2014 ANNUAL REPORT





CONTENTS

- All Solutions on Newspaper, Web and Mobile
- Message from the Chairwoman
- Message from the CEO
- Message from the Editor-in-Chief
- Message from the CFO
- 12 The World of Hürriyet
- Board of Directors
- 17 The Executive Board Members
- Hürriyet in 2014
 - Publication
 - Advertisement
 - 28 Human Resources
 - Marketing
 - Information Technology & Research and Development Activities
 - E-Commerce
 - Our Activities
 - Our Brands
 - The World of Hürriyet
 - Hürriyet Newspaper
 - 38 Hürriyet Subsidiary Publications
 - 38 Hürriyet Daily News
 - 39 Hurriyet.com.tr
 - 39 Radikal.com.tr
 - 40 Radikalblog.com
 - 40 Radikal Kitap (Books)
 - Hürriyet TV
 - Bigpara.com
 - Hurriyetaile.com
 - 41 Mahmure.com
 - E-commerce
 - 42 Hurriyetemlak.com
 - Yenibiris.com
 - 42 Yakala.co
 - Hurriyetoto.com
 - 43 Ekolay.net
 - 44 Printing Facilities
 - Abroad Activities
 - Hürriyet Germany
 - TME
- Independent Auditors Report of
 - Board of Directors Report on the Annual Report
- Independent Auditor's Report



AT HÜRRİYET WORLD WE ARE OFFERING SOLUTIONS THAT BRING TOGETHER OUR NEWSPAPER, DIGITAL READERS, AND ADVERTISERS

Hürriyet, with its vast expertise in the media sector, accumulated through many years of operation, has integrated new global advances in information technology into its own operating systems, thereby ensuring strong representation across all existing communication channels. Our company has combined its diverse media content, ranging from news and entertainment to services and classified ads, under the umbrella of "Hürriyet World." Furthermore, Hürriyet has gained a privileged position in the media sector through the communication solutions it has developed in print, mobile and web media. In this way, Hürriyet has succeeded in maintaining a close relationship with its readers at all times and across all formats.



FLAGSHIP OF TURKISH MEDIA FOR 66 YEARS

In its 66 years of history, Hürriyet, the flagship of Turkish media, has determined the news agenda of Turkey and become the leading newspaper in the Turkish printed press by sticking to universal journalistic principles and providing high-quality news. From current affairs to celebrity stories, economy and politics coverage to sports news, 1.6 million readers are following Hürriyet at present. Thanks to the trust its readers put in the company, Hürriyet has always been the first choice for advertisers.

THROUGHOUT HÜRRİYET WORLD, OUR FOLLOWERS HAVE ACCESS TO CONTENT RELATED TO THEIR OWN LIVES AND BASED ON THEIR PERSONAL PREFERENCES

As a result of dramatic advances in technology, it is now easier than ever to make textual and visual content available to customers. Hürriyet World utilizes the developments in news and content creation that have become available recently in tandem with its social media channels. In addition, through its Big Data application, Hürriyet World is capable of recognizing each user or follower separately, and in this way creates content based on individual interests. Hürriyet World answers to the needs and expectations of its readers and advertisers by incorporating numerous brands within its service structure.



Dear Shareholders and Members of the Hürriyet Family,

Developments in the international arena made 2014 a tense and difficult year, and overall the performance of the global economy did not meet expectations. The US economy recovered with high growth rates and positive indications in the job and housing markets. In Europe and in countries which had previously enjoyed high growth rates such as China, India, and other developing nations, a decrease in growth rates was observed. According to an IMF report published in October 2014, expectations were for 3.5% growth by year-end 2014, and 3.8% for 2015. However, the IMF updated these forecasts in early 2015. Despite drops in oil prices and the improvement of the economic situation in the USA, weak economic performance in other regions led the IMF to reduce projections by 0.3% to 3.5% for 2015, and predicted a rate of 3.7% for 2016.

For Turkey, in spite of difficulties in export markets such as Iraq and Russia. 2014 was a year in which the export volume to the USA, Germany and the UK all increased. Low domestic demand and the sharp drop in oil prices in the second half of the year resulted in a decrease in import volumes also, further contributing to a decrease in the foreign trade deficit of the country. Significant political developments such as the presidential and local elections also occurred in 2014, while another round of elections will be held in Turkev in 2015. According to IMF projections. Turkey's growth rate is expected to stand at 3.1% at the end of 2014. Recent economic trends suggest that 2015 will be a year in which the economy will require astute management.

Hürriyet newspaper, which has been the flagship of Turkish media for 66 years, maintained its role as Turkey's most important and largest media brand in 2014, and continued to set the news agenda of the country. With a view to preserving this special position, we stood behind our belief in and commitment to ethical journalism, and further developed our vision of objective and impartial publishing. Hürriyet Newspaper, which has internalized the principles of truthfulness, reliability, and impartiality, and which operates with the aim of delivering high-quality news to its readers, has inevitably acquired a leading position in the media sector. I am proud to say that we are pioneering the digital revolution in Turkey by quickly adapting to changing trends in global journalism, and by responding to the needs of our readers in the fastest manner possible. Through developments in the digital field, we are now better able to understand our readers and accordingly establish much closer relations with them. For these reasons, we are very pleased to be providing our readers with products with which they can relate.

I am also very happy to say that thanks to our enhanced understanding of the needs and wishes of our readership, we are able to provide advertisers with solutions that will produce accurate and positive results for them by employing our strong, wide-ranging brands both in the printed press and digital media.

Our Group
continued to
expand its media
activities in line
with its established
corporate culture.

I am convinced that the young, dynamic, and innovative population of Turkey will make new breakthroughs in the use of digital media in upcoming years. Hürriyet, as an important part of Hürriyet World, will have also established its position in the digital world that these young people are collectively shaping. In order to realize this aim, we are resolutely working to increase our efficiency by strengthening our team and employing the right people.

Furthermore, as part of the Doğan Group and the Hürriyet Publishing Principles, published last year, we adopt the highest ethical rules in our publications and practices. These values guide us in both audiovisual and printed media. We are proud to have one of the highest corporate management

ratings among publicly traded companies in Turkey as a result of the practices and processes which we have internalized. We are continuing on our path to success with the confidence of knowing that we will further our efforts in this key respect.

In 2014, growth rates in the advertising market in Turkey remained fairly low. Nevertheless, the market still grew by 3%, from TL 5.6 billion to TL 5.74 billion. Given these figures, Hürriyet's revenues were also affected by this general tendency, although the Company actually performed better than the sector average both in printed and digital media. While the struggle to generate profit was challenging, we were able to maintain our activity revenues by sticking to the principle of efficiency. However, currency increases in Turkey and in Russia, the country in which our main subsidiary has operations, had a negative impact on our profitability. I am convinced that once such fluctuations are overcome in 2015, this negative effect will disappear and allow us to yield positive results for our Company again.

I would like to extend my thanks to our shareholders, business partners, employees, and readers who are strengthening and accompanying Turkey's strongest media brand on its ambitious path to the future.

Vuslat Doğan Sabancı

Chairwoman



As the leading company in the Turkish media, Hürriyet was once again the strongest, most prominent, and most pioneering newspaper in 2014. We are proud to be advancing our publishing activities under the guidance of the Doğan Group's fundamental journalistic principles in a respectful and sensible manner. Furthermore, we are working to uphold the reputation and continuity of printed media in every way we can.

As it is widely known, the US economy recovered considerably in 2014, allowing the country's growth rate to increase. In contrast, other developed economies such as Japan and the Eurozone had a more difficult year. Figures for the latter, announced in early 2015, have raised concerns with regard to the economic outlook for its economy. Furthermore, discouraging trends in industrial production and low PMI figures also signaled a risk of deflation. The elections in Greece distorted the risk perception of the country, while the conflict between Russia and Ukraine increased economic vulnerability in these markets. As countries in close proximity to Turkey, developments such as these had a considerable impact on the Turkish economy. In China, a developing country, economic growth rates are at the lowest levels in 24 years. In spite of the US recovery and the sharp drop in oil prices, which have both had a positive impact on oil importing countries like Turkey, the IMF decreased its global growth projection by 0.3% at the beginning of 2015.

In 2014, the share of digital profits in our consolidated advertisements and in digital media reached 23%. For our activities in Turkey, this share was at 17%, while the share was stood at 43% for our activities abroad. These figures are also quite high compared with international printed media companies. Encouraged by this, we continuously strive to further our work to reach an even stronger position in this area. In order to realize this aim, we are trying to develop new content, and are improving our human resources policies too.

Besides our traditional printed newspaper format, we also made an important leap forward in terms of our digital journalism activity in 2014. Hurriyet.com.tr, which is both a leading website in Turkey and also one of the main digital publishing players in Europe, has risen to new heights with its personalization features, social media integration, and self-publishing applications. Through these means, we have created an online platform that is unique compared with those of our international peers. Our publishing platform was also equipped with supporting advertisement formats that could be utilized in future activities.

Also in 2014, for the first time in Turkey, we transformed a printed newspaper, Radikal, into one which is only accessible online. Upon being made accessible by digital means alone, the website was supported by its visitors, and in a short period of time it increased its unique visitor rate by 40%, rapidly establishing its success in the digital media world by becoming one of the top-three brands accessible through mobile devices.

In 2014, Hürriyet continued to invest in digital media channels and comfortably preserve its general target audience.

In addition, we took important steps to improve our primary digital classified advertisement brands hurriyetemlak.com.tr and yenibiris.com.tr in terms of both revenue and profit. Furthermore, we completed the product development and infrastructure phases of the ekolay.com.tr website, and launched it with the aim of establishing a platform for digital classified ads in the services field.

Reflecting the wider use of mobile phones and tablet PCs, we improved and diversified our products in these formats. In the upcoming year, we are planning to continue focusing on this field by creating for a and digital venues for interaction between users and advertisers across supported mobile devices.

Besides these developments, we are advancing our infrastructural and technological investments with a view to generating higher value for our readers and our advertisers. To this end we have developed a project related to our Big Data investment, and have initiated the funding of this project, which is set to be up and running in the coming year.

Besides trade and technological development activities, we are also continuing to invest more in human resources. We are simultaneously working meticulously to increase employee efficiency, while also trying to incorporate new and improved talents into the Hürriyet World team. Through our pioneering role in digital publishing, we are also paving the way for new professional areas of work in the media world.

We are moving into the future as the strongest newspaper and leading media brand in Turkey, both of which are uniting to create the unique Hürriyet brand and its accompanying competitive advantages. For this, we would once again like to thank our shareholders, business partners, employees, and readers for their continued support.

Ahmet Özer

CEO



Hürriyet Newspaper strengthened its leading position in the sector even further over the course of the year. Our newspaper, besides preserving its brand value, has continued to be Turkey's most effective and reliable newspaper in 2014 by improving its leading role in diverse media fields.

As evidenced by various studies, the value of the Hürriyet brand stems from three main features: our newspaper comes to the fore thanks to its rooted, strong, and leading characteristics. However, looking at Hürriyet based on these characteristics alone could be misleading. The brand's continued strength also lies in its openness to change and in its ability to renew itself while still maintaining its recognizable character. These features also play an important role in Hürriyet's continued leadership in the media sector. As Hürriyet, we assess our performance through a variety of indicators, and our strength in accessibility is only one of these. Besides the basic numerical data which reflects the number of readers that are reached, data on the education levels and socioeconomic status of our readership are also important indicators for us. When analyzing this kind of data, Hürriyet emerges as the newspaper which is most frequently and most regularly read by high-level consumers who are socially active, competent, and comfortable with using technology, and keen on closely following daily news.

Today, Hürriyet World does not only include traditional printed newspapers, but also encompasses a multichannel communications platform with a strong digital identity.

In this framework, the great majority of the Hürriyet readership consists of the AB group readership. The newspaper with the highest number of such readers is Hürriyet, and this kind of information is undoubtedly an important factor for the advertisers that choose us. However, when considering the strengths and weaknesses of newspapers, it is also not sufficient to assess everything based on numbers and statistical data. A newspaper's strength is also based on the unique relationship it establishes with its readership and with society at large. In this regard, Hürriyet is the newspaper that stands out in people's minds in Turkey. Furthermore, the newspaper is taken as a reference point for the printed media sector, and has the power to determine the news agenda of the country. Another important factor which complements its effective journalism is the fact that Hürriyet provides its readership with a broad array of ideas when presenting news.

In addition to this, we also work to reach out to all aspects of daily life with our Kelebek (Butterfly), Hürriyet Sunday, Hürriyet Saturday, and our Entertainment, Travel, and Human Resources supplements, thereby providing our readership with a wide range of content which reflects the social diversity of the country in areas such as culture, arts and celebrity news.

The power of Hürriyet does not only lie in its traditional printed media formats. In the recent past, Hürriyet has also carried out an important transformation in the digital field. The Company's website today has the highest number of visitors not only in Turkey, but also in Europe. A unique visitor rate of 3.5 million per day during weekdays, and 50 million page visits is a remarkable performance in international terms, no matter which assessment benchmarks one utilizes. Through its digital platform, Hürriyet is able to influence a wide spectrum of societal segments in Turkey. According to the 2014 figures of Gemius, an objective analysis company, we are capable of reaching out to 32.5% of the total 23.2 million internet users in Turkey. According to these same statistics, Hürriyet ranks first in the use of web, mobile, and tablet applications. The share of mobile use is increasing rapidly in the global market, and in the coming years we will see increased expansion in the mobile world. Also, through its targeted planning in both human and capital resources, Hürriyet is positioning itself in a way that enables it to respond effectively to this changing media environment. After all, Hürriyet World does not only stand for printed newspapers, but also encompasses a multichannel communications platform with a powerful digital identity.

Hürriyet looks to the future with confidence by preserving and expanding its leadership in each of these different areas.

Sedat Ergin



Dear Stakeholders.

By being a reliable news brand which has been setting the news agenda of Turkey for 66 years, Hürriyet continues to bring its readership and advertisers together.

With its independent and colorful news, sports and celebrity coverage, Hürriyet has served as a mirror of social life in Turkey for people from many walks of life, and has always been a reliable corporate actor. As a result of this, Hürriyet has for decades been a leading brand in the advertisement sector, generating consistently high profits for advertisers.

The Company has also been increasing its investments in technology, infrastructure, and human resources in order to develop its digital news operations. In this way, the brand has managed to improve its leading position in printed media advertisements by making use of the many opportunities offered by digitization.

In addition, through advancements in the digital transformation process, Hürriyet provides its readership with the opportunity to access any content through mobile, web, and tablet applications on a 24/7 basis. The Hürriyet brand, which has proven its effectiveness in advertisements for different sectors, has turned this accessibility into a new and valuable advantage for advertisers by effectively utilizing the possibilities that digitization offers.

The use of news and related content for digital platforms is increasing in Turkey and across the world. At the same time, the preferences of followers and readers are changing rapidly and becoming more diversified as a result. Besides the traditional methods

Through our transparency and corporate management activities, we were able to increase our management score from 8.86 to 9.30 in 2014.

and media products used for advertising, these new access opportunities are emerging as important tools for advertisers.

Hürriyet has perfectly positioned itself to bring the broad readership of its changing news and content together with both traditional and new advertising products of advertisers

Besides the development of new products in the field of digital journalism and content management, we are also continuing to develop our infrastructure through investment, generating further value for advertisers. With an improved information infrastructure, and investments that give us the opportunity to better understand and analyze our visitors and followers, we are able to deliver targeted content to our visitors, and with that we are able to directly link advertisers with their target customers. Our potential for generating further added value for our advertisers and our readership is increasing considerably as a result.

Transforming our infrastructure and product development activities into added value for advertisers is the most important factor that impacts Hürriyet's commercial performance in terms of revenue, profit, and cash flow. In this regard, we are systematically increasing our cooperation with and support to all players in our sector's value network.

Our profitable growth strategy is also being implemented consistently for digital classified advertisements. In 2014, we added ekolay.com to our digital services advertisement platform, which also comprises Hürriyet Emlak (Real Estate), Yenibiriş, Hürriyet (Automotive) and Yakala.co.

Hürriyet is improving its leading position in printed media advertisements through opportunities created by digitization.

The rapidly changing operations of Hürriyet World require us to take more swift decisions, in the face of even more uncertainties. In order to adapt to these, we are constantly updating our management and decision support system. At the end of 2014, we launched the unique product cost and measurement system used in our digital journalism and content creation activities. In parallel to this, we brought our ERP processes, financial infrastructure, and financial processes in line with new organizational structures. We began to use the contracting model in our supply activities, not only for printed newspapers, but also for ensuring the development and effective management of the digital applications ecosystem.

In this transformation process we meticulously monitor the different variables and factors which are also closely followed by our shareholders, creditors, suppliers, and business partners.

We also attribute considerable importance to preserving our strong cash-generating capacity, and therefore apply comprehensive financial control management. As with previous years, in addition to just applying a savings approach, we aim to restructure our business operations every year to avoid any rise in expenditures, and furthermore do our best to achieve a nominal decrease in expenditures.

We sensitively measure the effectiveness of different elements of our investments in order to ensure that digital opportunities turn into shareholder value in the medium-term. We also classify infrastructure and product development investment in Hürriyet's digital publishing activities according to their efficiency, rather than according to their capital intensity. In our printed newspaper activities we also continue to increase investment by applying strict financial controls.

In order to ensure continuity in our business activities and strengthen transparency and efficiency in our corporate management, we are constantly raising the bar for quality. Advancements in our corporate management structures in 2014 resulted in our corporate management score increasing from 8.86 in 2013 to 9.39 in 2014.

Sincerely yours,

Ediz Haşmet Kökyazıcı

CFO

The World



















mahmure.com









of Hürriyet

































BOARD OF DIRECTORS



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. 6 Vuslat Doğan Sabancı functioned as Chief Executive Officer of the Company between 2004 and 2010, and purchased the Trader Media East (TME) company in 2007, thereby transforming Hürriyet from a leading Turkish newspaper into an internationally recognized company. At that time, this was the largest foreign purchase ever undertaken 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.

Vuslat Doğan Sabancı also invested in digital publishing services, turning Hürriyet into one of the most important players in the new media field in Turkey. Hurriyet.com.tr also became one of the most-visited websites in Europe. For classified online ads, Hürriyet is operational in the following websites: hurriyetem-lak.com, hurriyetoto.com, yenibiris.com, and yakala.co (for discount products).

By investing in human rights and especially gender equality at Hürriyet, Vuslat Doğan Sabancı has also become an important opinion leader on related matters in Turkish public life. The legal changes that represented part of the objectives of the "No to Domestic Violence Campaign" which was supported by Doğan Sabancı in its 8th year have been realized. Before the 2011 general elections, Vuslat Doğan Sabancı brought together all women's rights NGOs in Turkey under the "Rightful Women Platform," forming a task force to work on increasing the number of women in the Turkish Parliament, thereby contributing to the increase of women MPs in the Turkish Parliament from 48 to 78 in the 2011 general elections. Besides these projects, Vuslat Doğan Sabancı has also been working intensively to improve the position of women in social and economic life by funding micro-credit projects and by undertaking other supporting activities.

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.

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, besides carrying on its activities under the guidance of the Board of Directors, Advisory Board, and Endeavor Consultants, works to identify and support successful and promising Endeavor Entrepreneurs. Vuslat Doğan Sabancı has also been a member of the Turkish Industrialist's and Businessmen's Association (TÜSİAD) since 2003, and was born in 1971, is married, has two children and speaks English fluently.



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. Üzdiyen is married with two children.



Ahmet DALMANBoard Member

Ahmet Dalman was born in 1964, and graduated from Boğaziçi University's Electrical and Electronic Engineering Department in 1986. He began his professional career in the media sector as an Information Technology Expert, and continued his career as a business partner and manager of a company that provided the media sector and various other sectors with technology solutions. Over the course of this period he made considerable contributions to the digitization and technological transformation processes of a number of different media companies.

Ahmet Dalman joined Hürriyet as its Information Systems Manager in 1994, serving as Technology Director in the establishment of the Internet Service Provider ekolay.net within the Doğan Group between 1999 and 2000.

He functioned as Information Systems Coordinator at Hürriyet Newspaper in 2001, as Executive Board Member at the same newspaper in 2008, as Group Director of Information Technology and Internet at Hürriyet in 2010, and as Deputy Chief Executive Officer at Hürriyet between May 2012 and May 2014. Dalman is still Member of the Board of Directors of Hürriyet.

Dalman is married with two children, and he speaks English.



Dursun Ali YILMAZBoard Member

Dursun Ali Yılmaz began his professional career as Operations Manager at Özdemir Çelik Döküm Sanayi A.Ş. in 1982, after which he worked in different managerial roles within the Financial Departments of Anadolu Denizcilik A.Ş., Türkiye Şişe ve Cam Fabrikaları A.Ş., and Hacı Ömer Sabancı Holding A.Ş. Between 1993 and 1995 he worked as Director of Budgetary and Financial Analysis at Hürriyet Newspaper. He then served as Deputy Director-General at Tekstil A.Ş. for a period of 10 years, and subsequently joined Doğan Yayın Holding in 2005 as Coordinator of Financial and Administrative Services.

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 Yllmaz 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 Sözeri Cemal obtained her high school degree from Istanbul Erkek High School, her BA degree from Istanbul University's Faculty of Economics, and her MA degree from Istanbul University's Faculty of Business Administration.

She has previously worked as Market Research Rapporteur at Cam Pazarlama and at Türkiye Şişe Cam's Directorate-General, in addition to a position as Advertising Director at Cumhuriyet Newspaper. After functioning as Group Director of Advertising and Executive Board Member at Hürriyet Newspaper between 1992 and 2013, she was appointed as a Member of the Board of Directors on 21 June, 2013.

Cemal, who speaks both German and English fluently, is married and has one child.

Board of Directors



Kai DIEKMANNBoard Member

Kai Diekmann was born on 27 June 1964 in the city of Ravensburg in Germany, and is the Chief Editor of the Bild Newspaper and publisher of the Bild Group. Diekmann was raised in the city of Bielefeld, and after completing his secondary education he voluntarily served in the German army for two years. During his two-year journalism traineeship at Axel Springer SE, Diekmann worked in the media sector in Hamburg, Bonn, and New York, among other locations.

In 1987, Diekmann began working as Parliamentary Correspondent in Bonn for Bild and Bild am Sonntag, and started as News Director of the Bunte Magazine in 1989. Two years later, he took on the role of Coeditor of B.Z., published in Berlin. Soon afterwards Kai Diekmann moved to Hamburg to work as Coeditor and Editor of Politics News at Bild Newspaper for a total of five years. After a short visit to Central America, he became Editor in Chief for Welt am Sontag in 1998. He has been serving as Editor in Chief at Bild and publisher for Bild amd Bild am Sonntag since 2001. In addition, he has been the publisher of Bild Group since 2008, and the publisher of B.Z. since November 2013. 2012 and 2013, he was charged by Axel Springer AG, he spent ten months in Silicon Valley located in 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 was born in 1954 in Istanbul and graduated from FMV Işik 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. Having established a Management Consulting company in 2010, he has been working as a consultant particularly in the fast moving consumer goods industry since then.



Béatrice de CLERMONT TONNERRE Independent Board Member

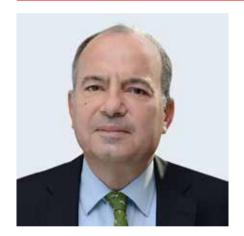
Béatrice de Clermont Tonnerre has been serving as Director of Southern Europe for Joint Project Solutions since May 2013. Mrs. Tonnerre lives in Paris and has served in various projects, from Pay TV and publishing to sports franchises, from sports franchises to book publishing, digital media and purchasing 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 ÖZER
Chairman of the Executive Committee

Ahmet Özer was born in 1972 and obtained his BA degree from Boğaziçi University's Economics Faculty. Upon working within project development departments in a number of companies for a period of two years, he joined Doğan Holding in 1997. He worked as Director of Business Development at Doğan Holding until 2005, and then joined Hürriyet in 2005 as Strategy and Investor Relations Coordinator. In 2009, Özer was appointed as a Member of the Executive Board of Hürriyet and as Group Director of Hürriyet Internet. He has made important contributions to the successful finalization of the purchase of Hürriyet's foreign subsidiary Trader Media East (TME). He was appointed as Chief Executive Officer of TME in July 2010, assuming managerial responsibility for all divisions of TME across seven different countries. He continued as CEO of TME at his duty station in Moscow until 2014, and has since been appointed as Chief Executive Officer of Hürriyet World as of June 2014. Ahmet Özer is married and has two children.



Sedat ERGİNEditor in Chief,
Executive Committee Member

Sedat Ergin is Chief Editor and Member of the Executive Board. He was born in 1957 in Istanbul, and completed his high school education at Robert College. Upon obtaining his BA degree from the Political Science Faculty's International Relations Department, he started his journalism career in 1975 at the Turkish News Agency's (THA) Foreign News Service. Between 1976 and 1978 he functioned as diplomacy, Prime Ministry, and Parliamentary correspondent in THA's Ankara office. Following this position, he worked as diplomacy correspondent at Cumhuriyet Newspaper's Ankara office between 1979 and 1987. Sedat Ergin then joined Hürriyet in 1987 as Washington correspondent. After working in this position for a period of over six years, he was appointed as Ankara representative of Hürriyet Newspaper on 1 March 1993. Besides serving in this position for 12 years, Sedat Ergin continued to work as a columnist and regularly participated as a commentator on the Ankara Kulisi (Backstage of Ankara) TV program which aired on CNNTürk. He then started to work as Chief Editor of Milliyet Newspaper on 17 March 2005, and rejoined Hürriyet in October 2009 as a columnist. After five years, he was appointed as Chief Editor of Hürriyet Newspaper on 25 August 2014.

Sedat Ergin was awarded the Sedat Simavi journalism award twice, first in 1997 for his article series titled Firtina Dosyasi (Storm File), in which he dealt with the fall of the government formed by the coalition of Welfare Party (Refah) and True Path Party (Doğru Yol). The second time he won was in 2003 for his article series entitled Bizden Saklananlar (Issues Hidden from Us) dealing with the process that led to the March 1st Memorandum crisis. He has also received the Journalists' Association of Turkey Journalism Award three times, and was given the Association's Press Freedom Award in 2010. He is married and speaks English fluently.



Ediz Haşmet KÖKYAZICIFinance 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.

Ediz Haşmet Kökyazıcı joined Vestel A.Ş. in 1996, functioning as Director of Finance and Budget, Director of Finance and Monitoring of Foreign Subsidiaries, Deputy Director-General of Finance and Accounting, and assumed different positions in subsidiaries located abroad, including roles in subsidiaries located in the Netherlands.

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 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

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.

Köseoğlu Okçu has been working as Director of Hürriyet's Human Resources Department and as Member of Hürriyet's Executive Board since 15 March 2012. Previously, she had worked for Eastpharma Deva Holding as Director of Human Resources and Organizational Development between 2008 and 2012.



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.

Birim Gönülşen began her professional career as a Management Trainee for Coca-Cola A.Ş. in 2001, and has continued to work at the same company assuming different roles in business operations both in Turkey and abroad. She began her successful marketing career at Coca Cola A.Ş. as Deputy Brand Director of "Schweppes" and "Burn." Afterwards, she served as Central and Eastern Europe Marketing Director, Eurasia, and Africa Business Development Director, and finally as the Turkish Fruit Juice Marketing Director at Coca Cola A.Ş.. On May 20, 2013, Ms. Gönülşen joined the Hürriyet Family as Marketing Director and Executive Committee Member.



Zeynep TANDOĞAN Advertisement Director Executive Committee Member

Zeynep Tandoğan was born in 1977, and is a graduate of the Statistics Department of Mimar Sinan University. She began her professional career in 1998, and has 15 years of experience in sales and marketing, as well as in communications management. She worked for Initiative Media between 1998 and 2002, and assumed the positions of Customer Services Manager, Director of Strategic Media Planning, and Director of Strategic Planning, in that order.

She also functioned as Deputy Director of Evyap Marketing Services until 2004, a period in which she was responsible for all media communication and sponsorship activities in Turkey, Russia, Ukraine, Poland, Romania, Bulgaria, and other CIS countries. She worked as Media Director at Universal McCann between 2004 and 2008, and as Director-General of Digital Media and Director-General of Sales at STROER between 2008 and 2014. She joined the Hürriyet family on 3 March 2014 as Director of Advertising and Member of the Executive Board.



A. Reha ARGAÇ
Director of Information Technology
Executive Committee Member

A. Reha Argaç is Director of Information Technologies and an Executive Board Member. He was born in 1969, and upon finishing his studies at Bornova Anatolian High School, moved on to obtain his BA degree from the Electrical and Electronic Engineering Department of Bilkent University. He received his MA degree from the Economics Department of the same university. He then began his professional career at İşbank as Systems and Database Expert in 1992, and worked as database expert, project manager, and head of division within Yapı Kredi and Egebank's information technology divisions. He joined Turkcell A.Ş. in 2000, and continued working there until 2011 as Team Coordinator for MIS System & Database Management, Head of Corporate Information Technology and Safety Division, and Group Director of the Projects and Performance Management Division. In 2011 he assumed the position of communications sector leader at IBM Global Services Corporation. He eventually joined Hürriyet on 9 September 2013 as Director of Hürriyet Newspaper's Information Technology Division and as Executive Board Member. A. Reha Argaç is married and has two children.



Kamil ÖZÖRNEK
Director of e-trade
Executive Committee Member

Kamil Özörnek is Director of E-Commerce and an Executive Board Member. He was born in 1968 in Istanbul and received his BA degree in Marketing and Management from Florida Metropolitan University, after which he completed his MBA at Tampa University. He began his professional career as a consultant in the USA in 1995, and returned to Turkey in 1997 to join the Aksoy Group as Director of Business Development. Özörnek successfully undertook a number of projects at Aksoy Group, participating in the establishment of sahibinden.com in 2000, and functioned as Director-General of the company until 2005. Between 2005 and 2007 he worked as Director of Retail Services at Cushman & Wakefield, and during this period he also actively functioned as a consultant for the inauguration of a number of shopping malls. Between 2007 and 2009 he took on his new role as Deputy Director-General of Global Yatırım Holding and was responsible for all real estate activities, business development, and operational processes. He returned to the USA in 2009 and established the bonqo.com website, serving as its CEO until 2012. In 2012, Özörnek once again returned to Turkey to serve as Director-General and Member of the Board of Directors of vipdukkan.com. Kamil Özörnek currently works for the Hürriyet Group as Executive Board Member responsible for E-commerce, and as E-commerce Director responsible for yakala.co, yenibiris.com, and Hürriyet Emlak (for real estate) and Hürriyet Oto (automotive).



Özlem KUTLUAY
Director of Sales and Strategic Planning
Executive Board Member

She was born in 1971, and after finishing studies at İzmir Science High School, she completed her BA degree in Electrical and Electronic Engineering on a full scholarship at Bilkent University. Kutluay began her professional career as Project Engineer at Aselsan A.Ş. in 1994, joining Software AG as Director of Sales in 1997. Between 2000 and 2003 Kutluay worked at Sybase Turkey as Manager for Business Development and Sales and returned to Aselsan A.Ş. as Project Manager in 2003, successfully holding on to this position until 2005. Between 2005 and 2009 she took on the role of Director of CRM Projects and Campaign Management at Akbank, and afterwards joined Digiturk taking on responsibility for all CRM processes including data management, customer and loyalty programs, complaint management, customer relations, segmentation, and campaigns management. In 2009, she started work as Director of Banking Services, Planning, and CRM at ING Bank. Kutluay joined the Hürriyet Family on 7 January 2013. She is married and has one child.

HÜRRİYET IN 2014

Our new digital platform has also been launched. This platform provides a unique, personalized Hürriyet experience to users, putting readers and writers in direct contact and setting Turkey's news agenda through its hundreds of thousands of followers.







We are continuing to closely follow the changing dynamics of the media landscape in Turkey and abroad, and are setting global trends in our industry. Our principal aim is to reach out to more readers while simultaneously working to increase levels of interactive communication with the readership. We always try to be one step ahead.

PUBLICATION

Hürriyet is commonly referred to in the wider public as the flagship of Turkish media. This definition is a reflection of the societal consensus formed around Hürriyet's image as Turkey's leading newspaper over 67 years of history. The Company's leading position is the result of the advantageous position it has attained over its many years of journalistic activity.

The fact that Hürriyet has presented all important news stories throughout its years in operations has also played a crucial role in forming such an identity. The well-known "Johnson Letter" is one of the most striking examples from among Hürriyet's historic headlines. In 1964, then US president Lyndon Johnson sent a letter to Turkey's Prime Minister İsmet İnönü with the aim of convincing Turkey to refrain from military intervention in Cyprus. This letter was published by Hürriyet in 1965, and not only shook Turkish-US relations, but also led to long-lasting changes in the outlook of Turkish society on foreign policy, the USA, and the Western World in general.

The Hürriyet archives are full of examples of similarly striking headlines. The "Suleymaniye Raid" headline, which referred to the detention of Turkish special operations forces by US military forces in the city of Suleymaniye in Northern Iraq on 4 July 2013, is a more recent example of Hürriyet's powerful, agenda-setting journalistic successes. This news piece also had a major effect on Turkish-US relations, and led to a severely negative public reaction toward the USA in Turkey.

In 2014, Hürriyet once again employed effective journalistic practices, and set Turkey's news agenda on significant domestic and international matters.

In 2014, Hürriyet carried on its tradition of effective journalism dealing with important issues in Turkish social and political life. In this regard, the following stories comprised some of the most hard-hitting Hürriyet headlines in 2014: Meticulous coverage of the inquiry commission established at the Turkish Parliament following the 17-25 December corruption investigations; reporting on the negligence that caused the Soma Mine Disaster; and openly covering the telephone tapping scandals that constituted a direct violation of the right to personal privacy.

What is important here is that in all of its journalistic activities, Hürriyet has maintained an impartial and objective line, keeping the same distance from all sides.

Aside from the work of its diverse and talented columnist staff,
Hürriyet manages to influence people's daily lives in Turkey through the rich content included in its newspaper supplements.





In addition to its unchallenged leading share of 34% of Turkey's printed newspaper advertisement sector, Hürriyet is also the leader in digital advertisement revenues.

ADVERTISEMENT

Hürriyet has been the largest media company in Turkey for a long time, providing a wealth of opportunities to both consumers and advertisers. Aside from its printed newspaper, it has also been investing heavily in its digital products in recent years. Thanks to the opportunities created by Hürriyet's combined printed and digital access capacity, today, Hürriyet World products are among the most preferred advertisement investment tools. According to the results of the Newspaper Accessibility Research study conducted by BİAK, Hürriyet is the second largest newspaper in terms of readership size, with 1.6 million daily readers out of a total country-wide readership volume of 10 million. The fact that Hürriyet's readership belongs to the AB socioeconomic group and is typically highly educated increases the newspaper's value in the eyes of advertisers.

Hürriyet closely follows the global media sector and all developments in technology, and has consequently restructured its rapidly developing products portfolio (of printed, Internet, and mobile) under the umbrella of Hürriyet World. As part of the implementation of this project, common goals were set and important steps were taken with regard to resource optimization and increases in efficiency.

The Hurriyet.com.tr Internet portal, which has an important share in Hurriyet World's activities, according to 2014 Comscore data, is positioned as Turkey's homepage, with a monthly figure of 11 million real users and a page view count of 1.3 billion. Hurri-

Hürriyet constantly advances its leading position in the advertisement sector by making effective use of the opportunities created by digitization.

yet.com.tr is among the best news websites in Europe, and contains rich and broad content ranging from daily and sports news to celebrity news and pieces on healthy living. Furthermore, the website, with its experienced and well-known journalists and columnists, attracts adult readers of both genders who belong to the upper socioeconomic group, are often university graduates, and actively engage in online shopping. In 2014, Hurriyet.com.tr made an important leap forward by introducing Hürriyet Social for its readership, providing a unique experience via services such as personalized news streaming and possibilities for direct contact between readers and authors, thereby further setting the national news agenda through hundreds of thousands of followers. These features have created a unique Hürriyet experience for the readers, increasing the value of Hurriyet.com.tr for advertisers.

The product mix of Hürriyet World is rich and diverse in content and diverse, and in this way responds to the needs and expectations of different advertisers. Products under the Hürriyet brand are equipped with technical and content-specific infrastructure to meet the demands of advertisers, ranging from promotional activities to image campaigns and sales. The daily Kelebek (Butterfly) supplement to the printed Hürriyet newspaper provides unique access to 1.4 million readers every day, and to 1.3 million readers on Saturday and Sundays as a weekend newspaper supplement, based on the specific areas of interest of the readership. The weekend supplement contains a wide-ranging array of pieces, from cinema to music, and from fashion to

sports. These features make it the supplement with the highest number of readers in the country. The travel supplement of the printed newspaper is a channel that directly responds to the demands of advertisers interested in publishing advertisements related to travel and tourism.

Hürriyet complements its printed newspaper operations with continued investments in its digital platforms. The Company does not only provide its readers with a highly accessible website, but also with Hürriyet TV, a video portal that brings together entertainment and news for readers following new trends. It also provides crucial opportunities for advertisers wishing to use video as a medium for reaching potential customers. Hürriyet TV reaches 65 million

users each month, and is the only platform in which TED Talks broadcasts can be watched with Turkish subtitles. It also has a central function for creating viral campaigns and specialized video pages tailor-made for each reader, thanks to the Yellow Microphone application, which operates as extension of integrated campaigns.

Ranking behind the Hürriyet website, Radikal and Kelebek, which are also available in the digital format, are the websites that are followed the most as sources of information and daily news. The Radikal.com.tr website in particular makes effective use of social media, and has a monthly page view average of 111 million. Having proven its success in presenting daily news, Radikal.com.tr, Turkey's first digital news portal,

The product mix of Hürriyet World is rich and diverse in terms of content, and in this way it responds to the needs and expectations of different advertisers. Products under the Hürriyet brand are equipped with technical and content-specific infrastructure to meet the demands of advertisers ranging from promotional activities to image campaigns and sales.

Advertisement

Hürriyet World devises original ideas based on the needs and wishes of advertisers.

is also an indispensible channel for advertisers wishing to reach individuals who live in urban areas, are active in social media, and intensively utilize mobile technology. Kelebek.com.tr, with its 27 million page views per month, is a platform that publishes pieces of interest for a diverse readership, on lifestyle subjects such as fashion, daily life, food, and travel, and continues to reach out to its readers in the digital format.

Hürriyet World also has broken new ground on various other aspects. The blogger

network Boomads is regarded as Turkey's number one content marketing and social media platform. Thanks to its outstanding community of bloggers that create content under seven different headings and 46 different categories, the platform provides advertisers with new advertising models and is opening new doors for diversified marketing and advertising opportunities. With a structure suitable to native advertising, a new trend in the advertising world which enables more targeted and effective content marketing, Boomads is offering

significant new possibilities for advertisers interested in making use of innovative advertising models such as this.

The rich infrastructure of Hürriyet World supports the development of original advertising solutions that are tailor-made to the requirements of advertisers. Thanks to its diverse product mix, Hürriyet World also creates a suitable platform for media planning, and through channels such as Internet, printed newspaper, and e-newspaper, we can enable the management of large-scale advertisement campaigns and provide opportunities for advertisers wishing to realize great ideas. Within this framework, a product campaign for a bank that was targeting the young demographic was implemented in 2014 in an integrated way across the following channels: printed newspaper, website, e-newspaper, Hürriyet TV, and Boomads. This campaign yielded extremely favorable results, and feedback received from users was positive both qualitatively and quantitatively. Hürriyet World develops bespoke solutions for its customers, and has created, for example, a viral advertising model for a shopping mall in 2014 which instantaneously reached millions of individuals through the Yellow Microphone component of Hürriyet TV. We create campaigns in line with specific advertiser demands. Hürriyet World won the general approval of advertisers when it turned its main activity focus to children on 23 April 2014, for the first and only national Children's Day in the world, with support of the Hürriyet Children's Club Team.







Hürriyet World, which has a product mix that attracts all age groups, also has a wide array of products designed for children. The Hürriyet Children's Club is currently installed on more than 13,000 iPads and is also accessible through the website. It is the first and only weekly children's newspaper in Turkey that is accessible through tablets. As evidenced by the success of this platform in providing child-focused content since 2013, Hürriyet World is constantly expanding its target audience and consistently increasing its access figures. Today, Hürriyet World also provides various other portals with rich content based on basic customer demands for news and information, and is thereby able to directly reach a higher number and a more diverse range of individuals. For instance, Big Para (Big Money), with 40 million page views each month, encourages users to follow recent developments in the economy and is Turkey's best finance portal for reference by experts in the field. Separately, Hürriyet Aile (Hürriyet Family), is a mother's and women's portal that has a monthly page view of 21 million, and provides content on a wide array of fields ranging from healthy living to home decoration, motherhood, and child care. Another praiseworthy Hürriyet World product is Mahmure, which aims at bringing women into contact with one another. It is the first women's portal in Turkey, with a page view of 31.4 million. It covers subjects such as which fashion, shopping, health, and other women-related topics.

Hürriyet World products are accessible not only through the Internet, but also through all channels of the digital world, including tablets, mobile applications, and the E-Hürriyet app, thanks to the increased

Hürriyet World, besides offering ad space in its traditional printed media or digital platforms, also utilizes an infrastructure which enables customers to undertake activities such as sponsorship campaigns, events, social responsibility projects, new advertising models, and digital-only, access-based, sales-based, viral, and 360 campaigns.

investment made by Hürriyet into its digital products in recent years. The number of people downloading and using the E-Hürriyet app is growing every day, and in contrast with the limited advertising models that printed newspapers offer, the app was designed with an infrastructure that provides diversified advertisement models to interested parties.

Hürriyet World, besides offering ad space in its traditional printed media or digital platforms, also utilizes an infrastructure which enables customers to undertake activities such as sponsorship campaigns, events, social responsibility projects, new advertising models, and digital-only, access-based, sales-based, viral, and 360 campaigns. Thanks to this holistic and integrated infrastructure which comprehensively responds to the requirements of advertisers, it was possible to bring all Hürriyet brands under the umbrella of Hürriyet World, which will continue to open doors for advertisers with new products and richer content in the coming years.



Hürriyet World employs
the most valuable human
resources available in the
sector, and continues to hire
talents that are capable of
making a difference in this
constantly changing and
improving sector. Our staff
function as pioneers in digital
journalism and play an active
role in Hürriyet's ongoing
digital transformation.

HUMAN RESOURCES

Hürriyet World, as Turkey's largest media group, employs the most valuable human resources in the sector. Hürriyet designed its 2014 Human Resources Strategy to ensure that its ever-expanding range of products could meet with the right target audience. Within the framework of its 360-degree human resources approach, Hürriyet strives to hire talent that will contribute to Hürriyet World's continual attempts to improve operational performance.

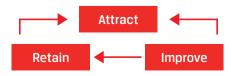
The 2014 Human Resources Strategy allowed the Company to undertake activities aimed at spreading Hürriyet World's dynamic structure to a larger group of people, and to share its ideals of continuous improvement and success. On the other hand, it has also allowed us to conduct activities to prepare employees for drastic changes occurring in the sector, and to prepare them for these changes through infrastructural improvements that enable the development of new business processes. The human resources structure of Hürriyet World, a brand which aims to provide its readership with content through the formats of PC, Internet, and mobile technology in addition to traditional printed media, is also changing in response to the emerging trends of the media sector. In this transformation process its Human Resources department has begun to hire individuals for positions such as Software Architect, Big Data Analyst, Segment Expert, Business Intelligence Expert, Social Media Editor, Programmatic Advertising Specialist, Web Analytics Specialist, and Optimization Expert.

With creative teams and an inspiring work environment, we are able to make a difference.

Throughout this process, Hürriyet has established important collaboration agreements with leading universities in Turkey to reach out to the kind of talent that will create a difference in the continuously changing and improving sector, and who will take on important roles in Hürriyet's transformation to digital journalism. This hiring policy has been successful in both transferring the experience of the business world to university students, and in winning over fresh talent to the company before graduation.

In order to employ the right people at Hürriyet, besides traditional hiring methods, different digital media channels which are followed by the target demographic are also being used in the hiring process to make it as quick and efficient as possible. By choosing to utilize these new channels, hiring processes have been accelerated considerably, and the success rates of our hiring choices have also been improved.

Its branding activities, which aim to help the Company attain a "dynamic, modern character and to strive for continuous improvement," thereby becoming the best company in its field, have allowed Hürriyet World to gain 18,000 followers and rank first among media companies with its Human Resources Facebook page, as well as gain 15,000 followers on its LinkedIn page.





In order to employ the right people at Hürriyet, besides traditional hiring methods, different digital media channels which are followed by the target demographic are also being used in the hiring process to make it as quick and efficient as possible.



Hürriyet World is a powerful player in the digital arena, and aims to share content on a 24/7 basis across multiple channels and using diverse methods, thereby constantly interacting with its readers and followers and creating added value for the lives of many.

MARKETING

As a leading company in the sector for 66 years, Hürriyet closely follows sectoral developments and requirements, and has proven its success on many different platforms by responding dynamically to technological advances. Other factors which have contributed to the Company's competitive edge are its corporate structure, which allows it to foresee technological and social changes, and its ability to adapt to these changes in a timely manner and to be a pioneer developments in newly emerging media fields. Hürriyet World is a powerful player in the digital world, and aims to share content on a 24/7 basis across all channels by using a variety of methods, thereby constantly interacting with readers and followers and creating added value for the lives of many.

Hürriyet utilizes its experience and knowhow to create a content delivery network that is in line with today's business processes, to provide target groups with unique products, to develop collaborations with leading media companies in the world, and to become a brand that is innovative and closely follows emergent trends.

With a view to presenting Hürriyet as a Company which respects personal liberties, the interactive "Hürriyet Is Mine" campaign, which enables users to express their own personal views freely, was initiated in 2014. In the spirit of expanding this concept, the Sharing Freedom campaign was also introduced into a political environment in which

The reliable Hürriyet brand is present in all walks of life.

bans on websites such as Twitter were being discussed prior to the March 30th 2014 local elections. Thanks to this campaign, 15 million viral videos were viewed, and 475,000 separate viewers were reached. Hurriyet.com.tr, which expanded its leadership in digital development throughout 2014, continues to be Turkey's homepage.

Hurriyet.com.tr was the news website with the most-shared content in 2013. Inspired by this success, the website began to provide its users with new features and was transformed into a social news platform in May 2014. These new features included the ability to customize news according to personal preferences, instant messaging, new sharing features, and opportunities for direct contact with writers and authors. Approximately 1 million members have been reached through this application, which is the first of its kind both in Turkey and the world as of year-end 2014.

Hurriyet.com.tr's transformation into a social digital media platform has been extensively promoted by Hürriyet, with four TV ads being shot with Hürriyet writers İzzet Çapa, Ayşe Arman, Ertuğrul Özkök, and Ahmet Hakan with a view to attracting more members to the platform. Thanks to this campaign, which lasted for one week, the platform attracted 4,552 new members, and a 55% increase was attained in the number of comments and volume of content sharing. Furthermore, throughout 2014, content communication campaigns were organized at intervals in order to share selected content from the Hürriyet Newspaper.



Within the scope of the Sharing
Freedom ('Hürriyet' means
'freedom' in Turkish)
campaign, 15 million viral
videos were streamed
to reach 475,000 unique users.



Developing a software and solutions ecosystem based on Hürriyet's business models, and establishing the world's best Big Data and Analytics infrastructure are two of the most important priorities for Hürriyet World.

INFORMATION TECHNOLOGIES & RESEARCH AND DEVELOPMENT ACTIVITIES

The Hürriyet Information Technologies Division aims to sustain Hürriyet World's global leadership in printed media as well as in mobile and digital media, and to maintain its success and profit growth in these areas. Individuals that are closely following technological trends around the world and who are open to new technologies and processes are hired to work for this department

In order to increase the revenues obtained from digital sources, a segment which is growing rapidly in Turkey, the Hürriyet Information Technologies Division undertook the following business development activities in 2014:

 New business development activities were conducted and developed together with start-ups and entrepreneurs, while collaborations were made with prominent information technology companies to design new products and set out a new technological vision.

Improving our software and services ecosystem in line with the diversity present in the digital world and its rapid transformation lies at the heart of our success.

- Process variations were put in place to effectively and cost-efficiently manage all information technology operations within Hürriyet World. Thanks to efficiency-improvement activities targeted towards infrastructural development, including virtualization, consolidation, and capacity and network optimization, it was possible to save a considerable amount of resources and direct these resources to new projects.
- In order to meet Hürriyet World's diversifying business needs in the best way possible, more than 100 projects were realized encompassing topics such as project development methods, testing, proactive monitoring, and impact analysis.
- Hürriyet Information Technologies, which focuses on employing the most talented experts available, worked closely with the Human Resources department to ensure that effective hiring procedures were implemented.
- The Division, which continues to operate by sticking to the principle of continuous technological advancement and improvement, conducts thorough analyses of business trends and developments to keep pace with the technology industry. In order to respond to such requirements effectively, the division also focuses on integrating the most appropriate technologies into its business processes.

The main projects realized by Hürriyet World Information Technologies in the 2014 operating cycle are listed below:

Hürriyet Social

Hürriyet Social, which was developed by Hürrivet Information Technologies, provides its more than 1.5 million members with personalized content as of year-end 2014. Hürriyet Social was designed as an interactive platform and has consequently achieved the provision of much more than a simple social sharing environment. Hürriyet Social allows readers to have a say in content management, and also enables them to directly contact columnists through the 'comment' function. With these features, Hürriyet Social has transformed hurriyet. com.tr into a social communications platform that enjoys a privileged position in the media sector in Turkey.

CRM Platform

In 2014, Hürriyet Information Technologies developed a platform that supports the management of the records of more than 7 million readers. This all-encompassing communications infrastructure ensures closer contact between Hürriyet World and its readers. Within the scope of this platform, products, services, and promotional campaigns are presented to its members. and new infrastructure has also been put in place to receive reader feedback. The platform, which has been integrated into the payment options infrastructure, has become an effective channel for the simultaneous management of payment, complaint, and communications information.

Big Data Project

Hürrivet Information Technologies, in line with its aims of achieving profitability and increasing customer satisfaction, attaches particular importance to the concept of "Big Data." To this end, Hürriyet Information Technologies conducted various activities designed to generate profit out of Big Data in 2014. Firstly, a Big Data platform was established within Hürriyet World with the support of a company that is specialized in this field. As a result of this, the user habits and behaviors of Hürriyet World readers began to be recorded and analyzed in a more systematic fashion. The platform has allowed Hürriyet World to become a channel that allows for the real time advertisement of products and content that is tailor-made to suit the online behavior of users.

Mobile Applications

Hürriyet Information Technologies has designated mobile applications as one of the highest-priority improvement areas for the company. In this way, Hürriyet E-newspaper and Hürriyet Mobile were updated in 2014 to achieve a considerable increase in subscriptions and access rates. In closely following new trends in technology, Hürriyet Information Technologies has achieved important improvements with regard to application interfaces and user experience. Hürriyet World applications were also improved with regard to speed and the fundamental technological infrastructure, and now ensure better reader experiences. Hürriyet's Information Technologies Division aims at increasing its investments into mobile technologies in 2015.



Hürriyet World's classified advertisement products were combined under the E-Business umbrella. The Company's Hürriyet Emlak (Real Estate), Yenibiriş, Hürriyet Oto (Automotive), Yakala.co and ekolay brands closely follow developments in online and mobile advertisement technologies, and swiftly integrates these into its own business processes.

E-BUSINESS

As noted, Hürriyet World's classified advertisement products were combined under the E-Business umbrella. The E-Business Group provides its users with rich opportunities in areas such as real estate, human resources, automobile, services, and discounts, and is continuously being improved. The Group has a dynamic structure which it uses to constantly increase its share in Hürriyet's total revenues. One of the most important targets of the E-Business Group in the upcoming period is to establish a more dynamic infrastructure which will enable the simultaneous coordination of different brands.

Hurriyetemlak.com was established in 2006 as the online real estate platform of the Hürriyet Newspaper, and is one of the most well known online platforms in the Turkish real estate sector. Hurriyetemlak. com increases its volume of users every day thanks to its wide-ranging advertisement portfolio, news services, and innovative products and projects, and in this way has become a trendsetter in the national real estate market. Followers of the portal include individuals interested in the rental or purchase of real estate, including investors, agents, contractors, and construction firms

With our ambitious growth targets, we are making an important contribution to the Hürriyet brand.

Yenibiris.com, which was launched in 2000, is one of the most important online human resources platforms in Turkey. The portal was renewed in 2014 with a new interface and an innovative mobile application. Its main goal is to sustain its innovative character throughout the upcoming period. Ekolay.net, which was originally launched as a news portal, has become more focused on the services sector since 2014. The portal provides services in a variety of areas including painting, shipping, private tutoring, and insurance, and has made a strong impression on the online services sector within a short space of time.

Hurriyetoto.com, another important brand within the E-Business Group, consistently manages to increase the number of its followers with each passing year. Yakala.co represents discount opportunities within the E-Business Group, and provides users with attractive products and services across a range of areas, including food/beverages, personal care products, and travel.

Yenibiris.com is one of Turkey's most important online human resources platforms.









OUR ACTIVITIES







ALTIN KELEBEK (GOLDEN BUTTERFLY):

The Altin Kelebek (Golden Butterfly) Awards are held each year to recognize the achievements of successful individuals from the TV and music world in Turkey. The Awards were first organized 42 years ago, and today represents the most respected and trendsetting brand in the field, thanks to the interest and trust of the public and the sector.

BEST ADVERTISEMENT RED MEDIA AWARDS:

The aim of the Red Media Awards, which were launched in 2003, is to encourage creativity in media advertisements and acknowledge advertising agencies, their employees, and advertisers for their successes in creating effective productions.

The Award is given only to newspaper and magazine advertisements, and as such are a first for Turkey.

In 2010, the Red Media Awards initiated the Red Regional Media Awards for advertising agencies located in Anatolia. This expansion made an important contribution to the broader Turkish advertisement sector. Only advertisement agencies located outside of Istanbul may participate in this competition, making it possible to reach out to advertisers from more remote parts of the country.

This year the 12th annual Red Media Awards were organized. For this event, the Awards have been improved to incorporate various new online media channels. In 2015, communications activities utilizing online media channels in an integrated fashion from six different categories can also participate.

SIGN OF THE CITY AWARDS:

The Sign of the City Awards were organized for the first time in 2014 with the aim of generating added value for the construction and real estate sector, increasing growth and employment in the Turkish economy, attracting more foreign investment, and contributing to the process of urban transformation.

The Sign of the City Awards makes a difference with its matchless jury consisting of experienced individuals from the sector, and a unique voting system with wide-ranging award categories. It has been broadly accepted by the sector in its inaugural year thanks to a high level of interest and the participation of brands with already established or potential added value.

Aside from being the leading brand in the Turkish media sector, Hürriyet also closely follows and analyzes sectoral developments and requirements, and has come to the fore in many platforms as an assertive and dynamic media brand. To this end Hürriyet has utilized its experience to adapt its own brand to sectoral dynamics and the demands of advertisers, and stands behind these organizational structures. This has played an important role in Hürriyet's transformation into a leading brand, and we aim to maintain this leadership.

Hürriyet also closely follows and analyzes sectoral developments and requirements, and has come to the fore in many platforms as an assertive and dynamic media brand.

The Sign of the City **Awards were** organized for the first time in 2014 with the aim of generating added value for the construction and real estate sector, increasing growth and employment in the Turkish economy, attracting more foreign investment, and contributing to urban transformation.



OUR BRANDS

The Hürriyet Group stands out with its high-value brand and product offering.

HÜRRİYET WORLD

The Hürriyet Newspaper

The Hürriyet Newspaper, since its establishment in 1948, has been committed to ethical and modern publishing standards. The periodical represents good journalism and trustworthiness in Turkish media, and has opened up new windows to its readers through its unique journalistic approach, rich content, and range of supplements tailored to suit people from many different walks of life. Through these special supplements the newspaper can also provide advertisers with unique channels for reaching new audiences. According to the BİAK report, Hürriyet newspaper reaches a daily readership of 1.5 million, and through the newspaper's online, mobile, and tablet applications a further 10 million daily visitors access our content.

Hürriyet aims at sustaining its leadership in journalism throughout 2015. Besides its printed material, Hürriyet also aims at being a leader in online, mobile, and tablet media platforms by maintaining its practice of impartial and principled journalism. Hürriyet also strives to add value to the lives of its readers by providing them with richer content

Hürriyet Supplements

Our readers' weekends are made more enjoyable by the Hürriyet Saturday supplement. This includes news and features on cinema, food, fashion, technology, and new trends, and functions as a guide for urban life. Another weekend supplement, Hürriyet Sunday, includes interviews with celebrities, special news files, humor sections, and columns related to daily issues. Hürrivet, which has positioned itself as a weekend family periodical, also provides its readers with the Keyif (Enjoyment) supplement every Sunday, offering readers commentaries on the arts, newly published books, TV series, and films on release. The Sevahat (Travel) section is a travel and culture supplement that is published each Monday. This attracts readers that want to choose the right destination for their holidays or next trip, and provides detailed international travel pieces, guides, suggestions, and articles on the travel experiences of other Hürriyet readers.

Hürriyet Daily News

Turkish Daily News was first published on 15 March 1961 with the slogan "The World's Window Opening to Turkey," and has become the leading English language news source for Turkey and the region. The newspaper joined the Doğan Group on 20 January 2000, and changed its name to Hürriyet Daily News. To date, it is still being published under this name.

As Turkey's most established English newspaper, closely following news and current affairs for 53 years, Hürriyet Daily Newsconstantly strives to renew itself and endeavors to always preserve its dynamism. Besides its printed version, Hürriyet Daily News is also accessible online.

Thanks to the blogs and social networks available on www.hurriyetdailynews.com, as well as the 'new,' 'recent,' and 'breaking' news features of the website, readers are able to instantly access a wide range of fresh and accurate news, running from politics to arts, economics to technology, and from sports to daily life. Hürriyet Daily News also has a presence on social media with its Facebook and Twitter accounts, and makes effective use of mobile and social media tools too.







Hurriyet.com.tr

Hürriyet successfully maintains its leadership in both printed media and online journalism. Its website, which was launched on 1 January 1997, was one of the first newspapers in Turkey to be published online. Starting in October 2000, the website started to operate as a news portal that reports on daily incidents without interruption on a 24/7 basis.

In 2009, Hurriyet.com.tr introduced features such as Web TV and astrology pieces. These areas were expanded in 2010 when the website began incorporating interactive services such as Bumerang and Yazarcafe (Writers' Café) along with other mobile products. After transforming into a comprehensive social news platform in May 2014, the number of Hurriyet.com.tr readers consistently increased. The website sustained its leading position in digital publishing throughout 2014, reaching a daily average of 2.5 million unique visitors and a monthly total of 35 million. The site is also appreciated by many social media users, as evidenced by the fact that it is one of the websites whose media content is shared the most.

Hurriyet.com.tr was turned into a social news platform in May 2014, and now provides its members with new features, enabling them to personalize their news streaming, engage with one another through instant messaging, and share news content more easily. It also offers the possibility of contacting writers and contributors directly. It the first website of its kind in the world, and attracted 1 million new members in 2014. Our Company strives to allow access to the Hürriyet World from all devices, and became the first Turkish news application available on Microsoft xBox One. Furthermore, Hürriyet launched its new Hürriyet Mobile application in December 2014. The website can be reached by its readers via a wide range of channels, and is thereby able to substantially increase the amount of followers on social media. In 2014, Hürriyet added interactive services to its E-Newspaper application. This provides access through tablets and mobile devices, and as of year-end, the Hürriyet E-Newspaper application is being used on 185,000 devices.

Radikal.com.tr

Radikal, the preferred newspaper for readers looking for in-depth and independent coverage of issues ranging from politics and technology to culture and automobile news. The periodical has always been a pioneer of innovation in Turkish media.

The publication of Radikal Newspaper was taken over by the Hürriyet Group in October 2010, introducing new content and a fresh journalistic approach to Turkish media. After extended and intense research, Radikal adopted a new strategy in December 2013 to make the newspaper only accessible by digital means, simplifying its design and incorporating other innovative changes. Radikal had been successful in terms of its online operations, which is why it was decided to pursue this strategy in June 2014. Following this decision, Radikal became Turkey's most effective digital newspaper. Radikal also introduced the Radikal Mobile application, which adopted a pioneering position in the digital media sector that allowed it to vastly increase the number of mobile readers in comparison with competitors. Besides being such an avidly-read newspaper and being the periodical that is most-shared on social media, Radikal is also favored by its readership for list news published under the RadikaList category. In 2014, Radikal's daily unique visitor rate was at 780,000, while the online newspaper reached a monthly rate of 12.5 million unique visitors and 138 million page views.

OUR BRANDS







Radikalblog.com

Radikalblog.com was launched for bloggers by Radikal.com.tr, and brings together bloggers and readers around a variety of issues ranging from daily life to technology, politics and arts. Through radikalblog.com, different ideas rapidly reach readers, making valuable contributions to matters of public discussion.

Radikal Kitap (Books)

Radikal Kitap is one of the most prestigious publishing channels in the literary and publishing world. It has connected with readers through the printed Radikal newspaper for more than 12 years, and has become the reader's favorite ever since thanks to the rich variety of content it offers. Radikal Kitap is followed with great interest not only by individual readers, but also by bookshops and publishing houses. After the termination of the printed version of Radikal, Radikal Kitap started to be published in the Friday edition of the printed Hürriyet Newspaper. Owing to the trust its editors have established with its readership, the neat balance that is maintained between advertisements and content allows bibliophiles to continue to closely follow Radikal Kitap. Information gathered from book fairs, opinions received from publishing houses, and evaluations of annual advertisement profits suggest that Radikal Kitap is one of the most sought after publications for both advertisers and readers.

On radikalkitap.com, readers are able to create their own libraries and reading lists, and have the opportunity to browse through and comment on various different categories of books.

Hürriyet TV

Hürriyet TV was launched in March 2014, bringing together all video websites that were previously operational under Hürriyet. It streams videos appropriate to the journalistic policy of Hürriyet newspaper, and aims to present visual content that is interesting, entertaining to watch, and has the potential to be widely shared on social media channels. Hürriyet TV has established a publishing platform with a strong editorial filter that is applied in its video production process, ensuring that viewers and advertisers have access to high-quality video content. Its viewer and advertiser-oriented publishing strategy and highly respected brand allowed Hürriyet TV to experience rapid growth in 2014. As of January 2015, it had managed to reach a total of 104 million video views.

Hürriyet TV will be transformed into an interactive digital channel in 2015 to which users can upload their own videos. The channel aims to expand its content diversity, streaming traffic, and production capabilities into profit models that ensure increased efficiency for advertisers and generate a sustained increase in audience numbers.







Bigpara.com

Bigpara.com was incorporated into Hürriyet Internet Group in November 2012, and reached a total figure of 2.2 million unique visitors per month by the end of 2013. In 2014 the digital platform signed a secondary distribution agreement with the Istanbul Stock Exchange (BIST), and began providing its users with uninterrupted, live Stock Exchange news. Bigpara reached a monthly visitor rate of 3.1 million by year-end 2014. As Turkey's largest finance portal, it aims to continuously increase the number of users visiting the platform by offering new segments, functions, and updated technological infrastructure.

Bigpara.com will improve its technological infrastructure over the course of the upcoming period, thereby providing amateur investors with free or pre-paid online and mobile features. Within this framework, the content management system will also be updated to establish a holistic approach for the presentation of textual content and data to possible investors. Another strategic aim is to enrich the portfolio feature on mobile applications through the use of customizable graphics and technical analysis modules, thereby enabling amateur investors to manage their investments from a single page. With these new features, Hürriyet plans to consolidate Bigpara's interactive character and ensure that it stands out, particularly in the mobile field, compared with competitors that provide corporate and personal services.

Hurriyetaile.com (Hürriyet Family)

Hurriyetaile.com is another online element of Hürriyet World, providing a new outlook on the concept of family through an innovative design and a strong team of writers and experts. The website is consistently increasing its audience by providing a wide array of content on topics ranging from male-female relations to shopping, pregnancy, and health. With an increase of 30% as of year-end 2014, Hürriyetaile.com has increased its annual unique visitor rate to 2.7 million.

Hurriyetaile.com plans to diversify its content and consolidate its position in the public sphere by becoming the leading website on motherhood and childcare over the coming period. A key additional component of the strategy is to increase the number of registered members on the "Mothers are Talking" forum, turning it into a social and knowledge-sharing platform. In line with global trends, members are able to use these services to share and receive information on a range of topics, and to shop through these mobile and internet communication channels. In this way, Hürriyet Aile also plans to turn its increased mobile traffic into profit through location-based functions such as our "Mothers' Map." Work on the development of this function is currently underway.

Mahmure.com

Mahmure.com was handed over to the Hürriyet Internet Group in November 2012, and reached a total monthly visitor rate of 2 million unique visitors by year-end 2013. The website increased its monthly average unique visitor rate to 2.8 million by year-end 2014, and is presently continuing to function as Turkey's largest lifestyle network, together with Hürriyet Aile and Kelebek. Compared with its competitors in the sector, Mahmure.com attracts a comparatively young audience with its highly attractive visual design, its mobile application, and the quality of the content it publishes.

The categories of fashion, beauty, relationships and astrology will be designated as Mahmure's main publishing fields in 2015. The aim is to diminish the number of categories on which pieces are published, and to instead focus more on particular issues and viral content. In addition, Hürriyet plans to focus more on rapid, real-time content marketing and native advertising to produce more high-quality content.

OUR BRANDS







E-BUSINESS

Hurriyetemlak.com

Hurriyetemlak.com was established in 2006 as the online real estate platform of Hürriyet Newspaper. It is the leading online expert portal in the sector. Hurriyetemlak. com brings the real estate sector together under one single umbrella and functions as a trendsetter with its wide-ranging advertisement portfolio, current news, and innovative products and services. The website effectively unites individuals interested in real estate rentals or purchases with investors, agents, contractors and construction firms. According to December 2014 figures published by Comscore, the number of website visitors increased by 12% on the previous year.

Yenibiris.com

Yenibiris.com is one of the leading websites in the field of online human resources in Turkey. It has sustained its prominent role in the sector over the course of in 2014 by efficiently integrating new technological developments into its established business processes. Yenibiris formed partnerships with D.I.S.C. and Yüzyüzeyiz.biz in 2014, and as of December of that year, though the average number of daily visitors decreased by 4%, the website's page views increased by 2%. According to Comscore's December 2014 figures, yenibiris.com is the second most-visited career website in Turkey.

Yakala.co

Yakala.co operates in the group purchase E-business category under the slogan of "Lower Prices for Individuals, More Saless for Firms." It provides important discount opportunities in a wide array of areas including tourism, entertainment, beauty services, cultural activities, and food and beverages. Yakala.co adds value to users' lives by supporting personal budgets, and has continued to be an effective advertisement channel for firms and brands throughout 2014. Yakala.co also consistently renews its technological infrastructure in line with recent technological developments, and has attained a strong comparative edge throuah the provision of easy, trustworthy, and effective user options. Yakala.co makes a difference to the sector with its innovative structure, and its high growth rates have allowed it to rank first in the sector in 2014.





Hurriyetoto.com

Hurriyetoto.com, an automobile sector platform that is improving every year, is one of the other important brands within the E-Business Group. The website was able to increase the number of advertisements published on the website as well as its visitor rate in 2014.

Ekolay.net

Ekolay.net began as a news portal, but changed direction in 2014 to start operating in the services sector. The site provides services across a range of areas including painting, shipment, private tutoring, and insurance, and through these features has made a salient impact on the online services sector. Ekolay.net was restructured in 2014 based on the needs of the services sector, and as of today incorporates more than 11,000 firms located in Istanbul.

PRINTING FACILITIES

With its modern printing facilities, Hürriyet Group has positioned itself as an important regional publisher.

Doğan Printing Center Facilities, which meet the printing requirements of the Hürriyet Group newspapers, are located in the Turkish provinces of Istanbul, Ankara, Izmir, Adana, Antalya, and Trabzon. Printing activities abroad are undertaken by the Hürriyet Germany Branch (Hürriyet Zweigniederlassung GmBH), based in the city of Frankfurt.

At the Doğan Printing Center (DPC) facilities, the printing of the Hürriyet Newspaper, Hürriyet Daily News, and their various supplements is carried out. In addition to this. contracted printing services are also provided for daily, weekly, or monthly issues of other newspapers and their supplements. DPC stands out from competitors with its high standards for quality, skilled human resources, and impressive range of machinery and equipment. It has continued to maintain a high quality of service in 2014 by rapidly adapting to recent global printing trends, implementing projects to increase efficiency and improving processes related to the use of raw materials. In 2014, DPC focused on expanding its customer and publishing house portfolio to newspapers outside the Hürriyet group. DPC has yielded positive financial and

Printing facilities
providing
high-quality
printing services.

operational results in recent years thanks to the location of its printing facilities and its strong selection of equipment. Publishing houses generate high levels of demand for these services, particularly in Antalya and Trabzon. With rising shipping costs and the rapid development of online publishing, the need for timely delivery to readers has become more challenging than ever, and this fact constantly increases the value and importance of these regional printing facilities.

The Bild and Zaman newspapers were consistently printed at DPC's Antalya facilities throughout 2014. DPC aims at furthering its business development activities in this area and transform the model to one of profit generation. In addition, steps have been taken to decrease the environmental impact of printing operations at these presses. As of 2014 less chemicals are being used at the facilities, and this process is expected to be finalized in mid-2015, decreasing the cost of cover production.

DPC also made advances in terms of increasing its quality standards in 2014. The advertisement repetition rate originating from DPC operations was reduced to seven in 2014, having stood at 19 in 2013, following complaints by advertisers and advertising agencies.

In 2014, DPC changed its management structure by setting up directorates. This change was made to increase efficiency, speed up communication, and establish a more holistic management structure. Thanks to this restructuring, DPC established a more flexible character to enable it to develop projects in cooperation with Hürriyet Group's advertising and marketing divisions.





OUR ACTIVITIES ABROAD

For many years, Hürriyet has served as the driver of the Turkish newspaper market in Europe.

Hürriyet Germany

The Hürriyet publishing center and printing facilities in the Federal Republic of Germany are based in Mörfelden-Walldorf, close to the city of Frankfurt. Hürriyet Germany began its publishing activities in the 1960s when the first Turkish migrants were settling in Europe, and has established itself as the longest-serving Turkish newspaper in Europe. It is one of the most accessible newspapers, and works to support social campaigns through its publishing channels in Europe. It is published at the modern facilities that also house the news center, and has been functioning as the driver of the Turkish newspaper market in Europe for many years. As Europe's best-known Turkish newspaper, Hürriyet is distributed at 15,000 locations in Germany and at 20,000 locations around Europe as part of the distribution network of the Axel Springer Group, to which the newspaper belongs.

As Turkey's strongest newspaper, Hürriyet carries out both its printing and publishing activities under the Doğan Media International GmbH, which was established in 1999 as Doğan Holding's presence in Europe. Doğan Media International maintained Hürriyet's market-leading position in Europe too, and besides publishing, it also works to manage relations between Doğan Group and prominent European media corporations, developing new business models. Its modern printing facilities allow Doğan Media International to print a number of publications besides Hürriyet Newspaper, including the German editions of the international daily economics newspapers The Wall Street Journal, Nikkei, and The Financial Times, regional editions of Bild, Germany's most popular newspaper, and the US-based Stars & Stripes publication. It also prints the Yomiuri Shimbun, Japan's most popular newspaper, European editions of the Asahi Shimbun, the Sportwelt, a German shooting periodical, and Asharq Al-Awsat, widely read across the Arab world. Besides these the following are also printed regularly as part of Doğan Media International: Poland's Info&Tips, China Daily, the Korean newspaper Uri Shinmun, Rhein Hunsbrück, a local Rhineland Palatinate publication in Germany, and the free-of-charge publications Trigonal, Güncel, Nokta. the New Europe, and the Security Times, a publication which is regarded as an important source of information among opinion leaders. More than 350,000 newspapers are being delivered on a daily basis to shipment companies who then distribute these to subsidiaries across Europe, thereby reaching out to a continent-wide readership.

TME

In 2007, Hürriyet purchased 67.3% of Trader Media East Ltd (TME), which at that time ran operations in many countries across Eastern Europe. This was the largest foreign purchase by a Turkish company in history, and as a result, Hürriyet was transformed into an international company.

As of year-end 2014, Hürriyet owns 78.57% of the capital of TME. Over the course of the year, the company decided to close its subsidiaries in Hungary, Croatia, Bosnia-Herzegovina, and Serbia, and shifted its focus to publishing online and printed advertisements in Russia, Ukraine, Belarus, and Kazakhstan. The rapid transformation of the company from publishing advertisements in printed media to publishing online classified ads is continuing apace.

Russia's most popular media brand "İz Ruk Ruki," and the country's leading online classified advertisement website "Irr.ru" both fall under TME's umbrella.

INDEPENDENT AUDITORS REPORT OF BOARD OF DIRECTORS REPORT ON THE ANNUAL REPORT

To the Board of Directors of Hürriyet Gazetecilik ve Matbaacılık A.S.,

Board of Directors Report on the Monitoring of the Annual Report within the Framework of Independent Monitoring Standards

We have completed the monitoring process for Hürriyet Gazetecilik Ve Matbaacılık A.Ş.'s (hereinafter referred to as "Company") annual activity report covering the accounting period up to 31 December 2014.

Responsibility of the Board of Directors

According to the Responsibility of the Board of Directors with Regard to the Annual Activity Report pursuant to Article 514 of the Turkish Commercial Code (TTK) No. 6102, and the Notice on Principles of Financial Reporting in Capital Markets No. 14.1 of the Capital Markets Board (SPK), the management of the company is responsible for ensuring that the numbers in the annual report match the numerical tables provided in the financial report, and to ensure that the report reflects the truth by establishing the required internal control mechanisms to prepare a high-quality document.

Responsibility of the Independent Auditor

As part of our responsibility, and as stipulated in Article 397 of the Turkish Commercial Code and in the Notice of the Capital Markets Board on Independent Auditing, we provide our opinion on whether financial information provided in this annual report matches the numbers provided in the financial tables, and whether they are correctly represented.

The audit we have conducted was carried out by abiding by the Independent Auditing Standards (BDS) portion of the Turkish Auditing Standards published by the Public Oversight, Accounting and Auditing Standards Institution (KGK). These standards stipulate that the independent auditing shall be in line with established ethical standards, and that it shall provide guarantees on whether the numbers referred to in the annual report match the numbers in the Company's financial statements, and whether the information in the annual report is truthful or not.

Independent auditing involves the application of certain procedures with the aim of obtaining auditing evidence related to financial information. The selection of these procedures is made based on the auditors' own professional reasoning.

We believe that the independent auditing evidence obtained through independent auditing provides a sufficient and a pertinent base to support our final opinion.

Opinior

Our final opinion is as follows: the financial information provided in the annual report approved by the Board of Directors matches with the audited financial tables in all respects and is truthful.

Other Legal Responsibilities

Pursuant to paragraph 3 of Article 402 of the Turkish Commercial Code and Article 507 of the section on "Corporate Continuity" in the Independent Auditing Standards, no evidence has been found to suggest any possible risk that the company will not be able to sustain its activities in the foreseeable future.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Berkman Özata SMMM

Auditor

BOARD OF DIRECTORS ACTIVITY REPORT

1 GENERAL INFORMATION

1 A. Period for the Report

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

1 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

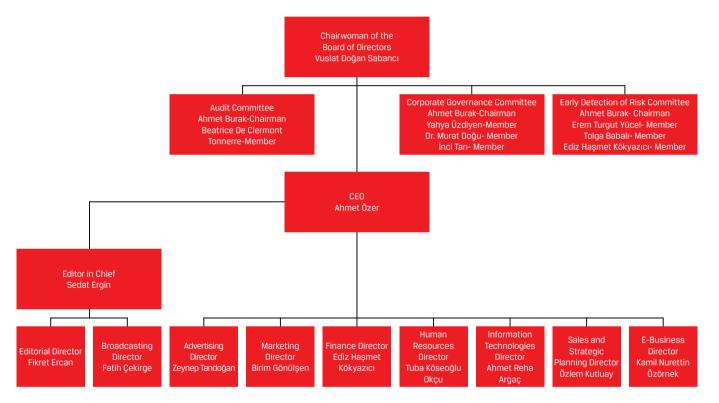
Website : www.hurriyetcorporate.com

Printing Houses and Regional Offices Contact Information	Phone	Facsimile
Hürriyet Dünyası, 100. Yıl Mahallesi, Matbaacılar Caddesi No: 78 34204 Bağcılar/İstanbul	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	
Şehitler Cad. No: 16/1 35230 Alsancak/Izmir	0232 488 65 00	
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

1 C. Company's Organizational Structure, Capital Structure, and Shareholder Structure, and Related Changes That Occurred During the Period

1 C.1. Company's Organizational Structure

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



1.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 AMOUNT (TL)	SHARE RATIO (%)
Doğan Şirketler Grubu Holding A.Ş. ^(*)	428,616,468	77.65
Traded on BIST and Other	123,383,532	22.35
Total Capital	552.000.000	100

^(*) As of 31 December 2014, 17.65% of the Hürriyet capital shares owned by the Group's main partner Doğan Şirketler Grubu Holding A.Ş. have "open" share status (As of 31 December 2013 Doğan Yayın Holding's share was 6.56% and Doğan Holding's share was 11.09%).

According to the records of Merkezi Kayıt Kuruluşu A.Ş., as of 31 December 2014, shares amounting to 21.6% of Hürriyet's capital are "in circulation" (this share stood at 21.98% on 31 December 2013), while shares amounting to 40% of Hürriyet's capital have "open" status.

1 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.

1 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 December 31, 2014 and December 31, 2013 are presented below:

Voting Rights of Hürrİyet and

	its Subsidiaries (%)		Controlling Interest (%)	
Subsidiaries	December 31, 2014	December 31 2013	December 31, 2014	December 31 2013
Hürriyet Medya Basım	99.93	99.93	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	53,14	53,14	53,14	53,14
Nartek ⁽²⁾	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	78,57	78,57	78,57	74,28
Oglasnik d.o.o. ⁽³⁾	100,00	•••••••••••••••••••••••••••••••••••••••	74,28	74,28
Impress Media Marketing LLC	97,00	76.21	72,05	•••••••••••••••••••••••••••••••••••••••
TCM Adria d.o.o.	100.00	100.00	78.57	74,28
Expressz Magyarorszag Media Kft. ⁽⁴⁾	100,00	74,28	•	74,28
Job.ru LLC	100,00	100,00	74,28	78.57
Mirabridge International B.V.	100,00	100,00	78.57 7	74,28
Pronto Invest B.V.	100,00	100,00	78.57	74,28
ZAO Pronto Akzhol	80,00	80,00	62.86 5	59,42 74,28
TOO Pronto Akmola	100,00	100,00	78.57	74,28
000 Pronto Atyrau	100,00	100,00	62.86	59,42
000 Pronto Aktobe	80,00	80,00	50.28	59,42 47,54
000 Pronto Aktau	100,00	100,00	62.86	59,42
000 Delta-M	55,00	55,00	43.21	40,85
000 Pronto Baikal	100,00	100,00	78.57	74.28
000 Pronto DV	100,00	100,00	78.57	74,28
000 Pronto Ivanovo	100,00	100,00	74,28	74,28
000 Pronto Kaliningrad	95,00	95,00	74,64	70,57
000 Pronto Kazan	72,00	72,00	56,57	53,48
000 Pronto Krasnodar	80,00	80,00	62,86	59,42
000 Pronto Krasnodar	80,00	80,00	62,86	59,42

Voting Rights of Hürrİyet and

	its Sub	sidiaries (%)	Controlling Interest (%)	
Subsidiaries	December 31, 2014	December 31 2013	December 31, 2014	December 31 2013
000 Pronto Nizhny Novgorod	90,00	90,00	70,71	66,85
000 Pronto Novosibirsk	100,00	100,00	78,57	74,28
000 Pronto Oka ⁽⁶⁾	100,00	100,00	78,57	74,28
000 Utro Peterburga ⁽⁶⁾	55,00	55,00	43,21	40,85
000 Pronto Samara	100,00	100,00	78,57	74,28
000 Pronto UlanUde	90,00	90,00	70,71	66,85
000 Pronto Vladivostok	90,00	90,00	70,71	66,85
000 Pronto Media Holding ⁽⁷⁾	100,00	100,00		74,28
000 Tambukan	85,00	85,00	66,78	63,14
000 Partner-Soft ⁽⁸⁾	-	90,00	66,85	66,85
Pronto Soft	90,00	90,00	70,71	66,85
000 Pronto Kemerovo ⁽⁵⁾	-	100,00	••••	74,28
000 Pronto Smolensk	100,00	100,00	78,57	74,28
000 Pronto Tula ⁽⁹⁾	-	100,00		74,28
000 Pronto Voronezh (5)	-	100,00	-	74,28
000 SP Belpronto	60,00	60,00	47,14	44,57
000 Tambov-Info	100,00	100,00	78,57	74,28
000 Pronto Obninsk ⁽¹⁰⁾	-	10,00	-	7,43
000 Rektcentr	100,00	100,00	78,57	74,28
000 Pronto Neva (11)	-	100,00		74,28
Publishing House Pennsylvania Inc	100,00	100,00	78,57	74,28
Bolji Posao d.o.o. Serbia ⁽¹²⁾	-	100,00	-	74,28
Bolji Posao d.o.o. Bosnia ⁽¹²⁾	-	100,00	-	74,28
000 Rukom ⁽¹³⁾	100,00	100,00	78,57	74,28
Pronto Ust Kamenogorsk	100,00	100,00	62,86	59,42
Publishing International Holding BV	100,00	- 100,00	78,57	74,28

 $^{^{\}mbox{\tiny (1)}}\mbox{The related subsidiary was sold on 18 July 2014.}$

 $^{^{\}mbox{\scriptsize (13)}}$ Stopped being operational during the 2012 business cycle.

	31 December 2014	31 December 2013
Business Partnerships	Direct and Indirect Share (%)	Direct and Indirect Share (%)
ASPM Holding B.V.	40,07	37,88

⁽²⁾ The related subsidiary was merged with another related subsidiary, Yenibiris, on 30 December 2014.

⁽³⁾ The related subsidiary was sold on 28 February 2014.

⁽⁴⁾ It was sold on 7 April 2014.

⁽⁵⁾ Related subsidiaries were liquidated in 2014.

⁽⁶⁾ Stopped being operational before 2010.

⁽⁷⁾On 23 December 2014 the "000 Pronto Moscow" name was changed to "000 Pronto Media Holding."

⁽⁸⁾ The related subsidiary was liquidated on 10 December 2014.

⁽⁹⁾ It was liquidated on 18 July 2014.

^{(10) 90%} of its shares were sold in December 2013 and the remaining 10% of shares were sold in January 2014.

 $^{^{\}mbox{\tiny (II)}}$ It was liquidated on 21 February 2014.

⁽¹²⁾ It was sold on 21 March 2014.

	31 December 2014	31 December 2014
Subsidiaries	Direct and Indirect Share (%)	Direct and Indirect Share (%)
Doğan Media International GmbH ("Doğan Media")	42,42	42,42
SP Pronto Kiev	39,29	37,14
TOV E-Prostir	39,29	37,14

1 F. Acquisition of the Company's Own Shares

During the accounting period from January 1 2014 to December, 31 2014 the Company did not repurchase its own shares.

1 G. Information on the Board of Directors, Senior Executives and Number of Employees

1 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 March, 29 2013 are presented below:

Name/Last Name	Title	Status
Vuslat Sabancı	Chairwoman	Non-Executive
Yahya Üzdiyen	Vice Chairman	Non-Executive
Ahmet Nafi Dalman	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
Béatrice de Clermont Tonnerre	Independent	Board Member

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 January 1 2014 – December 31 2014 will be discussed.

On February 28, 2014 Ahmet Burak and Béatrice de Clermont Tonnere submitted their applications and statements of independence for Independent Board Membership; on March 29,2014, the Board of Directors submitted and resolved to disclose their applications to the public on the same date.

In 2014, the Board of Directors held 47 meetings and approved all resolutions unanimously, without any opposing votes.

Members of the Board of Directors have not been limited in any way or by any rules to engage in other duties or function in other positions parallel to their position at Hürriyet.

Pursuant to the Board of Directors' resolution dated April 30, 2014, 2014/18, 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 2015 will be discussed:

Executive Committee

Name/Last Name	Title
Ahmet Özer ^(*)	Chairman of Executive Committee
Ahmet Nafi Dalman(**)	Vice Chairman of the Executive Committee
Sedat Ergin ^(***)	Executive Committee Member in charge of Editorial Affairs/Editor-in-Chief
Ediz Haşmet Kökyazıcı	Executive Committee Member in charge of Finance/Finance Director
Tuba Köseoğlu Okçu	Executive Committee Member in charge of Human Resources/Human Resources Director
Birim Gönülşen Özyürekli	Executive Committee Member in charge of Marketing/Marketing Director
Zeynep Tandoğan	Executive Committee Member in charge of Advertising/ Advertising Director
Ahmet Reha Argaç	Executive Committee Member in charge of Information Systems/Information Techologies Director
Kamil Özörnek	Executive Committee Member in charge of E-commerce/E-commerce Director
Özlem Kutluay	Executive Committee Member in charge of Sales and Planning/ Sales and Strategic Planning Director

^(*) With decision No. 2014/18 of the Board of Directors taken on 30 April 2014, it will not appoint a new Chief Executive Officer until the Ordinary General Assembly in which 2014 activities will be discussed. With the decision of the Board of Directors on 6 June 2014, Ahmet Özer has been appointed as Chief Executive Officer of the Company starting as of 9 June 2014.

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.

^(**) Ahmet Nafi Dalman left his position as Deputy Chief Executive Officer in May 2014.

^(***) With decision No. 2014/18 of the Board of Directors taken on 30 April 2014, Chief Editor Enis Berberoğlu has been appointed as Executive Board Member responsible for Publishing until the Ordinary General Assembly in which 2014 activities will be discussed. However, upon the resignation of Berberoğlu from all his positions within the Company in August 2014, Sedat Ergin was appointed as Chief Editor on 25 August 2014 and as Executive Board Member responsible for Publishing on 16 September 2014.

Board of Directors Activity Report

The statements of independence of Independent Board Members are presented below.

Date: 28.02.2014

STATEMENT OF INDEPENDENCE

To the Office of the Chairperson:

I hereby declare that, as a candidate 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

Date: 28.02.2014

STATEMENT OF INDEPENDENCE

To the Chairwoman of the Board of Directors.

I, as a candidate 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

With decision n. 2014/18 (date: 30/04/2014) the Company Board of Directors decided that i) the Chairman and the members of the Corporate Governance Committee shall be elected, ii) the Chairman and the members of the Corporate Governance Committee shall continue to assume duties until the first Board of Directors meeting that will be held after the General Assembly meeting where 2014 activity results will be discussed, and iii) the Corporate Governance Committee shall undertake the tasks of "Nomination Committee" and "Remuneration Committee" as stipulated in the "Corporate Governance Communique (II-17.1)" of the Capital Markets Board (CMB).

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
Dr. İnci Tarı	Member	Investor Relations and Finance Manager

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 April 30 2014, No: 2014/18, 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
Ediz Haşmet Kökyazıcı	Member
Erem Turgut Yücel	Member
Tolga Babalı	Member

1.G.2. Senior Executives

Name/LastName	Title
Ahmet Özer	Chairman of the Executive Committee
Sedat Ergin	Executive Committee Member/Editor in Chief
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
Zeynep Tandoğan	Executive Committee Member/ Advertising Director
Ahmet Reha Argaç	Information TechnologiesDirector
Kamil Özörnek	E-commerce Director
Özlem Kutluay	Sales and Strategic Planning Director

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 Özer	Chairman of the Executive Committee	June 9, 1994	Bachelor's Degree: Boğaziçi University, Department of Economics	19
Sedat Ergin	Executive Committee Member, Editor in Chief	June 1, 1993	Bachelor's Degree: Ankara University, Faculty of Political Science and International Relations	40
Ediz Haşmet Kökyazıcı	Executive Committee Member/ Finance Director	21 June 2013	Bachelor's Degree: Bilkent University Department of Industrial Engineering	23
Tuba Köseoğlu Okçu	Executive Committee Member/ Human Resources Director	15 March 2012	Bachelor's Degree: Boğaziçi University, Department of Translation and Interpreting	21
Birim Gönülşen Özyürekli	Executive Committee Member/ Marketing Director	20 May 2013	Bachelor's Degree:Boğaziçi University, Department of Political Science and International Relations	13
Zeynep Tandoğan	Executive Committee Member/ Advertising Director	March 3, 2014	Bachelor's Degree: Mimar Sinan University Department of Statistics	17
Ahmet Reha Argaç	Information Technologies Director	September 9, 2013,	Bachelor's Degree: Bilkent University Electrical and Electronics Engineering, Master's Degree: Bilkent University Economics Master's Degree	23
Kamil Özörnek	E-commerce Director	January 2, 2013.	Bachelor's Degree: FloridaMetropolitan University Marketing and Management Master's Degree: Tampa University MBA	20
Özlem Kutluay	Sales and Strategic Planning Director	January 7, 2013	Bachelor's Degree: Bilkent University Electrical and Electronics Engineering	21

1 G.3. Number of Employees

The total number of employees of the Company and its subsidiaries was 4.245 as of December 31 2014 (December 31, 2013: 5.290).

1.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 2014, Board Members did not conduct any commercial activities on their own behalf in the Company's line of business.

1.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.

1.J. Amendments to the Articles of association during the period and reasons thereof

No changes have been made to the Articles of Association during this operating cycle.

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 April 29 2014, it was resolved with the majority of the votes 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.

	2014	2013
Remuneration and other short term benefits	6.994.752	8.038.531
Post-employment benefits	2.215.383	1.235.931
Total	9.210.135	9.274.462

3 RESEARCH AND DEVELOPMENT ACTIVITIES

In 2014, the Company did not conduct any research/development activities and did not incur any costs accordingly.

4 COMPANY OPERATIONS AND RELATED MAJOR DEVELOPMENTS

A. Company's Core Business, Sector and Its Position within the Sector

Hürriyet Gazetecilik ve Matbaacılık A.S. ("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 and Hürriyet Daily News; websites hurriyet.com.tr, Hürriyet Emlak, Hürriyet Aile, Hürriyet Oto, Piyasanet and Bigpara; and subsidiaries, Hürriyet Germany, Doğan News Agency, Yenibiriş Human Resources, and Trader Media East Ltd. (TME), which was acquired by the Company in 2007. As of year-end 2014, Trader Media East Ltd., in which Hürriyet owns a 78,57% 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 and Kazakhstan.

Our Brands

The World of Hürriyet

Hürriyet Newspaper

Hürriyet Newspaper, since its establishment in 1948, has maintained its commitment to ethical principles and to a modern understanding of publishing. It is the trademark of good journalism and reliability in the Turkish media. Hürriyet opens up new opportunities for its readers through its unique journalistic approach, rich content, and diverse supplements representing the interests of people from different walks of life. With these special supplements the newspaper also provides advertisers with unique channels for reaching their audiences. According to the BİAK report (*) Hürriyet newspaper reaches a daily readership of 1.6 million, and through the newspaper's online, mobile, and tablet applications it has an overall daily visitor rate of 10 million.

Hürriyet also aims to sustain its leadership in journalism in 2015. Besides the printed newspaper, Hürriyet strives to be a leader in online, mobile, and tablet media platforms by preserving its understanding of impartial and principled journalism. The Company also aims at adding value to the lives of its stakeholders by providing them with rich content.

Hürriyet Supplements

The Hürriyet Saturday supplement brings happiness to our readers each weekend. The supplement includes news on cinema, food, fashion, technology, and new trends, functioning as a guide to city life. Another weekend supplement of Hürriyet, Hürriyet Sunday, includes interviews with celebrities, distinctive news articles, humor sections, and columns on daily issues. Hürriyet, which has established itself as a weekend family newspaper, also provides its readers with the Keyif (Enjoyment) supplement every Sunday. In this supplement, commentaries on arts news, newly published books, TV series, and films on general release can be found. The Seyahat (Travel) section is a travel and culture supplement that is published each Monday. This attracts readers that want to choose the right destination for their holidays or next trip, and provides detailed international travel pieces, guides, suggestions, and articles on the travel experiences of other Hürriyet readers.

HÜRRİYET Daily News

Since the publication of its first issue on 15 March 1961 and starting with the motto of "world's window to Turkey", Hürriyet Daily News has been a pioneering, leading and guiding news source for Turkey. The newspaper was acquired by Doğan Group on 20 January 2000 and renamed Hürriyet Daily News. As a witness to history for the last 53 years, Hürriyet Daily News is the long-established and ever-dynamic English-language newspaper with continuously updated content. Apart from its print version, the newspaper is published on-line as well, and a major source of news both for Turkey and the entire region.

^(*) BIAK Reports 3.-6. Cumulative (01.09.13-31.08.14) period.

The www.hurriyetdailynews.com website, which is fed by blogs and social networks, and features a wide variety of topics including politics, arts, economy, technology, sports and daily life, allows its readers access fresh and accurate news thanks to "New," "Update," "Breaking News" notifications.

Hürriyet Daily News is also present in social media through its Facebook and Twitter accounts, and also makes effective use of mobile and social media.

Hurriyet.com.tr

Hürriyet maintains its market leading position in on-line media as well as in print 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. In 2009, Hurriyet.com.tr introduced features such as Web TV and astrology pieces. These areas were expanded in 2010 when the website began incorporating interactive services such as Bumerang and Yazarcafe (Writers' Café) along with other mobile products.

After transforming into a comprehensive social news platform in May 2014, the number of Hurriyet.com.tr readers consistently increased. The website sustained its leading position in digital publishing throughout 2014, reaching a daily average of 2.5 million unique visitors and a monthly total of 35 million. The site is also appreciated by many social media users, as evidenced by the fact that it is one of the websites whose media content is shared the most.

Hurriyet.com.tr was turned into a social news platform in May 2014, and now provides its members with new features, enabling them to personalize their news streaming, engage with one another through instant messaging, and share news content more easily. It also offers the possibility of contacting writers and contributors directly. It the first website of its kind in the world, and attracted 1 million new members in 2014. Our Company strives to allow access to the Hürriyet World from all devices, and became the first Turkish news application available on Microsoft xBox One. Furthermore, Hürriyet launched its new Hürriyet Mobile application in December 2014. The website can be reached by its readers via a wide range of channels, and is thereby able to substantially increase the amount of followers on social media. In 2014, Hürriyet added interactive services to its E-Newspaper application. This provides access through tablets and mobile devices, and as of year-end, the Hürriyet E-Newspaper application is being used on over 185,000 devices (**).

Radikal.com.tr

Radikal, the preferred newspaper for readers looking for in-depth and independent coverage of issues ranging from politics and technology to culture and automobile news. The periodical has always been a pioneer of innovation in Turkish media.

The publication of Radikal Newspaper was taken over by the Hürriyet Group in October 2010, introducing new content and a fresh journalistic approach to Turkish media. After extended and intense research, Radikal adopted a new strategy in December 2013 to make the newspaper only accessible by digital means, simplifying its design and incorporating other innovative changes. Radikal had been successful in terms of its online operations, which is why it was decided to pursue this strategy in June 2014. Following this decision, Radikal became Turkey's most effective digital newspaper. Radikal also introduced the Radikal Mobile application, which adopted a pioneering position in the digital media sector that allowed it to vastly increase the number of mobile readers in comparison with competitors. Besides being such an avidly-read newspaper and being the periodical that is most-shared on social media, Radikal is also favored by its readership for list news published under the RadikaList category. In 2014, Radikal's daily unique visitor rate was at 780,000, while the online newspaper reached a monthly rate of 12.5 million unique visitors and over 138 million page views (***).

Radikalblog.com

Radikalblog.com was launched for bloggers by Radikal.com.tr, and brings together bloggers and readers around a variety of issues ranging from daily life to technology, politics and arts. Through radikalblog.com, different ideas rapidly reach readers, making valuable contributions to matters of public discussion.

Radikal Kitap (Books)

Radikal Kitap is one of the most prestigious publishing channels in the literary and publishing world. It has connected with readers through the printed Radikal newspaper for more than 12 years, and has become the reader's favorite ever since thanks to the rich variety of content it offers. Radikal Kitap is followed with great interest not only by individual readers, but also by bookshops and publishing houses. After the termination of the printed version of Radikal, Radikal Kitap started to be published in the Friday edition of the printed Hürriyet Newspaper. Owing to the trust its editors have established with its readership, the neat balance that is maintained between advertisements and content allows bibliophiles to continue to closely follow Radikal Kitap.

^(*) Since analyses through Google Analytics data started to be followed as of 24 March 2014 by our company, the monthly average numbers cover the period between 1 April and 31 December 2014. Daily average numbers cover the period between 25 March and 31 December 2015.

 $^{^{(**)}}$ The 2014 www.appannie.com figures represent a Turkey-wide sample.

^(***) This has been calculated according to 2014 Google Analytics data.

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.

Hürriyet TV

Hürriyet TV was launched in March 2014, bringing together all video websites that were previously operational under Hürriyet. It streams videos appropriate to the journalistic policy of Hürriyet newspaper, and aims to present visual content that is interesting, entertaining to watch, and has the potential to be widely shared on social media channels. Hürriyet TV has established a publishing platform with a strong editorial filter that is applied in its video production process, ensuring that viewers and advertisers have access to high-quality video content. Its viewer and advertiser-oriented publishing strategy and highly respected brand allowed Hürriyet TV to experience rapid growth in 2014. As of January 2015, it had managed to reach a total of 104 million video views.

Hürriyet TV will be transformed into an interactive digital channel in 2015 to which users can upload their own videos provided they are in line with the Company's publishing principles. Hürriyet TV aims to turn its content diversity, streaming traffic, and production capabilities into profit models that ensure better returns for advertisers and which continue to increase audience numbers.

Bigpara.com

Bigpara.com was incorporated into Hürriyet Internet Group in November 2012, and reached a total figure of 3.3 million^(*) unique visitors per month by the end of 2013. In 2014 the digital platform signed a secondary distribution agreement with the Istanbul Stock Exchange (BIST), and began providing its users with uninterrupted, live Stock Exchange news. Bigpara reached a monthly visitor rate of 3.1 million by year-end 2014. As Turkey's largest finance portal, it aims to continuously increase the number of users visiting the platform by offering new segments, functions, and updated technological infrastructure.

Bigpara.com will improve its technological infrastructure over the course of the upcoming period, thereby providing amateur investors with free or pre-paid online and mobile features. Within this framework, the content management system will also be updated to establish a holistic approach for the presentation of textual content and data to possible investors. Another strategic aim is to enrich the portfolio feature on mobile applications through the use of customizable graphics and technical analysis modules, thereby enabling amateur investors to manage their investments from a single page. With these new features, Hürriyet plans to consolidate Bigpara's interactive character and ensure that it stands out, particularly in the mobile field, compared with competitors that provide corporate and personal services.

Hurriyetaile.com (Hürriyet Family)

Hurriyetaile.com is another online element of Hürriyet World, providing a new outlook on the concept of family through an innovative design and a strong team of writers and experts. The website is consistently increasing its audience by providing a wide array of content on topics ranging from male-female relations to shopping, pregnancy, and health. With an increase of 30% as of year-end 2014, Hürriyetaile.com has increased its annual unique visitor rate to 2.7 million (*).

Hurriyetaile.com plans to diversify its content and consolidate its position in the public sphere by becoming the leading website on mother-hood and childcare over the coming period. A key additional component of the strategy is to increase the number of registered members on the "Mothers are Talking" forum, turning it into a social and knowledge-sharing platform. In line with global trends, members are able to use these services to share and receive information on a range of topics, and to shop through these mobile and internet communication channels. In this way, Hürriyet Aile also plans to turn its increased mobile traffic into profit through location-based functions such as our "Mothers' Map." Work on the development of this function is currently underway.

Mahmure.com

Mahmure.com was handed over to the Hürriyet Internet Group in November 2012, and reached a total monthly visitor rate of 2 million unique visitors by year-end 2013. The website increased its monthly average unique visitor rate to 2.8 million by year-end 2014, and is presently continuing to function as Turkey's largest lifestyle network, together with Hürriyet Aile and Kelebek. Compared with its competitors in the sector, Mahmure.com attracts a comparatively young audience with its highly attractive visual design, its mobile application, and the quality of the content it publishes.

The categories of fashion, beauty, relationships and astrology will be designated as Mahmure's main publishing fields in 2015. The aim is to diminish the number of categories on which pieces are published, and to instead focus more on particular issues and viral content. In addition, Hürriyet plans to focus more on rapid, real-time content marketing and native advertising to produce more high-quality content.

^(*) Data are taken from December 2014 Google Analytics.

E-Business

Hurriyetemlak.com

Hurriyetemlak.com was established in 2006 as the online real estate platform of Hürriyet Newspaper. It is the leading online expert portal in the sector. Hurriyetemlak.com brings the real estate sector together under one single umbrella and functions as a trendsetter with its wide-ranging advertisement portfolio, current news, and innovative products and services. The website effectively unites individuals interested in real estate rentals or purchases with investors, agents, contractors and construction firms. According to December 2014 figures published by Comscore, the number of website visitors increased by 12% on the previous year.

Yenibiris.com

Yenibiris.com is one of the leading websites in the field of online human resources in Turkey. It has sustained its prominent role in the sector over the course of in 2014 by efficiently integrating new technological developments into its established business processes. Yenibiris formed partnerships with D.I.S.C. and Yüzyüzeyiz.biz in 2014, and as of December of that year, though the average number of daily visitors decreased by 4%, the website's page views increased by 2%. According to Comscore's December 2014 figures, yenibiris.com is the second most-visited career website in Turkey.

Yakala.co

Yakala.co operates in the group purchase E-business category under the slogan of "Lower Prices for Individuals, More Saless for Firms." It provides important discount opportunities in a wide array of areas including tourism, entertainment, beauty services, cultural activities, and food and beverages. Yakala.co adds value to users' lives by supporting personal budgets, and has continued to be an effective advertisement channel for firms and brands throughout 2014. Yakala.co also consistently renews its technological infrastructure in line with recent technological developments, and has attained a strong comparative edge through the provision of easy, trustworthy, and effective user options. Yakala.co makes a difference to the sector with its innovative structure, and its high growth rates have allowed it to rank first in the sector in 2014.

Hurriyetoto.com

Hurriyetoto.com, an automobile sector platform that is improving every year, is one of the other important brands within the E-Business Group. The website was able to increase the number of advertisements published on the website as well as its visitor rate in 2014.

Ekolay.net

Ekolay.net began as a news portal, but changed direction in 2014 to start operating in the services sector. The site provides services across a range of areas including painting, shipment, private tutoring, and insurance, and through these features has made a salient impact on the online services sector. Ekolay.net was restructured in 2014 based on the needs of the services sector, and as of today incorporates more than 11,000 firms located in Istanbul.

4.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. In 2014 daily average paper consumption at the facility IS 158 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. In the same year, considerable financial savings were made through the reduction of the cover size.

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. In 2014 the daily average paper consumption at the facility is 51 tons. DPC Ankara accounts for 15% 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 2014.

DPC Izmir

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. In 2014 the daily average paper consumption at the 64 tons. DPC Izmir accounts for 19% 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 in 2014.

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 24 tons on average and the facility accounts for 7% of the Company's total printing output.

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. No additional investment has been made in the Antalya facility in 2014

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 first machine has a 36-page newspaper printing capacity, of which 28 are color, while the second machine has a 40-page newspaper printing capacity, of which 32 are color. The average daily paper use in the facility in 2014 was 28 tons. The share of the DPC Adana facility in the total volume of printing undertaken is 8.5%. No additional investment has been made in the Adana facility in 2014.

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 is 14 tons. DPC Trabzon accounts for 3,5% of the Company's total printing output. As of year-end 2012, the facility completed the installation of four CTPs.

No additional investment has been made in the Trabzon facility in 2014.

The breakdown of Hürriyet Gazetecilik ve Matbaacılık A.S.'s unconsolidated investments between 1997 and 2014 is as follows:

Investment Type	Amount (USD Million)	Share in Total (%)
Machinery	296,7	61,3
Buildings and Land	139,0	28,7
Other Other	48,6	10,0

2014 capacity utilization rates by region and in comparison with 2013 figures are as follows:

Region	2014 (%)	2013 (%)
İstanbul	49	50
Ankara	38	46
İzmir	48	56
Adana	35	41
Antalya	30	32
Trabzon	31	37
Frankfurt	74	90

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

Printing activity	2014	2013
Total Number of Pages Printed	26.333.406.918	32.836.829.486

The total number of printed pages decreased by 19,8% in 2014, 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.

There are three reasons for this decrease. Firstly, savings of 11% have been made in the number of pages in Hürriyet Newspaper. Secondly, Hürriyet stopped printing the Radikal newspaper in June and transferred its publication to a digital-only medium, further decreasing printing costs. Thirdly, the daily circulation rate of Hürriyet Newspaper dropped by 5.6%.

In 2014, the daily average net newspaper sales across the country totaled 4.919 thousand copies, compared with 5.088 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 380 thousand copies while it was 403 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 was an average of 708 USD/ in 2013, and increased by 1,8% to 747 USD/ ton in 2014. Meanwhile, the average number of pages of Hürriyet newspaper decreased to 71,2 pages in 2014 from 79,8 in 2013.

While the amount of paper used in 2013 was 66,000 tons, this figure decreased to 56,000 tons in 2014 thanks to a decrease in page numbers, circulation rates, and the transformation of Radikal into a digital-only platform in June 2014.

In parallel to decreases in printed media advertisement expenditures and circulation rates in Turkey in 2014, the US dollar also gained value in Turkey and Russia (where our main subsidiary TME is located) compared to the local currencies, and this led to considerable currency expenses. Part of the expenditure resulting from currency differences that are related to current credits is regarded as a provision, and does not require cash outflow until the fulfillment of its terms of maturity.

4.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, 75,2% of the Company's total revenue is generated in Turkey, 19,3% in Russia and Commonwealth of Independent States, and the rest from the operations in Europe.

Geographic region	2014 (thousand TL)	Share (%)	2013 (thousand TL)	Share (%)
Turkey	541.463	75,2%	586.105	72,8%
Russia & CIS	138.990	19,3%	183.270	22,8%
Europe	39.129	5,5%	36.20	4,5%
Total	719.582	••••••••••••	805.575	••••••••••

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	2014 (thousand TL)	Share (%)	2013 (thousand TL)	Share (%)
Advertising	472.742	65,7%	522.237	64,8%
Circulation and Printing	202.373	28,1%	242.256	30,1%
Other	44.467	6,2%	41.082	5,1%
Total	719.582		805.575	

As specified in the table above; 65.7% of the Company's revenue is derived from print media and internet revenues.

In 2014, due to the economic and political situation in Russia, where our main subsidiary TME is based, a total loss of TL 45 million was registered. In addition, a total loss of TL 24 million was also registered because of the sale of Doğan Ofset.

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 In 2014, a discernable decrease was also observed in domestic advertisement profits, circulation rates, and contract revenues as a result of these issues. However, the Company plans to get better results in the upcoming years in compensating the revenue loss in the print media to a certain extent through its well-positioned websites in Turkey, Russia and Central Europe.

4.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.

4.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 reach and even exceed 10 million readers, users and followers in coming years, and thus to increase the share of on-line 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 more than 50% of its revenue from online media operations in the coming periods.

4.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.

4.G. Information on the Company's Investments made During the Related Financial Year

Hürriyet and its subsidiaries' in consolidated tangible and intangible assets during 2014 amounted to USD 6,9 million (investment property excluded). Of this total, USD 3,6 million was attributed to Hürriyet Gazetecilik ve Matbaacılık A.Ş. and almost USD 2,5 million the sum from TME companies. In 2014, 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 and softwares regarding the overseas subsidiaries.

4.H. Information on Lawsuits filed against the Company that could affect its Financial situation and Operations and their possible outcome

As of December 31, 2014, lawsuit claims against the Group amounted to TL 35.615.377.. The Company set aside a total of TL 23.673.992 in reserves for these legal claims.

4.I. Information Related to Fiscal Extraordinary General Assembly

No Extraordinary General Assembly was held during the period.

4.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.

No extraordinary auditing activities were conducted at the Company in 2014. General tax inspection operations were initiated in 2014, and these are continuing as of 31 December 2014.

4.K. Information on the company's Donations, Aid made by the Company and spending on Social Responsibility Projects

The composition of the TL 811.690 (2013: TL 1.124.620) of donations made by the Hürriyet Group in 2014 to various foundations and associations working for the public good are as follows:

Name	Amount (TL)
Foundation of Aralık Volunteers	281.927
Columbia University	114.145
Istanbul Culture & Art Foundation	92.146
Press Institute Association	67.650
Aydın Doğan Foundation	36.480
Turkish Red Crescent	23.977
Foundation of Education Volunteers	8.317
Turkish Foundation of Education	4.059
Tema Foundation	1.485
Other	113.918
Total	811.690

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

NO TO DOMESTIC VIOLENCE! CAMPAING

In 2014, Hürriyet Newspaper proudly celebrated the 10th anniversary of the inauguration of the "No to Domestic Violence!" campaign. This began as a project aimed at raising awareness of the social problem of domestic violence, and its activities over the past 10 years have been much more successful than had been initially anticipated. The campaign worked to develop solutions to the social problem of domestic violence by supporting the legal process, enforcing effective laws, and developing preventative measures. In this way the campaign has made a clear contribution to the transformation of society with regard to this issue. In 2014 additional activities were carried out to mark the campaign's 10th anniversary.

Within the framework of this campaign, Turkey's first and only Emergency Hotline which has been operating on a 24/7 basis since 2007 continued to directly support victims of domestic violence. Activities aimed at raising awareness were also pursued. Additionally, a Le Div4s concert, showcasing the four most popular sopranos in the world, was held on 7 March 2014 to support the operations of the Emergency Hotline. At this concert, which was held at the Zorlu Performance and Arts Center as part of the 10th anniversary of the campaign, the group sang their arias for victims of domestic violence. Hürriyet Newspaper organized this event with the sponsorship and support of Penti, Borusan, Most Production, and Zorlu Performance and Arts Center. The entirety of the income generated through the concert was donated to the Aralik Association to cover the costs of the Emergency Hotline.

Emergency Hotline

The Emergency Hotline has been in operation on a 24/7 basis since 2007. It is supported by expert psychologists, and has received a total of more than 40,000 calls. In 2014, the total number of calls received was 4,035, of which 2,329 were related to victims of violence or relatives reporting on incidences of violence. One in three victims asking for help through the Emergency Hotline reported physical violence. Half of this group, besides physical violence, also reported on being exposed to other forms of violence. One in three victims also expressed that they have been exposed to verbal and emotional violence, while 29.65% of calls were related to social, economic, or sexual violence.

Out of the callers, 6.5% were male adults, 85.7% were female adults, and 7.8% were children. As usual the age range of victims seeking support was between 1 and 95.

The rate of victims exposed to violence by their spouses was at 58.36%, while the number of assaulters making calls was 51%. The total number of emergency cases reported through the Hotline was 360 in 2014, meaning that on almost every day of the year support has been provided to a victim of violence whose life was in danger. Most of these cases were directed to law enforcement officials, and most of the victims were able to make use of shelter lodging.

Of the victims, 50% were able to talk to a lawyer, while 28% were directed to the bar or to a law enforcement unit for legal support. A further 20% of callers were directed to psychological support institutions, and around 20% of the victims made a shelter request and took the opportunity to settle in one of the shelters operated by the Ministry of Family and Social Policies or by individual municipalities.

Over the course of 2014, the Emergency Hotline received calls from all of Turkey's provinces and five other countries (Germany, Austria, the Netherlands, Libya, Japan).

Activities to Raise Awareness

The following activities were carried out in 2014 within the framework of the "No to Domestic Violence!" Campaign

- Northern Cyprus Lefke University students and faculty were introduced to the Emergency Hotline, the responsibilities of the staff, and the problems they face at a conference. Moreover, a training session on domestic violence was also held.
- Through participation in various radio and TV programs the public was directly informed on issues relating to domestic violence.
- Information on the campaign and the reality of violence was provided during Istanbul University Social Responsibility Days.
- Corporate participation was confirmed for the "Organizing Civil Society for the Prevention of Violence against Minors" workshop held at Istanbul Bilgi University.

- Elsewhere, scholarship students of the Üniversiteli Kadınlar Association were provided with a training session on domestic violence.
- A training session on domestic violence was organized for students of Psychology at Marmara and Istanbul universities.
- Corporate participation was also confirmed for the "Domestic Violence Training Session for Men" organized by Ataşehir University in collaboration with the Sosyal Dönüşüm Vakfı (Social Transformation Foundation).
- Upon being invited by the Male-Female Equal Opportunities Commission of the Turkish Parliament, corporate participation was confirmed for the "Conference on Protection of Women from Violence in National, Regional and International Law" held at Kültür University.
- Students of Istanbul University's Communications department and members of the Demokrasi Denetçileri Derneği were informed of Hürriyet's campaign and the stark realities of domestic violence.
- The Romanian business partners of the Corporate Social Responsibility Association were informed about the "No to Domestic Violence!" Campaign and it was presented as a successful example at a meeting held at Kadir Has University.

Other Activities

As usual, the Emergency Hotline continued in 2014 to provide the Governorship and the Turkish National Police with an assessment report and with information on incoming emergency cases consistently every three months.

Hürriyet functioned as a consultant in the research on "Measuring the Impact of Law No. 6284 on Protection of the Family and Prevention of Violence against Women," conducted by Ipsos Social Research Institute, and participated in the meetings held for this at the Ministry. It also contributed to the preparation process of questionnaires. Within this scope, Hürriyet also provided training sessions to polltakers on domestic violence issues, and the research process was closely followed with recommendations being made for the final evaluation report.

Business Against Domestic Violence (BADV) Project Undertaken by Sabancı University's Corporate Management Forum

Hürriyet also collaborated in the development of a survey and took on a consultancy role in this project. The survey, which measured the effects of economic, psychological and physical violence directed toward businesswomen by people with whom they are in close relationships, and violence faced by women at the workplace and the effects of such violence on productivity, was also conducted with the participation of employees of Hürriyet Newspaper. The newspaper was involved in the launch event of the report, held on 9 December 2014, and workers informed the audience of their experiences in relation to the project.

Collaboration with Different Brands and Institutions

Throughout 2014, Hürriyet Newspaper's "No to Domestic Violence!" campaign continued its collaboration with different brands to raise awareness of domestic violence issues and generate the necessary financial support for the Emergency Hotline service. To this end, the Eczacibaşi VitrA Volleyball Team carried a "No to Domestic Violence!" banner to the stadium on World Women's Day on 8 March 2014. In addition, Mavi Jeans distributed the Campaign's flyers over the course of that week, and ensured that its employees at the Beyoğlu store wore "No to Domestic Violence!" T-shirts. Penti was the main sponsor of the Le Div4s concert, and also sold its specially-designed socks for the benefit of the Emergency Hotline. A similar partnership project was also established with Pandora Jewelry, which sold its 'charm' product for the benefit of the Hotline.

The "No to Domestic Violence!" campaign became part of Vodafone's Red Light service in 2014, enabling women facing violence to easily inform the police or other emergency help centers of their situation in the quickest manner possible. The application can be opened through a fake torch screen on Android handsets and other smartphones, and by sliding one's fingers upwards the application can be easily closed so that the assailant is not made aware of the victim's report. The following numbers from which victims can get emergency help are registered on the application: Alo 183 Women and Social Services, 155 Police, 156 Gendarmerie, and Hürriyet's Emergency Hotline 0212 656 96 96.

At Hürriyet Newspaper, a campaign for collecting clothes and other materials for women and children staying at shelters was organized. A high volume of materials was collected within the scope of this campaign, and it received strong commendations from the Provincial Directorate of the Ministry for Family and Social Policy.

Communications Activities

A public service advertisement was aired in 2014 on TV and on digital channels as part of the "No to Domestic Violence!" campaign, and was inspired by an old theatre play based on the movement of the five fingers (grabbing, pulling, dragging, humiliating, hitting, and saying "enough is enough").

On 25 November, for the International Day of Elimination of Violence Against Women, publicity activities for raising awareness of domestic violence and femicide were carried out by Hürriyet Newspaper and by Hürriyet's digital channels.

Within the scope of the "No to Domestic Violence!" campaign, a social experiment was conducted in a shopping mall in Istanbul to measure people's reactions to incidences of domestic violence. In 60 different fake violence incidents, only 11 people intervened (less than 20%), six people informed security officials upon leaving the elevator, and 43 people did not do anything. The social experiment video, which attracted intense media attention, was among the most-watched videos in 2014, with a total of more than 3 million views.

The number of fans following the "No to Domestic Violence!" campaign's Facebook page increased by 15% in 2014, reaching 79,605. The campaign's follower rate on Twitter increased by 72%, and reached 9,113 in the same year.

In addition, the campaign's visual slogan "One Hotline Call, One Escape" has reached 179,840 individuals. Social media activities have increased the number of incoming calls from victims of violence or relatives who have heard about the Emergency Hotline, while the percentage of individuals made aware by means of the Internet was 46%. In 2014, around 200 victims of violence or relatives of those exposed to violence lodged requests for help through the Facebook page. Positive feedback was received from nearly all victims that were directed to the Emergency Hotline.

Rightful Women's Platform

The Rightful Women's Platform brought together more than 40 NGOs in Turkey working on women's issues and also incorporated the "Hürriyet No to Domestic Violence!" Campaign and wrote letters to all political parties in Turkey before the 2014 local elections to request an increase in the representation of women in local administrations. Awareness was raised about the issue of the representation of women in decision-making mechanisms. The Rightful Women's Platform also requested the introduction of a 33% women's quota and the "zipper system" in the preparation process of City Council candidate lists. This request was publicly announced on a full newspaper page and received wide coverage in the national press.

Together with all other women's organizations, the Rightful Women's Platform issued an announcement in response to the President's statement that "women and men are not equal," and expressed that this statement is against the Constitution and all international agreements to which Turkey is party.

LE DIV4S Benefit Concert

LE DIV4S is an internationally renowned group that started with the dream of developing a new musical concept. It comprises four Italian soprano singers. The group interprets the world's most well known opera songs in new ways, and attracts attention around the world from its extensive fan base.

Some of the most influential pieces by Mozart, Bellini, Verdi and Puccini are rearranged for the four singers of LE DIV4S, and the group always tries to stay true to the original. The rest of the group's repertory consists of sophisticated Italian and international pop songs played with a classical orchestra. The members of LE DIV4S are Denise, Isabella, Vittoria, and Sofia. The group gave its first concert in Turkey on 7 March 2014 for the benefit of the Domestic Violence Emergency Hotline.

Sponsorships

In 2014, Hürrivet World gave support to noteworthy cultural, artistic and social activities organized during the year, through its platforms.

Hürriyet 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.

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, 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;

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."





4.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.

4.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.

5 FINANCIAL POSITION

5.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 volume of Turkish printed newspaper advertisement revenues contracted by 10.7% in 2014. Despite exhibiting a stronger performance than the market average, Hürriyet's printed media advertisement profits dropped by 6.6% in the same year. A 4% decrease was also experienced in the sales of Hürriyet newspaper, and revenues have also been affected by the decrease in daily newspaper sales. Due to the termination of the printed version of Radikal and the decrease in TME's circulation rates as a result of developments in Russia, consolidated newspaper sales revenues decreased by 9%. While developments in Turkey had been expected, the political and economic crisis in Russia occurred rather unexpectedly.

In 2014 the Company applied a savings plan to counter the loss of revenues and imbalance caused by increasing currency rates, and thereby attempted to minimize its revenue loss in terms of EBITDA (Earnings Before Interest Tax Depreciation and Amortization). However, the devaluation experienced in Russia at the end of 2014 was not expected at all, and although it did not require the outflow of cash, it increased the value of liabilities and negatively affected financial accounts. FX-denominated assets and liabilities were realized as TL 102.1 billion (2013: TL 41,4 billion) 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 2014.

Although some positive results were obtained by the application of EBITDA in TME, unexpected negative fluctuations occurred at the level of revenues due to the recent political and economic crisis in Russia.

5.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

By generating cash, the Company decided to decrease its operating credit. The short and long-term debts of the Company, most of which were loans in US dollars, increased considerably in 2014 due to currency rate changes. As of the end of 2014, no income receivables were left with regard to the sale of Hürriyet Media Towers to Nurol Gayrimenkul Yatırım A.Ş. The total amount of \$35 million received in 2014 had a positive influence on the company's debt situation, and in the net debt table below it can be seen that when adding the blocked deposit funds which amount to TL 36.1 million (\$17.1 million) to 2013 figures, the positive improvement in net debts was TL 126.1 million in 2014.

Net Debt	31.12.2014 (TL Thousand)	31.12.2014 (TL Thousand)
Cash and cash equivalents	56.633	47.207
Current liabilities	170.972	151.876
Long-term liabilities	92.128	266.159
Net Debt/(Net Cash)	206.467	370.827

^(*) Explanatory Footnotes (27, 28, 31) Regarding Hürriyet Gazetecilik Ve Matbaacılık A.Ş's Consolidated Financial Statements Pertaining to the Year ended on the 31st of December 2014:

01 10 0014

Key Financial Indicators and Ratios

	31.12.2014	31.12.2013
SUMMARY OF BALANCE SHEET	(TL Thousand)	(TL Thousand)
CURRENT ASSETS	283.284	419.004
FIXED ASSETS	651.695	1.019.400
TOTAL ASSETS	934.979	1.438.404
SHORT-TERM LIABILITIES	303.269	294.282
LONG-TERM LIABILITIES204.516	420.980	420.980
SHAREHOLDERS' EQUITY	427.194	723.142
TOTAL LIABILITIES	934.979	1.438.404
Ratios	31.12.2014	31.12.2013
Current Ratio (%)	0,93%	1,42%
Net Liability/Total Equity (%)	1,19%	0,99%
	•	
	31.12.2014	31.12.2013
SUMMARY OF INCOME STATEMENT	(TL Thousand)	(TL Thousand)
NET SALES	719.582	805.575
GROSS PROFIT	248.209	291.137
EBITDA	248.209	291.137
OPERATING PROFIT/(LOSS)	51.820	87.074
(LOSS)/PROFIT BEFORE TAXES	-198.931	-61.288
NET (PROFIT) /LOSS	-168.673	-61.094
Ratios (%)	31.12.2014	31.12.2013
Gross Profit Margin	34,49%	36,14%
EBITDA Margin	7,20%	10,81%
Operating Profit Margin	5,44 %	4,85%

5.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.

5.D. Management's Assessment on Whether the Company Suffers Capital Loss or Insolvency

The Company does not suffer capital loss or insolvency.

5.E. Measures to improve the Company's Financial Structure

In 2014, under current liabilities, the Company improved its net debt position by TL 126,1 billion, 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.

5.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, 2014- December 31, 2014, 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 168.672.590 net loss for the period, when TL 162.535.402 accumulated losses were deducted from and TL 811.690 donations were added to this amount, the end figure was TL 330.396.302 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, 2014 - December 31, 2014 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 18.098.063,-was net loss for the period of January 01, 2014 - December 31, 2014, 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. A RISKS AND EVALUATION BY THE BOARD OF DIRECTORS

6.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.

6.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.

6.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.

6.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. Both domestic and 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

7.A. Capital Increases/Decreases in Subsidiaries and Reasons

The list of affiliates and subsidiaries that issued a capital increase in 2014 due to working capital needs, and the amount of the respective increase are presented below:

Company Subsidiary	Туре		Capital Increase	
Hürriyet Invest B.V. Subsidiary			657.787 EUR	
Trader Media East	Subsidiary	19.09.2014	15.078.751 USD	23.078.751 USD
Trader Media East			4.546.661 USD	27.625.412 USD
Trader Media East		15.10.2014	673.198 USD	28.298.610 USD
Trader Media East	Subsidiary	17.10.2014	1.390 USD	28.300.000 USD
Nartek Bilişim, Turizm ve Pazarlama Hizmetleri Ticaret A.Ş.	Subsidiary	09.12.2014	500.000 TL	2.500.000 TL
Nartek Bilişim, Turizm ve Pazarlama Hizmetleri Ticaret A.Ş.	Subsidiary	11.12.2014	3.500.000 TL	6.000.000 TL
Nartek Bilişim, Turizm ve Pazarlama Hizmetleri Ticaret A.Ş.	Subsidiary	19.12.2014	12.000.000 TL	18.000.000 TL
Nartek Bilişim, Turizm ve Pazarlama Hizmetleri Ticaret A.Ş.	Subsidiary	17.12.2014	13.657.000 TL	31.657.000 TL
Doğan Haber Ajansı A.Ş.	Subsidiary	15.12.2014	4.000.000 TL	14.000.000 TL

7.B. Information on the Parent Company Shares Held by Group Companies

The Company holds no shares in the parent company.

7.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.

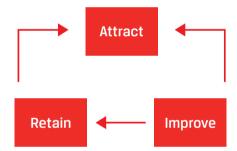
7.D. Information on Reports Outlined in Article 199 of the Turkish Commercial Code

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.

8. OTHER ISSUES

- A. Personnel and Workers Organizations, Collective Bargaining Agreement, compensation and benefits
- **B.** The following factors played an important role in the 2014 Strategy of the Human Resources Directorate: attracting talented individuals that the Company needs to reach its strategic targets, turning the talents of new employees into effective performance, and retaining newly hired individuals so that they produce long-term added value for the Company. In this context, classical human resources processes have been based on the "360 Employer Brand Strategy" which targets both existing employees and potential candidates.
- **C.** Within the framework of 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 2014 are as summarized below:

Recruitment

Through new computer, Internet, and mobile technologies, the emergence of a different media understanding in which individuals interact with one another independent of limitations of space and time has been noted. Within the scope of these sectoral developments and an increasingly competitive environment, the need for a broader range of experience and qualifications at our Company has increased. With the aim of becoming a digital corporation with a wide-ranging technological vision, we hired individuals for the following positions: Software Architects, Big Data Analysts, Segment Experts, Business Intelligence Experts, Social Media Editors, Programmatic Advertising Specialists, Web Analytics Specialists, and Optimization Experts.

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 2014, a total of 127 recruits were hired for new positions and 156 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", 54 internal references and four internal applications were received in 2014 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 286 university and high school students in 2014. 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

Its branding activities, which aim to help the Company attain a "dynamic, modern character and to strive for continuous improvement," thereby becoming the best company in its field, have allowed Hürriyet World to gain 18,000 followers and rank first among media companies with its Human Resources Facebook page, as well as gain 15,000 followers on its LinkedIn page.

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.

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 2014, 993 employees participated in 88 training programs and conferences. The average training evaluation result was 4,5 on a scale of 5.

In particular, 80% 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.

In 2014, emphasis was placed on particular technical training programs developed to meet the business needs of the Information Technologies Teams. Around 40% of the Information Technologies staff participated in these training sessions.

Furthermore, online Occupational Health and Safety training sessions were made accessible to all our employees. Besides aiming to raise awareness of the legal rights and responsibilities of employees, this training also included information sessions on possible risks that might be encountered at the workplace and presented measures and coping strategies to overcome these.

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 2014, 136 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.

University Collaborations

Hürriyet also established important collaborations with leading universities such as Boğaziçi University, Istanbul Technical University, Koç University, Bilgi University and Bahçeşehir University in Turkey to reach out to talent before their graduation. It is expected that this will create a difference in our continuously changing sector, and that these new workers will take on leading positions in Hürriyet's transformation to digital journalism.

Harvard Global Partnership Program

In 2014, 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

The Change Makers Reward Program was designed to recognize, appreciate, and reward business results that generate high added value. In 2014, 177 individuals applied for the Program and upon evaluation of the Executive Board, 30 individuals were rewarded.

In 2014, 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 carried out in 2014 to evaluate the quality of services rendered by the System Support Team and to offer better services in line with feedback received from employees.

Human Resources Summits

Hürriyet participated in the Digital HR, Peryön, and MCT HR Summits in which the most recent applications, problems and opportunities in the Human Resources sector were discussed. In this way, Hürriyet's digital transformation process was shared with professionals from the sector to reinforce the perception of Hürriyet as a reliable employer.

Relations with Employees

Digital Organization Consolidation

With the transformation from a corporation-based management concept to a function-based management concept, the following functions have been combined in our digital infrastructure, ensuring a simpler organizational structure:

- Sales
- Content
- Information Technologies
- Marketing/Product

Competence Assessment System

The Competence Assessment System which was initiated in March 2014 allows for evaluations based on behavioral competence. It assesses a worker's performance, and the performance of supervisors, managers, subordinates, and other employees in relation to that individual. All evaluations were completed as of August 2014.

The Competence Assessment System comprises both corporate and managerial competencies. Corporate competencies constitute the 17 behavioral elements expected from all of our employees, while managerial competencies comprise an additional 17 behavioral concepts for employees that manage teams.

Flexible Vested Benefits

The Flexible Vested Benefits Platform enables employees to redesign their corporate vested benefits based on their own personal needs, expectations and interests. It was launched in December 2014.

Hürweb

As a result of the mutual efforts of the Human Resources and the Information Technologies Departments, new functions were added to Hürweb. The regular drawing of lots for cinema, theatre, and concert tickets was maintained throughout 2014.

Thursday Talks

The Thursday Talks, which are held under the slogan of "eye-opening, horizon-broadening talks," continued throughout 2014. The topics were determined based on employee surveys. Enjoyable Thursday Talk sessions were held this year again with the participation of a number of quests from the fields of literature, cinema, theatre, sports, and travel.

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 2014 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.

Within the framework of this project, pictures taken by the Koruncaks, who received training from the Hürriyet photograph team, and with the theme of "Living in Istanbul/Hürriyet Writers," were exhibited between 5 and 11 May 2014 at Trump Towers in Istanbul. These were later sold for the benefit of the Foundation.

Corporate Games & Indoor Cup

One of our employees ranked first in the Corporate Games table tennis women singles category. The competition was held in Istanbul between 23 and 25 May 2014. Upon winning the tournament in Turkey, she represented our Company in the World Corporate Games in the UK, and this time ranked 2^{nd} in the same category.

The Fanatic Inter-Corporation Indoor Athletics Games (also known as Indoor Cup 2) were held on 7 December 2014. In these Games our employees successfully represented our Company in the following branches of shot put, long jump, high jump, and running.

Activities for Improving Systems Infrastructure

Process Analysis and Optimization Activities

In order to holistically redesign our decision-making and business processes in line with the sector's changing structures and dynamics, reengineering activities were undertaken and new action plans were formulated across the Company's various departments.

In 2014, within the scope of the reengineering project, the business processes of the following departments were meticulously inspected, and this was followed up by the reintegration of specialized functions realized by different departments under one single process:

- Distribution Planning
- Channel Development
- Documentation Center
- Advertisement Operations
- Page Construction
- Social Media Trends & Traffic

Within the framework of efficient cost management and resource optimization, monthly leave of absence limits and the use of subcontractor vehicles began to be recorded and reported. This information was shared with Department Managers regularly each month.

Price Research (Hay Group & Towers Watson)

Within the framework of a more efficiently structured pricing system, Hürriyet was involved in the price research studies of Hay Group & Towers Watson in 2014.

9 CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2014

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.

Our Company is one of the first companies that received corporate governance rating in our country. Our Company was evaluated for the first time in 2007 and received a corporate governance rating "good" with 8.0 over 10. Between 2008 and 2012, our corporate governance rating gradually was raised to 8.32; 8.43; 8.47; 8.56; and 9.09. On the other hand in 2013, we had the same score 9.09. SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş that has a license to carry out rating activities in Turkey in compliance with the regulations and decisions of the Capital Markets Board (CMB) on the issue, determined our corporate governance rating score as 9.30 (92,96) over 10 in the 2014 evaluation. Within the framework of the Principle Decision of CMB on the issue; final rating score is determined by using different weights in four subcategories. Within this scope, the distribution of our corporate governance rating scores in the subcategories is as follows;

Shareholders (weight: 0.25) = 94.77

Public Disclosure and Transparency (weight: 0.25) = 92.08

Stakeholders (weight: 0.15) = 98.09 Board of Directors (weight: 0.35) = 90.09

It is possible to reach the Corporate Governance Rating and Corporate Governance Compliance Reports via our website (www.hurriyetkurumsal.com).

In the accounting period ending on December 31, 2014, 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. Dr. İnci Tarı, Investor Relations and Finance manager, is serving as Investor Relations Manager. Her contact details are as follows:

Name	Dr. İnci Tarı
Title	Investor Relations and Finance 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 2014 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. 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 2014 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 2013 was held on March 29, 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 440.120.772,582 shares (79,73%) out of 552.000.000 shares of the Company were present, where I share attended the meeting personally and 440.120.772,582 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 2014, 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 29 March, 2014, it was announced that the amount of donations made during the accounting period between January 1 December 31, 2014 to foundations, associations, state institutions and organizations for social aid purposes amounted to TL 1,124,620.
- **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.
- 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 2014, 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.

Board of Directors Activity Report

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

7.1. 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 Investor Relations and Finance Manager, within the knowledge of and authorization limits set by the CEO and CFO, depending on the content of the query. In responding to gueries, 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:

Dr. Inci Tarı
Investor Relations and Finance Manager
Ediz Haşmet Kökyazıcı
Finance Director (CFO)
212 449 60 30-212 677 01 82
itari@hurriyet.com.tr
yatirimciiliskileri@hurriyet.com.tr

38 material matter disclosures were made in 2014. Among these disclosures, the disclosure made on the 21st of November 2014 regarding "Extraordinary Price and Quantity Movements" was made as per the 8th Article of the Capital Markets Board's Communiqué (n. II-15.1) on "Material Matters", and the letter (n. BİAŞ-4-GDD-211-02-4005; dated 21.11.2014) of the Stock Exchange Presidency. It was publicly announced that there was no material matter -regarding our Company – that was not publicly disclosed.

There aren't any derivative instruments based on our Company's shares.

In 2014, the Members of the Board of Directors and the executive managers did not make any commercial and/or non-commercial business or transaction with the Company.

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 2014.

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 2014 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 2014, 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 June 7, 2013 and announced in the CMB's Weekly Journal numbered 2013/19 dated June 7, 2013, audited independently in compliance with the Turkish Audit Standards and were publicly disclosed. The Annual Report 2014 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
- Capital Increase
- Dividend Information
- Significant Decisions of the Board of Directors
- General Assembly Meetings
- Investor Presentations
- Public Disclosures
- Calender
- Analysts
- Share Performance
- Frequently Asked Questions
- Investor Relations Site Map

c) Corporate Governance

- Board of Directors
- Corporate Governance Committee
- 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
- Code of Ethics
- Disclosure Policy
- Dividend Distribution Policy
- Remuneration Policy
- Donation and Support Policy
- Compensation Policy

d) Social Responsibility

- No! To Domestic Violence
- 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 2013 as well as the annual report issued quarterly in 2014 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

- 14.1. The Company's ethical rules are announced to the public on the corporate website. The ethical rules are continuously reviewed and updated.
- **14.2.**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.
- 14.3. With its "End Domestic Violence" campaign that it has been carrying out for 11 years, our Company worked with the aim of creating awareness in the public opinion; creating social awareness; ensuring behavioral change; contributing to the solution of the problem by the politicians. In 2015, we transferred this to the Federation of Women's Associations of Turkey (TKDF).
- 14.4. 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 eight 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 Dalman	Board Member	Non-Executive
Dursun Ali Yılmaz	Board Member	Non-Executive
Ayşe Sözeri Cemal	Board Member	Non-Executive
Kai Georg Diekmann	Board Member	Non-Executive
Ahmet Burak	Board Member	Independent Member
Béatrice de Clermont Tonnerre	Board Member	Independent Member

Board Members are unanimously appointed to serve until the General Assembly where the operations and accounts for the accounting year January 1 - December 31, 2014 will be discussed.

On March 29, 2014, the General Assembly resolved to disclose and announced to the public on the same date the application of Ahmet Burak and Béatrice de Clermont Tonnerre to serve as Independent Board Members who presented statement of independence on February 28, 2014. 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 2014. 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. Üzdiyen is married with two children.

Ahmet DALMAN

Board Member

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. He assumed duties as; Hürriyet Newspaper Information Systems Coordinator in 2001, Hürriyet Newspaper Executive Board Member in 2008, the Head of Hürriyet Internet and Information Technologies Group in 2010, and Hürriyet Executive Board Vice Chairman between May 2012 and May 2014. Dalman still continues to serve as a Member of the Board of Directors.

Dalman is married with two children, and he speaks English.

Dursun Ali 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 on the 27th of June 1964 in Ravensburg, Germany, Kai Diekmann is the Editor in Chief of Bild Newspaper and the publisher of Bild Group.

Growing up in Bielefeld, Kai Diekmann joined the army after his graduation from the secondary school, and voluntarily served in the German Army for two years.

He underwent journalism training at Axel Springer SE for 2 years and worked in Hamburg, Bonn and New York within the scope of this job.

Diekmann worked as a Parliament Correspondent of Bonn Bild and Bild am Sonntag in 1987. He became the News Director of Bunte Magazine in 1989. Two years later, he started working as a Co-Editor for B.Z. published in Berlin. Soon after that, Kai Diekmann moved to Hamburg and served as a Co-Editor and Politics Editor for Bild for five years.

Following a short visit to Central America, he became Editor in Chief of Welt am Sonntag in 1998. Diekmann has been serving as Editor in Chief of Bild and as the publisher of Bild am Sonntag since 2001.

Kai Diekmann was appointed as the publisher of Bild Group in 2008, and since 2013 November, he has been the publisher of B.Z as well.

In 2012 and 2013 he was charged by Axel Springer AG and spent ten months in the Silicon Valley, located in 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. Having established a Management Consulting company in 2010, he has been working as a consultant particularly in the fast moving consumer goods industry since then.

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.

Written statements of the Independent Members of the Board of Directors regarding that they possess the criteria stipulated in the CMB principles are received. As of the report date, no issues occurred causing the independent Members of the Board of Directors to lose their independency qualifications.

There are no rules and/or restrictions regarding the Members of the Board of Directors of the Company to assume duty/duties outside the Company.

Recently, there is no restriction regarding the Members of the Board of Directors to assume duty/duties in the Company. Information about the positions of the Members of the Board of Directors in the group companies is given below.

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 Groupcompanies	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		Chairman of Audit Committee	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 2014, the Board of Directors held/adopted 47 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 2014 will be discussed. As per the Board resolution dated April 30, 2014, the Committee consists of the following members:

Name/Lastname	Title	
Ahmet Özer*	Chairman of Executive Committee	
Sedat Ergin*	Executive Committee Member	Chief Editor
Ediz Haşmet Kökyazıcı	Executive Committee Member	Finance Director
Tuba Köseoğlu Okçu	Executive Committee Member	Human Resources Director
Birim Gönülşen Özyürekli	Executive Committee Member	Marketing
Zeynep Tandoğan	Executive Committee Member	Advertising Director Director
Ahmet Reha Argaç	Executive Committee Member	Information Technologies Director
Kamil Özörnek	Executive Committee Member	E-commerce Director
Özlem Kutluay	Executive Committee Member	Sales and Strategic Planning Director

^{*}Ahmet Özer and Sedat Ergin were appointed to their positions in 2014.

17.7. Corporate Governance Committee

17.7.1. According to Board Decision No. 2014/18 dated April 30, 2014, the Corporate Governance Committee shall consist of the following chairperson and members:

Name/IASTname	Title	Note
Ahmet Burak	Chairman	Independent Board Member/Non-Executive
Yahya Üzdiyen	Member	Board Member/Non-Executive
Dr. İnci Tarı		Member Investor Relations and Finance Manager/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 6 on the Definition and Implementation of Corporate Governance Principles, announced by the Capital Market Board (CMB).

17.7.2. Dr. İnci Tarı who is a Committee Member, is an executive assuming duties as the Investor Relations and Finance Manager. Other Committee Members are non-executives.

The Chairman Ahmet Burak is an independent member of the Board of Directors.

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 2014, 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 2014.

17.8. Audit Committee

17.8.1. The Board of Directors convened on April 30, 2014 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 2014;

- 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 April 30, 2014 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 2013-4.

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 2014, 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.

- 19.2. The vision and mission of the Company are 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 March 29, 2014, 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.

21. Current Status of the Company Regarding Corporate Governance Principles Compliance

- **21.1.** Within the activity period between 01.01.2014 and 31.12.2014, apart from the compulsory principles stipulated in the Corporate Governance Communiqué (n. II-17.1) published by the Capital Markets Board, our company paid utmost attention in order to ensure conformity also with the non-compulsory principles.
- 21.2. Principles that are not implemented, and our evaluations are specified below.

There are no conflicts of interest within the Company arising from such issues.

- Article 1.5.2. With the articles of association, minority rights can also be granted to those who possess less than one twentieth of the capital. Making regulation in the articles of association, the scope of the minority rights can be expanded.

Although there is no special provision regarding minority rights in the Articles of Association of the Company, all articles regarding this issue stipulate compliance with CMB, TTK (Turkish Code of Commerce) and all other legislation and regulations.

- Article 2.1.3. As per the Capital Markets Legislation, financial statements that must be publicly disclosed (except material matters and footnotes) are publicly announced in Turkish and in English (simultaneously) via Public Disclosure Platform. The English version will be consistent with the Turkish version and will be prepared as a summary that will be correct, complete, direct, comprehensible, and sufficient enough for the persons who will make use of the announcement to make a decision.

As per the relevant legislation, our Company completely fulfills all obligations regarding public announcements on Public Disclosure Platform (KAP). Additionally, there is no practice in "KAP" regarding disclosure of English versions of the financial statements (except material matters and footnotes) that must be publicly announced as per the capital markets legislation. However, depending on the developments in the relevant legislation, public disclosure of English versions of the financial statements (except material matters and footnotes) may be available in the up-coming periods.

- Article 3.1.2. In case of any breach of the stakeholders' rights that are protected under the legislation and agreements, effective and fast compensation will be provided. The Company facilitates using mechanisms like compensation provided to the stakeholders with the relevant legislation. Furthermore, the company creates the compensation policy for its employees and publicly announces it via its corporate website

We do not have yet a compensation policy for the Company employees. However, we act in compliance with the provisions of the Labor Law n. 4857 and Press Business Law n. 5953.

- Article 3.2.1. Without disrupting the company activities, models are developed that will support the stakeholders and the company employees, in particular, to participate in the company management. These models, adopted by the company, are included in the internal regulations or Articles of Association of the company.

In the Company's internal regulations and Article of Association, there is no specific model for supporting stakeholders' participation in the Company management.

Company management – established in a manner that will protect the interests of all shareholders – is constituted from among the candidates according to their experience and expertise. Our Company's stakeholders, *composed of shareholders*, *investors*, *financial institutions and suppliers*, reach information regarding our Company via organized meetings, presentations, news shared with press and media, and via our Corporate Website, in compliance with the Capital Markets Legislation, Law, CMB regulations/decisions and Company's Information Policy.

- Article 4.2.8. Losses incurred in the company by the members of the Board of Directors as a result of their faults during their term of office, are insured with a policy that will have a value exceeding the company capital by 25% and this issue is publicly disclosed on the Public Disclosure Platform ("KAP").

Losses incurred in the company by the members of the Board of Directors as a result of their faults during their term of office, are insured by our Company. Since the insurance value does not exceed 25% of the company capital, this issue was not publicly disclosed on the Public Disclosure Platform. However, depending on the developments in the relevant legislation, the Company may take into consideration the issue of increasing the insurance amount to the level that is equivalent to 25% of the company capital in the next coming periods.

- Article 4.3.9. Company determines a target ratio (not less than 25%) and time for the female members in the Board of Directors and creates a policy in order to reach these targets. The Board of Directors annually evaluates the progress in reaching these targets.

There are three female members in the Board of Directors of the Company. Among these members, Vuslat Doğan Sabancı assumes duties as the Chairman of the Board of Directors. In the current situation, the 25% target was exceeded and there is no written policy on this issue.

- Article 4.5.5. Company pays attention that the members of the Board of Directors do not assume tasks in more than one committee.

In the Company, except the independent members, none of the members of the Board of Directors assume tasks in more than one committee.

- Article 4.6.5. Remunerations and all other benefits granted to the Members of the Board of Directors and the executives with administrative responsibilities are publicly disclosed via annual report. The principle is to make the disclosure on an individual basis.

Financial rights granted to the Members of the Board of Directors and executives managers are collectively disclosed in the Company's annual report. Due to the fact that the payment is not made to the Members of the Board of Directors (except independent members) regarding their memberships, and that the competition benefits are considered, disclosure is not made on individual basis.

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 : 06.03.2015 Number : 2014/11

Attending : Vuslat SABANCI (Chairwoman)

Yahya ÜZDİYEN (Vice Chairman) Ahmet Nafi DALMAN (Member) Dursun Ali YILMAZ (Member) Fatma Ayşe CEMAL (Member) Kai Georg DIEKMANN (Member) Ahmet BURAK (Independent Member)

Béatrice de CLERMONT TONNERRE (Independent Member)

This Resolution is unanimously 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 consolidated financial statements for the accounting year January 1 – December 31, 2014 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,

Regarding the Annual Report and the Corporate Governance Principles Compliance Report which were presented to the approval of our Board of Directors with the assent (including "amendment" recommendations) of our Corporate Governance Committee;

Our Board of Directors decided:

- to approve the Annual Report pertaining to the accounting period 01.01.2014 31.12.2014, that was prepared in conformity with the Turkish Code of Commerce, Ministry of Customs and Trade's Regulation on "Determining the Minimum Content of the Annual Reports of the Companies", and Capital Markets Board's ("CMB") Communiqué (n.II-14.1) on "Principles Regarding Financial Reporting in the Capital Markets", and
- to approve the Corporate Governance Principles Compliance Report (included in the Annual Report) pertaining to the accounting period 01.01.2014 31.12.2014, that was prepared in conformity with (i) the CMB's "Corporate Governance Communique"n.II-17.1, and (ii) the presentation principles stipulated in the CMB Decision n. 2/35 (date: 27.01.2014); and that was published via CMB's Weekly Bulletin n. 2014/02 (date: 27.01.2014),

Vuslat SABANCI

Chairwoman

Ahmet Nafi DALMAN

Member

F. Ayşe CEMAL

Member

Ahmet BURAK

Independent Member

Yahya ÜZDİYEN

Vice Chairman

Dursun Ali YILMAZ

Member

Kai Georg DIEKMANN

Member

Béatrice de CLERMONT TONNERRE

Independent Member

11. CORPORATE GOVERNANCE COMMITTEE RESOLUTION

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

Date : 04.03.2015- 2015/01

Subject : Approval of the 1 January, 2014- 31 December, 2014 Accounting Period Annual Report and Corporate Governance Compliance Report

- The Annual Report pertaining to the accounting period 01.01.2014 31.12.2014, that was prepared in conformity with the Turkish Code of Commerce (TTKn), Ministry of Customs and Trade's ("Ministry") Regulation on "Determining the Minimum Content of the Annual Reports of the Companies", and Capital Markets Board's ("CMB") Communiqué (n.II-14.1) on "Principles Regarding Financial Reporting in the Capital Markets". and
- The Corporate Governance Principles Compliance Report (will be included in the Annual Report) pertaining to the accounting period 01.01.2014 31.12.2014, that was prepared in conformity with (i) the CMB's "Corporate Governance Communiqué" n.II-17.1, and (ii) the presentation principles stipulated in the CMB Decision n. 2/35 (date: 27.01.2014); and that was published via CMB's Weekly Bulletin n. 2014/02 (date: 27.01.2014),

were examined by getting the opinions of the executives who have responsibilities in preparing the Company's Annual Report and the Corporate Governance Principles Compliance Report.

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.

Chairman of Corporate Governance Committee

Ahmet BURAK

Member of Corporate Governance Committee

Dr. Murat DOĞU

Member of Corporate Governance Committee

Yahya ÜZDİYEN

Member of Corporate Governance Committee

Dr. İnci TARI

12 RESOLUTION OF THE AUDIT COMMITTEE

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş. Resolution of the Audit Committee

Date : 04.03.2015

Subject: Financial Report on accounting year January 1 - December 31, 2014

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.

Chairman of Audit Committee **Ahmet BURAK**

Member of Audit Committee **Béatrice de CLERMONT TONNERRE**

13 FINANCIAL REPORT AND ANNUAL REPORT STATEMENT OF RESPONSIBILITY

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

DATE : 06.03.2015 NUMBER : 2014/06

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, 2014, 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, 2014, we have concluded being limited to the information we have and that has been provided to us that

- The Consolidated 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 Consolidated 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.

Ahmet BURAK

Chairman of Corporate Governance Committee

Ediz Haşmet KÖKYAZICI

Executive Committee Member Finance Director

Béatrice de CLERMONT TONNERRE

Chairman of Corporate Governance Committee

Dr. İnci TARI

Investor Relations and Finance 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. : 2015/02

Attending : Vuslat SABANCI (Chairwoman)

Yahya ÜZDİYEN (Vice Chairman) Ahmet Nafi DALMAN (Member) Dursun Ali YILMAZ (Member) Fatma Ayşe CEMAL (Member) Kai Georg DIEKMANN (Member) Ahmet BURAK (Member)

Béatrice de CLERMONT TONNERRE (Member)

As a result of the negotiations;

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 unanimously concluded that

According to the consolidated financial statements pertaining to the accounting period 01.01.2014-31.12.2014, that was prepared in conformity with i) the Turkish Accounting Standards and the Turkish Financial Reporting Standards ("TAS" and "TFRS") published by the Public Oversight, Accounting and Auditing Standards Board within the scope of the provisions of the CMB's Communiqué (II-14.1) on "Principles Regarding the Financial Reporting in the Capital Markets", ii) the presentation principles determined as per the decisions of the CMB on the issue; and that was independently audited:

It was decided;

• to inform the shareholders on the issue that the profit distribution will not be made relating to the 2014 accounting period within the scope of the CMB regulations regarding profit distribution, and to submit this issue to the approval of the General Assembly;

due to the fact that; there is a "Net Period Loss" of TL 168.672.590 when the "Period Tax Expense", "Deferred Tax Income" and "Non Controlling Interests" are considered together.

• to ascertain that there is a "Net Period Loss" of TL 13.715.894 pertaining to the accounting period 01.01.2014-31.12.2014 at our financial records that are kept within the scope of Turkish Code of Commerce (TTK) and Tax Procedure Law (VUK); to transfer this amount to the "Previous Years' Losses" account; and to present this issue to the approval of the General Assembly.

 Vuslat SABANCI
 Yahya ÜZDİYEN

 Chairwoman
 Vice Chairman

Ahmet Nafi DALMAN

Member

Member

Dursun Ali YILMAZ

Member

F. Ayşe CEMAL
Member

Kai Georg DIEKMANN
Member

Ahmet BURAK
Member

Béatrice de CLERMONT TONNERRE
Member

Issued Capital	•	552.000.000	••••••
Total Legal Reserves (acc. to legal records)		39.284.096	
Information on privilege in dividend distribution, if there is any	v privilege pursuant to		
the Articles of Incorporation	, p	-	
	Acc	ordingto CMB	According tolegal records
Profit/Loss for the period		198.931.187	-12.276.155
Taxes		-3.237.118	-1.439.739
Net Profit/Loss for the period (+/-)		168.672.590	-13.715.894
Accumulated (Losses) (-)	•	-162.535.402	-4.382.169
General legal reserves (-)	•	0	(
NET DISTRIBUTABLE PROFIT/LOSS FOR THE PERIOD(+/-)	······································	-331.207.992	-18.098.063
Donations made during the year (+)	······································	811.690	••••••
Net Distributable Profit/Loss for the profit including donations (+/-) -332.019.682	-332.019.682	
First dividend to shareholders		0	
	Cash	0	
	Bonus	0	
	Total	0	
Prividend Distributed to Privileged Shareholders		0	
Other Dividend Distributed		0	
- to Membe	rs of Board of Directors	•••••••••	
	- to Employees	••••••••	
	- to Non-shareholders	•••••	
Dividend Distributed to Dividend Share Holders O		······	(
Second dividend to shareholders		0	
General legal reserves		0	
Statutory reserves		0	(
B Special Reserves		0	(
EXTRA RESERVES		0	(
O Other resources anticipated for distribution		0	
	Retained Earnings	0	(
	Extra Reserves	0	(
Other Reserves pursuant to TCC and A	Articles of Incorporation	0	

⁽¹⁾"Inflation Differences" were not added.

DIVIDEND RATIO TABLE

	GROUP		UTED DIVIDEND	TOTAL DISTRIBUTED DIVI- DEND/NET DISTRIBUTABLE PROFIT FOR THE PERIOD	NOMINAL VA	LUE OF 1 TL
		CASH (TL)	BONUS (TL)	RATE (%)	AMOUNT (TL)	RATE (%)
NET	А	0	0,00	0,00	0,00	0,00
	TOTAL	0	0,00	0,00	0,00	0,00

 $^{^{(2)}}$ it is composed of the sum of the "Continuing Operations Loss Before Tax"

⁽³⁾ it is composed of the sum of the "Period Tax Expense" and "Deferred Tax Income".

⁽⁴⁾ it was calculated according to the Dividend Guide published in the CMB's Weekly Bulletin n.2014/2, dated 27.01.2014. According to CMB; Previous Year Losses contain the Previous Year Profits seen in the Legal Records and the amounts arising from the correction of the shareholders' equity items (excluding capital) according to inflation accounting.

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 2014 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.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("the Company") and its subsidiaries (together will be referred as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Accounting Standards ("TAS"), 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 Independent Auditing Standards which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). 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 2014, and of their financial performance and their cash flows for the year then ended in accordance with Turkish Accounting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January-31 December 2014 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

In accordance with paragraph four of the Article 398 of TCC, the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 6 March 2015.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. Member of **DELDITTE TOUCHE TOHMATSU LIMITED**



Berkman Özata, SMMM

Partner

Istanbul, 6 March 2015

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE PERIOD 1 JANUARY-31 DECEMBER 2014

CONTENTS		PAG
CONSOLIDA	ATED STATEMENTS OF FINANCIAL POSITION	108-110
CONSOLIDA	ATED STATEMENT OF PROFIT OR LOSS	111
CONSOLIDA	ATED COMPREHENSIVE INCOME	112
CONSOLIDA	ATED STATEMENT OF CHANGES IN EQUITY	113
CONSOLIDA	ATED STATEMENT OF CASH FLOWS	114-115
NOTES TO T	THE CONSOLIDATED FINANCIAL STATEMENTS	116-185
NOTE 1	ORGANISATION AND NATURE OF OPERATIONS	116-118
NOTE 2	BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	118-134
NOTE 3	BUSINESS COMBINATIONS	134
NOTE 4	SEGMENT REPORTING	134-137
NOTE 5	CASH AND CASH EQUIVALENTS	137
NOTE 6	FINANCIAL ASSETS	138
NOTE 7	FINANCIAL LIABILITIES	138-140
NOTE 8	OTHER FINANCIAL ASSETS AND LIABILITIES	140-14
NOTE 9	TRADE RECEIVABLES AND PAYABLES	141-142
NOTE 10	OTHER RECEIVABLES AND PAYABLES	142-143
NOTE 11	EMPLOYEE BENEFIT PAYABLES	143
NOTE 12	INVENTORIES	143
NOTE 13	INVESTMENTS ACCOUNTED BY THE EQUITY METHOD	144-145
NOTE 14	INVESTMENT PROPERTY	145
NOTE 15	PROPERTY, PLANT AND EQUIPMENT	146-147
NOTE 17	INTANGIBLE ASSETS	147-149 149
NOTE 17 NOTE 18	GOVERNMENT GRANTS PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	149-150
NOTE 19	COMMITMENTS	149-130
NOTE 13	EMPLOYMENT TERMINATION BENEFITS	152
NOTE 21	PREPAID EXPENSES	153
NOTE 22	OTHER ASSETS AND LIABILITIES	153-154
NOTE 23	EOUITY	154-156
NOTE 24	SALES AND COST OF SALES	157
NOTE 25	MARKETING AND GENERAL ADMINISTRATIVE EXPENSES	158
NOTE 26	EXPENSES BY NATURE	158
NOTE 27	OTHER OPERATING INCOME	159
NOTE 28	OTHER OPERATING EXPENSES	159
NOTE 29	INCOME FROM INVESTING ACTIVITIES	159
NOTE 30	EXPENSE FROM INVESTING ACTIVITIES	160
NOTE 31	FINANCIAL EXPENSES	160
NOTE 32	TAX ASSETS AND LIABILITIES	160-166
NOTE 33	(LOSS)/EARNINGS PER SHARE	166
NOTE 34	RELATED PARTY DISCLOSURES	167-17
NOTE 35	NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	172
NOTE 36	DISPOSAL OF SUBSIDIARY	173-175
NOTE 37	NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS	175-184
NOTE 38	SHARES IN OTHER ENTITIES	185
NOTE 39	SURSEOUENT EVENTS	185

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2014

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

	Note references	(Audited) Current Period 31 December 2014	(Audited) Prior Period 31 December 2013
ASSETS			
Current assets		283.283.769	419.004.238
Cash and cash equivalents	5	56.632.653	47.206.848
Trade receivables		198.693.274	212.514.859
-Trade receivables from related parties	34	28.886.410	28.053.511
-Trade receivables from non-related parties	9	169.806.864	184.461.348
Other receivables		3.420.288	77.097.231
Inventories	12	13.519.003	17.359.688
Prepaid expenses	21	3.136.250	5.225.920
Assets related with current tax	32	504.583	1.854.825
Other current assets	22	7.377.718	43.782.297
Subtotal		283.283.769	405.041.668
Classification to non-current assets held for sale	35	-	13.962.570
Non-current assets		651.694.887	1.019.399.816
Other receivables	10	1.764.612	1.508.340
Financial investments	6	1.976.568	1.976.906
Investments accounted by the equity method	13	9.013.738	13.768.940
Investment property	14	82.917.210	57.378.321
Property, plant and equipment	15	219.791.673	272.180.560
Intangible assets	16	328.454.758	654.664.493
-Goodwill	16	-	119.422.217
-Other intangible assets		328.454.758	535.242.276
Deferred tax assets	32	6.661.890	15.590.176
Other non-current assets	22	1.114.438	2.332.080
Total assets		934.978.656	1.438.404.054

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2014

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

	Note references	(Audited) Current Period 31 December 2014	(Audited) Prior Period 31 December 2013
LIABILITIES			
Current liabilities		303.268.721	294.282.082
Short-term borrowings	7	13.451.105	8.823.406
Short-term portion of long-term borrowings	7	159.660.282	143.052.144
Other financial liabilities	8	_	16.154.517
Trade payables		69.629.365	61.525.828
-Trade payables to related parties	34	22.242.940	13.514.346
-Trade payables to non-related parties	9	47.386.425	48.011.482
Employee benefit payables	11	6.121.303	9.636.330
Other payables		2.017.664	7.358.224
-Other payables to related parties	34	339.868	3.279.095
-Other payables to non-related parties	10	1.677.796	4.079.129
Deferred income	21	7.078.107	10.072.664
Current income tax liabilities	32	2.633.452	886.742
Short-term provisions		39.370.364	21.830.060
-Short-term provisions for employment benefits	18	15.696.372	17.760.561
-Other short-term provisions	18	23.673.992	4.069.499
Derivative financial instruments	8	-	2.440.486
Other short-term liabilities	22	3.307.079	3.223.879
Subtotal		303.268.721	285.004.280
Non-current liabilities held for sale	35	-	9.277.802
Non-current liabilities		204.515.762	420.980.088
Long-term borrowings	7	92.128.150	266.158.639
Other payables	10	480.590	463.857
Long-term provisions			
-Long-term provisions for employment benefits	20	46.429.651	47.989.848
Deferred tax liability	32	65.477.371	106.367.744

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2014

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

		(Audited)	(Audited)
		Current Period	Prior Period
	Note references	31 December 2014	31 December 2013
EQUITY			
Total equity		427.194.173	723.141.884
Equity attributable to equity holders of the parent company		415.891.705	671.712.912
Share capital	23	552.000.000	552.000.000
Inflation adjustment to share capital	23	77.198.813	77.198.813
Other comprehensive income and expenses that will not be			
reclassified subsequently to profit or loss			
-Actuarial losses in defined benefit plan		(15.331.957)	(15.453.900)
Share premiums		76.944	76.944
Accumulated other comprehensive (expenses)/income			
reclassified in profit and loss			
-Currency translation differences		6.633.568	97.673.595
Restricted reserves	23	165.883.369	167.305.861
Accumulated losses		(201.896.442)	(145.994.420)
Net (loss) for the period		(168.672.590)	(61.093.981)
Non-controlling interests		11.302.468	51.428.972
Total liabilities		934.978.656	1.438.404.054

These consolidated financial statements as at and for the period ended 31 December 2014 were approved by the Board of Directors on 6 March 2015.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2014

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

	Note References	(Audited) Current Period 1 January- 31 December 2014	(Audited) Prior Period 1 January- 31 December 2013
Sales	24	719.582.443	805.574.612
Cost of sales (-)	24	(471.373.207)	(514.437.753)
Gros profit		248.209.236	291.136.859
General administrative expenses (-)	25	(140.948.559)	(144.178.097)
Marketing expenses (-)	25	(134.298.729)	(145.417.796)
Other operating income	27	123.426.312	82.344.140
Other operating expenses (-)	28	(57.242.013)	(45.274.193)
Operating profit		39.146.247	38.610.913
Share of loss of investments accounted by the equity method	13	(2.460.932)	(7.160.944)
Monetary gain		_	74.229
Income from investing activities	29	57.580.861	21.687.630
Expenses from investing activities (-)	30	(94.620.218)	(13.020.147)
Operating (loss)/profit before finance expense		(354.042)	40.191.681
Finance expenses (-)	31	(198.577.145)	(101.479.505)
Continued operations (loss) before tax		(198.931.187)	(61.287.824)
Continued operations tax (expense)/income		(3.237.118)	7.063.582
Current tax expense (-)	32	(5.034.056)	(5.218.150)
Deferred tax income	32	1.796.938	12.281.732
Continued operations net loss for the period		(202.168.305)	(54.224.242)
Discontinued operations			
Net (loss) for the period from discontinued operations after income taxes	35	-	(24.583.900)
Net loss for the period		(202.168.305)	(78.808.142)
Allocation of net loss for the period			
Attributable to non-controlling interests		(33.495.715)	(17.714.161)
Attributable to equity holders of the parent company		(168.672.590)	(61.093.981)
Loss per share (TL)			
Loss from continuing operations per share	33	(0,3056)	(0,0982)
Loss from discontinued operations per share	33	-	(0,0445)
Loss from continuing and discontinuing operations per share		(0,3056)	(0,1427)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

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

	Note	(Audited) Current Period 1 January-	(Audited) Prior Period 1 January-
	References	31 December 2014	31 December 2013
Other comprehensive expense			
Net loss for the period		(202.168.305)	(78.808.142)
Accumulated other comprehensive (expenses)/income reclassified in profit and loss			
- Change in foreign currency differences		(97.477.648)	49.244.586
Accumulated other comprehensive (expenses)/income that will notreclassified in profit and loss			
- Actuarial losses in defined pension plan		62.668	(2.304.048)
- Tax effect of actuarial loss in defined pension plans		(12.534)	460.810
Other comprehensive (loss)/income (After income tax)		(97.427.514)	47.401.348
Total comprehensive expense		(299.595.819)	(31.406.794)
Allocation of total comprehensive expense			
Attributable to non-controlling interests		(40.005.145)	(7.689.490)
Attributable to equity holders of the parent company		(259.590.674)	(23.717.304)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2014

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

					Items will be reclassified subsequently to profit or loss	not be reclassified subsequently to profit or loss		Retained earnings	earnings			
	Note references	Share	Inflation adjusment to share capital	Share premiums	Currency translation differences	Remeausere- ment losses in defined	meausere- Restricted ent losses reserves in defined appropriated enefit plan from profit	Prior years' profit/losses	Net profit /(loss) for the period	Equity attributable to equity holders of the parent company	Non- controlling interests	Total
Balances at 1 January 2013	83	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		,	1	1	1	1	133.038.984	17.622.313	(150.661.297)	'	1	1
Subsidiaries' dividend payments to non-group companies		1	1	'	1	'	'	1	1	1	(3.244.945)	(3.244.945)
Other(")		ı		1		'	'	1	1	'	648.218	648.218
Sales effects on subsidiary (Note 13) ⁽²⁾		ı		1	'	'	'	13,115,786	ı	13.115.786	1	13.115.786
Total comprehensive expense		ı			39.219.915	(1.843.238)		1	(61.093.981)	(23.717.304)	(7.689.490)	(31.406.794)
-Remeauserement losses in defined benefit plan		ı				(1.843.238)		1	1	(1.843.238)		(1.843.238)
-Change in translation reserves		ı		1	39.219.915	1	1	1	1	39.219.915	10.024.671	49.244.586
-Net loss for the period		ı		ı	1	1	1	1	(61.093.981)	(61.093.981)	(17.714.161)	(78.808.142)
Balances at 31 December 2013		552.000.000	77.198.813	76.944	97.673.595	97.673.595 (15.453.900)	167.305.861	(145.994.420)	(61.093.981)	671.712.912	51.428.972	723.141.884
Balances at 1 January 2014	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
Transfer							(1.422.492)	(59.671.489)	61.093.981			
Capital increase of subsidiary		1		,	,		,	1	1		5.952.865	5.952.865
Subsidiaries' dividend payments to non-group companies		-	1	'	-			1	-	-	(1.885.963)	(1.885.963)
Rate change effect on subsidiaries		-		-				3.769.467	-	3.769.467	(4.188.261)	(418.794)
Total comprehensive income/(expense)		1	,	,	(91.040.027)	121.943	,	'	(168.672.590)	(168.672.590) (259.590.674) (40.005.145) (299.595.819)	(40.005.145)	(299.595.819)
-Remeauserement losses in defined benefit plans		ı		ı	1	(864.552)	1	1	1	(864.552)	(71.809)	(936.361)
- Disposal of subsidiary		ı		1	1	986.495	1	-	1	986.495	1	986.495
- Change in translation reserves		1		1	(91.040.027)			-	1	(91.040.027)	(6.437.621)	(97.477.648)
-Net loss for the period		1						-	(168.672.590)	(168.672.590) (168.672.590) (33.495.715) (202.168.305)	(33.495.715)	(202.168.305)
Balances at 31 December 2014	23	552.000.000	77.198.813	76.944	6.633.568	(15.331.957) 165.883.369	165.883.369	(201.896.442) (168.672.590)	(168.672.590)	415.891.705	11,302,468	427.194.173

PREPRESENTS fair value changes of put option liabilities and acquisition and disposal of shares from non-controlling shareholders. Prepresents disposal of Kanal D Romania which was consolidated by the equity method in 2013.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

CASH FLOWS FROM OPERATING ACTIVITIES 11.301.199 143.064.863 Net (loss) for the period (202.168.305) (78.808.142) Adjustments to reconcile net (loss) for the period 224.438.965 176.867.078 Adjustments regarding depreciation 15 43.374.284 46.647.326 Adjustments regarding amortization 16 26.378.502 31.799.159 Adjustments regarding profit/loss on sale of property, plant and equipment 29, 30 (19.964.275) 3.863.360 Adjustments regarding tax income 32 3.237.118 (7063.582) Adjustments regarding provision for employment benefits and unused vacation rights 18,20 11.711.792 15.773.714 Gain on sale of financial assets - (128.021) (128.021) (28.021) Adjustments regarding to income accruals 9 (124.709) (250.383) Adjustments regarding to income accruals 27 (3.374.541) (2.70.793) Adjustments regarding to income and accruals 27 (3.374.541) (2.70.2793) Unearned finance income from term sales 27 1.034.358 2.727.380 Unrealized finan
Adjustments to reconcile net (loss) for the period 224.438.965 176.867.078 Adjusments regarding depreciation 15 43.374.284 46.647.326 Adjusments regarding amortization 16 26.378.502 31.799.159 Adjustments regarding profit/loss on sale of property, plant and equipment 29, 30 (19.964.275) 3.863.360 Adjustments regarding profit/loss on sale of property, plant and equipment 32 3.237.118 (7.063.582) Adjustments regarding provision for employment benefits and unused vacation rights 18,20 11.711.792 15.773.714 Gain on sale of financial assets - - (128.021) Adjustments regarding to income accruals 9 (124.709) (250.383) Adjustments regarding to interest income and accruals 27 (3.874.541) (2.702.783) Finance income/expense accruals due from sales with maturity 27,28 (8.973.870) (6.996.335) Unearined finance income from term sales 27 1.034.358 2.727.380 Unrealized finance expenses due to purchases with maturity 27 (131.895) 23.292.953 Unrealized foreign exchange expenses and accruals
Adjusments regarding depreciation 15 43.374.284 46.647.326 Adjusments regarding amortization 16 26.378.502 31.799.159 Adjustments regarding profit/loss on sale of property, plant and equipment 29,30 (19.964.275) 3.863.360 Adjustments regarding tax income 32 3.237.118 (7.063.582) Adjustments regarding provision for employment benefits and unused vacation rights 18.20 11.711.792 15.773.714 Gain on sale of financial assets - (128.021) Adjustments regarding to income accruals 9 (124.709) (250.383) Adjustments regarding to income accruals 27 (3.874.541) (2.702.793) Finance income/expense accruals due from sales with maturity 27,28 (8.973.870) (6.996.335) Unearized finance income from term sales 27 1.034.358 2.727.380 Unrealized finance expenses due to purchases with maturity 27 (131.895) (225.536) Adjustments regarding interest expenses and accruals 31 18.961.959 23.292.953 Unrealized foreign exchange expense from borrowings 82.199.435 47192.807
Adjusments regarding amortization 16 26.378.502 31.799.159 Adjustments regarding profit/loss on sale of property, plant and equipment 29, 30 (19.964.275) 3.863.360 Adjustments regarding tax income 32 3.237.118 (7.063.582) Adjustments regarding provision for employment benefits and unused vacation rights 18,20 11.711.792 15.773.714 Gain on sale of financial assets - (128.021) 4.011.711.792 15.773.714 1.021.702 15.773.714 1.021.702 15.773.714 1.021.702 15.773.714 1.021.702 1.021.702 15.773.714 1.021.702 15.773.714 1.021.702 1.021.702 15.773.714 1.021.702
Adjustments regarding profit/loss on sale of property, plant and equipment 29, 30 (19.964.275) 3.863.360 Adjustments regarding tax income 32 3.237.118 (7.063.582) Adjustments regarding provision for employment benefits and unused vacation rights 18,20 11.711.792 15.773.714 Gain on sale of financial assets - (128.021) Adjustments regarding to income accruals 9 (124.709) (250.387) Adjustments regarding to income accruals 27 (3.874.541) (2.702.793) Finance income/expense accruals due from sales with maturity 27.28 (8.973.870) (6.996.335) Unearned finance income from term sales 27 1.034.358 2.727.380 Unrealized finance expenses due to purchases with maturity 27 (131.895) (225.536) Adjustments regarding interest expenses and accruals 31 18.961.959 23.282.953 Unrealized foreign exchange expense from borrowings 82.169.435 47.192.807 Changes in fair value adjustments of investment properties 14 (24.565.749) (16.743.808) Adjustments regarding provision for impairment of investments regarding provision for i
Adjustments regarding tax income 32 3.237.118 (7.063.582) Adjustments regarding provision for employment benefits and unused vacation rights 18,20 11.711.792 15.773.714 Gain on sale of financial assets - (128.021) Adjustments regarding to income accruals 9 (124.709) (250.383) Adjustments regarding to income accruals 27 (3.874.541) (2.702.793) Adjustments regarding to interest income and accruals 27 (3.874.541) (2.702.793) Adjustments regarding to interest income and accruals 27 (1.034.358 2.727.380 Unearned finance income from term sales 27 (1.034.358 2.727.380 Unrealized finance expenses due to purchases with maturity 27 (131.895) (225.536) Adjustments regarding interest expenses and accruals 31 18.961.959 23.292.953 Unrealized foreign exchange expenses from borrowings 82.169.435 47.192.807 Changes in fair value adjustments of investment properties 14 (24.565.749) (16.743.808) Adjustments regarding provision for impairment of inventories 12 2.010.365
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Adjustments regarding to income accruals 9 (124.709) (250.383) Adjusments regarding to interest income and accruals 27 (3.874.541) (2.702.793) Finance income/expense accruals due from sales with maturity 27,28 (8.973.870) (6.996.335) Unearned finance income from term sales 27 1.034.358 2.727.380 Unrealized finance expenses due to purchases with maturity 27 (131.895) (225.536) Adjustments regarding interest expenses and accruals 31 18.961.959 23.292.953 Unrealized foreign exchange expense from borrowings 82.169.435 47.192.807 Changes in fair value adjustments of investment properties 14 (24.565.749) (16.743.808) Adjustments regarding increase in deferred income 218.661 (214.833) Adjustments regarding provision for impairment of inventories 12 2.010.365 1.116.831 Loss from investments accounted by the equity method 13 2.460.932 7.160.944 Provision for impairment of goodwill and assets held for sale 30 75.900.664 23.301.137 Provision for lawsuits 18,28 1.978.589
Adjusments regarding to interest income and accruals 27 (3.874.541) (2.702.793) Finance income/expense accruals due from sales with maturity 27,28 (8.973.870) (6.996.335) Unearned finance income from term sales 27 1.034.358 2.727.380 Unrealized finance expenses due to purchases with maturity 27 (131.895) (225.536) Adjustments regarding interest expenses and accruals 31 18.961.959 23.292.953 Unrealized foreign exchange expense from borrowings 82.169.435 47.192.807 Changes in fair value adjustments of investment properties 14 (24.565.749) (16.743.808) Adjustments regarding increase in deferred income 218.661 (214.833) Adjustments regarding provision for impairment of inventories 12 2.010.365 1.116.831 Loss from investments accounted by the equity method 13 2.460.932 7.160.944 Provision for impairment of goodwill and assets held for sale 30 75.900.664 23.301.37 Provision for doubtful receivables 28 12.262.147 8.201.319 Provision for lawsuits 18, 28 1.978.589
Finance income/expense accruals due from sales with maturity 27,28 (8.973.870) (6.996.335) Unearned finance income from term sales 27 1.034.358 2.727.380 Unrealized finance expenses due to purchases with maturity 27 (131.895) (225.536) Adjustments regarding interest expenses and accruals 31 18.961.959 23.292.953 Unrealized foreign exchange expense from borrowings 82.169.435 47.192.807 Changes in fair value adjustments of investment properties 14 (24.565.749) (16.743.808) Adjustments regarding increase in deferred income 218.661 (214.833) Adjustments regarding provision for impairment of inventories 12 2.010.365 1.116.831 Loss from investments accounted by the equity method 13 2.460.932 7.160.944 Provision for impairment of goodwill and assets held for sale 30 75.900.664 23.301.137 Provision for doubtful receivables 28 12.262.147 8.201.319 Provision for lawsuits 18, 28 1.978.589 1.897.012 Reversal of provisions (400.028) (4.308.090) <
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Unrealized finance expenses due to purchases with maturity 27 (131.895) (225.536) Adjustments regarding interest expenses and accruals 31 18.961.959 23.292.953 Unrealized foreign exchange expense from borrowings 82.169.435 47.192.807 Changes in fair value adjustments of investment properties 14 (24.565.749) (16.743.808) Adjustments regarding increase in deferred income 218.661 (214.833) Adjustments regarding provision for impairment of inventories 12 2.010.365 1.116.831 Loss from investments accounted by the equity method 13 2.460.932 7.160.944 Provision for impairment of goodwill and assets held for sale 30 75.900.664 23.301.137 Provision for doubtful receivables 28 12.262.147 8.201.319 Provision for lawsuits 18, 28 1.978.589 1.897.012 Reversal of provisions (400.028) (4.308.090) Loss on sale of subsidiary 29,30 775.226 2.526.517
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Provision for doubtful receivables 28 12.262.147 8.201.319 Provision for lawsuits 18, 28 1.978.589 1.897.012 Reversal of provisions (400.028) (4.308.090) Loss on sale of subsidiary 29,30 775.226 2.526.517
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Reversal of provisions (400.028) (4.308.090) Loss on sale of subsidiary 29,30 775.226 2.526.517
Loss on sale of subsidiary 29,30 775.226 2.526.517
Changes in working capital (10.969.461) 45.005.927
Changes in blocked deposits 5 8.277 6.019
Changes in trade and related party receivables (29.822.908) (6.289.773)
Changes in inventories 1.712.579 1.285.692
Changes in prepaid expenses 2.089.670 (1.319.407)
Changes in other current assets 11.496.992 50.574.839
Changes in other financial assets and liabilities (11.461.621) 3.013.879
Changes in trade and related party payables 8.146.418 10.990.273
Changes in other short term liabilities 25.880.937 (4.003.760)
Changes in other non-current assets (938.116) (2.285.392)
Changes in short-term provisions for employment benefits (3.515.027) 2.457.808
Changes in deferred revenue (2.994.557) 1.157.067
Taxes paid (1.937.104) (951.940)
Collections from doubtful receivables 9 2.527.681 2.418.092
Employment benefits and unused vacation rights paid 18,20 (12.162.682) (12.047.470)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

CASH FLOWS FROM INVESTING ACTIVITIES Purchases of property, plant and equipment Purchases of intangible assets Proceeds from sales of property, plant and equipment,	Note rences	Current Period 1 January- 31 December 2014 134.173.967 (7.396.001) (8.695.146)	Prior Period 1 January- 31 December 2013 8.646.126 (12.981.167) (6.733.893)
CASH FLOWS FROM INVESTING ACTIVITIES Purchases of property, plant and equipment Purchases of intangible assets Proceeds from sales of property, plant and equipment,	rences	31 December 2014 134.173.967 (7.396.001) (8.695.146)	31 December 2013 8.646.126 (12.981.167)
CASH FLOWS FROM INVESTING ACTIVITIES Purchases of property, plant and equipment Purchases of intangible assets Proceeds from sales of property, plant and equipment,	15	134.173.967 (7.396.001) (8.695.146)	8.646.126 (12.981.167)
Purchases of property, plant and equipment Purchases of intangible assets Proceeds from sales of property, plant and equipment,		(7.396.001) (8.695.146)	(12.981.167)
Purchases of intangible assets Proceeds from sales of property, plant and equipment,		(8.695.146)	
Proceeds from sales of property, plant and equipment,	16	((6.733.893)
		100,000,000	
intensible exects and investment properties		100 000 000	
intangible assets and investment properties		128.939.958	12.770.816
Interests received		9.533.761	12.492.736
Net cash from sales of financial assets		55.439	128.021
Proceeds from sale of subsidiary		11.735.956	2.969.613
CASH FLOWS FROM FINANCING ACTIVITIES		(144.058.460)	(215.498.963)
Changes in blocked deposits		36.592.426	(36.594.775)
Increase in share capital of non-controlling interests		5.952.865	_
Dividends paid to non-controlling interests		(1.885.963)	(2.649.869)
Bank borrowings received		172.436.181	17.549.573
Bank borrowings paid		(329.729.967)	(141.415.377)
Changes in financial liabilities to suppliers		(8.444.559)	(32.767.172)
Interests paid		(18.979.443)	(22.900.438)
Changes in financial payables from related parties.		=	3.279.095
Effects of foreign exchange rate fluctuations on cash and			
cash equivalents 8.2	14.980	2.716.711	2.716.711
Change in cash and cash equivalents		9.631.686	(61.071.263)
Cash and cash equivalents at the beginning of the period	5	46.972.961	108.044.224
Cash and cash equivalents at the end of the period	5	56.604.647	46.972.961

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(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 Istanbul, Ankara, İzmir, Adana, Antalya, Trabzon and in Germany.

The Company is a member of Doğan Şirketler Grubu Holding A.Ş. ("Doğan 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.

Board of Director decisions of Doğan Holding and Doğan Yayın Holding dated as 14 April 2014 regarding the merger under Doğan Holding, through the entire "take over" of its direct subsidiary Doğan Yayın Holding A.Ş. with all its assets and liabilities by Doğan Holding were disclosed to the public on the same date, and the merger transaction ("Merger") and registered with the Trade Registry on 26 August 2014. Upon the registration of the merger, Doğan Yayın Holding A.Ş. has ceased by being dissolved without liquidation. By the date of registry, Doğan Holding has become direct share owner in the ratio of 77,65 %.(Note 23).

The address of the registered office is as follows:

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

The Company is registered to the Capital Markets Board ("CMB") and its shares have been quoted on the Borsa İstanbul ("BİAŞ") 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 21,60 % as of 31 December 2014 (31 December 2013: 21,98%) of Hürriyet are accepted as "in circulation".

As declared on Public Disclosure Platform at 20 June 2014 Radikal Newspaper, which the daily publication continues its activities in digital format starting from 22 June 2014. In this context; print publication and distribution ceased on 21 June 2014. According to published consolidated profit and loss statement for the year ended 31 December 2013, the Radikal newspaper's print format share in the Group's revenue is approximately 1,6%.

Subsidiaries

The name of the Company's subsidiaries ("Subsidiaries"), the nature of the business and geographic segments are as follows:

	Registered	Geographic	
Subsidiaries	country	segment	Nature of business
			Printing and adminis-
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. ("Hürriyet Medya Basım")	Turkey	Turkey	trative services
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
			Newspaper
Hürriyet Zweigniederlassung GmbH. ("Hürriyet Zweigniederlassung")	Germany	Europe	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
			Newspaper and
000 SP Belpronto	Belarus	Russia and EE	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
			Newspaper and
TOO Pronto Akmola	Kazakhstan	Russia and EE	internet publishing

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

	Registered	Geographic	
Subsidiaries	country	segment	Nature of business
			Newspaper and
000 Pronto Aktau	Kazakhstan	Russia and EE	internet publishing
			Newspaper and
000 Pronto Aktobe	Kazakhstan	Russia and EE	internet publishing
			Newspaper and
000 Pronto Atyrau	Kazakhstan	Russia and EE	internet publishing
Durate Hat Kanananan	War alleata	D	Newspaper
Pronto Ust Kamenogorsk	Kazakhstan	Russia and EE	publishing
7AO Duanta Alimbal	Va-al-lasta-a	D	Newspaper and
ZAO Pronto Akzhol	Kazakhstan	Russia and EE	internet publishing
Impress Media Marketing LLC	Russia	Russia and EE	Publishing Newspaper and
000 Delta-M	Duggio	Duggie and FF	
OUU DEILA-M	Russia	Russia and EE	internet publishing Newspaper and
000 Pronto Polikal	Duggio	Duggie and FF	internet publishing
000 Pronto Baikal Job.ru LLC	Russia Russia	Russia and EE Russia and EE	Internet publishing
JOD.IU LLC	Russia	Russia allu EE	Newspaper and
000 Pronto DV	Russia	Russia and EE	internet publishing
OOO FIOIILO DV	Russia	Russia ariu LL	Newspaper and
000 Pronto Ivanovo	Russia	Russia and EE	internet publishing
000 FIGHEO IVAHOVO	Russia	Russia ariu LL	Newspaper and
000 Pronto Kaliningrad	Russia	Russia and EE	internet publishing
000 Fronto Kaliningrad	Nussia	Mussia and LL	Newspaper and
000 Pronto Kazan	Russia	Russia and EE	internet publishing
000 FTORIO ROZGIT	Nussia	Nussia ana EE	Newspaper and
000 Pronto Krasnodar	Russia	Russia and EE	internet publishing
OCO FIORIC MUSICIONI	Naooia	raddia ana EE	Newspaper and
000 Pronto Media Holding	Russia	Russia and EE	internet publishing
oss Fronto Media Holding	1,400,4	raddia aria EE	Newspaper and
000 Pronto Nizhny Novgorod	Russia	Russia and EE	internet publishing
			Newspaper and
000 Pronto Novosibirsk	Russia	Russia and EE	internet publishing
			Newspaper and
000 Pronto Oka	Russia	Russia and EE	internet publishing
			Newspaper and
000 Pronto Samara	Russia	Russia and EE	internet publishing
			Newspaper and
000 Pronto Smolensk	Russia	Russia and EE	internet publishing
			Newspaper and
000 Pronto UlanUde	Russia	Russia and EE	internet publishing
			Newspaper and
000 Pronto Vladivostok	Russia	Russia and EE	internet publishing
000 Rektcentr	Russia	Russia and EE	Investment
			Newspaper and
000 Tambov-Info	Russia	Russia and EE	internet publishing
			Newspaper and inter-
000 Tambukan	Russia	Russia and EE	net publishing
			Newspaper and inter-
000 Utro Peterburga	Russia	Russia and EE	net publishing
000 Rukom	Russia	Russia and EE	Internet publishing
Publishing International Holding BV	Holland	Europe	Investment

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Associates

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

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

Joint Ventures

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

	Registered	Geographic	
Joint Venture	country	segment	Nature of business
			Newspaper
Doğan Media International GmbH ("Doğan Media")	Germany	Europe	publishing
			Newspaper and
SP Pronto Kiev	Ukraine	Russia and EE	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 2014 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.

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 Turkey Accounting Standards.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

2.1.2 Financial statements of Subsidiaries, Associates and Joint Ventures operating in foreign countries

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, 000 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 65% for the three-year period ended as of 31 December 2014 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 2014 are given below:

Dates	Index	Conversion Factor
31 December 2009	1,4871	3,7848
31 December 2010	1,6362	3,4400
31 December 2011	3,4143	1,6485
31 December 2012	4,1549	1,3546
31 December 2013	4,8400	1,1629
31 December 2014	5,6284	1,0000

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	2013	2014
Change in USD/BYR (%)	11	25
Change in Euro/BYR (%)	15	13
Belarus Consumer Price Index (%)	16	16

As of 31 December 2014, the exchange rate announced by the National Bank of the Republic of Belarus was USD 1= BYR 11.850, Euro 1= BYR 14.776 (31 December 2013: USD 1= BYR 9.510, Euro 1= BYR 13.080).

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 2014.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

- 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.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

The Subsidiaries and their effective ownership interests at 31 December 2014 and 31 December 2013 are as follows:

	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		Effective ownership interests (%)		
Subsidiaries	31 December 2014	31 December 2013	31 December 2014	31 December 2013	
Hürriyet Medya Basım	100,00	100,00	100,00	100,00	
Doğan Ofset ⁽¹⁾	-	99,93	-	99,93	
Yenibir	100,00	100,00	100,00	100,00	
Doğan Haber	53,14	53,14	53,14	53,14	
Nartek ⁽²⁾	-	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	78,57	74,28	78,57	74,28	
Oglasnik d.o.o. ⁽³⁾	-	100,00	-	74,28	
Impress Media Marketing LLC	97,00	97,00	76,21	72,05	
TCM Adria d.o.o.	100,00	100,00	78,57	74,28	
Expressz Magyarorszag Media Kft. (2)	=	100,00		74,28	
Job.ru LLC	100,00	100,00	78,57	74,28	
Mirabridge International B.V.	100,00	100,00	78,57	74,28	
Pronto Invest B.V.	100,00	100,00	78,57	74,28	
ZAO Pronto Akzhol	80,00	80,00	62,86	59,42	
TOO Pronto Akmola	100,00	100,00	78,57	74,28	
000 Pronto Atyrau	100,00	100,00	62,86	59,42	
000 Pronto Aktobe	80,00	80,00	50,28	47,54	
000 Pronto Aktau	100,00	100,00	62,86	59,42	
000 Pronto Rostov ⁽⁵⁾	-	100,00	-	74,28	
000 Delta-M	55,00	55,00	43,21	40,85	
000 Pronto Baikal	100,00	100,00	78,57	74,28	
000 Pronto DV	100,00	100,00	78,57	74,28	
000 Pronto Ivanovo	100,00	100,00	78,57	74,28	
000 Pronto Kaliningrad	95,00	95,00	74,64	70,57	
000 Pronto Kazan	72,00	72,00	56,57	53,48	
000 Pronto Krasnodar	80,00	80,00	62,86	59,42	
000 Pronto Nizhny Novgorod	90,00	90,00	70,71	66,85	
000 Pronto Novosibirsk	100,00	100,00	78,57	74,28	
000 Pronto Oka ⁽⁶⁾	100,00	100,00	78,57	74,28	
000 Utro Peterburga ⁽⁶⁾	55,00	55,00	43,21	40,85	
000 Pronto Samara	100,00	100,00	78,57	74,28	
000 Pronto UlanUde	90,00	90,00	70,71	66,85	
000 Pronto Vladivostok	90,00	90,00	70,71	66,85	
000 Pronto Media Holding ⁽⁷⁾	100,00	100,00	78,57	74,28	

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

	•	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		ownership ests (%)	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	
000 Tambukan	85,00	85,00	66,78	63,14	
000 Partner-Soft (8)	-	90,00	_	66,85	
Pronto Soft	90,00	90,00	70,71	66,85	
000 Pronto Kemerovo (5)	-	100,00	-	74,28	
000 Pronto Smolensk	100,00	100,00	78,57	74,28	
000 Pronto Tula ⁽⁹⁾	-	100,00	-	74,28	
000 Pronto Voronezh (4)	-	100,00	-	74,28	
000 SP Belpronto	60,00	60,00	47,14	44,57	
000 Tambov-Info	100,00	100,00	78,57	74,28	
000 Pronto Obninsk ⁽¹⁰⁾	-	100,00	_	7,43	
000 Rektcentr	100,00	100,00	78,57	74,28	
000 Pronto Neva ⁽¹¹⁾	-	100,00	-	74,28	
Publishing House Pennsylvania Inc	100,00	100,00	78,57	74,28	
Bolji Posao d.o.o. Serbia ⁽¹²⁾	-	100,00	-	74,28	
Bolji Posao d.o.o. Bosnia ⁽¹²⁾	-	100,00		74,28	
Sklad Dela Prekmurje NGO (3)	-	100,00	_	40,85	
000 Rukom (13)	100,00	100,00	78,57	74,28	
Pronto Ust Kamenogorsk	100,00	100,00	62,86	59,42	
Publishing International Holding BV	100,00	100,00	78,57	74,28	

⁽¹⁾ Related subsidiary was sold on 18 July 2014.

(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 II 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.

⁽²⁾ Related subsidiary has merged with the other subsidiary Yenibir on 30 December 2014.

 $^{^{\}mbox{\tiny (3)}}$ Related subsidiary was sold on 28 Fabruary 2014.

⁽⁴⁾ Was sold on 7 April 2014.

⁽⁵⁾ Related subsidiaries are liquidated during the year 2014.

⁽⁶⁾ Related subsidiary has ceased its operations before the year 2010.

⁽⁷⁾ The title of the 000 Pronto Moscow has been changed to 000 Pronto Media Holding as of 23 December 2014.

⁽⁸⁾ Related subsidiaries are liquidated on 10 December 2014.

⁽⁹⁾ Liquidated on 18 July 2014.

 $^{^{(10)}}$ 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 21 February 2014.

⁽¹²⁾ Was sold on 21 March 2014.

⁽¹³⁾ Terminated its activities in 2012.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

(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. Since the reconciliation of financial statements' current period presentation, comparative informations can be reclassified and significant differences are clarified.

In 2013, "Other operating income" amounting TL 466,836 has been reclassed to "General administrative expenses".

2.1.6 Application of new and revised international financial reporting standards

a) Amendments to TFRSs affecting amounts reported and/or disclosures in the financial statements

None.

b) New and Revised TFRSs applied with no material effect on the consolidated financial statements

Amendments to TFRS 10, 12, TAS 27 Investment Entities¹

Amendments to TAS 32 Offsetting Financial Assets and Financial Liabilities¹

Amendments to TAS 36 Recoverable Amount Disclosures for Non-Financial Assets¹

Amendments to TAS 39 Novation of Derivatives and Continuation of Hedge Accounting¹

TFRS Interpretation 21 Levies¹

Amendments toTAS 21 Effect of Exchange Differences²

Amendments to TFRS 10, 12, TAS 27 Investment Entities

This amendment with the additional provisions of TFRS 10 provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss.

Amendments to TAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to TAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'.

Amendments to TAS 36 Recoverable Amount Disclosures for Non-Financial Assets

As a consequence of TFRS 13 Fair Value Measurements, there are amendments in the explanations about the measurement of the recoverable amount of an impaired asset. This amendment is limited to non-financial assets and paragraphs 130 and 134 of TAS 36 has been changed.

¹ Effective for annual periods beginning on or after 1 January 2014.

² Valid since the publishment of changes, 12 November 2014.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Amendments to TAS 39 Novation of Derivatives and Continuation of Hedge Accounting

This amendment to IAS 39 makes it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

TFRS Interpretation 21 Levies

IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

TAS 21 (Ammendments) Effect Of Changes In Foreign Exchange Rates

Article (b), paragraph 39 of TAS 21-Effect of Changes in Foreing Exchange Rates has been revised as below.

"(b) Income and expenses, are recorded at the rates of exchange prevailing on the dates of the transactions in all statements that profit or loss and other comprehensive income are presented.

(c) New and revised TFRSs in issue but not yet effective

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

TFRS 9 Financial Instruments

Amendments to TAS 9 and TAS 7 Establishment date for TAS 9 and transition definitions. Amendments to TAS 19 Defined Benefit Plans: Employee Contributions ¹

Annual Improvements to

2010-2012 Cycle TFRS 2, TFRS 3, TFRS 8, TFRS 13, TAS 16 and TAS 38, TAS 24, TAS 9, TAS 37, TAS 39 1

Annual Improvements to

2011-2013 Cycle TFRS 3, TFRS 13, TAS 40 ¹
Amendments to TFRS 16 and TAS 38 Regulatory Deferral Accounts ²

Amendments to TAS 16 and TAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation ²

Amendments to TAS 16 and TAS 41 with amendments to TAS 1, TAS 17,

TAS 23, TAS 36 and TAS 40 Agriculture: Bearer Plants ²

Amendments to TAS 11 and TAS 1 Recognition of shares gained in joint activity ²

TFRS 9 Financial Instruments

TFRS 9, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. TFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting.

Amendments to TFRS 9 and TFRS 7 Mandatory Effective Date of TFRS 9 and Transition Disclosures

On November 2013, it is tentatively decided that the mandatory effective date of TFRS 9 will be no earlier than annual periods beginning on or after 1 January 2018. The amendment has not published by POA yet.

Amendments to TAS 19 Defined Benefit Plans: Employee Contributions

This amendment clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

¹ Effective for annual periods beginning on or after 30 June 2014.

² Effective for annual periods beginning on or after 31 December 2015.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Annual Improvements to 2010-2012 Cycle

TFRS 2: Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'

TFRS 3: Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

TFRS 8: Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly.

TFRS 13: Clarify that issuing TFRS 13 and amending TFRS 9 and TAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only).

TAS 16 and TAS 38: Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

TAS 24: Clarify how payments to entities providing management services are to be disclosed.

Annual Improvements to 2011-2013 Cycle

TFRS 3: Clarify that TFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

TFRS 13: Clarify the scope of the portfolio exception in paragraph 52

TAS 40: Clarifying the interrelationship of TFRS 3 and TAS 40 when classifying property as investment property or owner-occupied property.

Amendments to TAS 16 and TAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment clarifies that that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment, and introduces a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendment also adds guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Amendments to TAS 16 and TAS 41 with TAS 1, TAS 17, TAS 23, TAS 36, TAS 40 Agriculture: Bearer Plants

This amendment include "bearer plants" within the scope of TAS 16 rather than TAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with TAS 16. The amendment also introduces a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales, and clarifies that produce growing on bearer plants remains within the scope of TAS 41.

The amendments done to the TAS 16 and TAS 41 caused to the amendmends to TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 respectively.

Amendments to TFRS 11 and TFRS 1 Accounting for Acquisition of Interests in Joint operations

This amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business to:

- apply all of the business combinations accounting principles in TFRS 3 and other TFRSs, except for those principles that conflict with the quidance in TFRS 11
- disclose the information required by TFRS 3 and other TFRSs for business combinations.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Amendments applied in TFRS 11 caused the changes in the related parts TFRS 1.

The Group assesses the effects of the standards on financial situation and performance.

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.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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).

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.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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.

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.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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).

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 9.018.123 (31 December 2013: TL 13.875.870) and their loss before tax and non-controlling interests would have increased by TL 9.018.123 (31 December 2013: TL 13.875.870).

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 819.829 and loss before tax and non-controlling interests would have decreased by TL 819.829 (31 December 2013: TL 1.261.443) or
- Had the useful lives been lower by 10%, amortization charges would have increased by TL 1.002.014 and loss before tax and non-control-ling interests would have increased by TL 1.002.014 (31 December 2013: TL 1.541.763).

Impairment of goodwill and intangible assets:

The Group conducted goodwill impairment analysis as of 31 December 2014 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 thes calculations.

Discount and EBITDA increase rates for projected cash flows following the five-year period are as below:

	EBITDA Increase Rate (%)	Discount Rate (%)
TME	35	15,7

The Group has set a provision for impairment of goodwill in consolidated financial statements as of 31 December 2014 in the amount of TL 75.900.664 (31 December 2013: None) (Note: 16). Impairment of goodwill occured because of the currency depreciation of Ruble in current period which is caused by the changes in the economical position of the Russia and the discount rate increased which is used in estimation of recoverable value.

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 26.198.932 (31 December 2013: TL 25.962.498 for goodwill and itangible assets) to its financial statements and net profit before tax and non-controlling interests would decrease by TL 26.198.932 (31 December 2013: TL 25.962.498).

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 27.465.052, to its financial statements and net loss before tax and non-controlling interest would increase by TL 27.465.052.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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 2014 and 31 December 2013 are summarized below:

Currency	31 December 2014	31 December 2013
Ruble	0,0398	0,0652
Euro	2,8243	2,9365
Forint	0,0089	0,0099
Kuna	0,3685	0,3846
Grivna	0,1474	0,2670
New Ley	0,6294	0,6549
Tenge	0,0128	0,0139
Belarusian Ruble	0,0002	0,0002
	Ruble Euro Forint Kuna Grivna New Ley Tenge	Ruble 0,0398 Euro 2,8243 Forint 0,0089 Kuna 0,3685 Grivna 0,1474 New Ley 0,6294 Tenge 0,0128

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.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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 or 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).

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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 2014 and 31 December 2013.

NOTE 4-SEGMENT REPORTING

a) Segmental analysis for the period between 1 January - 31 December 2014:

	Turkey	Russia and EE	Europe	Total
Sales	541.462.949	138.990.741	39.128.753	719.582.443
Cost of sales (-)	(360.001.306)	(70.414.984)	(40.956.917)	(471.373.207)
Gross operating profit	181.461.643	68.575.757	(1.828.164)	248.209.236
Marketing, selling and distribution expenses (-)	(103.058.330)	(31.240.399)	-	(134.298.729)
Losses from investments accounted by the equity method (-)	(2.657.717)	196.785	-	(2.460.932)
Net segment result	75.745.596	37.532.143	(1.828.164)	111.449.575
General administrative expenses (-)				(140.948.559)
Other operating income				123.426.312
Other operating expenses (-)				(57.242.013)
Finance expenses (-)			·	(198.577.145)
Income from investing activities				57.580.861
Expense from investing activities (-)				(94.620.218)
Loss before tax				(198.931.187)
Tax expenses for the period (-)				(5.034.056)
Deferred tax income				1.796.938
Net loss for the period				(202.168.305)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

7.995.497

9.013.738

934.978.656

19.432.851

13.768.940

1.438.404.054

b) Segmental analysis for the period between 1 January - 30 September 2013:

Unallocated assets

Investments accounted by the equity method Total assets per consolidated financial statements

	Turkey	Russia and EE	Europ	e Total
Sales	586.105.099	183.270.112	36.199.40	01 805.574.612
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	9) 291.136.859
Marketing, selling and distribution expenses (-)	(112.157.628)	(33.120.637)	(139.53	1) (145.417.796)
Losses from investments accounted by the equity method (-)	(7.770.000)	609.056	(103.00	- (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				82.344.140
Other operating expense (-)				(45.274.193)
Finance expenses (-)				(101.479.505)
Income from investing activities				21.687.630
Expense from investing activities (-)				(13.020.147)
Monetary gain/loss				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)
c) Segment assets:				
		31 Decem	ber 2014	31 December 2013
Turkey		170).559.037	612.525.953
Russia and EE			3.160.060	658.048.124
Europe			9.250.324	134.628.186
		917	7.969.421	1.405.202.263

Group's assets other than segment assets include prepaid taxes (Note 22), VAT receivables (Note 22) and deferred taxes assets (Note 32).

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

d) Segment liabilities:

	31 December 2014	31 December 2013
Turkey	67.363.592	32.386.348
Russia and EE	103.424.109	169.726.775
Europe	22.874.026	66.195.033
	193.661.727	268.308.156
Unallocated liabilities	314.122.756	446.954.014
Total liabilities per consolidated financial statements	507.784.483	715.262.170

Group's liabilities other than other segments liabilities is composed of provisions (Note 18), employee termination benefits (Note 20), VAT payable (Note 22) and unused vacation provision (Note 18), current tax liability and deferred tax liabilities (Note 32).

e) Property, plant and equipment, intangible assets and investment property purchases and depreciation and amortization

Property, plant and equipment, intangible assets and investment property purchases:

	31 December 2014	31 December 2013
Turkey	41.358.595	19.261.397
Russia and EE	5.879.796	5.036.455
Europe	1.042.658	1.272.213
Total	48.281.049	25.570.065

Depreciation and amortization charges

	31 December 2014	31 December 2013
Turkey	40.812.817	43.260.786
Russia and EE	24.975.495	26.772.653
Europe	3.964.474	8.413.046
Total	69.752.786	78.446.485

f) Non-cash other expenses:

	1 January-31 December 2014			
	Turkey	Russia and EE	Europe	Total
		75,000,004		75,000,004
Provision of goodwill impairment		75.900.664		75.900.664
Provision of employee termination benefit and				
unused vacation (Notes 18,20)	8.410.897	3.300.895	-	11.711.792
Provision for doubtful receivables (Note 9,22)	12.262.147	-	-	12.262.147
Provision of legal claims (Note 18)	1.978.589	-	-	1.978.589
Provision of inventory impairment (Note 12)	2.010.365	-	-	2.010.365
	24.661.998	79.201.559	_	103.863.557

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

	1 January-31 December 2013				
	Turkey	Russia and EE	Europe	Total	
Provision for impairment of assets for held (Note 35)	_	-	23.301.137	23.301.137	
Provision of employee termination benefits and					
unused vacation (Notes 18,20)	9.964.842	5.808.872	-	15.773.714	
Provision of doubtful receivables (Notes 9,22)	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	

NOTE 5-CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Cash	387.760	661.026
Banks		
- time deposits	38.208.697	24.717.629
- demand deposits	18.012.967	21.796.687
- blocked deposits	23.229	31.506
Total	56.632.653	47.206.848

The Group has blocked deposits amounting to TL 23.229 as of 31 December 2014 (31 December 2013: TL 31.506). The blocked deposits consist of demand deposits amounting to TL 23.229 (31 December 2012: TL 30.341).

Cash and cash equivalents included in the consolidated statements of cash flows as of 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Cook and hanks	56.632.653	47,000,040
Cash and banks		47.206.848
Less: Blocked deposits	(23.229)	(31.506)
Less: Interest accruals	(4.777)	(202.381)
Total	56.604.647	46.972.961

The maturity analysis of time deposits of the year 2014 and 2013 including the blocked time deposits is as follows:

	31 December 2014	31 December 2013	
0-1 months	35.488.697	24.620.616	
1-3 months	2.720.000	98.178	
	38.208.697	24.718.794	
	-		

There are no time deposits with variable interest rates at 31 December 2014 and 31 December 2013. The gross interest rate for TL time deposits is 9,3% as of 31 December 2014 (31 December 2013: 8,32%). The gross interest rates of foreign currency denominated time deposits are 0,2 % for Usd (31 December 2013: 4,07%).

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

NOTE 6-FINANCIAL ASSETS

Financial assets available for sale:

The details of financial assets available for sales as of 31 December 2014 and 31 December 2013 are as presented below:

	Share %	31 December 2014	Share %	31 December 2013
Doğan Factoring 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
B2C Prodüksiyon Bilişim ve Emlak Danışmanlığı Sanayi Ticaret A.Ş. ("B2C")	15,00	150.000	15,00	150.000
Other	-	70.286	-	70.624
Total		1.976.568		1.976.906

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.

NOTE 7-FINANCIAL LIABILITIES

The details of financial liabilities at 31 December 2014 and 31 December 2013 are as follows:

Short-term borrowings:	31 December 2014	31 December 2013
Short-term bank borrowings	11.311.468	2.387.299
Financial liabilities to suppliers	2.139.637	6.436.107
	13.451.105	8.823.406
Short term portion of long-term financial liabilities	159.660.282	143.052.144
Total	173.111.387	151.875.550
Long-term financial liabilities:	31 December 2014	31 Aralık 2013
Long-term bank borrowings	92.128.150	261.465.762
Financial liabilities to suppliers	-	4.692.877
Total	92.128.150	266.158.639

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Bank borrowings:

The details of bank borrowings at 31 December 2014 and 31 December 2013 are as follows:

	Effective into	erest rate (%)	Original fore	Original foreign currency		ι
	31 December	31 December	31 December	31 December	31 December	31 December
	2014	2013	2014	2013	2014	2013
Short-term bank borrowings						
- USD	3,97	-	222.953	-	517.005	-
- Euro	3,73	-	62.952	-	177.569	-
- TL	11,05	-	3.263.662	2.387.300	3.263.662	2.387.299
- RUR	2,40	-	178.395.386	-	7.353.232	-
Sub-total Sub-total			3.549.567	2.387.300	11.311.468	2.387.299
			(7.761.901)			
Short-term portion of long-term bank borrowings						
- USD	3,97	6,1	68.184.000	62.117.344	158.111.878	132.577.048
- Euro	3,73	2,9	548.943	3.567.205	1.548.404	10.475.096
Sub-total					159.660.282	143.052.144
Total short-term bank borrowings						
Long-term bank borrowings						
USD	-	5,6	-	120.000.000	-	256.116.000
- Euro	3,45	2,9	11.212.873	1.821.816	31.628.150	5.349.762
- TL	11,05	-	60.500.000	-	60.500.000	-
Total long-term bank borrowings					92.128.150	261.465.762

The repayment schedules of long-term bank borrowings are as follows:

Year	31 December 2014	31 December 2013	
2015	<u>-</u>	257.904.161	
2016	90.491.730	1.857.998	
2017	1.260.744	1.703.603	
2018	375.676		
Total	92.128.150	261.465.762	

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 2014	31 December 2013
Up to 6 months	262.169.069	405.378.225
6-12 months	930.831	1.350.790
1 to 5 years	-	176.190
Total	263.099.900	406.905.205

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Group borrows loans on fixed and floating interest rates. Distribution of variable and fixed interest loans are presented in Note 37.1 (i).

As a result of TME's loan agreement, USD 35.000.000 deposits of Doğan Holding has 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 0,68% for Euro (31 December 2013: Euro: 1,60%).

The repayment schedules of long-term financial liabilities to suppliers are as follows:

Year	31 December 2014	31 December 2013
2015	-	4.692.877
Total	-	4.692.877

As of 31 December 2014, the Group's short-term financial liabilities to suppliers issued at variable interest rate are amounting to TL 2.139.637 (31 December 2013: TL 6.436.107), long-term financial liabilities issued at variable interest rate (31 December 2013: TL 2.226.217) and the long-term financial liabilities issued at fixed interest rate are not exist (31 December 2013: TL 2.466.660).

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 2014	31 December 2013
Up to 6 months	2.139.637	8.662.324
1 to 5 years	-	2.466.660
Total	2.139.637	11.128.984

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 significant.

The Group's bank borrowings and financial liabilities to suppliers with variable interest rate are amounting to TL 30.522.923 as of 31 December 2014 (31 December 2013: TL 224.302.700).

NOTE 8-OTHER FINANCIAL ASSETS AND LIABILITIES

Other short term financial liabilities at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Provision due to put option (1)	-	16.154.517
Derivative instruments	-	2.440.486
Total	-	18.595.003

⁽¹⁾ As it is stated in the Note 18 that, there is a controversy between the parties regarding to the sales of shares of the Group's non-controlling interest shareholders to TCM Adria d.o.o. and/or Group. In the current period, Invalidity of option and payment of indemnity is decided by the Zagreb Conciliation Court. The judgment has been appealed on 5 November 2014 and the suspension of the payment has been filed. As of 31 December 2014 in line with the precautionary principle of the accounting, the liability previously calculated related to "option" was calculated considering the interest (TL 17.741.904) and recorded as "provision for lawsuit". In case the appeal process would result in favor of the Group, the liability will disappear; otherwise, costs of the lawsuit with additional interests will be calculated and recorded in the period of occurance.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

a) Derivative instruments

i) Derivative instruments against foreign exchange risk

The Group has not made a Euro swap transaction in the current year (31 December 2013: USD 20.000.000 Euro compensation agreement regarding bank loans and liability in amounting to TL 2.440.486) related with liabilities and compensation agreement.

ii) Interest rate swap transactions

The Group has not made a floating interest rate swap agreement for interest payments in the current period. Financial expense in amounting to TL 247.108 is recognized regarding the agreement that is closed during the period. (31 December 2013: USD 10.000.000 portion of the financial loan to be calculated from USD floating rate (Libor) to Euro floating rate (Euribor). TL 634.886 finance expense has been recorded resulting from this agreement.)

NOTE 9-TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables net off of unearned finance income at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Trade receivables	218.423.414	233.608.011
Notes and cheques receivable	2.687.206	2.996.291
Receivables from credit cards	2.534.482	1.718.307
Income accruals	375.092	250.383
Unearned finance income due from term sales	(1.034.358)	(2.727.380)
Less: Provision for doubtful receivables (Note 36)	(53.178.972)	(51.384.264)
Short-term trade receivables	169.806.864	184.461.348

According to a revocable commitment agreement signed with Doğan Factoring Hizmetleri A.Ş., trade receivables resulting from advertisements, amounting to TL 125.529.315 (31 December 2013: TL 129.692.268) 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 102 days (31 December 2013: 96 days). The unearned finance income due from sales with maturity related with the receivables followed up by Doğan Factoring is TL 808.088 (31 December 2013: TL 895.559) and the compound interest rate is 12,01% per annum (31 December 2013: 12,01%).

The movements of provision for doubtful receivables are as follows:

	2014	2013
1 January	(51.384.264)	(57.630.747)
Additions during the period (Note 28)	(12.262.147)	(8.201.319)
Collections during the period (Note 27)	2.527.681	2.418.092
Write off of uncollectable receivables	-	6.650.273
Disposal of subsidiary	8.152.165	4.413.848
Currency translation differences	(212.407)	965.589
31 December	(53.178.972)	(51.384.264)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Trade payables at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 Aralık 2013
Short-term trade payables	43.478.493	46.499.414
Expense accruals	4.039.827	1.737.604
Unrealized financial expenses due to term purchases	(131.895)	(225.536)
Total	47.386.425	48.011.482

As of 31 December 2014, the due date of Group's trade payables is 38 days (31 December 2013: 50 days). As of 31 December 2014, urealized financial expense is TL 149.786 and the compound interest rate is 12,01% per annum (31 December 2013: 12,01%).

NOTE 10-OTHER RECEIVABLES AND PAYABLES

Other short-term receivables at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Notes and cheques receivable (1)	-	73.576.936
Deposits and guarantees given	3.420.288	3.520.295
Total	3.420.288	77.097.231

⁽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 Gayrimenkul 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 instalments 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 is calculated by using the effective interest rate as of 31 December 2013 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.

Other long-term receivables at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Deposits and guarantees given	1.764.612	1.508.340
Total	1.764.612	1.508.340
Other short-term payables at 31 December 2014 and 31 December 2013 are as follows:		
	31 December 2014	31 December 2013
Taxes payable	937.814	3.501.640
Deposits and guarantees received	739.982	577.489
Total	1.677.796	4.079.129

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Other long-term payables at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Deposits and guarantees received	323.430	235.345
Due to personnel	157.160	228.512
Total	480.590	463.857

NOTE 11 - EMPLOYEE BENEFIT PAYABLES

Employee benefit payables as of 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Social security withholdings payable	3.519.012	3.528.442
Due to personnel	2.602.291	6.107.888
Total	6.121.303	9.636.330

NOTE 12-INVENTORIES

	31 December 2014	31 December 2013
Raw materials and supplies	8.105.375	12.583.722
Promotion materials (1)	3.500.045	2.633.262
Finished goods and merchandise	1.904.307	173.653
Semi-finished goods	9.276	1.969.051
Total	13.519.003	17.359.688

⁽¹⁾ Promotion materials include promotion materials such as books, CDs and DVDs provided to readers.

Provision for impairment of promotion inventories, raw materials and supplies and finished goods and merchandise amount in to TL 5.779.170 (31 December 2013: TL 4.168.833) and their movement during the period are as follows:

	2014	2013	
1 January	(4.168.833)	(3.433.906)	
Provision of promotion inventories	(1.515.019)	(427.515)	
Reversal of provision of promotion materials	217.789	326.866	
Provision of raw materials and supplies	(495.346)	(689.316)	
Reversal of provision of raw materials and supplies	182.239	55.038	
31 December	(5.779.170)	(4.168.833)	

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

NOTE 13-INVESTMENTS ACCOUNTED BY THE EQUITY METHOD

As of 31 December 2014 and 31 December 2013, , 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 2014 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries (%)	31 December 2013 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	39,29	37,14
TOV E-Prostir	39,29	37,14
Joint Ventures	31 December 2014 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries (%)	31 December 2013 percentage of shares, directly or indirectly owned by Hurriyet and its Subsidiaries (%)
ASPM Holding B.V.	40,07	37,88

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 2014, the Group's share of financial statements which are valued by equity method, are as follows:

					Net (loss)/profit
31 December 2014	Total assets	Total liabilities	Net assets	Net sales	for the period
Doğan Madia	0.000.000	1 050 707	0.070.400	15 150 000	(0.057.717)
Doğan Media	8.338.206	1.958.737	6.379.469	15.153.829	(2.657.717)
SP Pronto Kiev	2.448.753	64.021	2.384.732	1.270.591	(51.914)
ASPM Holding B.V.	89.953	27.343	62.610	_	_
TOV E-Prostir	280.766	93.839	186.927	359.824	248.699
	11.157.678	2.143.940	9.013.738	16.784.244	(2.460.932)

The summary of Group's share of the financial statements of the investments accounted by the equity method at 31 December 2013 is as follows:

					Net (loss)/profit
31 December 2013	Total assets	Total liabilities	Net assets	Net sales	for the period
Doğan 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)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

The investments accounted by the equity method as of 31 December 2014 and 31 December 2013 are as follows:

	Share (%)	31 December 2014	Share (%)	31 December 2013
Dogan Media	42,42	6.379.469	42,42	9.325.328
SP Pronto Kiev	39,29	2.384.732	37,14	4.385.986
ASPM Holding B.V.	40,07	62.610	37,88	57.626
TOV E-Prostir	39,29	186.927	37,14	-
		9.013.738		13.768.940

The summary of Group's share of the financial statements of the investments accounted by the equity method at 31 December 2014 and 31 December 2013 is as follows:

	2014	2013
1 January	13.768.940	8.905.216
Restated	-	13.115.786
Loss from associates	(2.460.932)	(7.160.944)
Currency translation differences	(2.294.270)	(496.043)
Dividend distribution	-	(595.075)
31 December	9.013.738	13.768.940

NOTE 14-INVESTMENT PROPERTY

The movements in investment property as of 31 December 2014 are as follows:

		Change in fair	ange in fair		
	1 january 2014	Additions (1)	Disposals (1)	value adjustment	31 December 2014
Cost:					
Land	40.383.785	-	(1.595.000)	20.804.000	59.592.785
Buildings	16.994.536	32.189.902	(29.621.762)	3.761.749	23.324.425
	57.378.321	32.189.902	(31.216.762)	24.565.749	82.917.210

⁽¹⁾ Additions and disposals due from the sale of investment properties acquired by the barter agreements.

The Group's rent income from investment properties amounted to TL 94.380 as of 31 December 2014 (31 December 2013: 95.638). The Group's direct operating expenses arising from the investment properties in the period amounted to TL 129.970 (31 December 2012: TL 366.723).

The movements in investment property as of 31 December 2013 are as follows:

			Change in fair		
1 January 2013	Additions (1)	Disposals (1)	value adjustment	31 December 2013	
26.109.998	225.000	-	14.048.787	40.383.785	
23.941.139	5.630.005	(15.271.629)	2.695.021	16.994.536	
E0 051 127	E 055 005	(15 271 620)	16 742 000	57.378.321	
	26.109.998	26.109.998 225.000 23.941.139 5.630.005	26.109.998 225.000 - 23.941.139 5.630.005 (15.271.629)	26.109.998 225.000 - 14.048.787 23.941.139 5.630.005 (15.271.629) 2.695.021	

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(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 2014 are as follows:

	1 January 2014	Currency translation differences	Additions	Disposals	Transfers	Disposal of subsidiary	31 December 2014
Cost		,					
Land and land improvements	20.555.973	(370.993)	-	(2.767.230)	-	-	17.417.750
Buildings	157.304.701	(5.184.212)	51.594	(874.600)	-	-	151.297.483
Machinery and equipment	624.821.865	22.342.218	1.585.123	(1.287.713)	36.309	(74.764.009)	572.733.793
Motor vehicles	9.894.704	(4.913.814)	50.057	(1.315.477)	-	(83.945)	3.631.525
Furnitures and fixtures	53.232.221	9.473.052	4.602.537	(2.393.420)	-	(1.039.078)	63.875.312
Leasehold improvements	37.168.974	80.982	-	-	-	(298.931)	36.951.025
Other intangible assets	941.814	18.329	-	-	-	-	960.143
Construction in progress	1.110.935	1.512.470	1.106.690	(168.361)	(36.309)	(2.325)	3.523.100
	905.031.187	22.958.032	7.396.001	(8.806.801)	-	(76.188.288)	850.390.131
Accumulated amortization							
Land and land improvements	(429.981)	-	(51.683)	-	-	-	(481.664)
Buildings	(47.620.451)	5.942.564	(3.802.621)	183.666	-	-	(45.296.842)
Machinery and equipments	(512.397.282)	(15.452.397)	(29.382.244)	1.266.065	-	60.335.532	(495.630.326)
Motor vehicles	(7.508.306)	1.626.578	(451.448)	1.153.598	-	83.945	(5.095.633)
Furnitures and fixtures	(37.056.364)	(12.531.016)	(7.486.617)	2.133.927	-	941.658	(53.998.412)
Leasehold improvements	(26.639.578)	(76.858)	(2.121.937)	-	-	281.382	(28.556.991)
Other intangible assets	(1.198.665)	(262.191)	(77.734)	-	-	-	(1.538.590)
	(632.850.627)	(20.753.320)	(43.374.284)	4.737.256	-	61.642.517	(630.598.458)
Net book value	272.180.560						219.791.673

At 31 December 2014, net book value of the property, plant and equipment included in machinery and equipments and acquired through financial leases is amounting to TL 2.671.360 (31 December 2013: TL 4.379.154).

At 31 December 2014 there are mortgages on property, plant and equipment amounting to TL 18.334.550 (31 December 2013: TL 19.087.250).

For the period ended at 31 December 2014 depreciation expense amounting to TL 31.453.438 (31 December 2013: TL 35.778.039) is added to cost of sales (Note 24), amounting to TL 11.920.846 (31 December 2013: TL 10.869.287) is added to marketing, selling and distribution and general administrative expenses (Note 25).

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(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 2013 are as follows:

		Currency translation		5 1		Reclassified as assets	Disposal of	31 December
Cont	1 january 2013	differences	Additions	Disposals	Transfers	held for sale	subsidiary	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 equipment	(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

NOTE 16-INTANGIBLE ASSETS

i) Goodwill

The movements of goodwill for the periods ended at 31 December are as follows:

	2014	2013
1 January	119.422.217	118.331.349
Currency translation differences	(43.521.553)	11.091.759
Impairment (1)	(75.900.664)	-
Disposal of subsidiary	-	(6.457.517)
Other (2)	-	(3.543.374)
31 December	-	119.422.217

⁽¹⁾ As of 31 December 2014, goodwill impairment as described in Note 2.2.11 is TL 75.900.664 is arising from the acquisition of Group's subsidiary which operates in Russia.

⁽²⁾ Represents the changes in the fair value of the put options (Note 2.2.24).

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(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 2014 are as follows:

	1 January 2014	Currency translation differences	Additions	Disposals	Transfers	Disposal of subsidiary (1)	31 December 2014
Cost							
Trade names and licenses	331.417.081	(118.113.591)	-	-	-	-	213.303.490
Customer list	339.350.912	(115.244.467)	-	-	-	-	224.106.445
Computer software and rights	65.325.354	(3.758.277)	4.327.672	(4.331.346)	-	(77.045)	61.486.358
Internet domain names	30.051.963	(12.953.558)	3.951.006	_	572.863	-	21.622.274
Other intangible assets	3.098.494	32.774	160.352	-	-	(467.709)	2.823.911
Construction in progress	11.592	966.533	256.116	(46.955)	(572.863)	-	614.423
	769.255.396	(249.070.586)	8.695.146	(4.378.301)	-	(544.754)	523.956.901
Accumulated amortization				,			
Trade names and licenses	(23.355.430)	4.430.892	(1.418.364)	-	-	-	(20.342.902)
Customer list	(143.570.507)	47.381.310	(15.167.751)	-	-	-	(111.356.948)
Computer software and rights	(51.742.375)	2.667.157	(6.138.246)	4.265.861	-	77.045	(50.870.558)
Internet domain names	(12.325.494)	5.774.249	(3.435.671)	-	-	-	(9.986.916)
Other intangible assets	(3.019.314)	(31.247)	(218.470)	-	-	324.212	(2.944.819)
	(234.013.120)	60.222.361	(26.378.502)	4.265.861	-	401.257	(195.502.143)
Net book value	535.242.276						328.454.758

[🕦] In 2014, the Group has disposed of its entire shares in its subsidiary Oglasnik d.o.o., Expressz Magyarorszag Media Kft. and Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. (Note 36).

Amortization expense amounting to TL 26.378.502 (31 December 2013: TL 31.799.159) has been included in marketing, selling and distribution and general administrative expenses as of 31 December 2014.

The movements in intangible assets and related accumulated amortization for the period ended 31 December 2013 are as follows:

		Currency				Classification		
	1 January	translation				to assets held	Disposal of	31 December
	2013	differences	Additions	Disposals	Transfers	for sale (2)	subsidiary ⁽¹⁾	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

⁽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. In 28 February 2014, the Group has disposed of its entire shares in its subsidiary Oglasnik d.o.o. for 2 Kuna and in 7 April 2014, Expressz Magyarorszag Media Kft. for EUR 1 to non-controlling interest.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

The cost of trade names and licenses with indefinite useful lives amounted to TL 180.362.463 as of 31 December 2014 (31 December 2013: TL 277.517.400). 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.

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 2013: for the imported equipments amounting to USD 13.595.062, for the domestic equipments amounting to TL 1.502.399).

NOTE 18-PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of report date, tax investigation has been conducted for the company is continues and the result of the investigation has not been issued. Since the Group management can not forecast the reliable amount, they did not recorded the provision to the financal statements defined below.

As of 31 December 2014 and 31 December 2013, short term provisions are as follows:

	31 December 2014	31 December 2013
Provision for unused vacation rights	15.696.372	17.760.561
Provisions for lawsuit and compensation (1)	23.673.992	4.069.499
Total	39.370.364	21.830.060

⁽¹⁾ There was controversy between TCM Adria d.o.o, a subsidiary of the Group, which has 70% shares of Oglasnik d.o.o and owners of remaining 30% and non controlling interests about put option of non controlling interest's hares to TCM Adria d.o.o and/or to the Group. The arbitration process ongoing in Zagreb Arbitration Court has been resulted; accordingly the option was decided as invalid and a compensation in favor of the non-controlling was decided due to the loss occured. The judgment has been appealed on 5 November 2014 and the suspension of the payment has been filed. As of 31 December 2014 in line with the precautionary principle of the accounting, the liability previously calculated related to "option" was calculated considering the interest and recorded as "provision for lawsuit". In case the appeal process would result in favor of the Group, the liability will disappear; otherwise, costs of the lawsuit with additional interests will be calculated and recorded in the period of occurance. Amounting TL 5.932.088 of litigation and compensation provisions are considered as provisions for other law suits (Note 8).

i. Provision of litigation

The movements in provision for unused vacation rights during the periods ended at 31 December are as follows:

	2014	2013
1 January	(17.760.561)	(14.836.862)
Additions during the period	(3.620.053)	(8.049.497)
Payments related to provisions	3.699.300	5.445.123
Sale of subsidiary	881.078	-
Currency translation differences	1.103.864	(319.325)
31 December	(15.696.372)	(17.760.561)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

The lawsuits against the Group amounted to TL 35.615.377 (31 December 2013: TL 29.686.311). 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 2014 the Group has set a provision of TL 23.673.992 for lawsuits (31 December 2013: TL 4.069.499) but the management thinks that it is not possible to determine their payment terms.

ii. Provision of litigation

As at 31 December 2014 and 31 December 2013, the Group's ongoing lawsuits are as follows:

	31 December 2014	31 December 2013
Legal lawsuits	29.564.126	23.199.519
Commercial lawsuits	3.205.000	3.286.792
Labor lawsuits	2.844.251	3.200.000
Penal lawsuits	2.000	-
Total	35.615.377	29.686.311
The movements of provision for lawsuits for the periods ending 31 December are as follows:		
	2014	2013
1 January	(4.069.499)	(3.680.581)
Transfer from other financial liabilities	(17.741.904)	-
Additions during the period (Note 28)	(1.978.589)	(1.897.012)
Disposal of subsidiaries	116.000	_
Payments related to provisions	-	1.508.094
31 December	(23.673.992)	(4.069.499)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

NOTE 19-COMMITMENTS

Group's collaterals/pledge/mortgage ("CPM") position as of 31 December 2014 and 31 December 2013 are as follows:

	31 Decem	ber 2014	31 Decem	ber 2013
	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
A. CPM's given in the name of its own legal personality				
-Collaterals				
TL	1.556.344	1.556.344	1.624.865	1.624.865
Euro	25.100	70.800	25.000	73.413
-Mortgages				
TL	-	-	-	-
Euro	6.500.000	18.334.550	6.500.000	19.087.250
B. CPM's given on behalf of the fully consolidated companies (1)				
-Commitments				
TL	826.012	826.012	918.903	918.903
USD	13.540	31.398	3.540	7.555
Euro	3.055.000	8.617.239	3.055.000	8.971.008
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				
		29.436.343		30.682.994

⁽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 2014 (31 December 2013: 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 2014, the Group has a commitment for the publication of advertisements amounting to TL 9.292.545 (31 December 2013: TL 5.379.691) in exchange for purchasing goods and services and has an option to purchase goods and services amounting to TL 7.426.866 (31 December 2013: TL 14.997.250) in exchange of the goods or services sold.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

NOTE 20 - EMPLOYMENT TERMINATION BENEFITS

Provision for employment termination benefits at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Provision for employment termination benefits	46.429.651	47.989.848
Total	46.429.651	47.989.848

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 3.438,22 (31 December 2013: TL 3.254,44) 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.

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, 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 8,10% (31 December 2013: 9,70%), 5,00% (31 December 2013: 6,40%) and 5,00% (31 December 2013: 6,40%), respectively.
- In calculation, ceiling wage amounting to TL 3.541,37 which is valid as of 31 December 2014 (31 December 2013: TL 3.254,44) has been taken into consideration as basis.
- Retirement age is regarded as the earliest age at which each employee can retire.

The movements in provision for employment termination benefits during the periods ended at 31 December are as follows:

	2014	2013
1 January	(47.989.848)	(44.563.930)
Actuarial gain	62.668	(2.304.048)
Service cost during the period	(4.627.875)	(4.950.801)
Net interest expense due to		
the defined benefit obligation	(3.463.864)	(2.773.416)
Payments and reversal of provisions		
during the period	8.463.382	6.602.347
Disposal of subsidiary	1.125.886	-
31 December	(46.429.651)	(47.989.848)

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 2014.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

NOTE 21 - PREPAID EXPENSES

	31 December 2014	31 December 2013
Prepaid expenses Prepaid expenses	3.136.250	5.225.920
	3.136.250	5.225.920
Prepaid expenses are mostly composed of the prepaid rents and insurance expenses.		
	31 December 2014	31 December 2013
Deferred income (*)	7.078.107	10.072.664
	7.078.107	10.072.664

^(*) Deferred income amounting to TL 7.078.107 is regarding to the services provided as subscripiton and they will be recognize as revenue when they are used.

NOTE 22-OTHER ASSETS AND LIABILITIES

Other Current Assets

Other current assets at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Advances given to personnel	2.834.580	3.908.028
Value added tax ("VAT") receivables	829.024	1.235.760
Job advances	668.726	466.137
Advances given	129.314	88.716
Blocked deposits (1)	-	36.591.846
Other	3.704.500	2.364.739
Provision for other doubtful receivable (-)	(788.426)	(872.929)
Total	7.377.718	43.782.297

⁽¹⁾ According to the amendment agreement of USD 50.000.000 bank loan made in 24 February 2014, total of USD 17.200.000 was paid as principal including additional amount the blocked deposit as of 31 December 2013.

Movements of the provision for other doubtful receivables are as follows:

	2014	2013
1 lanuary	(872.929)	(746.910)
1 January	(6/2.323)	(746.910)
Currency translation differences	84.503	(126.019)
31 December	(788.426)	(872.929)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Other Non-Current Assets

Other non-current assets at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Value added tax ("VAT") receivable		752.090
Prepaid expenses	1.095.335	1.165.214
Advances given due to fixed asset purchase	-	395.093
Blocked deposit	19.103	19.683
Total	1.114.438	2.332.080

Other Short-Term Liabilities

Other short-term liabilities at 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
VAT payable	1.655.695	3.113.944
Other	1.651.384	109.935
Total	3.307.079	3.223.879

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 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
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.

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.

Shareholders	31 December 2014	Share (%)	31 December 2013	Share (%)
Doğan Yayın Holding (1)	-	-	367.416.194	66,56
Doğan Holding (1)	428.616.468	77,65	61.200.274	11,09
Other shareholders				
(BİAŞ and other shareholders)	123.383.532	22,35	123.383.532	22,35
Issued share capital	552.000.000	100,00	552.000.000	100,00
Adjustment to share capital	77.198.813		77.198.813	
Total	629.198.813	100,00	629.198.813	100,00

⁽¹⁾ The merger acquisiton under Doğan Holding through take over of Doğan Yayın Holding in its entirely with all its asstes and liabilities by its controlling shareholder Doğan Holding has been registired with Trade Registry on 26 August 2014. Upon the registiration of the Merger, the Company has ceased by being dissolved without liquidation. By the date of registry, Doğan Holding has become direct share owner in the ratio of 77,65 %.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

In accordance with the Capital Markets Board's (the "CMB") Resolution No: 21/655 issued on 23 July 2010, it is regarded that 21,60% of the shares (31 December 2013: 21,98%)

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 165.883.369 (31 December 2013: TL 167.305.861) consist of legal reserves and gain on sales of real estate as of 31 December 2014.

Restricted reserves	31 December 2014	31 December 2013
Composition restricted reserves	39.284.095	39.284.095
Gain on sales of real estate (1)	126.234.986	128.021.766
Gain on sale of subsidiary	364.288	-
Total	165.883.369	167.305.861

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 head-quarter 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 15.331.957 (31 December 2013: TL 15.453.900).

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.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Based on the decleration of CMB, "Paid-in Capital", "Restricted reserves appropriated from profit" and "Share Premiums" is required to presented by their amounts in statutory accounts. Differences arising from inflation adjustments:

- 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.

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, aforementioned account item is not considered as discount or premium item while calculating the net distributable profit.

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.

Resolutions of the Ordinary General Assembly Meeting of the Company, considering Turkish Commercial Code (TCC), Capital Market Statutes, Capital Market Law (CML), Capital Market Board (CMB), Regulations/Decisions, Company Tax, Tax Procedural Law (TPL) and other relevant statute provisions and relevant provisions in our Company's Articles of Association and our "Dividend Policy" announced to the public; according to the financial statements for the 01.01.2013-31.12.2013 financial period prepared in accordance with "Statement on Principles Regarding Financial Reporting on Capital Market" (II-14.1) provisions of CMB and according to Turkish Accounting Standards and Turkish Financial Reporting Standards published by "Public Oversight, Accounting and Auditing Standards Institute;" its principles of presentation defined according to CMB decisions on the subject, passed through independent auditing; a total of 61.093.981 TL "Net Period Loss" has occurred when considering "Continuing Operations Loss Before Tax", "Discontinued Operations Loss Before Tax", "Tax Revenues for the Period (comprised of tax revenues for the period regarding continuing operations and deferred tax revenue and tax revenues for discontinued operations)" and "Consolidated Equity of Participations" all together, subtracting a 145.994.420 TL section of this amount for "Previous Year Losses" and adding 1.124.620TL donations and seeing that 205.963.781 TL is "net period losses", in accordance with the regulations of CMB regarding profit distribution; informing shareholders that no profit distribution shall be made for the 01.01.2013- 31.12.2013 financial period and submitting this matter to General Meeting for approval, as our legal records held in the scope of TCC and TPL reveal that the Company had 4.017.881 -TL "Net Period Losses" for the 01.01.2013-31.12.2013 financial period; informing General Meeting that legal reserves in the scope of TCC shall not be allocated and transferring this amount to previous years losses.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

NOTE 24-SALES AND COST OF SALES

Sales

	1 January - 31 December 2014	1 January - 31 December 2013
Advertisement sales	472.742.150	522.236.809
Circulation and publishing sales	202.373.573	242.256.103
Other	44.466.720	41.081.700
Net sales	719.582.443	805.574.612
Cost of sales	(471.373.207)	(514.437.753)
Gross profit	248.209.236	291.136.859

Cost of Sales

The details of cost of sales for the years ended 31 December are as follows:

	1 January -	1 January -
	31 December 2014	31 December 2013
Raw material	168.733.674	196.420.901
Paper	110.667.636	127.217.157
Printing and ink	37.662.541	50.026.681
Other	20.403.497	19.177.063
Personnel expenses	173.114.869	179.895.979
Amortization (Note 15)	31.453.438	35.778.039
Commissions	14.284.405	17.399.969
Distribution, storage and travel	9.127.493	10.240.547
Fuel, electricity, water and office expenses	8.981.156	8.804.845
Rent expenses	7.922.742	8.349.872
Maintenance and repair expenses	5.208.960	6.282.144
Outsourced services	4.569.943	5.679.225
News agency expenses	6.171.791	4.859.509
Communication	3.499.545	4.291.301
Packaging expenses	3.103.110	4.068.856
Other	35.202.081	32.366.566
Total	471.373.207	514.437.753

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

NOTE 25-GENERAL ADMINISTRATION EXPENSES, MARKETING EXPENSES

a) General administrative expenses:

	1 January - 31 December 2014	1 January - 31 December 2013
Personnel expenses	51.900.004	54.119.512
Depreciation and amortization charges (Dipnot 15,16)	37.869.995	42.439.080
Consultancy expenses	14.858.174	10.941.973
Rent expenses	14.019.266	11.632.095
Fuel, electricity, water and office expenses	5.259.680	6.302.475
Transportation, storage and travel expenses	3.291.931	3.495.228
Communication expenses	2.681.477	3.372.990
Maintenance and repair expenses	2.625.642	3.143.708
Other	8.442.390	8.731.036
Total	140.948.559	144.178.097

b) Marketing expenses:

	1 January - 31 December 2014	1 January - 31 December 2013
Advertisement expenses	51.320.161	54.760.314
Transportation, storage and travel expenses	26.354.854	28.542.626
Personnel expenses	27.522.912	25.368.924
Promotion expenses	16.307.295	23.079.886
Sponsorship expenses	3.023.943	1.924.028
Outsourced services	1.334.132	4.461.614
Depreciation and amortization charges (Dipnot 15,16)	429.353	229.366
Other	8.006.079	7.051.038
Total	134.298.729	145.417.796

NOTE 26-EXPENSES BY NATURE

	1 January - 31 December 2014	1 January - 31 December 2013
Payroll	252.537.785	259.384.415
Depreciation and amortization charges	69.752.786	78.446.485
Total	322.290.571	337.830.900

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

NOTE 27-OTHER OPERATING INCOME

The details of other operating income for the periods ended at 31 December are as follows:

	1 January -	1 January -
	31 December 2014	31 December 2013
Foreign exchange gains	98.938.723	58.476.989
Finance income due from term sales	8.973.870	6.996.335
Interest income on bank deposits	3.874.541	2.702.793
Terminated provisions	2.527.681	2.418.092
Finance income from trade and other receivables	731.713	7.953.970
Unrealised finance expense due from term purchases	131.895	225.536
Other	8.247.889	3.570.425
	123.426.312	82.344.140

NOTE 28-OTHER OPERATING EXPENSES

The details of other operating expenses for the periods ended at 31 December are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Foreign exchange losses	33.145.612	26.764.523
Provision for doubtful receivables (Note 9)	12.262.147	8.201.319
Provision for lawsuits (Note 18)	1.978.589	1.897.012
Punishment and compensation expense	1.221.941	574.431
Unrealized finance income due from term sales	1.034.358	2.727.380
Aids and donations	811.690	1.124.625
Other	6.787.676	3.984.903
	57.242.013	45.274.193

NOTE 29 - INCOME FROM INVESTING ACTIVITIES

The details of income from investing activities for the periods ended at 31 December are as follows:

	1 January -	1 January -	
	31 December 2014	31 December 2013	
Gain on sales of property, plant and equipment (2)	28.421.511	695.061	
Gain on fair value changes of the investment property (Note 14)	24.565.749	16.743.808	
Rent and building service income	2.670.380	466.836	
Gain on sale of subsidiaries (1)	735.386	-	
Foreign exchange gains	1.187.835	3.653.904	
Gain on sales of financial investment	-	128.021	
	57.580.861	21.687.630	

⁽¹⁾ The Group transfered Oglasnik d.o.o. the subsidiary to non-controllling party for 2 Kuna (TL 0,8) at 28 February 2014 (Note 36).

⁽²⁾ Amounting TL 28.377.120 consist of sale of lands which are located in the district of İzmir, Gaziemir with 35.191,58 m2 on 4 July 2014 and in the district of İstanbul, Esenyurt with 17.725,69 m2 on 10 July 2014

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

NOTE 30 - EXPENSES FROM INVESTING ACTIVITIES

The details of expenses from investing activities for the periods ended at 31 December are as follows:

	1 January -	1 January -
	31 December 2014	31 December 2013
Impairment of goodwill (Note 16)	75.900.664	
Foreign exchange losses	8.751.706	5.935.209
Loss on investment property and property, plant and equipments (1)	8.457.236	4.558.421
Loss on sales of subsidiaries (Note 36) (2)	1.510.612	2.526.517
Other	-	-
	94.620.218	13.020.147

⁽¹⁾ Amounting to TL 8.081.157 (2013: TL 4.170.103) is not arising from the sale of investment property sales and there is not any loss arising from the disposal of property, plant and equipments. (2013: TL 388.318)

NOTE 31 - FINANCIAL EXPENSES

The details of financial expenses for the periods ended at 31 December are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Foreign exchange losses	167.908.211	72.804.417
Interest expense on bank loans	18.961.958	23.292.953
Credit comission, banking and factoring expenses	10.996.631	4.840.775
Other	710.345	541.360
	198.577.145	101.479.505

NOTE 32 - INCOME TAXES

	31 December 2014	31 December 2013
Corporate and income tax payable	2.633.452	886.742
(Less): Prepaid taxes	(504.583)	(1.854.825)
Tax payables/receivables	2.128.869	(968.083)

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 2014 (2013: 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.

⁽²⁾ The Group has sold its subsidiary Expressz Magyarorszag Media Kft. for 1 Euro (TL 2,9264) on 7 April 2014 and Doğan Ofset Yayıncılık ve Matbaacılık A.Ş.,owned 99.93% of its total shares, amounting to TL 24.982.235 considering EUR 4.579.393 on 18 July 2014 to non controlling shares.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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 2013 and 2014.

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 2014, 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).

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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 taz assessment, will not exceed 25% profit of the relevant year. In addition to this, 20% corporate tax rate will be applied on the income after the deduction of the allowance instead of 30%.

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. 2012/20 ("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% (2013: 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% (2013: 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% (2013: 20%).

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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 16% (2013: 19%). 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; 18% 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% (2013: 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.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Kazakhstan

Under the Tax Code of the Republic of Kazakhstan companies shall pay the CIT on taxable income at a 20% rate (2013: 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 (PE) 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.

The tax rates at 31 December 2014, 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
Belarus	18,0	Holland	25,0
Russia	20,0	Ukraine	16,0

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 2014	31 December 2013
(65.477.371)	(106.367.744)
6.661.890	15.590.176
(58.815.481)	(90.777.568)
	(65.477.371) 6.661.890

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

The temporary differences and deferred tax assets/(liabilities) using the enacted tax rates as of 31 December 2014 and 31 December 2013 are as follows:

	Total temporary differences			red tax assets/ liabilities)
	2014	2013	2014	2013
Provision for employment benefits and unused vacation rights	62.126.023	65.750.409	12.584.406	13.151.427
Difference between tax base and carrying value of				
trade receivables	16.945.699	18.890.857	3.389.104	3.778.465
Investment incentives	-	56.958.599		742.605
Carry forward tax losses (1)	-	53.792.898	-	10.759.006
Investment properties valuation differences	(37.362.973)	(12.536.712)	(1.496.730)	(247.676)
Deferred income	2.268.435	2.074.046	453.687	414.809
Difference between tax bases and carrying value of				
property, plant and equipment and intangibles	(396.309.340)	(594.799.841)	(79.150.539)	(124.579.430)
Other, net	26.900.210	23.714.891	5.404.591	5.203.226
Total	(325.431.946)	(386.154.853)	(58.815.481)	(90.777.568)

⁽¹⁾ As of 31 December 2014, carry forward tax losses for which no deferred income tax asset was recognised amounted to TL 179.945.065 (31 December 2013: TL 85.519.173).

The maturity analysis of carry forward tax losses utilized is as follows:

	31 December 2014	
2015	26.893	
2016	21.671.206	
2017	8.717.164	
2018	6.537.145	
2019	36.902.593	
2020	7.393.919	
2021	20.679.173	
2022	2.848.552	
2023	16.693.097	
2024	58.475.323	
Total	179.945.065	

The movements of net deferred tax liabilities for the periods ended 31 December are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
1 January	(90.777.568)	(98.178.793)
Deferred tax income in consolidated		
income statements	1.796.938	12.281.732
Actuarial loss	(12.534)	460.810
Currency translation differences	30.257.837	(5.337.700)
Disposal of subsidiary	(80.154)	(3.617)
31 December	(58.815.481)	(90.777.568)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

The analysis of the tax expense/(income) for the periods ended at 31 December are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013	
Current	5.034.056	5.218.150	
Deferred	(1.796.938)	(12.281.732)	
Total	3.237.118	(7.063.582)	

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 2014	31 December 2013
Loss before taxes and non-controlling interests	(198.931.187)	(61.287.824)
Current period tax calculated at the effective tax rates of countries	(35.673.747)	(19.031.199)
Expenses not deductible for tax purposes	13.843.160	3.804.602
Effect of impairment on goodwill.	15.180.133	_
Effect of share losses investments accounted by the equity method	522.186	1.462.412
Carry forward losses utilized	(247.324)	(5.009.486)
Tax on dividend distributions	14.904.047	11.462.475
Withholding tax regarding dividend payment	(19.593)	-
Income not deductible for tax purposes	(5.181.857)	(241.584)
Other, net	(89.887)	489.198
Tax (expense)/income	3.237.118	(7.063.582)

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 as of 31 December 2014 is as follows:

	1 January -	1 January -
	31 December 2014	31 December 2013
Continued operations net loss for the period	(168.672.590)	(54.224.242)
· · · · · · · · · · · · · · · · · · ·	(108.072.090)	
Discontinued operations net loss for the period	-	(24.583.900)
Net loss for the period	(168.672.590)	(78.808.142)
Number of ordinary shares in issue (with nominal value of TL 1 each	552.000.000	552.000.000
Loss per share (TL)		
Loss per share from continued operations	(0,3056)	(0,0982)
Loss per share from discontinued operations	-	(0,0445)
Loss per share from continued and discontinued operations	(0,3056)	(0,1427)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(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 2014 and 31 December 2013 related party balances and transactions are described below.

i) Balances of related parties:

Short term receivables due from related parties:

	31 December 2014	31 December 2013
Trade receivables from related parties		
Doğan İnternet Yayıncılığı ve Yatırım A.Ş. (1)	12.229.159	10.469.632
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik") ⁽²⁾	7.778.839	8.271.300
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım") ⁽³⁾	2.620.152	3.047.138
Doğan TV Holding ⁽⁴⁾	1.781.382	1.076.734
Doğan Media Int. GmbH("Doğan Media") ⁽⁵⁾	3.000.662	225.625
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D") (6)	400.439	551.110
Milta Turizm İşletmeleri A.Ş. ("Milta") (7)	61.456	2.914.750
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") ⁽⁸⁾	8.083	492.938
D- Market Elektronik Hizmetler ve Tic. A.Ş. ("D Market")	-	442.473
Doruk TV ⁽⁹⁾	389.884	-
Other (10)	616.354	561.811
	28.886.410	28.053.511

⁽¹⁾ The balance is arising from sales of internet Commercials to Doğan İnternet Yayıncılığı ve Yatırım A.Ş. through websites. 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.

⁽²⁾ Receivable arising from printing newspapers of Doğan Gazetecilik in the Group's printing houses.

 $[\]ensuremath{^{(3)}}$ Receivables arising from the daily distribution of the Group's newspapers.

⁽⁴⁾ The balance arising from electricity and other various expenses invoiced to Hürriyet Gazetecilik ve Matbaacılık A.Ş. by Doğan TV Holding as a result of that Hürriyet share the same building with Doğan TV Holding. Invoices regarding these expenses are issued to related companies.

⁽⁶⁾ Receivables arising from printing of Doğan Media newspapers in the Hürriyet Frankfurt Germany plants.

⁽⁶⁾ The receivable is arising from Group's journalism service given to DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D") mostly.

⁽⁷⁾ Receivables arising from transportation services provided by Milta regarding to barter agreement made in 2013.

⁽B) The receivable is arising from the Group's commercial advertisement sales to Doğan Burda Dergicilik together with fason printing of magazine, book and insert.

⁽⁹⁾ The receivable is arising from Group's journalism service given to Doruk TV Haber A.Ş.("CNN Türk") mostly.

⁽⁰⁾ TL 799.004 is arising from the receivables of Katalog Yayin ve Tanıtım Hizmet A.Ş. which is a dormant group company and is deducted from other receivables.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Short term payables to related parties:

	31 December 2014	31 December 2013
Trade payables to related parties		
Doğan Media International GmbH (1)	13.396.288	5.247.811
Doğan Faktoring Hizmetleri A.Ş.	1.951.212	5.102
Doğan TV Dijital Platform İşl. A.Ş. (Doğan TV Digital")	1.182.532	109.346
Falcon Purchasing Services Ltd. ("Falcon") (3)	940.737	1.514.309
DTES Elektrik Enerji Toptan Satış A.Ş. ("DTES") (4)	853.963	1.477.892
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	759.390	-
Doruk Televizyon ve Radyo Yayıncılık ("Doruk Televizyon")	630.023	18.120
D- Market Elektronik Hizmetler ve Tic. A.Ş. ("D Market")	453.822	18.869
Doğan Şirketler Grubu Holding A.Ş. (2)	330.965	2.454.933
D Yapım Reklamcılık ve Dağıtım A.Ş.	355.446	57.038
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret") (5)	263.283	2.061.706
Milta	251.501	69.433
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv")	62.563	167.700
Other	811.215	312.087
	22.242.940	13.514.346
Other payables to related parties		
Doğan Faktoring A.Ş.	339.868	_
Doğan Şirketler Grubu Holding A.Ş.	-	3.279.095
	22.582.808	16.793.441

 $^{^{\}left(0\right) }$ Arising from the cash paid by Doğan Media International for the printing service.

⁽²⁾ The balance is arising from legal, information technology and other consultancy services together with other services which are received from Doğan Şirketler Grubu Holding A.Ş.

⁽³⁾ Arising from cost of paper purchased by Hürriyet Zweigniederlassung GmbH.

⁽⁴⁾ The balance is arising from electricity energy provided for the Hürriyet building and printing houses in regions.

⁽⁵⁾ The Group's raw materials are provided by Doğan Dış Ticaret.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(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 2014 and 2013 are as follows:

Significant service and product sales to related parties:

	1 January- 31 December 2014	1 January- 31 December 2013
Doğan Dağıtım ⁽¹⁾	92.433.153	99.309.970
Doğan Gazetecilik ⁽²⁾	25.109.396	25.703.875
Doğan İnternet Yayıncılığı ⁽³⁾	24.105.331	17.382.210
Doğan Media ⁽⁴⁾	8.842.509	9.293.086
Kanal D ⁽⁵⁾	3.871.260	3.834.669
D Market (6)	2.270.450	1.985.254
Doğan Burda ⁽⁷⁾	1.380.016	3.212.043
Mozaik İletişim Hizmetleri A.Ş. ⁽⁸⁾	1.507.380	1.668.412
Doruk TV ve Radyo Yayincılık A.Ş (9)	1.560.189	1.673.338
Doğan ve Egmont Yayıncılık ve Yapımcı Ticaret A.Ş. ("Doğan Egmont") (10)	820.118	1.224.024
Doğan Müzik Kitap	258.149	334.364
Doğan TV Digital Platform İşl. A.Ş.	21.611	89.019
Other	590.627	729.467
	162.770.189	166.439.731

⁽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 Internet Yayıncılığı ve Yatırım A.Ş.

⁽⁴⁾ The sale and the commercial of Hürriyet Europe edition are carried out via 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.

[👊] The Group provides the printing services of fason magazine to Doğan Egmont together with the sale of commercial advertisement.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Significant service and product purchases from related parties:

	1 January -	1 January -
	31 December 2014	31 December 2013
Doğan Dış Ticaret ⁽¹⁾	108.510.060	123.853.413
Doğan Dağıtım ⁽²⁾	21.159.284	23.736.312
DTES (3)	8.641.403	10.911.851
Doğan Şirketler Grubu Holding A.Ş. (4)	5.029.815	6.128.897
Ortadoğu Otomotiv (5)	3.991.918	3.732.370
Doğan İnternet Yayıncılık (6)	3.437.238	1.134.327
Milta (7)	3.372.617	3.506.748
Doğan Gazetecilik ⁽⁸⁾	3.224.115	2.956.739
Doğan TV Digital Platform İşl. A.Ş. (9)	3.205.921	3.152.030
Kanal D (10)	2.064.689	4.325.343
Falcon (II)	1.782.512	4.907.574
Mozaik (12)	1.760.585	1.130.406
Doğan Media	1.405.495	124.396
D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım Reklamcılık") (13)	1.106.280	984.582
Doğan Müzik Kitap (14)	1.044.107	-
Doruk TV ve Radyo Yayıncılığı	547.127	990.081
Dogan Burda (15)	603.050	514.128
Doğan TV -Radyo	240.525	328.835
Kutup Televizyon ve Radyo Yayıncılık A.Ş	-	132.052
Other	1.301.739	4.061.327
	172.428.480	196.611.411

 $^{^{\}mbox{\scriptsize (1)}}$ The Group's raw materials are provided by Doğan Dış Ticaret.

⁽¹⁵⁾ The balance is arising from Group's sponsorship expense related with meetings of Doğan Burda related with economic, cultural and media topics.

Other income	1 January - 31 December 2014	1 January - 31 December 2013
Day of Day Times	1000 705	1.010.00.4
Doğan Dış Ticaret	1.390.725	1.618.804
Doğan Dağıtım	575.379	549.040
Doğan Media	418.193	317.051
Doğan Gazetecilik	120.320	77.597
Doğan Burda	20.064	68.667
D- Market Elektronik Hizmetler ve Tic. A.Ş.	-	9.766
Doğan TV Digital Platform İşl. A.Ş.	3.698	4.957
Doğan Egmont	-	900
Other	52.779	74.223
	2.581.158	2.721.005

⁽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⁾ 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.

⁽⁵⁾ Arising from the rent and other expenses from Ortadoğu Otomotiv in Ankara.

 $^{^{\}rm (6)}$ Group's online advertisement sales are done by Doğan İnternet.

⁽⁷⁾ The balance is arising from the Group's rent expense from the offices.

⁽⁸⁾ The balance is arising from rent, security and other expenses of the Group's building, which is rented as headquarter.

 $[\]ensuremath{^{(9)}}$ The Group gets internet services from the Company.

⁽III) The balance arising from paper purchases of one of the subsidiaries of the GroupArising from the advertisement services

⁽¹¹⁾ Hürriyet Zweigniederlassung GmbH, one of the subsidiaries of the Group, has started to purchase of paper from Falcon since 2012.

⁽²²⁾ The balance is arising from service expense of call-center and commercial service provided by D-Smart channels sold by Mozaik İletişim.
(12) The balance is arising from Group's production service taken for the commercial films.

⁽¹⁴⁾ Arising from the promotion campaigns.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

Amounting to TL 2.492.131 of other income which totally amounts to TL 2.581.158 consists of rent income which Hürriyet gathers from the Group companies (31 December 2013: TL 2.215.298).

1 lanuary -

1 January -

Purchase of property, plant and equipment and intangible assets	31 December 2014	31 December 2013
Taronace of property, plant and equipment and intengine assets	01 2000111201 2014	Or Bedember 2010
Doğan TV Digital Platform İşl. A.Ş.	-	527.088
Doğan Şirketler Grubu Holding A.Ş.	41.667	-
D-Market	44.737	25.132
Doğan Media International	2.333	47.195
Diğer	8.809	6.708
	97.546	606.123
	1 January -	1 January -
Financial income:	31 December 2014	31 December 2013
Doğan İnternet Yayıncılığı	40.771	-
Dogan Tv-Radyo	28.223	-
Doğan Şirketler Grubu Holding A.Ş.	-	295.750
Doğan Media	-	239.735
	68.994	535.485
	1 January -	1 January -
Financial expense:	31 December 2014	31 December 2013
Doğan Faktoring (1)	750.062	788.771
Doğan Dış Ticaret	143.259	-
Doğan Şirketler Grubu A.Ş.	3.130	2.470.238
	896.451	3.259.009

⁽¹⁾ 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.

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.

	1 January - 31 December 2014	1 January - 31 December 2013
Salaries and other short term benefits	6.994.752	8.038.531
Post-emloyment benefits	2.215.383	1.235.931
	9.210.135	9.274.462

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

NOTE 35 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

i. Subsidiaries classified as asset held for sale

In November 2013, the Group decided to sale 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 equivalents	1.009.524
Trade receivables	894.272
Other receivables and current assets	968.972
Intangible assets	27.264.532
Property, plant and equipment	2.441.639
Provision for net asseets disposed	(23.301.137)
Total assets 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 held for sale	9.277.802

ii. Land classified as asset held for sale

In 19 September 2013, the Group made an agreement to sale the plant for USD 9 million which is located in Istanbul Esenyurt and 17.725,69 m2. According to the agreement, in 31 December 2013, this land is classified as assets held for sale. Sales income which is belong to related sale is accounted under the "Income from Investing Activities" in the "Gain on Sale of Assets" (Note 29).

Assets	31 December 2013
Property, plant and equipment	4.684.768
Total assets classified as held for sale	13.962.570

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)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

NOTE 36-DISPOSAL OF SUBSIDIARY

- Oglasnik d.o.o., Expressz Magyarorszag Media Kft.
- 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 Group has dispose of its subsidiary Expressz Magyarorszag Media Kft. to non-controlling shares for 1 Euro on 7 April 2014.

The details of net book value held for sale are as follows:

Book value of net assets disposed of	31 December 2014
Current assets	
Cash and cash equivalents	869.351
Trade receivables	744.532
Other receivables	321.901
Other current assets	470.807
Non-current assets	
Tangible and intangible assets	29.685.938
Provision for net assets disposed	(22.588.796)
Short-term liabilities	
Trade payables	2.487.613
Other payables	769.502
Other short-term liabilities	37.227
Long term liabilities	
Deferred tax liabilities	5.577.421
Other long-term liabilities	32.847
Net assets disposed of	599.123
Loss on sale of subsidiary	
Consideration:	
Consideration paid in cash and cash equivalents	-
Net cash inflow on disposal:	
(Less) cash and cash equivalent disposed of	(869.351)
Total cash obtained from sale	(869.351)
Loss on sale of subsidiary (Note 29 and 30)	(599.123)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

- The Group has sold its subsidiary Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. has TL 25.000.000 capital, owned 99.93% of its total shares, amounting to TL 24.982.235 considering EUR 4.579.393 on 18 July 2014 to Fulya Kavak ve Marsaş Baskı ve Ambalaj Sanayi Ticaret A.Ş.

Book value of net assets disposed of	31 December 2014
Current assets	
Cash and cash equivalents	642.421
Trade receivables	7.599.035
Inventories	2.204.221
Other receivables	240.825
Non-current assets	
Tangible and intangible assets	15.037.978
Short-term liabilities	
Financial liabilities	2.753.191
Trade payables	5.139.141
Other short-term liabilities	2.049.312
Long-term liabilities	
Provision for employee termination benefits	2.359.005
Net assets disposed of	13.423.831
Loss on sale of subsidiary	
Consideration:	
Consideration paid in cash and cash equivalents	13.247.728
Net cash inflow on disposal:	
(Less) cash and cash equivalent disposed of	(642.421)
Total cash obtained from sale	12.605.307
Loss on sale of subsidiary (Note 29 and 30)	(176.103)
Total loss on sale of subsidiary (Note 29 and 30)	(775.226)
(Loss) & Gain on sale of subsidiary (Note 27)	(775.226)

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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 Aralık 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	
Other trade payables	1.859.475
Other payables	70.539
Other short-term liabilities	425.044
Provision for net assets disposed	(1.261.273)
Loss on sale of subsidiary	
Group' share (%55) of net assets disposed	(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-NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

37.1 Financial Risk Management

(i) Interest rate risk

The Group's interest rate sensitive financial instruments are as follows:

	31 December 2014	31 December 2013
Financial instruments with fixed interest rate		
Bank deposits (Note 5)	38.208.697	24.718.794
Loans and receivables	-	73.576.936
Financial liabilities (Note 7)	234.716.614	193.731.489
Financial instruments with floating interest rate		
Financial liabilities (Note 7)	30.522.923	224.302.700

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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 2014 and 31 December 2013, the Group's borrowings at floating rates are predominantly denominated in US Dollars and Euros.

At 31 December 2014, 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 303.454 (31 December 2013: TL 439.195).

(ii) Liquidity risk

The table below shows the liquidity risk arising from financial liabilities of the Group:

		Total				
		contractual	Less than	3 - 12	1-5	More than
31 December 2014	Carrying value	cash outflow	3 months	months	years	5 years
Financial liabilities						
Financial payables (Note 7)	265.239.537	330.418.745	17.091.470	95.409.334	217.917.941	-
Trade payables						
-Related party (Note 34)	22.242.940	22.242.940	22.242.940	_	_	-
-Other (Note 9)	47.386.425	47.518.320	47.518.320	-	-	-
Other payables						
-Related party (Note 34)	339.868	339.868	339.868	-	-	-
-Other (Note 10)	2.158.386	2.158.386	1.677.796	-	480.590	-
		Total				
		contractual	Less than	3 - 12	1-5	More than
31 December 2013	Carrying value	cash outflow	3 months	months	years	5 years
Financial liabilities						
Financial payables (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 (Dipnot 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	-	-	-

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.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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.

At 31 December 2014, the Group has long-term bank borrowings amounting to TL 92.128.150 (31 December 2013: TL 261.465.762).

There is no long-term trade payables to suppliers (31 December 2013: TL 4.692.877) (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 2014 there are past due trade receivables amounting to TL 110.870.571 which are not considered as doubtful receivables (31 December 2013: TL 98.979.383). 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 2014, the amount of mortgage and indemnity received is TL 12.590.538 for the related receivables (31 December 2013: TL 11.117.148).

As of 31 December 2014 and 31 December 2013, aging analysis for trade receivables that are past due but not impaired are as follows:

	31 Decem	31 December 2014		1ber 2013
	Related party	Other receivables	Related party	Other receivables
0-1 month	4.328.743	21.071.999	6.067.740	24.687.770
1-3 month	10.207.456	24.607.336	11.628.381	22.243.183
3-6 month	4.516.792	18.538.982	93.530	13.900.614
6-12 month	367.494	9.718.478	1.209.586	12.161.327
1-2 years	33.825	10.899.474	78.688	6.908.564
	19.454.310	84.836.269	19.077.925	79.901.458

As of 31 December 2014 and 31 December 2013, aging analysis for trade receivables that are past due and impaired is as follows:

Impaired	31 December 2014	31 December 2013
Past due 0-3 months	575.087	510.098
Past due 3-6 months	357.112	1.182.402
Past due 6 months and over	53.045.777	51.363.697
Less: Provision for impairment (Note 9, 34.i)	(53.977.976)	(53.056.197)

The balance of related party receivables that are past due and impaired as of 31 December 2014 is TL 799.004 (31 December 2013: TL 799.004). There is no trade receivable which is not over due and impaired as of 31 December 2014.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

The Group's credit risk of financial instruments as of 31 December 2014 is as follows:

	Trade	receivables	Other re	ceivables			
	Related		Related		Bank	Derivative	Other
31 December 2014	party	Other	party	Other	deposits	instruments	assets
Maximum credit risk exposure							
as of balance sheet date	28.886.410	169.806.864	-	5.184.900	56.244.893	-	19.103
- The part of maximum credit rick under							
guarantee with collateral	-	12.590.538	-	-	-	-	
A. Net book value of financial assets							
that are not past due/impaired	9.432.100	84.970.595	-	5.184.900	56.244.893	-	19.103
- The part under guarantee with collateral							
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	19.454.310	84.836.269	-	-	-	-	-
- The part under guarantee with collateral		12.590.538	-	-	-	-	-
D. Net book value of impaired asset							
- Past due (gross carrying amount)	799.004	53.178.972	-	788.426	-	-	-
- Impairment (-)	(799.004)	(53.178.972)	-	(788.426)	-	-	-
- The part of net value under quarantee with							
collateral	-	-	-	-	-	-	-
- Not over due (gross carrying value)							
- Impairment (-)	_	-	-	-	-	-	-
- The part of net value under guarantee with							
collateral	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	_	-	-	_	_	_	-

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(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 i	eceivables	Other re	eceivables			
	Related		Related		Banks	Derivative	Other
31 December 2013	party	Other	party	Other	deposits	instruments	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 value)							
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with							
collateral	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

(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 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Assets	38.744.269	163.899.403
Liabilities	(240.317.637)	(461.403.156)
Net asset/(liability) position of off-balance sheet derivatives	-	(2.571.782)
Net foreign currency position	(201.573.368)	(300.075.535)

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 December 2014: 2,3189 TL= 1 USD and 2,8207 TL=1 Euro (31 December 2013: 2,1343 TL= 1 USD and 2,9365 TL=1 Euro).

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

The table summarizes the foreign currency position risk as of 31 December 2014 and 31 December 2013. The carrying amount of foreign currency denominated assets and liabilities of the Group are as follows:

31 December 2014	TL Equivalent	USD	Euro	Other
Trade receivables	13.665.469	86.291	8.375.008	5.204.170
2a. Monetary Financial Assets (Cash, Banks included)	20.624.275	13.601.521	2.507.344	4.515.410
2b. Non-Monetary Financial Assets	-	_	-	-
3. Other	4.440.421	29.872	-	4.410.549
4. Current Assets (1+2+3)	38.730.165	13.717.684	10.882.352	14.130.129
5. Trade receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	_	_	-
7. Other	14.104	_	14.104	-
8. Non-Current Assets (5+6+7)	14.104	-	14.104	-
9. Total Assets (4+8)	38.744.269	13.717.684	10.896.456	14.130.129
10. Trade Payables	9.733.413	1.027.868	2.910.614	5.794.931
11. Financial Liabilities	169.847.725	158.628.881	3.865.611	7.353.233
12a. Other Monetary Financial Liabilities	29.108.349	2.320	743.563	28.362.466
12b. Other Non-Monetary Financial Liabilities	-	_	_	-
13. Current Liabilities (10+11+12)	208.689.487	159.659.069	7.519.788	41.510.630
14. Trade Payables	-	_	-	-
15. Financial Liabilities	31.628.150	-	31.628.150	-
16a. Other Monetary		_	-	-
Financial Liabilities	-	_		-
16b. Other Non-Monetary				
Financial Liabilities	_	_	_	-
17. Non-Current Liabilties (14+15+16)	31.628.150	-	31.628.150	-
18. Total Liabilities (13+17)	240.317.637	159.659.069	39.147.938	41.510.630
19. Net asset/liability position of off-balance sheet				
derivatives (19a-19b)	-	-	-	-
19a. Off-balance sheet foreign currency derivative assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	(201.573.368)	(145.941.385)	(28.251.482)	(27.380.501)
21. Net foreign currency asset/liability position of	(000 007 055)	(145.071.057)	(00.005.505)	(01 701 675)
monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(206.027.893)	(145.971.257)	(28.265.586)	(31.791.050)
22. Fair value of foreign currency hedged financial assets	-	-	-	-

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

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	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)	195.244.521	133.769.649	19.593.913	41.880.959
14. Trade Payables	-	-	-	-
15. Financial Liabilities	266.158.639	256.116.000	10.042.639	_
16a. Other Monetary				
Financial Liabilities	-	-	-	_
16b. Other Non-Monetary				
Financial Liabilities	-	-	-	-
17. Non-Current Liabilties (14+15+16)	266.158.639	256.116.000	10.042.639	-
18. Total Liabilities (13+17)	461.403.160	389.885.649	29.636.552	41.880.959
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	<u> </u>
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)	(300.075.539)	(259.765.873)	(32.745.035)	(7.564.631)
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	-	<u>-</u>	-	

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(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 2014	Profit	Profit/Loss			
	Foreign currency	Foreign currency			
If the HO delle de de le condite 10% en l'est the W	appreciation	depreciation			
If the US dollar had changed by 10% against the TL					
USD net (liabilities)/assets	(14.594.139)	14.594.139			
Hedging amount of USD	-	-			
USD net effect on (loss)/income	(14.594.139)	14.594.139			
If the EUR had changed by 10% against the TL					
Euro net (liabilities)/assets	(2.825.148)	2.825.148			
Hedging amount of Euro	-	_			
Euro net effect on (loss)/income	(2.825.148)	2.825.148			
If other foreign currency had changed by 10% against the TL					
Other foreign currency net (liabilities)/assets	(2.738.050)	2.738.050			
Hedging amount of other foreign currency	-	-			
Other foreign currency net effect on (loss)/income	(2.738.050)	2.738.050			
31 December 2013	Profit	Profit/Loss			
	Foreign currency appreciation	Foreign currency depreciation			
If the US dollar had changed by 10% against the TL	арргенин	асргоналон			
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			

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(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 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Total liability (1)	265.239.537	418.034.189
Less: Cash and cash equivalents (Note 5)	(56.632.653)	(47.206.848)
Net liability	208.606.884	370.827.341
Equity	427.194.173	723.141.884
Total capital	635.801.057	1.093.969.225
Net liability/Total equity ratio	0,33	0,34

⁽¹⁾ Consist of long-term and short-term liabilities.

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.

(i) Monetary assets

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.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(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.

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:

Financial assets		Fair value as of reporting date		
	31 December 2014	Level 1 TL	Level 2 TL	Level 3 TL
Financial assets at FVTPL Investment properties	82.917.210	_	82.917.210	_
Total	82.917.210	-	82.917.210	-
		Fair value	e as of reporting	g date
Financial assets	31 December 2013	Level 1 TL	Level 2 TL	Level 3 TL
Financial assets at FVTPL Investment properties	57.378.321		57.378.321	_
Total	57.378.321	-	57.378.321	-
		Fair value	e as of reporting	g 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

As of 31 December 2014 and 31 December 2013, the fair value of the Group's investment properties are defined by the independent valuation company. The fair value of the plants are defined by using the similarity comparison approach and assumption method with the analysis of similar real estates (with the comparable ones).

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(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 2014
Current assets	16.900.143
Non current assets	336.131.289
Current liabilities	206.947.912
Non current liabilities	65.612.844
Equity holders attributable to equity holders of the parent company	63.249.496
Non-controlling interest	17.221.180
	1 January-
	31 December 2014
Revenue	138.991.432
Costs	(307.572.707)
Net loss for the period	(168.581.275)
Allocation of net loss for the period:	
Attributable to equity holders of the parent company	(131.004.372)
Attributable to non-controlling interests	(37.576.903)
Net loss for the period	(168.581.275)

NOTE 39-SUBSEQUENT EVENTS

Confirmation of financial statements

The consolidated financial statements for the period ended 31 December 2014 were approved by the Board of Directors on 6 March 2015. Other than Board of Directors has no authority to change financial statements.



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