

HÜRRİYET WORLD 2015 ANNUAL REPORT



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**STRONGEST CONTENT
PROVIDER**

**THREE-CHANNEL CONTENT
ACCESS:
NEWSPAPER + WEB + MOBILE**

24/7-DELIVERABLE READER-
CUSTOMIZED RICH CONTENT

NEWSPAPER AND DIGITAL
MEDIA ADS

PRECISELY-TIMED ADS
PLACABLE IN DIFFERENT
MEDIA

HÜRRİYET WORLD:

THE MOST EFFECTIVE
PLATFORM FOR BRINGING
ADVERTISERS AND
READERS TOGETHER



**THE MOST EFFECTIVE
DIGITAL CLASSIFIED ADS**

WEB & MOBILE-ACCESSIBLE
REAL ESTATE, HUMAN
RESOURCES, AUTOMOTIVE,
SERVICE, AND OPPORTUNITY
DIGITAL CLASSIFIEDS

COMMITTED TO PROVIDING
ADVERTISERS AND
READERS WITH EVER-
GREATER POSSIBILITIES

THE TURKISH MEDIA INDUSTRY'S MOST VALUABLE PORTFOLIO

The most powerful voice in the Turkish newspaper industry

Setting Turkey's agendas for 67 years as the most deeply-rooted and powerful voice in the Turkish newspaper industry, Hürriyet reaches 1.4 million readers every day thanks to its:

- Experience and reliability
- Commitment to universal journalistic principles
- Sustainable news-reporting quality.

Having consistently demonstrated its ability to deliver genuine return performance to its advertisers year after year, Hürriyet is the undisputed leader of newspaper advertising in Turkey.

Comprehensive customizable content in both printed and digital media

With its powerful media-industry vision and extensive knowledge and experience, Hürriyet's skill in exploiting developments in digital publishing technologies make it the fastest-growing and most demonstrably effective player in digital media.

Having added superior competencies in web and mobile media to its long-unrivalled strengths in print, Hürriyet has combined all of its news, celebrity, sport, and lifestyle content under a single roof that it calls "Hürriyet World".

With Hürriyet World, new ways of generating news and other content made possible by advances in technology are deployed effectively in conjunction with social media, content of every kind can be focused according to personal preferences as a result of the proper and effective processing of big data, and the satisfaction of both advertisers' and readers needs and expectations leads to an excellent customer experience.

WEB-MOBILE

bigpara

mahmure.com

hürriyet tv

yenibiris:com

boomads

Radikal

hurriyet
emlak.com

ekolay
Hürriyet sarı sayfalar

hurriyet
oto.com

yakala.co

Outstanding reader & advertiser communication through digital classifieds

Reflecting the strong growth it has registered in content-provision in digital classifieds as well, Hürriyet World serves as an outstanding communication channel between readers and advertisers providing information about countless real estate, human resource, automotive, service, and opportunity offerings.

Because they are delivered through a variety of digital channels, Hürriyet World's digital classifieds achieve high levels of productivity for all concerned.



PRINTED MEDIA





MESSAGE FROM THE CHAIRWOMAN



**IN 2015 HÜRRİYET
CONTINUED TO
SUCCESSFULLY FULFILL
ITS 67-YEAR MISSION
OF BEING A DYNAMIC
AND FORCEFUL PLAYER
WHO CORRECTLY
INTERPRETS SECTORAL
DEVELOPMENTS AND
NEEDS ON MANY
DIFFERENT PLATFORMS
WHILE ALSO DEFENDING
ITS STATURE AS A DEEP-
ROOTED AND STRONG
LEADER.**



IN 2015, HÜRRİYET CONTINUED TO PLAY ITS LONG-STANDING AND WELL-ESTABLISHED ROLE OF UNDISPUTED LEADER IN THE AREAS OF INDEPENDENT JOURNALISM, HONEST REPORTING, AND DIGITAL PUBLISHING.

Valued investors, business partners, and employees:

Notwithstanding some improvements in the global economy and in our own country's economic performance, 2015 was largely a year in which the world's developing countries saw their growth rates lose momentum and markets were harried by serious upheavals. Hürriyet for its part continued to play its long-standing and well-established role of undisputed leader in the areas of independent journalism, honest reporting, and digital publishing last year.

Looking at global economic developments we can say that 2015 was a year of lots of minuses and not too many pluses. Such positive developments as there were transpired mainly in the United States and in EU countries; the same cannot be said for developing countries however. One outstanding development in the United States was the US Federal Reserve Bank's decision to raise interest rates for the first time in nine years. Economic data in Europe seemed somewhat better than what has prevailed for the last four or five years

but despite an overall euro area recovery, it is a telling fact that real economic growth in eight of nineteen EU members is still below what it was in 2008.

In the so-called "BRIC" countries, whose high growth rates in previous years attracted much attention, there were serious losses of momentum in all but India. Serious impairments in growth, exports, and public finances owing to economic and political fragilities were to be observed in countries that play significant roles in the global economy such as Brazil, China, Russia, and South Africa. With oil prices at their lowest levels since December 2003, the prospects are that the course of the Russian economy will remain weak. Looking around our own country's neighborhood, one of the very few positive developments which could create significant opportunities for Turkey is the lifting of the economic sanctions previously imposed on Iran.

In the midst of all of these global developments taking place in the economic arena, in our own region we were witness to the biggest outflow of refugees and its associated losses of lives and to numerous terrorist attacks targeting civilians here at home and around the world. More than anything else perhaps, 2015 was characterized by the deep sorrow that such dreadful events caused. Suffering also from terrorism, international trade was likewise hit by the increasingly more worrisome effects of climate change.

Here at home, an already tough year was made even more difficult by the necessity of a double round of parliamentary elections although there were some bright spots such as improvements in the current account deficit, a problem which has plagued Turkey for many years, and a growth performance that exceeded expectations.



**EVIDENCE OF OUR
SUCCESSFUL
PERFORMANCE IN DIGITAL
IN 2015** IS TO BE SEEN
IN THE SIX ACCOLADES
HANDED OUT BY INMA,
THE WORLD'S LEADING
PROVIDER OF GLOBAL BEST
PRACTICES FOR NEWS
MEDIA COMPANIES.

Turning now to the advertising industry, which is one of the most important sources of our company's revenues, the Turkish advertising market grew by about 5% year-on, going from TL 5.7 billion in 2014 to TL 6.0 billion in 2015. As was the case in most other countries, the biggest contributors to that growth were online media: the market for newspaper advertising shrank. Here at Hürriyet we foresaw this development a long time ago and because of that insight we registered a 33% rate of growth in our domestic digital advertising revenues—just over twice the 16.2% rate in online advertising revenues achieved in Turkey as a whole last year. Evidence of our successful performance in digital in 2015 is to be seen in the six accolades which Hürriyet received at the 85th round of awards handed out by the International News Media Association, the world's leading provider of global best practices for news media companies.

Turning now to our financial performance: our consolidated revenues last year were adversely affected by an approximately 8% contraction in Turkey's newspaper advertising market on the one hand and on the other by our Russian subsidiary's changeover to an all-digital operational mode as well as by that country's overall economic malaise. However even though 2015 was not a year in which we were able to increase revenues, it was still a year in which we improved our EBITDA profitability and overcame the adverse impact of financing costs through economizing and other measures that were taken to counter our otherwise shrinking revenues.

hurriyetemlak.com, a real estate portal which we launched in 2006 originally as an adjunct to our newspaper operations and which now provides the broadest-based access to real estate properties in Turkey today, continues to lead the sector with its extensive portfolio of ads, current news, and innovative projects and products. The website's state-of-the-art approaches were part of the reason why hurriyetemlak.com succeeded in attracting 30% more visitors overall last year while the growth in corporate users was on the order of 32%. Having achieved this momentum in 2015, hurriyetemlak.com



HÜRRİYET CONTINUED TO ACHIEVE HIGH LEVELS OF ACCESS AND INTERACTION WITH ITS ADVERTISERS, READERS, AND SOCIAL MEDIA FOLLOWERS THANKS TO A BROAD ARRAY OF BOTH PRINTED AND DIGITAL-MEDIA OFFERINGS.

will be looking to improve on this performance and to maintain its leading position as Turkey's premier online real estate property search engine.

In 2015 Hürriyet continued to successfully fulfill its 67-year mission of being a dynamic and forceful player who correctly interprets sectoral developments and needs on many different platforms while also defending its stature as a deep-rooted and strong leader. Through its ability to anticipate technological and social changes, to adapt itself to them in a timely manner, and even to lead change rather than be satisfied just to follow it, Hürriyet remains one of the strongest players in the digital world. Last year Hürriyet further diversified the lineup of its content delivery channels, developed and supplied audience-specific targeted products, collaborated with world-beating media concerns, and continued to be innovative in its approaches towards keeping pace with global trends. Hürriyet remained the undisputed leader of independent journalism and honest reporting while also touching its readers' lives with supplements and digital products delivering enjoyable content and supporting them in their efforts to create news-transcending agendas of their own. In a nutshell, Hürriyet continued to achieve high levels of access and interaction with its advertisers, readers, and social media followers thanks to a broad array of both printed and digital-media offerings.

An important milestone was passed in 2015 when Hürriyet joined the ranks of global sustainability advocates and formally committed itself to the corporate social responsibility principles to which it has always subscribed by signing the United Nations Global Compact and Women's Empowerment Principles. Hürriyet of course also continued to contribute to efforts to change social attitudes through its "End Domestic Violence!" campaign, which is now in its 11th year. Hürriyet's "Women In The Right" platform served as a venue bringing female MP candidates and voters together in the run-up to the June 7th elections. Hürriyet's "One Voice For Women" appeal was made heard all over Turkey. Hürriyet reached out to each and every one of the children who lost a parent in the terrible Soma mining disaster, one of our country's most tragic events, and served as a conduit through which its readers could make their dreams a reality. Through its "24 November 24 Dreams" project undertaken in partnership with the Teachers Academy Foundation, Hürriyet made it possible for teachers aspiring to raise creative new generations of imaginative children to share their dreams with the whole country.

In closing I want to make it clear that we will continue to fulfill our social responsibilities, to adhere to our vision of an innovative and dynamic future, and to uphold our tradition of hard-hitting journalism no less in the period ahead while also striving with all our might to increase our success in the digital arena and to make certain that that success is reflected in our financial results. Let me therefore thank each and every stakeholder who makes it possible for us to view the future with confidence.

Vuslat Doğan Sabancı

Chairwoman of the Board of Directors



MESSAGE FROM THE CEO



AS OF END-2015, DIGITAL MEDIA CONTRIBUTED A 29% SHARE OF OUR CONSOLIDATED ADVERTISING AND DIGITAL PUBLISHING REVENUES.

THIS PERFORMANCE ALREADY PUTS US IN AN ENVIABLE POSITION AMONG THE WORLD'S LEADING PUBLISHERS.



Valued members of the Hürriyet family and honored shareholders:

The enduring leader of the Turkish press industry, Hürriyet completed 2015 once again as Turkey's strongest, best, and most insightful printed and digital media publisher.

Guided by the editorial principles of the Doğan Group and with our great belief in and respect for the profession of journalism, we take pride in the conduct of our business while striving with all our might to maintain the reputation and sustainability of the press.

In 2015 Turkey underwent a double round of general elections while the country's political and economic context was adversely affected by the regional and global fallout of the violence in Syria. Disputes with Russia late in the year added new layers of heightened difficulty and uncertainty to the existing mix.

Despite all the problems however, Hürriyet successfully completed 2015 with results very close to budget targets and with levels of profitability and productivity higher than those of previous years. Under the digital transformation project which we launched in 2012, our digital offerings completed 2015 with record-breaking growth performances. Although our newspaper revenues were somewhat lower than those of the year before, there were significant improvements in profitability thanks to cost-cutting measures.

As of end-2015, digital media contributed a 29% share of our consolidated advertising and digital publishing revenues. While that ratio was 23% in the case of our Turkish operations, it reached 75% for our international operations. Even though that performance already puts us in an enviable position among the world's leading publishers, we are constantly striving to strengthen that position even more. To this end, we are expanding our abilities in every area, including human resources policies and practices that will attract new-generation talent, and developing and offering new formats that appeal to our readers and advertisers.

2015 was also a breakthrough year in our traditional digital journalism operations. Besides being Turkey's foremost digital publisher, hurriyet.com.tr and our other content channels also rank among Europe's leading players. Revenues from these operations grew by 26% last year in an environment in which overall digital advertising revenues in Turkey grew by 16% year-on. I believe that the growth performance achieved by our content portals is one outcome of our innovative approaches, among the other fruits of which were the late-2015 launches of our new "Brands & Stories" native advertising platform and of our database "DVision" platform, which makes it possible to target ads to Hürriyet readers for our customers. In 2016 we will be continuing to invest in data management and to introduce new data-mining products for both our readers and our customers.

Another important breakthrough that took place in 2015 involved hurriyetemlak.com, our online real estate platform. Last year hurriyetemlak.com successfully registered year-on growth rates of 47% and 55% in revenues and customer numbers respectively. Already Turkey's biggest vertical real estate platform, hurriyetemlak.com in 2016 will continue to grow and remain the biggest online real estate information resource both through constant improvements in its products and features and through the advantages it offers realtors.

As Hürriyet continues to advance into the future as Turkey's strongest newspaper with media which are the leaders of their respective business lines and with brands and offerings which clinch its competitive advantage among readers and advertisers, I take this opportunity in closing once again to thank our shareholders, business partners, employees, and readers for their unstinting support as they accompany us on our journey.

Ahmet Özer
CEO



MESSAGE FROM THE EDITOR-IN-CHIEF



HÜRRİYET IS A NEWSPAPER WHICH FIRST COMES TO PEOPLE'S MINDS IN TURKEY, WHICH EVERYONE REFERS TO, AND WHICH REPEATEDLY DEMONSTRATES ITS ABILITY TO SET AGENDAS.

Valued members of the Hürriyet Family and honored shareholders:

We have completed yet another year in which we set out to further strengthen Hürriyet's leading position in its sector. Our newspaper maintained its stature as Turkey's most influential and trusted daily in 2015 both by maintaining its brand effectiveness and by further developing the areas in which it is uniquely strong. That it was able to do this in a tough year in which Turkey underwent a double round of parliamentary elections makes the achievement even more meaningful.

We were especially pleased last year by the strong confirmation of Hürriyet's impartiality that emerged in a survey conducted in late 2015 by the German Marshal Fund, a highly-respected US-based policy think tank. Among the newspapers considered by GMF in its survey, Hürriyet was the one which respondents said they believed was the most impartial. The same survey also revealed Hürriyet as the newspaper that is the most read by MPs



representing all four of the political parties in Parliament. That is a clear indication of our paper's strong ability to reach out to and influence all segments of Turkish society.

In another survey conducted in 2015, this one by IPSOS, Hürriyet's solid position in the Turkish newspaper industry was confirmed by its association with such criteria as "deeply-rooted", "strong leader" and "serious stance". According to the same survey, two other traits with which Hürriyet is associated are "agenda-setting" and "innovativeness".

In every survey that has ever been carried out, Hürriyet has always emerged as a "deep-rooted", "strong", "leading", and "impartial" brand. The fact that Hürriyet can be simultaneously "deep-rooted" and "innovative" is evidence of its ability to consistently demonstrate that it is open to change and has a knack for renewing itself while maintaining continuity.

Hürriyet's strength is more than just the numerical access that arises from having one of the highest circulations of any newspaper in Turkey: attention also needs to be given to the educational background and socioeconomic status of its readership as well. Hürriyet is a newspaper that is regularly read the most often by people in Turkey who have high levels of consumption, who are socially active, who are at ease with technology, and who keep a close watch on current events. All of this means that Hürriyet has more readers in the "AB" group than any other newspaper in Turkey. We should recognize that this is one of the main reasons why advertisers have recourse to our paper.

One issue that I drew attention to in last year's annual report I should like to repeat this year as well. Newspapers' strengths cannot be measured solely by means of numbers and statistics. The sources of a newspaper's strength must also be sought in the special relationship which it enters into with society. In that respect Hürriyet is a newspaper which first comes to people's minds in Turkey, which everyone refers to, and

which repeatedly demonstrates its ability to set agendas. Furthermore its capacity to provide its readers with a meaningfully broad diversity of opinions is also an important complement to its influential news-reporting.

Through its "Kelebek", "Hürriyet Pazar", "Hürriyet Cumartesi", "Keyif", "Seyahat", and "İnsan Kaynakları" weekday and weekend supplements Hürriyet also touches its readers' lives by providing them a colorful and diverse array of offerings in every conceivable area from travel and human resources to culture and art.

Having talked about Hürriyet the newspaper however I must now also mention the digital transformation which we have been undergoing now for several years and which is taking Hürriyet beyond the traditional format of newsprint. hurriyet.com.tr is one of not just Turkey's but Europe's most frequently-accessed news websites today. With an average of 2.7 million unique visitors on weekdays, our website's ability to attract visitors is an impressive international performance no matter how you look at it.

Hürriyet is currently involved in human and material resources planning in order to effectively respond to whatever trends emerge in the digital arena. We are calling this "Hürriyet World", by which we mean a multi-level, multi-channel communication platform which is no longer a printed newspaper in the traditional sense but which possesses a strong digital presence as well.

Fully aware of our ability to proceed on course while maintaining and building upon our unique strengths, we at Hürriyet can view the future with confidence.

Sedat Ergin
Editor-in-Chief



MESSAGE FROM THE CFO



IN OUR ONGOING “HÜRRİYET WORLD” RESTRUCTURING PROJECT WE WILL BE SEEKING TO MAINTAIN THE CASHFLOW GENERATED BY HÜRRİYET’S OVERALL OPERATIONS, WHILE ALSO ENGAGING IN EFFORTS TO INCREASE SHAREHOLDER VALUE THROUGH FAST-PACED GROWTH IN DIGITAL PUBLISHING AND DIGITAL CLASSIFIEDS.

Valued business partners:

Enjoying a reputation as a source of trustworthy news that has been setting agendas in Turkey for 67 years, Hürriyet continues to bring readers and advertisers together. An independent provider of a vibrant mix of current events, sports, and human-interest stories, Hürriyet is a trusted name that holds up a faithful mirror of life to Turkey. For decades it has also been a market-leading media outlet in the newspaper advertising industry that generates the most value for advertisers.

Technological advances in digital publishing and the new abilities made possible by geometrically-expanding international service networks have strengthened the links between readers and news and other content providers



to unprecedented levels. Not only are readers spending an increasingly greater part of each day consuming more content, their consumption habits are also becoming more diversified thanks especially to the proliferation of mobile devices.

Likewise the greater diversity but shorter lifetimes of products and services brought on by the rapid increase in innovative powers and abilities mean that the general trend is for brands also to require increasingly more communication and media access.

In a media industry in which readers' content consumption and brands' access requirements are simultaneously expanding, Hürriyet has ideally positioned itself with Hürriyet, a newspaper which has long since proven that it is the undisputed leader in newspaper advertising, and with digital publishing platforms which exploit the possibilities of technology to the maximum.

We strive to rapidly increase the value created for readers and brands through the targeted advertising and the individually-tailored products that are made possible by personalizable and targeted content technologies and data-analysis tools.

Long the market leader in newspaper classified ads, Hürriyet also continues to boost the strong growth momentum that it has achieved in digital classifieds through additional investment in a channel in which we already serve every major brand. We remain as committed as ever to further strengthening our presence in this business line through the development of new products and services.

In all of our development and investment activities we give special importance to ensuring that the value we generate for readers and advertisers is accounted for during the current year so that it will be immediately beneficial to our business results as turnover, profit, and cashflow.

Reflecting the ongoing process of change in our business lines, the composition and dimensions of our printed and digital portfolio vary considerably from year to year. All of our operations are subjected to a never-ending process of cost-analysis and their feasibility is constantly being

reviewed. We control costs and manage our cashflow generation much more by restructuring our business methods than we do just through economizing. In 2015, a year characterized by reduced turnover and heightened exchange rate and inflation risks, we nonetheless increased our consolidated EBITDA by 25%.

The rapidly-changing nature of our digital operations increases both the need for speed and the uncertainty inherent in our decision-making processes. Having reworked both the abilities and the methods of our quantification and analysis processes accordingly, we will continue to make improvements in our business intelligence capabilities in light of current requirements.

In the conduct of our financial management processes, we keep a close watch on the interacting interests of our shareholders, creditors, suppliers, and other business partners. We have initiated a series of programs in the areas of financial management and contract management which we believe will serve as international best practices in the media and publishing industries. Our goal is to have these programs up and running well before the end of 2016.

We carefully plan and quantify the dimensions and effectiveness of our digital infrastructure and product development investments with a view as to their impact on profitability and sales. Hürriyet's existing scale and strategic presence both in news and content publishing and in brand relationships give it a significant competitive advantage. When considering investments and business plan alternatives, we concentrate less on those which are capital-intensive than we do on those which focus more on knowledge and effectiveness.

In our ongoing "Hürriyet World" restructuring project we will be seeking to maintain the cashflow generated by Hürriyet's overall operations while also engaging in efforts to increase shareholder value through fast-paced growth in digital publishing and digital classifieds.

Ediz Haşmet Kökyazıcı
CFO



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. Ms. Doğan Sabancı currently chairs the Board of Directors at Hürriyet, and has held this post since 26 May 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 acquisition executed by a Turkish company. TME is an online and printed media advertising company operating in Russia, Ukraine, Belarus, Kazakhstan, Hungary, Croatia, Bosnia & Herzegovina and Serbia. 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 (deal finder), and yenicarsim.com (e-commerce).

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.



Yahya ÜZDİYEN

Vice Chairman

Born in 1957, Yahya Üzdüyen 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. Having functioned as President of Strategy Group at Doğan Group from 1997 when he joined the Group until 2010, Mr. Üzdüyen was named acting CEO of Doğan Holding from the onset of 2011 until 24 January 2012 when he assumed the position full-time. Mr. Üzdüyen resigned from his position as CEO as of 5 January 2016, and has been sitting as a member on the Boards of Directors of a number of companies under Doğan Group. He has been serving as a member of the Board of Directors and as Vice Chairman of our Company since 2010. Mr. Üzdüyen is married and has two children.



Ahmet ÖZER

Executive Board Member

Born in 1972, Ahmet Özer received his undergraduate degree in Economics from Boğaziçi University. After taking on project development roles in several companies for two years, he joined Doğan Group in 1997. Having assumed the position of Business Development Manager at Doğan Holding until 2005, Mr. Özer joined Hürriyet as Strategy and Investor Relations Coordinator in 2005 and was appointed as Head of Hürriyet Internet Group as member of the Executive Board in 2009. A major contributor to the successful execution and completion of the acquisition process of Trader Media East (TME), foreign subsidiary of Hürriyet, he assumed management responsibility for all units of that company across 7 different countries from 2010 and has been named the CEO of TME, a position he held at the head office in Moscow until 2014. Ahmet Özer has been appointed Chief Executive Officer (CEO) of Hürriyet World as of June 2014. Mr. Özer is married and has 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.



Ahmet TOKSOY

Board Member

Born in 1959 in İstanbul, Ahmet Toksoy graduated summa cum laude from the Department of Finance, Faculty of Business Administration at İstanbul University in 1981. In 1987, as the top student of his class, he was appointed as an Auditor at the Ministry of Finance, in which position he functioned from 1984 until 1989, when he joined Hürriyet Holding A.Ş. as a member of the Audit Committee. He worked as Assistant Finance Manager at Hürriyet Newspaper from 1990 to 1991 and as its Finance Manager from 1991 to 1995. He then worked as a Certified Public Accountant for three years at Aktif Denetim Yeminli Mali Müşavirlik.

In 1998, Mr. Toksoy returned to Hürriyet Newspaper where he served as the Financial Affairs Group President for 11 years until early 2010 when he was appointed President of Audit and Risk Management at Doğan Holding. Mr. Toksoy has been serving as the CFO and member of the Executive Committee of Doğan Şirketler Grubu Holding A.Ş. since September 2011. He also serves as a Board of Directors member of Doğan TV Holding A.Ş. and Hürriyet Gazetecilik ve Matbaacılık A.Ş. Mr. Toksoy is married and has one child.



BOARD OF DIRECTORS



Kai DIEKMANN

Board Member

Born in 1964 in Ravensburg, Germany, Kai Diekmann grew up in the city of Bielefeld. After graduating from high school, he voluntarily served in the army for two years. He was a trainee with Axel Springer AG in 1985, and worked in Hamburg, Bonn and New York as part of this post.

In 1987, he became Parliamentary Correspondent for Bild and Bild am SONNTAG in Bonn, and Executive Reporter for Bunte Magazine in 1989. Two years later, he became Deputy Editor of B.Z. published in Berlin and then moved to Hamburg as Deputy Editor and Head of the Politics Department of Bild, in which position he remained for five years.

After a brief travel throughout Central America, he became Editor in Chief of WELT am SONNTAG in 1998. In January 2001, he was named Editor in Chief of Bild and publisher of both BILD and BILD am SONNTAG, a position he still holds. In 2008, he was appointed Editorial Director of the BILD-group, and was named publisher of B.Z. in November 2013.

On assignment from Axel Springer AG, Mr. Diekmann spent ten months as Editor in Chief of BILD in the Silicon Valley, US, to study digital projects and business models.

Mr. Diekmann serves as a member of the Board of Directors of Hürriyet Newspaper since 2004 and of Times Ltd. since 2011.



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.

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 ERGİN

Editor in Chief,
Executive Committee Member

Sedat Ergin was born in 1957 in Istanbul, and completed his high school education at Robert College. Upon obtaining his BA degree from Ankara University's 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 CNN Türk. 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 Fırtına Dosyası (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 KÖKYAZICI

Finance Director
Executive Committee Member

Born in 1970 in Manisa, Ediz Kökyazıcı graduated from Izmir Science High School and then from Bilkent University, Department of Industrial Engineering. Mr. Kökyazıcı started his career as Assistant Specialist at Yapı Kredi Bank and served in various positions at Yapı Kredi Corporate Banking Department until 1995. 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 21 June 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 Doğu Group, from 1997 to 2008, she served as Performance Consultant in the Training Department at Garanti Bank, as Senior Executive Development Manager at Humanitas Doğu HR Management, as Head of the Human Resources Department at Doğu Holding and Human Resources Coordinator at Doğu 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 Human Resources Director 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 20 May 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 Advertising Director and Executive Committee Member.



A. Reha ARGAÇ

Information Technologies Director
Executive Committee Member

A. Reha Argaç 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 Information Technologies Director and as Executive Committee Member. A. Reha Argaç is married and has two children.



Kamil ÖZÖRNEK

E-commerce Director
Executive Committee Member

Kamil Özörnek 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 vipdukkân.com. Kamil Özörnek currently works for the Hürriyet Group as Executive Committee 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

Sales and Strategic Planning Director
Executive Committee Member

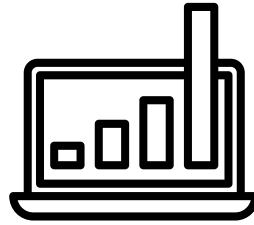
Özlem Kutluay was born in 1971, and after finishing studies at İzmir Science High School, she completed her BA degree in Electrical and Electronic Engineering on a full scholarship at Bilkent University. Kutluay began her professional career as Project Engineer at Aselsan A.Ş. in 1994, joining Software 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 Digitürk 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 2015

IN 2015, HÜRRİYET CONTINUED TO BE:

- THE PIONEER OF THE TURKISH MEDIA.
- THE STRONGEST NAME IN DIGITAL CONTENT PUBLISHING IN TURKEY.
- ONE OF THE LEADERS OF DIGITAL CLASSIFIEDS

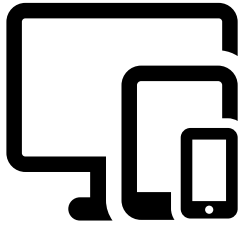


EXPANDING AUDIENCE

THE SUCCESS OF HÜRRİYET'S REAL ESTATE, HUMAN RESOURCE, AUTOMOTIVE, SERVICE, AND OPPORTUNITY DIGITAL CLASSIFIEDS CONTINUES TO EXPAND THE AUDIENCE TO WHICH THE ADS APPEAL.

HÜRRİYET'S SUPERIOR POSITION IN THE TURKISH NEWSPAPER INDUSTRY IS CONFIRMED BY ITS ASSOCIATION WITH SUCH CRITERIA AS "DEEPLY-ROOTED", "STRONG LEADER", "SERIOUS STANCE", "AGENDA-SETTING" AND "INNOVATIVENESS" *

* IPSOS



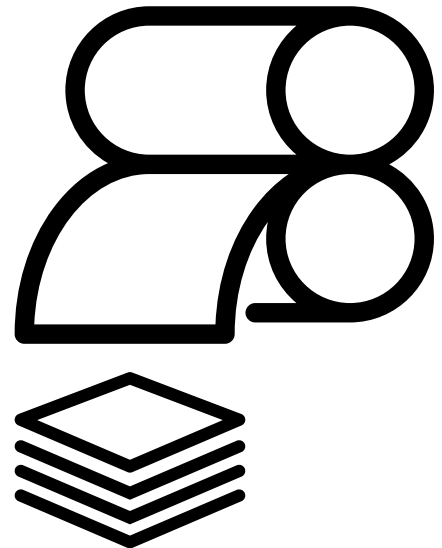
BIG DATA

INFORMATION MINED FROM THE BIG DATA PROJECT

MEANS THAT ADS CAN NOW BE DISPLAYED TO THE AUDIENCES THAT ADVERTISERS WANT TARGETED.

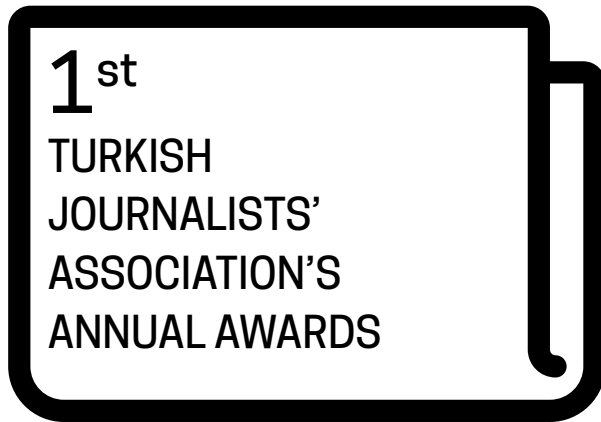
17

THE NUMBER OF PRODUCTS PRINTED ON A DAILY BASIS BY DPC REACHED 17 IN 2015.





**THE MOST IMPORTANT
CONTRIBUTOR TO
HÜRRİYET'S REPUTATION AS
TURKEY'S LEADING DAILY
IS ITS ABSOLUTE MASTERY
OF THE BUSINESS OF
NEWS-REPORTING.**



PUBLISHING

Newspapers

The flagship of Turkey's newspaper industry

Hürriyet is commonly referred to among people in Turkey as the flagship of the country's newspaper industry. That view is an expression of the generally-accepted recognition of the reputation which Hürriyet has earned as Turkey's leading daily in the course of its 68 years of life. The most important contributor to that reputation is Hürriyet's absolute mastery of the business of news-reporting.

The many scoops and exclusives which Hürriyet has published over the years also played a big role in the newspaper's earning that reputation. The notorious "Johnson Letter" for example inspired what is still one of the most eye-catching headlines ever to span Hürriyet's front page. Hürriyet's 1965 publication of that letter, which US President Lyndon Johnson sent to Turkey's Prime Minister İsmet İnönü in 1964 in a bid to prevent Turkey from intervening in Cyprus, not only led to a serious shakeup of Turkish-US relations but also brought about a fundamental sea-change in the Turkish public's attitudes towards foreign policy and Turkey's relationship with the United States and the West in general.

That is only one of the countless similarly striking headlines to be found in Hürriyet's archives. Another example that made a tremendous impact on Turkish public opinion was concerned with the "Sulaymaniyah Raid" in which US military personnel captured and detained Turkish special forces operatives in the northern Iraqi city of Sulaymaniyah on 4 July 2003. The publication of this story sent shockwaves through Turkish-US diplomatic relations and caused widespread outrage in Turkey.

In 2015 Hürriyet continued to fulfill its customary role as the flagship of Turkey's newspaper industry through its incisive reporting of numerous events that preoccupied the country's agenda. As it did also in 2014, Hürriyet once again placed first in the 2015 round of the Turkish Journalists' Association's series of annual awards in what is a clear demonstration of the success of the newspaper's new-reporting team.

HÜRRİYET'S DIGITAL CONTENT PUBLISHING ARM ENGAGES IN A NEVER-ENDING EFFORT TO DIVERSIFY AND EXPAND THE TARGETED PRODUCTS THAT IT CAN MAKE AVAILABLE TO ITS AD-PLACING CUSTOMERS.

Digital publishing

Hürriyet is the strongest name in digital content publishing in Turkey.

Hürriyet's digital content publishing arm engages in a never-ending effort to diversify and expand the targeted products that it can make available to its ad-placing customers.

During 2015, important progress was made in the direction of incorporating the latest innovations in the digital world into Hürriyet's digital publishing products.

The Hürriyet Content Management System (CMS) is playing a leading role in advancing digital newspapers as an effective medium in today's world.

Developed inhouse, Hürriyet CMS is a platform which allows all content published at hurriyet.com.tr to be presented in such a way as to enhance the user experience by providing multimedia support in the form of videos, animations, and sound tracks that maximize information delivery effectiveness without also exhausting the user.

Besides providing readers with the highest-quality and richest content available together with visually-supported news, Hürriyet CMS is playing a leading role in advancing digital newspapers as an effective medium in today's world.



first
HURRIYET.COM.TR
BECAME THE
FIRST WEBSITE
IN TURKEY
TO BE MADE
ACCESSIBLE VIA
APPLE WATCH.

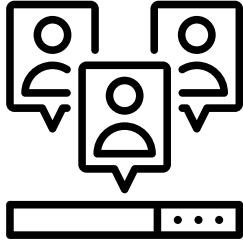
New technologies and user experiences in mobile apps

While revisions of existing mobile apps were an important focal point in 2015, attention was also given to providing value-adding content for Hürriyet's social-media followers. There were significant increases in both access and subscriber numbers. The latest trends in technology were adapted and deployed to make improvements in app interfaces so as to better the user experience.

Hürriyet's mobile newspaper app was improved in 2015 with access to it also being made possible through a variety of digital platform media.

hurriyet.com.tr became the first website in Turkey to be made accessible via Apple Watch, a wearable-technology smartwatch. Hürriyet TV apps were either newly developed or upgraded for use with the "smart" (internet-connected) televisions made by Philips, LG, and Samsung.

Hürriyet's bigpara.com financial portal was also overhauled with changes being made that give users readier access to stock-market, gold-price, exchange-rate, interest-rate, and currency-trading information all in real time. Another first introduced last year was a mobile app which accesses the portal and allows users to track stock-market data in real time from their mobile phones and tablets.



2.6 mn

**YENİBİRİS.COM:
AVERAGE UNIQUE
VISITORS A MONTH**

4.6 mn

**HURRIYETMLAK.COM:
AVERAGE UNIQUE
VISITORS A MONTH**

230K

**YAKALA.CO:
NEW MEMBERS JOINED
IN 2015**

DIGITAL CLASSIFIEDS

The leader in digital classified advertising

Hürriyet digital classified ads are provided under the five separate brands known as “Hürriyet Emlak” (real estate properties), “Yenibiriş” (human resources), “Hürriyet Oto” (automotives), “Yakala.co” (opportunities), and “Ekolay” (services).

Keeping a close watch on advances in technology and incorporating them into both web-based and mobile apps, the Digital Classifieds Group is the Hürriyet World’s representative in classified advertising and one of the leading names in that business line.

Offering an extensive lineup of user-appealing real estate, human resource, automotive, service, and opportunity want ads, the Digital Classifieds Group’s offerings providing a dynamic mix that is constantly growing and changing.

With revenues consistently growing year after year, digital classifieds constitute a substantial part of Hürriyet’s operations. Having repeatedly distinguished itself through its dynamic personnel structure and creative thinking, the Digital Classifieds Group will be focusing on improving the

coordination and productivity of all five of its brands while introducing newer and even more trailblazing ones in 2016 and the years that follow.

Originally launched in 2006 as Hürriyet’s online real estate platform, hurriyetemlak.com today is the premier real estate industry portal in Turkey today.

With its huge portfolio of ads, current news, and innovative projects and products, hurriyetemlak.com has its finger on the pulse of Turkey’s real estate industry. hurriyetemlak.com is the Turkish real estate industry’s only one-stop address that brings people looking to rent or buy a home and people interested in investing in real estate together with realtors, contractors, and construction firms. In 2015, hurriyetemlak.com had an average of 4.6 million unique visitors a month.*

yenibiris.com is a human resources platform that was originally launched in 2000. During 2015 it was given a makeover that involved renewing its user interface and mobile app. In 2015, yenibiris.com had an average of 2.6 million unique visitors a month.*

ekolay.net, which started out in life as a news portal, was converted into a services-sector portal in 2014.

* According to Google Analytics 2015 figures.

LEADER

KEEPING A CLOSE WATCH ON ADVANCES IN TECHNOLOGY AND INCORPORATING THEM INTO BOTH WEB-BASED AND MOBILE APPS, THE DIGITAL CLASSIFIEDS GROUP IS THE HÜRRİYET WORLD'S REPRESENTATIVE IN CLASSIFIED ADVERTISING AND ONE OF THE LEADING NAMES IN THAT BUSINESS LINE.

DIGITAL CLASSIFIEDS GROUP

HÜRRİYET EMLAK
YENİBİRİŞ
HÜRRİYET OTO
YAKALA.CO
EKOLAY

ekolay.net today hosts an extensive portfolio of the names and addresses of more than 13,000 firms just only in İstanbul who provide services in many different categories such as painting, transport, private teaching, insurance, and much more.

The fastest-growing online classified ad platform in Turkey's steadily-growing automotives market, hurriyetoto.com continued to increase both its ad and visitor numbers in 2015.

yakala.co is Hürriyet's opportunity website, which gives its users access to a wide range of enjoyable options and

deals embracing everything from food & drink to personal care and from culture & entertainment to travel. Going beyond the traditional "deal-of-the-day" website model, yakala.co has become a highly effective and influential e-commerce and advertising platform on which both local and even international vendors appeal to individuals by offering attractive deals and brand-new experiences.

yakala.co's strong growth performance ensured that it successfully defended its leading position in 2015. Last year 230 thousand new members joined the yakala.co family while 8,400 new opportunities were added to the platform.



THE HÜRRİYET PRODUCT PACKAGE EXPRESSED IN THE “HÜRRİYET WORLD” CONCEPT IS RICH AND VARIED ENOUGH TO SATISFY ALL OF THE NEEDS OF ADVERTISER OF EVERY PROFILE.



1.4 mn
NUMBER OF READERS
HÜRRİYET ACCESSES
EVERY DAY

42 mn
HURRIYET.COM.TR:
AVERAGE USERS A
MONTH

ADVERTISING

Hürriyet World is the only online platform in Turkey with an unlimited range of offerings capable of appealing both to advertisers and to advertisees.

Moreover Hürriyet World is not limited to its existing portfolio: as a source of new ideas, alternative funding, and ability to keep a close watch on global trends, it presents advertisers and agencies with a wealth of potentially high-yield opportunities.

As a company that has been investing constantly not just in hard-copy but also in digital products for quite some time, Hürriyet is the only major media company in Turkey today with the ability to provide both consumers and advertisers with a vast array of such products.

The opportunities generated by Hürriyet's printed as well as digital media access strengths are easily exploited and transformed into first-rate advertising investment vehicles.

Accessing 1.4 million of 8.6 million readers every day according to the findings of the Information and Internet Research Parliamentary Commission's national readership survey covering the period 1 December 2014 to 30

November 2015, Hürriyet ranked second as Turkey's most widely-read daily newspaper.

Among readers with at least one university degree however, the paper ranks first and this is what makes it the preferred choice of advertisers who want especially to reach this prime demographic.

Successfully supporting a printed newspaper and positioned as “Turkey's Home Page”, hurriyet.com.tr is one of the most potent news web portals not just in Turkey but in Europe as well. According to Google Analytics, the site averages 42 million users and 1.2 billion pageviews every month.

The followers of this high-access digital news platform consist especially of males and females over the age of eighteen who have a high socioeconomic status, are mainly university graduates, and like to shop online.

Supplying its followers with a rich selection of content provided by experienced journalists and columnists ranging from current events to sport, from celebrity news to healthy lifestyles, hurriyet.com.tr goes a step farther by promising an unrivaled Hürriyet experience with personalizable content flows, one-on-one communication between readers and authors, and interaction with hundreds of thousands of other agenda-setting followers.

BESPOKE

BESIDES PLAYING A LEADING ROLE IN THE CREATION OF VIRAL CAMPAIGNS AND CUSTOMER-BESPOKE VIDEO PAGES ITSELF, HÜRRİYET TV CAN ALSO SERVE AS EXTENSIONS OF INTEGRATED CAMPAIGNS.

85 mn

HÜRRİYET TV IS A PLATFORM ON WHICH AN AVERAGE OF 85 MILLION VIDEOS ARE VIEWED EVERY MONTH.



The Hürriyet product package expressed in the “Hürriyet World” concept is rich and varied enough to satisfy all of the needs of advertiser of every profile. Hürriyet World is capable of addressing advertisers’ sales, publicity, and/or image campaign requirements in every category by means of both printed and digital products, each of which are highly accessible and are premier representatives in their respective classes.

Kelebek, the daily supplement of Hürriyet, provides unique access to the areas of interest of 1.3 million people on weekdays and of 1.0 million people on weekends on average.

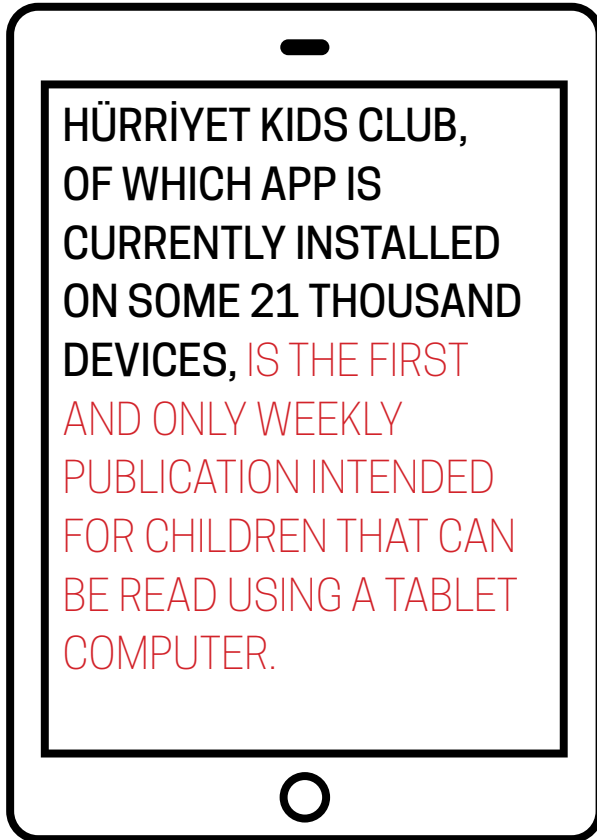
Providing content ranging from cinema to music and from fashion to sport, the paper’s weekend supplements are the ones that are read the most in Turkey.

Seyahat, Turkey’s most-read travel supplement, likewise offers advertisers wishing to promote travel-related products and services with opportunities to address their specific needs.

Besides Hürriyet World’s high-access website which supports the variety of the newsprint edition through constant digital-platform investment, Hürriyet TV also provides important space for customers who want to place video-based ads that will appeal to those who follow the latest trends. Combining the worlds of entertainment and news in much the same way as YouTube and İzlesene, Hürriyet TV is a platform on which an average of 85 million videos are viewed every month. Hürriyet TV is the online platform in Turkey where Technology, Entertainment, Design (TED) Conference videos are broadcast with Turkish-language subtitles. Besides playing a leading role in the creation of viral campaigns and customer-bespoke video pages itself, Hürriyet TV’s other formats such as “Sarı Mikrofon”, “BirDirBir”, and “Kim Haklı?” can also serve as extensions of integrated campaigns. For example posting the videos of an advertising campaign promoting an event here helps an advertiser to communicate with far more consumers than might otherwise be possible.



DURING THE LAST QUARTER OF 2015, HÜRRİYET WORLD BEGAN PROVIDING TARGETED MASS-AUDIENCE ADVERTISING CAPACITY AS REQUESTED BY ADVERTISERS.



Two other widely-followed Hürriyet-owned websites that actively serve as sources of news and information in the digital environment are Radikal and Kelebek.

radikal.com.tr, which makes highly effective use of social media, registers an average of 170 million pageviews a month. Turkey's first digital news portal, radikal.com.tr has a proven track record of demonstrated success in news reporting. It is an especially important domain for a variety of advertising models developed to appeal to urban, social, mobile, and upper socioeconomic-status individuals.

kelebek.com.tr, which registers an average of 42 million pageviews a month, is an online platform which, like its namesake printed daily supplement, appeals to readers in the digital environment with content ranging from fashion and lifestyle to food and travel.

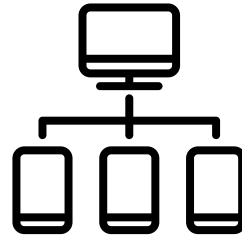
As the owner of such solid publications, Hürriyet World has also developed a variety of marketing and communication models/approaches which it makes available for brands to use in both domestic and international contexts.

New initiatives from Hürriyet World

During the last quarter of 2015, Hürriyet World began providing targeted mass-audience advertising capacity as requested by advertisers. Hürriyet World has currently defined 35 target segments ranging from white-collar workers to educators and from people who love travel to sports fans. These target segments can be defined and refined according to advertisers' wishes so as to precisely address whatever their specific needs might be. Owing to the detailed nature of such segmentation, the levels of data reliability are quite high. Based on the evidence of campaigns which have been conducted so far, the returns on a targeted campaign are three times higher on average than those on a standard (non-targeted) one.

In addition to targeted mass-audience advertising, in the last quarter of 2015 Hürriyet launched a new product consisting of a native advertising platform. Dubbed "Brands & Stories", this platform developed by the Content Studio links the advertiser's message naturally to the content. Many different format options such as "List", "File", "Dynamic Gallery", "Full-

THE INCREASINGLY GREATER NUMBERS OF E-HÜRRİYET APPS WHICH MORE AND MORE USERS ARE DOWNLOADING AND INSTALLING ON THEIR DEVICES PROVIDE ADVERTISERS WITH AN EXPANDING INFRASTRUCTURE THAT OFFERS FAR MORE ADVERTISING MODELS THAN ARE POSSIBLE WITH A NEWSPAPER.



LATEST
HÜRRİYET WORLD
MAKES USE OF
ALL OF THE LATEST
INNOVATIONS AND
TRENDS IN THE
DIGITAL WORLD.

Page Gallery”, “Timeline”, and “Featured Video” allow for a varied and rich range of potential solutions.

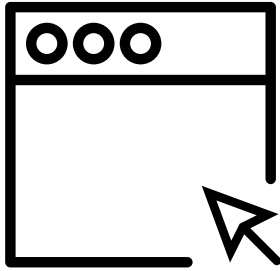
Along with these two major initiatives, the so-called “Super-Idea” (idea-focused) approach, the foundations of which were laid in 2014, also established itself as an indispensable tool of the marketing industry in 2015. Super Ideas make quantifiable contributions towards brands’ efforts to achieve their communication goals. In the Super Idea approach, the Idea is the focal point of everything else, which means that all of Hürriyet World’s media and channels are arrayed around it in an integrated manner and within the framework of a 360° media plan. This allows the Idea to be communicated to the specifically targeted consumers in the most effective way possible. Likewise and thanks to the interactive nature of this approach, users themselves become inherent elements of the communication process by diversifying and spreading the messages designed for the brand being advertised. Ads which make effective use of the Super Idea approach are now bringing home awards from advertising competitions.

Hürriyet World also makes use of all of the latest innovations and trends in the digital world. One example of this is Boomads, a blogger network. Since its inception in 2011, Boomads has become Turkey’s premier marketing and social media platform. By working through recognized leading bloggers producing content in 46 different categories under

seven separate headings, this international content marketing company creates new advertising models for advertisers and gives them access to demonstrably influential voices. Boomads’ methodology is rooted in the much-debated and talked-about native advertising techniques of content marketing.

Hürriyet World also develops alternative points of view for sector/industry-specific requirements. In keeping with its avowed “Win-Win” principle, Hürriyet World enters into partnerships with advertiser, agency, and industry representatives.

Through activities and seminars that are organized at international fairs on behalf of Turkey’s retail, tourism, retailing, and automotives industries, sponsorships are sold and new sources of revenue are created. Relationships are also developed with industry-specific umbrella organizations (associations, federations, unions, etc) through which high-return industry-wide (rather than just company-specific) projects may be carried out. Two examples of such projects that Hürriyet World has been involved in so far are Kayak Gazetesi, a newspaper published by the Turkish Ski Federation, and Follow, a textile-industry periodical published by the Registered Trademarks Association.



18 mn

HURRIYETAILE.COM:
AVERAGE PAGEVIEWS A
MONTH

28 mn

MAHMURE.COM:
AVERAGE PAGEVIEWS A
MONTH

43 mn

BIGPARA.COM:
AVERAGE PAGEVIEWS A
MONTH

Hürriyet World offers an extensive lineup of products capable of appealing to every age group and segment.

Hürriyet Kids Club, which is accessible online also from its hurriyetcocukkulubu.com address, is the first and only weekly publication intended for children that can be read using a tablet computer. The club's app is currently installed on some 21 thousand devices. This platform, which has been delivering specially-crafted content to Turkish children since 2013, is yet another actively-used feature of Hürriyet World that creates new opportunities and offers new experiences.

As of end-2015, Hürriyet World was reaching out directly to consumers and providing them with content through many different portals designed to satisfy their needs for news and information from the most basic on up.

bigpara.com: Acknowledged to be Turkey's best financial portal and averaging 43 million pageviews a month, bigpara.com serves as a handy reference for those who need to keep their fingers on the pulse of the Turkish economy.

hurriyetaile.com: A family-focused online portal appealing to women in general and to mothers in particular and averaging 18 million pageviews a month, hurriyetaile.com provides access to a vast array of content ranging from healthful living to home decoration and from pregnancy health to childcare.

mahmure.com: Designed to be a product that engages in one-on-one communication with women, mahmure.com is a Hürriyet World platform for learning about and discussing

fashion, shopping, health, personal care, and everything else that may be of interest to women. Averaging 28 million pageviews a month, mahmure.com is Turkey's first women-specific portal.

While all Hürriyet World products may be accessed online using a computer, that is not the only way. There also exists an array of e-Hürriyet products consisting of specially-designed tablet and mobile apps that users can use to access the products and view them in whatever format (device-specific or web-based) is the most appropriate to their needs. Having established a presence in every corner of the digital universe, Hürriyet constantly reinforces it with new investments. The increasingly greater numbers of e-Hürriyet apps which more and more users are downloading and installing on their devices provide advertisers with an expanding infrastructure that offers far more advertising models than are possible with a newspaper.

Besides advertising space which advertisers can use for their more traditional printed and/or digital campaigns, Hürriyet World is also equipped with infrastructure that makes it an especially effective platform for:

- Sponsorships
- Events
- Social responsibility projects
- New advertising models
- Purely digital campaigns
- Solely access-focused campaigns
- Sales-focused campaigns
- Viral campaigns
- 360° campaigns.

RECOGNIZING THAT IT MUST BE MORE THAN JUST A PRINTED NEWSPAPER, HÜRRİYET THEREFORE ALSO POSITIONS ITSELF AS A STRONG PLAYER IN THE DIGITAL WORLD. THIS MEANS IT MUST BE A PLAYER WHO SHARES CONTENT WHENEVER, WHEREVER, AND HOWEVER IT MAY BE REQUIRED.

BRAND MANAGEMENT & COMMUNICATION

A dynamic brand that makes its presence felt in every channel

Besides being a strong and leading name in the newspaper industry for 67 years, Hürriyet is also a dynamic brand that makes its presence felt on many different platforms in its never-ending efforts to keep up with and interpret current developments and needs. Recognizing that it must be more than just a printed newspaper, Hürriyet therefore also positions itself as a strong player in the digital world. This means it must be a player who is capable not just of anticipating technological and social changes and adapting itself to them accordingly but also of spearheading such change; a player who shares content whenever, wherever, and however it may be required; a player who interacts constantly with its readers and followers and strives to add value to their lives.

Hürriyet's actions are informed by its underlying goals of being an innovative brand which employs its deep-rooted experience and vision to further develop the world it has created; which proliferates and diversifies its content delivery channels; which creates and supplies audience-specific targeted products; which collaborates with other world-beating media concerns around the world; and which keeps a close watch on worldwide trends and developments.

Turkey's undisputed leader of independent journalism and honest reporting, Hürriyet also touches its readers' lives with supplements delivering enjoyable content and supporting them in their efforts to create news-transcending agendas of their own.

Hürriyet Cumartesi is a Saturday-published supplement that serves as a sort of lifestyle directory by providing potential answers to questions such as what to do, where to go, what movie to see, what concert or exhibition to attend, and so on this weekend. It presents weekend plans for readers who are kept busy all week long and who want to make the best of their time off work. While highlighting the latest movies, concerts, exhibitions, fashions, and TV shows as well as current childcare issues, the supplement also appeals to readers with informative and equally enjoyable interviews with celebrities. A Hürriyet Cumartesi promotion campaign boosted the supplement's base readership by distributing more than 60 thousand copies that were read by close to a million people.

Hürriyet Seyahat started out about fourteen years ago as a weekly supplement focusing on travel that was published on Mondays. Since 1 March 2015, the supplement has been included in the Sunday editions of Hürriyet. Keeping a close watch on global reading trends, the supplement's staff was augmented with the addition of Ayhan Sicimoğlu, a well-known musician, traveler, and TV & radio presenter, and of Saffet Emre Tonguç, a veteran traveler, travel author, and guide. Hürriyet Seyahat is promoted mainly through radio spots that are broadcast on Sundays when the supplement is published.



BilBul is a puzzles and brainteasers supplement that has been accompanying Hürriyet for 28 years. The supplement's content has been revised based on the results of a reader survey. So has the way in which BilBul is being promoted, with greater attention being given to channels that appeal to retired people and game shows.

Four separate advertising films that were prepared to promote Hürriyet's sport pages were broadcast during programs that sports viewers were likely to watch as well as during games. Each one of the films was characterized by the distinctive colors of Turkey's four top premier-league teams. The newspaper's sports page content was also supported with interviews with Mustafa Denizli, a former football player and manager of Turkey's national team.

International News Media Association (INMA), the world's leading provider of global best practices and marketing ideas for newsmedia companies, bestowed six awards on Hürriyet World.

At the 85th Annual INMA World Congress at the Edison Ballroom in New York's Times Square, the 2015 INMA Awards were handed out at a ceremony honoring the best media projects and marketing initiatives of newspapers and media concerns from around the world. Hürriyet's www.hurriyet.com.tr website received awards in two categories: "Launch of a Brand or Product to Create An Audience Segment" and "Best Idea to Grow Digital Audience or Engagement".

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Four awards for Radikal #4hours campaign

Chosen "Best in Show", Hürriyet World's "Radikal #4hours" campaign, which has so far picked up nearly thirty accolades in both national and international arenas, also received awards in three categories: "Best Public Relations or Community Service Campaign", "Best Idea to Grow Digital Audience or Engagement", and "Best Use of Social Media"

At a ceremony that was attended by representatives of major-league players in global media, the awards were handed out by INMA's president and New York Times Chief Consumer Officer Yasmin Namini. Accepting the awards on behalf of Hürriyet World were Hürriyet Digital Media Group Coordinator Bülent Mumay and Sales and Strategic Planning Coordinator Ömer Özener.

Digital products lead the way.

The INMA Awards 2015 competition attracted 578 entries from 190 market-leading companies in 38 countries. The competition was judged by an international jury of 33 executives from 15 countries representing the worlds of media and marketing. Thirty of the world's best news media sales and marketing initiatives were honored during the 12 May 2015 ceremony at which INMA executive director and CEO Earl J. Wilkinson said "Innovation ruled the winning entries in this year's INMA Awards competition. We live in a transformation era, and the stand-out initiatives contributed to that transformation—whether innovation processes, social media breakthroughs, or new digital products conceived in new ways."

A professional organization eighty years old

Created in 1935, the INMA Awards competition is the news media industry's premier barometer for growing audiences, revenues, and brands across platforms. INMA is a global community of market-leading news media companies reinventing how they engage audiences and grow revenue in a multimedia environment. The INMA community consists of about 6 thousand members in more than 80 countries.



BLENDING ITS DEEP-ROOTED
AND VAST EXPERIENCE
WITH BOTH SECTORAL AND
ADVERTISER DYNAMICS,
HÜRRİYET CONDUCTS A VARIETY
OF INNOVATIVE AND EXCITING
AWARD EVENTS FOR ITS
INDUSTRY.

HÜRRİYET WORLD EVENTS

Innovative and exciting award events

Blending its deep-rooted and vast experience with both sectoral and advertiser dynamics, Hürriyet conducts a variety of innovative and exciting award events for its industry.

In 2015, Hürriyet once again adhered to an integrated communication strategy in its approach to event management and organization issues as it joined forces with numerous major national and international brands in the conduct of various projects.

Last year's events included:

- “Pantene Altın Kelebek”, the organization and management of all aspects of which—from idea development and creative interactivity to communication plan and realization—were carried out by Hürriyet;
- “Sign of the City Awards”, in which the best projects in Turkey’s real estate industry were honored;
- “Cityscape Dubai”, which provided a venue bringing international investors and Turkish construction firms together;
- “Kırmızı Ödülleri”, which recognized excellence in digital creativity campaigns as well as the year’s best printed media ads;
- “Boomerang Blog Awards”, which were handed out to the best blogs in Turkey.

Traditional Hürriyet awards and recognitions

ALTIN KELEBEK: Altın Kelebek (Golden Butterfly) is the name of a series of awards that are handed out to the most successful names in the worlds of TV and music. Introduced 42 years ago, the annual Altın Kelebek award ceremony is regarded as the most prestigious and influential event in its class. The object of widespread attention and confidence both among industry professionals and the public at large, the 2015 round of the Altın Kelebek awards was name-sponsored by Pantane, a hair care products brand.

KIRMIZI BEST PRESS ADVERTISING AWARDS:

Introduced in 2003 and regularly conducted every year since, Hürriyet’s Kırmızı (Red) annual awards are handed out to recognize and reward success on the part of advertisers, agencies, and individuals involved in the advertising industry and also to encourage creativity in press advertising. The Kırmızı Awards competition is unique in Turkey because its honors were originally handed out only for newspaper and magazine ads. In 2010 Kırmızı Awards introduced yet another first in Turkey with the launch of its “Kırmızı Region” series of awards for which only agencies located outside İstanbul may compete. This series’ aim is to discover and reward excellence in local advertising in towns and cities all over Turkey. For the twelfth round of the Kırmızı Awards in 2015, the scope of the program was expanded to include online media. During the ceremony conducted last year, Kırmızı and Kırmızı Region awards were handed out to winners in a total of 44 categories.

SIGN OF THE CITY AWARDS: The Sign of the City series of awards was introduced in 2014 to mark success in the construction and real estate industries, both of which have tremendous growth and job-creation potential for the Turkish economy while likewise being a strong magnet for inward international investment. The series also has the mission of contributing to the “Urban Transformation” process that so many of Turkey’s cities are undergoing nowadays. Having attracted strong attention among value-creating construction and real estate brands in its very first year of life, the 2015 Sign of the City round of awards was once again the focal point of interest and was heavily attended.



HÜRRİYET STRUCTURED ITS BUSINESS MODEL AND PROCESSES SO AS BOTH TO MAINTAIN ITS COMPETITIVE EDGE IN THE DIGITAL WORLD AND TO INCREASE ITS OWN SHARE OF THAT WORLD'S REVENUES.

TECHNOLOGY MANAGEMENT

A brand with proven technological prowess

Expertly deploying its technological prowess, Hürriyet's goal is to make Hürriyet World a platform capable of accommodating itself immediately to the constantly evolving rules of the digital world and in this way sustaining and advancing Hürriyet's long-standing leadership and success in printed, web-based, and mobile media to newer and higher levels.

Taking an innovative, trend-savvy, and adaptive approach in all matters involving technology, Hürriyet has put together a technology team whose youthful-thinking and dynamic members are quick to spot and embrace new technologies and processes. Having structured its business model and processes so as both to maintain its competitive edge in the digital world and to increase its own share of that world's revenues, Hürriyet:

- Expands its ecosystem in such a way as to be able to move nimbly and be nourished by new ideas. To this end, Hürriyet undertakes new projects with startups and entrepreneurs while also fostering a sustainable climate of interaction and cooperation with major global players in order to benefit from their product and technological visions.



100
DURING 2015,
MORE THAN
A HUNDRED
IT PROJECTS
WERE CARRIED
OUT.

- Makes changes in its infrastructure and processes so as to manage all of its IT operations with an approach whose productivity, cost-effectiveness, and flexibility are exactly quantifiable. The savings that are generated through virtualization, consolidation, capacity enhancement, network optimization, and similar infrastructure improvements are channeled into new, revenue-creating digital operations.

During 2015, Hürriyet reorganized its IT processes so as to more quickly respond to today's technological needs. The overall level of professionalism in IT management was raised while attention was also focused on seeking out talented new individuals in order to work with the very best people available. Hackathons (events where programmers and others meet for collaborative software development) were organized and in many cases the creators of the best solutions were hired by the company.

Changes were also made in Hürriyet's IT business methods not only to render the company's IT structure more flexible and speedier but also to perform as an individually and corporately more productive leader in the ongoing digital transformation.

Agile project development methods and effective testing, proactive monitoring, and insightful analyzing processes were introduced so as to address the company's increasingly more complex and diversified business needs



SINCE THE INTRODUCTION OF TARGETED AD EXPOSURE UNDER THE BIG DATA PROJECT, THERE HAVE BEEN BOTH AN INCREASE IN UNIT EXPOSURE PRICES AND IMPROVEMENTS IN MORE EFFECTIVE INVENTORY MANAGEMENT.

in the best, fastest, and most economical ways possible. During 2015, more than a hundred such projects were carried out.

Technical improvements in the company's portals made them search-friendly and more visible to external web search engines. Hürriyet's content on social media channels was made accessible to more people who were also encouraged to download its mobile apps more often. Traffic to sponsors was increased through the directed ranking of users' search engine results.

In the period immediately ahead, Hürriyet will continue to increase the search-engine visibility of its portals and pages through other technical improvements in them. The company also plans to increase repeat visits by strengthening both the internal and the external traffic of loyalty channels.

With the most outstanding technological solutions introduced in 2015 consisting of a new content management system, a dealership loyalty system, big data-based and market-segmented advertising exposures, and mobile apps on every platform. Hürriyet continued to be successful in offering users a wide range of different digital world experiences.

BIG DATA

Targeted ad exposures through big data and market segmentation

During 2015, strategies and plans were developed in order to transform big data into revenue and customer satisfaction in the most effective way possible

Joining forces with one of the leading firms in the sector, the company began collecting data about Hürriyet World visitors' website and other channel movements. Through the analysis of this data, demographic interest and trend forecasting models were developed by means of which modeling, user segments were formulated. With the aid of this information, the company's websites are being transformed into intelligent sites which not only have the ability to suggest content that is compatible with users' consumption habits but can also constantly improve their performance in doing so. The result is the creation of a platform that makes possible the real-time presentation and consumption of ads, content, and products that are most appropriate to a user's behavior. Since the introduction of targeted ad exposure, there have been both an increase in unit exposure prices and improvements in more effective inventory management.



UNDER THE DEALER LOYALTY PROJECT, DEALERS AND VENDORS WHO BOOST THEIR SALES BY STRENGTHENING READER LOYALTY ARE IDENTIFIED AND REWARDED.



12,343
NUMBER OF
VENDORS IN
THE DEALER
LOYALTY
PROJECT

SALES & DISTRIBUTION

The Dealer Loyalty Project has increased sales.

Hürriyet has developed a loyalty project whose aims are to increase the visibility of Hürriyet and to encourage dealers and vendors to sell more copies of the newspaper. Under this project, dealers and vendors who boost their sales by strengthening reader loyalty are identified and rewarded. This project, which is being carried out with 64 dealers and 12,343 vendors who are located in İstanbul, İzmir, Ankara, and twenty other cities and who can access the project through digital platforms and the Hürriyet call center, has already increased total newspaper sales. The effectiveness of this project is being enhanced through faster and more accurate decisions that are made possible by digital decision support reporting interfaces. By allowing business partners to be better recognized and understood, the project also makes it possible to identify dealers' behavior, product sales, delivery routes, and methods. This has led to the accumulation of a huge volume of data for analysis. Based on the results of such analysis, business partners are grouped and are constantly supplied with information about the sales campaigns and products that are best suited to them. The feedback from

all the dealers and vendors taking part in this project has been positive. By strengthening the ties between the company and its business partners, the project has been steadily increasing newspaper sales month after month.

Reducing no-sale rates raises customer satisfaction levels.

Newspaper distribution network dynamics are analytically examined as part of a process whose aims are to identify the factors that impact on sales and to optimize distribution. As a result of this analysis, improvements were made primarily in reducing no-sale rates while also increasing availability and customer satisfaction.

As a result of all of these efforts Hürriyet further increased its share of newsstand newspaper sales in 2015.



IN TERMS BOTH OF ITS TECHNOLOGICAL AND OF ITS PHYSICAL AND HUMAN RESOURCES, DPC RANKED FIRST IN TURKEY AND IN EUROPE'S PREMIER LEAGUE IN 2015.

PRINTING & DISTRIBUTION

State-of-the-art printing facilities

Simultaneously active in newspapers, printing, advertising, want-ads, and internet publishing, Hürriyet has seven printing plants in İstanbul, Ankara, İzmir, Adana, Antalya, Trabzon, and Frankfurt.

Doğan Printing Center (DPC) facilities, which print all of the newspapers published by the Hürriyet Group, are located in the cities of İstanbul, Ankara, İzmir, Adana, Antalya, and Trabzon in Turkey. The group's international printing operations are conducted in Frankfurt by Hürriyet's German subsidiary Hürriyet Zweigniederlassung GmbH.

DPC plants print not only Hürriyet and Hürriyet Daily News and their supplements but also, under contract, other group and non-group newspapers and their supplements on a daily, weekly, and monthly basis.

In terms both of its technological and of its physical and human resources, DPC ranked first in Turkey and in Europe's premier league in 2015. Keeping pace with—and even leading—the world's most cutting-edge coldset and heatset printing techniques, undertaking productivity-enhancement projects, and making use of superior materials, Hürriyet successfully maintains the highest levels of product service quality.

2015 was a year in which DPC successfully expanded its publishers portfolio by attracting more non-group customers. DPC's most important competitive advantages

are the number of its printing plants, their strategic locations, and the wealth of physical resources available at each location. DPC's Antalya and Trabzon plants in particular are especially in demand among local/regional publishers in the absence of any acceptable alternative. At a time when shipping costs are steadily increasing and online journalism is exerting increasingly greater pressure, DPC's plants are ideally situated to respond to the need to supply hard-copy printed newspapers to readers in a timely manner.

In 2015 DPC gained an additional leg up on its competitors by adding a total of six new national brands to its printing portfolio at various of its locations. The number of products printed on a daily basis at all of DPC's plants reached 17 last year.

2015 was also a year in which DPC made very good progress in improving its operational efficiency and cost-control processes. The latter was achieved especially by re-optimizing production in line with an expanding printing portfolio and movements in currency exchange rates.

- A project to change over to printing plates that make use of fewer chemicals that was begun in 2014 was completed around the middle of 2015. Besides representing a major step forward in the improvement of DPC's and Hürriyet's environmental performance, this changeover also resulted in substantial reductions in chemical-related outlays: savings on the order of EUR 39,000 were achieved in the last six months of 2015 alone and it is projected that they will amount to EUR 80,000 a year on average.
- Software integrated into the page composition system last year reduced the amount of colored ink per printed page by 12.7%, thereby resulting in savings on the order of EUR 490,000 a year.
- Thanks both to new pricing procedures and to the new contracts negotiated in 2015, DPC's contract printing business line generated a TL 29,796,926 addition to its net profit. This corresponds to a year-on rise of 59%.
- A new printing-plant project was initiated in late 2015 and is on track to be completed by the third quarter of 2016. This project is yet another instance of DPC's ongoing efforts to reduce operational costs and improve operational efficiency.
- As a result of a review of business processes that was carried out last year throughout DPC, the numbers of personnel on the payroll and of subcontractor personnel were reduced by 54 and 33 respectively.



HÜRRİYET WORLD



Hürriyet

Founded in 1948, Hürriyet has always distinguished itself as the symbol of good journalism and reliability in the Turkish press industry through its commitment both to ethical behavior and to a progressive publication outlook. By means of its unique news-reporting style, its rich content delivered through both printed and digital media, and its supplements that reflect all the vibrancy of life, Hürriyet expands the horizons of its readers. According to the Media Monitoring & Research Commission's 2015 report, Hürriyet World consisted not just of a newspaper read by 1.4 million people but also of a panoply of web, mobile, tablet, and social media channels that attracted more than 2.7 million visitors and users every day.

In 2016 Hürriyet once again will maintain its leadership in news reporting just as it has always done. While continuing to defend its unchallenged stature as the Turkish media industry's strongest advocate of impartial and principled journalism, Hürriyet will also further strengthen its position as the industry's most important brand capable of reaching out to, understanding, and responding to readers and their current needs through existing web, mobile, and tablet platforms as well as any other platforms that have yet to emerge. With its presence on dozens of platforms generating specialized content that appeals to different age groups and areas of interest, Hürriyet World will continue to create added value for all of its stakeholders while never weakening in its commitment to being the premier choice of advertisers as well as of readers.



Hürriyet supplements

For Hürriyet readers, an enjoyable weekend begins with Hürriyet Cumartesi, a Saturday-morning supplement that keeps them up to date on new trends and current developments in everything from cinema and music to fashion and technology. With its revamped and rich content, Hürriyet Cumartesi is a lifestyle directory to urban living.

A Hürriyet weekend supplement that the whole family loves to read is Hürriyet Pazar, which appears on Sundays. Offering a rich selection of celebrity interviews, special features, humor, and trendy news, Hürriyet Pazar's staff includes some of the leading names in the business today such as Gülse Bırsel, Mehmet Yaşın, Vedat Milor, and Ayşe Arman.

A second Hürriyet Sunday supplement that is distributed in İstanbul, Ankara, and İzmir only, Hürriyet Keyif focuses on TV, cinema, culture, and art. Hürriyet Keyif provides informative articles about events in the art world and reviews of the latest movies, books, and TV shows.

Yet another Hürriyet Sunday supplement is Hürriyet Seyahat, which focuses on travel and culture. Detailed travel accounts from Turkey and all over the world, recommendations from such expert travelers and writers as Ayhan Sicimoğlu and Saffet Emre Tonguç, and submissions from readers writing about their personal experiences make Hürriyet Seyahat a valuable and enjoyable resource for anyone thinking about setting out on a vacation or trip.

For 44 years Hürriyet's daily supplement Kelebek has been supplying readers with celebrity news and lifestyle content that adds color to their lives while relieving them of the stress of everyday existence. Employing a staff of such talented writers as Melis Alphan, Cengiz Semercioğlu, Onur Baştürk, and İzzet Çapa, Kelebek keeps readers up to date not just on current events but also on the latest doings in everything from celebrity news to fashion and from nightlife to the world of television.



Hürriyet Daily News

Starting out in life in 1961 as the Turkish Daily News and “The World’s Window on Turkey”, Turkish Daily News has since become a leading, trailblazing, and respected source of news about Turkey and its region. After joining the Doğan Group in 2000, Turkish Daily News was reconstituted as Hürriyet Daily News and the paper continues to publish under that name. With a publication life spanning more than half a century, Hürriyet Daily News constantly and dynamically renews and revitalizes itself in its capacity as Turkey’s oldest continuously-published English-language newspaper.

In 2015 the newspaper’s circulation averaged 5,361 a day, a year-on rise on the order of 21%. Although rival publications experienced average newsstand sales declines last year, Hürriyet Daily News’s sales were up by 1.9% while the paper also registered a 27.5% increase in its regular subscribers.

As a result of the optimization of its distribution processes, Hürriyet Daily News significantly improved its sales performance, reducing its average no-sale rate from 14% in 2014 to 8.8% in 2015.

Hürriyet Daily News’s star continues to rise not just in printed but also in electronic media and this continues to strengthen the paper’s stature as a leading source of news not just about Turkey but about its region as well. Nourished also by blogs and social-network access, Hürriyet Daily News’s www.hurriyetdailynews.com website is a one-stop address where readers can find information about whatever they want from politics, art, and economics to technology, sport, and current goings-on. “Most Popular”, “Columnist”, “Hot Tickets”, “RSS” and other live news feeds give readers access to trustworthy reporting about current events. Making effective use also of its Facebook, Twitter, and other social media accounts, Hürriyet Daily News is advancing rapidly towards its goal of reaching out to larger audiences by making greater use of mobile and online platforms.





hurriyet.com.tr

Hürriyet regards maintaining its leadership in printed media in the world of online news reporting as one of its prime business goals. In keeping with this vision, Hürriyet became one of the first newspapers in Turkey to go online with the launch of its hurriyet.com.tr website in 1997. Since 2000, the website has been transcending its printed sibling by serving as a news portal through which breaking news and other current developments appear instantly 24 hours a day seven days a week. In 2009 hurriyet.com.tr developed new channels such as Web TV and Astrology. These undertakings continued the following year with the launch of interactive services such as “Bumerang” and “Yazarkafe” and with the release of many new products specially designed for mobile access. In 2014 hurriyet.com.tr was transformed into a social media platform in its own right. The website continues to lead the way and break new ground as an innovative pioneer in mobile apps, e-newspapers, and other aspects of the digital world.

hurriyet.com.tr was one of the first online news portals not just in Turkey but in the world that allowed its readers to personalize their news options, to interact with other readers through messaging and sharing, and to communicate with authors. By the end of 2014, the website already had close to a million registered users.

The interactive map which was developed to report the results of Turkey’s November 2015 parliamentary elections enabled hurriyet.com.tr to beat out all others as the most heavily-trafficked website on the evening of election day and in the days that followed. By allowing users to quickly and conveniently see and compare balloting results down to the township level, hurriyet.com.tr’s map set a new standard in user-friendly information accessibility.

hurriyet.com.tr easily defended its unchallenged position in digital publication all year long in 2015. As of year-end, it had racked up daily and monthly visitor averages of 2.7 million and 43 million respectively. hurriyet.com.tr is also widely followed through social media and its content ranks among the most frequently shared of any website hosted in Turkey.

In keeping with its commitment to the principle of giving its users access through every device, Hürriyet became the first in Turkey to author an Apple Watch app. Reaching out to reader through every conceivable channel, hurriyet.com.tr’s social media followers continue to steadily increase in number.

Having previously introduced an e-newspaper app for use on tablets and mobile devices, Hürriyet adapted so that it could be used conveniently by its web-access users as well in 2015. Hürriyet even developed an electronic-format crossword puzzle and incorporated it into its e-newspaper. Hürriyet’s e-newspaper app was used by an average of 12,000 subscribers a day during 2015.



Radikal

Radikal.com.tr

Conceived of as a newspaper targeting readers preferring access to deep and independent sources of information across a broad range of fronts from politics, technology, and culture & art to entertainment, current events, and automobiles, Radikal was a trailblazing pioneer of Turkey's media industry beginning with its very first issue.

After joining the Hürriyet Group in October 2010, Radikal immediately began adding to that reputation with the new dimensions, content, and approaches to journalism that it introduced. After much research and consideration, it was decided to adopt a "digital-first" strategy in which the paper was transformed into an online publication with a newer, more innovative, and streamlined design that accompanied the printed edition. In June 2014, Radikal became a "digital-only" publication and remains Turkey's most influential and socially-minded online newspaper today.

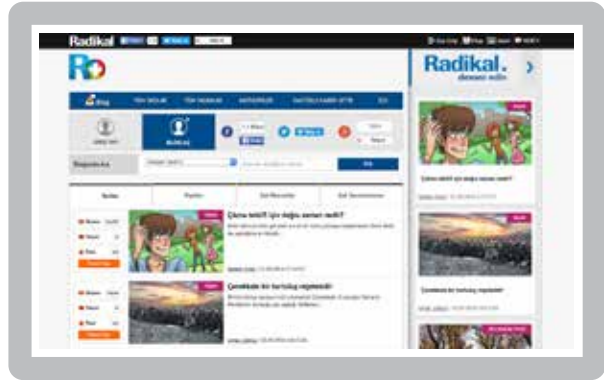
Having introduced a new mobile app that is fast becoming the benchmark by which others in the industry are judged, Radikal has more mobile followers than any of its peers. Radikal is also a news website that has more followers and registers more shares while its RadikaList page is popular with its entertaining mix of reader-supplied social media content, pictures, videos etc.

radikal.com.tr's "Radikal Now" feature was developed to be an interactive way for users to share information about current/trending subjects. Radikal Now proved to be very popular and was much used during the country's recent parliamentary elections.

During 2015 radikal.com.tr averaged 1 million unique visitors a day as well as 16.2 million unique visitors and 168.6 million pageviews a month.

Radikalblog.com

Stimulating authors writing on topics ranging across everything from technology to everyday life and from politics to art are to be found on Radikal Blog, a portal where the internet's newest heroes come together and shape its agendas.



Radikal Kitap

One of Turkey's most prestigious publications in the worlds of literature and publishing, Radikal Kitap first appeared before Radikal readers more than thirteen years ago and has been keeping its finger on the country's literary pulse ever since. Radikal Kitap's success is attested to by its popularity not just among individual readers but also among book dealers and publishing houses. The most important factors contributing to Radikal Kitap's success are the credibility and richness of its editorial content, its optimum balance between news and advertising, and its regular appearance as a Hürriyet supplement on a specific day every week. Evidence that Radikal Kitap is a book supplement that is more sought after than any other is provided by information collected from book fairs, by the views of publishers, and by analyses of annual advertising expenditures.

Located at radikalkitap.com, the Radikal Kitap website provides information about books organized by category and also allows registered users to create their own libraries and reading lists and to examine and comment on books.



Hürriyet TV

Supplying not only news and viral videos but also studio-created new-format and original video content, Hürriyet TV amplifies its influence by being accessible to users not just from its own website but also through various other delivery channels such as Facebook and YouTube. Hürriyet TV has likewise begun to offer models other than display revenue models capable of addressing brands' needs for a video format addressing their particular content marketing requirements.



Bigpara.com

Receiving an average of 8 million visitors a month during 2015, Hürriyet's bigpara.com financial portal introduced a number of mobile apps in order to provide native solutions for the needs of users shifting over to mobile devices. Last year bigpara.com entered into an agreement with Borsa İstanbul, the İstanbul stock exchange, under which it has begun supplying app users with BIST data in real time. Under another agreement with foreks.com, an online currency-trading website, bigpara.com users can also buy and sell foreign currencies there too.

The most important developments at bigpara.com in 2015 were a complete overhaul of the website's infrastructure and the introduction of two new mobile revenue models developed for its mobile apps. bigpara.com now offers two subscriber packages: "Standard" and "Ad-Free". Under an agreement with AK Investment, a brokerage house, a trading pool has been opened that allows bigpara.com users to trade on their own accounts. The new B2C ad-free subscription revenue model is the first such to be tried out by Hürriyet and therefore represents an important step in a new direction. At present, about 40% of subscribers prefer the ad-free package. In 2015 bigpara.com increased its total revenues by 56% year-on and also made substantial progress on that front as well.

bigpara.com is currently working on a number of projects that include the ongoing development of mobile apps in line with users' needs, the addition of new features (analysis etc, paid content) to subscriber packages, growing the subscriber base, and strengthening its position in the Android market.





Hurriyetaile.com

In keeping with its “Your Family’s Bedside Guidebook” slogan, hurriyetaile.com is a 24/7 source of trustworthy information about health, psychology, education, and other basic issues which every parent is in need of. Receiving an average of four million visitors every month, hurriyetaile.com is the unchallenged leader among its rivals by a wide margin. In what represents an important step towards its goal of providing users with bespoke content and services, the website has introduced a personalized mailing service.



Mahmure.com

Receiving an average of five million visitors every month, mahmure.com continues to publish content designed to appeal to women. As Turkey’s oldest woman-specific online resource, mahmure.com is a strong competitor whose importance is well understood by advertisers. During 2015 mahmure.com continued to offer brand-specific solutions for content marketing. Owing to the forthcoming merger with Kelebek, no product or technology investments were made for mahmure.com last year.

Appealing especially to young women with content such as fashion, beauty, love & relationship, and sexual health advice and astrology, efforts continue to be made to organize online and offline activities to expand its audience, especially among university students.





HÜRRİYET WORLD



Hurriyetemlak.com

Originally launched in 2006 as Hürriyet's online real estate platform, hurriyetemlak.com today is the premier real estate industry portal in Turkey today. With its huge portfolio of ads, current news, and innovative projects and products that make it Turkey's only one-stop address, hurriyetemlak.com has its finger on the pulse of the country's real estate industry. In 2015, hurriyetemlak.com had an average of 4.6 million unique visitors a month.*

* According to Google Analytics 2015 figures.



Yenibiris.com

A leading online human resources website and platform, yenibiris.com continued to keep a close watch on technological developments in 2015. Last year yenibiris.com had an average of 2.6 million unique visitors a month.*

* According to Google Analytics 2015 figures.





Yakala.co

Offering individual users brand-new experiences while also contributing to their budgets, yakala.co is one of the most effective advertising and sales channels for firms.

yakala.co is Hürriyet's opportunity website, which gives its users access to a wide range of enjoyable options and deals embracing everything from food & drink to personal care and from culture & entertainment to travel. Going beyond the traditional "deal-of-the-day" website model, yakala.co has become a highly effective and influential e-commerce and advertising platform on which both local and even international vendors appeal to individuals by offering attractive deals and brand-new experiences.

Pursuing solid growth driven by a self-renewing structure that is both quick-responding and secure, yakala.co remains the sector's leader while also expanding and building upon its business model. Having steadily increased its revenues in every year since it was launched in 2010, yakala.co boosted its turnover and revenues by more than 10% and 20% respectively in 2015.

The more than 420,000 coupons that yakala.co sold to its members in 2015 contributed significantly to their budgets.

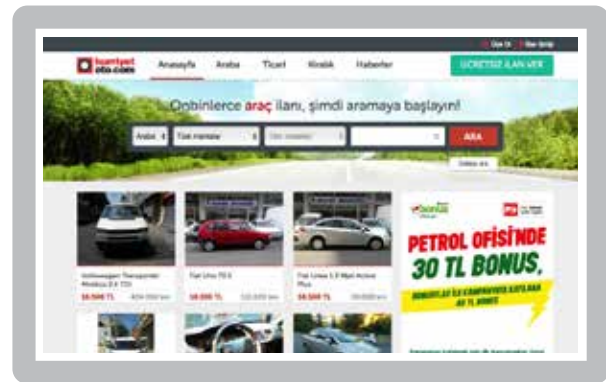
Last year 8,400 new opportunities for members to experience were published on the yakala.co website.

The 230 thousand new members who joined the yakala.co family last year also found opportunities to benefit from the website's life-enhancing campaigns.



Hurriyetoto.com

A leading portal in Turkey's constantly-expanding automotives sector, hurriyetoto.com continued to increase its ad and visitor numbers in 2015 as well.



Ekolay.net

Launched in 2014, ekolay.net immediately became a popular services portal and now hosts an extensive portfolio of the names and addresses of more than 13,000 service-providing firms just only in İstanbul.





INTERNATIONAL OPERATIONS

**30
PUBLICATIONS**
THE PRINTING PLANT
OF HÜRRİYET GERMANY
PRINTS ABOUT THIRTY
PUBLICATIONS THAT ARE
SHIPPED TO DESTINATIONS IN
FOUR CONTINENTS IN SEVEN
LANGUAGES AND USING FOUR
ALPHABETS.



15K
NUMBER OF
SALES POINTS
HÜRRİYET IS
DISTRIBUTED TO
IN EUROPE

HÜRRİYET GERMANY

With its headquarters and printing facilities located in Mörfelden-Walldorf near Frankfurt, Hürriyet's presence in Germany reaches back to the 1960s and began very soon after the first Turkish guest-workers began entering the country. Hürriyet's European editions have been serving Turkish citizens and readers of Turkish origin in Germany longer than any other Turkish-language publication in that country. With its extensive readership and access, Hürriyet's European editions not only provide news coverage but also spearhead and support a variety of socially beneficial campaigns and causes.

All of Hürriyet's European editions are printed in the same Mörfelden-Walldorf complex. The paper has been the engine of the Turkish newspaper market in Europe for decades and it is also the best-known Turkish newspaper brand there. Working with the Axel Springer Group, Hürriyet's European editions are distributed for sale to about 12,000 points in Germany and a total of 15,000 with the inclusion of those in other European countries.

Turkey's strongest newspaper Hürriyet carries out its European printing and publication operations through Doğan Media International GmbH, which was set up in 1999 as Doğan Holding's gateway to Europe. Bringing its leading position in the Turkish market into Europe as well, Doğan Media International plays an important role not just in publishing but also in managing the Doğan Group's relations with Europe's leading media concerns while similarly contributing to the development of the group's new business models.



The printing plant, which prints about thirty publications that are shipped to destinations in four continents in seven languages and using four alphabets, is a Germany-based subsidiary of Hürriyet A.Ş. and shares the same address with Doğan Media International SA. Besides issues of Hürriyet, the plant also prints editions of The Wall Street Journal, Nikkei, and The Financial Times, prestigious international economics journals that are distributed in Germany and neighboring countries; regional editions of Bild, Europe's best-selling newspaper; Stars and Stripes, the newspaper of the American armed forces; the continental European editions of Japan's Asahi; Sportwelt, a trend-setting German equestrianism publication; and Asharq Al-Awsat, an Arabic international newspaper. Periodicals printed at the plant include Info&Tips (Poland), China Daily (China), and Rhein Hunsrück (Germany); two influential opinion journals The Security Times and New Europe; and giveaways Trigonal, Güncel, and Nokta. Along with these publications, about 300,000 dailies leave the plant aboard outsourced delivery vehicles destined for dealers and readers around Europe.

TME

In 2007 Hürriyet purchased a 67.3% stake in Trader Media East Ltd (TME), the largest classified advertising company in Central and Eastern Europe. It was through this cross-border acquisition, the biggest ever undertaken by a Turkish company at the time, that Hürriyet became an international player.

As of end-2015, Hürriyet controlled a 78.57% stake in TME. The company has been operating as an online- and printed-media classified advertiser in Russia, Ukraine, Belarus, and Kazakhstan since 2014, the year in which it shed its operations in Hungary, Croatia, Bosnia-Herzegovina, and Serbia. The process of moving away from printed to online advertising that began several years ago is continuing rapidly.

Two of the brands in the company's portfolio—"Iz Ruk v Ruki" and "IRR.ru"—are the best-known printed and online classified-ad products in Russia respectively.





HUMAN RESOURCES

1st
THE “HÜRRİYET WORLD
HUMAN RESOURCES”
FACEBOOK PAGE NOW
RANKS FIRST AMONG
TURKISH MEDIA
COMPANIES WITH 18,000
FOLLOWERS, AS DOES
HÜRRİYET WORLD’S
LINKEDIN PAGE WITH
25,000 FOLLOWERS.



2,376
TOTAL NUMBER
OF EMPLOYEES
AS OF YEAR-
END 2015

In line with the new needs of a new generation, the values of the digital world, and changing attitudes towards leadership, Hürriyet's 2015 human resources strategy was informed by two basic goals: “Consolidate & Strengthen Our Digital Organization” and “Redesign Our Business Processes”.

Within the framework of this overall strategy, a changeover was made from a company-based management style to one that is function-based. The result was the creation of a more straightforward organizational structure through the functional aggregation of digital units’:

- Sales
- Content
- Information technologies
- Marketing & products.

In line with the structure and dynamics of the digital media sector, a “Change Engineering” project was developed to fundamentally consider and redesign the company's decision-making and business processes. Under this project, various expertise-demanding duties and functions which previously had been the responsibility of different units were combined into a single process.



During 2015, we continued to implement the 360° employer-branding strategies that were introduced to make the dynamic, agile, constantly-evolving, and success-focused structure of Hürriyet World recognizable by and better known to broader audiences and also to attract suitable human resources to the company. In line with this, company representatives attended both national events and international conferences as speakers. Two hackathons focusing on “mobile” and “real estate” apps were organized both to strengthen digital and technological awareness and especially to attract technology-adept talented people to the company. More than a hundred people took part in these hackathons.

In order to increase all employees' knowledge, skill, and competency levels, to support the spread of information and expertise, and to foster inter-team communication in line with Hürriyet's “Learning Organization” principle, a total of 10,428 hours of inhouse and extramural training was provided to 508 employees during 2015.

During 2015, a total of 377 people were hired into positions in various Hürriyet-owned companies: 217 of them on a full-time basis and 160 as trainees respectively.

In order to attract the right human resources to the company, use was made not just of traditional recruitment methods but also of the specific digital media which are the most used by its target audience. Attention was also given to finalizing the recruitment and hiring processes as effectively and quickly as possible. The use of new media in particular significantly reduced recruitment time while also improving the rates at which the right candidates were connected with on the first try.

A “Hürriyet World Human Resources” account was opened on Facebook in order to strengthen target-audience perceptions of Hürriyet as a “dynamic, modern, ongoing-development-focused company that is also the best employer”. That page now ranks first among Turkish media companies with 18,000 followers, as does Hürriyet World's LinkedIn page with 25,000 followers.

LinkedIn, the world's leading professional social network, organized a “TalentConnect” conference in London in 2015 during which examples of successful human resources practices from around the world were discussed. Hürriyet World's Human Resources Director Tuba Köseoğlu Okçu, the only speaker invited to attend the conference as a speaker from Turkey, delivered a presentation titled “How to transform your organisation's recruitment strategy from scratch”.





BOARD OF DIRECTORS ACTIVITY REPORT



1. GENERAL INFORMATION

1.A. Period for the Report

This annual report covers the period from 1 January 2015 to 31 December 2015.

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 Caddesi No:78 Bağcılar, 34204 İstanbul/Türkiye
Phone:	+90 212 677 00 00
Fax:	+90 212 677 01 82
Corporate website	www.hurriyetkurumsal.com

	Printing Houses and Regional Offices	Phone	Fax
İstanbul (Headquarters)	Hürriyet Dünyası, 100. Yıl Mahallesi, Matbaacılar Caddesi No: 78 34204 Bağcılar / İstanbul	+90 212 6770000	+90 212 6770777
İstanbul Printing House (DPC)	Orhangazi Mahallesi, 1650 Sokak, No: 2 Doğan Medya Tesisleri 34850 Esenyurt / İstanbul	+90 212 6222800	+90 212 6222802
Ankara Printing House (DPC)	Osmangazi Mahallesi, Özal Bulvarı, No: 120, Esenboğa Yolu Üzeri 15. Km 06150 Sarayköy Pursaklar / Ankara	+90 312 3069100	+90 312 3069292
Ankara Regional Office	Söğütözü Mah. Dumlupınar Bulvarı No: 102, Çankaya / Ankara	+90 312 2070000	+90 312 2070100
İzmir Regional Office	Şehitler Cad. No: 16/1 35230 Alsancak / İzmir	+90 232 4886500	+90 232 4637311
İzmir Printing House (DPC)	Fatih Mahallesi Ege Cad. No: 36 35414 Gaziemir - Sarnıç / İzmir	+90 232 2982200	+90 232 2816580
Bursa Regional Office	Odunluk Mahallesi Akpınar Caddesi Green White Plaza No: 5 Kat: 6 D: 16 Nilüfer / Bursa	+90 224 2500252	+90 224 2508984
Adana Printing House (DPC) Regional Office	Yenidoğan Mahallesi Girne Bulvarı No: 275/A Adana-Ceyhan Karayolu 5. Km. 01260 Yüreğir / Adana	+90 322 3461600	+90 322 3463602
Antalya Printing House (DPC) Regional Office	Yenigöl Mah., Serik Cad., No: 80 Havalimanı Yolu 8. Km 07300 Muratpaşa / Antalya	+90 242 3403838	+90 242 3403822
Trabzon Printing House (DPC) Regional Office	Nuroğlu Mah. Organize Sanayi Bölgesi, 10. Cad., No: 1 Arsin Yolu 61900 Arsin / Trabzon	+90 462 7112500	+90 462 7112502
Frankfurt Printing House	An Der Brücke 20-22 D-64546 Mörfelden - Walldorf Frankfurt / Deutschland	+49 6105327130	+49 6105327373

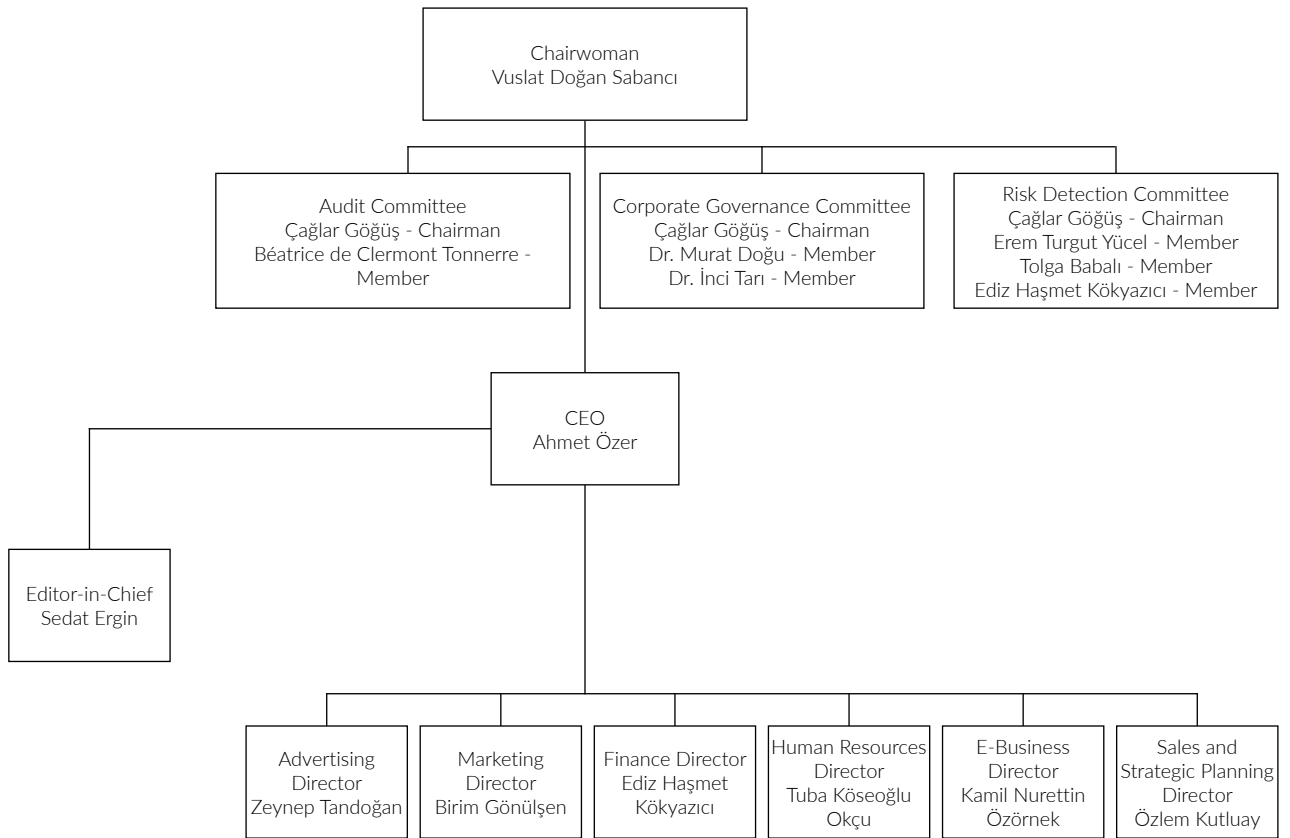


BOARD OF DIRECTORS ACTIVITY REPORT

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 2015, 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. ⁽¹⁾	428,616,468	77.65
Traded on BIST and Other	123,383,532	22.31
Total Capital	552,000,000	100

⁽¹⁾ As of 31 December 2015, 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 2014, the share of Doğan Group of Companies was 17.65%)

According to the records of Merkezi Kayıt Kuruluşu A.Ş., as of 31 December 2015, shares amounting to 22.31% of Hürriyet's capital are "in circulation" (this share stood at 22.35% on 31 December 2014), 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.



BOARD OF DIRECTORS ACTIVITY REPORT

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 31 December 2015 and 31 December 2014 are presented below:

	Voting Rights of Hürriyet and its Subsidiaries (%)		Controlling Interest (%)	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Subsidiaries				
Yenibir	100.00	100.00	100.00	100.00
Doğan Haber ⁽¹⁾	-	53.14	-	53.14
Hürriyet Zweigniederlassung	100.00	100.00	100.00	100.00
Hürriyet Invest	100.00	100.00	100.00	100.00
Hürriyet Medya Basım ⁽²⁾	-	100.00	-	100.00
TME	78.57	78.57	78.57	78.57
Impress Media Marketing LLC	91.00	97.00	71.50	76.21
ID Impress Media Marketing LLC	91.00	-	71.50	-
TCM Adria d.o.o.	100.00	100.00	78.57	78.57
Job.ru LLC ⁽³⁾	100.00	100.00	78.57	78.57
Mirabridge International B.V.	100.00	100.00	78.57	78.57
Pronto Invest B.V. ⁽⁴⁾	-	100.00	-	78.57
ZAO Pronto Akzhol	80.00	80.00	62.86	62.86
TOO Pronto Akmola	100.00	100.00	78.57	78.57
OOO Pronto Atyrau	80.00	80.00	62.86	62.86
OOO Pronto Aktobe	64.00	64.00	50.28	50.28
OOO Pronto Aktau	80.00	80.00	62.86	62.86
OOO Pronto Baikal ⁽⁵⁾	100.00	100.00	78.57	78.57
OOO Pronto DV ⁽⁶⁾	100.00	100.00	78.57	78.57
OOO Pronto Kazan ⁽⁷⁾	100.00	72.00	78.57	56.57

⁽¹⁾ The related subsidiary was sold on 27 March 2015.

⁽²⁾ The related subsidiary was taken over and merged with Hürriyet Gazetecilik ve Matbaacılık A.Ş. on 31 August 2015.

⁽³⁾ The related subsidiary was merged with Pronto Media Holding on 1 October 2015.

⁽⁴⁾ The related subsidiary was taken over and merged with Mirabridge International B.V. on 14 April 2015.

⁽⁵⁾ The related subsidiary went into liquidation on 5 October 2015.

⁽⁶⁾ The related subsidiary went into liquidation on 18 May 2015.

⁽⁷⁾ The related subsidiary went into liquidation in November 2015.



	Voting Rights of Hürriyet and its Subsidiaries (%)		Controlling Interest (%)	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Subsidiaries				
OOO Pronto Nizhny Novgorod ⁽⁸⁾	-	90.00	-	70.71
OOO Pronto Novosibirsk ⁽⁹⁾	100.00	100.00	78.57	78.57
OOO Pronto Oka ⁽¹⁰⁾	100.00	100.00	78.57	78.57
OOO Utro Peterburga ⁽¹⁰⁾	55.00	55.00	43.21	43.21
OOO Tambukan ⁽¹¹⁾	-	85.00	-	66.78
OOO Pronto Smolensk ⁽¹²⁾	100.00	100.00	78.57	78.57
OOO Rukom ⁽¹³⁾	100.00	100.00	78.57	78.57
OOO Delta-M ⁽¹⁴⁾	-	55.00	-	43.21
OOO Pronto Ivanovo ⁽¹⁵⁾	-	100.00	-	78.57
OOO Pronto Kaliningrad	100.00	95.00	78.57	74.64
OOO Pronto Krasnodar ⁽¹⁶⁾	-	80.00	-	62.86
OOO Pronto Samara	100.00	100.00	78.57	78.57
OOO Pronto UlanUde ⁽¹⁷⁾	-	90.00	-	70.71
OOO Pronto Vladivostok	90.00	90.00	70.71	70.71
OOO Pronto Media Holding	100.00	100.00	78.57	78.57
Pronto Soft	90.00	90.00	70.71	70.71
OOO SP Belpronto	60.00	60.00	47.14	47.14
OOO Tambov-Info ⁽¹⁸⁾	-	100.00	-	78.57
OOO Rektcentr	100.00	100.00	77.78	78.57
Publishing House Pennsylvania Inc	100.00	100.00	78.57	78.57
Pronto Ust Kamenogorsk	80.00	100.00	62.86	78.57
Publishing International Holding BV	100.00	100.00	78.57	78.57

⁽⁸⁾ The related subsidiary was sold on 27 May 2015.

⁽⁹⁾ The related subsidiary went into liquidation on 27 May 2015.

⁽¹⁰⁾ The related subsidiary stopped operations before 2010.

⁽¹¹⁾ The related subsidiary was sold on 7 May 2015.

⁽¹²⁾ The related subsidiary went into liquidation on 19 May 2015.

⁽¹³⁾ The related subsidiary stopped operations in 2012.

⁽¹⁴⁾ The related subsidiary was sold in December 2015.

⁽¹⁵⁾ The related subsidiary was sold in December 2015.

⁽¹⁶⁾ The related subsidiary was sold in December 2015.

⁽¹⁷⁾ The related subsidiary was sold in December 2015.

⁽¹⁸⁾ The related subsidiary was sold in December 2015.



BOARD OF DIRECTORS ACTIVITY REPORT

	31 December 2015	31 December 2014
	Direct and Indirect Shares of Hürriyet and its Subsidiaries (%)	Direct and Indirect Shares of Hürriyet and its Subsidiaries (%)
Business Partnerships		
ASPM Holding B.V.	40.07	40.07
	31 December 2015	31 December 2014
	Direct and Indirect Shares of Hürriyet and its Subsidiaries (%)	Direct and Indirect Shares of Hürriyet and its Subsidiaries (%)
Subsidiaries		
Doğan Media International GmbH ("Doğan Media")	42.42	42.42
SP Pronto Kiev	39.29	39.29
TOV E-Prostir	39.29	39.29

1.F. Acquisition of the Company's Own Shares

During the accounting period from 1 January 2015 to 31 December 2015 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

Having been elected at the annual general assembly of 30 March 2015 to serve until the general meeting at which the operations and accounts for the 1 January 2015 to 31 December 2015 fiscal year are to be deliberated, the chairman and members of the company's board of directors took office as of 31 March 2015. Under Board of Directors Resolution 2015/13 dated 20 April 2015, the following assignments of duties were made.

Name/Last Name	Title	Status
Vuslat Sabancı	Chairwoman	Non-Executive
Yahya Üzdiyen	Vice Chairman	Non-Executive
Ahmet Özer	Executive Board Member	Executive
Ahmet Nafı Dalman	Board Member	Non-Executive
Ahmet Toksoy	Board Member	Non-Executive
Kai Georg Diekmann	Board Member	Non-Executive
Çağlar Göğüş	Independent Board Member	Non-Executive
Béatrice de Clermont Tonnerre	Independent Board Member	Non-Executive



The Members of the Board of Directors were unanimously elected to serve until the date of the Ordinary General Assembly, where the operations for the fiscal year 1 January 2015 - 31 December 2015 will be discussed. On 5 March 2015 Çağlar Göğüş and Béatrice de Clermont Tonnerre submitted their applications and statements of independence for Independent Board Membership; on 30 March 2015, the Board of Directors submitted and resolved to disclose their applications to the public on the same date. In 2015, the Board of Directors held 34 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 20 April 2015, 2015/14, the below listed executives are selected to serve as the chairman and members of the committees formed by the Board of Directors.

Executive Committee

Name/Last Name	Title
Ahmet Özer	Chairman of 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 Technologies/Information Technologies 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

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



BOARD OF DIRECTORS ACTIVITY REPORT

The statements of independence of the Independent Members of the Board of Directors are as follows:

Date: 5 March 2015

STATEMENT OF INDEPENDENCE

To the Office of the Hürriyet Gazetecilik ve Matbaacılık A.Ş. Chairwoman,

I, as a member of the Hürriyet Gazetecilik ve Matbaacılık A.Ş. Board, 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,

Çağlar Göğüş

STATEMENT OF INDEPENDENCE

To the Chairman of the Board of Directors,

I, as a member of the Board of Directors of Hürriyet Gazetecilik ve Matbaacılık A.Ş., hereby affirm that I bear 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 if elected, I shall immediately notify the Chairmanship of the Board of Directors as soon as I come to know that the aforementioned independency 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. 2015/14 (date: 20/04/2015) the Company Board of Directors deemed appropriate 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 2015 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
Çağlar Göğüş	Chairman	Independent Member of the Board of Directors, Non-Executive
Dr. Murat Doğu	Member	Non-Executive
Dr. İnci Tari	Member	Investor Relations and Finance Manager, Executive

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

Investor Relations Unit

Under Board of Directors Resolution 2014/30 dated 21 July 2014, an investor relations unit was created in line with CMB Corporate Governance Communique II-17.1. The names and positions of the officers of the Investor Relations Unit are as follows.

Name/Last Name	Title
Dr. İnci Tari	Manager (full time) - Investor Relations Department
Elif Özcan	Officer (full time) - Investor Relations Department

Risk Detection Committee

Under Board of Directors Resolution 2015/14 dated 20 April 2015, it was decided to set up a risk detection committee as follows pursuant to article 378 of the Turkish Commercial Code and to the CMB communique on corporate governance.

Name/Last Name	Title	Status
Çağlar Göğüş	Head	Independent Board Member, Non-Executive
Ediz Haşmet Kökyazıcı	Member	Hürriyet Gazetecilik ve Matbaacılık A.Ş. Finance Director
Erem Turgut Yücel	Member	Doğan Şirk. Grubu Hold. A.Ş. Chief Legal Officer
Tolga Babalı	Member	Doğan Şirk. Grubu Hold. A.Ş. Vice-President - Financial Affairs and Risk Management



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1.G.2. Senior Executives

Name/Last Name	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	Executive Committee Member/Information Technologies Director
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
Çağlar Göğüş	Chairman of the Executive Committee	10 February 2016	Bachelor's Degree: Bilkent University Business Administration Department	18
Sedat Ergin	Executive Committee Member/Editor in Chief	01 June 1993	Bachelor's Degree: Ankara University Faculty of Political Sciences International Relations Department	41
Ediz Haşmet Kökyazıcı	Executive Committee Member/ Finance Director	21 June 2013	Bachelor's Degree: Bilkent University Industrial Engineering Department	24
Tuba Köseoğlu Okçu	Executive Committee Member/ Human Resources Director	15 March 2012	Bachelor's Degree: Boğaziçi University Translation and Interpreting Department	22
Birim Gönülşen Özyürekli	Executive Committee Member/Marketing Director	20 May 2013	Bachelor's Degree: Boğaziçi University Political Sciences and International Relations Department	14
Zeynep Tandoğan	Executive Committee Member/ Advertising Director	03 March 2014	Bachelor's Degree: Mimar Sinan University Statistics Department	18
Umut Gökbayrak	Executive Committee Member/ Information Technologies Director	10 February 2016	Bachelor's Degree: Ege University Computer Sciences Department	19
Kamil Özörnek	E-commerce Director	02 January 2013	Bachelor's Degree: Florida Metropolitan University Marketing and Management Master's Degree: Tampa University MBA	21
Özlem Kutluay	Sales and Strategic Planning Director	07 January 2013	Bachelor's Degree: Bilkent University Electrical and Electronics Engineering Department	22



1.G.3. Number of Employees

The total number of employees of the Company and its subsidiaries was 2,376 as of 31 December 2015 (31 December 2014: 4,245).

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 2015, 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 30 March 2015, 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, Béatrice de Clermont Tonnerre and Çağlar Göğüş a monthly net fee of USD 5.000 each, and other Board Members a monthly net fee of TL 5.000 each.

	2015	2014
Remuneration and other short term benefits	10,207,573	6,994,752
Post-employment benefits	237,539	2,215,383
Total	10,445,112	9,210,135

3. RESEARCH AND DEVELOPMENT ACTIVITIES

In 2015, the Company did not conduct any research/development activities and did not incur any costs accordingly.



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4. COMPANY OPERATIONS AND RELATED MAJOR DEVELOPMENTS

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

Hürriyet supplements

For Hürriyet readers, an enjoyable weekend begins with Hürriyet Cumartesi, a Saturday-morning supplement that keeps them up to date on new trends and current developments in everything from cinema and music to fashion and technology. With its revamped and rich content, Hürriyet Cumartesi is a lifestyle directory to urban living.

Hürriyet Pazar, a Hürriyet weekend supplement which appears on Sundays, offers a rich selection of celebrity interviews, special features, humour, and trendy news, Hürriyet Pazar's staff includes some of the leading names in the business today such as Gülse Birsal, Mehmet Yaşin, Vedat Milor, and Ayşe Arman. Hürriyet Pazar is a Sunday supplement that Turkey reads as a family.

A second Hürriyet Sunday supplement that is distributed in İstanbul, Ankara, and İzmir only, Hürriyet Keyif focuses on TV, cinema, culture, and art. Hürriyet Keyif provides informative articles about events in the art world and reviews of the latest movies, books, and TV shows.

Yet another Hürriyet Sunday supplement is Hürriyet Seyahat, which focuses on travel and culture. Detailed travel accounts from Turkey and all over the world, recommendations from such expert travelers and writers as Ayhan Sicimoğlu and Saffet Emre Tonguç, and submissions from readers writing about their personal experiences make Hürriyet Seyahat a valuable and enjoyable resource for anyone thinking about setting out on a vacation or trip.

For 44 years Hürriyet's daily supplement Kelebek has been supplying readers with celebrity news and lifestyle content that adds color to their lives while relieving them of the stress of everyday existence. With such talented writers as Melis Alphan, Cengiz Semercioğlu, Onur Baştürk, and İzzet Çapa, Kelebek keeps readers up to date not just on current events but also on the latest doings in everything from celebrity news to fashion and from nightlife to the world of television.

Hürriyet Daily News

Launched on 15 March 1961 as the Turkish Daily News and "The World's Window on Turkey", Turkish Daily News has since become a leading, trailblazing, and respected source of news about Turkey and its region. The newspaper was acquired by Doğan Group on 20 January 2000 and renamed Hürriyet Daily News.

As a witness to history for the last 55 years, Hürriyet Daily News is the long-established and ever-dynamic English-language newspaper with continuously updated content. Hürriyet Daily News's star continues to rise not just in printed but also in electronic media and this continues to strengthen the paper's stature as a leading source of news not just about Turkey but about its region as well.

The www.hurriyetaidailynews.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. Effectively deploying also Facebook, Twitter, and other social media accounts as well, Hürriyet Daily News is advancing rapidly towards its goal of reaching out to larger audiences by making greater use of mobile and online platforms.



hurriyet.com.tr

Hürriyet regards maintaining its existing leadership in printed media in the world of online journalism as one of its prime business goals. In keeping with this vision, Hürriyet became one of the first newspapers in Turkey to go online with the launch of its hurriyet.com.tr website in 1997. Since 2000, the website has been transcending its printed sibling by serving as a news portal through which breaking news and other current developments appear instantly 24 hours a day seven days a week. In 2009 hurriyet.com.tr developed new channels such as Web TV and Astrology. These undertakings continued the following year with the launch of interactive services such as “Bumerang” and “Yazarkafe” and with the release of many new products specially designed for mobile access.

The interactive map which was developed to report the results of Turkey’s November 2015 parliamentary elections enabled hurriyet.com.tr to beat out all others as the most heavily-trafficked website on the evening of election day and in the days that followed. By allowing users to quickly and conveniently see and compare balloting results down to the township level, hurriyet.com.tr’s map set a new standard in user-friendly information accessibility. hurriyet.com.tr easily defended its unchallenged position in digital publication all year long in 2015. As of year-end, it had racked up daily and monthly visitor averages of 2.7 million and 43 million respectively while it averaged close to 40 million pageviews every day. hurriyet.com.tr is also widely followed through social media and its content ranks among the most frequently shared of any website hosted in Turkey.

In keeping with its commitment to the principle of giving its users access through every device, Hürriyet became the first in Turkey to author an Apple Watch app. Reaching out to reader through every conceivable channel, hurriyet.com.tr’s social media followers continue to steadily increase in number.

Having previously introduced an e-newspaper app for use on tablets and mobile devices, Hürriyet adapted so that it could be used conveniently by its web-access users as well in 2015. Hürriyet even developed an electronic-format crossword puzzle and incorporated it into its e-newspaper. Hürriyet’s e-newspaper app was used by an average of 12,000 subscribers a day during 2015.

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 radikal.com.tr’s “Radikal Now” feature was developed to be an interactive way for users to share information about current/trending subjects. Radikal Now proved to be very popular and was much used during the country’s recent parliamentary elections. During 2015 radikal.com.tr averaged 1 million unique visitors a day as well as 16.2 million unique visitors and 168.6 million pageviews a month.



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radikalblog.com

Stimulating authors writing on topics ranging across everything from technology to everyday life and from politics to art are to be found on Radikal Blog, a portal where the internet's newest heroes come together and shape its agendas.

Radikal Kitap

One of Turkey's most prestigious publications in the worlds of literature and publishing, Radikal Kitap first appeared before Radikal readers more than thirteen years ago and has been keeping its finger on the country's literary pulse ever since. Radikal Kitap's success is attested to by its popularity not just among individual readers but also among book dealers and publishing houses. The most important factors contributing to Radikal Kitap's success are the credibility and richness of its editorial content, its optimum balance between news and advertising, and its regular appearance as a Hürriyet supplement on a specific day every week. Evidence that Radikal Kitap is a book supplement that is more sought after than any other is provided by information collected from book fairs, by the views of publishers, and by analyses of annual advertising expenditures. Located at radikalkitap.com, the Radikal Kitap website provides information about books organized by category and also allows registered users to create their own libraries and reading lists and to examine and comment on books.

Hürriyet TV

Supplying not only news and viral videos but also studio-created new-format and original video content, Hürriyet TV amplifies its influence by being accessible to users not just from its own website but also through various other delivery channels such as Facebook and YouTube. Hürriyet TV has begun to offer models other than display revenue models capable of addressing brands' needs for a video format addressing their particular content marketing requirements.

2016 objectives: Our most important objective is to change over to a scalable production structure, along with which the aim will be to grow both views and revenues in all delivery channels. Developing models that make use of global-level video content formats for use in news reporting and publishing original content which appeals to such target audiences as women and children will be important from the standpoint of both traffic and revenue flows.

bigpara.com

Receiving an average of 8 million visitors a month during 2015, Hürriyet's bigpara.com financial portal introduced a number of mobile apps in order to provide native solutions for the needs of users shifting over to mobile devices. Last year bigpara.com entered into a subscriber and licensing agreement with Borsa İstanbul, the İstanbul stock exchange, under which it has begun supplying app users with BIST data in real time. Under another agreement with foreks.com, an online currency-trading website, bigpara.com users can also buy and sell foreign currencies there too. The most important developments at bigpara.com in 2015 were a complete overhaul of the website's infrastructure and the introduction of two new mobile revenue models developed for its mobile apps. bigpara.com now offers two subscriber packages: "Standard" and "Ad-Free". Under an agreement with business partners, a trading pool has been opened that allows bigpara.com users to trade on their own accounts. The new B2C ad-free subscription revenue model is the first such to be tried out by Hürriyet and therefore represents an important step in a new direction. At present, about 40% of subscribers prefer the ad-free package.

In 2015 bigpara.com increased its total revenues by 56% year-on and also made substantial progress on that front as well. bigpara.com is currently working on a number of projects that include the ongoing development of mobile apps in line with users' needs, the addition of new features (analysis etc, paid content) to subscriber packages, growing the subscriber base, and strengthening its position in the Android market through an agreement with Samsung. The website will continue to increase its competitive edge by means of changes in the website's user interface and the addition of new features.



hurriyetaile.com

In keeping with its “Your Family’s Bedside Guidebook” slogan, hurriyetaile.com is a 24/7 source of trustworthy information about health, psychology, education, and other basic issues which every parent is in need of. Receiving an average of four million visitors every month, hurriyetaile.com is the unchallenged leader among its rivals by a wide margin. In what represents an important step towards its goal of providing users with bespoke content and services, the website has introduced a personalized mailing service.

hurriyetaile.com will continue to evolve as necessary in order to ensure that its activities are compatible with the goal of making the Hürriyet brand accessible to families on the internet.

mahmure.com

Receiving an average of five million visitors every month, mahmure.com continued to publish content designed to appeal to women. As Turkey’s oldest woman-specific online resource, mahmure.com is a strong competitor whose importance is well understood by advertisers. During 2015 mahmure.com continued to offer brand-specific solutions for content marketing. Owing to the forthcoming merger with Kelebek, no product or technology investments were made for mahmure.com last year. mahmure.com’s goals are to organize online and offline activities to expand its audience, especially among university students, by appealing especially to young women with content such as fashion, beauty, love & relationship, and sexual health advice and astrology. Another important goal is to more effectively transform the shift in traffic to mobile platforms through the use of native models.

Digital classifieds

hurriyetemlak.com

Originally launched in 2006 as Hürriyet’s online real estate platform, hurriyetemlak.com today is the premier real estate industry portal in Turkey today. With its huge portfolio of ads, current news, and innovative projects and products that make it Turkey’s only one-stop address, hurriyetemlak.com has its finger on the pulse of the country’s real estate industry. In 2015, hurriyetemlak.com had an average of 4.6 million unique visitors a month.*

* According to Google Analytics 2015 figures.

yenibiris.com

A leading online human resources website and platform, yenibiris.com continued to keep a close watch on technological developments in 2015. Last year yenibiris.com had an average of 2.6 million unique visitors a month.*

* According to Google Analytics 2015 figures.

yakala.co

Offering individual users brand-new experiences while also contributing to their budgets, yakala.co is one of the most effective advertising and sales channels for firms.

As Hürriyet’s opportunity website, yakala.co gives its users access to a wide range of enjoyable options and deals embracing everything from food & drink to personal care and from culture & entertainment to travel. However by going beyond the traditional “deal-of-the-day” website model, yakala.co has become a highly effective and influential e-commerce and advertising platform on which both local and even international vendors appeal to individuals by offering attractive deals and brand-new experiences. Continuing to pursue solid growth driven by a self-renewing structure that is both quick-responding and secure in 2015 as well, yakala.co remains the sector’s leader while also steadily expanding and building upon its business model.



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hurriyetoto.com

A leading portal in the constantly-expanding automotives sector, hurriyetoto.com continued to increase its ad and visitor numbers in 2015 as compared with those of 2014.

ekolay.net

Launched in 2014, ekolay.net immediately became a popular services portal and now hosts an extensive portfolio of the names and addresses of more than 13,000 service-providing firms and individuals.

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, 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 2015 daily average paper consumption at the facility is 125 tons. DPC Istanbul accounts for 45% 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 2015 the daily average paper consumption at the facility is 43 tons. DPC Ankara accounts for 15.3% 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 2015.

DPC İzmir

DPC İzmir moved into its new premises in January 2007, 20 kilometers from İzmir city center and two kilometers from İzmir'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 İzmir 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 2015 the daily average paper consumption at the 53 tons. DPC İzmir accounts for 18.9% of the Company's total printing output. With the new UV curing system installed at DPC İzmir 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 İzmir in 2015.

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 23 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 2015

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 2015 was 23 tons. The share of the DPC Adana facility in the total volume of printing undertaken is 8.2%. No additional investment has been made in the Adana facility in 2015.



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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 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 13 tons. DPC Trabzon accounts for 4.5% 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 2015.

The 2015 capacity utilization rates by region and in comparison with 2014 figures are as follows:

Region	2015 (%)	2014 (%)
İstanbul	45	49
Ankara	35	38
İzmir	42	48
Adana	30	35
Antalya	30	30
Trabzon	29	31

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

Printing activity	2015	2014
Total Number of Pages Printed	23,269,179,792	26,333,406,918

There was a 13% drop in the total number of printed pages as compared with the previous year. Page-production figures indicate the number of pages produced for both company-owned newspapers (Hürriyet and Hürriyet Daily News) and for outside publications. The decline in printing numbers stems from a reduction in the number of company-owned and customer-owned newspapers being delivered to distributors as well as from lower average page counts, which is also to be seen in advertising revenues.

While net newspaper sales in Turkey overall averaged 4,914,000 a day in 2014, in 2015 the average was 4,508,000. That corresponds to an 8.3% year-on decline. Net sales of Hürriyet, which averaged 380,000 a day in 2014, averaged 359,000 in 2015.

Paper, expenditures for which are by far the most important component of our cost of goods sold, is imported mainly from the USA, Canada, some Northern European countries, and Russia. Its cost to us is affected not just by global paper prices but also by movements in the US dollar/Turkish lira exchange rate. The price of a ton of the imported paper used to print Hürriyet averaged USD 720 in 2014; in 2015 it averaged USD 570, which corresponds to a year-on decline on the order of 21%. At the same time, Hürriyet's average page count, which was 71.20 in 2014, was down to 66.93 in 2015. In 2014 a total of 56,000 tons of newsprint was used. Owing to declines in both page counts and circulation numbers, the total was 46,000 tons in 2015.

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

A breakdown of Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s consolidated sales proceeds by category is as follows:

Revenues	2015 (TL thousand)	Share (%)	2014 (TL thousand)	Share (%)
Advertising	383,395	64.32	472,742	65.70
Circulation and Printing	181,982	30.53	202,373	28.12
Other	30,706	5.15	44,466	6.18
Total	596,083		719,581	

As may be seen from this chart, 64.3% of the company's revenues are generated by income from printed media and online advertising. The share of advertising revenues contributed by printed media has been in steady decline in developed countries for quite some time and this trend is occurring at the same pace in our own country as well. While focusing on boosting the share of total revenues contributed by its portfolio of printed and digital products, the company is also improving productivity by optimizing its news-reporting and content-production processes in light both of its expanding product portfolio and of the opportunities made possible by new technologies.

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. Development Prospects for the Company

In the conduct of its domestic printed media operations, the company concentrates on product development and on improving production and distribution efficiency. As a potent brand in domestic digital content publishing, Hürriyet will continue to develop its analysis and management superstructure through additional investments in its vertical portals' data-based content and traffic management. In digital content publishing, the company will begin investments aimed at diversifying and expanding the scope of targeted advertising products for advertisers. The company will also continue to develop products in the digital classifieds group while likewise focusing on enhancing the benefit created for both visitors and advertisers.



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In its international operations, the company has reached the final stage in its structuring of Trader Media East, an associated company whose business consists mainly of classified ads. Projects that will significantly expand this company's digital products will be completed during the year. A program aimed at diversifying sales and increasing their effectiveness will also be conducted in parallel with this.

4.F. Foreseeable Risks Related to Operations

The risks to which the company's business plan is exposed may be summed up as the possibility of global movements in the prices and procurements of imported raw materials; exchange rate risks in which movements in exchange rates result in more expensive imported inputs; operational risks such as an unexpectedly adverse impact of an external or internal business downturn on advertising revenues, exacerbated difficulties in collecting receivables from agencies and advertisers in the event of a business downturn, and maintaining business continuity during exceptional circumstances; and risks related to maintaining brand equity. Company units concerned with such issues keep a close watch on developments and take such measures as are needed to deal with them.

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 2015 amounted to USD 5.6 million (investment property excluded). Of this total, USD 3.3 million was attributed to Hürriyet Gazetecilik ve Matbaacılık A.Ş. and almost USD 2,5 million the sum from TME companies.

4.H. Information on Lawsuits Filed Against the Company That Could Affect Its Financial Situation and Operations and Their Possible Outcome

As of 31 December 2015, lawsuit claims against the Group amounted to TL 19,812,336. The Company set aside a total of TL 12,735,687 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

Two examinations conducted by Department of Revenue Administration inspectors-one consisting of a routine general inspection of the company's 2013 accounts and of its 2014 January-March accounts and the other of a VAT inspection of the company's 2011 and 2012 accounts-were resolved by means of a tax reconciliation that was agreed upon in March 2016, after the company's 2015 accounts had been closed. A provision in the amount of TL 2,170,270 has been set aside to cover this agreement.



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

The composition of the TL 863,858 (2013: TL 811,690) of donations made by the Hürriyet Group in 2015 to various foundations and associations working for the public good are as follows:

Name	Amount (TL)
DARÜŞŞAFKA SOCIETY	59.00
MAKE A WISH ASSOCIATION	94.40
NURİYE GAZENKER	100.00
SHELTER FOR KIDS	100.01
TOHUM - AUTISM FOUNDATION	112.10
EDUCATION VOLUNTEERS FOUNDATION	118.00
ASSOCIATION FOR SUPPORTING CONTEMPORARY LIFE	118.00
CHILDREN WITH CANCER FOUNDATION	247.8
TEMA FOUNDATION	583.54
ECONOMY JOURNALISTS ASSOCIATION	1,600.00
TURKISH EDUCATION FOUNDATION	7,167.63
AYDIN DOĞAN FOUNDATION	8,260.00
BÜLENT ECEVİT UNIVERSITY HEALTH CULTURE FOUNDATION	8,286.94
IPI INTERNATIONAL PRESS.	16,878.00
SCHOOLS	19,438.17
TURKISH ARMED FORCES (TSK) MEHMETÇİK FOUNDATION'S	19,483.00
FOUNDATION FOR CHILDREN WITH LEUKEMIA	26,039.84
THE TURKISH RED CRESCENT	29,668.01
FOUNDATION OF ARALIK VOLUNTEERS	50,656.00
COLOMBIA UNIVERSITY	146,165.00
ISTANBUL FOUNDATION FOR CULTURE AND ARTS	165,182.30
THE WOMEN ASSOCIATIONS OF TURKEY FEDERATION	363,500.00
TOTAL	863,858



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

NO! TO DOMESTIC VIOLENCE

The No! To Domestic Violence campaign that Hürriyet carries out as a long-term social responsibility project completed its 11th year in 2015.

Originally launched as an effort to create public awareness that domestic violence is a widespread social problem, this campaign has gone beyond that goal in the course of more than a decade of activities and it has significantly contributed to increasing general public recognition that such violence is a problem that society must confront.

The campaign's 24/7 emergency hotline, which was launched in 2007 as a one-year pilot project but has been kept in operation ever since owing to the dimensions of the problem, was turned over in good working order to the Federation of Women's Associations of Turkey. The reasoning behind this move was to turn control of the hotline over to an NGO that should be its true owner. Hürriyet nevertheless continued to support the No! To Domestic Violence Hotline throughout 2015.

Last year the No! To Domestic Violence Hotline received 2,781 calls, talked with 1,824 victims of domestic violence, and handled 226 emergency situations. Responder teams were sent out in the majority of cases and refuge was provided in a significant number of those.

The No! To Domestic Violence campaign also has a Facebook page, the number of whose followers grew by 3% and reached 74,793 last year.

The number of the campaign's Twitter page followers increased by 18% as compared with 2014 and reached 10.9 K.

Awareness and communication activities

During 2015 the No! To Domestic Violence campaign continued to engage in a variety of activities such as making presentations at conferences, promoting awareness on social media, and providing communication support to NGOs whose mission is to combat violence against women.

Hürriyet collaborated with the Business Against Domestic Violence Project by serving on its advisory committee.

Hürriyet has subscribed to the United Nations Global Compact's Women's Empowerment Principles and it serves as a solution partner along with many other companies and brand names.

RIGHTFUL WOMEN PLATFORM

The Rightful Women Platform, of which Hürriyet is one of the founders, is an umbrella organization of nearly 40 women's organizations. During 2015 the platform continued to take part in efforts to promote social awareness of gender equality.

In the run-up to the parliamentary elections on 7 June 2015, the platform organized a "Single Voice For Women" event that was attended by female MPs and candidates, business world representatives, and opinion leaders concerned with such issues.

Hosted by Vuslat Doğan Sabancı, chairwoman of Hürriyet and the prime mover of the Rightful Women Platform, the gathering took place at the İstanbul Congress Center's Harbiye auditorium. It provided an occasion for participants including political parties' female MPs and candidates to explore ways in which to overcome gender inequality and to combat all forms of discrimination against women in Turkey through solidarity among women. The proceedings, which were enlivened by performances by female artists, were attended by an audience of more than a thousand people.

SOMA HAS DREAMS

Supported by readers and various agencies and organizations and regularly reported on by the newspaper, the Soma Has Dreams project was initiated entirely by Hürriyet.

Soma Has Dreams is a Hürriyet initiative drawing public attention on the first anniversary commemorating the mining disaster that occurred in the town of Soma in 2014. The project's aims were to refresh people's memory of the tragedy, to foster public awareness of the need to prevent such disasters, and-most important of all-to cheer up the children of the 301 miners who lost their lives.

Under the project, Hürriyet contacted all the sons and daughters of those miners below the age of 18, asked each of them what their dreams were, and reported the findings to the newspaper's readers.

Many of those dreams were realized by charitable Hürriyet readers themselves while various municipalities and organizations voluntarily responded to the children's dreams of traveling and visiting places.

24 NOVEMBER 24 DREAMS

24 November 24 Dreams is a social responsibility project conducted by Hürriyet and the Teachers Academy Foundation. Its aim is to give teachers who want to foster creative new generations a chance to share their dreams with everyone in Turkey.

The project does this by soliciting the support of the Turkish public to help 24 teachers realize those dreams. One such teacher is Ahmet Naç, an avid reader of scholarly research and publications who has, with the support of pupils' parents, created a learning environment which elicits the astonished admiration of everyone.

Those wishing to take part in the project submitted their applications (including photographs, texts, and videos) to the hurriyet.com.tr website by the registration cutoff date of 24 December (Teachers Day) 2015. From among the submissions that received the most votes in the online poll, a specially-appointed jury will select 24 winners.

The 24 November 24 Dreams project is also being supported by ihtiyacharitasi.org, a website that matches up people who are in need of things with those who are willing and able to provide them. A separate page on this website has been opened through which teachers and students anywhere in Turkey can make their needs known all over the country and volunteers wanting to address those needs can respond to them.

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."



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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 CO₂ 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 Environmental Permits and Licenses”. On 6 July 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.

Having satisfied all of the conditions required for Appendix 2 emissions compliance as per “Regulation on environmental permits and licenses”, to which it is subject, DPC's İstanbul plant was awarded a five-year environmental permit by the İstanbul Provincial Directorate of Environment and Urbanization on 31 July 2015.

The facilities of DPC in İstanbul, Ankara, Adana and İzmir are exempted from emission permit under SKHKKY - the Regulation on Industrial

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.

Prevention of Environmental Pollution

Hürriyet Gazetecilik ve Matbaacılık A.Ş. demonstrates its environmental responsibility through a philosophy that seeks to achieve ongoing improvements in the issues of complying with all environment-related laws, regulations, and standards; going beyond the requirements of law in its efforts to protect the environment and wildlife; managing the environmental impact of all of its processes within the framework of preventive and corrective approaches that address the issues of climate change and air, soil, and water pollution and reducing any detrimental effects to which those processes may give rise.

The company constantly explores ways in which to reduce the waste resulting from its operations at its source, makes improvements where needed, and provides its employees with training on such matters. To this end, the company engages in effective production planning, minimizes stock use, and seeks to improve working and operational methods.

In accordance with the Regulation on Controlling Packaging Wastes, since 2011, Hürriyet Group has disclosed the amount of packaging waste it has produced between 2005 and 2016 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 hazardous waste and metal waste 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
- Designate specific areas for the storage of waste
- Conduct environment-related training
- Provide awareness training.



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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

Although the company registered a 17% year-on decline in the revenues from its Turkish and international operations in 2015, inhouse reorganizations and cost-cutting policies boosted gross profit to TL 255 mn (TL 248 mn in 2014) while a 27% improvement increased its EBITDA from TL 51 mn to TL 65 mn and raised its EBITDA margin from 7% to 11% during the same twelve-month period.

In the company's Russian operations, an important milestone was passed with its digital transformation project. While focusing predominantly on digital classifieds, which generate much higher shareholder value, the company has also substantially cut back the scale of its printed classified operations. The near-term objective is to sell off, outsource, or shut down physical printing and distribution operations everywhere except in a few areas where it is thought they still have the potential to generate cashflow. The overall aim of this project is to increase the share of digital revenues to at least 75% of the total.

During 2015 the company reduced its exchange rate risk exposure by renewing loans in Turkish liras rather than in foreign currencies.

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

Although Turkey's overall advertising market grew by 1% in 2015, it is estimated that the newspaper ads submarket shrank by 9%. The company's own advertising revenues were down by 12% having been adversely impacted by a fraught political agenda and by a double round of contentious elections. Hürriyet's average daily circulation was down by 6% in 2015, a year in which overall newspaper circulation figures fell by 7.7% nationwide. The company registered healthy growth of over 20% in its digital revenues on the other hand. A digital transformation program undertaken in our Russian subsidiary Pronto Media last year has made that company significantly more productive and effective. The paper countered the decline in operational revenues by cutting its product and personnel costs.

There was a TL 21 mn rise in the company's net indebtedness with the debt/equity ratio ending up at 147%. There is still a significant amount of headroom between the current level of debt and the existing and targeted EBITDA margins. The financing needed to pursue the investment and development activities demanded both by the nature of the digital publishing industry and by the scale of Hürriyet's own digital operations will be generated from the company's own operations however.

	31.12.2015 (TL thousand)	31.12.2014 (TL thousand)
Net Debt		
Cash and cash equivalents	86,987	56,609
Current liabilities	253,666	173,111
Long-term liabilities	62,343	92,128
Net Debt/(Net Cash)	-229,022	-208,630



BOARD OF DIRECTORS ACTIVITY REPORT

Key Financial Indicators and Ratios

	31.12.2015 (TL thousand)	31.12.2014 (TL thousand)
SUMMARY OF BALANCE SHEET		
CURRENT ASSETS	315,815	283,284
FIXED ASSETS	557,534	651,695
TOTAL ASSETS	873,348	934,979
SHORT-TERM LIABILITIES	361,956	303,269
LONG-TERM LIABILITIES	158,173	204,516
SHAREHOLDERS' EQUITY	353,219	427,194
TOTAL LIABILITIES	873,348	934,979
Ratios		
	31.12.2015	31.12.2014
Current Ratio	87%	93%
Net Liabilities/Total Equity	147%	119%
SUMMARY OF INCOME STATEMENT		
	31.12.2015 (TL thousand)	31.12.2014 (TL thousand)
NET SALES	596,083	719,582
GROSS PROFIT	255,405	248,209
EBITDA	65,012	51,820
OPERATING PROFIT/(LOSS)	22,537	39,146
(LOSS)/PROFIT BEFORE TAXES FROM OPERATIONS	-54,454	-198,931
NET (PROFIT) /LOSS	-30,499	-168,673
Ratios		
	31.12.2015	31.12.2014
Gross Profit Margin	43%	34%
EBITDA Margin	11%	7%
Operating Profit Margin	4%	5%

5.C. Types and the Amount of Issued Capital Market Instruments

The Company did not issue any securities in the period 1 January 2015 - 31 December 2015.



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

The operational cashflow left over after debt servicing and investment financing will be used to pay off the company's short-term debt. Taking the increase in exchange rate volatility into account, funding is being denominated substantially in the same currency as its operational receipts, which is to say the Turkish lira. Likewise in order to further mitigate the impact of exchange rate volatilities, the company has been making use of hedging contracts in order to stabilize the costs of some of its imported inputs.

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.

Whereas a "Net loss for the period" in the amount of TL 30,499,114 (which also includes "Deferred tax benefits", "Current tax expenses", and "Minority non-controlling stakes") is shown in the 1 January 2015-31 December 2015 financial statements, which have been prepared in accordance with the Turkish Accounting Standards and with the Turkish Financial Reporting Standards published by the Public Oversight, Auditing, and Accounting Standards Authority pursuant to CMB Communiqué II:14.1 concerning Financial Reporting Principles in Capital Markets, whose presentation is consistent with principles set forth by the Capital Markets Board, and which have been independently audited and whereas a total "Loss for the period" in the amount of TL 374,106,987 is calculated with the addition of "Prior-year losses" amounting to TL 344,471,730 as determined according to the "Dividend Guide" announced in CMB Weekly Bulletin 2014/2 (27 January 2014) and of TL 863,858 worth of "Donations and assistance" granted in 2015, the company's Board of Directors has decided: as prescribed by CMB rules pertaining to dividend payments, to inform the shareholders that no dividends will be paid for the 1 January 2015 to 31 December 2015 period and to submit this matter to the general assembly for its approval; to submit, for the approval of the general assembly, the matter of setting aside, as a "Current tax expense", TL 9,846,455 of the TL 41,993,525 that is shown as a "Net profit for the period" (1 January 2015 to 31 December 2015) in the statutory books of account which are maintained according to the rules of the Turkish Commercial Code and of the Tax Procedures Code and of setting the remaining TL 32,149,070 similarly shown as "Profit for the period" against prior-year losses.

6. RISKS AND EVALUATION BY THE BOARD OF DIRECTORS

6.A. Information on the Company's Internal Control Systems and Internal Audit Activities 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.



BOARD OF DIRECTORS ACTIVITY REPORT

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

As is true everywhere else in the world, the advertising industry in our country tends to be more influenced by economic upswings and downturns than others. The operations of our Russian subsidiary TME are affected by the embargo and economic sanctions imposed on that country. Likewise a weak ruble caused by depressed oil prices also has a negative impact on our assets in the country.

7. INFORMATION ON THE PARENT COMPANY

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

No associate or subsidiary company of ours increased or decreased its capitalization during 2015.

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

Apart from the issues referred to above, there have been no material events that have occurred at the company since the end of the reporting period which might affect the rights of shareholders, creditors, or other interested individuals or organizations.

8.A. Changes in Blue- and White-Collar Employees; Collective Bargaining Agreements; Rights and Benefits Provided to Blue- and White-Collar Employees

In keeping with the new needs of a new generation, with the values of the digital world, and with changing leadership attitudes, the Human Resources Department adhered to a strategy in 2015 whose two fundamental tenets were “Consolidate and strengthen the digital organization” and “Redesign business processes”.

Within the overall framework of this strategy, the Hürriyet Human Resources Department’s 2015 activities may be summed up under the following headings:

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 2015, a total of 70 recruits were hired for new positions and 147 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”, 76 internal references and 11 internal applications were received in 2015. Six employees were given new role assignments at the company.

As is the case every year, Hürriyet provided winter and summer internship opportunities to a total of 160 university and high school students in 2015. High-performing interns are given priority for employment when there is an appropriate open position available.

Activities related to the Employer’s Brand

During 2015, we continued to implement the 360° employer-branding strategies that were introduced to make the dynamic, agile, constantly-evolving, and success-focused structure of Hürriyet World recognizable by and better known to broader audiences and also to attract suitable human resources to the company. In line with this, company representatives attended both national events and international conferences as speakers. Two hackathons focusing on “mobile” and “real estate” apps were organized both to strengthen digital and technological awareness and especially to attract technology-adept talented people to the company. More than a hundred people took part in these hackathons.



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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 25,000 followers on its LinkedIn page.

Training

In order to increase all employees’ knowledge, skill, and competency levels, to support the spread of information and expertise, and to foster inter-team communication in line with Hürriyet’s “Learning Organization” principle, a total of 10,428 hours of inhouse and extramural training was provided to 508 employees during 2015. Training feedback ratings averaged 4.5 out of 5.0.

“Management for the future” training, which is intended especially for all levels of personnel who manage teams and which consists of two modules (three days of classroom training followed by one-on-one coaching sessions), continued during 2015. The results of this training showed up favorably in participants’ job performance. Occupational health & safety training, which focuses on the risks that may be encountered during the performance of one’s job and the measures that can be taken to mitigate them and which also seeks to increase employees’ knowledge about and awareness of their mandated rights and responsibilities continued to be provided in online. Foreign language competency training that is outsourced under contractual agreements is also provided to employees who wish to take part in it. Individual coaching sessions are arranged for management-level personnel who need support in developing their managerial skills.

Orientation

In 2015, 131 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

During 2015 the company continued to collaborate with Koç University, Bilgi University, Bahçeşehir University, and Kadir Has University in its ongoing efforts to identify and recruit talented individuals who are still undergraduates and have the potential to distinguish themselves in a sector whose conditions are constantly changing and evolving, to lead the way forward in digital journalism, and to play an active role in Hürriyet’s own digital transformation.

Harvard Global Partnership Program

In 2015, 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 2015, 31 individuals applied for the Program and upon evaluation of the Executive Board, six individuals were rewarded.



The “Best Of” awards program in which the publication group employees’ efforts in the areas of web pages, photographs, and news reporting are acknowledged each month continued during 2015.

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.

LinkedIn, the world’s leading professional social network, organized a “TalentConnect” conference in London in 2015 during which examples of successful human resources practices from around the world were discussed. Hürriyet World’s Human Resources Director, the only speaker invited to attend the conference as a speaker from Turkey, delivered a presentation titled “How to transform your organisation’s recruitment strategy from scratch”.

Flexible Fringe Benefits

113 Hürriyet employees took advantage of the Flexible Fringe Benefits Platform, which was set up to enable personnel to tailor the fringe benefits provided by the company according to their own personal needs, expectations, and interests.

Hürweb

New functions were added to Hürweb, a website set up and managed jointly by the Human Resources and Information Technology departments. Applications for foreign travel visas can now be submitted through this system. The website’s information about its regularly-conducted cinema, theater, and concert ticket and similar lotteries also continued to be expanded last year.

Corporate Games

Among the eleven Hürriyet employees who took part in six branches of the 2015 Corporate Games competition held on 23-24 May, one was awarded second place in the 40+ Table Tennis Women’s Singles category and another was awarded third place in the 5K Women’s Open category.

System Infrastructure Activities

Change Engineering

Revisions were made in keeping with the 2015 Human Resources Strategy, especially in the digital content business line. In the course of this restructuring, functions were consolidated so as to allow digital business processes to proceed in a more integrated manner while new business lines were also created.

A “Change Engineering” project was initiated in order to comprehensively and fundamentally redesign decision-making and business processes in line with the structural demands and dynamics of the digital content sector. Under this project, a number of specialized duties which previously were performed by different units were combined in a single process.

Salary & Compensation Surveys (Hay Group and Towers Watson)

In 2015 salary and compensation surveys were conducted by outside consultancies in which some job positions and associated duties were analyzed and rated in order to make the company’s remuneration system more effective.



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9. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

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. Based on the 2015 review by SAHA, our Company's rating score was increased to 9.36 (93.58). 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) = 92.77

Stakeholders (weight: 0.15) = 98.09

Board of Directors (weight: 0.35) = 91.39

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 31 December 2015, 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 Özer
Executive 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 Tari, Investor Relations and Finance manager, is serving as Investor Relations Manager. Her contact details are as follows:

Name	Dr. İnci Tari
Title	Investor Relations and Finance Manager
Licence information	Corporate Management Rating Licence no: 700895 Capital Market Operations Advanced Licence: 206564
Address	Hürriyet Dünyası 100. Yıl Mahallesi, Matbaacılar Caddesi No:78 34204 Bağcılar / İstanbul
Phone - facsimile	+90 212 449 60 30 - 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 2015 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.



BOARD OF DIRECTORS ACTIVITY REPORT

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 2015, 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 2014 was held on 30 March 2015 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. In the General Assembly Meeting held, out of a total of 552,000,000 shares that represent the Company's capital, a total of 434,234,446.582 shares (%79.73) were present, all 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 30 March 2015, it was announced that the amount of donations made during the accounting period between 1 January - 31 December 2015 to foundations, associations, state institutions and organizations for social aid purposes amounted to TL 811,690.

4.9. It is anticipated that the financial results for 2015 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.



BOARD OF DIRECTORS ACTIVITY REPORT

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 2015, the Company did not receive any criticism or complaint in this regard.

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

6. Dividend Right

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

Accordingly,

- 1- In principle, a minimum 50% of "net distributable profit" calculated in accordance with Capital Market Legislation, CMB Regulations and Resolutions, taking into account the financial statements prepared according to Capital Market Legislation, CMB Regulations and Resolutions are distributed,
- 2- In case of an intention to distribute 50% to 100% of the net distributable profit, the dividend payout ratio is determined considering the financial statements, financial structure and budget of the Company,



- 3- The dividend distribution proposal is made public taking into consideration legal time frames and in line with Capital Market Legislation and CMB Regulations and Resolutions.
- 4- In the event that the net distributable profit based on financial statements prepared in line with the Turkish Commercial Code and Tax Laws is:
 - a. Lower than the amount calculated according to Article 1, the amount calculated within the framework of this article is applied and all distributable amounts is distributed,
 - b. Higher than the amount calculated according to Article 1, Article 2 is the guideline for the action to be taken.
- 5- In case there is no distributable profit based on legal records kept pursuant the Turkish Commercial Code and the Tax Laws, no dividend distribution is made even if a net distributable profit is calculated according to the financial statements prepared in accordance with the Capital Market Legislation and CMB Regulations and Resolutions and pursuant to Capital Market Legislation and CMB Regulations and Resolutions.
- 6- In case the net distributable profit is below 5% of the Company's issued capital, it may be decided not to distribute any dividends.
- 7- The upper limit of aid and donations to be granted by the Company within an accounting period is fixed by the General Assembly within the framework of the rules set forth in the Capital Market Legislation and CMB Regulations and Resolutions.
- 8- Dividend distribution starts as of, and not later than the 30th day after the General Assembly meeting when the resolution on dividend distribution is adopted and in any case as of the end of the accounting period.
- 9- The Company may distribute the dividends in cash and/or as "bonus shares", in advance or by installments, in accordance with the Capital Market Legislation and CMB Regulations and Resolutions and in line with the General Assembly resolution.
- 10- The Company may distribute dividends to non-shareholders, according to the resolution by the General Assembly. In such a case, the provisions of the Turkish Commercial Code, Capital Market Legislation and CMB Regulations and Resolutions and the Articles of Association shall apply.
- 11- The Company may decide on and distribute dividends in advance in accordance with the provisions of the Turkish Commercial Code, Capital Market Legislation, CMB Regulations and Resolutions, tax laws, other legal regulations and the Company's Articles of Association and the General Assembly resolution.
- 12- Investment aiming to increase the Company's value that require considerable cash outflow, material issues that affect the financial structure, important uncertainties that emerge in economy, markets or other fields, beyond the Company's control, are taken into consideration when taking the decisions on dividend distribution.

7. Transfer of Shares

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



BOARD OF DIRECTORS ACTIVITY REPORT

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. Inquiries 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 queries, utmost care is taken to avoid any violation of the equal rights of stakeholders to obtain information.

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

Name	Dr. İnci Tarı
Title	Investor Relations and Finance Manager
Name	Ediz Haşmet Kökyazıcı
Title	Finance Director (CFO)
Name	Gülhan Meral Daldaban
Title	Budget Analysis, Control and Planning Manager
Phone-Facsimile	+90 212 449 60 30 - 677 01 82
E-mail	itari@hurriyet.com.tr yatirimciiliskileri@hurriyet.com.tr

35 material matter disclosures were made in 2015. 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 2015.



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 2015 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 2015, no commercial and/or non-commercial transactions took place between Hürriyet and other companies in which Board Members, executives or shareholders who directly or indirectly own at least 5% or more of Hürriyet's capital, hold at least a 5% stake or have management control irrespective of the amount of shares they hold.

8.8. The financial statements and footnotes of the Company were prepared on a consolidated basis, pursuant to the provisions of the CMB Communiqué II-14.1, in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards, announced by the Public Oversight, Accounting and Auditing Standards Authority, presented in line with the principles set forth in the CMB's decision 20/670 dated 7 June 2013 and announced in the CMB's Weekly Journal numbered 2013/19 dated 7 June 2013, audited independently in compliance with the Turkish Audit Standards and were publicly disclosed. The Annual Report 2015 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 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.



BOARD OF DIRECTORS ACTIVITY REPORT

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
- 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

- Social Responsibility Projects
- 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

- Advertising 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 organizations 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 endeavors 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.



BOARD OF DIRECTORS ACTIVITY REPORT

12. Participation of Stakeholders in Management

The Company is in constant contact with the stakeholders, verbally and in written form. 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.

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.



BOARD OF DIRECTORS ACTIVITY REPORT

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

Name/Last Name	Title	Status
Vuslat Doğan Sabancı	Chairwoman	Non-Executive
Yahya Üzdiyen	Vice Chairman	Non-Executive
Ahmet Özer	Executive Board Member	Executive
Ahmet Dalman	Board Member	Non-Executive
Ahmet Toksoy	Board Member	Non-Executive
Kai Georg Diekmann	Board Member	Non-Executive
Çağlar Göğüş	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 1 January - 31 December 2015 will be discussed.

On 6 March 2015, the General Assembly resolved to disclose and announced to the public on the same date the application of Çağlar Göğüş and Béatrice de Clermont Tonnerre to serve as Independent Board Members who presented statement of independence on 5 March 2015. 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 26 May 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 acquisition executed by a Turkish company. TME is an online and printed media advertising company operating in Russia, Ukraine, Belarus, Kazakhstan, Hungary, Croatia, Bosnia & Herzegovina and Serbia. 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 (deal finder), and yenicarsim.com (e-commerce).



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.

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. Having functioned as President of Strategy Group at Doğan Group from 1997 when he joined the Group until 2010, Mr. Üzdiyen was named acting CEO of Doğan Holding from the onset of 2011 until 24 January 2012 when he assumed the position full-time. Mr. Üzdiyen resigned from his position as CEO as of 5 January 2016, and has been sitting as a member on the Boards of Directors of a number of companies under Doğan Group. He has been serving as a member of the Board of Directors and as Vice Chairman of our Company since 2010. Mr. Üzdiyen is married and has two children.

Ahmet ÖZER

Executive Board Member

Born in 1972, Ahmet Özer received his undergraduate degree in Economics from Boğaziçi University. After taking on project development roles in several companies for two years, he joined Doğan Group in 1997. Having assumed the position of Business Development Manager at Doğan Holding until 2005, Mr. Özer joined Hürriyet as Strategy and Investor Relations Coordinator in 2005 and was appointed as Head of Hürriyet Internet Group as member of the Executive Board in 2009. A major contributor to the successful execution and completion of the acquisition process of Trader Media East (TME), foreign subsidiary of Hürriyet, he assumed management responsibility for all units of that company across 7 different countries from 2010 and has been named the CEO of TME, a position he held at the head office in Moscow until 2014.



BOARD OF DIRECTORS ACTIVITY REPORT

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.

Ahmet TOKSOY

Board Member

Born in 1959 in İstanbul, Ahmet Toksoy graduated summa cum laude from the Department of Finance, Faculty of Business Administration at İstanbul University in 1981. In 1987, as the top student of his class, he was appointed as an Auditor at the Ministry of Finance, in which position he functioned from 1984 until 1989, when he joined Hürriyet Holding A.Ş. as a member of the Audit Committee. He worked as Assistant Finance Manager at Hürriyet Newspaper from 1990 to 1991 and as its Finance Manager from 1991 to 1995. He then worked as a Certified Public Accountant for three years at Aktif Denetim Yeminli Mali Müşavirlik.

In 1998, Mr. Toksoy returned to Hürriyet Newspaper where he served as the Financial Affairs Group President for 11 years until early 2010 when he was appointed President of Audit and Risk Management at Doğan Holding. Mr. Toksoy has been serving as the CFO and member of the Executive Committee of Doğan Şirketler Grubu Holding A.Ş. since September 2011. He also serves as a Board of Directors member of Doğan TV Holding A.Ş. and Hürriyet Gazetecilik ve Matbaacılık A.Ş. Mr. Toksoy is married and has one child.

Kai DIEKMANN

Board Member

Born in 1964 in Ravensburg, Germany, Kai Diekmann grew up in the city of Biefeld. After graduating from high school, he voluntarily served in the army for two years. He was a trainee with Axel Springer AG in 1985, and worked in Hamburg, Bonn and New York as part of this post.

In 1987, he became Parliamentary Correspondent for Bild and Bild am SONNTAG in Bonn, and Executive Reporter for Bunte Magazine in 1989. Two years later, he became Deputy Editor of B.Z. published in Berlin and then moved to Hamburg as Deputy Editor and Head of the Politics Department of Bild, in which position he remained for five years.



After a brief travel throughout Central America, he became Editor in Chief of WELT am SONNTAG in 1998. In January 2001, he was named Editor in Chief of Bild and publisher of both BILD and BILD am SONNTAG, a position he still holds. In 2008, he was appointed Editorial Director of the BILD-group, and was named publisher of B.Z. in November 2013.

On assignment from Axel Springer AG, Mr. Diekmann spent ten months as Editor in Chief of BILD in the Silicon Valley, US, to study digital projects and business models.

Mr. Diekmann serves as a member of the Board of Directors of Hürriyet Newspaper since 2004 and of Times Ltd. since 2011.

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.

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.



BOARD OF DIRECTORS ACTIVITY REPORT

Information about the positions of the Members of the Board of Directors in the group companies is given below.

Name/Last name	Tasks taken on during last decade	Current tasks assumed outside the Company	Whether an Independent Board Member	Committee Participation and Position
Vuslat Doğan Sabancı	Board Member, Chairwoman of Executive Committee, Vice Chairwoman of Board	Board Member at Group companies	Not an independent member	-
Yahya Üzdiyen	Head of Strategy Group at Doğan Holding	Vice Chairman and Board Member at Group companies	Not an independent member	-
Ahmet Özer	CEO / International subsidiary	Board Member at Group companies	Not an independent member	-
Ahmet Nafı Dalman	Head of Internet and Information Technologies Group	Board Member at Group companies	Not an independent member	-
Ahmet Toksoy	Doğan Şirketler Grubu Holding A.Ş. Head of Financial Affairs Group	Board Member at Group companies	Not an independent member	-
Kai Georg Diekmann	Board Member	-	Not an independent member	-
Çağlar Göğüş	Independent Board Member	-	-	-
Béatrice de Clermont Tonnerre	Independent Board Member	-	Independent member	Member of Audit Committee

16. Operating Principles of the Board of Directors

16.1. The Board of Directors meets whenever required by the business of the Company and at least once every month. Members of the Board of Directors are promptly provided all information they may need to adequately perform their duties.

In 2015, the Board of Directors held/adopted 34 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 fulfills its duties and responsibilities: Executive Committee (Executive Board), Audit Committee, Corporate Governance Committee and Early Risk Determination Committee.



BOARD OF DIRECTORS ACTIVITY REPORT

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 2015 will be discussed. As per the Board resolution dated 20 April 2015, the Committee consists of the following members:

Name/Last Name	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 Director
Zeynep Tandoğan	Executive Committee Member	Advertising 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

17.7. Corporate Governance Committee

17.7.1. According to Board Decision No. 2015/14 dated 20 April 2015, the Corporate Governance Committee shall consist of the following chairperson and members:

Name/Last Name	Title	Status
Çağlar Göğüş	Chairman	Independent 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 Tan 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 Çağlar Göğüş 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 2014 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 2015.

17.8. Audit Committee

17.8.1. The Board of Directors convened on 20 April 2015 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/Last Name	Title	Status
Çağlar Göğüş	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 2015;

- 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.



BOARD OF DIRECTORS ACTIVITY REPORT

- Studies on risk management activities were carried out;
- The Audit Committee held four meetings during 2015.

17.9. Early Risk Determination Committee

17.9.1. The Board of Directors convened on 20 April 2015 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/Last Name	Title	Status
Çağlar Göğüş	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 2015.

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. The Early Risk Determination Committee, established on 18 March 2013, makes 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 jeopardize 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 3 July 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 modernization 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 Chairman, Vice Chairman and Members of the Board of Directors receive a remuneration to be determined in the General Meeting of Shareholders. Such decision for the remuneration amount is based on the time these individuals shall devote to meetings, the time involved in pre- and post-meeting preparations and in the performance of their respective duties, as well as the CEO's salary. In addition, the attendance fee to be paid to Board Members for each meeting is also determined in the General Meeting of Shareholders.

Whether the Head and Members of a Committee shall receive remuneration, and the amount and terms thereof, if applicable, shall be established by the Board of Directors in the Board resolution pertaining to the formation of the respective committee. In the event that the Head and Members of the Committee are also Chairman or Member of the Board of Directors, the General Meeting of Shareholders shall decide whether these Committee members shall receive any remuneration, and the amount and terms thereof, if applicable.

20.2. At the Ordinary General Assembly Meeting held on 30 March 2015, 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 Çağlar Göğüş 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.



BOARD OF DIRECTORS ACTIVITY REPORT

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

21.1. Within the activity period between 01.01.2015 and 31.12.2015, 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 two 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.



BOARD OF DIRECTORS ACTIVITY REPORT

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	07.03.2016
Resolution no:	2016/05
Attending	Vuslat SABANCI (Chairwoman) Yahya ÜZDİYEN (Vice Chairman) Ahmet TOKSOY (Member) Çağlar GÖĞÜŞ (Executive Member) Ahmet ÖZER (Member) Ahmet Nafı DALMAN (Member) Kai Georg DIEKMANN (Member) Gündüz KÖSEMEN (Independent Member) Béatrice de Clermont TONNERRE (Independent Member)

This resolution has been signed by the members of the Board of Directors pursuant to Article 390/IV of the Turkish Commercial Code.

It has been decided:

- To approve the attached independently audited comparative Unconsolidated Financial Report for the fiscal 01 January 2015 - 31 December 2015, which was submitted to the Board of Directors upon incorporation of suggested adjustments of, and clearance from, the Audit Committee and relevant executives, which was drawn up in accordance with the Turkish Accounting Standards and Turkish Financial Reporting Standards published by the Public Oversight, Accounting and Auditing Standards Authority as per the CMB Communiqué II-14.1 on Principles of Financial Reporting in Capital Markets, the presentation principles of which were set out by the CMB Resolution 20/670 dated 07 June 2013 and announced by the CMB Weekly Bulletin no. 2013/19 dated 07 June 2013;
- To approve the attached Annual Report for the fiscal 01 January 2015 - 31 December 2015, which was submitted for its approval to the Board of Directors upon incorporation of suggested adjustments of, and clearance from, the Corporate Governance Committee and relevant executives, which was drawn up in accordance with the Turkish Commercial Code, the Regulation on the Determination of the Minimum Content of Companies' Annual Reports published by the Ministry of Customs and Trade, and the CMB Communiqué II-14.1 on Principles of Financial Reporting in Capital Markets, and which was independently audited with respect to its conformity to the financial statements and the notes thereto;

- To approve the attached Corporate Governance Principles Compliance Report for the fiscal 01 January 2015 - 31 December 2015, which is incorporated in the Annual Report, which was drawn up in accordance with the CMB's Corporate Governance Communiqué II-17.1, the presentation principles of which were determined as per the CMB Resolution 2/35 dated 27 January 2014 and announced by the CMB Weekly Bulletin 2014/02 dated 27 January 2014.

Vuslat SABANCI
Chairwoman

Yahya ÜZDİYEN
Vice Chairman

Çağlar GÖĞÜŞ
Executive Member

Ahmet ÖZER
Member

Ahmet TOKSOY
Member

Ahmet Nafi DALMAN
Member

Kai Georg DIEKMANN
Member

Gündüz KÖSEMEN
Independent Member

Béatrice de Clermont TONNERRE
Independent Member



BOARD OF DIRECTORS ACTIVITY REPORT

11. CORPORATE GOVERNANCE COMMITTEE RESOLUTION

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CORPORATE GOVERNANCE COMMITTEE DECISION

DATE: 04 MARCH 2016

RE.: Annual Report and Corporate Governance Compliance Report for the Fiscal 01 January 2015 - 31 December 2015

Upon obtaining the opinions of the executives who are responsible for the preparation of the Company's Annual Report, we have examined the Annual Report for the fiscal 01 January 2015 - 31 December 2015, which was drawn up in accordance with the Turkish Commercial Code ("TCC"), Regulation on the Determination of the Minimum Content of Companies' Annual Reports published by the Ministry of Customs and Trade ("the Ministry"), and the Capital Markets Board of Turkey ("CMB") Communiqué II-14.1 on Principles of Financial Reporting in Capital Markets, and which was independently audited with respect to its conformity to the financial statements and the notes thereto; and we have also examined the Corporate Governance Committee Report for the period 01 January 2015 - 31 December 2015 incorporated in the Annual Report, which was drawn up in accordance with the CMB's Corporate Governance Communiqué II-17.1, the presentation principles of which were determined as per the CMB Resolution 2/35 dated 27 January 2014 and announced by the CMB Weekly Bulletin 2014/02 dated 27 January 2014. To the extent of our knowledge and the information provided to us, our opinion regarding the said Annual Report has been submitted to the executives who are responsible for the preparation of the Annual Report and it has been concluded that the said Annual Report presents a true view of the Company's operating results, that it does not contain any material omissions that may turn out to be misleading and that it is in conformity with the TCC, as well as the regulations of the Ministry and the CMB.

Gündüz KÖSEMEN

Chairman of the Corporate Governance Committee

Dr. Murat DOĞU

Member of the Corporate Governance Committee

Dr. İnci TARI

Member of the Corporate Governance Committee

12. RESOLUTION OF THE AUDIT COMMITTEE

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

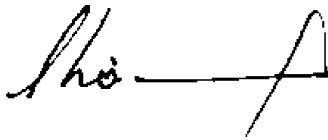
RESOLUTION OF THE AUDIT COMMITTEE

Date : 04.03.2016

Subject : Financial Report on accounting year 1 January - 31 December 2015

The Company's financial report for the accounting year 1 January - 31 December 2015, 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.



Gündüz KÖSEMEN
Chairman of the Audit Committee



Béatrice de CLERMONT TONNERRE
Member of the Audit Committee



BOARD OF DIRECTORS ACTIVITY REPORT

13. FINANCIAL REPORT AND ANNUAL REPORT STATEMENT OF RESPONSIBILITY

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

BOARD OF DIRECTORS DECISION REGARDING THE APPROVAL OF THE FINANCIAL REPORT AND THE ANNUAL REPORT

DECISION DATE: 07 March 2016

DECISION NUMBER: 2016/05

STATEMENT OF RESPONSIBILITY PURSUANT TO CAPITAL MARKETS BOARD COMMUNIQUE SERIAL: II-14.1, SECTION TWO, ARTICLE 9

We have examined the independently audited Consolidated Financial Report of Hürriyet Gazetecilik ve Matbaacılık A.Ş. for the fiscal 01 January 2015 - 31 December 2015, which was drawn up in accordance with the Turkish Accounting Standards and Turkish Financial Reporting Standards published by the Public Oversight, Accounting and Auditing Standards Authority as per the CMB Communiqué II-14.1 on Principles of Financial Reporting in Capital Markets, the presentation principles of which were set out by the CMB Resolution 20/670 dated 07 June 2013 and announced by the CMB Weekly Bulletin no. 2013/19 dated 07 June 2013, and we have also examined the Annual Report for the fiscal 01 January 2015 - 31 December 2015, which was independently audited with respect to its conformity to the financial statements and the notes thereto. Hence, we hereby declare that, to the extent of the information we have obtained in the scope of our duty and responsibility in the organization;

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

The Financial Report, issued in accordance with the applicable financial reporting standards fairly reflects the 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.



Gündüz KÖSEMEN
Chairman of the Audit Committee



Béatrice de CLERMONT TONNERRE
Member of the Audit Committee



Ediz Haşmet KÖKYAZICI
Executive Committee Member
Finance Director



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.

RESOLUTION OF THE BOARD OF DIRECTORS

Date of resolution	07.03.2016
Resolution no:	2016/06
Attending	Vuslat SABANCI (Chairwoman) Yahya ÜZDİYEN (Vice Chairman) Ahmet TOKSOY (Member) Çağlar GÖĞÜŞ (Executive Member) Ahmet ÖZER (Member) Ahmet Nafi DALMAN (Member) Kai Georg DIEKMANN (Member) Gündüz KÖSEMEN (Independent Member) Béatrice de Clermont TONNERRE (Independent Member)

As a result of the discussions held;

This resolution has been signed by the members of the Board of Directors pursuant to Article 390/IV of the Turkish Commercial Code.

In view of the provisions of the Turkish Commercial Code ("TCC"), Capital Market legislation and Capital Markets Board of Turkey ("CMB") regulations, Corporate Tax, Income Tax and other applicable legislation, as well as the relevant provisions of the Company's Articles of Association and the publicly disclosed "Dividend Policy"; it has been unanimously resolved that:

- the shareholders be informed that no dividends shall be distributed in relation to the fiscal 01 January 2015 - 31 December 2015 as per the CMB rules regarding distribution of profit and that the same be laid down for approval in the General Meeting of Shareholders, since a "Period Loss" of TL 374,106,987 is calculated after adding "Prior Year Losses" of TL 344,471,730 as calculated according to the Dividend Guide published in the CMB Weekly Bulletin 2014/2 dated 27 January 2014 and "donations" made in 2015 in the amount of TL 863,858 to the "Net Loss for the Period" in the amount of TL 30,499,114, which arises when "Deferred Tax Income", "Tax Expenses for the Period" and "Non-Controlling Interests" are taken into account together, based on the independently audited consolidated financial statements for the fiscal 01 January 2015 - 31 December 2015 which were drawn up in accordance with the Turkish Accounting Standards ("TAS") and the Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") under the provisions of the CMB Communiqué (II-14-1) on Principles of Financial Reporting in Capital Markets, and the presentation principles of which were set forth by the CMB's related resolutions,



BOARD OF DIRECTORS ACTIVITY REPORT

- it be laid for approval in the General Meeting of Shareholders that "Profit for the Period" in the amount of TL 32,147,070 be set off from "Prior Year Losses", after setting aside "Tax Expense for the Period" in the amount of TL 9,846,455 from "Net Profit for the Period" for the fiscal 01 January 2015 - 31 December 2015 of TL 41,993,525 that descends in our financial records for the fiscal 01 January 2015 - 31 December 2015 that are maintained under the Tax Legislation and in accordance with the Uniform Chart of Accounts published by the Turkish Ministry of Finance less



Vuslat SABANCI
Chairwoman



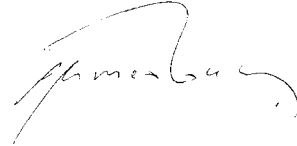
Yahya ÜZDİYEN
Vice Chairman



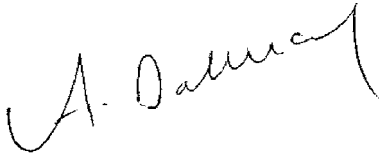
Çağlar GÖĞÜŞ
Executive Member



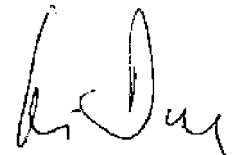
Ahmet ÖZER
Member



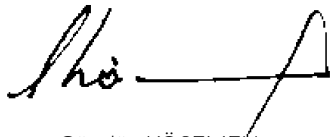
Ahmet TOKSOY
Member



Ahmet Nafi DALMAN
Member



Kai Georg DIEKMANN
Member



Gündüz KÖSEMEN
Independent Member



Béatrice de Clermont TONNERRE
Independent Member



14. APP. 1: PROFIT DISTRIBUTION TABLE

Hürriyet Gazetecilik ve Matbaacılık A.Ş.
PROFIT DISTRIBUTION TABLE 2015 (TL)

1	Issued capital		552,000,000
2	Total legal reserves (acc. to legal records)		39,284,096
Information on privilege in dividend distribution, if there is any privilege pursuant to the Articles of Incorporation			
			-
		According to CMB	According to legal records
3	Profit/loss for the period (+)/(-) ⁽²⁾	-54,453,971	41,993,525
4	Taxes (+/-) ⁽³⁾	5,853,326	-9,846,455
	Non-controlling shares (-)	-18,101,531	0
5	Net Loss for the period (=)	-30,499,114	32,147,070
6	Previous years' losses (-) ⁽⁴⁾	-344,471,730	-39,451,342
7	General legal reserves (-)	0	0
8	NET DISTRIBUTABLE PROFIT/LOSS FOR THE PERIOD	-374,970,844	-7,304,272
9	Donations made during the year (+)	863,858	
10	Net distributable profit/loss for the profit including donations ⁽⁵⁾	-374,106,987	
11	First dividend to shareholders	0	
	- Cash	0	
	- Bonus	0	
	- Total	0	
12	Dividend distributed to privileged shareholders	0	
13	Other dividend distributed	0	
	- to members of Board of Directors	0	
	- to employees	0	
	- to non-shareholders	0	
14	Dividend distributed to holders of dividend-right shares	0	
15	Second dividend to shareholders	0	
16	General legal reserves	0	
17	Statutory reserves	0	0
18	Special reserves	0	0
19	EXTRAORDINARY RESERVES	0	0
20	Other sources for distribution	0	0



HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONVENIENCE TRANSLATION OF THE CONSOLIDATED FINANCIAL
STATEMENTS AND THE AUDITOR'S REPORT FOR THE YEAR
31 DECEMBER 2015 INTO ENGLISH
(ORIGINALLY ISSUED IN TURKISH)**

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

**DRT Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.**
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Eski Büyükdere Caddesi
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Deloitte.

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 2015, 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 standards on auditing issued by Capital Markets Board and 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.



HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

INDEPENDENT AUDITOR'S REPORT

Deloitte.

DRT Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
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Maslak Mahallesi No: 1
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Fax: +90 (212) 366 6010
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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 2015, 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 398 of the Turkish Commercial Code No. 6102 ("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 7 March 2016.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Company's set of accounts and financial statements prepared for the period 1 January-31 December 2015 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.

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

Berkman Özata, SMMM
Partner

İstanbul, 7 March 2016



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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2015 AND 31 DECEMBER 2014

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

	Note references	(Audited) Current Period 31 December 2015	(Audited) Prior Period 31 December 2014
ASSETS			
Current assets		315.814.507	283.283.769
Cash and cash equivalents	5	86.987.420	56.609.424
Trade receivables		208.056.092	198.693.274
-Trade receivables from related parties	34	26.372.328	28.886.410
-Trade receivables from non-related parties	9	181.683.764	169.806.864
Other receivables	10	993.681	3.420.288
Inventories	12	11.596.510	13.519.003
Prepaid expenses	21	2.726.015	3.136.250
Assets related with current tax	32	1.372.140	504.583
Other current assets	22	4.082.649	7.400.947
Non-current assets		557.533.933	651.694.887
Other receivables	10	1.444.690	1.764.612
Financial investments	6	1.393.257	1.976.568
Investments accounted by the equity method	13	6.566.895	9.013.738
Investment property	14	86.937.106	82.917.210
Property, plant and equipment	15	186.969.110	219.791.673
Intangible assets	16	263.054.231	328.454.758
Deferred tax assets	32	10.005.631	6.661.890
Other non-current assets	22	1.163.013	1.114.438
Total assets		873.348.440	934.978.656

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2015 AND 31 DECEMBER 2014

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

	Note references	(Audited) Current Period 31 December 2015	(Audited) Prior Period 31 December 2014
LIABILITIES			
Current liabilities		361.956.283	303.268.721
Short-term borrowings	7	55.402.170	13.451.105
Short-term portion of long-term borrowings	7	198.263.511	159.660.282
Trade payables		60.780.492	69.629.365
-Trade payables to related parties	34	24.120.290	22.242.940
-Trade payables to non-related parties	9	36.660.202	47.386.425
Employee benefit payables	11	6.021.343	6.121.303
Other payables		8.595.760	2.017.664
-Other payables to related parties	34	-	339.868
-Other payables to non-related parties	10	8.595.760	1.677.796
Deferred income	21	5.590.682	7.078.107
Current income tax liabilities	32	261.684	2.633.452
Short-term provisions		24.917.449	39.370.364
-Short-term provisions for employment benefits	18	12.181.762	15.696.372
-Other short-term provisions	18	12.735.687	23.673.992
Other short-term liabilities	22	2.123.192	3.307.079
Non-current liabilities		158.172.934	204.515.762
Long-term borrowings	7	62.343.476	92.128.150
Other payables	10	698.515	480.590
Long-term provisions			
-Long-term provisions for employment benefits	20	42.254.261	46.429.651
Deferred tax liability	32	52.652.797	65.477.371
Other non-current liabilities		223.885	-
EQUITY			
Total equity		353.219.223	427.194.173
Equity attributable to equity holders of the parent company		372.470.271	415.891.705
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 may not be reclassified subsequently to profit or loss			
-Actuarial losses arising from employee benefits	23	(15.355.484)	(15.331.957)
-Revaluation and remeasurement gains		1.024.515	-
Share premiums		76.944	76.944
Other comprehensive income and expenses that may be reclassified subsequently to profit or loss -Currency translation differences		(15.308.843)	6.633.568
Restricted reserves	23	187.166.210	165.883.369
Accumulated losses		(383.832.770)	(201.896.442)
Net loss for the period		(30.499.114)	(168.672.590)
Non-controlling interests		(19.251.048)	11.302.468
Total liabilities		873.348.440	934.978.656

These consolidated financial statements as at and for the year ended 31 December 2015 were approved by the Board of Directors on 7 March 2016.

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



HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

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

	Note references	(Audited) Current Period 1 January- 31 December 2015	(Audited) Prior Period 1 January- 31 December 2014
Sales	24	596.083.249	719.582.443
Cost of sales (-)	24	(340.677.814)	(471.373.207)
Gross profit		255.405.435	248.209.236
General administrative expenses (-)	25	(113.211.613)	(140.948.559)
Marketing expenses (-)	25	(140.893.050)	(134.298.729)
Other operating income	27	82.515.795	123.426.312
Other operating expenses (-)	28	(61.279.352)	(57.242.013)
Operating profit		22.537.215	39.146.247
Share of loss of investments accounted by the equity method (-)	13	(2.729.188)	(2.460.932)
Income from investing activities	29	12.047.265	57.580.861
Expenses from investing activities (-)	30	(45.427.823)	(94.620.218)
Operating loss before finance expense		(13.572.531)	(354.042)
Finance expenses (-)	31	(40.881.440)	(198.577.145)
Loss before tax		(54.453.971)	(198.931.187)
Tax income/(expense)		5.853.326	(3.237.118)
Current tax expense (-)	32	(10.069.347)	(5.034.056)
Deferred tax income	32	15.922.673	1.796.938
Net loss for the period		(48.600.645)	(202.168.305)
Allocation of net loss for the period			
Attributable to non-controlling interests		(18.101.531)	(33.495.715)
Attributable to equity holders of the parent company		(30.499.114)	(168.672.590)
Loss per share (TL)			
Loss from continuing operations per share	33	(0,0553)	(0,3056)

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

CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

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

	Note references	(Audited) Current Period 1 January- 31 December 2015	(Audited) Prior Period 1 January- 31 December 2014
Other comprehensive expense			
Net (loss) /profit for the period		(48.600.645)	(202.168.305)
Other comprehensive income and (expenses) that may not be reclassified subsequently to profit or loss			
- Change in foreign currency differences		(34.523.493)	(97.477.648)
Other comprehensive income and expenses that may be reclassified subsequently to profit or loss			
- Revaluation and remeasurement gains		1.024.515	-
- Actuarial (losses) /gains arising from employee benefits		(1.596.810)	62.668
- Deferred tax effect of actuarial losses		319.362	(12.534)
Other comprehensive loss, net of tax		(34.776.426)	(97.427.514)
Total comprehensive expense		(83.377.071)	(299.595.819)
Allocation of total comprehensive expense			
Attributable to non-controlling interests		(30.682.613)	(40.005.145)
Attributable to equity holders of the parent company		(52.694.458)	(259.590.674)

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



HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AS AT 31 DECEMBER 2015 AND 2014

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

					Other comprehensive income and expenses that may be reclassified subsequently to profit or loss	Other comprehensive income or expenses that may be reclassified subsequently to profit or loss	
	Note references	Share capital	Inflation adjustment to share capital	Share premiums	Currency translation differences	Revaluation and remeasurement gains	Remeasurement losses in defined benefit plan
Balances at 1 January 2014	23	552.000.000	77.198.813	76.944	97.673.595	-	(15.453.900)
Transfer		-	-	-	-	-	-
Capital increase of subsidiary		-	-	-	-	-	-
Subsidiaries' dividend payments to non-group companies		-	-	-	-	-	-
Rate change effect on subsidiaries		-	-	-	-	-	-
Total comprehensive expense		-	-	-	(91.040.027)	-	121.943
-Remeasurement losses in defined benefit plans		-	-	-	-	-	121.943
-Change in translation reserves		-	-	-	(91.040.027)	-	-
-Net (loss) for the period		-	-	-	-	-	-
Balances at 31 December 2014		552.000.000	77.198.813	76.944	6.633.568	-	(15.331.957)
Balances at 1 January 2015	23	552.000.000	77.198.813	76.944	6.633.568	-	(15.331.957)
Transfer		-	-	-	-	-	-
Fund transferred to the equity by partners		-	-	-	-	-	-
Sale of subsidiaries (Note 35)		-	-	-	-	-	1.253.921
The effect of change in holdings on subsidiaries		-	-	-	-	-	-
Total comprehensive income/ (expense)		-	-	-	(21.942.411)	1.024.515	(1.277.448)
-Revaluation and remeasurement gains		-	-	-	-	1.024.515	-
-Remeasurement losses in defined benefit plans		-	-	-	-	-	(1.277.448)
-Change in translation reserves		-	-	-	(21.942.411)	-	-
-Net loss for the period		-	-	-	-	-	-
Balances at 31 December 2015	23	552.000.000	77.198.813	76.944	(15.308.843)	1.024.515	(15.355.484)

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



Retained earnings					
Restricted reserves appropriated 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 equity
167.305.861	(145.994.420)	(61.093.981)	671.712.912	51.428.972	723.141.884
(1.422.492)	(59.671.489)	61.093.981	-	-	-
-	-	-	-	5.952.865	5.952.865
-	-	-	-	(1.885.963)	(1.885.963)
-	3.769.467	-	3.769.467	(4.188.261)	(418.794)
-	-	(168.672.590)	(259.590.674)	(40.005.145)	(299.595.819)
-	-	-	121.943	(71.809)	50.134
-	-	-	(91.040.027)	(6.437.621)	(97.477.648)
-	-	(168.672.590)	(168.672.590)	(33.495.715)	(202.168.305)
165.883.369	(201.896.442)	(168.672.590)	415.891.705	11.302.468	427.194.173
165.883.369	(201.896.442)	(168.672.590)	415.891.705	11.302.468	427.194.173
21.282.841	(189.955.431)	168.672.590	-	-	-
-	5.031.498	-	5.031.498	-	5.031.498
-	2.987.605	-	4.241.526	71.809	4.313.335
-	-	-	-	57.288	57.288
-	-	(30.499.114)	(52.694.458)	(30.682.613)	(83.377.071)
-	-	-	1.024.515	-	1.024.515
-	-	-	(1.277.448)	-	(1.277.448)
-	-	-	(21.942.411)	(12.581.082)	(34.523.493)
-	-	(30.499.114)	(30.499.114)	(18.101.531)	(48.600.645)
187.166.210	(383.832.770)	(30.499.114)	372.470.271	(19.251.048)	353.219.223



HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

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

	Note references	(Audited) Current Period 1 January- 31 December 2015	(Audited) Prior Period 1 January- 31 December 2014
CASH FLOWS FROM OPERATING ACTIVITIES		5.485.835	11.301.199
Net loss for the period		(48.600.645)	(202.168.305)
Adjustments to reconcile net loss for the period:		108.574.706	223.707.251
Adjustments regarding depreciation	15	35.973.928	43.374.284
Adjustments regarding amortization	16	20.843.340	26.378.502
Adjustments regarding loss on sale of property, plant and equipment	29, 30	(410.008)	(19.964.275)
Adjustments regarding tax income	32	(5.853.326)	3.237.118
Adjustments regarding provision for employment benefits and unused vacation rights	18,20	8.834.693	11.711.792
Provision for impairment of intangible assets	16	44.962.304	-
Provision for impairment of goodwill and assets held for sale	30	-	75.900.664
Adjustments regarding income accruals	9	(1.486.821)	(124.709)
Finance income from time deposits	27	(3.065.824)	(3.874.541)
Fixed assets adjustment	15, 16	(497.409)	-
Finance income due from term sales	27	(6.721.934)	(6.941.345)
Finance expense accruals due from term sales	27, 28	(1.371.718)	(1.861.775)
Interest expenses	31	20.586.984	18.961.958
Unrealized foreign exchange expense due from term sales		(4.083.171)	82.169.435
Changes in fair value adjustments of investment properties	14	(7.400.936)	(24.565.749)
Adjustments regarding increase in deferred income		206.512	218.661
Adjustments regarding provision for impairment of inventories	12	3.755.706	2.010.365
Loss from investments accounted by the equity method	13	2.729.188	2.460.932
Provision for doubtful receivables	28	13.241.930	12.262.147
Reversal of lawsuit provisions	18, 27	(15.277.945)	-
Lawsuits and other provision expenses	18, 28	5.864.079	1.978.589
Reversal of provisions		(2.254.866)	(400.028)
Gain on sale of subsidiary	29,30	-	775.226
Changes in working capital:		(54.488.226)	(10.237.747)
Changes in blocked deposits	5	-	8.277
Changes in trade and related party receivables		(30.536.357)	(29.091.194)
Changes in inventories		(4.476.446)	1.712.579
Changes in prepaid expenses		410.235	2.089.670
Changes in other current assets		1.480.330	11.496.992
Changes in other financial assets and liabilities		-	(11.461.621)
Changes in trade and related party payables		(11.718.526)	8.146.418
Changes in other short term liabilities		12.859.371	25.880.937
Changes in other non-current assets		(51.790)	(938.116)
Changes in short-term provisions for employment benefits		(99.960)	(3.515.027)
Changes in deferred revenue		(1.487.425)	(2.994.557)
Net cash flow from operating activities			
Taxes paid		(13.308.672)	(1.937.104)
Collections from doubtful receivables	9	1.966.137	2.527.681
Employment benefits and unused vacation rights paid	18,20	(9.525.123)	(12.162.682)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

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

	Note references	(Audited) Current Period 1 January- 31 December 2015	(Audited) Prior Period 1 January- 31 December 2014
CASH FLOWS FROM INVESTING ACTIVITIES		7.154.276	134.173.967
Purchases of property, plant and equipment	15	(5.634.380)	(7.396.001)
Purchases of intangible assets	16	(10.624.093)	(8.695.146)
Proceeds from sales of property, plant and equipment, intangible assets and investment properties		10.188.882	128.939.958
Interests received		10.397.738	9.533.761
Net proceeds from sale of financial assets		-	55.439
Proceeds from sale of subsidiary	35	2.826.129	11.735.956
CASH FLOWS FROM FINANCING ACTIVITIES		17.227.493	(144.058.460)
Changes in blocked deposits		(130.044)	36.592.426
Increase in share capital of non-controlling interests		-	5.952.865
Cash inflows from funds transferred to equity by shareholders		6.289.373	-
Dividends paid to non-controlling interests		-	(1.885.963)
Bank borrowings received		168.506.109	172.436.181
Bank borrowings paid		(134.697.450)	(329.729.967)
Changes in financial liabilities to suppliers		(2.139.637)	(8.444.559)
Interests paid		(20.600.858)	(18.979.443)
Effects of foreign exchange rate fluctuations on cash and cash equivalents		515.169	8.214.980
Change in cash and cash equivalents		30.382.773	9.631.686
Cash and cash equivalents at the beginning of the period	5	56.604.647	46.972.961
Cash and cash equivalents at the end of the period	5	86.987.420	56.604.647

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



HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet" or the "Company") was established in 1960 and is registered in Turkey. The Company which undertakes journalism, printing, advertising and internet publishing activities operates seven printing plants in Turkey with locations in İstanbul, Ankara, İzmir, Adana, Antalya, Trabzon and in Germany.

Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding"), is the majority ownership in the Company. 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.

Doğan Yayın Holding A.Ş. with all its assets and liabilities by Doğan Holding were disclosed to the public 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).

As of 31 December 2015, the Group's average personnel number is 2.376 (31 December 2014: 4.245). The main reason of the drastic decrease in personnel number is directly related to the Company's subsidiary Trader Media East.

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 A.Ş. ("BİAŞ" or "BORSA" or "BİST") 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 22,31 % as of 31 December 2015 (31 December 2014: 21,60%) of Hürriyet are accepted as "in circulation" (Note 23).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

Subsidiaries

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

Subsidiaries	Registered country	Geographic segment	Nature of business
Yenibirş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. ("Yenibir")	Turkey	Turkey	Internet publishing
Hürriyet Zweigniederlassung GmbH. ("Hürriyet Zweigniederlassung")	Germany	Europe	Newspaper publishing
Trader Media East ("TME")	Jersey	Europe	Investment
Publishing House Pennsylvania Inc	USA	Russia and EE	Investment
Pronto Soft	Belarus	Russia and EE	Internet publishing
OOO SP Belpronto	Belarus	Russia and EE	Newspaper and internet publishing
TCM Adria d.o.o.	Croatia	Europe	Investment
Hürriyet Invest B.V. ("Hürriyet Invest")	Holland	Europe	Investment
Mirabridge International B.V.	Holland	Europe	Investment
TOO Pronto Akmola	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Aktau	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Aktobe	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Atyrau	Kazakhstan	Russia and EE	Newspaper and internet publishing
Pronto Ust Kamenogorsk	Kazakhstan	Russia and EE	Internet publishing
ZAO Pronto Akzhol	Kazakhstan	Russia and EE	Newspaper and internet publishing
Impress Media Marketing LLC	Russia	Russia and EE	Publishing
ID Impress Media Marketing LLC	Russia	Russia and EE	Publishing
OOO Pronto Baikal	Russia	Russia and EE	Newspaper and internet publishing
Job.ru LLC	Russia	Russia and EE	Internet publishing
OOO Pronto DV	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kazan	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Media Holding	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Novosibirsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Oka	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Samara	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Smolensk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Vladivostok	Russia	Russia and EE	Newspaper and internet publishing
OOO Utro Peterburga	Russia	Russia and EE	Newspaper and internet publishing
OOO Rektcentr	Russia	Russia and EE	Investment
Publishing International Holding BV	Holland	Europe	Investment
OOO Rukom	Russia	Russia and EE	Internet publishing



HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

Associates

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

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

Joint Ventures

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

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial reporting standards

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Market Board ("CMB") Communiqué Serial II, No:14.1 "Basis of Financial Reporting in Capital Markets", which were published in the Official Gazette No: 28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards ("TAS") and the related supplement and interpretations that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

Also these consolidated financial statements and notes are presented in accordance with the financial statement model requirements as announced by the CMB's statement issued at 7 June 2013

The Group maintains their books of account and prepares their statutory financial statements in Turkish Lira in accordance with the tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Finance.

These consolidated financial statements, except for the financial assets and investment properties that are presented at fair value, are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the communiqué and the financial statement models of CMB.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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



Adjustment to financial statements in hyperinflationary periods

With the decision of CMB dated 17 March 2005 and numbered 11/367, 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 TAS. Accordingly, No: 29, "Financial Reporting in Hyperinflationary Economies" ("TAS 29"), has not been applied commencing from 1 January 2005.

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, OOO SP Belpronto) included within the accompanying consolidated financial statements are prepared on the historical cost basis adjusted in accordance with TAS 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 TAS 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 TAS 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. Accordingly, No: 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") is not applied in accompanying consolidated financial statements after 1 January 2015.



HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

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	3.9731
31 December 2010	1,6362	3.6111
31 December 2011	3,4143	1.7305
31 December 2012	4,1549	1.4220
31 December 2013	4,8400	1.2207
31 December 2014	5,6284	1.0000

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

Years	2015	2014
Change in US Dollar/BYR (%)	57	30
Change in Euro/BYR (%)	41	16
Belarus Consumer Price Index (%)	12	13

As of 31 December 2015, the exchange rate announced by the National Bank of the Republic of Belarus was US Dollar 1= BYR 18.569, Euro 1= BYR 20.300 (31 December 2014: US Dollar 1= BYR 11.850, Euro 1= BYR 14.776).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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



The main guidelines for the TAS 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.
- 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.



HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

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

(a) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

The Subsidiaries and their effective ownership interests at 31 December 2015 and 2014 are as follows:

Subsidiaries	Proportion of voting power held by Hürriyet and its subsidiaries (%)		Effective ownership interests (%)	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Yenibir	100,00	100,00	100,00	100,00
Doğan Haber ⁽¹⁾	-	53,14	-	53,14
Hürriyet Zweigniederlassung	100,00	100,00	100,00	100,00
Hürriyet Invest	100,00	100,00	100,00	100,00
Hürriyet Medya Basım ⁽²⁾	-	100,00	-	100,00
TME	78,57	78,57	78,57	78,57
Impress Media Marketing LLC	91,00	97,00	71,50	76,21
ID Impress Media Marketing LLC	91,00	-	71,50	-
TCM Adria d.o.o.	100,00	100,00	78,57	78,57
Job.ru LLC ⁽³⁾	100,00	100,00	78,57	78,57
Mirabridge International B.V.	100,00	100,00	78,57	78,57
Pronto Invest B.V. ⁽⁴⁾	-	100,00	-	78,57
ZAO Pronto Akzhol	80,00	80,00	62,86	62,86
TOO Pronto Akmola	100,00	100,00	78,57	78,57
OOO Pronto Atyrau	80,00	80,00	62,86	62,86
OOO Pronto Aktobe	64,00	64,00	50,28	50,28
OOO Pronto Aktau	80,00	80,00	62,86	62,86
OOO Pronto Baikal ⁽⁵⁾	100,00	100,00	78,57	78,57
OOO Pronto DV ⁽⁶⁾	100,00	100,00	78,57	78,57
OOO Pronto Kazan ⁽⁷⁾	100,00	72,00	78,57	56,57
OOO Pronto Nizhny Novgorod ⁽⁸⁾	-	90,00	-	70,71
OOO Pronto Novosibirsk ⁽⁹⁾	100,00	100,00	78,57	78,57
OOO Pronto Oka ⁽¹⁰⁾	100,00	100,00	78,57	78,57
OOO Utro Peterburga ⁽¹⁰⁾	55,00	55,00	43,21	43,21
OOO Tambukan ⁽¹¹⁾	-	85,00	-	66,78
OOO Pronto Smolensk ⁽¹²⁾	100,00	100,00	78,57	78,57
OOO Rukom ⁽¹³⁾	100,00	100,00	78,57	78,57
OOO Delta-M ⁽¹⁴⁾	-	55,00	-	43,21
OOO Pronto Ivanovo ⁽¹⁵⁾	-	100,00	-	78,57
OOO Pronto Kaliningrad	100,00	95,00	78,57	74,64
OOO Pronto Krasnodar ⁽¹⁶⁾	-	80,00	-	62,86
OOO Pronto Samara	100,00	100,00	78,57	78,57
OOO Pronto UlanUde ⁽¹⁷⁾	-	90,00	-	70,71
OOO Pronto Vladivostok	90,00	90,00	70,71	70,71



HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

Subsidiaries	Proportion of voting power held by Hürriyet and its subsidiaries (%)		Effective ownership interests (%)	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
OOO Pronto Media Holding	100,00	100,00	78,57	78,57
Pronto Soft	90,00	90,00	70,71	70,71
OOO SP Belpronto	60,00	60,00	47,14	47,14
OOO Tambov-Info ⁽¹⁸⁾	-	100,00	-	78,57
OOO Rektcentr	100,00	100,00	78,57	78,57
Publishing House Pennsylvania Inc	100,00	100,00	78,57	78,57
Pronto Ust Kamenogorsk	80,00	100,00	62,86	78,57
Publishing International Holding BV	100,00	100,00	78,57	78,57

⁽¹⁾ Related subsidiary was sold on 27 March 2015.

⁽²⁾ Related subsidiary was acquired and merged with Hürriyet Gazetecilik ve Matbaacılık A.Ş. as at 31 August 2015.

⁽³⁾ Related subsidiary was merged with Pronto Media Holding as at 1 October 2015.

⁽⁴⁾ Related subsidiary was merged with Mirabridge International B.V. as at 14 April 2015.

⁽⁵⁾ Related subsidiary is in process of terminating its activities, as of 5 October 2015.

⁽⁶⁾ Related subsidiary is in process of terminating its activities, as of 18 May 2015.

⁽⁷⁾ Terminated its activities on November 2015.

⁽⁸⁾ Related subsidiary was sold on 27 May 2015.

⁽⁹⁾ Related subsidiary is in process of terminating its activities, as of 27 May 2015.

⁽¹⁰⁾ Related subsidiary has ceased its operations before the year 2010.

⁽¹¹⁾ Related subsidiary was sold on 7 May 2015.

⁽¹²⁾ Related subsidiary is in process of terminating its activities, as of 19 May 2015.

⁽¹³⁾ Terminated its activities in 2012.

⁽¹⁴⁾ Related subsidiary was sold on December, 2015.

⁽¹⁵⁾ Related subsidiary was sold on December, 2015.

⁽¹⁶⁾ Related subsidiary was sold on December, 2015.

⁽¹⁷⁾ Related subsidiary was sold on December, 2015.

⁽¹⁸⁾ Related subsidiary was sold on December, 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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



(b) Investments in associates and joint ventures

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

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

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. The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with TFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture (Note 13).

The results of all intragroup income and expenses relating to the transactions between the Group and its investments in associates and joint ventures are eliminated with the direct proportion of ownership percentage.

(c) Non-controlling interests

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

(d) Financial investments

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



HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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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.

The Company has made various reclassification between cost of sales, marketing, selling and distribution expenses and general administrative expenses regarding internet operations. Because of that the requirement for presenting financial statements comparative to the previous year, related classification should have been made for the financial statements for the year 2014. However, related accounts were not being used in previous years. Therefore, reclassification of previous years' financial statements could not be implemented. The reclassifications have no effect on the net profit or loss for the year.

"Cash and cash equivalents" amounting TL 23.229 are reclassified to "Other Current Asset" in the 31 December 2014 financial position.

2.1.6 New and Revised Turkish Accounting Standards

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

None.

b) New and revised TAS applied with no material effect on the consolidated financial statements

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, TFRS 9, TAS 37, TAS 39 ¹
Annual Improvements to 2011-2013 Cycle	TFRS 3, TFRS 13, TAS 40 ¹

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

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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.

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 judgments 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 2010-2012 Cycle also led to amendments in related provisions of TFRS 9, TAS 27 and TAS 39, respectively.

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.



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c) New and revised TAS in issue but not yet effective

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

TFRS 9	Financial Instruments
Amendments to TFRS 9 and TFRS 7	Mandatory Effective Date of TFRS 9 and Transition Disclosures
Amendments to TAS 16 and TAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to TAS 16 and TAS 41 and amendments to TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40	Agriculture: Bearer Plants ¹
Amendments to TFRS 11 and TFRS 1	Accounting for Acquisition of Interests in Joint operations ¹
Annual Improvements to 2011-2013	
Amendments to TAS 1	Disclosure Initiative ²
Annual Improvements to 2012-2014 Cycle	TFRS 5, TFRS 7, TAS 34, TAS 19 ²
Amendments to TAS 27	Equity Method in Separate Financial Statements ²
Amendments to TFRS 10 and TAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to TFRS 10, TFRS 12 and TAS 28	Investment Entities: Applying the Consolidation Exception ²
TFRS 14	Regulatory Deferral Accounts ²

¹ Effective for annual periods beginning on or after 31 December 2015.

² Effective for annual periods beginning on or after 1 January 2016.

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, amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income ("FVTOCI") measurement category for certain simple debt instruments.

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

The mandatory effective date of TFRS 9 will be no earlier than annual periods beginning on or after 1 January 2018.

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.

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Amendments to TAS 16 and TAS 41 and Amendments to TAS 1, TAS 17, TAS 23, TAS 36 and 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.

Amendments to TAS 16 and TAS 41 also led to amendments in related provisions of 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 TAS, except for those principles that conflict with the guidance in TFRS 11,
- disclose the information required by TFRS 3 and other TAS for business combinations.

Amendments to TFRS 11 also led to amendments in related provisions of TFRS 1.

Annual Improvements 2011-2013 Cycle

TFRS 1: Clarify which versions of TAS can be used on initial adoption (amends basis for conclusions only).

Amendments to TAS 1 Disclosure Initiative

This amendment addresses perceived impediments to preparers exercising their judgment in presenting their financial reports.

Annual Improvements 2012-2014 Cycle

TFRS 5: Adds specific guidance in TFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

TFRS 7: Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.



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TAS 34: Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

Annual Improvements to 2012-2014 Cycle also led to amendments in related provisions of TAS 19.

Amendments to TAS 27 *Equity Method in Separate Financial Statements*

This amendment permits investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

Amendments to TFRS 10 and TAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

This amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

Amendments to TFRS 10, TFRS 12 and TAS 28 *Investment Entities: Applying the Consolidation Exception*

This amendment addresses issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by TFRS 12.

TFRS 14 *Regulatory Deferral Accounts*

TFRS 14 *Regulatory Deferral Accounts* permits an entity which is a first-time adopter of Turkish Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of TFRS and in subsequent financial statements.

TFRS 14 also led to amendments in related provisions of TFRS 1.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

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2.2 Summary of significant accounting policies

2.2.1 Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements

a) A person or a close member of that person's family is related to a reporting entity if that person:

- i. has control or joint control over the reporting entity;
- ii. has significant influence over the reporting entity; or
- iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- vi. The entity is controlled or jointly controlled by a person identified in (a).
- vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

For the purpose of accompanying consolidated financial statements, and in accordance with TAS 24 related parties are referred to as legal entities in which Doğan Şirketler Grubu Holding A.Ş 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 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).



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2.2.2 Financial assets

In accordance with TAS 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).

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

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

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

2.2.5 Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make a sale. Cost elements included in inventory are purchase costs and other costs necessary to prepare the asset for its intended use. Cost elements included in inventories are materials, labor and production overheads. The unit cost of inventories is determined on the 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.



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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 occurred, 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	30-50 years
Machinery and equipment	3-15 years
Furniture and fixtures	3-15 years
Motor vehicles	5 years
Leasehold improvements	2-20 years

Useful life and depreciation are reviewed regularly and the Group also reviews the consistency of the useful life and depreciation method applied with the economic benefits to be obtained from the underlying assets.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets.

Gains or losses on disposals of property, plant and equipment are determined with respect to the difference between collections received and carrying amounts of property, plant and equipment and are included in the other income and expenses from investment activities account, 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.

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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 recognized 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 amortization and are tested for impairment annually.

The amortisation period of the intangible assets with finite useful lives by considering the estimated useful lives are as follows:

Tradenames	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 amortized 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.



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Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment as of balance sheet day at least annually. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Web page development costs

Costs associated with developing web pages are capitalized and are amortized over their estimated useful lives (Note 16). Following the planning phase and operation; all costs are recognized as expense. Maintenance costs of web pages are accounted as operational expenses.

2.2.10 Goodwill

Goodwill and negative goodwill amount, which represent the difference between the purchase price and the fair value of the acquiree's net assets, arising from business combinations effected prior to 30 June 2004 in the consolidated financial statements is capitalized and amortized over the useful life by using the straight-line method prior to 31 December 2004. Goodwill arising from business combinations effected subsequent to 31 March 2004 is not amortized and instead reviewed for any impairment losses in accordance with TFRS 3 Business Combinations.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired as of the balance sheet dates. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period (Note 16).

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 7.282.541 (31 December 2014: TL 9.018.123) and their loss before tax would have increased by TL 7.282.541 (31 December 2014: TL 9.018.123).

Group amortizes trade names, customer lists and domain names with definite useful lives specified in Note 2.2.9.

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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 662.049 and loss before tax would have decreased by TL 662.049 (31 December 2014: TL 819.829) or
- Had the useful lives been lower by 10%, amortization charges would have increased by TL 809.171 and loss before tax would have increased by TL 809.171 (31 December 2014: TL 1.022.004).

Impairment of goodwill and intangible assets:

The Group conducted goodwill impairment analysis as of 31 December 2015 and 2014 according to the details occurred as explained below:

The recoverable amounts of cash generating units have been calculated using value in use model. Value in use is measured based on estimated cash flows after tax using financial budgets covering five-year period and EBITDA (profit margin before budgeted interest, taxes, amortization and depreciation, impairment charges and other non-operating expenses) expectations play an important role in these calculations.

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

	EBITDA Margin (%)	Discount Rate (%)
TME	40	18,4

The Group has set a provision for impairment of goodwill in consolidated financial statements as of 31 December 2015 in the amount of TL 44.962.304 (31 December 2014: TL 75.900.664) (Note: 16). Impairment of goodwill occurred because of the changes in the economical position of the Russia and under budget performance of TME.

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 amounting to TL 16.429.252 (31 December 2014: TL 26.198.932) to its financial statements and net profit before tax would decrease by TL 16.429.252 (31 December 2014: TL 26.198.932).

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 amounting to TL 19.898.894 to its financial statements and net loss before would increase by TL 19.898.894.



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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).

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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 an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are assessed continually to determine whether an outflow of resources comprising economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimation can be made.

The Group has disclosed the contingent liability if it becomes probable, but no reliable estimation can be made on the amounts of resources comprising economic benefits.

Possible assets that arise from past events and whose existence will be confirmed only by the Group occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the are treated as contingent assets. A contingent asset is disclosed where an inflow of economic benefit is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.2.16 Share capital and dividends

Ordinary shares are classified as equity. Dividend income is recognised as income by the Group when right to obtain of dividend is generated in the consolidated financial statements. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

2.2.17 Foreign currency transactions

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in Turkish Lira, which is the functional currency of the Company.

Foreign currency transactions and balances

Income and expenses arising in foreign currencies have been translated into TL at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated statement of income.



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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 2015 and 31 December 2014 are summarized below:

Country	Currency	31 December 2015	31 December 2014
Russia	Ruble	0,0396	0,0398
Eurozone	Euro	3,1776	2,8207
Ukraine	Grivna	0,1214	0,1474
Romania	New Ley	0,7055	0,6294
Kazakhstan	Tenge	0,0291	0,0128
Belarus	Belarusian Ruble	0,0002	0,0002

2.2.18 Revenue recognition

Revenue is the fair value amount of sales of goods and services received or receivable which is resulted from Group's operations. Net sales represent the invoiced value of goods/services shipped less any trade discounts, rebates or commissions and are presented with the elimination of intercompany balances.

Revenue is initially recognized at the fair value of the consideration received or receivable when it can be measured reliably and when there is an inflow of economic benefits. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The interest rate used in discounting, is the rate to discount nominal amount of the receivable to the amortised cost of the related goods or services given.

The difference between the fair value and the nominal amount of the consideration is recognized as financing income on the related periods.

Revenues from advertisement

Revenues from advertisement are recognised on an accrual basis based on the time of publishing. Unpublished part of the advertisement is recorded as deferred revenue in balance sheet.

Revenues from newspaper sales

Revenues from newspaper sales are recognised on a matching principle at the time of delivery of the newspapers by the distribution company to the vendor at the invoiced values. Provision for newspaper sales returns is accounted at the time of delivery based on past experiences and other related information.

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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.



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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).

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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, TAS 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 was recorded through goodwill. As of 31 December 2015 and 31 December 2014, the Group Management have been provided for a provision for whole goodwill amount and financial liability occurred from put option has been reclassified as lawsuit (Note 16).

2.2.25 Non-current assets held for sale and discontinued operations

Assets held for sale are operations that the Group disposes of or classified as available for sale and cash flows which can be treated as a part separately from the Group. Non-current assets held for sale and discontinued operations represents a separate major line of business or geographical area of operations; is part of single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. The Group must evaluate its discontinued operations with the lower of carrying value and fair values less costs to sell (Note 35).

2.2.26 Segment reporting

The 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 TAS 39 and their fair value gains and losses are reported in the statement of comprehensive income.



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NOTE 3 - BUSINESS COMBINATIONS

There are no business combinations as of 31 December 2015 and 31 December 2014 regarding to "IFRS 3 Business Combination".

NOTE 4 - SEGMENT REPORTING

a) Segmental analysis for the period between 1 January - 31 December 2015:

	Turkey	Russia and EE	Europe	Total
Sales	502.575.464	58.060.942	35.446.843	596.083.249
Cost of sales (-)	(273.428.389)	(31.982.054)	(35.267.371)	(340.677.814)
Gross operating profit	229.147.075	26.078.888	179.472	255.405.435
Marketing, selling and distribution expenses (-)	(125.861.865)	(15.031.185)	-	(140.893.050)
Losses from investments accounted by the equity method (-)	(583.818)	(2.145.370)	-	(2.729.188)
Net segment result	102.701.392	8.902.333	179.472	111.783.197
General administrative expenses (-)				(113.211.613)
Other operating income				82.515.795
Other operating expenses (-)				(61.279.352)
Finance expenses (-)				(40.881.440)
Income from investing activities				12.047.265
Expense from investing activities (-)				(45.427.823)
Profit before tax				(54.453.971)
Tax expenses for the period				(10.069.347)
Deferred tax income				15.922.673
Net loss for the period				(48.600.645)

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b) 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)
Profit 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)



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c) Segment assets:

	31 December 2015	31 December 2014
Turkey	551.345.555	470.559.037
Russia and EE	265.585.458	408.160.060
Europe	38.147.110	39.250.324
	855.078.123	917.969.421
Unallocated assets	11.703.422	7.995.497
Investments accounted by the equity method	6.566.895	9.013.738
Total assets per consolidated financial statements	873.348.440	934.978.656

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

d) Segment liabilities:

	31 December 2015	31 December 2014
Turkey	54.160.051	67.363.592
Russia and EE	108.243.241	103.424.109
Europe	20.700.692	22.874.026
	183.103.984	193.661.727
Unallocated liabilities	337.025.233	314.122.756
Total liabilities per consolidated financial statements	520.129.217	507.784.483

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).

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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 and depreciation and amortization:

	31 December 2015	31 December 2014
Turkey	10.206.647	41.358.595
Russia and EE	6.631.885	5.879.796
Europe	1.618.879	1.042.658
Total	18.457.411	48.281.049

Depreciation and amortization charges:

	31 December 2015	31 December 2014
Turkey	36.250.206	40.812.817
Russia and EE	17.818.531	24.975.495
Europe	2.748.531	3.964.474
Total	56.817.268	69.752.786

f) Non-cash other expenses:

	1 January - 31 December 2015			
	Turkey	Russia and EE	Europe	Total
Provision for impairment of intangible assets (Note 16)	-	44.962.304	-	44.962.304
Provision of retirement pay and unused vacation (Note 18,20)	6.975.409	1.859.284	-	8.834.693
Provision for doubtful receivables (Note 9)	10.654.166	2.587.764	-	13.241.930
Provision of legal claims (Note 18)	5.864.079	-	-	5.864.079
Provision of inventory impairment (Note 12)	3.755.706	-	-	3.755.706
	27.249.360	49.409.352	-	76.658.712



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	1 January - 31 December 2014			
	Turkey	Russia and EE	Europe	Total
Provision for impairment of goodwill	-	75.900.664	-	75.900.664
Provision of retirement pay and unused vacation (Note 18,20)	8.410.897	3.300.895	-	11.711.792
Provision of doubtful receivables (Note 9)	7.893.339	4.368.808	-	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
	20.293.190	83.570.367	-	103.863.557

NOTE 5 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Cash	275.621	387.760
Banks		
- time deposits	81.007.641	38.208.697
- demand deposits	5.704.158	18.012.967
Total	86.987.420	56.609.424

The Group has blocked deposits amounting to TL 167.977 as of 31 December 2015 (31 December 2014: TL 42.332) and the blocked deposits are represented in other current assets.

Cash and cash equivalents included in the consolidated statements of cash flows as of 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Cash and banks	86.987.420	56.609.424
Less: Interest accruals	-	(4.777)
Total	86.987.420	56.604.647

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The maturity analysis of time deposits is as follows:

	31 December 2015	31 December 2014
0-1 months	81.007.641	35.488.697
1-3 months	-	2.720.000
	81.007.641	38.208.697

There are no time deposits with variable interest rates at 31 December 2015 and 31 December 2014. The gross interest rate for TL time deposits is 13,55% as of 31 December 2015, for US Dollar time deposits is 0,25% (31 December 2014: 9,3% for TL and 0,2% for US Dollar).

NOTE 6 - FINANCIAL ASSETS

Financial assets available for sale:

The details of financial assets available for sales as of 31 December 2015 and 31 December 2014 are as presented below:

	Share %	31 December 2015	Share %	31 December 2014
Doğan Faktoring A.Ş. ("Doğan Faktoring")	5,11	1.029.898	5,11	1.029.898
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret") ⁽¹⁾	-	-	2	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") ⁽²⁾	-	-	15,00	150.000
Other	-	105.509	-	70.286
Total		1.393.257		1.976.568

⁽¹⁾ 209.882 shares belongs to Doğan Dış Ticaret has been sold to Doğan Holding Şirketler Grubu A.Ş. as of 26 January 2015.

⁽²⁾ Since the Entity has been on liquidation process, a provision provided for B2C's financial asset amount.



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NOTE 7 - FINANCIAL LIABILITIES

The details of financial liabilities at 31 December 2015 and 31 December 2014 are as follows:

Short-term borrowings:	31 December 2015	31 December 2014
Short-term bank borrowings	55.402.170	11.311.468
Financial liabilities to suppliers	-	2.139.637
	55.402.170	13.451.105
Short term portion of long-term financial liabilities	198.263.511	159.660.282
Total	253.665.681	173.111.387

Long-term financial liabilities:	31 December 2015	31 December 2014
Long-term bank borrowings	62.343.476	92.128.150
Total	62.343.476	92.128.150

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Bank borrowings:

The details of bank borrowings at 31 December 2015 and 31 December 2014 are as follows:

	Effective interest rate (%)		Original foreign currency		TL	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Short-term bank borrowings						
- USD	-	3,97	-	222.953	-	517.005
- Euro	-	3,73	-	62.952	-	177.569
- TL	13,33	11,05	48.173.097	3.263.662	48.173.097	3.263.662
- RUR	19,43	16,70	181.205.912	178.395.386	7.229.073	7.353.232
Sub-total					55.402.170	11.311.468
Short-term portion of long-term bank borrowings						
- USD	3,75	3,97	35.215.000	68.184.000	102.391.134	158.111.878
- Euro	3,35	3,73	10.698.907	548.943	33.996.846	1.548.404
- TL	11,01	-	61.875.532	-	61.875.531	-
Sub-total					198.263.511	159.660.282
Total short-term bank borrowings					253.665.681	170.971.750
Long-term bank borrowings						
- Euro	3,75	3,45	580.147	11.212.873	1.843.476	31.628.150
- TL	13,50	11,05	60.500.000	60.500.000	60.500.000	60.500.000
Total long-term bank borrowings					62.343.476	92.128.150



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

Year	31 December 2015	31 December 2014
2016	-	90.491.730
2017	61.920.264	1.260.744
2018	423.212	375.676
Total	62.343.476	92.128.150

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

Group borrows loans on fixed and floating interest rates. Distribution of variable and fixed interest loans are presented in Note 36.1 (i).

As a result of TME's loan agreement, US Dollar 35.000.000 deposits of Doğan Holding has been blocked as guarantee.

Financial liabilities to suppliers:

As of reporting date, the Group has no liability related a supplier loan. (Short and long-term financial liabilities to suppliers are related with the purchase of machinery and equipment and as of 31 December 2014, effective interest rates of short-term and long-term financial liabilities to suppliers are 0,68% for Euro in total amount of TL 2.139.637).

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

Period	31 December 2015	31 December 2014
Up to 6 months	-	2.139.637
Total	-	2.139.637

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 41.248.822 as of 31 December 2015 (31 December 2014: TL 30.522.923).

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NOTE 8 - OTHER FINANCIAL ASSETS AND LIABILITIES

As of 31 December 2015 and 31 December 2014 the Group hasn't any other short term financial liabilities.

a) Derivative instruments

i) Derivative instruments against foreign exchange risk

The Group has not interest rate swap transaction for interest payments in the current year. As of 31 December 2014, the Group had financial expense in amounting to TRY 247.108 is recorded regarding to change the loan agreement (in amount of US Dollar 10.000.000) from US Dollar floating rate to Euro floating rate.

NOTE 9 - TRADE RECEIVABLE AND PAYABLES

Short-term trade receivables net off of unearned finance income at 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Trade receivables	226.971.486	218.423.414
Notes and cheques receivable	2.084.896	2.687.206
Receivables from credit cards	2.764.704	2.534.482
Income accruals	1.861.913	375.092
Unearned finance income due from term sales	(1.639.561)	(1.034.358)
Less: Provision for doubtful receivables (Note 36)	(50.359.674)	(53.178.972)
Short-term trade receivables	181.683.764	169.806.864

According to a revocable commitment agreement signed with Doğan Factoring Hizmetleri A.Ş., trade receivables resulting from advertisements, amounting to TL 130.206.124 (31 December 2014: TL 125.529.315) 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 weighted average turnover of the Group's trade receivables followed up by Doğan Factoring is 106 days (31 December 2014: 102 days). The unearned finance income due from term sales related with the receivables followed up by Doğan Factoring is TL 811.732 (31 December 2014: TL 808.088) and the compound interest rate is 12,68% per annum (31 December 2014: 12,01%).



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The movements of provision for doubtful receivables are as follows:

	2015	2014
1 January	(53.178.972)	(51.384.264)
Additions during the period (Note 28)	(13.241.930)	(12.262.147)
Collections during the period (Note 27)	1.966.137	2.527.681
Disposal of subsidiary	1.398.192	8.152.165
Write-off	12.205.602	-
Currency translation differences	491.297	(212.407)
31 December	(50.359.674)	(53.178.972)

⁽¹⁾ According to temporary article numbered 7 of Turkish Commercial Code, it may be chosen to write off doubtful receivables and related provisions of the companies that are declared as bankrupt, terminated its operations, not possible to make any collection and the Company decided to derecognize these receivables.

Trade payables at 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Short-term trade payables	33.240.750	43.478.493
Expense accruals	3.696.166	4.039.827
Unrealized financial expenses due to term purchases	(276.714)	(131.895)
Total	36.660.202	47.386.425

As of 31 December 2015, average turnover date of Group's trade payables is 39 days (31 December 2014: 38 days). As of 31 December 2015, unrealized financial expense due to term purchases is TL 276.714 (31 December 2014: TL 131.895) and the compound interest rate is 12,68% per annum (31 December 2014: 12,01 %).

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other short-term receivables at 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Deposits and guarantees given	993.681	3.420.288
Total	993.681	3.420.288

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Other long-term receivables at 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Deposits and guarantees given	1.444.690	1.764.612
Total	1.444.690	1.764.612

Other short-term payables at 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Taxes payable	8.030.535	937.814
Deposits and guarantees received	565.225	739.982
Total	8.595.760	1.677.796

Other long-term payables at 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Deposits and guarantees received	541.355	323.430
Due to personnel	157.160	157.160
Total	698.515	480.590

NOTE 11 - EMPLOYEE BENEFIT PAYABLES

Employee benefit payables as of 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Social security withholdings payable	3.154.627	3.519.012
Due to personnel	2.866.716	2.602.291
Total	6.021.343	6.121.303



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NOTE 12 - INVENTORIES

	31 December 2015	31 December 2014
Raw materials and supplies	8.888.948	8.105.375
Finished goods and merchandise	1.785.337	1.904.307
Promotion materials ⁽¹⁾	922.225	3.500.045
Semi-finished goods	-	9.276
Total	11.596.510	13.519.003

⁽¹⁾ Promotion inventories consist of books, cd, dvd that are given to newspaper readers in return of readers collections of coupons.

Provision for impairment of promotion inventories, raw materials and supplies and finished goods and merchandise amounting to TL 9.421.898 (31 December 2014: TL 5.779.170) and their movement during the year are as follows:

	2015	2014
1 January	(5.779.170)	(4.168.833)
Provision of promotion inventories ⁽¹⁾	(3.575.343)	(1.515.019)
Reversal of provision of promotion materials	31.540	217.789
Provision of raw materials and supplies	(180.363)	(495.346)
Reversal of provision of raw materials and supplies	81.438	182.239
31 December	(9.421.898)	(5.779.170)

⁽¹⁾ Regulation about promotion distribution has been re-arranged by Ministry of Industry and Commerce as at 16 September 2014 and announced in the Official Gazette at the same date. With the new regulation, scale of promotion, that can be distributed, has changed. Thus, the Group allocated provision for the promotion inventories which are no longer in the scale of new regulation.

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NOTE 13 - INVESTMENTS ACCOUNTED BY THE EQUITY METHOD

As of 31 December 2015 and 31 December 2014, 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 11 are as follows:

Subsidiaries	31 December 2015 percentage of shares, directly or indirectly owned by Hürriyet and its Subsidiaries (%)	31 December 2014 percentage of shares, directly or indirectly owned by Hürriyet and its Subsidiaries (%)
Doğan Media International GmbH ("Doğan Media")	42,42	42,42
SP Pronto Kiev	39,29	39,29
TOV E-Prostir	39,29	39,29

Joint Ventures	31 December 2015 percentage of shares, directly or indirectly owned by Hürriyet and its Subsidiaries (%)	31 December 2014 percentage of shares, directly or indirectly owned by Hürriyet and its Subsidiaries (%)
ASPM Holding B.V.	40,07	40,07

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 2015, the Group's share of financial statements which are valued by equity method, are as follows:

31 December 2015	Total assets	Total liabilities	Net assets	Net sales	Net (loss) /profit for the period
Doğan Media	8.155.344	1.588.449	6.566.895	15.628.819	(583.818)
	8.155.344	1.588.449	6.566.895	15.628.819	(583.818)



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

31 December 2014	Total Assets	Total Liabilities	Net Assets	Net Sales	Net period (losses) /profit
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
Total	11.157.678	2.143.940	9.013.738	16.784.244	(2.460.932)

The investments accounted by the equity method as of 31 December 2015 and 2014 are as follows:

	Share (%)	31 December 2015	Share (%)	31 December 2014
Doğan Media	42,42	6.566.895	42,42	6.379.469
SP Pronto Kiev ⁽¹⁾	39,29	-	39,29	2.384.732
ASPM Holding B.V. ⁽¹⁾	40,07	-	40,07	62.610
TOV E-Prostir ⁽¹⁾	39,29	-	39,29	186.927
		6.566.895		9.013.738

The investments accounted by the equity method as of 31 December 2015 and 2014 are as follows:

	2015	2014
1 January	9.013.738	13.768.940
Loss from associates	(583.818)	(2.460.932)
Impairment provision ⁽¹⁾	(2.145.370)	-
Currency translation differences	282.345	(2.294.270)
31 December	6.566.895	9.013.738

⁽¹⁾ The Group has evaluated the current situations of equity pickup companies; SP Pronto Kiev, ASPM Holding BV and TOV E-Prostir. As a result of the evaluation, the Group has decided to booked impairment provision for these companies.

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NOTE 14 - INVESTMENT PROPERTY

The movements in investment property as of 31 December 2015 are as follows:

	1 January 2015	Additions ⁽¹⁾	Disposals ⁽¹⁾	Transfer from Tangible Assets	Change in fair value adjustment	31 December 2015
Cost:						
Land	59.592.785	-	-	-	6.347.500	65.940.285
Buildings	23.324.425	2.198.938	(6.953.292)	1.373.314	1.053.436	20.996.821
	82.917.210	2.198.938	(6.953.292)	1.373.314	7.400.936	86.937.106

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

With the recent increase in foreign exchange rates and positive factors, that affect land and buildings, as of 31 December 2015 the Group decided to obtain renewed expertise report for its investment properties. Investment properties consist of buildings, that were acquired by barter agreements, in amount of TL 6.864.289 (31 December 2014: TL 11.365.210), and rental buildings in amount of TL 8.735.000 (31 December 2014: TL 8.185.000).

The Group's rent income from investment properties amounted to TL 112.123 as of 31 December 2015 (31 December 2014: 94.380 TL). The Group's direct operating expenses arising from the investment properties in the period amounted to TL 166.943 (31 December 2014: TL 129.970).

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

	1 January 2014	Additions ⁽¹⁾	Disposals ⁽¹⁾	Change in fair 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 occurred via barter agreements.



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NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment and related accumulated depreciation for the year ended 31 December 2015 are as follows:

	1 January 2015	Currency translation differences	Additions	Disposals	Transfers	Disposal of subsidiary ⁽¹⁾	Adjustment ⁽²⁾	31 December 2015
Cost								
Land and land improvements	17.417.750	1.023.053	-	-	-	-	(212.449)	18.228.354
Buildings	151.297.483	3.945.666	27.966	(594.303)	(1.373.314)	-	19.851.707	173.155.205
Machinery and equipment	572.733.793	5.063.965	1.986.380	(56.195)	90.456	(188.715)	(10.868.684)	568.761.000
Motor vehicles	3.631.525	835.637	172.900	(149.806)	-	(2.518.090)	(1.652.145)	320.021
Furnitures and fixtures	63.875.312	(2.066.274)	2.539.920	(3.123.159)	-	(12.779.022)	2.669	48.449.446
Leasehold improvements	36.951.025	(264.083)	235.948	-	-	(232)	(24.376.864)	12.545.794
Other intangible assets	960.143	69.940	175.902	-	-	-	(414)	1.205.571
Construction in progress	3.523.100	(799.421)	495.364	(1.019.585)	(314.445)	-	(1.686.168)	198.845
	850.390.131	7.808.483	5.634.380	(4.943.048)	(1.597.303)	(15.486.059)	(18.942.348)	822.864.236
Accumulated amortization								
Land and land improvements	(481.664)	-	(51.683)	-	-	-	(195.612)	(728.959)
Buildings	(45.296.842)	(5.587.821)	(3.576.753)	314.935	-	-	(20.905.522)	(75.052.003)
Machinery and equipment	(495.630.326)	(7.406.623)	(24.213.123)	48.926	-	84.464	13.248.072	(513.868.610)
Motor vehicles	(5.095.633)	-	(261.556)	149.806	-	2.518.091	989.929	(1.699.363)
Furnitures and fixtures	(53.998.412)	5.890.420	(5.584.978)	3.107.461	-	10.994.939	1.824.303	(37.766.267)
Leasehold improvements	(28.556.991)	204.731	(2.169.167)	-	-	230	24.556.106	(5.965.091)
Other intangible assets	(1.538.590)	595.220	(116.668)	-	-	-	245.205	(814.833)
	(630.598.458)	(6.304.073)	(35.973.928)	3.621.128	-	13.597.724	19.762.481	(635.895.126)
Net book value	219.791.673							186.969.110

(1) In 2015, the Group has disposed of its entire shares in its subsidiary Doğan Haber Ajansı (Note 35).

(2) The Group Management has reviewed its fixed assets in terms of cost, amortization and reclassification differences. As a result of the review, the Group has adjusted net book value of its fixed assets in amount of TL 497.409.

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At 31 December 2015, net book value of the property, plant and equipment included in machinery and equipment and acquired through financial leases is amounting to TL 1.280.026 (31 December 2014: TL 2.671.360).

At 31 December 2015 there are mortgages on property, plant and equipment amounting to TL 17.794.560 (31 December 2014: TL 18.334.550).

For the year ended at 31 December 2015 depreciation expense amounting to TL 29.259.881 (31 December 2014: TL 31.453.438) is added to cost of sales (Note 24), amounting to TL 6.714.047 (31 December 2014: TL 11.920.846) is added to marketing, selling and distribution and general administrative expenses (Note 25).

The movements of property, plant and equipment and related accumulated depreciation for the year ended 31 December 2014 are as follows:

	1 January 2014	Currency translation differences	Additions	Disposals	Transfers	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	(76.051.722)	36.309	572.733.793
Motor vehicles	9.894.704	(4.913.814)	50.057	(1.399.422)	-	3.631.525
Furnitures and fixtures	53.232.221	9.473.052	4.602.537	(3.432.498)	-	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	(170.686)	(36.309)	3.523.100
	905.031.187	22.958.032	7.396.001	(84.995.089)	-	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 equipment	(512.397.282)	(15.452.397)	(29.382.244)	61.601.597	-	(495.630.326)
Motor vehicles	(7.508.306)	1.626.578	(451.448)	1.237.543	-	(5.095.633)
Furnitures and fixtures	(37.056.364)	(12.531.016)	(7.486.617)	3.075.585	-	(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)	66.379.773	-	(630.598.458)
Net book value	272.180.560					219.791.673



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NOTE 16 - INTANGIBLE ASSETS

i) Goodwill

The movements of goodwill for the years ended at 31 December 2015 and 31 December 2014 are as follows:

	2015	2014
1 January	-	119.422.217
Currency translation differences	-	(43.521.553)
Impairment	-	(75.900.664)
31 December	-	-

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. Goodwill impairment recognized as of 31 December 2014, substantially caused by negative changes in Russian Economy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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ii) Other intangible assets

The movements of intangible assets and related accumulated amortization for the year ended 31 December 2015 are as follows:

	1 January 2015	Currency translation differences	Additions	Disposals	Transfers	Impairment ⁽¹⁾	Disposal of subsidiary ⁽²⁾	Adjustments ⁽³⁾	31 December 2015
Cost									
Trade names and licenses	213.303.490	(6.152.511)	-	-	-	(30.730.428)	-	-	176.420.551
Customer list	224.106.445	(5.367.619)	-	-	-	(14.231.876)	-	-	204.506.950
Computer software and rights	61.486.358	5.710.418	6.366.543	(3.779.549)	223.989	-	(130.904)	(245.999)	69.630.856
Internet domain names	21.622.274	(2.509.411)	4.175.977	(1.060.449)	-	-	-	-	22.228.391
Other intangible assets	2.823.911	111.314	81.573	(403.951)	-	-	(94.735)	94.934	2.613.046
Construction in progress	614.423	(85.031)	-	-	-	-	-	-	529.392
	523.956.901	(8.292.840)	10.624.093	(5.243.949)	223.989	(44.962.304)	(225.639)	(151.065)	475.929.186
Accumulated amortization									
Trade names and licenses	(20.342.902)	322.418	(1.106.944)	-	-	-	-	-	(21.127.428)
Customer list	(111.356.948)	3.448.782	(11.838.961)	-	-	-	-	-	(119.747.127)
Computer software and rights	(50.870.558)	(6.396.322)	(4.397.178)	3.050.830	-	-	85.614	(268.409)	(58.796.023)
Internet domain names	(9.986.916)	2.117.629	(3.211.257)	285.506	-	-	-	-	(10.795.038)
Other intangible assets	(2.944.819)	245.889	(289.000)	403.951	-	-	77.890	96.750	(2.409.339)
	(195.502.143)	(261.604)	(20.843.340)	3.740.287	-	-	163.504	(171.659)	(212.874.955)
Net book value	328.454.758								263.054.231

⁽¹⁾ As explained in note 2.2.11, Group Management has reviewed its carrying amount of intangible assets and recognized impairment, accordingly.

⁽²⁾ In 2015, the Group has disposed of its entire shares in its subsidiary Doğan Haber Ajansı (Note 35).

⁽³⁾ The Group Management has reviewed its fixed assets in terms of cost, amortization and reclassification differences. As a result of the review, the Group has adjusted net book value of its fixed assets in amount of TL 497.409.

For the year ended at 31 December 2015 amortization expense amounting to TL 20.843.340 (31 December 2014: TL 26.378.502) is added to marketing and general administrative expenses (Note 25).



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The movements in intangible assets and related accumulated amortization for the year ended 31 December 2014 are as follows:

	1 January 2014	Currency translation differences	Additions	Disposals	Transfers	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	(4.408.391)	-	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	(4.923.055)	-	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)	4.342.906	-	(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)	4.667.118	-	(195.502.143)
Net book value	535.242.276					328.454.758

The cost of trade names and licenses with indefinite useful lives amounted to TL 145.650.818 as of 31 December 2015 (31 December 2014: TL 180.362.463). 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

None.

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NOTE 18 -PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 December 2015 and 31 December 2014, short term provisions are as follows:

	31 December 2015	31 December 2014
Provision for unused vacation rights	12.181.762	15.696.372
Provisions for lawsuit and compensation ⁽¹⁾	12.735.687	23.673.992
Total	24.917.449	39.370.364

⁽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 shares 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 minorities was decided due to the loss occurred. 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". As at 26 November 2015, the Group has made a settlement with non - controlling interests and its agreed that the Group will be paying Euro 2.350.000 to non- controlling interests. Regarding the first installment payment in the amount of Euro 587.500 will be paid as at 10 December 2015. Remaining payments will be done until 1 September 2016 as three equal installments. By this recent settlement, provisions have decreased in amount of TL 15.277.345 as of 31 December 2015. The remaining provisions consist of other lawsuits in amount of TL 4.964.897 and tax penalty provision in amount of TL 2.170.270 closed by compromising in 2016.

i. Provision for unused vacation rights

The movements in provision for unused vacation rights during the years ended at 31 December 2015 and 31 December 2014 are as follows:

	2015	2014
1 January	(15.696.372)	(17.760.561)
Additions during the period	(2.132.463)	(3.620.053)
Payments related to provisions	3.014.723	3.699.300
Sale of subsidiary	2.246.170	881.078
Currency translation differences	386.180	1.103.864
31 December	(12.181.762)	(15.696.372)



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ii. Provision for lawsuit and compensation

The lawsuits against the Group amounted to TL 19.812.336 (31 December 2014: TL 35.615.377). The Group recognizes 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 2015 the Group has set a provision of TL 12.735.687 for lawsuits (31 December 2014: TL 23.673.992). Depending on the payment schedule TL 7.770.790 cash outflow will be recognized in one year. There is no certainty about cash outflows related to remaining provision/liability as of reporting date.

As at 31 December 2015 and 31 December 2014, against the Group's ongoing lawsuits are as follows:

	31 December 2015	31 December 2014
Legal lawsuits	18.330.337	29.564.126
Commercial lawsuits	5.000	3.205.000
Labor lawsuits	1.476.999	2.844.251
Penalty lawsuits	-	2.000
Total	19.812.336	35.615.377

The movements of provision for lawsuits for the years ending 31 December are as follows:

	2015	2014
1 January	(23.673.992)	(4.069.499)
Currency translation differences	(2.498.767)	-
Transfer from other financial liabilities	-	(17.741.904)
Additions during the period (Note 28)	(5.864.079)	(1.978.589)
Disposal of subsidiaries	1.881.318	-
Tangible assets that are reclassified to assets held for sale	-	116.000
Payments related to provisions	2.141.888	-
Income from reversal of lawsuit provision related to the put option (Note 27)	15.277.945	-
31 December	(12.735.687)	(23.673.992)

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NOTE 19 - COMMITMENTS

Group's collaterals/pledge/mortgage ("CPM") position as of 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015		31 December 2014	
	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
A. CPM's given in the name of its own legal personality				
-Collaterals				
TL	1.604.143	1.604.143	1.556.344	1.556.344
Euro	25.000	79.440	25.100	70.800
-Mortgage				
Euro	5.600.000	17.794.560	6.500.000	18.334.550
B. CPM's given on behalf of the fully consolidated companies ⁽¹⁾				
-Commitments				
TL	-	-	826.012	826.012
USD	-	-	13.540	31.398
Euro	-	-	3.055.000	8.617.239
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				
TL	642.155	642.155	-	-
USD	13.540	39.369	-	-
iii) Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-

⁽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.



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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 0,2% as of 31 December 2015 (31 December 2014: 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 2015, the Group has a commitment for the publication of advertisements amounting to TL 9.425.760 (31 December 2014: TL 9.292.545) in exchange for purchasing goods and services and has an option to purchase goods and services amounting to TL 12.159.564 (31 December 2014: TL 7.426.866) in exchange of the goods or services sold.

NOTE 20 - EMPLOYMENT TERMINATION BENEFITS

Provision for employment termination benefits at 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Provision for employment termination benefits	42.254.261	46.429.651
Total	42.254.261	46.429.651

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 4.092,53 (31 December 2014: TL 3.438,22) 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 due to any cause in accordance with the regulations with regards to Employees Employed in the Press Sector. The maximum payable amount is 30 days' salary for each year of service.

Employee termination benefits provisions are legally not a subject of funding. The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans.

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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 10,72%⁽¹⁾ (31 December 2014: 8,10%), 5,90%⁽²⁾ (31 December 2014: 5,00%) and 5,90% (31 December 2014: 5,00%), respectively.
- Age of retirement is based on considering the Group's historical operating data and taken as the average of retirement from the Group.

⁽¹⁾ The discount rate used in the calculation of severance pay determined as 10,72% which is long term government bond's compound interest rate.

⁽²⁾ Inflation and salary increase rate used in severance pay determined as %5,90% which is 24-month inflation forecast of the Central Bank of Turkey.

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

	2015	2014
1 January	(46.429.651)	(47.989.848)
Actuarial gain/(loss)	(1.596.810)	62.668
Service cost during the period	(4.158.657)	(4.627.875)
Net interest expense due to the defined benefit obligation	(2.543.573)	(3.463.864)
Payments and reversal of provisions during the period	6.510.400	8.463.382
Disposal of subsidiary (Note 35)	5.964.030	1.125.886
31 December	(42.254.261)	(46.429.651)

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 2015.

NOTE 21 - PREPAID EXPENSES

	31 December 2015	31 December 2014
Prepaid expenses	2.726.015	3.136.250
	2.726.015	3.136.250

Prepaid expenses are mostly composed of the prepaid rents and insurance expenses.

	31 December 2015	31 December 2014
Deferred income ^(*)	5.590.682	7.078.107
	5.590.682	7.078.107

^(*) Deferred income amounting to TL 5.590.682 is regarding to the services provided as subscription and they will be recognize as revenue when they are used (31 December 2014: TL 7.078.107).



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NOTE 22 - OTHER ASSETS AND LIABILITIES

Other Current Assets

Other current assets at 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Advances given to personnel	2.189.585	2.834.580
Value added tax ("VAT") receivables	325.651	829.024
Job advances	402.444	668.726
Advances given	254.743	129.314
Blocked deposits ⁽¹⁾	152.089	23.229
Other	1.403.624	3.704.500
Provision for other doubtful receivable (-)	(645.487)	(788.426)
Total	4.082.649	7.400.947

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

	2015	2014
1 January	(788.426)	(872.929)
Currency translation differences	142.939	84.503
31 December	(645.487)	(788.426)

Other Non-Current Assets

Other non-current assets at 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Prepaid expenses	1.147.125	1.095.335
Blocked deposits ⁽¹⁾	15.888	19.103
Total	1.163.013	1.114.438

(1) As of 31 December 2015, the Group has blocked deposits in amounting to 167.977 (31 December 2014: TL 42.332).

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Other Short-Term Liabilities

Other short-term liabilities at 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
VAT payable	703.639	1.655.695
Other	1.419.553	1.651.384
Total	2.123.192	3.307.079

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 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Registered share capital	800.000.000	800.000.000
Paid-in share capital	552.000.000	552.000.000

Aydın Doğan and Doğan Family (İşıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y. Begümhan Doğan Faralyalı) are the ultimate parent of the Company.

Shareholders	31 December 2015	Share (%)	31 December 2014	Share (%)
Doğan Holding ⁽¹⁾	428.616.468	77,65	428.616.468	77,65
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 acquisition under Doğan Holding through takeover of Doğan Yayın Holding in its entirety with all its assets and liabilities by its controlling shareholder Doğan Holding has been registered with Trade Registry on 26 August 2014. Upon the registration 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 %.



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In accordance with the Capital Markets Board's (the "CMB") Resolution No: 21/655 issued on 23 July 2010, as of 31 December 2015 it is regarded that 22,31% of the shares is considered to be in circulation (31 December 2014: 21,60%).

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 187.166.210 (31 December 2014: TL 165.883.369) consist of legal reserves and gain on sales of real estate as of 31 December 2015.

Restricted reserves	31 December 2015	31 December 2014
Composition restricted reserves	39.284.095	39.284.095
Gain on sales of real estate ⁽¹⁾	147.517.827	126.234.986
Gain on sale of subsidiary	364.288	364.288
Total	187.166.210	165.883.369

⁽¹⁾With the decision taken by the Group management, the real estate profit with the amount of TL 196.690.436 occurred in statutory records in 2012 from the sale of Hürriyet headquarter and a land located in Esenyurt amounting to TL 147.517.827 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 and 1 January 2014 - 31 December 2014 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.

According to CMB's formats that declared in the weekly bulleting at 7 June 2013 numbered 2013/19 gain on sales of real estate amounted to TL 147.517.827 which has taken company's special fund account have the characteristics of "accumulated earnings" presented as classified in restricted reserves. If accumulated earnings amounted to TL 147.517.827 (gain on sales of real estate) hasn't been classified in restricted reserves, accumulated losses will be less TL 147.517.827 and presented as TL 236.314.943. On the other hand according to tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance company's individual accumulated losses records is amounted to TL 39.451.342, as of 31 December 2015 equity is amounted to TL 986.768.814 (31 December 2014: TL 953.025.246).

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Accumulated Other Comprehensive (expense) /income 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.

Revaluation and remeasurement gain/losses

Land and buildings which has been followed as a fixed asset could transfer to investment properties by considering their usage. During the year of 2015, the Group has reclassified their land and buildings as investment properties and represented by using fair value method. With the first transfer in 2015, the Group had fair value increase amounting to TL 1.024.515 (31 December 2014: None.) and this amount is accounted under the equity as revaluation and remeasurement gains.

Remeasurement 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 15.355.484 (31 December 2014: TL 15.331.957).

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.

Based on the declaration 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.



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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".

Besides,

- a) First passage time to TFRS, emerging retained earnings that reorganized comparative financial statements based on adjustments,
- b) Inflation adjustments on equity occurred from reserves that haven't any record to cause restrict profit distribution
- c) Retained earnings, occurred from reorganized financial statements based on inflation for the first time could be pay as a dividend to shareholders.

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 156.860.051.

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 1 January 2014 - 31 December 2014 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; 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 TL 168.672.590 section of this amount for "Previous Year Losses" and seeing that TL 13.715.894 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 1 January 2014 - 31 December 2014 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 "Net Period Losses" for the 1 January 2014 - 31 December 2014 financial period; informing General Meeting that legal reserves in the scope of TCC shall be allocated and transferring this amount to previous years losses.

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NOTE 24 - SALES AND COST OF SALES

Sales

	2015	2014
	1 January - 31 December	1 January - 31 December
Advertisement sales	383.394.802	472.742.150
Circulation and publishing sales	181.982.150	202.373.573
Other	30.706.297	44.466.720
Net sales	596.083.249	719.582.443
Cost of sales	(340.677.814)	(471.373.207)
Gross profit	255.405.435	248.209.236

Cost of Sales

The details of cost of sales for the years ended 31 December 2015 and 2014 are as follows:

	2015	2014
	1 January - 31 December	1 January - 31 December
Personnel expenses	120.326.536	173.114.869
Raw material	119.736.260	168.733.674
<i>Paper</i>	76.406.398	110.667.636
<i>Other</i>	23.242.285	20.403.497
<i>Printing and ink</i>	20.087.577	37.662.541
Amortization (Note 15)	29.259.881	31.453.438
Commissions	7.450.334	14.284.405
Distribution, storage and travel	5.058.434	9.127.493
Fuel, electricity, water and office expenses	6.738.641	8.981.156
Rent expenses	3.262.578	7.922.742
Maintenance and repair expenses	3.639.969	5.208.960
Outsourced services	5.135.559	4.569.943
News agency expenses	10.340.980	6.171.791
Communication	2.154.427	3.499.545
Packaging expenses	1.891.703	3.103.110
Other	25.682.512	35.202.081
Total	340.677.814	471.373.207



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NOTE 25 - GENERAL ADMINISTRATION EXPENSES, MARKETING EXPENSES

a) General administrative expenses:

	2015	2014
	1 January - 31 December	1 January - 31 December
Personnel expenses	38.407.774	51.900.004
Depreciation and amortization charges (Note 15,16)	27.258.396	37.869.995
Rent expenses	11.673.621	14.019.266
Consultancy expenses	10.810.778	14.858.174
Fuel, electricity, water and office expenses	5.228.609	5.259.680
Maintenance and repair expenses	4.422.612	2.625.642
Transportation, storage and travel expenses	2.986.859	3.291.931
Communication expenses	2.008.958	2.681.477
Other	10.414.006	8.442.390
Total	113.211.613	140.948.559

b) Marketing expenses:

	2015	2014
	1 January - 31 December	1 January - 31 December
Advertisement expenses	47.731.694	51.320.161
Personnel expenses	36.701.241	27.522.912
Transportation, storage and travel expenses	23.108.292	26.354.854
Promotion expenses	17.882.552	16.307.295
Consultancy expenses	4.229.310	3.128.548
Sponsorship expenses	4.023.883	3.023.943
Outsourced services	1.776.203	1.334.132
Depreciation and amortization charges (Note 15,16)	298.991	429.353
Other	5.140.884	4.877.531
Total	140.893.050	134.298.729

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NOTE 26 - EXPENSES BY NATURE

	2015	2014
	1 January - 31 December	1 January - 31 December
Personnel expenses	195.435.551	252.537.785
Depreciation and amortization charges	56.817.268	69.752.786
Total	252.252.819	322.290.571

NOTE 27 - OTHER OPERATING INCOME

The details of other operating income for the years ended at 31 December 2015 and 2014 are as follows:

	2015	2014
	1 January - 31 December	1 January - 31 December
Foreign exchange gains	42.834.232	98.938.723
Income related reversal of litigation liability arising from put option (Note 18)	15.277.945	-
Finance income due from term sales	6.721.934	6.941.345
Income related legal tax case concluded in favor ^(*)	3.948.857	-
Finance income due from trade and other receivables, net	3.011.279	2.896.133
Interest income on bank deposits	3.065.824	3.874.541
Terminated provisions (Note 9)	1.966.137	2.527.681
Other	5.689.587	8.247.889
	82.515.795	123.426.312

^(*) Continuing legal case has concluded in favor of the Group in 2015. Since the Group paid the legal case as a prepaid to avoid risk of late interest payment penalty, the same amount has accounted as an other operating income.



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NOTE 28 - OTHER OPERATING EXPENSES

The details of other operating expenses for the years ended at 31 December 2015 and 2014 are as follows:

	2015	2014
	1 January - 31 December	1 January - 31 December
Foreign exchange losses	35.702.637	33.145.612
Provision for doubtful (Note 9)	13.241.930	12.262.147
Provision for lawsuits (Note 18)	5.864.079	1.978.589
Punishment and compensation expense	3.290.708	1.221.941
Discount of term receivables	1.639.561	1.034.358
Aids and donations	863.858	811.690
Other	676.579	6.787.676
	61.279.352	57.242.013

NOTE 29 - INCOME FROM INVESTING ACTIVITIES

The details of income from investing activities for the years ended at 31 December 2015 and 2014 are as follows:

	2015	2014
	1 January - 31 December	1 January - 31 December
Gain on fair value changes of the investment property (Note 14)	7.400.936	24.565.749
Rent and building service income	3.746.352	2.670.380
Gain on sales of property, plant and equipment	875.527	28.421.511
Gain on sale of subsidiaries (Note 35)	-	735.386
Foreign exchange gains	24.450	1.187.835
	12.047.265	57.580.861

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NOTE 30 - EXPENSES FROM INVESTING ACTIVITIES

The details of expenses from investing activities for the years ended at 31 December 2015 and 2014 are as follows:

	2015	2014
	1 January - 31 December	1 January - 31 December
Impairment of intangible assets (Note 16)	44.962.304	-
Foreign exchange losses	-	8.751.706
Loss on property, plant and equipment	465.519	8.457.236
Impairment of goodwill (Note 16)	-	75.900.664
Loss on sales of subsidiaries (Note 35)	-	1.510.612
	45.427.823	94.620.218

NOTE 31 - FINANCIAL EXPENSES

The details of financial expenses for the years ended at 31 December 2015 and 2014 are as follows:

	2015	2014
	1 January - 31 December	1 January - 31 December
Interest expense on bank loans	20.586.984	18.961.958
Foreign exchange losses	16.975.125	167.908.211
Credit commission, banking and factoring expenses	3.008.634	10.996.631
Other	310.697	710.345
	40.881.440	198.577.145

NOTE 32 - INCOME TAXES

	31 December 2015	31 December 2014
Corporate and income tax payable	10.108.139	2.633.452
(Less) : Prepaid taxes	(11.218.595)	(504.583)
Tax payables/(receivables)	(1.110.456)	2.128.869

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.



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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 2015 (2014: 20%). Corporation tax is payable on the total income of the companies after adjusting for certain disallowable expenses, corporate income tax exemptions (gain from associates' exemption, investment allowances etc.) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, having representative office in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital is not considered as a profit distribution.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is to be declared by the 14th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In accordance with Tax Law No: 5024 "Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law" that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, the income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira. In accordance with the aforementioned law provisions, in order to apply inflation adjustment, cumulative inflation rate (TURKSTAT WPI) over last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not fulfilled in the years 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 cannot 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 2015, 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.

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There are numerous exemptions in the Corporate Income Tax Law. This is one of the exceptions to the Company are described below:

Dividend income from shares in capital of another corporation subject to resident taxpaying (except dividends from investment funds participation certificates and investment trusts shares) are exempt from corporate tax.

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

For companies participating in 10% or more of the capital of a non-resident limited liability or joint stock company, (except for those whose principal activity is financial leasing or investment property) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business centre at the rate of at least 15% (minimum corporate income tax applicable in Turkey for those whose principal activity is finance assurance or insurance).

The income of corporations arising from their offices or permanent representatives abroad (except for corporations whose principal activity is financial leasing or investment of marketable securities) for at least a year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax and provided that the foreign office or permanent representative must be subject to corporate income tax, or alike, in the country it is located at the rate of at least 15% (at corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in liabilities and it must be withdrawn from the entity for a period of 5 years. The sales consideration should be collected until the end of the second calendar year following the year the sale was realized.

According to the regulation, published in the 27659 numbered Official Gazette on 1 August 2010 based on Law No. 6009 through article 5, the phrase " regarding only the years 2006, 2007 and 2008" on temporary article 69 of Income Tax Law.193 has been revised which was abolished by The Constitutional Court decision numbered 2009/144 published in the Official Gazette on 8 January 2010. With respect to this revision, undeductible investment allowance due to insufficient income and deferred investment allowance amounts can be used without a year limitation. Investment allowance amount, which will be used in determination of the tax assessment, will not exceed 25% profit of the relevant year. In addition to this, 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. 2012/9 ("stay of execution") issued on 9 February 2012 and published in the Official Gazette No: 28208 on 18 February 2012. The related Constitutional Court's decision was published in the official Gazette No: 28719 as at 26 July 2013.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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Russian Federation

The corporate tax rate effective in Russian Federation is 20% (2014: 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.

Belarus

The corporate tax rate effective in Belarus is 18% (2014: 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.

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Kazakhstan

Under the Tax Code of the Republic of Kazakhstan companies shall pay the CIT on taxable income at a 20% rate (2014: 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;
- New taxpayers during the tax period in which state registration was carried out with the justice authorities, and also during the subsequent tax period;
- Non-resident legal entities newly registered with the tax authorities as taxpayers, and operating in Kazakhstan through a permanent establishment without a branch or representative office - during the tax period in which registration with the tax bodies was carried out, and also during the subsequent tax period.

The tax rates at 31 December 2015, which are used in the calculation of deferred tax, taking each country's tax legislations into consideration are as follows:

Country	Tax rates (%)
Germany	28,0
Belarus	18,0
Russia	20,0
Kazakhstan	20,0
Holland	25,0



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Deferred Tax

The Group recognizes deferred tax assets and liabilities based on temporary differences arising between the financial statements as reported for Turkey 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 for the TFRS 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 2015	31 December 2014
Deferred tax liabilities	(52.652.797)	(65.477.371)
Deferred tax assets	10.005.631	6.661.890
Deferred tax liabilities, net	(42.647.166)	(58.815.481)

The temporary differences and deferred tax (liabilities) /assets using the enacted tax rates as of 31 December 2015 and 31 December 2014 are as follows:

	Total temporary differences		Deferred tax assets/ (liabilities)	
	2015	2014	2015	2014
Provision for employment benefits and unused vacation rights	54.436.023	62.126.023	10.887.205	12.584.406
Difference between tax base and carrying value of trade receivables	21.359.086	16.945.699	4.271.817	3.389.104
Investment properties valuation differences	(58.842.740)	(37.362.973)	(2.942.134)	(1.496.730)
Deferred income	2.146.243	2.268.435	429.249	453.687
Difference between tax bases and carrying value of property, plant and equipment and intangibles	(302.838.414)	(396.309.340)	(59.112.035)	(79.150.539)
Other, net	26.520.838	26.900.210	3.818.732	5.404.591
Total	(257.218.964)	(325.431.946)	(42.647.166)	(58.815.481)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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As of 31 December 2015, carry forward tax losses for which no deferred income tax asset was recognised amounted to TL 278.461.083 (31 December 2014: TL 179.945.065).

The maturity analysis of carry forward tax losses utilized is as follows:

	31 December 2015	31 December 2014
2015	-	26.893
2016	26.944.782	21.671.206
2017	10.845.505	8.717.164
2018	8.167.515	6.537.145
2019	9.826.695	36.902.593
2020	8.887.201	7.393.919
2021	20.042.557	20.679.173
2022	6.336.104	2.848.552
2023	25.287.224	16.693.097
2024	56.889.891	58.475.323
2025	105.233.609	-
Total	278.461.083	179.945.065

The movements of net deferred tax liabilities for the years ended 31 December 2015 and 2014 are as follows:

	1 January - 31 December 2015	1 January - 31 December 2014
1 January	(58.815.481)	(90.777.568)
Deferred tax income in consolidated income statements	15.922.673	1.796.938
Actuarial loss/(gain)	319.362	(12.534)
Currency translation differences	2.170.828	30.257.837
Disposal of subsidiary (Note 35)	(2.244.548)	(80.154)
31 December	(42.647.166)	(58.815.481)



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The analysis of the tax expense/(income) for the years ended at 31 December 2015 and 2014 are as follows:

	2015	2014
	1 January - 31 December	1 January - 31 December
Current tax expense	10.069.347	5.034.056
Deferred tax income	(15.922.673)	(1.796.938)
Total	(5.853.326)	3.237.118

The reconciliation of the current period tax expense in the consolidated statement of income for the years ended at 31 December 2015 and 2014 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 2015	31 December 2014
Loss before taxes and non-controlling interests	(54.453.971)	(198.931.187)
Current period tax calculated at the effective tax rates of countries	(12.441.381)	(35.673.747)
Expenses not deductible for tax purposes	2.361.845	13.843.160
Impairment on goodwill	-	15.180.133
Effect of share losses investments accounted by the equity method	545.838	522.186
Carry forward losses utilized	(470.553)	(247.324)
Effect of losses that are not calculated deferred tax assets	3.689.746	14.904.047
Tax accounted under the equity	-	(19.593)
Income not deductible for tax purposes	(1.158.494)	(5.181.857)
Other, net	1.619.673	(89.887)
Tax expense/(income)	(5.853.326)	3.237.118

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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 is as follows:

	2015 1 January - 31 December	2014 1 January - 31 December
Net gain/(loss) for the period	(30.499.114)	(168.672.590)
Number of ordinary shares in issue (with nominal value of TL 1 each)	552.000.000	552.000.000
Loss per share (Kr)		
Loss per share from continued operations	(0,0553)	(0,3056)

NOTE 34 - RELATED PARTY DISCLOSURES

As of Balance Sheet date receivables and payables from related parties and as of 31 December 2015 and 31 December 2014 financial periods ended significant transactions with related parties are described below.

i) Balances of related parties:

Short term receivables due from related parties:

	31 December 2015	31 December 2014
Trade receivables from related parties		
Doğan İnternet Yayıncılığı ve Yatırım A.Ş. ("Medyanet") ⁽¹⁾	13.357.138	12.229.159
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik") ⁽²⁾	7.703.561	7.778.839
Doğan Media Int. GmbH ("Doğan Media") ⁽³⁾	1.193.282	3.000.662
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım") ⁽⁴⁾	2.034.769	2.620.152
Doğan TV Holding A.Ş. ("Doğan TV Holding") ⁽⁵⁾	1.142.928	1.781.382
Milta Turizm İşletmeleri A.Ş. ("Milta") ⁽⁶⁾	-	61.456
Other	940.650	1.414.760
	26.372.328	28.886.410

⁽¹⁾ The balance is arising from sales of internet commercials to Doğan İnternet Yayıncılığı ve Yatırım A.Ş. through websites.

⁽²⁾ Receivables arising from printing newspapers of Doğan Gazetecilik in the Group's printing houses.

⁽³⁾ Receivables arising from printing of Doğan Media newspapers in the Hürriyet Frankfurt Germany plants and selling of advertisement services.

⁽⁴⁾ Receivables arising from the daily distribution of newspapers of the Group.

⁽⁵⁾ 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.

⁽⁶⁾ Receivables arising from rental car services provided by Milta regarding to barter agreement.



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Short term payables to related parties:

	31 December 2015	31 December 2014
Trade payables to related parties		
Doğan Media ⁽¹⁾	13.584.901	13.396.288
Milta ⁽²⁾	1.907.577	251.501
Doğan Dış Ticaret ⁽³⁾	1.880.094	263.283
Doğan Faktoring Hizmetleri A.Ş. ("Doğan Faktoring") ⁽⁴⁾	1.543.361	1.951.212
DTES Elektrik Enerji Toptan Satış A.Ş. ("DTES") ⁽⁵⁾	1.441.065	853.963
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D") ⁽⁶⁾	1.010.264	759.390
Doğan TV Dijital Platform İşl. A.Ş. (Doğan TV Digital) ⁽⁷⁾	913.055	1.182.532
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv") ⁽⁸⁾	399.968	62.563
Doruk Televizyon ve Radyo Yayıncılık ("Doruk Televizyon") ⁽⁹⁾	388.349	630.023
Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding") ⁽¹⁰⁾	153.886	330.965
D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım Reklamcılık") ⁽¹¹⁾	60.467	355.446
Falcon Purchasing Services Ltd. ("Falcon") ⁽¹²⁾	-	940.737
Other	837.303	1.265.037
	24.120.290	22.242.940
Other payables to related parties		
Doğan Faktoring ⁽²⁾	-	339.868
	24.120.290	22.582.808

⁽¹⁾ Arising from the cash paid by Doğan Media International for the printing service.

⁽²⁾ Car rentals and hotel accommodation services are provided by Milta.

⁽³⁾ The Group's raw materials are provided by Doğan Dış Ticaret.

⁽⁴⁾ Consists of commission liabilities to Doğan Faktoring related to collection services.

⁽⁵⁾ The balance is arising from electricity energy provided for the Hürriyet building and printing houses in regions.

⁽⁶⁾ Consists of news and commercial ads services.

⁽⁷⁾ Consists of internet access services.

⁽⁸⁾ Consists of office rentals.

⁽⁹⁾ Consists of commercial production services.

⁽¹⁰⁾ Consists of consulting services of finance, legal and information technology fields.

⁽¹¹⁾ The balance is arising from Group's production service taken for the commercial films.

⁽¹²⁾ Arising from paper purchases of Hürriyet Zweigniederlassung GmbH.

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ii) Significant transactions with related parties:

Transactions in related parties for the years ended as of 31 December 2015 and 31 December 2014 are as follows:

Significant service and product sales to related parties:

	2015	2014
	1 January - 31 December	1 January - 31 December
Doğan Dağıtım A.Ş. ⁽¹⁾	96.097.321	92.433.153
Doğan İnternet Yayıncılığı ve Yatırım A.Ş. ("Medyanet") ⁽²⁾	27.273.922	24.105.331
Doğan Gazetecilik A.Ş. ⁽³⁾	25.016.835	25.109.396
Doğan Media International ⁽⁴⁾	6.406.479	8.842.509
Mozaik İletişim A.Ş. ⁽⁵⁾	1.421.903	1.507.380
Kanal D ⁽⁵⁾	1.342.466	3.871.260
D Market ⁽⁵⁾	1.284.405	2.270.450
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") ⁽⁵⁾	544.173	820.118
Doruk TV ve Radyo Yayıncılığı ⁽⁶⁾	502.543	1.560.189
Doğan Müzik Kitap ⁽⁵⁾	494.797	258.149
Doğan Burda Dergi A.Ş. ⁽⁵⁾	145.516	1.380.016
Other	716.050	612.238
	161.246.410	162.770.189

⁽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⁾ The sales of internet commercials of the Group are carried out through Doğan İnternet Yayıncılığı ve Yatırım A.Ş.

⁽⁴⁾ The sale and the commercial of Hürriyet Europe edition are carried out via Doğan Media.

⁽⁵⁾ The balance arises from the Group's commercial advertisement sales.

⁽⁶⁾ The balance arises from the Group's news and commercial advertisement sales.



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Significant service and product purchases from related parties:

	2015	2014
	1 January - 31 December	1 January - 31 December
Doğan Dış Ticaret ⁽¹⁾	85.423.935	108.510.060
Doğan Dağıtım ⁽²⁾	18.924.190	21.159.284
Doğan Haber Ajansı A.Ş. ("Doğan Haber Ajansı") ⁽³⁾	8.353.860	-
DTES ⁽⁴⁾	7.953.417	8.641.403
Doğan İnternet Yayıncılığı ve Yatırım A.Ş. ("Medyanet") ⁽⁵⁾	5.931.969	3.437.238
Ortadoğu Otomotiv ⁽⁶⁾	4.451.124	3.991.918
Doğan Holding ⁽⁷⁾	4.602.568	5.029.815
Milta ⁽⁸⁾	3.695.496	3.372.617
Doğan Gazetecilik ⁽⁹⁾	3.366.603	3.224.115
Doğan TV Digital ⁽¹⁰⁾	2.925.702	3.205.921
Kanal D ⁽¹¹⁾	2.216.102	2.064.689
Mozaik ⁽¹²⁾	908.371	1.760.585
Dogan Burda	895.224	603.050
Doruk Televizyon	451.300	547.127
D Yapım Reklamcılık ⁽¹³⁾	275.889	1.106.280
Doğan Müzik Kitap	24.096	1.044.107
Other	2.835.673	4.730.271
	153.235.519	172.428.480

⁽¹⁾ The Group's raw materials are provided by Doğan Dış Ticaret.

⁽²⁾ Doğan Dağıtım provides newspaper distribution services to the Group.

⁽³⁾ Doğan Haber Ajansı provides news services. The related subsidiary has been sold to Doğan Şirketler Grubu Holding on 27 March 2015.

⁽⁴⁾ The balance arises from electricity energy provided for the Hürriyet building and printing houses in regions.

⁽⁵⁾ Group's online advertisement sales are done by Doğan İnternet.

⁽⁶⁾ Services related to finance, legal, information technologies and other areas of consultancy.

⁽⁷⁾ Consists of office rental services.

⁽⁸⁾ Milta provides airplane tickets, accommodation and operational car rental services.

⁽⁹⁾ The balance arises from rent, security and other expenses of the Group's building, which is rented as headquarter.

⁽¹⁰⁾ The Group provides internet access services.

⁽¹¹⁾ Consists of advertisement services.

⁽¹²⁾ The balance arises from service expense of call-center and commercial service provided by D-Smart channels sold by Mozaik İletişim.

⁽¹³⁾ The balance arises from Group's production service taken for the commercial films.

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	2015	2014
	1 January - 31 December	1 January - 31 December
Other income		
Doğan Dış Ticaret ⁽¹⁾	1.160.068	1.390.725
Doğan Dağıtım	541.421	575.379
Doğan Media International	526.586	418.193
Doğan Holding	460.334	-
Doğan Gazetecilik	77.990	120.320
Doğan Burda	-	20.064
Other	197.984	56.477
	2.964.383	2.581.158

⁽¹⁾ Warehouse rent income.

Amounting to TL 2.964.383 (31 December 2014: TL 2.581.158) of other income which totally amounts to TL 2.174.292 consists of rent income which Hürriyet gathers from the Group companies (31 December 2014: TL 2.492.131).

	2015	2014
	1 January - 31 December	1 January - 31 December
Purchase of property, plant and equipment and intangible assets		
D-Market	32.737	44.737
Doğan Holding	1.834	41.667
Doğan Media International	-	2.333
Other	-	8.809
	34.571	97.546

	2015	2014
	1 January - 31 December	1 January - 31 December
Financial income:		
Doğan Haber Ajansı	74.168	-
Doğan Holding	-	40.771
Doğan TV - Radyo	-	28.223
	74.168	68.994



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	2015	2014
	1 January - 31 December	1 January - 31 December
Financial expense:		
Doğan Faktoring ⁽¹⁾	668.727	750.062
Doğan Dış Ticaret	33.237	143.259
Doğan Şirketler Grubu Holding A.Ş.	959.000	3.130
Milta	151.742	-
Other	139.541	-
	1.952.247	896.451

⁽¹⁾ Invoicing and controlling of Group's commercial advertisement and collection of these commercial advertisement receivables are made by Doğan Faktoring, commissions 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.

	2015	2014
	1 January - 31 December	1 January - 31 December
Salaries and other short term benefits	10.207.573	6.994.752
Post-employment benefits	237.539	2.215.383
	10.445.112	9.210.135

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NOTE 35 - DISPOSAL OF SUBSIDIARY

Doğan Haber Ajansı

Doğan Haber Ajansı was transferred to Doğan Şirketler Grubu Holding A.Ş. on 27 March 2015. The amount of the transfer is TL 3.466.492.

Book value of net assets disposed of	31 December 2015
Current assets	
Cash and cash equivalents	640.363
Trade receivables	6.838.442
Other receivables	1.887.118
Non-current assets	
Other receivables	408.839
Tangible assets	1.888.333
Intangible assets	62.135
Deferred tax assets	2.244.548
Short-term liabilities	
Trade payables	3.005.168
Other payables	688.172
Other short-term provision	4.127.488
Other short-term liabilities	1.031.763
Long-term liabilities	
Provision for employee termination benefits	5.964.030
Net assets disposed of	(846.843)
Excess of disposal recognized under equity as a result of transaction with majority owner	
Consideration:	3.466.492
Consideration paid in cash and cash equivalents	
Net cash inflow on disposal:	
(Less) cash and cash equivalent disposed of	(640.363)
Total cash inflow	2.826.129
Excess of disposal recognized under equity as a result of transaction with majority owner	4.313.335



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The Group has disposed its shares of subsidiaries in Hungary and Croatia during the year of 2014. Also, within the same year Doğan Ofset's shares were disposed.

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 of	(22.588.796)
Short-term liabilities	
Trade payables	2.487.613
Other liabilities	769.502
Other short-term liabilities	37.227
Long-term liabilities	
Deferred Tax Liability	5.577.421
Other long-term liabilities	32.847
Net assets disposed of	599.123
Loss on sale of subsidiary	
Consideration:	
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)

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Doğan Ofset Yayıncılık ve Matbaacılık A.Ş.

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 Euro 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 severance pay	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 subsidiaries (Note 29 and 30)	
(Hungary, Croatia and Doğan Ofset Yayıncılık ve Matbaacılık A.Ş.)	(775.226)



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NOTE 36 - NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

36.1 Financial Risk Management

(i) Interest rate risk

The Group's interest rate sensitive financial instruments are as follows:

	31 December 2015	31 December 2014
Financial instruments with fixed interest rate		
Bank deposits (Note 5)	81.007.641	38.208.697
Financial liabilities (Note 7)	274.760.335	234.716.614
Financial instruments with floating interest rate		
Financial liabilities (Note 7)	41.248.822	30.522.923

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 2015 and 31 December 2014, the Group's borrowings at floating rates are predominantly denominated in US Dollars and Euros.

At 31 December 2015, had the interest rates on US Dollar 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 120.578 (31 December 2014: TL 303.454).

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(ii) Liquidity risk

The table below shows the liquidity risk arising from financial liabilities of the Group:

31 December 2015	Carrying value	Total contractual cash outflow	Less than 3 months	3 - 12 months	1 - 5 years	More than 5 years
Financial liabilities						
Financial payables (Note 7)	316.009.157	323.735.343	16.014.698	244.577.211	63.143.434	-
Trade payables						
-Related party (Note 34)	24.120.290	24.120.290	24.120.290	-	-	-
-Other (Note 9)	36.660.202	36.936.916	36.936.916	-	-	-
Other payables						
-Other (Note 10)	9.294.275	9.294.275	8.595.760	-	698.515	-
31 December 2014	Carrying value	Total contractual cash outflow	Less than 3 months	3 - 12 months	1 - 5 years	More than 5 years
Financial liabilities						
Financial payables (Note 7)	265.239.537	330.418.745	17.091.470	221.199.125	92.128.150	-
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	-

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims maintaining flexibility in funding by keeping committed credit lines available.

Funding risk of current and future debt requirements is managed by continuance of sufficient and highly qualified creditor's access. The Group aims at maintaining cash and cash equivalents for the anticipated cash flows of raw material purchase for the subsequent six-months.

The liquidity table demonstrates the Group's net financial liabilities in accordance with the redemption schedule. Such amounts are undiscounted future cash flows of financial liabilities of the Group. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.



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At 31 December 2015, the Group has long-term bank borrowings amounting to TL 62.343.476 (31 December 2014: TL 92.128.150) (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 2015 there are past due trade receivables amounting to TL 100.759.992 which are not considered as doubtful receivables (31 December 2014: TL 104.290.579). The Group does not foresee any collection risk for the delay up to three month due to sector dynamics and conditions. 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 2015, the amount of mortgage and indemnity received is TL 9.549.566 for the related receivables (31 December 2014: TL 12.590.538).

As of 31 December 2015 and 31 December 2014, aging analysis for trade receivables that are past due but not impaired are as follows:

	31 December 2015		31 December 2014	
	Related party	Other receivables	Related party	Other receivables
0-1 month	783.160	22.016.950	4.328.743	21.071.999
1-3 month	5.720.794	26.149.943	10.207.456	24.607.336
3-6 month	2.938.670	19.564.300	4.516.792	18.538.982
6-12 month	344.921	18.758.692	367.494	9.718.478
1-2 years	127.422	4.355.140	33.825	10.899.474
	9.914.967	90.845.025	19.454.310	84.836.269

As of 31 December 2015 and 31 December 2014, aging analysis for trade receivables that are past due and impaired is as follows:

<i>Impaired</i>	31 December 2015	31 December 2014
Past due 0 - 3 months	206.440	575.087
Past due 3 - 6 months	273.314	357.112
Past due 6 months and over	50.678.924	53.045.777
Less: Provision for impairment (Note 9, 34.i)	(51.158.678)	(53.977.976)

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The balance of related party receivables that are past due and impaired as of 31 December 2015 is TL 799.004 (31 December 2014: TL 799.004). There is no trade receivable which is not over due and impaired as of 31 December 2015.

The Group's credit risk of financial instruments as of 31 December 2015 is as follows:

31 December 2015	Trade receivables		Other receivables		Bank deposits	Other assets
	Related party	Other	Related party	Other		
Maximum credit risk exposure as of balance sheet date	26.372.328	181.683.764	-	2.438.371	86.711.799	15.888
- The part of maximum credit risk under guarantee with collateral	-	15.578.264	-	-	-	-
A. Net book value of financial assets that are not past due/impaired	16.457.361	90.838.739	-	2.438.371	86.711.799	15.888
- The part under guarantee with collateral	-	6.028.698	-	-	-	-
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	9.914.967	90.845.025	-	-	-	-
- The part under guarantee with collateral	-	9.549.566	-	-	-	-
D. Net book value of impaired asset						
- Past due (gross carrying amount)	799.004	50.359.674	-	645.487	-	-
- Impairment (-)	(799.004)	(50.359.674)	-	(645.487)	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
- Not overdue (gross carrying value)						
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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The Group's credit risk of financial instruments as of 31 December 2014 is as follows:

31 December 2014	Trade receivables		Other receivables		Bank deposits	Other assets
	Related party	Other	Related party	Other		
Maximum credit risk exposure as of balance sheet date	28.886.410	169.806.864	-	5.184.900	56.244.893	19.103
- <i>The part of maximum credit risk under guarantee with collateral</i>	-	13.817.132	-	-	-	-
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
- <i>The part under guarantee with collateral</i>	-	1.226.594	-	-	-	-
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	-	-	-	-
- <i>The part under guarantee with collateral</i>	-	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 guarantee with collateral	-	-	-	-	-	-
- Not overdue (gross carrying value)						
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

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(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 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Assets	70.627.040	38.744.269
Liabilities	(150.618.593)	(240.317.637)
Net foreign currency position	(79.991.553)	(201.573.368)

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 December 2015: 2,9076 TL= 1 US Dollar and 3,1776 TL=1 Euro (31 December 2014: 2,3189 TL= 1 US Dollar and 2,8207 TL=1 Euro).



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The table summarizes the foreign currency position risk as of 31 December 2015 and 31 December 2014. The carrying amount of foreign currency denominated assets and liabilities of the Group are as follows:

31 December 2015	Total TL Equivalent	USD	EUR	Other TL Equivalent
1. Trade receivables	5.856.990	90.876	1.653.914	337.282
2a. Monetary Financial Assets (Cash, Banks included)	64.217.366	21.001.731	925.923	210.520
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	536.796	144.550	-	116.502
4. Current Assets (1+2+3)	70.611.152	21.237.157	2.579.837	664.304
5. Trade receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	15.888	-	5.000	-
8. Non-Current Assets (5+6+7)	15.888	-	5.000	-
9. Total Assets (4+8)	70.627.040	21.237.157	2.584.837	664.304
10. Trade Payables	5.625.457	269.909	875.632	2.058.261
11. Financial Liabilities	136.435.825	35.231.455	10.698.907	-
12a. Other Monetary Financial Liabilities	6.713.836	98.160	1.768.666	808.313
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	148.775.118	35.599.524	13.343.205	2.866.574
14. Trade Payables	-	-	-	-
15. Financial Liabilities	1.843.475	-	580.149	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	1.843.475	-	580.149	-
18. Total Liabilities (13+17)	150.618.593	35.599.524	13.923.354	2.866.574
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)	(79.991.553)	(14.362.367)	(11.338.517)	(2.202.270)
21. Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(80.544.237)	(14.506.917)	(11.343.517)	(2.318.772)
22. Fair value of foreign currency hedged financial assets	-	-	-	-

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

31 December 2014	Total TL Equivalent	USD	EUR	Other TL Equivalent
1. Trade receivables	13.665.469	37.212	2.969.124	5.204.170
2a. Monetary Financial Assets (Cash, Banks included)	20.624.275	5.865.506	888.908	4.515.410
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	4.440.421	12.882	-	4.410.549
4. Current Assets (1+2+3)	38.730.165	5.915.600	3.858.032	14.130.129
5. Trade receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	14.104	-	5.000	-
8. Non-Current Assets (5+6+7)	14.104	-	5.000	-
9. Total Assets (4+8)	38.744.269	5.915.600	3.863.032	14.130.129
10. Trade Payables	9.733.413	443.257	1.031.876	5.794.931
11. Financial Liabilities	169.847.725	68.406.952	1.370.444	7.353.233
12a. Other Monetary Financial Liabilities	29.108.349	1.000	263.609	28.362.466
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	208.689.487	68.851.209	2.665.929	41.510.630
14. Trade Payables	-	-	-	-
15. Financial Liabilities	31.628.150	-	11.212.873	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	31.628.150	-	11.212.873	-
18. Total Liabilities (13+17)	240.317.637	68.851.209	13.878.802	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)	(62.935.609)	(10.015.770)	(27.380.501)
21. Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(206.027.893)	(62.948.491)	(10.020.770)	(31.791.050)
22. Fair value of foreign currency hedged financial assets	-	-	-	-



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

31 December 2015

	Profit/Loss	
	Foreign currency appreciation	Foreign currency depreciation
If the US dollar had changed by 10% against the TL		
USD net (liabilities) /assets	(1.436.237)	1.436.237
Hedging amount of USD	-	-
USD net effect on (loss) /income	(1.436.237)	1.436.237
If the EUR had changed by 10% against the TL		
Euro net (liabilities) /assets	(1.133.852)	1.133.852
Hedging amount of Euro	-	-
Euro net effect on (loss) /income	(1.133.852)	1.133.852
If other foreign currency had changed by 10% against the TL		
Other foreign currency net (liabilities) /assets	(220.227)	220.227
Hedging amount of other foreign currency	-	-
Other foreign currency net effect on (loss) /income	(220.227)	220.227

31 December 2014

	Profit/Loss	
	Foreign currency appreciation	Foreign currency 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

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36.2 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 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Total liability ⁽¹⁾	316.009.157	265.239.537
Less: Cash and cash equivalents (Note 5)	(86.987.420)	(56.609.424)
Net liability	229.021.737	208.606.884
Equity	353.219.223	427.194.173
Total capital	582.240.960	635.801.057
Net liability/Total equity ratio	0,39	0,33

⁽¹⁾ It is calculated by subtracting long-term and short-term liabilities.

36.3 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.



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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) Financial 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.

(ii) Financial 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.

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Level classification of financial assets and liabilities that are valued with their fair values are as follows:

Assets	31 December 2015	Fair value as of reporting date		
		1. Level TL	2. Level TL	3. Level TL
Investment properties	86.937.106	-	86.937.106	-
Total	86.937.106	-	86.937.106	-

Assets	31 December 2014	Fair value as of reporting date		
		1. Level TL	2. Level TL	3. Level TL
Investment properties	82.917.210	-	82.917.210	-
Total	82.917.210	-	82.917.210	-

31 December 2014, 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).



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NOTE 37 - 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.

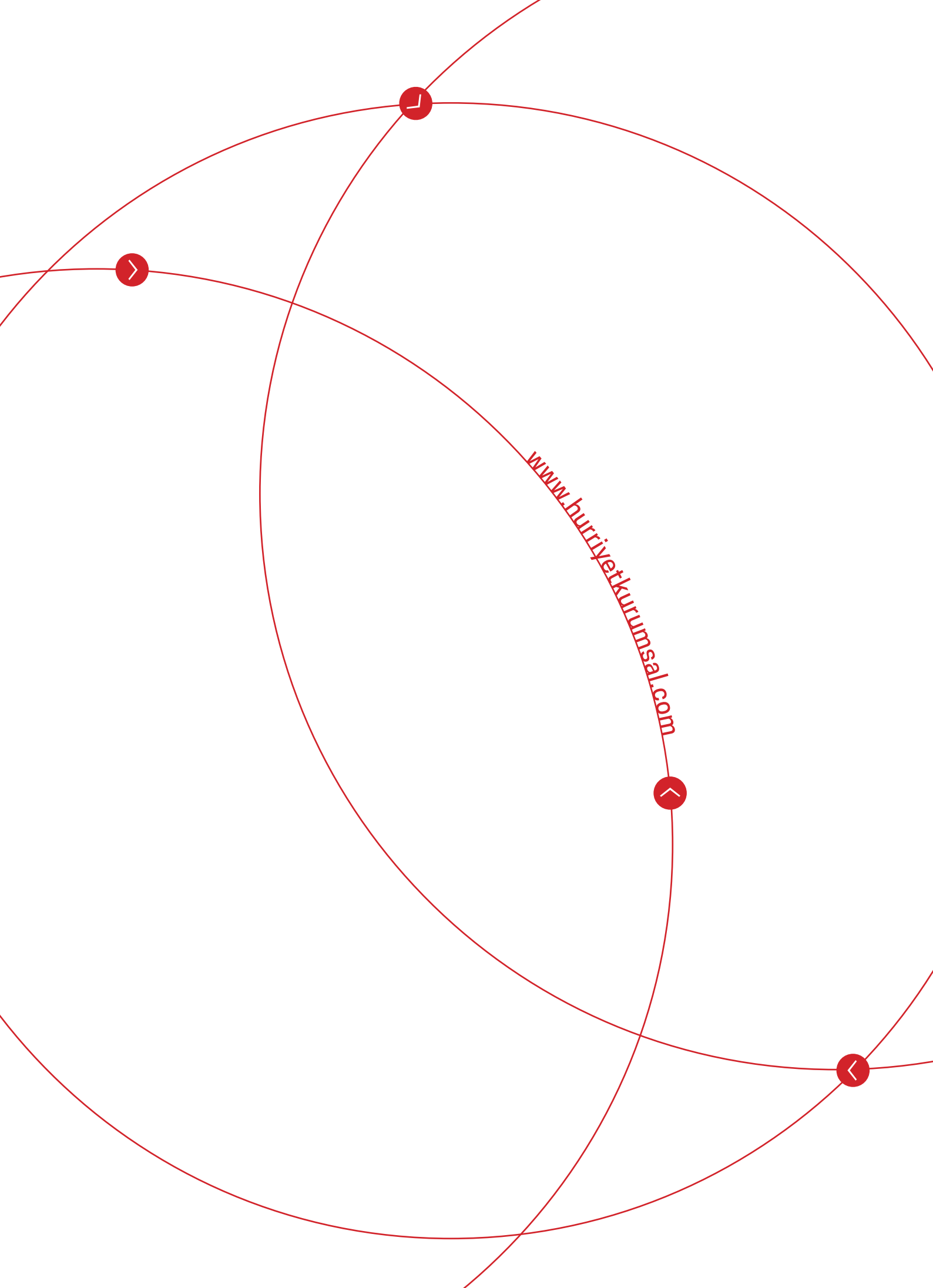
	31 December 2015
Current assets	6.632.235
Non current assets	234.014.812
Current liabilities	258.299.554
Non current liabilities	54.567.118
Equity	(61.885.424)
	1 January- 31 December 2015
Revenue	58.060.942
Costs	(129.506.044)
Net loss for the year	(71.445.102)
Allocation of net loss for the period:	
Attributable to equity holders of the parent company	(56.580.924)
Attributable to non-controlling interests	(14.864.178)
Net loss for the period	(71.445.102)

NOTE 38 - SUBSEQUENT EVENTS

In accordance with Revenue Administration Inspectors' V.A.T investigation for the years of 2011 and 2012 and routine general tax investigation for the periods of January-March 2013 and 2014, levied tax and its penalties have been compromised as at 2 March 2016. As a result of the two tax investigations, the Company booked a provision that includes tax penalty and interests in amount of TL 2.170.270.

Approval of financial statements

The consolidated financial statements for the year ended 31 December 2015 were approved by the Board of Directors on 7 March 2016. Other than Board of Directors has no authority to change financial statements.



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