

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

01 JANUARY – 30 SEPTEMBER 2014

INTERIM PERIOD REPORT



NOVEMBER 2014

PREPARED IN ACCORDANCE WITH THE COMMUNIQUÉ NO. II-14.1 OF THE CAPITAL MARKETS BOARD ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS

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“This report is published in the Official Gazette No. 28676 dated 13.06.2013 entered into force Businesses will be organized by the Capital Markets Board on the financial statements of these Regarding the preparation and presentation Principles, Procedures and Principles Series: No. II-1.14 "Principles of Financial Reporting in Capital Markets" s in accordance with the provision in Article 8 is arranged with the business of our Company as of the interim period 01.01.2014-30.09.2014 evaluation of the activities and aims to provide information to our investors.”

Key Financial Indicators

Balance Sheet Summary (thousand, TL)	30 September 2014	31 December 2013	Change
Current Assets	320.065	419.004	-24%
Short-term Liabilities	220.004	294.282	-25%
Tangible Fixed Assets	225.031	272.181	-17%
Intangible Fixed Assets	554.200	654.664	-15%
Total Assets	1.179.904	1.438.404	-18%
Long Term Liabilities	322.351	420.980	-23%
Total Liabilities	542.355	715.262	-24%
Equity	637.549	723.142	-12%

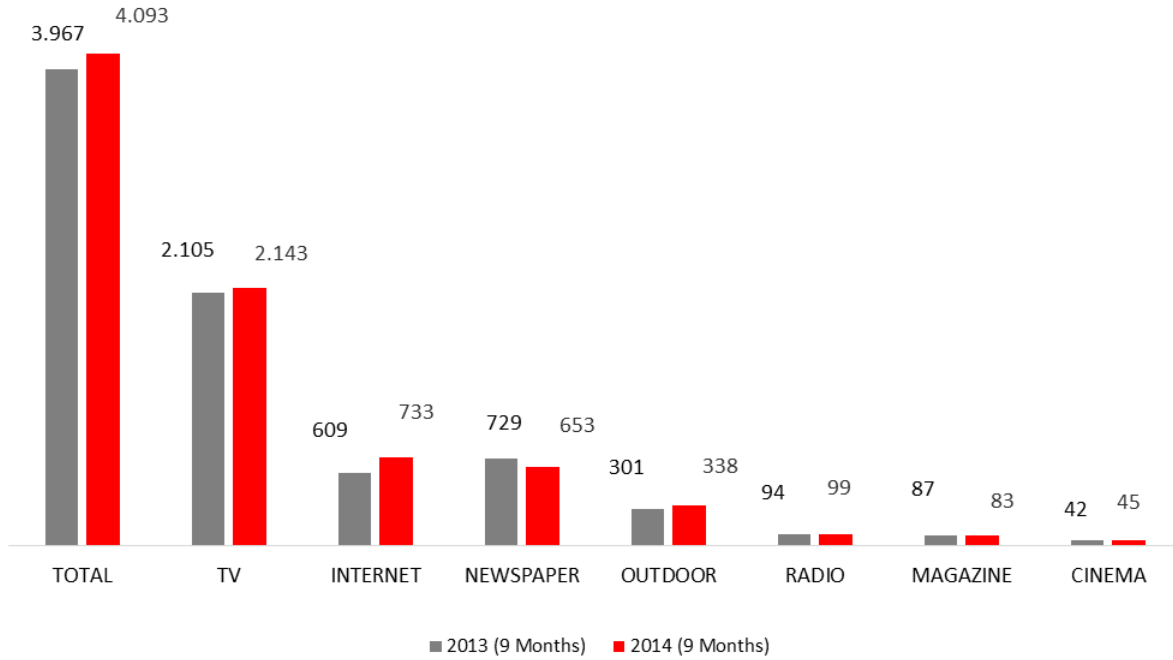
Income Statement Summary (thousand, TL)	Jan. - Sept. 2014	Jan. - Sept. 2013	Change
Sales	548.627	601.511	-9%
- Advertising Revenues	364.099	397.455	-8%
- Circulation and Print Sales	152.152	174.497	-13%
- Other Revenues	32.377	29.560	10%
Cost of Sales	-361.988	-374.947	-3%
Gross Profit	186.639	226.564	-18%
Operating Profit	34.501	41.983	-18%
Financial expenses, Net	-86.995	-74.349	17%
Loss before tax	-49.466	-39.112	26%
Net Profit	-26.018	-21.115	23%

Cash Flows Summary (thousand, TL)	Jan. - Sept. 2014	Jan. - Sept. 2013	Change
Cash at the beginning of the period	46.973	108.044	-57%
Cash flows from investing activities	116.843	4.383	NA
Cash flows from financing activities	-110.054	-161.000	-32%
Cash at the beginning of the period	69.845	78.024	-10%

Financial Ratios	30 September 2014	31 December 2013
Current Ratio	1,45	1,42
Liquidity Ratio (acid-test ratio)	1,38	1,36
Current Assets / Total Assets	0,27	0,29
Short-term Liabilities / Total Liabilities	0,41	0,41
Total Liabilities / Total Assets	0,46	0,50

	30 September 2014	January - September 2013 Restated
Gross Margin	34,0%	37,7%
Activity / Profit Margin	6,3%	7,0%
EBITDA Margin	9,6%	13,9%

2013-2014 January - September Total Advertising Revenue

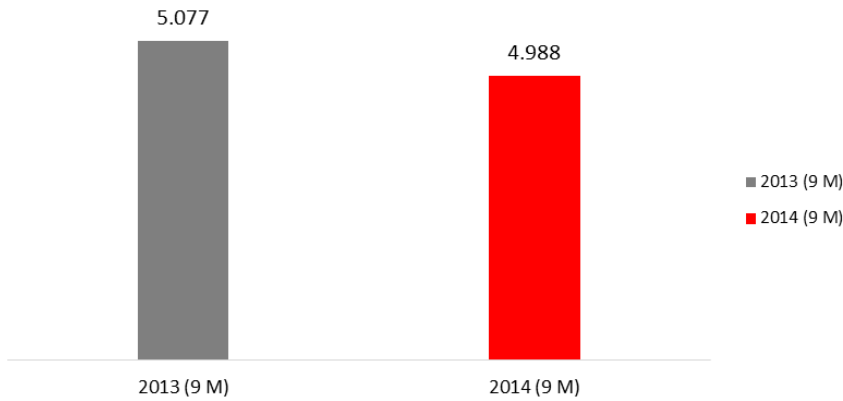


Ad market (including Internet revenues) in Turkey has increased by 3,2 % in the first nine months of 2014 compared to the same period of the previous year and increased from TL 3.967 million to TL 4.093 million.

In the first nine months of 2014 the most preferred sectors are television and internet; the advertisers spent 70% of their investment in these two sectors. The first 9 months of 2014 with a share of 16% in the newspaper sector has been the 3rd most preferred sector.

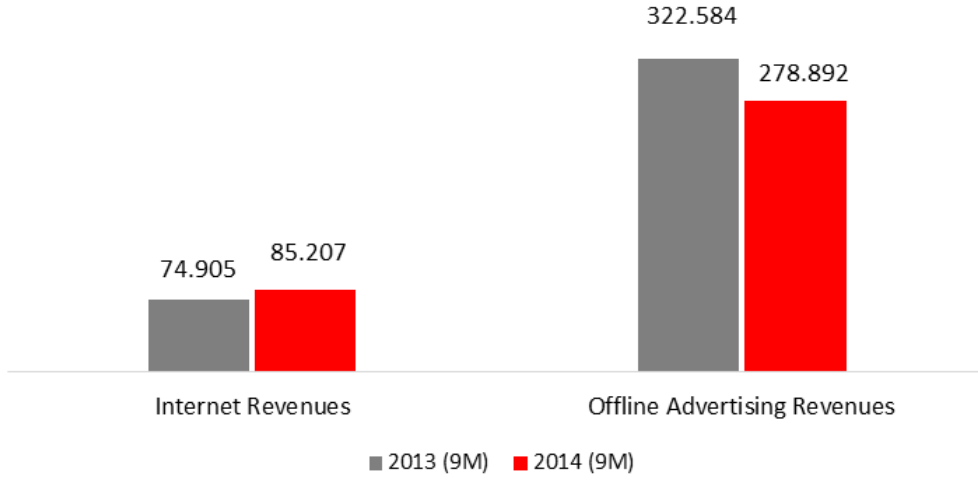
Ad revenues of the TV sector reached to TL 2.143 thousand in 9M14 with increase of 1,8% (9M13 : TL 2.105 thousand). Meanwhile, ad revenue of newspapers was decreased by 10,5 % in the first 9 months of 2014 compared to the same period of the previous year and amounted to TL 653 million. In the same period, the growth in Internet advertising investment was 20,3%.

Average Daily Circulation in Turkey (Thousand)



According to data of Press Ad Agency, the average daily net newspaper sales in Turkey in 2013 first 9 months 5.077.178 units, while in 2014 the first 9 months 4.987.544 units and as a result sales are recorded at the rate of 2% decrease compared to last year.

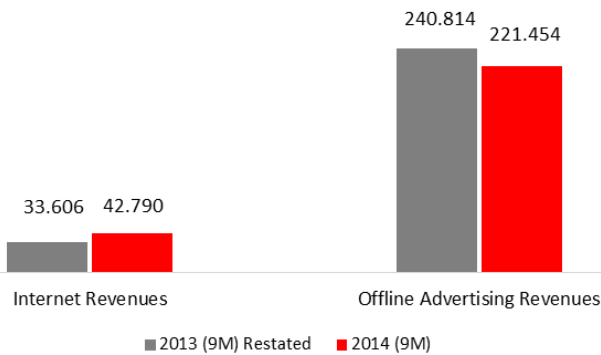
2013-2014 Consolidated Advertising Revenues (thousand TL)



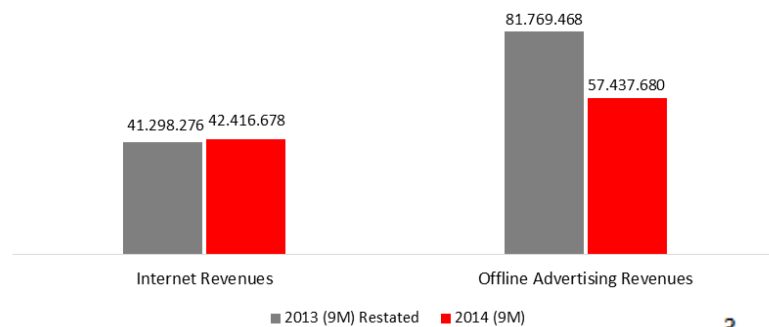
The consolidated offline advertising and online revenues of Hürriyet is TL 364,1 million in 9M14. This amount shows the decrease of TL 33,4 millions and the main reason is printed media and advertising income decrease in 9M14. On the other hand Company's online revenues increased significantly. The group's domestic circulation revenues has declined 4,1 million compared to net sales.

Hürriyet preserved its position as the most preferred ad medium by continuing its leader position in most sectors such as construction, tourism, social advertisements, retail, automotive, classified ads, insert distribution, education, finance, textiles.

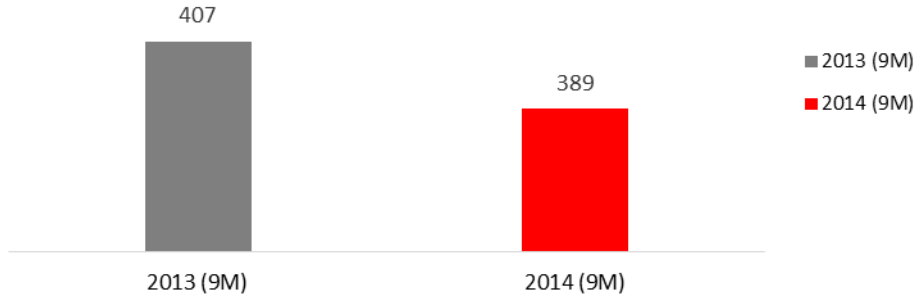
2013-2014 Total Ad. and Internet Revenues of Hürriyet Group



2013-2014 TME Ad. and Online Revenue (thousand TL)



Average Daily Circulation of Hürriyet Newspaper
(thousand pieces)



Hürriyet's average daily circulation was 406.734 units in 9M13 by dropping 4,5%, it was 388.569 units in 9M14.

Radikal Newspaper's average daily circulation was 22.367 units in 6M14 (6M13: 23.905 units). Radikal Newspaper which performed its operation under Hürriyet's umbrella, as of 22 June 2014 it ceased its offline operations and started to continue in online version only.

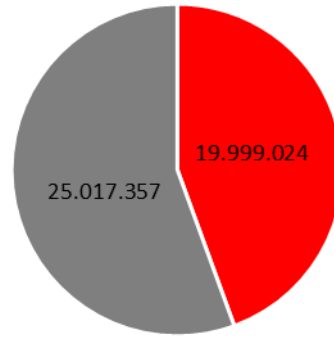
Hürriyet Daily New's average daily circulation was 5.356 units in 9M14 (9M13: 5.352 units).

Consolidated domestic circulation revenue of Hürriyet has been amounted to TL 68,4 million in 9M14 (9M13 : TL 72,5 million).

Hürriyet Group's subsidiary TME, operates mainly Russia which has been in business model transition from printed publication to online publication, its circulation revenue has been amounted from TL 6,1 million in 9M13 to TL 4,1 million in 9M14.

Consolidated circulation revenue of Hürriyet has been amounted to TL 72,6 million in 9M14 (9M13:TL 78,6 million).

Number of Pages Printed (thousand pieces)



■ 30.09.2014 ■ 30.09.2013

Developments in production of goods and services can be observed on number of pages printed that is showed above.

The total number of printed pages decreased by 20% compared with the previous year. In first 9 months of 2014, there has been 20 % decrease in consumed paper compared with the same period of previous year. The total number of printed pages comprises the number of pages of Hürriyet and Hürriyet Daily News as well as other newspapers published by companies within or outside the Group.

In 2014, the daily average net newspaper sales across the country realized to 4.987.544 copies, compared with 5.077.178 copies sold per day a year earlier by decreasing in the rate of 2%. Hürriyet's daily average net sales also decreased by 4% to 388.569 copies.

Newsprint, which makes up the most important portion of cost of goods sold, is mainly imported from the USA, Canada, North European countries and Russia. Therefore, newsprint cost is affected by both global paper prices and the USD to Turkish Lira exchange rate. The price of the newsprint used for publishing Hürriyet was USD 700 per ton in the first nine months of 2013, while it increased 5% in the same period of 2014, up to USD 733 per ton. In addition, the average number of pages of Hürriyet Newspaper was 71,7 in the first nine months of 2014 with the decrease of 11%, compared with 80,3 in the same period of 2013. Newsprint-paper used in the first nine month period of 2013 was 49.920 thousand tons in the same period of 2014 decreased by 14% to 47.776 thousand tons.

1. As announced to the public on 29.03.2014, the Electronic Board of Directors of Hürriyet Gazetecilik ve Matbaacılık A.Ş. has convened on 08.04.2014 You can reach the documents about the Board of Directors from www.hurriyetkurumsal.com internet web site.
2. The Board of Directors Resolution dated at 14 April 2014 of Doğan Holding, our ultimate shareholder, is publicly announced on 14 April 2014 with regards to merger transaction of Doğan Yayın Holding A.Ş. under the umbrella of Doğan Şirketler Grubu Holding A.Ş. through all our assets and liabilities being “taken over”.
3. As announced on 14.04.2014, the international rating entity ISS Corporate Services Inc., which is entitled to carry out activities in Turkey for grading purposes in compliance with the regulations and resolutions of the Capital Market Board (CMB) on the issue, has revised, as per the principles set forth below, and with the Public Disclosure Platform announcement of 03.03.2014, the 2013 corporate governance rating notes for all its clients pursuant to the resolutions made in the CMB meeting of 01.02.2013, no. 4/105, and has made them public simultaneously in order to ensure comparability. Accordingly;

1. The weights to be used in grading for compliance with corporate governance principles have been set as per the main headings as follows: 25% for "Shareholders", 25% for "Public Disclosure and Transparency", 15% for "Stakeholders", and 35% for the "Board of Directors",

2. In case the minimum aspects set forth in the corporate governance principles have been fulfilled, the highest for that question/principle is 85% of the full grade, and when grading the compliance of the customer with the corporate governance principles, if the relevant principle has been set as a minimum condition, and if the customer practices are above the minimum conditions, the score for that principle has been brought closer to the full score depending on the nature of the good corporate governance practice

On the other hand, the CMB Corporate Governance Communiqué (II-17.1) has become effective upon being published in the Official Gazette of January 3, 2014, no. 28871, and the corporate governance principles have been updated within the scope of the abovementioned Communiqué.

Within the framework of the above developments, ISS Corporate Services Inc.'s methodology for grading the compliance with the corporate governance principles has been updated to reflect “the weights of the main topics”, “grading minimum aspects”, and “the changes in corporate governance principles.” The distribution of our corporate governance rating, that has been revised within this scope, as per its subcategories is shown below, with the previous grade of 2013 as well;

CATEGORIES	NOTE REVISED 2013	NOT 2013
Shareholders	9,01 (%90,18)	9,16 (%91,62)
Publicity Disclosure and Transparency	9,20 (%92,04)	9,39 (%93,91)
Stakeholders	8,88 (%88,81)	9,10 (%91,05)
Board of Directors	8,51 (%85,17)	8,58 (%85,89)
TOTAL	8,86 (%88,69)	9,09 (%90,90)

4. As announced on 25.04.2014, the studies of finding a strategic partner and/or sale/transfer to non-related party/parties have been started for all of the owned shares of Doğan Ofset Yayıncılık ve Matbaacılık A.Ş., a subsidiary which the company has 99,93% of related subsidiary's entirely issued share capital amounting to TL 25.000.000.
5. In accordance with the Capital Markets Board No. II-1.19 "Dividend Notification", Company's dividend distribution policy adopted by the General Assembly upon the approval of our shareholders in the form are listed below.

Our Company takes profit sharing decisions and shares profits in accordance with Capital Market Statute, Capital Market Law (SPKn), Capital Market Board (SPK) Regulations and Decisions, Tax Laws, other relevant legal statute provisions and our Articles of Association and General Meeting Decisions.

According to this;

In principle, by taking the financial statements prepared in accordance with Capital Market Statutes, SPKn, SPK Regulations and Decision into account, minimum 50% of "distributable net profit of the period" calculated according to SPKn, SPK Regulations and Decisions are distributed,

Our Company's financial statements, financial structure and budget are taken into account in case an amount between 50% and 100% of "distributable net profit of the period" is to be distributed.

Profit sharing suggestion are announced to the public by taking the legal term into account and according to Capital Market Statute, SPKn and SPK Regulations and Decisions.

In case the "distributable net profit of the period" calculated according to the legal records kept as required by Turkish Commercial code and Tax Laws is;

- a. lower than the amount calculated according to article 1, the "distributable net profit of the period" calculated according to legal records kept in the scope of hereby article are taken into account and all of it is distributed,
- b. higher than the amount calculated according to article 1, article 2 is followed.

In case a distributable net profit of the period is not generated based on legal records kept in the scope of Turkish Commercial Code and Tax Laws, profit distribution shall not be made even if a "distributable net profit of the period" based on the financial statements prepared in accordance with Capital Market Statute, SPKn, SPK Regulations and Decisions and calculated according to Capital Market Statute, SPKn, SPK Regulations and Decisions.

Profit share may not be made when the calculated "distributable net profit of the period" falls below 5% of issued capital.

In accordance with Capital Market Statute, SPKn, SPK Regulations and Decisions and based on the principles stated in our Articles of Association, the top limit for aids and donations to be made by our Company during any financial period shall be determined by General Meeting. No donation exceeding the limit determined by General Meeting can be made and the donations made shall be added to "distributable net profit of the period" basis.

Profit share starts in 30 days after the general meeting in which distribution decision has been made the least or, in any case, after the end of the financial period.

Our Company may pay the profit share in cash and/or in cash as "free of charge share" or in installments in accordance with Capital Market Statute, SPKn, SPK Regulations and Decisions and based on General Meeting Decision.

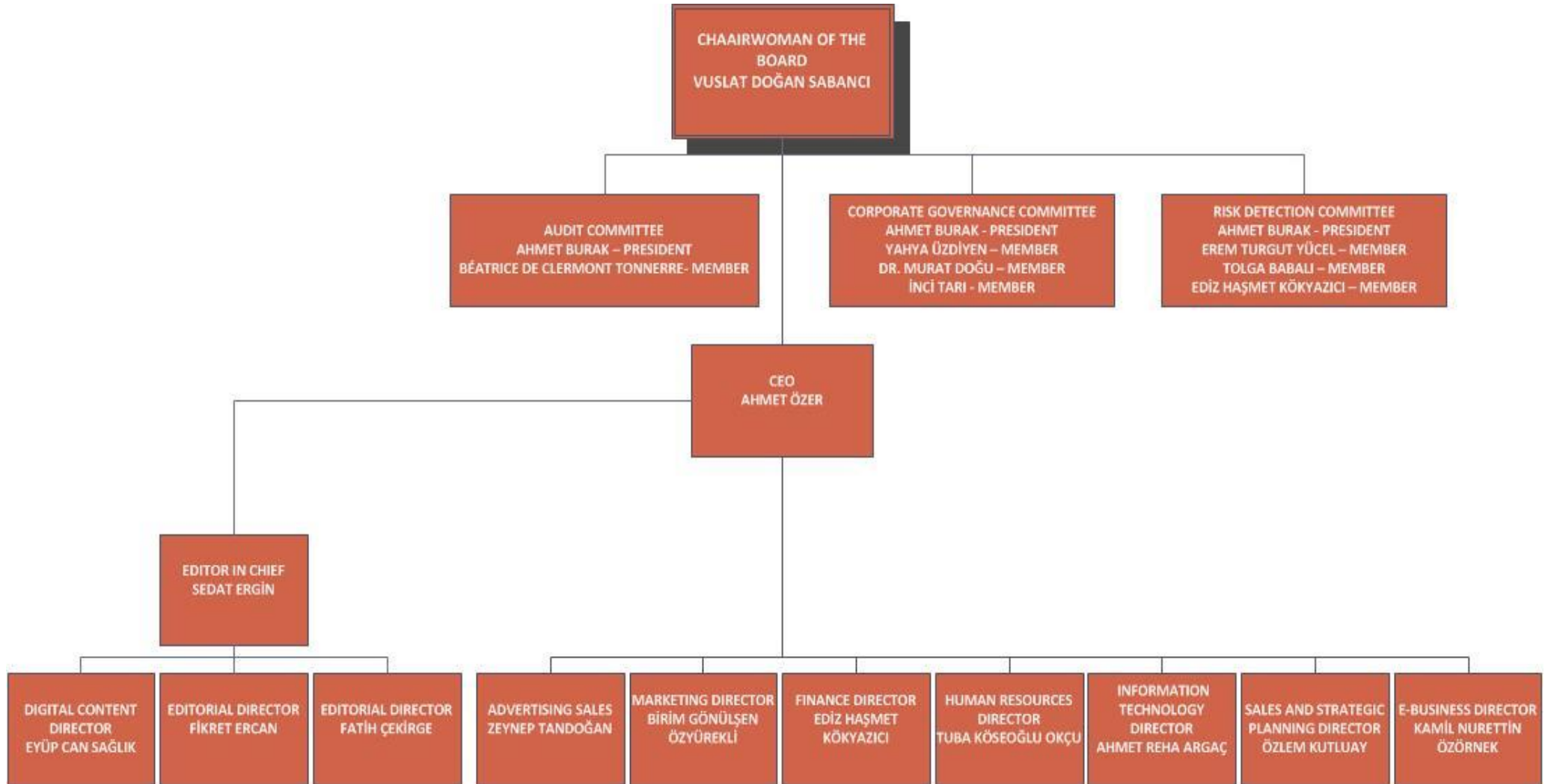
Our Company may distribute profits to persons with no share in accordance with the decision of General Meeting. In this case, Capital Market Statute, SPKn, SPK Regulations and Decisions and the provisions of Articles of Association are followed.

Our Company takes profit share advance payment decisions and make profit share advance payments in accordance with Capital Market Statute, SPKn, SPK Regulations and Decisions, Tax Laws, other relevant legal statute provisions and our Articles of Association and General Meeting Decisions.

Investments which require a significant amount of outflow of funds in order to increase the value of our Company, matters of great importance which affect our financial structure, significant uncertainties and negativities on the economy, markets or other areas outside the control of our Company are taken into account when making a decision on profit sharing.

6. As announced to the public as of 06.06.2014; Mr. Ahmet Özer has been appointed as Chief Executive Officer (“CEO”) for our Company as of 9 June 2014, by the resolution of our Board of Directors dated 06.06.2014
7. As announced to the public as of 20.06.2014; Radikal Newspaper, which is one of our daily publication will continue its activities in digital format starting from 22 June 2014. In this context; print publication and distribution will be ceased on 21 June 2014.
8. As announced to the public as of 04.07.2014; Our Company, has agreed to sell its land of 35.191,58 m2 located in the district of İzmir, Gaziemir for TL 16.000.000 to third party, Ali Muhib Özerinç and Salim Şafak Özerinç. Book value of the land in financial statements has been disclosed as TL 2.767.230 and income of sale is expected to the amount of TL 13.232.770 in the consolidated financial statements for the period.
9. As announced to the public as of 10.07.2014; Our Company, has agreed to sell its land of 17.725,69 m2 located in the district of İstanbul, Esenyurt for USD 9.000.000 to third party LC Waikiki Mağazacılık Hizmetleri Ticaret A.Ş. on 10 July,2014. Book value of the land in financial statements has been disclosed as TL 4.571.560 in assets held for sale. Income of sale is expected to the amount of TL 15.144.350 in the consolidated financial statements for the period.
10. As announced to the public as of 18.07.2014; Our Company was sold 99,93% of total shares, which equals to TL 24.982.235 in TL 25.000.000 total capital, of Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. at 18 July 2014 to Fulya Kavak and Marsaş Baskı ve Ambalaj Sanayi Ticaret A.Ş. in consideration of Euro 4.579.393.
11. As announced to the public as of 22.07.2014; Credit rating service obtained from Fitch Ratings has been terminated including 2014, regarding that our company has no intentions to obtain foreign capital financing under current circumstances.
12. As announced to the public as of 14.08.2014; Our Company and SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. has signed an agreement on the renewal of our corporate governance rating on 14.08.2014. SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. has the necessary approvals to assess rating in accordance with Turkish Capital Market Board Corporate Governance Principles. The agreement has been signed without any time limit.
13. As announced to the public as of 26.08.2014; Sedat Ergin is appointed as Editor In Chief of Hürriyet Newspaper as of 25.08.2014.
14. As announced to the public as of 16.09.2014; Sedat Ergin, who is Editor in Chief of Hürriyet Newspaper has been appointed as the executive Committee Member in Charge of Editorial Affairs.
15. As announced to the public as of 18.09.2014; Trader Media East Ltd. (TME) which is resident in Jersey and whose 74,28 % of shares belong to Hurriyet Invest BV (HIBV) of which our Company holds 100 % of shares, has decided to raise its capital from USD 8.000.000 to USD 28.300.000. The capital increase will be made fully in cash. HIBV has decided to use all the new share acquisition rights and to undertake to purchase all unused new share acquisition rights. In this transaction, the part of capital increase belong to HIBV will be deducted from debt of TME to HIBV and does not create any cash outflow from HIBV.

Organization Chart



Members of the Board of Directors were elected at the Company's Ordinary General Assembly dated on 29.03.2014. They would appointed until the Ordinary General Assembly during which the financial and operational results of the fiscal term 01.01.2014 – 31.12.2014 to be discussed. Members of the Board of Directors are listed at the below table. Our Board of Directors dated 30.04.2014 and numbered 2014/17 with the task sharing decisions are made in the following manner.

Board of Directors	Title	Description
Vuslat Doğan Sabancı	Chairwoman	Non-Executive
Yahya Üzdiyen	Vice-Chairman	Non-Executive
Ahmet Nafi Dalman	Member	Non-Executive
Kai Georg Diekmann	Member	Non-Executive
Dursun Ali Yılmaz	Member	Non-Executive
Ayşe Sözeri Cemal	Member	Non-Executive
Ahmet Burak	Independent Member	Non-Executive
Béatrice de Clermont Tonnerre	Independent Member	Non-Executive

The detailed CV's of our Board of Directors could be found at our corporate website www.hurriyetcorporate.com.

Board of Directors chairman and members, shall perform its duties and execute its powers in accordance with the arrangements and decisions of the Turkish Commercial Code and 14th articles on Company's Articles of Association. The Company asks for written declaration from the Independent Board Members to prove that they satisfy the independence criteria set forth in the CMB regulations and resolutions. As of the date of this report, there exists no circumstance that would compromise the independent status of the Company's Independent Board members.

On 28 February 2014, Mr. Ahmet Burak and Ms. Béatrice de Clermont Tonnerre submitted their applications and statements of independence for Independent Board Membership and agreed upon by General Assembly Meeting on 07 March 2014, and disclose their applications to the public on 29 March 2014.

Each share is entitled to one vote in our Company. More than half of the members of the Board of Directors are non-executive members. There is no Executive Member on the Company.

Board members are elected from among persons who possess basic knowledge of the legal framework regulating activities and transactions related to the Company's field of activity, are educated and experienced in company management, can interpret financial statements and reports and are preferably university graduates.

The members of the Board of Directors may take office in the boards of directors of Company's subsidiaries, joint ventures and investments in associates in order to protect, preserve, supervise, manage and audit the interests of the Company and its shareholders. In addition, members of Board of Directors can serve nonprofit association, charitable foundation, organisations who executive activity on research and development or public interest, universities, education institutions, etc. Other duties, jobs and functions may be assumed only with a prior approval of, and subject to the rules to be specified by the Board of Directors.

The Board of Directors convenes as required for the Company's business, but no less than once a month. Board members are provided with timely access to any information they need to fully meet their obligations. In 2014 which are subject to reporting date, the Board of Directors held 16 meetings and approved all resolutions unanimously, without any opposing votes.

Executive Committee	Title
Ahmet Özer	Chairman of Executive Committee
Sedat Ergin*	Member / Head of Editor in Chief
Ediz Haşmet Kökyazıcı	Member / Head of Financial and Administrative Affairs
Tuba Köseoğlu Okçu	Member / Head of Human Resources
Birim Gönülşen Özyürekli	Member / Head of Marketing Group
Zeynep Tandoğan	Member / Head of Advertising Group
Ahmet Reha Argaç	Member / Head of Information Technologies Group
Kamil Özörnek	Member / Head of E-Trade Group
Özlem Kutluay	Member / Head of Sales and Marketing Group

Executive Committee was formed by Article 16 of the Articles of Association; “The Board of Directors shall establish a sufficient number of other committees, initially those committees compelled, in accordance with the arrangements of the Turkish Commercial Code, the Securities Exchange Act and Capital Markets, by taking also into consideration the Company’s requirements in order to ensure the fulfillment of its duties and responsibilities in the best way. In the Committees’ establishment resolutions, the areas of duty and working shall be thoroughly determined by taking also into consideration the provisions of the present Articles of Association. The Board of Directors may at any time determine the areas of duty and work of the committees again and may also do the necessary amendments in their memberships.”. Executive Committee shall convene once a week as a principle.

Senior Managers	Title
Ahmet Özer	Chairman of Executive Committee
Sedat Ergin	Member of Executive Committee / Editor in Chief
Ediz Haşmet Kökyazıcı	Member of Executive Committee / Chief Financial Officer
Tuba Köseoğlu Okçu	Member of Executive Committee / Human Resources Director
Birim Gönülşen Özyürekli	Member of Executive Committee / Marketing Director
Zeynep Tandoğan	Member of Executive Committee / Advertising Director
Ahmet Reha Argaç	Member of Executive Committee / Information Technologies Director
Kamil Özörnek	Member of Executive Committee / E-Trade Director
Özlem Kutluay	Member of Executive Committee / Sales and Planning Director

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 29.03.2014, it was unanimously resolved that the Chairperson of the Board of Directors be paid a monthly net fee of TL 10.000, Board Members Kai Georg Diekmann, Béatrice de Clermont Tonnerre and Ahmet Burak a monthly net fee of USD 5.000 each, and other Board Members a monthly net fee of TL 5.000 each. There is no additional bonus mechanism based on performance for the members of the Board of Directors.

Financial Rights	September 2014	September 2013
Remuneration and other short term benefits	4.606.632	3.275.423
Post-employment benefits	2.215.383	1.235.931

With the decision of the Company's Board of Directors dated on 30 April 2014, and numbered 2014/18, until 01.01.2014 - 31.12.2014 fiscal year to discuss the activities and accounts of the General Assembly to serve are selected Ahmet Burak and Beatrice de Clermont Tonnerre among the Independent Members of the Board of Directors as members for the Audit Committee. The Audit Committee meetings are held at least four times.

Audit Committee	Description	Title
Ahmet Burak / Independent Member	Non-Executive	Chairman
Béatrice de Clermont Tonnerre / Independent B	Non-Executive	Member

With the resolution of Boards of Directors dated 30.04.2014 and numbered 2014/18, the Company has decided to elect the Chairman and members of the Corporate Governance Committee, this committee to maintain the mission up to the first Board of Directors' meeting held after the General Assembly meeting where the operations and accounts of the period of 01.01.2014 - 31.12.2014 will be held and the Committee to assume the duties of "Nomination Committee" and "Compensation Committee" in accordance with the regulations of the communique of "Corporate Governance Notification (II-17.1)" of Capital Markets Board (CMB).

Corporate Governance Committee	Title
Ahmet Burak / Independent Board Member	Chairman
Yahya Üzdiyen / Board Member	Member
Dr.Murat Doğu	Member
İnci Tari	Member

In accordance with the provisions of Article 11 of "Corporate Governance Communique (II-17.1)" of CMB, it is decided to appoint İnci Tari, Financial Control and Investor Relations Manager, to report to the Chief Executive Officer for the fulfillment of obligations arising from Capital Markets Law and to ensure coordination of appropriate corporate governance practices. Besides, it is decided that Chairman and Members of the Committee will not be paid because of their positions in this committee.

Early Detection of Risk Committee	Title
Ahmet Burak / Independent Board Member	Chairman
Erem Turgut Yücel	Member
Tolga Babalı	Member
Ediz Haşmet Kökyazıcı	Member

Accordingly, it was decided to appoint a chairman and members for the Committee, which was established pursuant to the Board of Directors' resolution dated 30 April 2014, No: 2014/18, and in accordance with Article 378 of the Turkish Commercial Code. Members of Committee are listed at the above table.

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

Risk Management

Within the scope of its risk management policies, the Company defines and measures fiscal, operational and compliance risks as well as financial risks.

Strategic Risk Management

The publishing and broadcasting industries are undergoing rapid change across the world, as they are now faced with a competitive environment consisting of customizable television broadcasting, online news reporting, social media networks and other channels of information.

As a result, declining circulations and advertising revenues are significantly affecting publishing companies. Thus, they resort to radical measures such as decreasing their costs and changing the physical format of their publications. Today's technology usage habits have made it necessary for publishing companies not only to reduce their costs but also to develop new products and models that meet the requirements of this new market.

Another critical issue for publishing and broadcasting companies is that they have to attract and maintain a skilled workforce and the talent they need for developing new products and processes in line with changing consumer preferences.

While new publishing and broadcasting channels answering the preferences of the new generation are formed, the advertising industry is also undergoing a similar change. The old fashioned/traditional advertising model has been abandoned, and a more focused, niche and customer-specific advertising approach is prevailing across online platforms. The Company's Board of Directors acts in accordance with this new approach.

Financial, Compliance and Operational Risk Management

The management of tax, commercial law and capital markets compliance risks, which are a major component of fiscal, operational and compliance risks, is carried out under the coordination of the relevant Vice Presidents of the Holding's Financial Affairs Division by the Audit and Risk Management units, with the occasional support of audit and certified public accounting firms. Group companies are constantly monitored against risks with such audit and control activities.

As per Article 378 of the Turkish Commercial Code (Law No. 6102), Doğan Holding Board of Directors has set up a Risk Assessment Committee with a view to detecting as early as possible all the risks which could jeopardize the presence, development and continuity of the Company, taking necessary action against such risks, managing risks and reviewing the risk management systems at least once every year.

Financial Risk Management

Due to its activities, the Company is subjected to a range of risks such as credit risk, market risk (foreign currency, interest risks, price) and liquidity risk. Financial risk management aims to minimize the adverse effects caused by the variability of the financial markets on the fiscal results.

Credit Risk

At Company, credit risk is defined as the risk of the counterparty's non-fulfillment of its contractual obligations. This risk involves the Companies' receivables, particularly from advertising. The Company controls its credit risk primarily by credit assessment through its factoring firm and by assigning credit limits to counter-parties, hence creating a central data center. Credit risk is distributed due to the high number of organizations in the client-base and their distribution among diverse business fields

Receivable Risk

Company is subject to receivables risk due to commercial receivables arising from forward sales. The Company management diminishes the receivables risks associated with the receivables of customers, by setting individual credit limits for each customer and when deemed necessary, by asking for collaterals or accepting only cash payments from customers considered to be risky.

The Company transferring a large portion receivables to factoring company in order to operate a policy, which avoiding the difficulties collection.

Commercial receivables are assessed by the Company management according to past experience and the current economic situation and an adequate amount of reserve is set aside for doubtful receivables.

Interest Rate Risk

The Company management uses interest bearing short term assets within natural policy context to stabilize the maturity of the interest bearing liabilities and assets. Furthermore, the Company hedges interest rate risks arising from floating rate borrowings, by limited use of derivatives, such as interest rate swaps.

Liquidity Risk

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.

Funding risk of current and future debt requirements is managed by continuance of sufficient and highly qualified creditor's access. The Company aims at maintaining cash and cash equivalents for the anticipated cash flows of raw material purchase for the subsequent six-months.

Foreign Currency Risk

The Company 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 Company'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 Company maintains a certain portion of its excess cash and cash equivalents in foreign currency to minimize the currency risk exposure.

The Company'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 could be revised by management when necessary in the framework of market conditions.

Capital Risk Management

The Company'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.

Legal Risks

There are no lawsuits that could jeopardize the operation or financial structure of the Company. The follow-up of legal controversies and lawsuits related to the activities of Group companies is conducted by lawyers at the Legal Department of the parent company Doğan Şirketler Grubu Holding A.Ş., in a centralized fashion. The Company also performed with available by available within Company's own Legal Department.

Information Technology Risks

The procurement, production, sales and accounting processes on Company are managed via applications and modules on an integrated information system (SAP) and the reports concerning these transactions are also produced through this system.

Explanation Related to Main Factors of The Company's Internal Audit and Risk Management Systems

Consolidated financial statements is prepared in the framework of the Communiqué numbered II-14.1 of CMB in accordance with scope of International Accounting Standards (IAS) 's and the International Financial Reporting Standards (IFRS) and presentation principles are determined in accordance with CMB regulations and resolutions. Financial statements are audited according to the International Auditing Standards (IAS), reviewed by Audit Committee by obtaining the opinion of managers who have responsibility in preparation of the financial statements, and approved by Board of Directors. Doğan Şirketler Grubu Holding A.Ş. Vice Chairman of the Audit assists in the execution of internal control functions and Financial Control Department which is under Finance Division carries out this task effectively. Early Risk Detection Committee is working within the provisions of TCC and the Communiqué Serial: IV, No: 56 amended with the Communiqué Serial: IV, No: 57.

Number Of Employees Information

The average number of personnel of the Company is 4.533 as of 30.09.2014 (31.12.2013: 5.290).

Personnel and Workes Organizations, Collective Bargaining Agreement Practices, Benefits Offered to Personnel and Workers

The Company offers equal opportunity to persons with the same qualifications in recruitment and career planning. 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. 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. There is no collective bargaining practice in our Company.

Lawsuits Against the Company That Could Affect Its Financial Situations and Activities, and Their Possible Results

As of 30 September 2014, lawsuit claims against the Company amounted to TL 28.589.491 (31.12.2013 : TL 29.686.311). The Company set aside a total of TL 5.254.349 in reserves for these legal claims (31.12.2013 : TL 4.069.499).

Information About the Company's Donation, Aid, and Spending on Social Responsibility Projects During the Period

During 9M14, the Company donated TL 201.971 (9M13: TL 758.483) to various foundation and associations serving the public good. The breakdown of donation was presented as below:

Name	Amount
Türk Eğitim Vakfı	1.175
Aralık Gönüllüleri Vakfı	156.929
İstanbul Kültür Sanat Vakfı	11.470
Türkiye Kızılay Derneği	12.027
Aydın Doğan Vakfı	6.080
LÖSEV	5.075
Türkiye Eğitim Gönüllüleri	7.915
Diğer	1.300
Total	201.971

Related Party Disclosures

Related party transactions of our Company on 30 September 2014, which ended nine-month interim period consolidated interim financial statements are available from the 34 numbered footnotes

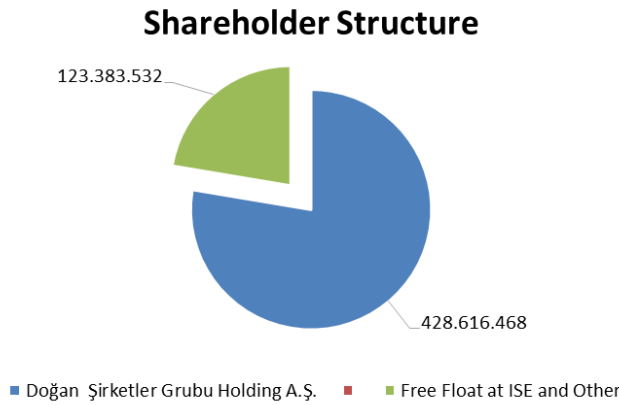
As of 30 September 2014, the Company's registered share capital is TL 800 million and paid in share capital is TL 552 million.

(1) As of 30 September 2014, 17,65% (31 December 2013:6,56% belonging Doğan Holding and 11,09 % belonging Doğan Yayın Holding*) of Hürriyet's share capital belonging to Doğan Şirketler Grubu Holding, have open status and in circulation in stock market.

(2)*It is decided to merge Doğan Yayın Holding to Doğan Holding by taking over whole active and passive of Doğan Yayın Holding with the Board of Directors Resolution of Doğan Holding dated at 14 April 2014, numbered 17 and with the Board of Directors Resolution of Doğan Yayın Holding dated at 14 April 2014, numbered 2014/13.

In accordance with the Capital Markets Board's (the "CMB") and Resolution No: 21/655 issued on 23.07.2010 it is regarded that 20,93% of the shares (31 December 2013:21,98%) are outstanding as 30 September 2014 based on the Central Registry Agency's ("CRA") records.

Shares are traded with the symbol "HURGZ.IS" on Borsa Istanbul.



Preferred Shares and Voting Rights of Shares

- The Company avoids any act that might compromise the exercise of voting rights. All shareholders are allowed to exercise their voting rights in the easiest and most convenient way.
- The Company does not have any preferential shares or classes of shares.
- Each share is entitled to one vote.
- There exist no provisions that postpone voting rights until a specific date following the acquisition of a share.
- The Articles of Association do not contain any provisions that prevent a non-shareholder to vote as a proxy.
- In the event the beneficial interests and rights of disposal of a share belong to different persons, they may have them represented as they deem fit, upon mutual agreement. However, if they fail to agree, the right to participate in and vote at the General Meeting of Shareholders shall be given to the beneficial owner.
- Minority rights are granted to shareholders who own at least 5% of the capital.
- Utmost care is taken in relation to the exercise of minority rights.
- The Articles of Association do not provide for cumulative voting. The advantages and disadvantages of this practice are assessed in view of changes in relevant legislation.

Financial Consolidation



Subsidiaries	Effective Partnerships Rate (%)	
	30 September 2014	31 December 2013
Hürriyet Medya Basım	100,00	100,00
Doğan Ofset ⁽¹⁾	-	99,93
Yenibir	100,00	100,00
Doğan Haber	53,10	53,10
Nartek	60,00	60,00
Hürriyet Zweigniederlassung	100,00	100,00
Hürriyet Invest	100,00	100,00
TME	74,28	74,28
Oglasnik d.o.o. ⁽²⁾	-	74,28
Impress Media Marketing LLC	72,05	72,05
TCM Adria d.o.o.	74,28	74,28
Expressz Magyarorszag Media Kft. ⁽³⁾	-	74,28
Job.ru LLC	74,28	74,28
Mirabridge International B.V.	74,28	74,28
Pronto Invest B.V.	74,28	74,28
ZAO Pronto Akzhol	59,42	59,42
TOO Pronto Akmola	74,28	74,28
OOO Pronto Atyrau	59,42	59,42
OOO Pronto Aktobe	47,54	47,54
OOO Pronto Aktau	59,42	59,42
OOO Pronto Rostov ⁽⁴⁾	74,28	74,28
OO Delta-M	40,85	40,85
OOO Pronto Baikal	74,28	74,28
OOO Pronto DV	74,28	74,28
OOO Pronto Ivanovo	74,28	74,28
OOO Pronto Kaliningrad	70,57	70,57
OOO Pronto Kazan	53,48	53,48

Subsidiaries	Effective Partnerships Rate (%)	
	30 September 2014	31 December 2013
OOO Pronto Krasnodar	59,42	59,42
OOO Pronto Nizhny Novgorod	66,85	66,85
OOO Pronto Novosibirsk	74,28	74,28
OOO Pronto Oka ⁽⁵⁾	74,28	74,28
OOO Utro Peterburga ⁽⁵⁾	40,85	40,85
OOO Pronto Samara	74,28	74,28
OOO Pronto UlanUde	66,85	66,85
OOO Pronto Vladivostok	66,85	66,85
OOO Pronto Moscow	74,28	74,28
OOO Tambukan	63,14	63,14
OOO Partner-Soft ⁽⁶⁾	66,85	66,85
Pronto Soft	66,85	66,85
OOO Pronto Kemerovo ⁽⁴⁾	74,28	74,28
OOO Pronto Smolensk	74,28	74,28
OOO Pronto Tula ⁽⁴⁾	74,28	74,28
OOO Pronto Voronezh ⁽⁴⁾	74,28	74,28
OOO SP Belpronto	44,57	44,57
OOO Tambov-Info	74,28	74,28
OOO Pronto Obninsk ⁽⁷⁾	-	7,43
OOO Rektcentr	74,28	74,28
OOO Pronto Neva ⁽⁸⁾	-	74,28
Publishing House Pennsylvania Inc	74,28	74,28
Bolji Posao d.o.o. Serbia ⁽⁹⁾	-	74,28
Bolji Posao d.o.o. Bosnia ⁽⁹⁾	-	74,28
OOO Rukom ⁽¹⁰⁾	74,28	74,28
Pronto Ust Kamenogorsk	59,42	59,42
Publishing International Holding BV	74,28	74,28

Joint Ventures	Direct and indirect share (%)	
	30 September 2014	31 December 2013
Doğan Media International GmbH ("Doğan Media")	42,42	42,42
SP Pronto Kiev	37,14	37,14
TOV E-Prostir	37,14	37,14

Associates	Direct and indirect share (%)	
	30 September 2014	31 December 2013
ASPM Holding B.V.	37,88	37,88

- (1) Related subsidiary was sold on 18 July 2014.
- (2) Related subsidiary was sold on 28 February 2014.
- (3) Related subsidiary was sold on 7 April 2014.
- (4) Related subsidiary is in the liquidation process as of 2013.
- (5) Related subsidiary has ceased its operations before the year 2010.
- (6) Related subsidiary has been in liquidation process in 2012.
- (7) 90% of the shares are sold in December 2013 and the remaining 10% is sold as of January 2014.
- (8) The liquidation process of related subsidiary was completed on 21 February 2014.
- (9) Related subsidiary was sold on 21 March 2014.
- (10) Related subsidiary has ceased its operations in 2012.

Contact Information



Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s field of activity; Objectives of the Company are to engage in journalism, and printing, publishing and sale of newspapers and similar other periodical or non-periodical publications in printed form or in electronic medium, and production of national and international programs, visual and audio media, video, film and advertisements, and promotion business and to do all other types of work that listed at Articles of Association which registered on 02.07.2012.

Chamber of Commerce & Trade Registry Number : Istanbul Chamber of Commerce - 78044/19200

Mersis Number : 0464-0061-2730-0014

Listing : Borsa İstanbul (BİST)

Stock Code: HURGZ

Corporate Website Address: www.hurriyetkurumsal.com

E-Mail Address : yatirimciiliskileri@hurriyet.com.tr

Central and Regional Offices Contact Information

İstanbul(Central)	Hürriyet Dünyası,100.Yıl Mahallesi,Matbaacılar Caddesi No:78 34214 Bağcılar / İstanbul	0212 677 00 00	0212 677 07 77
İstanbul Printing Plant (DPC)	Doğan Medya Tesisleri 34850 Esenyurt/İstanbul	0212 622 28 00	0212 622 28 02
Ankara Printing Plant (DPC)	Esenboğa Yolu Üzeri 15. Km Dereyurt Mevkii 06150 Sarayköy/Keçiören Ankara	0312 306 91 00	0312 306 92 92
Ankara Regional Office	Dumlupınar Bulvarı No:12 Söğütözü/Ankara	0312 207 00 00	0312 207 01 00
İzmir Regional Office	Şehitler Cad. No:16/1 35230 Alsancak İzmir	0232 488 65 00	0232 463 73 11
İzmir Regional Office (DPC)	Ege Cad. No: 36 35414 Sarnıç/İzmir	0232 298 22 00	0232 281 65 80
Adana Printing Plant / Regional Office	Adana-Ceyhan Karayolu 5. Km. 01260 Adana	0322 346 16 00	0322 346 36 02
Antalya Printing Plant / Regional Office	Havalimanı Yolu 8. Km 07300 Antalya	0242 340 38 38	0242 340 38 22
Trabzon Printing Plant / Regional Office	Organize Sanayii Arsin Yolu 61900 Trabzon	0462 711 25 00	0462 711 25 02
Frankfurt Printing Plant	An Der Brücke 20-22 D-64546 Mörfelden Walldorf Frankfurt Deutschland	00496105327130	00496105327373

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

BOARD RESOLUTION ON THE ACCEPTANCE OF THE FINANCIAL AND ACTIVITY REPORTS

DATE OF RESOLUTION : 07.11.2014

RESOLUTION NO : 2014/40

**STATEMENT OF RESPONSIBILITY BY VIRTUE OF ARTICLE 9 OF SECOND SECTION OF THE
COMMUNIQUÉ NO.II-14.1 OF THE CAPITAL MARKET BOARD**

The examined consolidated Financial Report of Hürriyet Gazetecilik ve Matbaacılık A.Ş. for the interim accounting period of 01.01.2014-30.09.2014, prepared in compliance with the Turkish Accounting Standards and Turkish Financial Reporting Standards issued by the Public Oversight, Accounting and Auditing Standards Authority within the framework of the “Communiqué on the Principles of Financial Reporting in the Capital Market” No.II-14.1 of the Capital Market Board (CMB), and principles of submission of which are determined by the CMB’s resolution of 07.06.2013 No. 20/670 and announced in the CMB’s Weekly Bulletin of 07.06.2013 No. 2013/19; and the Activity Report for the interim accounting period 01.01.2014-30.09.2014 have been examined by us and the following issues have been ascertained therefrom within the framework of the information we have within the field of our duties and responsibilities;

- The Financial Report and the Activity Report do not contain any misstatement on the significant issues, and any deficiency, which may cause the reports to be misleading as of the date of the respective statement;
- The Financial Report, having been prepared in compliance with the applicable financial reporting standards, honestly reveals the actual situation of our Company in view of its assets, liabilities, financial status, and profit/loss, and the Activity Report also honestly reveals the actual situation of the business in view of its development and performance, financial status, and that of the awaiting significant risks and uncertainties as well.

Ahmet BURAK

President of the Audit Committee

Béatrice de Clermont TONNERRE

Member of the Audit Committee