.540.783
Notes and cheques receivable	2.996.291	4.029.429
Receivables from credit cards	1.718.307	9.135.537
Income accruals	250.383	337.296
Unearned finance income due from term sales	(2.727.380)	(2.015.435)
Less: Provision for doubtful receivables (Note 36)	(51.384.264)	(57.630.747)
Short-term trade receivables	184.461.348	192.396.863

According to a revocable commitment agreement signed with Doğan Factoring Hizmetleri A.Ş., trade receivables resulting from advertisements, amounting to TL 129.692.268 (31 December 2012: TL 134.954.258) are followed up by Doğan Factoring Hizmetleri A.Ş. ("Doğan Factoring"). Group has not transferred the risk of not collecting the above mentioned receivables and has continued to bear in its balance sheets. These receivables are related to commercial advertisements and some of classified advertisements. The due date of the Group's trade receivables followed up by Doğan Factoring is 96 days (31 December 2012: 98 days). The unearned finance income due from sales with maturity related with the receivables followed up by Doğan Factoring is TL 895.559 (31 December 2012: TL 939.315) and the compound interest rate is 12,01% per annum (31 December 2012: 10,03%).

The movements of provision for doubtful receivables are as follows:

	2013	2012
1 January	(57.630.747)	(55.438.024)
Additions during the period (Note 28)	(8.201.319)	(7.317.968)
Collections during the period (Note 27)	2.418.092	3.264.976
Provisions classified to assets disposed of	6.650.273	1.750.973
Currency translation differences	965.589	109.296
Disposal of subsidiary	4.413.848	-
31 December	(51.384.264)	(57.630.747)

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Trade payables at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Short-term trade payables	46.499.414	47.429.485
Expense accruals	1.737.604	3.808.965
Unrealized financial expenses due to term purchases	(225.536)	(79.748)
Total	48.011.482	51.158.702

As of 31 December 2013, the due date of Group's trade payables is 50 days (31 December 2012: 51 days). As of 31 December 2013, urealized financial expense is TL 225.536 and the compound interest rate is 12,01% per annum (31 December 2012: 10,03 %).

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other short-term receivables at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Notes and cheques receivable (1)	73.576.936	73.918.846
Deposits and guarantees given	3.520.295	601.398
Total	77.097.231	74.520.244

Other long-term receivables at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Deposits and guarantees given	1.508.340	1.183.230
Cheques receivable (1)	-	61.276.875
Total	1.508.340	62.460.105

(1) In 2012, the Group has sold the properties that consist of 58.609,45 m2 land and buildings including the building that has been used as company headquarters for 28 years (Hürriyet Media Towers) in Bağcılar, İstanbul to Nurol Garimenkul Yatırım Ortaklığı in consideration of USD 127.500.000 (TL 225.993.750), excluding late interest. USD 17.500.000 of consideration was paid in advance and the remaining portion which amounts to USD 110.000.000 is payable in 32 equal installments starting from 6 March 2012 by applying 3,5% interest for remaining balance after the each payment. As of 31 December 2013, USD 34.375.000 (TL 73.366.563) of the related consideration is recognized as short term notes receivable. Total collectable interest amount related to principal payments is USD 6.395.692 and USD 2.013.898 of this amount (TL 3.569.633), excluding VAT, has been collected and is recognized as finance income in the accompanying financial statements in the current period. Interest accrual calculated by using the effective interest rate in the current period amounts to USD 98.568 (TL 210.373) and is recognized as short term notes and cheques receivable and finance income in the accompanying financial statements.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Other short-term payables at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Taxes payable	3.501.640	1.015.705
Deposits and guarantees received	577.489	702.231
Total	4.079.129	1.717.936

Other long-term payables at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Deposits and guarantees received	235.345	170.675
Other	228.512	-
Total	463.857	170.675

NOTE 11 – EMPLOYEE BENEFIT PAYABLES

Employee benefit payables as of 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Social security withholdings payable	3.528.442	3.733.101
Due to personnel	6.107.888	6.369.120
Total	9.636.330	10.102.221

NOTE 12 - INVENTORIES

	31 December 2013	31 December 2012
Raw materials and supplies	15.074.781	13.926.117
Promotion materials (1)	4.122.716	6.882.221
Finished goods and merchandise	1.978.084	1.451.622
Semi-finished goods	352.940	224.881
	21.528.521	22.484.841
Provision for impairment of inventory	(4.168.833)	(3.433.906)
Total	17.359.688	19.050.935

(1) Promotion materials include promotion materials such as books, CDs and DVDs.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Movements of the provision for impairment of promotion inventories, raw materials and supplies and finished goods and merchandise are as follows:

	2013	2012
1 January	(3.433.906)	(1.941.808)
Provision of promotion inventories	(427.515)	(361.041)
Reversal of provision of promotion materials	326.866	617.483
Provision of raw materials and supplies	(689.316)	(1.569.253)
Reversal of provision of raw materials and supplies	55.038	-
Provision of finished goods and merchandise	-	(179.287)
31 December	(4.168.833)	(3.433.906)

NOTE 13 - INVESTMENTS ACCOUNTED BY THE EQUITY METHOD

As of 31 December 2013 and 31 December 2012, the corresponding portion of subsidiaries' and joint ventures' current assets, non-current assets, short-term and long-term liabilities and shareholders' equity, which are consolidated with the equity method in accordance with TFRS 10 and TFRS 11 are as follows:

Subidiaries	31 December 2013 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries	31 December 2012 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries
Doğan Media International GmbH ("Doğan Media")	42,42	42,42
SP Pronto Kiev	37,14	37,14
TOV E-Prostir	37,14	37,14

Joint Ventures	31 December 2013 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries	31 December 2012 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries
OOO Autoscout24 (1)	-	37,88
ASPM Holding B.V.	37,88	37,88
Tipeez İnternet Hizmetleri A.Ş. ("Tipeez") (2)	-	30,00

(1) Liquidated in 2013.
(2) All of the shares were sold to controlling shareholder, Tweege Holding LP on 25 June 2013.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Profit and loss resulting from transactions between the Group companies and its subsidiaries are eliminated with the direct proportion of the ownership percentage. As of 31 December 2013, the Group's share of financial statements which are valued by equity method, are as follows:

31 December 2013	Total assets	Total liabilities	Net assets	Net sales	Net profit/(loss)
Dogan Media	14.180.969	4.855.641	9.325.328	18.843.636	(7.770.000)
SP Pronto Kiev	4.582.656	196.670	4.385.986	2.985.867	570.093
ASPM Holding B.V.	91.570	33.944	57.626	-	(3.866)
TOV E-Prostir	212.755	212.755	-	451.189	42.829
	19.067.950	5.299.010	13.768.940	22.280.692	(7.160.944)

The summary of Group's share of the financial statements of the investments accounted by the equity method at 31 December 2012 is as follows:

31 December 2012	Total assets	Total liabilities	Net assets	Net sales	Net (loss)/profit for the period
Dogan Media	19.078.823	13.820.807	5.258.016	49.741.861	(12.007.168)
SP Pronto Kiev	3.857.923	210.723	3.647.200	3.685.333	921.641
TOV E-Prostir	99.522	99.522	-	231.429	(81.099)
	23.036.268	14.131.052	8.905.216	53.658.623	(11.166.626)

The investments accounted by the equity method as of 31 December 2013 and 31 December 2012 are as follows:

	Share %	31 December 2013	Share %	31 December 2012
Doğan Media International GmbH ("Dogan Media")	42,42	9.325.328	42,42	5.258.016
SP Pronto Kiev	37,14	4.385.986	37,14	3.647.200
ASPM Holding B.V.	37,88	57.626	37,88	-
TOV E-Prostir	37,14	-	37,14	-
		13.768.940		8.905.216

The summary of Group's share of the financial statements of the investments accounted by the equity method at 31 December 2013 and 31 December 2012 is as follows:

	2013	2012
1 January	8.905.216	11.348.405
Increase in share capital	-	9.905.723
Disposal of subsidiary (1)	13.115.786	-
Loss from associates	(7.160.944)	(11.166.626)
Currency translation differences	(496.043)	(285.220)
Dividend distribution	(595.075)	(897.066)
31 December	13.768.940	8.905.216

(1) Kanal D Romania, which is consolidated by using under the equity method, has been sold to related company as of 31 December 2013 and the effect of this sale is recognized under equitiy.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 14 - INVESTMENT PROPERTY

The movements in investment property as of 31 December 2013 are as follows:

	1 January 2013	Additions	Disposals [1]	Change in fair value adjustment	31 December 2013
Land	26.109.998	225.000	-	14.048.787	40.383.785
Buildings	23.941.139	5.630.005	(15.271.629)	2.695.021	16.994.536
	50.051.137	5.855.005	(15.271.629)	16.743.808	57.378.321

[1] Disposals due from the sale of investment properties acquired by the barter agreements.

With the decision taken based on the review done by the group management, investment properties, which were carried at cost less accumulated depreciation under cost method less impairment charges if any in the previous financial statements, are decided to carry at their fair values (Note 2.2.6).

The Group's rent income from investment properties amounted to TL 95.638 as of 31 December 2013 (31 December 2012: 30.000). The Group's direct operating expenses arising from the investment properties in the period amounted to TL 366.723. (31 December 2012: TL 177.755).

The movements in investment property as of 31 December 2012 are as follows:

	1 January 2013	Additions	Disposals [1]	Change in fair value adjustment	31 December 2013
Cost:					
Land	22.995.000	2.306.355	-	808.643	26.109.998
Buildings	19.325.984	24.203.775	(19.282.673)	(305.947)	23.941.139
	42.320.984	26.510.130	(19.282.673)	502.696	50.051.137

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment and related accumulated depreciation for the period ended 31 December 2013 are as follows:

	1 January 2013	Currency translation differences	Additions	Disposals	Transfers [1]	Reclassified as assets held for sale [3]	Disposal of subsidiary [2]	31 December 2013
Cost								
Land and land improvements	23.224.425	1.903.198	-	-	-	(4.571.650)	-	20.555.973
Buildings	153.376.334	4.579.642	108.142	(1.903)	(479.632)	(277.882)	-	157.304.701
Machinery and equipment	612.730.375	10.993.948	2.667.402	(1.626.797)	56.937	-	-	624.821.865
Motor vehicles	9.915.741	490.792	228.229	(740.058)	-	-	-	9.894.704
Furnitures and fixtures	51.339.237	27.251	7.290.367	(2.204.250)	177.007	(3.226.094)	(171.297)	53.232.221
Leasehold improvements	36.381.954	28.784	689.719	-	479.630	(411.113)	-	37.168.974
Other intangible assets	757.635	181.483	2.696	-	-	-	-	941.814
Construction in progress	531.190	71.445	1.994.612	(32.355)	(233.942)	(1.220.015)	-	1.110.935
	888.256.891	18.276.543	12.981.167	(4.605.363)	-	(9.706.754)	(171.297)	905.031.187
Accumulated amortization								
Land and land improvements	(378.298)	-	(51.683)	-	-	-	-	(429.981)
Buildings	(41.551.713)	(2.291.629)	(3.858.951)	-	-	81.842	-	(47.620.451)
Machinery and equipments	(471.584.453)	(9.507.059)	(32.697.386)	1.391.616	-	-	-	(512.397.282)
Motor vehicles	(6.922.655)	(186.879)	(826.970)	428.198	-	-	-	(7.508.306)
Furnitures and fixtures	(34.362.648)	(688.233)	(7.013.523)	2.023.665	-	2.826.401	157.974	(37.056.364)
Leasehold improvements	(24.508.776)	(96.971)	(2.130.899)	-	-	97.068	-	(26.639.578)
Other intangible assets	(751.688)	(379.063)	(67.914)	-	-	-	-	(1.198.665)
	(580.060.231)	(13.149.834)	(46.647.326)	3.843.479	-	3.005.311	157.974	(632.850.627)
Net book value	308.196.660							272.180.560

At 31 December 2013, net book value of the property, plant and equipment included in machinery and equipments and acquired through financial leases is amounting to TL 4.379.154 (31 December 2012: TL 5.349.438).
At 31 December 2013 there are mortgages on property, plant and equipment amounting to TL 19.087.250 (31 December 2012: TL 15.286.050).
For the period ended at 31 December 2013 depreciation expense amounting to TL 35.778.039 (31 December 2012: TL 36.648.028) is added to cost of sales (Note 24), amounting to TL 10.869.287 (31 December 2012: TL 9.455.523) is added to marketing, selling and distribution and general administrative expenses (Note 25).
[1] As a result of the review of plant property and equipment, additional fixed assets amounting to TL 479.630 are decided to be classified from building to leasehold improvements.
[2] In 2013, the Group has disposed of its entire shares in its subsidiary Moje Delo, spletni marketing d.o.o.(Note 35).
[3] Group has agreed to sale by 9 million USD its land with the size of 17.725,69 m2 which is located in Esenler, İstanbul. In accordance whith the agreement the land has classified to non current assets held for sale. In addition, the Group's subsidiaries, which operate in Hungary and Croatia, are classified as assets held for sale.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The movements of property, plant and equipment and related accumulated depreciation for the period ended 31 December 2012 are as follows:

	1 January 2012	Currency translation differences	Additions	Disposals	Transfers	Reclassified as assets held for sale	Disposal of subsidiary	31 December 2012
Cost								
Land and land improvements	40.852.448	(264.483)	1.444.281	(20.901.406)	-	2.093.585	-	23.224.425
Buildings	165.179.647	(804.008)	638.388	(2.048.485)	462.388	(9.944.064)	(107.532)	153.376.334
Machinery and equipment	693.924.022	(722.970)	12.679.332	(104.069.140)	11.474.713	-	(555.582)	612.730.375
Motor vehicles	11.573.299	(79.185)	241.755	(1.820.128)	-	-	-	9.915.741
Furnitures and fixtures	104.952.151	(149.062)	8.572.979	(62.578.075)	591.426	-	(50.182)	51.339.237
Leasehold improvements	25.052.071	13.648	11.360.589	(44.354)	-	-	-	36.381.954
Other intangible assets	685.177	(23.428)	95.886	-	-	-	-	757.635
Construction in progress	414.290	(60.548)	12.931.792	(225.817)	(12.528.527)	-	-	531.190
	1.042.633.105	(2.090.036)	47.965.002	(191.687.405)	-	(7.850.479)	(713.296)	888.256.891
Accumulated amortization								
Land and land improvements	(272.438)	-	(53.464)	-	-	(52.396)	-	(378.298)
Buildings	(41.892.377)	42.835	(3.883.096)	517.946	-	3.627.135	35.844	(41.551.713)
Machinery and equipment	(543.029.694)	739.817	(33.214.293)	103.534.394	-	-	385.323	(471.584.453)
Motor vehicles	(8.545.165)	94.362	(56.471)	1.584.619	-	-	-	(6.922.655)
Furnitures and fixtures	(88.509.193)	447.415	(7.571.114)	61.225.439	-	-	44.805	(34.362.648)
Leasehold improvements	(23.580.234)	5.919	(952.117)	17.656	-	-	-	(24.508.776)
Other intangible assets	(400.132)	21.440	(372.996)	-	-	-	-	(751.688)
	(706.229.233)	1.351.788	(46.103.551)	166.880.054	-	3.574.739	465.972	(580.060.231)
Net book value	336.403.872							308.196.660

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 16 - INTANGIBLE ASSETS

i) Goodwill

The movements of goodwill for the periods ended at 31 December are as follows:

	2013	2012
1 January	118.331.349	136.195.646
Currency translation differences	11.091.759	(618.685)
Provision for goodwill impairment (1) (Note 28)	-	(18.105.868)
Disposal of subsidiary (2) (Note 36)	(6.457.517)	-
Other (3)	(3.543.374)	860.256
31 December	119.422.217	118.331.349

(1) As of 31 December 2013, there is no goodwill impairment as described in Note 2.2.11 (31 December 2012: TRY 18.105.868).
(2) In 2013, the Group has disposed of its entire shares in its subsidiary Moje Delo, spletni marketing, d.o.o. according to the Slovenia statutory legislation.
(3) Represents the changes in the fair value of the put options (Note 2.2.24).

As of 31 December 2013, the goodwill amounting to TL 119.422.217 (31 December 2012: TL 118.374.132) is arising from the acquisition of Group's subsidiary TME which operates in abroad.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

ii) Other intangible assets

The movements of intangible assets and related accumulated amortization for the period ended 31 December 2013 are as follows:

	1 January 2013	Currency translation differences	Additions	Disposals	Transfers	Reclassified to assets held for sale[2]	Disposals of subsidiary[1]	31 December 2013
Cost								
Trade names and licenses	311.021.324	33.712.058	-	-	-	(13.316.301)	-	331.417.081
Customer list	310.305.078	60.085.100	-	-	-	(31.039.266)	-	339.350.912
Computer software and rights	73.267.479	7.818.100	2.547.747	(1.814.701)	526.037	(16.141.887)	(877.421)	65.325.354
Internet domain names	26.829.768	3.205.066	3.406.907	(1.516.930)	262.655	(2.135.503)	-	30.051.963
Other intangible assets	6.659.793	413.466	52.415	(3.604)	-	(4.023.576)	-	3.098.494
Construction in progress	33.460	40.000	726.824	-	(788.692)	-	-	11.592
	728.116.902	105.273.790	6.733.893	(3.335.235)	-	(66.656.533)	(877.421)	769.255.396
Accumulated amortization								
Trade names and licenses	(20.792.733)	(1.071.529)	(1.491.168)	-	-	-	-	(23.355.430)
Customer list	(108.189.520)	(39.387.620)	(19.272.816)	-	-	23.279.449	-	(143.570.507)
Computer software and rights	(53.768.283)	(6.683.750)	(7.009.033)	1.550.236	-	13.743.729	424.726	(51.742.375)
Internet domain names	(9.727.370)	(1.951.344)	(3.473.181)	1.522.640	-	1.303.761	-	(12.325.494)
Other intangible assets	(6.174.891)	(311.030)	(552.961)	3.605	-	4.015.963	-	(3.019.314)
	(198.652.797)	(49.405.273)	(31.799.159)	3.076.481	-	42.342.902	424.726	(234.013.120)
Net book value	529.464.105							535.242.276

Amortization expense amounting to TL 31.799.159 (31 December 2012: TL 29.822.977) has been included in marketing, selling and distribution and general administrative expenses as of 31 December 2013.

(1) In 2013, the Group has disposed of its entire shares in its subsidiary Moje Delo, spletni marketing, d.o.o. (Note 36).
(2) The Group's subsidiaries operating in Hungary and Croatia are classified as non-current assets held for sale.

The movements in intangible assets and related accumulated amortization for the period ended 31 December 2012 are as follows:

	1 January 2012	Currency translation differences	Additions	Disposals	Transfers	31 December 2012
Cost						
Trade names and licenses	311.871.261	(849.937)	-	-	-	311.021.324
Customer list	309.421.118	883.960	-	-	-	310.305.078
Computer software and rights	65.141.269	(972.557)	7.910.555	(200.218)	1.388.430	73.267.479
Internet domain names	23.783.299	(39.699)	3.086.168	-	-	26.829.768
Other intangible assets	6.041.314	76.424	553.145	(11.090)	-	6.659.793
Construction in progress	1.127.673	17.363	276.854	-	(1.388.430)	33.460
	717.385.934	(884.446)	11.826.722	(211.308)	-	728.116.902
Accumulated amortization						
Trade names and licenses	(19.324.214)	(29.211)	(1.439.308)	-	-	(20.792.733)
Customer list	(88.936.526)	(689.386)	(18.563.608)	-	-	(108.189.520)
Computer software and rights	(47.070.877)	736.185	(7.596.703)	163.112	-	(53.768.283)
Internet domain names	(6.959.178)	(33.332)	(2.734.860)	-	-	(9.727.370)
Other intangible assets	(5.800.648)	(79.255)	(294.988)	-	-	(6.174.891)
	(168.091.443)	(94.999)	(30.629.467)	163.112	-	(198.652.797)
Net book value	549.294.491					529.464.105

The cost of trade names and licenses with indefinite useful lives amounted to TL 277.517.400 as of 31 December 2013 (31 December 2012: TL 269.360.081). The utilization period of the assets with indefinite useful lives is determined based on the stability of the industry, changes in market demands as to the products and services provided through assets, control period over the assets and legal or similar restrictions on their utilization.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 17 - GOVERNMENT GRANTS

The Group obtained six investment incentives certificates for the imported equipments amounting to USD 13.805.393 and domestic equipments amounting to TL 1.502.399 for the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 28 October, 2, 4 November and 30 December 2011. The agreements are valid for two years and equipment imported within the scope of the certificate is exempt from Customs Duty and VAT. The investments amounting to USD 13.595.062 for imported equipments and TL 1.502.399 for domestic equipments are realized within these certificates as of 31 December 2013 (31 December 2012: for the imported equipments amounting to USD 13.450.323, for the domestic equipments amounting to TL 1.279.898).

NOTE 18 -PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 December 2013 and 31 December 2012, short term provisions are as follows:

	31 December 2013	31 December 2012
Provision for unused vacation rights	17.760.561	14.836.862
Other provisions for lawsuit and compensation	4.069.499	3.680.581
Total	21.830.060	18.517.443

i. Provision of unused vacation rights

The movements in provision for unused vacation rights during the periods ended at 31 December are as follows:

	2013	2012
1 January	(14.836.862)	(15.430.714)
Additions during the period	(8.049.497)	(5.114.456)
Payments during the period and reversal of provision	5.445.123	5.717.644
Currency translation difference	(319.325)	(9.336)
31 December	(17.760.561)	(14.836.862)

The lawsuits against the Group amounted to TL 29.686.311 (31 December 2012: TL 26.678.044). 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 analyses, as of 31 December 2013 the Group has set a provision of TL 4.069.499 for lawsuits (31 December 2012: TL 3.680.581).

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

ii. Provision of litigation

As at 31 December 2013 and 31 December 2012, the Group's ongoing lawsuits are as follows:

	31 December 2013	31 December 2012
Legal lawsuits	23.199.519	20.720.990
Commercial lawsuits	3.286.792	3.234.000
Labor lawsuits	3.200.000	2.423.645
Administrative lawsuits	-	299.409
Total	29.686.311	26.678.044

The movements of provision for lawsuits for the periods ending 31 December are as follows:

	2013	2012
1 January	(3.680.581)	(2.813.326)
Payments related to provisions	1.508.094	1.709.185
Additions during the period (Note 28)	(1.897.012)	(2.576.440)
31 December	(4.069.499)	(3.680.581)

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 19 - COMMITMENTS

Group's collaterals/pledge/mortgage ("CPM") position as of 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013		31 December 2012	
	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
A. CPM's given in the name of its own legal personality				
-Collaterals				
TL	1.624.865	1.624.865	3.362.593	3.362.593
Euro	25.000	73.413	25.000	58.793
HRK	-	-	2.706.054	842.323
-Mortgages				
TL	-	-	-	-
Euro	6.500.000	19.087.250	6.500.000	15.286.050
B. CPM's given on behalf of the fully consolidated companies [1]				
-Commitments				
TL	918.903	918.903	1.115.751	1.115.751
USD	3.540	7.555	-	-
Euro	3.055.000	8.971.008	4.075.000	9.583.178
C. 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	-	-	-	-
iii)Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
Total		30.682.994		30.248.688

[1] Commitments given regarding to the borrowings obtained for the main operations of the Group, that are intended to meet various financial needs of subsidiaries.

CPM's given by the Group

There is no CPM's given for third parties as indicated in the table above except CPM's given for their own legal entities. The ratio of other CPM's given against the Group's equity is 0% as of 31 December 2013 (31 December 2012: 0%).

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 31 December 2013, the Group has a commitment for the publication of advertisements amounting to TL 5.379.691 (31 December 2012: TL 7.103.533) in exchange for purchasing goods and services and has an option to purchase goods and services amounting to TL 14.997.250 (31 December 2012: TL 15.003.096) in exchange of the goods or services sold.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 20 – EMPLOYMENT TERMINATION BENEFITS

Provision for employment termination benefits at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Provision for employment termination benefits	47.989.848	44.563.930
Total	47.989.848	44.563.930

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 amount payable maximum equals to one month of salary is TL 3.254,44 (31 December 2012: TL 3.033,98) for each year of service.

On the other hand Group is liable to make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due 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.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The Group has preferred to early adopt the amendment for IAS 19 which occurred in 2012 and has been effective as of 1 January 2013, therefore the Group has recognized all actuarial gains and losses in other comprehensive income.

The main actuarial assumptions used in the calculation of the total provision for employment benefits are as follows:

- in calculation, the discount rate, inflation rate and real wage increase rate are regarded as 9,70% (31 December 2012: 7,69%), 6,40% (31 December 2012: 4,98%) and 6,40% (31 December 2012: 4,98%), respectively.

- in calculation, ceiling wage amounting to TL 3.254,44 which is valid as of 31 December 2013 (31 December 2012: TL 3.033,98) has been taken into consideration as basis.

- retirement age is regarded as the earliest age at which each employee can retire.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The movements in provision for employment termination benefits during the periods ended at 31 December are as follows:

	2013	2012
1 January	(44.563.930)	(26.158.276)
Actuarial loss	(2.304.048)	(17.013.328)
Service cost during the period	(3.600.194)	(2.602.993)
Net interest expense due to the defined benefit obligation	(2.773.416)	(2.794.975)
Unrecognized amortisation of prior service cost	(141.288)	-
Payments and reversal of provisions during the period	6.602.347	6.654.117
Settlement/curtailment/termination loss	(1.209.319)	(2.648.475)
31 December	(47.989.848)	(44.563.930)

Total costs resulting from employee termination benefits with the exception actuarial losses have been included in the consolidated statement of income as of 31 December 2013.

NOTE 21 – PREPAID EXPENSES

	31 December 2013	31 December 2012
Prepaid expenses	5.225.920	3.906.513
	5.225.920	3.906.513

Prepaid expenses are mostly composed of the prepaid rents and insurance expenses.

	31 December 2013	31 December 2012
Deferred income	10.072.664	8.915.597
	10.072.664	8.915.597

NOTE 22 - OTHER ASSETS AND LIABILITIES

Other Current Assets

Other current assets at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Blocked deposits (1)	36.591.846	-
Advances given to personnel	3.908.028	3.913.762
Value added tax ("VAT") receivables	1.235.760	1.582.473
Job advances	466.137	420.358
Advances given	88.716	152.395
Other	2.364.739	5.616.715
Provision for other doubtful receivable (-)	(872.929)	(746.910)
Total	43.782.297	10.938.793

(1) According to the amendment agreement of USD 50.000.000 bank loan made in 24 February 2014, together with the addition to blocked deposit amount at 31 December 2013, total of USD 17.200.000 was paid as principal of related loan.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Other Current Assets

Movements of the provision for other doubtful receivables are as follows:

	2013	2012
1 January	(746.910)	(833.005)
Additions during the period (Note 26)	-	(112.436)
Currency translation difference	(126.019)	198.399
31 December	(872.929)	(746.910)

Other Non-Current Assets

Other non-current assets at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Value added tax ("VAT") receivable	752.090	841.327
Prepaid expenses	1.165.214	171.130
Advance given due to fixed asset purchase	395.093	165.589
Blocked deposit	19.683	16.754
Deposits and guarantees given	-	44.564
Total	2.332.080	1.239.364

Other Short-Term Liabilities

Other short-term liabilities at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
VAT payable	3.113.944	3.959.156
Other	109.935	180.298
Total	3.223.879	4.139.454

NOTE 23 - 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 TL 1. There are no privileged shares. The Company's historical authorised and paid-in share capital at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Registered share capital	800.000.000	800.000.000
Paid-in share capital	552.000.000	552.000.000

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

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Aydın Doğan and Doğan family (Işıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y. Begümhan Doğan Faralyalı) are the ultimate parent of the Company.

	31 December 2013	Share (%)	31 December 2012	Share (%)
Doğan Yayın Holding [1]	367.416.194	66,56	367.416.194	66,56
Doğan Holding [1]	61.200.274	11,09	61.200.274	11,09
Registered at Borsa İstanbul and other	123.383.532	22,35	123.383.532	22,35
Issued share capital	552.000.000	100	552.000.000	100
Adjustment to share capital	77.198.813	77.198.813		
Total	629.198.813	100	629.198.813	100

[1] As of 31 December 2013, 6,56% (31 December 2012: 6,56%) of Hürriyet's share capital belonging to Doğan Yayın Holding which is the main shareholder of the Group, and 11,09% (31 December 2012: 11,09%) of Hürriyet's share capital belonging to Doğan Holding, have "open" status and are in circulation in stock market.

In accordance with the Capital Markets Board's (the "CMB") Resolution No: 21/655 issued on 23 July 2010, it is regarded that 21,98% of the shares (31 December 2012: 20,87%) are outstanding as of 31 December 2013 based on the Central Registry Agency's ("CRA") records. 40,00% of Hürriyet's shares are publicly available.

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.

Premium on shares

The share premium of public offering represents the difference between with the nominal amount and the sales amount.

Restricted reserves

Restricted reserves are reserves which are reserved from profit of previous period for particular purposes (for instance, to advantage from sales of investment in associates) except dividend distribution or any purposes for necessity of law and agreement.

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" in accordance with the CMB Financial Reporting Standards.

In accordance with the CMB Financial Reporting Standards, Company's restricted reserves amounting to TL 167.305.861 (31 December 2012: TL 34.266.877) consist of legal reserves and gain on sales of real estate as of 31 December 2013.

Restricted reserves:	31 December 2013	31 December 2012
Composition restricted reserves	39.284.095	32.480.097
Gain on sales of real estate [1]	128.021.766	1.786.780
Total	167.305.861	34.266.877

[1] With the decision taken by the Group management, the real estate profit with the amount of TL 168.313.315 occurred in statutory records in 2012 from the sale of Hürriyet headquarter and a land located in Esenyurt amounting to TL 126.234.986 that benefits from the exemption (75%) referred to in Article 5-1/e of the Corporate Tax Law will not be involved in allocation of profits for periods 1 January 2012 – 31 December 2012 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.

Items that will not be Reclassified to Profit or Loss

Other comprehensive expenses occurred from the 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.

Remeauserement Losses in Defined Benefit Plans

Provision for employment benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group. In 2012, the Group has decided to early adopt the amendments to TAS 19 which is applicable as of 1 January 2013 and recognized all actuarial gains and losses in other comprehensive income. Remeasurement loss recognized under equity in the balance sheet amounts to TL 15.453.900 (31 December 2012: TL 13.610.662).

Capital Reserves and Retained Earnings

Subsequent to the first inflation adjusted financial statements, equity items such as; "Capital, Emission Premiums, Legal Reserves, Statutory Reserves, Special Reserves and Extraordinary Reserves" are carried at carrying value in the balance sheet and their adjusted values are collectively presented in equity.

The valuation differences resulted due to the application of the requirements set out in the communiqué (such as, inflation adjustment differences) shall be disclosed as follows:

- If the difference is arising due to the inflation adjustment of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment to Share Capital" following "Paid-in Capital";

- If the difference is due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilised in dividend distribution or capital increase yet, it shall be classified under "Retained Earnings".

Other equity items shall be carried at the amounts valued in accordance with CMB Financial Reporting Standards. Capital adjustment differences can only be included to capital.

Dividend distribution

The company takes dividend distribution decision in general board 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".

On the other hand,

a) In early adaption of TAS/ TFRS, retained earnings resulted from redrafting of comperative financial statements in line with regulations, ,
b) "Equity inflation adjustment differences" resulting from restricted reserves without any record preventing dividend distribution,
c) Retained earning resulting from the adjustments of financial statements according to inflation for the first time, 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, related account item is not considered as discount or premium item while calculating the net distributable profit.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The CMB's requires the disclosure of total amount of net profit in the statutory records and other resources which may be subject to profit distribution in the financial statements and to be announced to public. The total gross amount that can be subject to profit distribution according to legal records is TL 160.146.442.

The company's Board of Directors has, on the date of 20 June 2013, resolved that:

The shareholders be advised that, according to the consolidated financial statements for the fiscal period of 01.01.2012-31.12.2012, prepared pursuant to the provisions of the Capital Market Board's (CMB) Communiqué Series: XI, No.29 and in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (TFRS) and presented in compliance with the related resolutions of the CMB and audited independently; when "tax expenses for the period", "deferred tax revenue" and the "non-controlling interests" are considered together, there is an amount of TL 150.662.628 "Consolidated Net Period Profit"; however, after setting aside the amount of TL 6.803.998, as the "First Legal Reserves", persuant to article 519 of the TCC, deduction of the amount of TL 190.353.127, as "accumulated losses from previous years" and as resolved by the Board of Directors on 14.02.2012 with the meeting number of 2012/08 and on 28.11.2012 with the meeting number of 2012/64, article 5-1/e of the Corporate Tax Law will not be involved in allocation of profits for the period 01 January 2012 – 31 December 2012 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 and (which is 75% the profit on sale) the amount of TL 126.234.986 gain on sale from real estate , it is determined that there is no "distributable profit for the period" (loss of TL 172.729.483) in accordance with the CMB's regulations on profit distribution; and the related issue be presented for approval to the General Assembly accordingly; It has been determined that the company's fiscal records for the period 01 January 2012 - 31 December 2012 show a net profit amounting to TL 180.216.737 calculated in accordance with Turkish Commercial Code and Tax Procedure Law. Net distributable profit is calculated to be TL 3.040.976 after following deductions are made; taxes payable amounting to TL 16.334.288, prior period loss amounting to TL 44.136.777, primary reserve amounting to TL 6.803.998 calculated in line with Turkish Commercial Code, Article 519; profit from sales of property, plant and equipment which is announced to be kept in a special reserve account in the balance sheet to benefit from the tax exemption as defined by Corporate Tax Legislation, Capital Market Board Legislation , Article Number 5-1 /e, in line with Tax Legislation, Capital Market Board Legislation and all other related rules and regulations. The calculated amount (which is 75% the profit on sale) is TL 126.234.986 and the calculation is made in accordance with Turkish Commercial Cade and Tax procedure Law. The announcement with respect to booking this amount to a special reserve account were made on 14.02.2012 and 28.11.2012 in conjunction with Board Decisions numbered 2012/08 and 2012/64 respectively. Offsetting the prior year loss with the current year profit, the booking of profit from property, plant, equipment sales to a special reserve account and recording TL 3.040.976 as extraordinary reserve will be presented to the approval of General Assembly.

NOTE 24 - SALES AND COST OF SALES

Sales

	2013	2012
Advertisement sales	522.236.809	545.239.427
Circulation and publishing sales	242.256.103	238.690.076
Other	41.081.700	46.472.902
Net sales	805.574.612	830.402.405
Cost of sales	(514.437.753)	(519.195.921)
Gross profit	291.136.859	311.206.484

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Cost of Sales

The details of cost of sales for the years ended 31 December are as follows:

	2013	2012
Raw material	196.420.901	212.389.184
Paper	*127.217.157*	*140.581.531*
Printing and ink	*50.026.681*	*51.955.398*
Other	*19.177.063*	*19.852.255*
Payroll	179.895.979	169.776.811
Amortization (Dipnot 15)	35.778.039	35.841.538
Commissions	17.399.969	17.710.520
Distribution, storage and travel	10.240.547	9.372.374
Fuel, electricity, water and office expenses	8.804.845	9.986.439
Rent expenses	8.349.872	7.208.243
Maintenance and repair expenses	6.282.144	6.413.611
Outsourced services	5.679.225	4.754.859
News agency expenses	4.859.509	5.220.109
Communication	4.291.301	4.469.668
Packaging expenses	4.068.856	5.317.085
Other	32.366.566	30.735.480
Total	514.437.753	519.195.921

NOTE 25 - GENERAL ADMINISTRATION EXPENSES, MARKETING EXPENSES

a) General administrative expenses:

	2013	2012
Payroll	54.119.512	47.922.884
Depreciation and amortization charges (Note 15,16)	42.439.080	39.786.127
Consultancy	10.941.973	14.778.232
Rent	11.632.095	10.439.395
Fuel, electricity, water and office expenses	6.302.475	8.371.172
Transportation, storage and travel	3.495.228	3.895.541
Communication	3.372.990	3.768.103
Maintenance and repair expenses	3.143.708	3.035.930
Other	8.731.036	12.339.928
Total	144.178.097	144.337.312

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

b) Marketing expenses:

	2013	2012
Advertisement	54.760.314	54.782.684
Transportation, storage and travel	28.542.626	26.666.507
Payroll	25.368.924	24.942.328
Promotion	23.079.886	22.261.864
Outsourced services	4.461.614	2.301.795
Sponsorship	1.924.028	2.439.396
Depreciation and amortization charges (Note 15,16)	229.366	298.863
Other	7.051.038	7.707.861
Total	145.417.796	141.401.298

NOTE 26 - EXPENSES BY NATURE

	2013	2012
Payroll	259.384.415	242.642.023
Depreciation and amortization charges	78.446.485	75.926.528
Total	337.830.900	318.568.551

NOTE 27 - OTHER OPERATING INCOME

The details of other operating income for the periods ended at 31 December are as follows:

	2013	2012
Foreign exchange gains	58.476.989	72.181.611
Finance income from trade and other receivables	7.953.970	5.868.005
Finance income due from term sales	6.996.335	7.433.669
Interest income on bank deposits	2.702.793	7.128.483
Terminated provisions	2.418.092	3.264.976
Rent and building service income	466.836	991.890
Unrealised finance expense due from term purchases	225.536	-
Other	3.570.425	1.320.919
	82.810.976	98.189.553

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 28 - OTHER OPERATING EXPENSES

The details of other operating expenses for the periods ended at 31 December are as follows:

	2013	2012
Foreign exchange losses	26.764.523	25.816.167
Provision for doubtful receivables (Note 9, 22)	8.201.319	7.430.272
Provision for impairment of goodwill (Note 16)	-	18.105.868
Unrealized finance income due from term sales	2.727.380	2.015.435
Provision for lawsuits (Note 18)	1.897.012	2.576.440
Aids and donations	1.124.625	931.489
Punishment and compensation expense	574.431	1.062.670
Other	3.984.903	2.132.826
	45.274.193	60.071.167

NOTE 29 – INCOME FROM INVESTING ACTIVITIES

The details of income from investing activities for the periods ended at 31 December are as follows:

	2013	2012
Gain on fair value changes of the investment property (Note 14)	16.743.808	502.696
Foreign exchange gains	3.653.904	17.419.428
Gain on sales of property, plant and equipment (1)	695.061	176.884.883
Gain on sale of subisidaries	-	548.413
Gain on sale of financial investments	128.021	1.141.650
	21.220.794	196.497.070

(1) As of 31 December 2012, amounting to TL 142.905.241 is arising from the sale of Hürriyet headquarter to Nurol Gayrimenkul Yatırım Ortaklığı occurred on 1 February 2012 and amounting to TL 28.098.595 is gain on sale of fixed assets arising from the sale of the Group's land located in Esenyurt and calculated in accordance with TAS.

NOTE 30 – EXPENSES FROM INVESTING ACTIVITIES

The details of expenses from investing activities for the periods ended at 31 December are as follows:

	2013	2012
Foreign exchange losses	5.935.209	4.458.206
Loss on investment property, plant and equipments (1)	4.558.421	8.168.162
Loss on sale of subisidiaries (Note 36) (2)	2.526.517	-
	13.020.147	12.626.368

(1) Amounting to TL 4.170.103 (2012: TL 4.829.523) is arising from the sale of investment properties acquired by the Group's barter agreements and amounting to TL 388.318 (2012: TL 3.338.639) is arising from the disposal of property, plant and equipments.
(2) The Group disposed of its shares of Moje Delo, Spletni Marketin, D.O.O according Slovenian legislation in 2013.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 31 – FINANCIAL EXPENSES

The details of financial expenses for the periods ended at 31 December are as follows:

	2013	2012
Foreign exhange losses	72.804.417	30.003.472
Interest expense on bank loans	23.292.953	28.919.845
Credit comission, banking and factoring expenses	4.840.775	3.411.757
Interest expense on tax base increase under Law: 6111	-	416.353
Other	541.360	1.800.278
	101.479.505	64.551.705

NOTE 32 – INCOME TAXES

	31 December 2013	31 December 2012
Corporate and income taxes payable	886.742	17.942.352
Less: Prepaid taxes	(1.854.825)	(11.395.894)
Tax receivables	(968.083)	6.546.458

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.

The details of the effective tax laws in countries which Group has significant operations are stated below:

Turkey:

In accordance with Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006, corporation tax is 20% for 2013 (2012: 20%). 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.

Dividends paid to non-resident corporations, having representative office in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital is not considered as a profit distribution.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is to be declared by the 14th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In accordance with Tax Law No: 5024 "Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law" that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, the income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira. In accordance with the aforementioned law provisions, in order to apply inflation adjustment, cumulative inflation rate (TURKSTAT WPI) over last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not fulfilled in the years 2012 and 2013.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate.

Tax authorities can review accounting records within five years and if they determine any errors on the accounting records, tax payable can be reassessed.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses can not be carried back to offset profits from previous periods. As publicly disclosed on 19 April 2011, the Company plans to make use of the requirements set out in relation to "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees"; therefore, 50% of losses attributable to the periods that are subject to tax base increase will not be offset against the income to be obtained in 2011 and subsequent periods.

As of 31 December 2013, the Company has offset its financial losses attributable to the calculation of offsetting of tax asset against deductible financial losses or current tax provision in accordance with the above-mentioned principles.

There are numerous exemptions in the Corporate Income Tax Law. This is one of the exceptions to the Company are described below:

Dividend income from shares in capital of another corporation subject to resident taxpaying (except dividends from investment funds participation certificates and investment trusts shares) are exempt from corporate tax.

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

For companies participating in 10% or more of the capital of a non-resident limited liability or joint stock company, (except for those whose principal activity is financial leasing or investment property) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business centre at the rate of at least 15% (minimum corporate income tax applicable in Turkey for those whose principal activity is finance assurance or insurance).

The income of corporations arising from their offices or permanent representatives abroad (except for corporations whose principal activity is financial leasing or investment of marketable securities) for at least a year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax and provided that the foreign office or permanent representative must be subject to corporate income tax, or alike, in the country it is located at the rate of at least 15% (at corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in liabilities and it must be withdrawn from the entity for a period of 5 years. The sales consideration should be collected until the end of the second calendar year following the year the sale was realized.

According to the regulation, published in the 27659 numbered Official Gazette on August 1, 2010 based on Law No. 6009 through article 5, the phrase " regarding only the years 2006, 2007 and 2008" on temporary article 69 of Income Tax Law.193 has been revised which was abolished by The Constitutional Court decision numbered 2009/144 published in the Official Gazette on 8 January 2010. With respect to this revision, undeductible investment allowance due to insufficient income and deferred investment allowance amounts can be used without a year limitation. Investment allowance amount, which will be used in determination of the tax assessment, will not exceed 25% profit of the relevant year. In addition to this, instead of the corporate tax rate 30% for the ones that benefit the related allowance, effective corporate tax rate (20%) will be applied on the income after the deduction of the allowance.

In accordance with Law No:6009, which is related to the 25% threshold and requires the incentive amount that will be subject to investment incentive exemption in determining tax base cannot exceed 25% of the respective income, has been revoked based on the ground that it is contrary to the Constitution upon the Constitutional Court's resolution No: E. 2010/93 K. 2012/9 ("stay of execution") issued on 9 February 2012 and published in the Official Gazette No: 28208 on 18 February 2012. The related Constitutional Court's decision was published in the official Gazette No: 28719 as at 26 July 2013.

Russian Federation

The corporate tax rate effective in Russian Federation is 20% (2012: 20%).

Russian tax year is the calendar year and other fiscal year ends are not permitted. Profit tax is calculated on a year-to-date basis. Advance payments are made monthly, with different calculation methods for quarterly or monthly schedules subject to the taxpayer's choice.

Tax returns are filed till the 28th of March, following the close of the financial year.

According to Russian Federation's tax system, losses may be carried forward for 10 years to be deducted from future taxable income. Starting from 2007 there is no limitation as to the maximum amount that can be deducted in each particular year. Rights related to tax losses that have not been utilized in the related periods will be lost.

Tax refunds are technically possible but are very difficult to obtain in practice. Tax consolidations of tax reporting/payments by different legal entities (or grouping) are not permitted in Russia at present. Generally, dividend income payable to a foreign organization is subject to withholding tax at 15%. This standard rate may, however, be reduced under the provisions of applicable double tax treaty.

In Russian Federation the tax regulations are subject to various comments and change frequently. Regarding to TME's operations the interpretation of tax regulations by tax authorities may differ from the management.

Hungary

The corporate tax rate effective in Hungary is 19% (2012: 19%).

According to Hungary's tax system, there is no time limit while transporting financial damages. The tax authority's permission is needed to carry forward the tax-year's losses if a company's pre-tax profit is negative and its income is less than 50% of its costs and expenses or the company's tax base was also negative in the previous two years.

From 1 January 2007, capital gains from the sale of registered shareholdings are tax-exempt, provided that the taxpayer has held the shareholding for at least two years prior to its disposal.

The two-year holding period has been reduced to one year from 1 January 2008. Capital losses and impairments on registered shares are not deductible for corporate income tax purposes.

Croatia

The corporate tax rate effective in Croatia is 20% (2012: 20%).

There are no formal procedures in Croatia to agree the final level of tax charge upon submission of the declaration for corporate tax and VAT. However, such tax charges may be subject to review by the relevant tax authorities during the limitation period of three years. The limitation period of three years starts with the year that follows the year of submission of tax declarations. The counting of three years starts again with any action of tax authorities with the purpose to collect tax, interest or fines until absolute statute of limitation of six years expires.

Tax losses may be carried forward and used within five years following the year in which they were incurred.

When paying fees for the use of intellectual property, market research services, tax and business consultation, auditing and similar services, and interest to foreign legal persons, Croatian taxpayers are obliged to withhold and pay 15% tax.

Ukraine

On 4 December 2010, the Tax Code of Ukraine (the "TCU" or the "Code") was adopted and officially published. The TCU comes into effect on 1 January 2011, although some of its provisions come into effect at a later date (the most important of these being Section III, which deals with corporate income tax and came into effect on 1 April 2011). The Code makes essential changes to the existing Ukrainian tax rules, introducing a number of concepts common in other jurisdictions (e.g. beneficial ownership, substance over form) to various degrees.

The tax that companies pay is known as corporate income tax (CIT). Currently, this tax is calculated at a flat rate of 21% (2012: 21%). The most recent changes to Ukrainian tax legislation envisage a gradual reduction in CIT rates, as follows:

21% from 1 January 2012 until 31 December 2012;
19% from 1 January 2013 until 31 December 2013;
16% from 1 January 2014 onwards.

According to domestic tax accounting rules, taxable items are normally recognized on the basis of the accrual method. In accordance with this method, taxable income is generally recognized in the reporting period, in which it was accrued. Cost of sold goods/services is recognized in the period when income is recognized (in line with financial accounting rules).

Other deductible expenses are generally recognized when they are incurred (i.e. upon receipt of goods or services), regardless of the period of payment. However, certain types of taxable income are recognized on a cash basis. This includes fines and financial assistance received from non-residents (unless financial assistance is provided by the company's shareholders and returned within 365 days).

Gross taxable income is defined as any income, from domestic or foreign sources, that is received or accrued by the taxpayer in the course of conducting any activity. This income may be in monetary, tangible or intangible form.

The tax year for CIT is a calendar year, while CIT reporting periods are a calendar quarter, half year, first three quarters and calendar year. Taxpayers must submit tax returns for each reporting period and make quarterly tax payments. Quarterly tax returns must be submitted within 40 days of the last calendar day of each reporting period (10 May, 9 August, 9 November, 9 February). Quarterly tax payments should be made within 50 days of the end of a reporting period.

Belarus

The corporate tax rate effective in Belarus is 18% (2012: 18%).

The tax period is the calendar year. Profit tax is calculated as progressive total. Advance payments are made quarterly, on the basis of either the previous year results or expected current year profits.

The annual corporate tax declaration is due by 20 March of the following year. Tax loss carry forward is not allowed.

Tax refunds are possible. Tax consolidations of tax reporting/payments by different legal entities (or grouping) are not permitted in Belarus at present. Generally, dividend income payable to a foreign organization is subject to withholding tax at 12%. This standard rate may, however, be reduced under the provisions of applicable double tax treaty.

The Belarus tax regulations change frequently.

Kazakhstan

Under the Tax Code of the Republic of Kazakhstan companies shall pay the CIT on taxable income at a 20% rate (2012: 20%).

According to the Tax Code, taxable income is defined as the difference between gross annual income and deductible expenses provided for under the Tax Code taking into account adjustments made. Gross annual income is defined as any income, from domestic or foreign sources, that is received or accrued by a taxpayer during the tax period. This income may be in monetary, tangible or intangible form.

Deductible expenses should be directly associated with generating taxable income from activities performed by a company. An accrual method is applied with respect to income and expenses determination for CIT purposes. According to the tax legislation, losses may be carried forward for 10 years to be deducted from future taxable income.

A tax period for CIT is a calendar year. A taxpayer is to forecast its expected taxable income and calculate advance monthly payments which are due not later than 25th day of each month of the reporting year. The annual CIT return is due by 30 June of the year following the reporting year. Should actual CIT liability be different from the initially estimated advances, taxpayers may correct their tax liabilities during the tax year but not later than 20 December of the reporting tax period. There are other special requirements relative to calculation of advance payments in the Tax Code. The following taxpayers shall be entitled not to calculate and make CIT advance payments:

- Taxpayers whose gross annual income after adjustments for the tax period preceding the previous tax period, did not exceed 325 times the monthly calculation index set by the law on the state budget and effective at January 1 of the relevant financial year;
- Newly created taxpayers – during the tax period in which state registration (record of registration) was carried out with the justice authorities, and also during the subsequent tax period;
- Non-resident legal entities newly registered with the tax authorities as taxpayers, and operating in Kazakhstan through a permanent establishment without a branch or representative office – during the tax period in which registration with the tax bodies was carried out, and also during the subsequent tax period.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The tax rates at 31 December 2013, which are used in the calculation of deferred tax, taking each country's tax legislations into consideration are as follows:

Country	Tax rates (%)	Country	Tax rates (%)
Germany	28,0	Kazakhstan	20,0
Croatia	20,0	Hungary	19,0
Belarus	18,0	Holland	25,0
Russia	20,0	Ukraine	21,0

Deferred Tax

The Group recognizes deferred tax assets and liabilities based on temporary differences arising between the financial statements as reported for CMB Financial Reporting Standards and financial statements prepared in accordance with the tax legislation. . These differences usually result in the recognition of revenue and expenses in different reporting periods fort he CMB's Financial Reporting Standards and tax purposes.

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.

	31 December 2013	31 December 2012
Deferred tax liabilities	(106.367.744)	(112.550.695)
Deferred tax assets	15.590.176	14.371.902
Deferred tax liabilities, net	(90.777.568)	(98.178.793)

The temporary differences and deferred tax assets / (liabilities) using the enacted tax rates as of 31 December 2013 and 31 December 2012 are as follows:

	Total temporary differences		Deferredtax assets / (liabilities)	
	2013	2012	2013	2012
Provision for employment benefits and unused vacation rights	65.750.409	59.400.792	13.151.427	11.832.801
Difference between tax base and carrying value of trade receivables	18.890.857	20.516.409	3.778.465	4.010.511
Investment incentives	56.958.599	56.958.599	742.605	742.604
Carry forward tax losses (1)	53.792.898	5.396.867	10.759.006	1.078.660
Investment properties valuation difference	(12.536.712)	(12.386.955)	(247.676)	32.064
Deferred revenue	2.074.046	1.594.318	414.809	318.863
Difference between tax bases and carrying value of property, plant and equipment and intangibles	(594.799.841)	(607.388.434)	(124.579.430)	(121.692.751)
Other, net	23.714.891	26.832.633	5.203.226	5.498.455
Total	(386.154.853)	(449.075.771)	(90.777.568)	(98.178.793)

(1) As of 31 December 2013, carry forward tax losses for which no deferred income tax asset was recognised amounted to TL 85.519.173 (31 December 2012: TL 113.620.671).

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The maturity analysis of carry forward tax losses utilized is as follows:

	31 December 2013	31 December 2012
2014	-	5.396.867
2015 and after	53.792.898	-
Total	53.792.898	5.396.867

The movements of net deferred tax liabilities for the periods ended 31 December are as follows:

	2013	2012
1 January	(98.178.793)	(104.926.671)
Deferred tax liability in consolidated income statements	12.281.732	3.025.301
Actuarial loss	460.810	3.402.666
Translation reserves	(5.337.700)	(452.892)
Disposal of subsidiary	(3.617)	(67.739)
Discontinued operations	-	840.542
31 December	(90.777.568)	(98.178.793)

The analysis of the tax expense / (income) for the periods ended at 31 December are as follows:

	2013	2012
Current	5.218.150	(24.136.886)
Deferred	(12.281.732)	3.025.301
Total	(7.063.582)	(21.111.585)

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The reconciliation of the current period tax expense in the consolidated statement of income for the periods ended at 31 December and consolidated tax and the tax (income) / expense calculated with the current tax rate over income before tax and non-controlling interests are as follows:

	31 December 2013	31 December 2012
Profit/ (loss) before taxes and non-controlling interests	(61.287.824)	171.856.916
Current period tax expense / (income) calculated at the effective tax rates of countries	(19.031.199)	37.873.240
Expenses not deductible for tax purposes	3.804.602	3.597.360
Effect of impairment of goodwill	-	3.621.174
Effect of share losses investments accounted by the equity method	1.462.412	2.233.325
Carry forward losses utilized	(5.009.486)	(2.713.176)
Tax on dividend distributions	11.462.475	4.627.612
Income exempt from tax	(241.584)	(25.689.164)
Other, net	489.198	(2.438.786)
Tax (income) / expense	(7.063.582)	21.111.585

NOTE 33 – (LOSS) / PROFIT PER SHARE

(Loss) / profit per share is calculated by dividing the net (loss) / profit for the period attributable to equity holders of the company to the weighted average number of ordinary shares in issue. (Loss) / profit per share for the periods ended 31 December is as follows:

	2013	2012
Continued operations net (loss)/incomefort he period	(54.224.242)	150.745.331
Discontinued operations net (loss) for the period	(24.583.900)	(3.718.815)
Net (loss)/income fort he period	(78.808.142)	147.026.516
Number of ordinary shares in issue (with nominal value of TL 1 each)	552.000.000	552.000.000
Earning / (loss) per share (TL)		
Earning / (loss) pers hare from continued operations	(0,0982)	0,2731
Loss pers hare from discontinued operations	(0,0445)	(0,0067)
Loss pers hare from continued and discontinued operations	(0,1427)	0,2664

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 34 - RELATED PARTY DISCLOSURES

For the purpose of accompanying consolidated financial statements, related parties are referred to as legal entities in which Doğan Holding directly or indirectly has participation, including any entities under joint control; real persons and/or legal entities that have direct or indirect control or joint control over the Company and their and their close family members (immediate family members) and legal entities having direct or indirect control or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company's affiliates, subsidiaries and members of the BOD, key management and their close family member (immediate family members) and real persons and/or legal entities that are directly or indirectly controlled individually or jointly. As of 31 December 2013 and 31 December 2012 related party balances and transactions are described below.

i) Balances of related parties:

Short term receivables due from related parties:

	31 December 2013	31 December 2012
Short term trade receivables from related parties		
Doğan İnternet Yayıncılığı ve Yatırım A.Ş. ("Doğan İnternet") [1]	10.469.632	6.085.323
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik") [2]	8.258.663	7.200.095
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım") [3]	3.047.138	4.048.701
Milta Turizm İşletmeleri A.Ş. ("Milta") [4]	2.914.750	1.066.230
Doğan TV Holding	1.076.734	-
Doğan Media International GmbH ("Doğan Media") [5]	225.625	1.214.173
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	551.110	161.994
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") [6]	492.938	546.735
D- Market Elektronik Hizmetler ve Tic. A.Ş. ("D Market")	442.473	528.969
Işıl İthalat	-	593.930
Other	1.373.452	1.268.264
Allowance for doubtful receivables	(799.004)	(799.004)
	28.053.511	21.915.410
Short term other receivables from related parties		
Doğan Media	-	2.992.773
	28.053.511	24.908.183

[1] Medyanet and Doğan İnternet Yayıncılığı ve Yatırım A.Ş. have been merged on 8 February 2013. Transactions made with these two companies are shown in the same line for all periods. The balance is arising from sales of internet commercials to Doğan İnternet Yayıncılığı ve Yatırım A.Ş. through websites.
[2] Receivable arising from printing newspapers of Doğan Gazetecilik in the Group's printing houses.
[3] Receivables arising from the daily distribution of newspapers of the Group.
[4] Receivables arising from transportation services provided by Milta regarding to barter agreement made in 2013.
[5] Receivables arising from printing of Doğan Media newspapers in the Hürriyet Frankfurt Germany plants.
[6] The receivable is arising from the Group's commercial advertisement sales to Doğan Burda Dergicilik together with fason printing of magazine, book and insert.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Movement of allowance for doubtful receivables are as follows:

	2013 (1)	2012 (1)
1 January	(799.004)	(799.004)
Collections	-	-
31 December	(799.004)	(799.004)

(1) Doubtful amount is arising from the receivables of Katalog Yayın ve Tanıtım Hizmet A.Ş. which is an inactive group company.

Short term payables to related parties:

	31 December 2013	31 December 2012
Short term trade payables to related parties		
Doğan Media International GmbH (1)	5.247.811	-
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret") (2)	2.061.706	567.987
Doğan Holding (3)	2.371.925	644.018
Falcon Purchasing Services Ltd. ("Falcon") (4)	1.514.309	1.352.173
Galata Wind Enerji A.Ş. ("Galata Wind") (5)	1.477.892	1.508.161
Doğan Müzik Kitap Mağazacılık ve Pazarlama A.Ş. ("Doğan Müzik Kitap")	142.828	
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv")	167.700	53.201
Doğan TV Dijital Platform İşl. A.Ş. (Doğan TV Digital")	109.346	142.432
Doğan Yayın Holding	83.008	224.384
Doğanlar Sigorta Aracılık Hizmetleri Ltd. Şti.	72.528	48.986
Milta Turizm	69.433	21.143
Doruk Televizyon ve Radyo Yayıncılık ("Doruk Televizyon")	18.120	-
Other	320.568	240.987
	13.514.346	4.946.300
Short term other payables to related parties		
Doğan Yayın Holding	3.277.571	-
Doğan Holding	1.524	-
	16.793.441	4.946.300

(1) Arising from the cash paid by Doğan Media International for the printing service.
(2) The Group's raw materials are provided by Doğan Dış Ticaret.
(3) The balance is arising from financial, legal, information technology and other consultancy services together with other services which are received from Doğan Holding.
(4) Arising from cost of paper purchased by Hürriyet Zweigniederlassung GmbH.
(5) The balance is arising from electricity energy provided for the Hürriyet building and printing houses in regions.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

ii) Significant transactions with related parties:

Transactions in related parties for the periods ended as of 31 December 2013 and 2012 are as follows:

Significant service and product sales to related parties:

	2013	2012
Doğan Dağıtım [1]	99.309.970	100.155.142
Doğan Gazetecilik [2]	25.703.875	25.875.635
Doğan İnternet Yayıncılığı [3]	17.382.210	11.821.197
Doğan Media [4]	9.293.086	14.530.167
Kanal D [5]	3.834.669	3.445.412
D Market [6]	1.985.254	847.819
Doğan Burda [7]	3.212.043	4.295.887
Mozaik İletişim Hizmetleri A.Ş. [8]	1.668.412	2.220.439
Doruk TV ve Radyo Yayincılık A.Ş [9]	1.673.338	1.646.950
Doğan ve Egmont Yayıncılık ve Yapımcı Ticaret A.Ş. ("Doğan Egmont") [10]	1.224.024	1.376.820
Doğan Müzik Kitap	334.364	302.389
Doğan TV Digital Platform İşl. A.Ş.	89.019	501.352
Other	729.467	541.936
	166.439.731	167.561.145

[1] The group makes the sales of daily newspapers to Doğan Dağıtım.
[2] The newspapers owned by Doğan Gazetecilik are printed in the Group's printing houses.
[3] Medyanet and Doğan Internet Yayıncılığı ve Yatırım A.Ş. have been merged on 8 February 2013. Transactions made with these two companies are shown in the same line for all periods. The sales of internet commercials of the Group are carried out through Doğan İnternet Yayıncılığı ve Yatırım A.Ş.
[4] The sale and the commercial of Hürriyet Europe edition are carried out by Doğan Media.
[5] The balance is arising from the Group's commercial advertisement sales to Kanal D.
[6] The balance is arising from the Group's commercial advertisement sales to D Market.
[7] The Group provides the printing services of fason magazine, book and insert to Doğan Burda together with the sale of commercial advertisement.
[8] The balance is arising from the Group's commercial advertisement sales to Mozaik.
[9] The balance is arising from the Group's news and commercial advertisement sales to Mozaik.
[10] The Group provides the printing services of fason magazine to Doğan Egmont together with the sale of commercial advertisement.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Significant service and product purchases from related parties:

	2013	2012
Doğan Dış Ticaret [(1)]	123.853.413	79.470.287
Doğan Dağıtım [(2)]	23.736.312	22.526.842
Doğan Holding [(3)]	6.128.897	7.676.566
Galata Wind [(4)]	10.911.851	-
Kanal D [(5)]	4.325.343	8.990.089
Falcon [(6)]	4.907.574	3.286.513
Ortadoğu Otomotiv [(7)]	3.732.370	3.058.586
Milta [(8)]	3.506.748	2.121.239
Doğan TV Digital Platform İşl. A.Ş. [(9)]	3.152.030	3.330.019
Doğan Gazetecilik [(10)]	2.956.739	2.144.543
Doğan İnternet Yayıncılık	1.134.327	1.150.980
Mozaik	1.130.406	1.348.907
Doruk TV ve Radyo Yayıncılığı	990.081	561.026
D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım Reklamcılık")	984.582	881.829
Dogan Burda	514.128	479.842
Doğan TV –Radyo	328.835	863.397
Kutup Televizyon ve Radyo Yayıncılık A.Ş	132.052	549.426
Doğan Media	124.396	2.230.163
Işıl İthalat	-	60.662.329
Diğer	4.061.327	2.109.719
	196.611.411	203.442.302

[(1)] The Group's raw materials are provided by Doğan Dış Ticaret. Doğan Dış Ticaret and Işıl Ithalat Ihracat have merged in 31 December 2012.
[(2)] Doğan Dağıtım provides newspaper distribution services to the Group. The amount of services and goods purchased from Doğan Dağıtım comprises newspaper returns, distribution and transportation expenses.
[(3)] The balance is arising from electricity energy provided for the Hürriyet building and printing houses in regions.
[(4)] Hürriyet Zweigniederlassung GmbH, one of the subsidiaries of the Group, has started to purchase of paper from Falcon since 2012.
[(5)] Financial, legal, information technology and other consultancy services together with other services which had been received from Doğan Yayın Holding A.Ş. in the prior period have started to be provided by Doğan Şirketler Grubu Holding A.Ş. in the current period.
[(6)] The balance is arising from Group's commercials.
[(7)] The balance is arising from rent and other expenses of the Group's building, which is rented from Ortadoğu Otomotiv in Ankara region.
[(8)] The balance is comprised of part of the Group's car rental, organization and transportation expenses provided by Milta.
[(9)] Doğan Iletişim and Doğan TV Digital Platform Işl. A.Ş. have been merged on 30 April 2012. Transactions made with these two companies are shown in the same line for all periods.
[(10)] The balance is arising from rent, security and other expenses of the Group's building, which is rented as headquarter.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

Other Income:	2013	2012
Doğan Dış Ticaret[1]	1.618.804	1.844.424
Doğan Dağıtım	549.040	739.658
Doğan Media	317.051	397.050
Doğan Gazetecilik	77.597	242.449
Doğan Burda	68.667	417.546
D- Market Elektronik Hizmetler ve Tic. A.Ş. [2]	9.766	2.816
Doğan TV Digital Platform İşl. A.Ş.	4.957	145.944
Doğan Egmont	900	84.135
Doğan Yayın Holding	-	72.014
Other	74.223	163.173
	2.721.005	4.109.209

[1]The Group's raw materials are provided by Doğan Dış Ticaret. Işıl İthalat Ihracat has merged with Doğan Dış Ticaret on 31 December 2012. Transactions made with these two companies are shown in the same line for all periods.
[2]The website "yenicarsim.com" which operates under the Hürriyet Gazetecilik ve Matbaacılık A.Ş, is sold to D-Market Elektronik Hizmetler ve Ticaret A.Ş. with all brand, royalties, internet domain names and fixtures.

Amounting to TL 2.215.298 of other income which totally amounts to TL 2.215.298 consists of rent income which Hürriyet gathers from the Group companies.

Purchase of property, plant and equipment and intangible asset:

	2013	2012
Doğan TV Digital Platform İşl. A.Ş.	527.088	62.520
Doğan Media International	47.195	-
D-Market	25.132	88.876
Doğan İnternet Yayıncılığı ve Yatırım A.Ş.	-	2.620.000
Doğan Gazetecilik	-	124.684
Milpa	-	100.234
Other	6.708	35.108
	606.123	3.031.422

Financial income:	2013	2012
Doğan Holding [1]	295.750	7.856.650
Doğan Media [2]	239.735	102.379
Other	-	4.406
	535.485	7.963.435

[1] In 2013, the Group borrowed a financial debt amounting to USD 21.500.000 from Doğan Holding (2012: USD 51.500.000) and the last principal payment of the debt was made on 24 September 2013. Financial expense, due to realized foreign exchange and interest, has occured regarding to this debt.
[2] In 2013, the Group gave financial debt amounting to EUR 3.110.825 (2012: EUR 1.272.600) and the last principal payment of the debt was made on 29 November 2013. Financial income has occured regarding to this debt.

Financial Expenses:	2013	2012
Doğan Holding [1]	2.467.643	3.536.939
Doğan Faktoring [2]	788.771	1.205.733
Doğan Yayın Holding	2.595	527
	3.259.009	4.743.199

[1] In 2013, the Group borrowed a financial debt amounting to USD 21.500.000 from Doğan Holding (2012: USD 51.500.000) and the last principal payment of the debt was made on 24 September 2013. Financial expense, due to realized foreign exchange and interest, has occured regarding to this debt.
[2] Invoicing and controlling of Grup's commercial advertisement and collection of these commercial advertisement receivables are made by Doğan Factoring, commisions paid for these services are accounted in financial expenses.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

iii) Key Management Personnel:

The Group determined the key management personnel as board of directors and executive committee. Benefits provided to key management personnel consist of wage, premium, health insurance, transportation and post-employment benefits.

	2013	2012
Salaries and other short term benefits	8.038.531	7.676.202
Post-employment benefits	1.235.931	380.914
	9.274.462	8.057.116

NOTE 35 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In November 2013, the Group decided to sell its subsidiaries operating in Hungary and Crotia so that companies' assets and liabilities are classified as assets held for sale and presented seperately in the balance sheet. In 28 February 2014, the Group transferred its subsidiary Oglasnik d.o.o. for Kuna 2 to the non-controlling interests.

The details of assets and liabilities held for sale are as follows:

Assets and liabilities	31 December 2013
Cash and cash equivalemts	1.009.524
Trade receivables	894.272
Other receivables and current assets	968.972
Intengible assets	27.264.532
Property, plant and equipment	2.441.639
Provision for net assets disposed	(23.301.137)
Total assets classified as held for sale	9.277.802
Trade payables	2.439.505
Other financial liabilities	1.011.658
Other payables	34.149
Deferred tax liabilities	5.760.476
Other long term liabilities	32.014
Total liabilities classified as held for sale	9.277.802

In 19 September 2013, the Group made an agreement to sell the plant for USD 9 million which is located in Istanbul Esenyurt and 17.725,69 m2. According to the agreement, this area is classified as assets held for sale.

Assets	31 December 2013
Property, plant and equipment	4.684.768
Total assets classified as held for sale	4.684.768

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

In November 2013, the Group decided to sold its subsidiaries operating in Hungary and Croatia and classified their operations as discontinued operations.

Net result of discontinued operations	2013
Gain from sale	10.610.898
Cost of sales (-)	(5.831.711)
General administrative expenses (-)	(6.728.166)
Marketing, sales and distribution expenses (-)	(2.108.856)
Other operating income	3.899.923
Other operating expenditures (-)	(1.450.315)
Financial expenses (-)	(47.583)
Loss before taxes	(1.655.810)
Tax income	373.047
Net loss	(1.282.763)
Provision for net assets disposed	(23.301.137)
Loss from discontinued operations after income taxes	(24.583.900)

NOTE 36 - DISPOSAL OF SUBSIDIARY

In 2013, the Group has disposed of its entire shares in its subsidiary Moje Delo, spletni marketing, d.o.o. according to the Slovenia statutory legislation.

Book value of net assets disposed of	31 December 2013
Current assets	
Cash and cash equivalents	267.687
Trade receivables	168.209
Other receivables	117.566
Other current assets	25.521
Non-current assets	
Tangible and intangible assets	511.185
Deferred tax assets	3.617
Short-term liabilities	
Trade payables	1.859.475
Other payables	70.539
Other short-term liabilities	425.044
Net assets disposed of	(1.261.273)
Loss on sale of subsidiary	
Group's share on net assets disposed of (55%)	(693.700)
Goodwill (Note 16)	6.457.517
Consideration:	
Consideration paid in cash and cash equivalents	3.237.300
Net cash inflow on disposal:	
(Less) cash and cash equivalent balances disposed of	(267.687)
Total cash obtained from sale	2.969.613
Loss on sale of subsidiary (Note 30)	(2.526.517)

NOTE 37 - FINANCIAL RISK MANAGEMENT

37.1 Financial Risk Management

(i) Interest rate risk

The Group's interest rate sensitive financial instruments are as follows:

	31 December 2013	31 December 2012
Financial instruments with fixed interest rate		
Bank deposits (Note 5)	24.718.794	90.094.066
Loans and receivables	73.576.936	135.195.723
Financial liabilities (Note 7)	193.731.489	205.387.309
Financial instruments with floating interest rate		
Financial liabilities (Note 7)	224.302.700	298.739.972

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. The Group management uses interest bearing short term assets within natural policy context to stabilize the maturity of the interest bearing liabilities and assets. Furthermore, the Group hedges interest rate risks arising from floating rate borrowings, by limited use of derivatives, such as interest rate swaps.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk. As of 31 December 2013 and 31 December 2012, the Group's borrowings at floating rates are predominantly denominated in US Dollars and Euros.

At 31 December 2013, had the interest rates on USD and Euro denominated borrowings been 100 basis point higher/lower with all other variables held constant, mainly as a result of higher/lower interest expense on floating rate borrowings; net profit for the period before tax and non-controlling interests would have been lower/higher by TL 439.195 (31 December 2012: TL 536.396).

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

(ii) Liquidity risk

The table below shows the liquidity risk arising from financial liabilities of the Group:

31 December 2013	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Financial liabilities (Note 7)	418.034.189	442.860.458	10.201.429	157.844.204	274.814.825	-
Other financial liabilities (Note 8)	16.154.517	16.154.517	16.154.517	-	-	-
Derivative financial liabilities (Note 8)	2.440.486	2.440.486	-	2.440.486	-	-
Trade payables						
- Related party (Note 34)	*13.514.346*	*13.514.346*	*13.514.346*	-	-	-
- Other (Note 9)	*48.011.482*	*48.237.018*	*8.536.904*	*39.700.114*	-	-
Other payables						
- Related party (Note 34)	*3.279.095*	*3.279.095*	*3.279.095*	-	-	-
- Other (Note 10)	*4.542.986*	*4.542.986*	*4.079.129*	-	*463.857*	-

31 December 2012	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Financial liabilities (Note 7)	504.127.281	530.245.874	91.551.053	217.663.564	220.760.575	270.682
Other financial liabilities (Note 8)	18.207.476	18.207.476	-	18.207.476	-	-
Trade payables						
- Related party (Note 34)	4.946.300	4.946.300	4.946.300	-	-	-
- Other (Note 9)	51.158.702	51.238.450	13.946.909	37.291.541	-	-
Other payables						
- Other (Note 10)	1.888.611	1.888.611	1.717.936	-	170.675	-

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims maintaining flexibility in funding by keeping committed credit lines available.

Funding risk of current and future debt requirements is managed by continuance of sufficient and highly qualified creditor's access. The Group aims at maintaining cash and cash equivalents for the anticipated cash flows of raw material purchase for the subsequent six-months.

The liquidity table demonstrates the Group's net financial liabilities in accordance with the redemption schedule. Such amounts are undiscounted future cash flows of financial liabilities of the Group. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

At 31 December 2013, the Group has long-term bank borrowings amounting to TL 261.465.762 (31 December 2012: TL 201.449.549) and long-term trade payables to suppliers amounting to TL 4.692.877 (31 December 2012: TL 6.929.212) (Note 7).

(iii) Credit Risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by limiting the credit amount of any individual counterparty. The credit risk is generally highly spread due to the large number of entities comprising the customer bases.

Aging analysis for trade receivables:

As of 31 December 2013 there are past due trade receivables amounting to TL 98.979.383 which are not considered as doubtful receivables (31 December 2012: TL 96.089.440). The Group does not foresee any collection risk for the delay up to one month due to sector dynamics and conditions. The Group restructures the trade receivables by applying due date differences which are due over one month and/or the Group does not foresee any collection risk since they are under coverage of guarantees such as mortgage, indemnity or guarantee notes. As of 31 December 2013, the amount of mortgage and indemnity received is TL 11.117.148 for the related receivables. (31 December 2012: TL 12.677.246)

As of 31 December 2013 and 31 December 2012, aging analysis for trade receivables that are past due but not impaired are as follows:

	31 December 2013		31 December 2012	
	Related party	Other receivables	Related party	Other receivables
0-1 month	6.067.740	24.687.770	9.440.546	28.147.683
1-3 months	11.628.381	22.243.183	5.573.647	22.755.795
3-6 months	93.530	13.900.614	41.817	14.680.406
6-12 months	1.209.586	12.161.327	82.030	9.699.486
1-2 years	78.688	6.908.564	-	5.668.030
	19.077.925	79.901.458	15.138.040	80.951.400

As of 31 December 2013 and 31 December 2012, aging analysis for trade receivables that are past due and impaired is as follows:

Impaired	31 December 2013	31 December 2012
Past due 0 - 3 months	510.098	696.997
Past due 3 - 6 months	1.182.402	959.039
Past due 6 months and over	51.363.697	57.520.625
Less: Provision for impairment (Note 9, 34.i)	(53.056.197)	(59.176.661)

The balance of related party receivables that are past due and impaired as of 31 December 2013 is TL 799.004 (31 December 2012: TL 799.004). There is no trade receivable which is not over due and impaired as of 31 December 2013.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The Group's credit risk of financial instruments as of 31 December 2013 is as follows:

	Trade receivables		Other receivables				
31 December 2013	Related party	Other	Related party	Other	Bank deposits	Derivative instruments	Other assets
Maximum credit risk exposure as of balance sheet date	28.053.511	184.461.348	-	78.605.571	46.545.822	-	19.683
- The part of maximum credit risk under guarantee with collateral	-	15.695.353	-	-	-	-	-
A. Net book value of financial assets that are not past due/impaired	8.975.586	104.559.890	-	78.605.571	46.545.822	-	19.683
- The part under guarantee with collateral	-	3.362.975	-	-	-	-	-
B. Net book value of financial assets that are renegotiated if not that will be accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	19.077.925	79.901.458	-	-	-	-	-
- The part under guarantee with collateral	-	11.117.148	-	-	-	-	-
D. Net book value of impaired asset							
- Past due (gross carrying amount)	799.004	51.384.264	-	872.929	-	-	-
- Impairment (-)	(799.004)	(51.384.264)	-	(872.929)	-	-	-
- The part of net value under guarantee with collateral	-	-		-	-	-	-
- Not over due (gross carrying amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The Group's credit risk of financial instruments as of 31 December 2012 is as follows:

	Trade receivables		Other receivables				
31 December 2012	Related party	Other	Related party	Other	Bank deposits	Derivative instruments	Other assets
Maximum credit risk exposure as of balance sheet date	21.915.410	192.396.863	2.992.773	136.980.349	107.461.678	573.393	16.754
- The part of maximum credit risk under guarantee with collateral	-	16.151.125	-	-	-	-	-
A. Net book value of financial assets that are not past due/ impaired	6.777.370	111.445.463	2.992.773	136.980.349	107.461.678	573.393	16.754
- The part under guarantee with collateral	-	3.403.801	-	-	-	-	-
B. Net book value of financial assets that are renegotiated if not that will be accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (Note 9)	15.138.040	80.951.400	-	-	-	-	-
- The part under guarantee with collateral	-	12.677.246	-	-	-	-	-
D. Net book value of impaired asset							
- Past due (gross carrying amount)	799.004	57.630.747	-	746.910	-	-	-
- Impairment (-)	(799.004)	(57.630.747)	-	(746.910)	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-	-
- Not over due (gross carrying amount)							
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

(iv) Foreign currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to TL. 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 three to six months. However, this policy should be revised by the management when deemed necessary, according to market conditions.

TL equivalents of assets and liabilities denominated in foreign currencies at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Assets	163.899.403	257.859.640
Liabilities	(461.403.156)	(555.238.493)
Net asset / (liability) position of off-balance sheet derivatives	(2.571.782)	19.261.171
Net foreign currency position	(300.075.535)	(278.117.682)

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 December 2013: 2,1343 TL= 1 USD and 2,9365 TL=1 Euro (31 December 2012: 1,7826 TL= 1 USD and 2,3517 TL=1 Euro).

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

The table summarizes the foreign currency position risk as of 31 December 2013 and 31 December 2012. The carrying amount of foreign currency denominated assets and liabilities of the Group are as follows:

31 December 2013	TL Equivalent	USD	Euro	Other
1. Trade Receivables	11.307.150	592.985	6.280.952	4.433.213
2a. Monetary Financial Assets (Cash, Banks included)	29.896.020	8.370.923	3.688.131	17.836.966
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	85.899.751	73.892.522	151.033	11.856.196
4. Current Assets (1+2+3)	127.102.921	82.856.430	10.120.116	34.126.375
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	36.796.482	36.591.846	14.683	189.953
8. Non-Current Assets (5+6+7)	36.796.482	36.591.846	14.683	189.953
9. Total Assets (4+8)	163.899.403	119.448.276	10.134.799	34.316.328
10. Trade Payables	10.436.324	823.352	2.228.527	7.384.445
11. Financial Liabilities (Note 7)	149.488.251	132.577.048	16.911.203	-
12a. Other Monetary Financial Liabilities	35.319.946	369.249	454.183	34.496.514
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	195.244.517	133.769.649	19.593.913	41.880.955
14. Trade Payables	-	-	-	-
15. Financial Liabilities (Note 7)	266.158.639	256.116.000	10.042.639	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	266.158.639	256.116.000	10.042.639	-
18. Total Liabilities (13+17)	461.403.156	389.885.649	29.636.552	41.880.955
19. Net asset / liability position of off-balance sheet derivatives (19a-19b)	(2.571.782)	10.671.500	(13.243.282)	-
19a. Off-balance sheet foreign currency derivative assets	77.127.864	46.954.600	30.173.264	-
19b. Off-balance sheet foreign currency derivative liabilities	79.699.646	36.283.100	43.416.546	-
20. Net foreign currency asset liability position (9-18+19)	(300.075.535)	(259.765.873)	(32.745.035)	(7.564.627)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(420.199.990)	(380.921.741)	(19.667.469)	(19.610.780)
22. Fair value of foreign currency hedged financial assets	-	-	-	-

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

31 December 2012	TL Equivalent	USD	Euro	Other
1. Trade Receivables	17.452.649	497.495	8.109.173	8.845.981
2a. Monetary Financial Assets (Cash, Banks included)	89.270.856	49.696.545	13.241.094	26.333.217
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	89.643.565	74.990.744	162.066	14.490.755
4. Current Assets (1+2+3)	196.367.070	125.184.784	21.512.333	49.669.953
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	61.492.570	61.276.875	-	215.695
8. Non-Current Assets (5+6+7)	61.492.570	61.276.875	-	215.695
9. Total Assets (4+8)	257.859.640	186.461.659	21.512.333	49.885.648
10. Trade Payables	13.398.849	2.362.821	2.467.502	8.568.526
11. Financial Liabilities (Note 7)	295.748.520	240.584.431	38.345.036	16.819.053
12a. Other Monetary Financial Liabilities	37.674.928	4.160.288	1.121.613	32.393.027
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	346.822.297	247.107.540	41.934.151	57.780.606
14. Trade Payables	-	-	-	-
15. Financial Liabilities (Note 7)	208.378.761	196.085.999	12.292.762	-
16a. Other Monetary Financial Liabilities	37.435	-	-	37.435
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	208.416.196	196.085.999	12.292.762	37.435
18. Total Liabilities (13+17)	555.238.493	443.193.539	54.226.913	57.818.041
19. Net asset / liability position of off-balance sheet derivatives (19a-19b)	19.261.171	33.372.946	(14.111.775)	-
19a. Off-balance sheet foreign currency derivative assets	33.372.946	33.372.946	-	-
19b. Off-balance sheet foreign currency derivative liabilities	14.111.775	-	14.111.775	-
20. Net foreign currency asset liability position (9-18+19)	(278.117.682)	(223.358.934)	(46.826.355)	(7.932.393)
21. Net foreign currency asset / liability position of monetary items	(1+2a+5+6a-10-11-12a-14-15-16a)	(448.514.988)	(392.999.499)	(32.876.646)
22. Fair value of foreign currency hedged financial assets	-	-	-	-

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

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

31 December 2013	Profit / Loss	
	Foreign currency appreciation	Foreign currency depreciation
If the US dollar had changed by 10% against the TL		
USD net (liabilities) / assets	(27.043.737)	27.043.737
Hedging amount of USD	-	-
USD net effect on (loss) / income	(27.043.737)	27.043.737
If the EUR had changed by 10% against the TL		
Euro net (liabilities) / assets	(1.950.175)	1.950.175
Hedging amount of Euro	-	-
Euro net effect on (loss) / income	(1.950.175)	1.950.175
If other foreign currency had changed by 10% against the TL		
Other foreign currency net (liabilities) / assets	(756.463)	756.463
Hedging amount of other foreign currency	-	-
Other foreign currency net effect on (loss) / income	(756.463)	756.463

31 December 2012	Profit / Loss	
	Foreign currency appreciation	Foreign currency depreciation
If the US dollar had changed by 10% against the TL		
USD net (liabilities) / assets	(25.673.188)	25.673.188
Hedging amount of USD	-	-
USD net effect on (loss) / income	(25.673.188)	25.673.188
If the EUR had changed by 10% against the TL		
Euro net (liabilities) / assets	(3.271.458)	3.271.458
Hedging amount of Euro	-	-
Euro net effect on (loss) / income	(3.271.458)	3.271.458
If other foreign currency had changed by 10% against the TL		
Other foreign currency net (liabilities) / assets	(793.239)	793.239
Hedging amount of other foreign currency	-	-
Other foreign currency net effect on (loss) / income	(793.239)	793.239

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

37.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in and to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders in accordance with the CMB regulations, issue new shares or sell assets to decrease borrowing. There are covenants related with the bank borrowings stated in Note 7 which the Group has to fulfill net debt / equity ratio as stated in the contracts of the related bank borrowings.

The net liability/total equity ratio at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Total liability [1]	605.567.198	666.604.450
Less: Cash and cash equivalents (Note 5)	(47.206.848)	(108.189.130)
Net liability	558.360.350	558.415.320
Equity	723.141.884	744.029.619
Total capital	552.000.000	552.000.000
Net liability / Total equity ratio	1,01	1,01

[1] It is calculated by subtracting income tax liability, derivative financial liability and deferred tax liability from total liability.

37.3 Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value.

The fair value of the balances denominated in foreign currencies, which are translated by using the exchange rates prevailing at year-end, is considered to approximate carrying value.

The fair values of certain financial assets carried at cost where the fair values cannot be measured reliably, including cash and bank deposits, are considered to approximate their respective carrying values due to their short-term nature and is negligible impairment risk of the receivables.

The carrying value of trade receivables measured at amortised cost using the effective interest method, less provision for impairment are assumed to approximate their fair values.

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

(ii) Monetary liabilities

The fair value of the bank borrowings and other monetary liabilities are considered to approximate their carrying value.

The fair values of long term foreign exchange borrowings are translated by using the exchange period-end rate and because of this their fair value approximates their carrying value.

The carrying value of trade receivables measured at amortised cost using the effective interest method, are assumed to approximate their fair values.

37.4 Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

•Level 1: The fair values 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 values 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.

•Level 3: The fair values of the financial assets and financial liabilities are determined in accordance with the unobservable current market data.

Level classification of financial assets and liabilities that are valued with their fair values are as follows:

		Fair value as of reporting date		
Financial assets	31 December 2013	Level 1 TL	Level 2 TL	Level 3 TL
Financial assets at FVTPLInvestment properties	57.378.321	-	57.378.321	-
Total	57.378.321	-	57.378.321	-

		Fair value as of reporting date		
Financial liabilities	31 December 2013	Level 1 TL	Level 2 TL	Level 3 TL
Derivative instruments	2.440.486	-	2.440.486	-
Other financial liabilities	16.154.517	-	-	16.154.517
Total	18.595.003	-	2.440.486	16.154.517

		Fair value as of reporting date		
Financial assets	31 December 2012	Level 1 TL	Level 2 TL	Level 3 TL
Financial assets at FVTPLDerivative instruments		573.393	-	573.393
Total		573.393	-	573.393

		Fair value as of reporting date		
Financial liabilities	31 December 2012	Level 1 TL	Level 2 TL	Level 3 TL
Other financial liabilities		18.207.476	-	-
Total		18.207.476	-	-

(AMOUNTS EXPRESSED IN TURKISH LIRA ("TL") UNLESS OTHERWISE INDICATED.)

NOTE 38 – SHARES IN OTHER ENTITIES

Summary of the financial informations of TME, a subsidiary over which the Group has non-controlling shares, are stated below. These summarized financial informations represent the amounts without considering the related party eliminations.

	31 December 2013
Current assets	48.638.563
Non current assets	609.219.816
Current liabilities	94.927.261
Non current liabilities	252.534.828
Equity attributable to equity holders of the parent company	231.320.184
Non-controlling interests	79.076.106

	1 January-31 December 2013
Revenue	183.870.200
Costs	(248.021.206)
Net loss for the period	(64.151.006)
Allocation of net loss for the period:	
Attributable to equity holders of the parent company	(45.756.914)
Attributable to non-controlling interests	(18.394.092)
Net loss for the period	(64.151.006)

NOTE 39 - SUBSEQUENT EVENTS

Confirmation of financial statements

The consolidated financial statements for the period ended 31 December 2013 were approved by the Board of Directors on 6 March 2014. Other than Board of Directors has no authority to change financial statements.

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