Türkiye

"Turkey's New Türkiye"

İHLAS GAZETECİLİK A.Ş. 2013 ANNUAL REPORT

“WE HAVE REWRITTEN TURKEY”

ON APRIL 22, 1970 WE ESTABLISHED THE TÜRKİYE NEWSPAPER. OUR PRINCIPLES SUCH AS HONESTY, OBJECTIVE JOURNALISM AND REFLECTING THE TRUTH UNDER ANY CONDITION, HAVE NOT CHANGED SINCE THE DAY OF OUR ESTABLISHMENT. NOW “WE HAVE REWRITTEN TURKEY” UNDER THESE PRINCIPALS WITH A NEW STAFF OF WRITERS, LAYOUT, LOGO AND SPECIAL NEWS!

THE FAMILY IS GROWING...

SELECT WRITERS FROM TURKEY HAVE CONVERGED UNDER THE TÜRKİYE NEWSPAPER. WITH A NEW STAFF OF WRITERS COMPRISED OF ALPAY ÖZALAN, CEREN KENAR, MELİH ALTINOK, YILDIRAY OĞUR, BURCU ÇETİNKAYA, İBRAHİM KAHVECİ, FUAT UĞUR AND ÜMİT AKTAN THE TÜRKİYE NEWSPAPER IS NOW STRONGER, MORE COLORFUL AND ACTIVE THAN EVER...

İhlas Gazetecilik A.Ş.

2013 ANNUAL REPORT

Türkiye

“Turkey’s New Türkiye”

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THE HISTORY OF İHLAS GAZETECİLİK

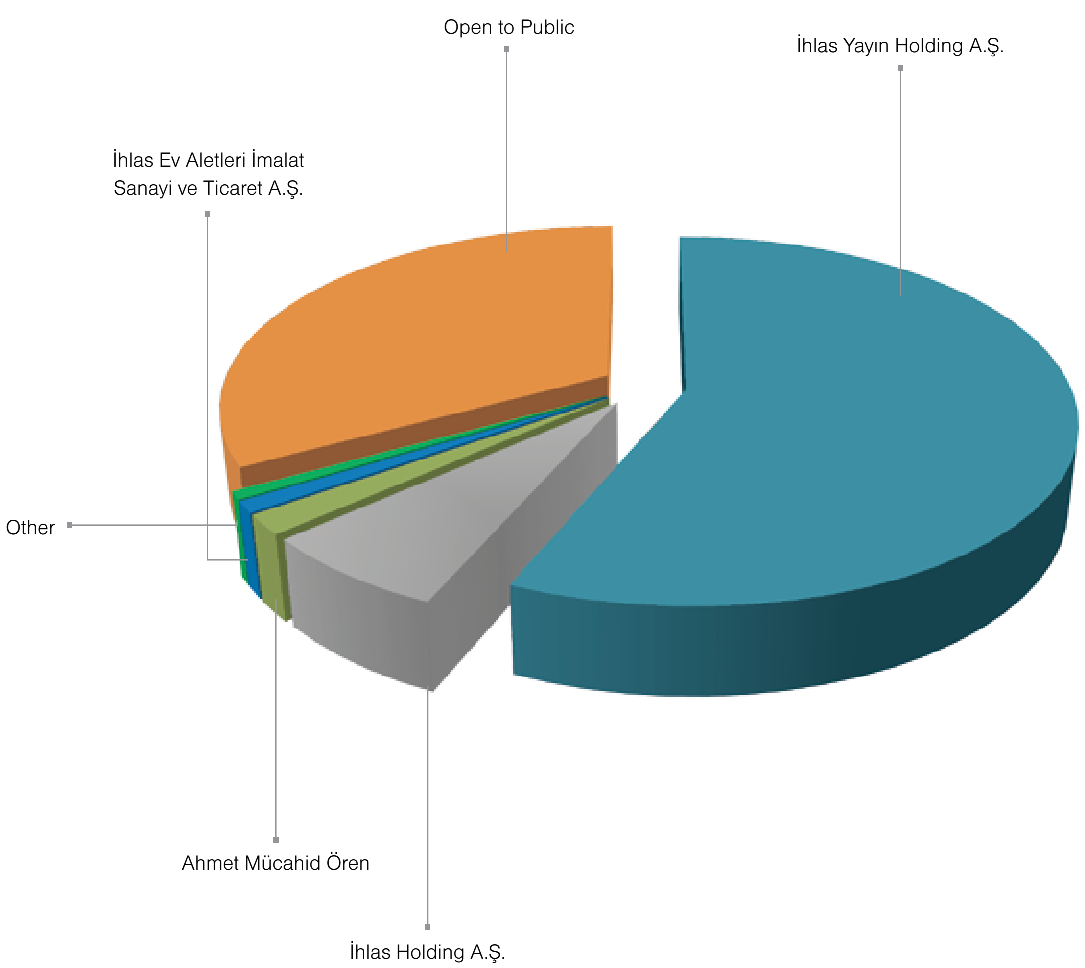
- Türkiye Newspaper was established on April 22, 1970 by Dr. Enver Ören under the name “Hakikat”.
- On April 30, 1972 the name “Hakikat” was changed to “Türkiye”.
- After meeting Asahi Shimbun in the FIEJ (World Association of Newspapers) conference in Japan, Dr. Enver Ören started distribution of the newspaper by hand delivery in 1978.
- In 1980 marketing activities started with the establishment of a newspaper distribution organization.
- In 1981 the Company established its own offset printing facilities.
- On October 1st 1982, the first issue of Türkiye Newspaper’s Children’s Magazine was published.
- On May 1st 1982, the English supplement “Made in Turkey” began life.
- In 1983 the company began producing their own printing machines.
- In 1983 the Company started manufacturing products in Ankara, Adana, Erzurum and Samsun facilities.
- In 1985 Türkiye Newspaper raised its number of pages from 8 to 12 and reached a circulation of 119 thousand.
- In 1986 its circulation reached 300 thousand.
- In 1989 Türkiye Newspaper extended its number of pages from 12 to 16.
- It was in print in Europe (Frankfurt) starting from February 3rd 1987.
- On March 17, 1987 it was chosen as “Newspaper of the Year” by the Turkish Press Association.
- On October 24, 1987 Türkiye Newspaper was quoted as the second biggest company among the large companies in publishing in a research by the Istanbul Chamber of Industry.
- On March 28,1988 the Izmir Printing Facility started its operations.
- On November 29, 1990 the paper had net sales of 1,361,553, still stands for record hard to beat, at the sector
- In 1990 Ankara printing facility was renewed.
- In 1991 the Newspaper started to be prepared in a computerized system and then sent to printing facilities online.
- In 1998 the Newspaper moved to İhlas Media Plaza, one of the most modern and largest media centers in Turkey.
- Parallel to the general structuring tendencies of newspaper and distribution companies, Samsun Printing Facility moved to Trabzon in 2001 and in 2000 Erzurum Printing Facility moved to Antalya.
- On August 15, 2000 İhlas Gazetecilik A.Ş. was established. After that date, Türkiye Newspaper started to be published by İhlas Gazetecilik A.Ş.
- On April 22, 2010 Türkiye Newspaper celebrated its 40th anniversary. In these past 40 years, with its fully owned structure and publishing criteria, Türkiye Newspaper has continued operations as the only national newspaper that has not changed at all since the first day.
- After the procedures for its public offering were completed, stocks started trading on the BIST (Borsa İstanbul) under the code IHGZT ISIN on June 14, 2010.
- The Enterprise Resource Planning System was launched as of January 01, 2012.
- October 22, 2012 İhlas Gazetecilik 2011 Annual Report came second in the “Vision Awards” competition organized by LACP, the world’s most prestigious public relations platform.
- The physical dimensions of the newspaper were narrowed on January 1, 2013 to make it easier to read.
- The newspaper not only changed its logo on October 17, 2013 but reinforced itself by adding some famous names to its staff of writers.

PUBLISHING PRINCIPLES OF İHLAS GAZETECİLİK

- As can be understood from the carefully chosen anniversary of April 22, proudly bearing the name of our country, Türkiye Newspaper deems the protection of democracy, to which it is bonded at the heart, as its principal duty.
- Türkiye Newspaper publishes what supports the independence and indivisible integrity of the Turkish Republic Government and national benefits.
- Türkiye Newspaper places uncompromising value on its readers’ trust, Türkiye Newspaper exerts the maximum effort to preserve the common belief that, “if it is written in Türkiye Newspaper then it is a fact”.
- Türkiye Newspaper is a family newspaper.
- Türkiye Newspaper contributes to develop forbearance and tolerance of different opinions.
- Türkiye Newspaper contributes to develop forbearance and tolerance of different opinions.
- Türkiye Newspaper, which believes positive news is news too, publishes with a “glass half full’’ perspective for economic stability.
- Türkiye Newspaper follows a publishing policy allowing understandable and peaceful reading by different social groups and ages.
- Türkiye Newspaper stays away from any type of relationship based on special interest.
- Türkiye Newspaper never offends anyone based on race, sex, religious beliefs, language, social ranking and physical handicap in its publications.
- Türkiye Newspaper does not accept anyone as ‘guilty’ before being proven so by court ruling and never uses insulting nicknames or statements.
- Türkiye Newspaper does not take part in anyone’s private life. Information given in confidentiality is never shared.
- Türkiye Newspaper respects the right of reply of individuals and corporations.

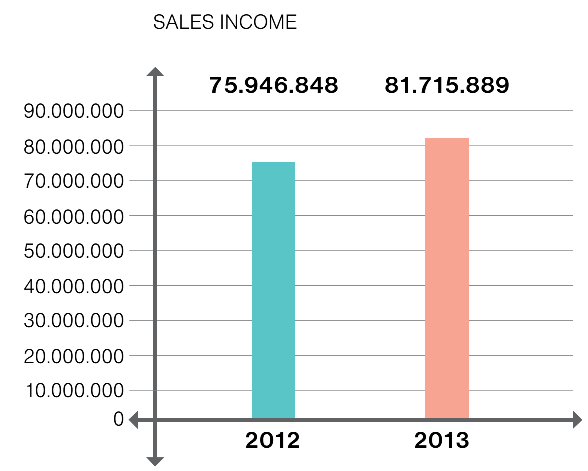
The Partnership Structure of İhlas Gazetecilik A.Ş. as of December 31, 2013:

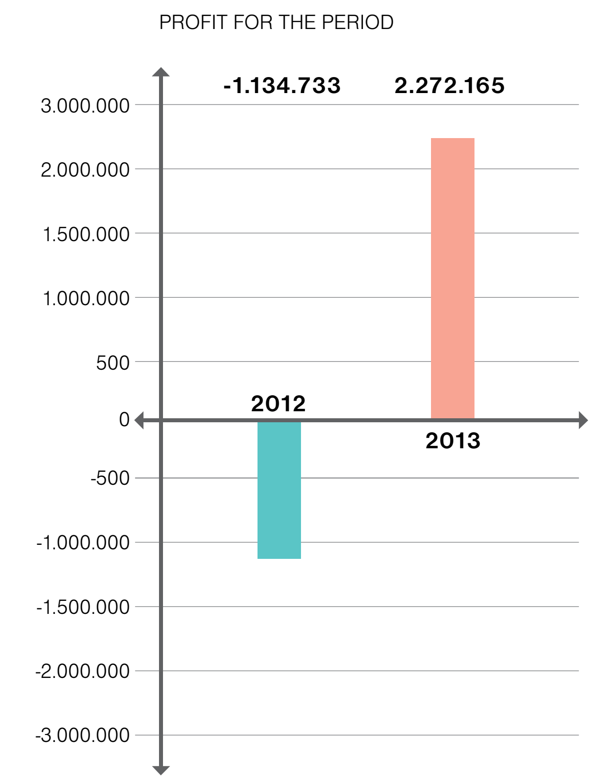
	Share Rate	Share Amount
İhlas Yayın Holding A.Ş.	56.55%	67.859.559
İhlas Holding A.Ş.	6.92%	8.304.075
Ahmet Mücahid Ören	1.76%	2.108.943
İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş.	1.03%	1.237.553
Other	0.74%	889.870
Open to Public	33.00%	39.600.000
Total	**100.00%**	**120.000.000**

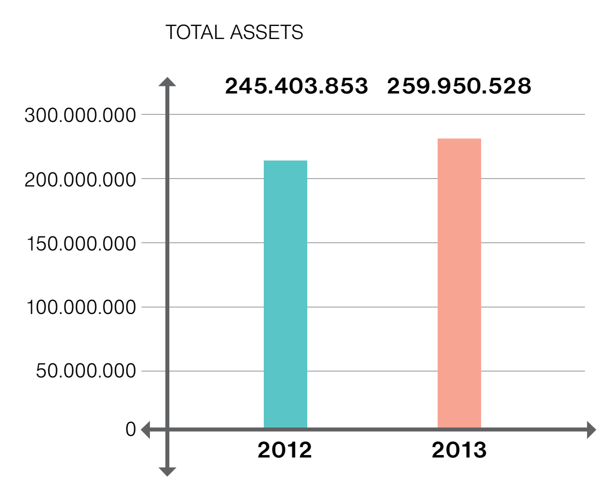


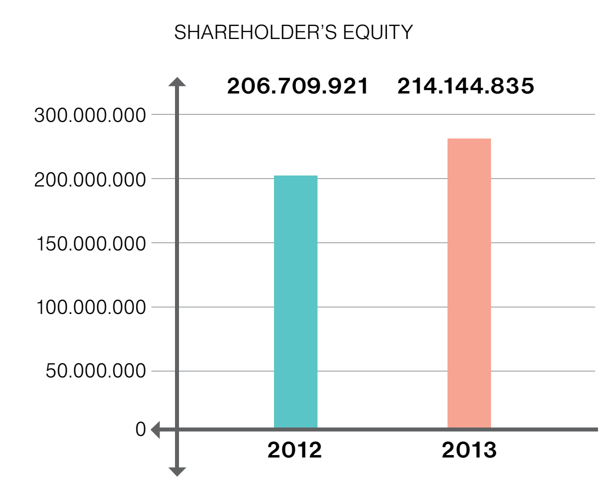
Main Financial Indicators (TL)

According to the financial statements within the framework of international financial reporting standards (TL).









MESSAGE FROM THE CHAIRMAN AND EDITOR IN CHIEF

Valued Friends;

One of the most important criteria in the media world is stability. The line of stability in the publication life of newspapers is the basic indicator of the future and this indicator always makes the institution to which the newspaper belongs, constantly distinctive among its peers ...

The Türkiye Newspaper, which has completed its 44th year in publication is excellent in this respect. It is the only newspaper which has made it to the present day without ever changing ownership from the day that it was established!..

Informing the public and guiding them when necessary is no doubt a very important mission which also involves a serious responsibility. The head spinning speed in the field of communication and the technological developments that race along make it necessary to implement a more careful and sensitive approach when it comes to conveying information to the public. Just like in the case of an arrow that has shot forth from its bow, once news is out there is no going back... This is the precise point where institutions which have a genuine respect for the community and their values are fully confident.

The Türkiye Newspaper has always been defined by its readers as a newspaper that PROVIDES PEACE to its readers and has made itself a place in the media world. As it was yesterday and will be today and tomorrow, this unique feature of our Newspaper will never change. The Türkiye Newspaper will never adopt or apply and style of publication that would contradict the values of our people. Respect for the values of our people and patriotism are our main principles...

The Türkiye Newspaper adopts and implements objective journalism which is an unchanging law of this profession. It is for this reason that the newspaper does not take sides in conflicts. Respect is shown to subjective interpretations in legal framework. However the newspaper is never an instrument in the militant approach of some individuals who are politically and ideologically prejudiced trying to appear as if they are on the side of righteousness and justice. This newspaper puts forth its own assessment in the face of thoughts and attitudes being presented as if they are generally correct...

There is no need to try to get close to or appear on the side of anyone while making this assessment. This decisive stance of the Türkiye Newspaper has made it serve as a school throughout its publication history. It should be emphasized that this aspect is not so popular in the world of the “Sublime Porte”!..

Yes, the Türkiye Newspaper is such a paper and will continue without straying from its path. We should point out here that we are well aware that the readers are the strongest support in staying on this path. Our benchmark is the reader’s opinion.

Our newspaper, which portrays the world of ideas as described, implements its own individual resources and wealth cleverly in economic competition. In an atmosphere where the media has been affected deeply by the local and global economic crisis, the Türkiye Newspaper is setting serious goals for the future and meticulously building the roads that lead to these goals. We are bringing to life a comprehensive program to achieve better quality print, more colorful pages and a more appealing newspaper. With this program we will take care of the printing issues for the next twenty years. Thus we will reinforce the competitive edge of classic journalism against the electronic media while at the same time we will design a digital broadcasting medium in the framework of our present conditions and needs ...

We will continue with resolution and decisiveness on the enlightened path that the late Enver Ören set out for us in the last forty four years. While making these commitments we have faith that you will continue to be our greatest supporters!

My deepest regards...

İsmail Kapan
Chairman of the Board of Directors
Chief Editor

İSMAİL KAPAN

Chairman of the Board and Chief Editor

Elected by the Board on 10.03.2014 to serve until being submitted for approval in the first general assembly meeting in accordance with Turkish Trade Law article 363 in place of predecessor Nuh Albayrak.

He was born in the district of Pütürge, Malatya province in 1956. He completed his bachelor's degree at the Istanbul University Law Faculty, his Postgraduate degree in the branch of Social Structure and Social Transformation at the Economics Faculty of the same university and his doctorate in the International Affairs Department. Kapan, who worked as an amateur journalist in high school, started his professional journalism career in 1978 as a columnist. In 1983-84, after completing his military service, he worked for a number of years as a lawyer and legal consultant. He returned to journalism in 1987. He continued his career at the Türkiye Newspaper as the editorial manager, managing director, chief editor and general coordinator. In 1993 he founded the İhlas news Agency (İHA) and served as the general manager for one and a half years. Becoming the Chief Editor at the Türkiye Newspaper in 1994 for four years Kapan was assigned to the position of İhlas Holding Media Group President. In addition to undertaking the position of the General Coordinator at the Türkiye Newspaper from 2001 to 2003 he continued to write a column. He also directed panel discussion programs on radio and tv programs and provided current political comments. He also has two books called THE STRATEGIC WAVES OF WATER and THE THROES OF SPRING IN THE MIDDLE EAST. He is a member of the Journalists Association of Turkey and has served on the Press Council Supreme Board as a member for 16 years. İsmail Kapa is married and a father of four. He speaks English and Arabic

NUH ALBAYRAK

The Chairman and Editor in Chief

Resigned as of 10/03/2014.

Nuh Albayrak was born in 1960 in Konya where he completed his primary and secondary education. He had a great interest in literature ever since, and proved this interest with many first places in high school essay contests. Mr. Albayrak wrote editorials in a local newspaper named Seydişehir Postası (Seydişehir Journal) for a year. Nuh Albayrak completed his university education in Istanbul at the Faculty of Engineering of İDMMA - Galatasaray Engineering, graduating as a civil engineer in 1980. After completing a year as an engineer, he returned to his first love, journalism, and started working at Türkiye Newspaper as an "apprentice". Since then, Mr. Albayrak has worked in all the units of the newspaper and after serving as Editorial Director for 12 years he undertook the responsibility of Chief Editor in May 2007. As one of the first people to display an example of the new "total responsibility" management format, Mr. Albayrak has expressed that he continuously experiences the difference in doing journalism in an "engineering kind of way" in the media sector. He is married and has two children. Nuh Albayrak is a member of the Journalists Association of Turkey, TSYD (Sports Journalists Association of Turkey), and MÜSİAD (Independent Industrialists and Businessmen's Association) in addition to carrying out his duties as Member of the Board of Directors of the Press Association and Vice President of the Media Ethics Council.

MURAT ODABAŞ

Deputy Chairman

Born in 1959 in Çorum, Mr. Murat Odabaş completed his primary and secondary education in Alaca. He graduated from the Kuleli Military High School in 1977 and then from the Department of Economics at the Turkish Military Academy in 1981. He served as an officer in the Turkish Armed Forces in many positions in Turkey and abroad. After his retirement, he started his career at İhlas Holding as İhlas Motor A.Ş. Assistant General Manager. While working as Private Secretary to the İhlas Holding General Manager in 1996, he was also serving simultaneously as the Secretary of the Executive Board. He became the İhlas Holding Assistant General Manager in charge of Administrative Affairs in 1999. He left this job in 2001 and worked abroad for a period. When he returned to Turkey, he first started serving as the Vice President of İhlas Ankara Media Group, and then he became the Ankara Representative of TGRT HABER TV in 2007. He presented the program "Ankara'nın Gündemi" (The Ankara Agenda) while in this position. He produced 440 programs with many politicians and bureaucrats including the President and Prime Minister. He is still serving as the General Coordinator at İhlas Holding A.Ş., is a member of the board at İhlas İnşaat Proje Taahhüt Turizm A.Ş. and chairman of the board in İhlas Motor A.Ş., Armutlu Tatil ve Turizm İşletmeleri A.Ş., İhlas Dış Ticaret A.Ş., Plus Gayrimenkul A.Ş., Akplus Pazarlama Gayrimenkul Tic. A.Ş.

ÜMİT KÜNAR

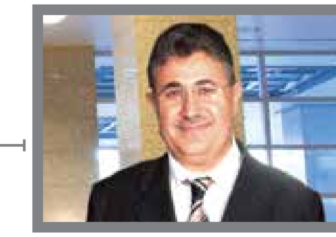
Executive Member of the Board of Directors, Responsible for Financial Affairs

Ümit Künar was born in 1975 in Tekirdağ. After graduating from İstanbul 100. Yıl Ticaret Meslek Lisesi (100th Year Trade Vocational School), he graduated from Anadolu University, Faculty of Business Administration. He began working at İhlas Holding in 1992 and is now the Executive Member of the Board of Directors Responsible for Financial Affairs for İhlas Gazetecilik A.Ş. Having completed his MBA at the Istanbul University, Institute of Business Administration he now holds an independent accounting and financial advisory license. He has also been authorized by the Public Oversight Accounting and Audit Standards Institution to audit in the Capital Market, Banking, Insurance and Private Retirement as well as General Fields sectors. Mr. Künar, who is married with one child, is also a member of the İstanbul Chamber of Freelance Accountants and Financial Consultants, the Corporate Governance Association of Turkey (TKYD), the Investor Relations Association of Turkey (TÜYİD) and the Association of Business Economics Institute Graduates (İMED).

MUAVİYE GÜL

Member of the Board of Directors

Born in 1961 in Istanbul, Mr. Muaviye Gül graduated from the Zeytinburnu İhsan Mermerci High School in 1979. Mr. Muaviye Gül, who started work at Türkiye Newspaper Technical Service in 1982, turned heads in this job by showing great care and following up the results of his work. He then served as Assistant to the Technical Services Director from 1987 to 2011. In 2012, he was appointed Assistant General Manager Responsible for Printing at İhlas Gazetecilik A.Ş., as part of the restructuring process within the frame of the ERP application. Mr. Muaviye Gül, who is married with three children, still serves in this position.



ORHAN TANIŞMAN

Member of the Board of Directors

Orhan Tanışman was born in Istanbul in 1969. After graduating in Shipbuilding Engineering at Istanbul Technical University, he got his master's degree from Yıldız Technical University, followed by his doctorate studies in investment planning at Istanbul University. Meanwhile, he attended Istanbul University's Graduate School of Business and Economics and graduated in 1999. He served as a Research Assistant at Marmara University's Faculty of Technical Education in 1991 - 1992 and at Istanbul University's Faculty of Engineering between 1992 and 1994. Mr. Tanışman began providing services for İhlas Holding in 1994 and since then, he has been Investor Relations Director of İhlas Holding. Orhan Tanışman is married and has a son and a daughter. He is a member of the Corporate Administration Association of Turkey (TKYD) and the Investor Relations Association of Turkey (TÜYİD).

ABDULLAH TUĞCU

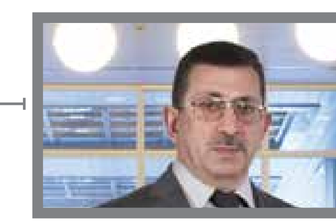
Member of the Board of Directors

Born in 1982 in Kayseri, Mr. Abdullah Tuğcu completed his secondary and high school education in Kayseri. He graduated from the Faculty of Business Administration at Istanbul University in 2003. He then completed his Master's education in Fiscal Law at Marmara University Department of Public Finance. He started his business career at an Independent Audit Company as an assistant auditor in 2003. He joined İhlas Group in 2008. Besides being a Member of the Board of Directors at İhlas Haber Ajansı, Promaş Profesyonel Medya Reklam ve Film Pazarlama Hizmetleri A.Ş. and İhlas Gelişim Yayıncılık A.Ş., he also serves as the Finance Coordinator of İhlas Yayın Holding and the Financial Affairs Manager of İhlas Madencilik A.Ş. He has been to the USA for a short while for various training studies. Mr. Abdullah Tuğcu holds a Public Accountants License and is also a member of the Istanbul Chamber of Certified Public Accountants (İSMMMO), İSMMMO Turkish Trade Committee, Corporate Governance Association of Turkey (TKYD) and the Investor Relations Association of Turkey (TÜYİD).

MEHMET REMZİ ESEN

Independent Member of the Board of Directors

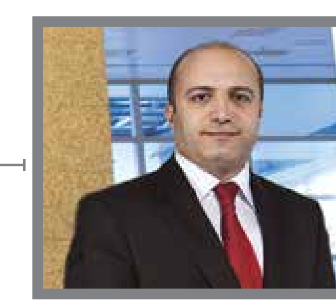
Born in 1956 in Istanbul, Mehmet Remzi Esen graduated from the Faculty of Commercial Science, Department of Business Administration in 1980. In 1976 he worked in the Liquid Capital Accounting Department of the University of Cerrahpaşa MedicalSchool. In 1986 he started to work in Technical Services at the Encyclopedia Department of Türkiye Newspaper. In 1998 hetransferred to Türkiye Newspaper's Technical Department. He retired in 2001



TOLGA SÖNMEZ

Independent Member of the Board of Directors

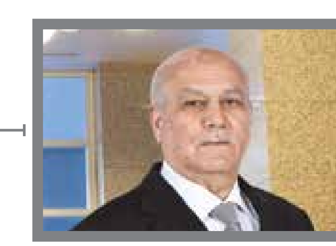
Mr. Tolga Sönmez, who was born in 1973 in Ankara, graduated from the Anadolu University Faculty of Economics and Administrative Sciences in 1996. He then went to London and completed the Banking and Finance Certificate Program at London Guildhall University. Starting his business career as Finance Executive at İhlas Holding in 1997, Mr. Sönmez transferred to FFK Fon Finansal Kiralama A.Ş., the Ülker Group's leasing company, in 2002. Mr. Tolga Sönmez left the Finance Manager position at this company in 2008, then served as Finance Manager at Baklavacı Güllüoğlu A.Ş. until March, 2011. After working as Financial Affairs Coordinator at Boer Elektronik, he became the Finance Manager at Pelsan Aydınlatma. Mr. Tolga Sönmez, who is married with a daughter, has attended several seminars in Turkey and abroad, and he was a speaker at the Finance Congresses organized by the Middle East Technical University (METU) Finance Club.



NAZMİ ÖRS

Independent Member of the Board of Directors

Born in 1948 in Antalya, Nazmi Örs graduated from Yenişehir Health College, Department of Radiology in 1969. In 1979 he graduated from the Gevher Nesibe Health Education Institute, Department of Public Health in Ankara. He held various posts in the Ministry of Health in Izmir, Kars, Gaziantep and Istanbul. He retired voluntarily in 1999 while working as an Assistant Manager in Bakırköy Psychiatric Hospital. He still runs his own independent business.



SECTORAL EVALUATION AND THE POSITION OF İHLAS GAZETECİLİK IN ITS SECTOR

The stability in the national economy brought steadiness to the general level of prices. The variety of development channels on the internet is expected to expand. The challenge is to able to quickly revise the way we make and present the business subject to developing technology, without changing our core values and traditions. Some of the newspapers in the sector prefer to outsource printing work to the big companies and their facilities instead of setting up their own facilities. Magazine publishers prefer to publish magazines through the internet instead of printing them.

On a similar trait, they opt to organize virtual fairs. Even though the printing business has been negatively affected by the development and spread of the internet, the economic development of the country has kept this negativity at a certain level while expanding the need for printed material in different fields. This has balanced the use of printing capacity. The developing technology may help to reduce costs. The development of the communication sector enhances the need of people to communicate and find different ways to meet this need. Higher purchasing power affects selling prices positively. Thanks to the principled publishing that İhlas Gazetecilik has held onto for all these years, as a result of devoted work it has emerged the least affected media corporation in the face of ever-growing alternative sources and media web pages. İhlas Gazetecilik, continued to be resilient and avoid losses in announcement-advertising profit in 2013, a year of heavy impact by the global crisis in this field, and where those who could not follow a consistent strategy lost large amounts of money.

ABOUT İHLAS JOURNALISM

Türkiye Newspaper (www.türkiyegazetesi.com.tr), continuing its activities as the only national newspaper under its original ownership structure and publishing policy was established on April 22, 1970.

İhlas Gazetecilik has a strong technical and distribution infrastructure as well as content, and maintains printing facilities in Istanbul, Ankara, Izmir, Adana, Trabzon and Antalya.

Besides retail sales, Türkiye Newspaper was the first to implement direct marketing by hand delivery. The paper distributes directly to houses and offices. This type of distribution also provides a wide customer base for

İhlas Holding's other marketing activities.

As of the end of 2013 the rate of İhlas Holding's participation in İhlas Gazetecilik was 6.92% and that of İhlas Yayın Holding was 56.55% and there are 550 employees within the company.

In recent years, crises, one on top of the other, have driven profit margins downwards. One natural outcome of this has been the necessity for more optimal use of company resources. Foreseeing that this situation is not a temporary one, the company has ascertained that it is vital to use all assets, including human resources, a lot more efficiently, and to adapt a management style that facilitates cost reduction to minimal levels. Therefore, it was decided to activate the ERP / ASP management system, which both fulfills expectations and enables all administrators to share the most valuable resource, "information", as fast as possible. After a successful preparatory period, the most radical and important change since our date of establishment was implemented as of January 2012.

Since both the daily newspaper, which is the major product of the company, and the printing operations, which is the main profit element, are "paper" oriented, besides being negatively impacted by the growing dominance of digital media, the unpredictable price movements of paper led to a decline in the company's profit margins. However, this has helped to gravitate us more towards another reality, "social media".

In the meantime, all these developments in Turkey and around the world demonstrate that the irreplaceable "product" in the journalism sector, whose value never falls, is still the "news". Because, when taking into consideration that, despite the production of newspapers with dazzling printing techniques on coated paper that doesn't mark one's hands, and millions of dollars worth of promotions, the present total circulation of the 22 national newspapers published in Turkey is lower than ten years ago, it can be easily understood that quality journalism, which is still lacking, always swings the balance. Moreover, no matter how much the media changes the format from digital to social, the main product, the news, never changes. The only change is in the way it is presented. This fact headed İhlas Gazetecilik towards the search for quality within the "news" and we are still working diligently on this process.

No matter how many new formats, from digital to social, are created in the media sector, the irreplaceable product, news, does not change except for the way in which it is presented.

By the end of 2012, the participation rate of İhlas Holding in İhlas Gazetecilik stood at 6.92%, while 56.55% is held by İhlas Yayın Holding.

As of the end of 2013 İhlas Gazetecilik has no affiliations.

Turkey's New Türkiye

Since its establishment in the Turkish press on April 22, 1970, the Türkiye newspaper is the only newspaper to continue operations without ever changing ownership or publication policy. The Türkiye Newspaper, which has always maintained the feature of being a newspaper that embraces a line of publication devoted to universal and modern values, not only possesses a true and honest journalism approach but also implements press-broadcasting ethics and principles with devotion.

İhlas Gazetecilik preserves its position in the media sector as a corporation with unmatched competitive strength, wide readership and brand awareness, and with an experienced management perspective and steady publishing. İhlas Gazetecilik has a strong technical and distribution infrastructure as well as content, and maintains printing facilities in Istanbul, Ankara, Izmir, Adana, Trabzon and Antalya. In the Istanbul facility alone the capacity of Türkiye Newspaper is 55 thousand per hour. The individual printing offices in Ankara, Izmir, Adana, Trabzon and Antalya also produce pages supported by local news to report on regional current affairs. Also with these 6 printing houses services are provided to a number of different national and local newspapers. As well as being sold at newsagents, Türkiye Newspaper is distributed directly to houses and offices, and was the first newspaper in Turkey to implement such a system. The manual delivery system, which is used commonly and especially in the USA and Japan, brings about good sales stability, in addition to establishing sound communication with readers. The manual delivery network also provides a strong customer base to İhlas Group's marketing operations. The shares of İhlas Gazetecilik A.Ş. are being processed on the Istanbul Stock Exchange with an IHGZT ISIN code since June 14, 2010.As of the end of 2013 the rate of İhlas Holding's participation in İhlas Gazetecilik was 6.92% and that of İhlas Yayın Holding was 56.55%.

The Türkiye Newspaper, which has carried its institutionalization to the highest level with intense efforts over the past few years, constantly renews its content and appearance to become an exemplary company in the sector. In the beginning of 2013 the newspaper became more easily readable with its new size. Decisive in continuing its transformation to a "new journalism approach" using the resources and technology of the information era, the Türkiye Newspaper has made some very significant changes as of September 17, 2013 in its design, content and writing staff while continuing to maintain its professional traditions and principles.

Formulating this transformation with the new slogan "Turkey's new Türkiye" the Türkiye Newspaper completely renewed its logo and design as a result of long and meticulous work and added important writers such as Melih Altınok, Yıldıray Oğur, Burcu Çetinkaya, Fuat Uğur, Prof. Dr. Burak Arzova, İbrahim Kahveci and Ceren Kenar to its writing staff.

İhlas Gazetecilik presents "a different kind of journalism" in a period where news channels broadcast live almost every minute and where internet journalism threatens print media. Instead of competing with "shallow information", Türkiye Newspaper prefers to provide its readers information with "depth" and "quality" brought together by "specialists". Also with the successful journalist Ercan Gürses, whom we have included in our staff as our Ankara Representative Assistant we will continue to keep our hand on the pulse of politics, foreign politics, economy, health and education with our young and dynamic Ankara staff. The Türkiye newspaper, which has become a "trademark" in the sports community with its

Chart of Monthly Circulation for the Türkiye Newspaper in 2013

MONTHS	2013	2013 Daily Circulation	2012
January	5.284.001	170.452	4.146.501
February	4.860.421	173.586	3.852.993
March	5.458.807	176.091	4.087.960
April	5.362.822	178.761	3.899.266
May	5.585.540	180.179	3.994.086
June	5.427.581	180.919	3.797.302
July	5.632.751	181.701	3.819.835
August	5.617.310	181.203	3.670.015
September	5.474.619	182.487	3.582.116
October	5.588.853	180.285	3.707.460
November	5.440.738	181.357	3.651.353
December	5.649.090	182.228	4.279.877

design and true journalism and the transfer of important names in Turkish soccer like Ümit Karan and Alpay Özalan has made the "trademark" even stronger.

Social media and internet journalism have become an unavoidable argument in our present day not just for news portals that do journalism over the internet and the internet media but also for the printed and visual media. This has become very important in terms of getting news faster and more widespread to readers over this channel and in terms of grabbing as big a piece as possible of the "Advertising Pie" in which the internet media has started to increase its share. Thus the renewal and reinforcement work started by our newspaper for our internet site www.tg.com.tr (www.turkiyegazetesi.com.tr) in 2012 continued in 2013 and important achievements were made as a result. The work that was conducted for a time under "Dijital Varlıklar" which was established within İhlas Holding, continued later as a unit reporting to the newspaper and under the newspaper's control. Now with a young and dynamic staff our www.turkiyegazetesi.com. Site, which has been making important achievements in internet journalism has increased its daily hit figure of 20,000-26,000 2 years ago to

180,000-250,000. The "QR CODE" application implemented through a joint effort between the Türkiye Newspaper and internet site has established a distinction and awareness for our newspaper and website. The work in this area will continue to increase.

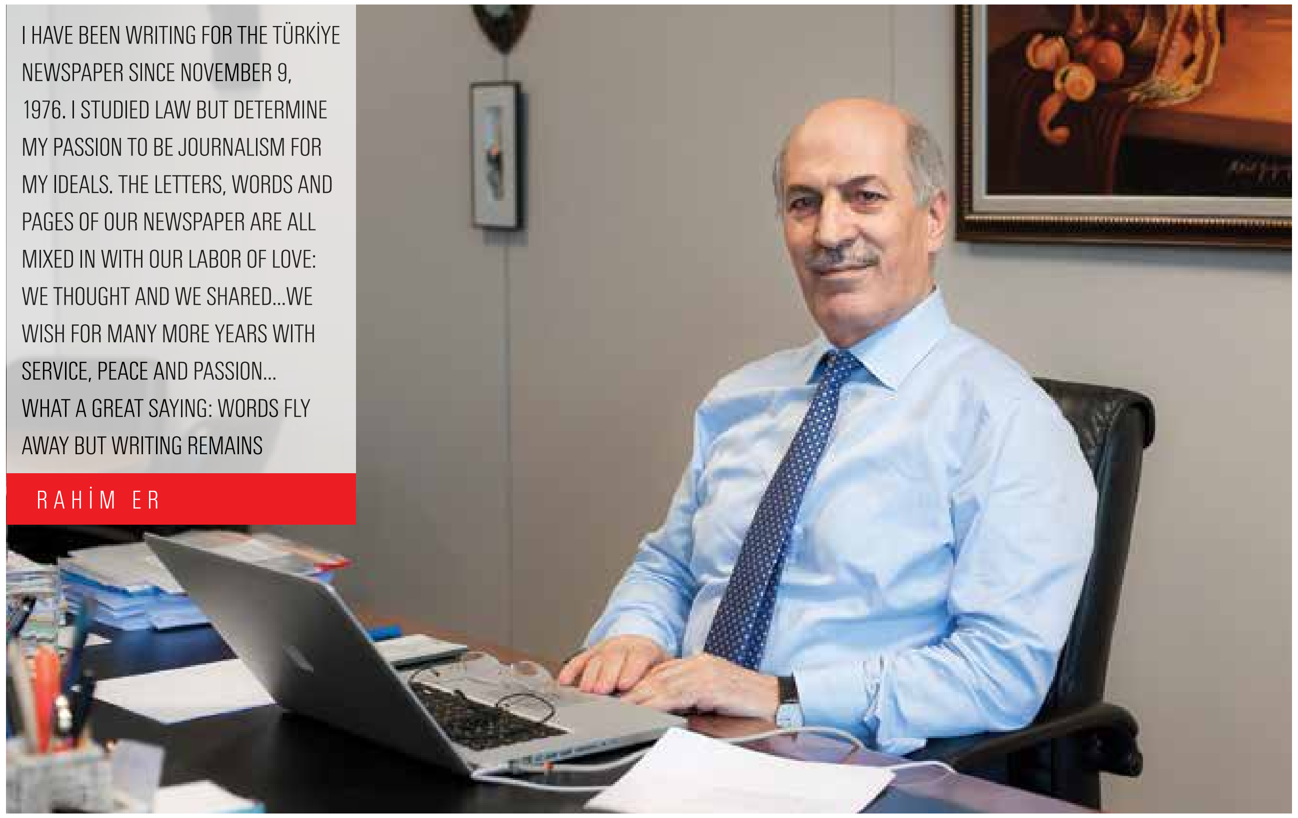
In order to fulfill the requirements of social responsibility in terms of placing importance on environment and nature preservation, special environment pages have been prepared in the Türkiye Newspaper. The Türkiye Newspaper was one of the first newspapers in the Turkish press to receive the "ENVIRONMENTAL CERTIFICATE" from the Ministry of Environment for this work.

The 12 month average daily capacity of the company in 2013 by printing centers has been provided below;

The Company's average use rate of daily capacities in the 12 months of 2013 for some of the printing centers are as follows:

Printing Center	Türkiye Newspaper Amount Printed	Other Newspaper Amount Printed	Printing Capacity
İstanbul	88.589	666.364	1.351.600
Ankara	39.620	36.935	284.000
İzmir	30.833	24.581	284.000
Adana	22.052	32.895	240.000
Antalya	9.204	23.591	150.000
Trabzon	23.218	16.162	150.000
TOTAL	**213.516**	**800.528**	**2.459.600**

*The amount printed also contains outsource printing in addition to the Türkiye Newspaper.



I HAVE BEEN WRITING FOR THE TÜRKİYE NEWSPAPER SINCE NOVEMBER 9, 1976. I STUDIED LAW BUT DETERMINE MY PASSION TO BE JOURNALISM FOR MY IDEALS. THE LETTERS, WORDS AND PAGES OF OUR NEWSPAPER ARE ALL MIXED IN WITH OUR LABOR OF LOVE: WE THOUGHT AND WE SHARED...WE WISH FOR MANY MORE YEARS WITH SERVICE, PEACE AND PASSION... WHAT A GREAT SAYING: WORDS FLY AWAY BUT WRITING REMAINS

RAHİM ER

TÜRKİYE NEWSPAPER WAS MY GRANDFATHER'S. I USED TO BE A SUBSCRIBER OF TÜRKİYE ÇOCUK. MANY YEARS LATER IT IS NO COINCIDENCE THAT THE VOICE OF ONE OF THE MAIN ARTERIES, THE TÜRKİYE NEWSPAPER, THAT CHANGED THIS COUNTRY WHEN IT WAS FIRST BEING FOUNDED. THIS IS WHY I ACCEPTED THE INVITATION OF TÜRKİYE NEWSPAPER WITH GREAT EXCITEMENT.

YILDIRAY OĞUR

THE FAMILY IS GROWING...

THE TÜRKİYE NEWSPAPER, WHICH HAS STAYED FAITHFUL TO THE LINE OF TRADITIONAL READERS AND YET OPENS ITS DOORS TO LIBERAL-DEMOCRATIC WRITERS, IS ACTUALLY UNDERTAKING THE REPRESENTATION OF A COALITION THAT COULD BE A MODE FOR ALL MOSLEM COUNTRIES. THIS IS WHY I BELIEVE THE MISSION OF TÜRKİYE NEWSPAPER TO BE VERY IMPORTANT AND AM PLEASED TO TAKE MY PLACE IN THIS WARM HOSPITABLE COMMUNITY THAT HAS OPENED ITS DOORS TO US.

CEREN KENAR

WHEN I WAS A STUDENT IN THE FACULTY I SEARCHED FOR A JOB I COULD WORK AT IN THE NIGHT. İSMAİL KAPAN, WHO WAS A FRIEND OF MINE FROM THE DORM SAID "THEY ARE LOOKING FOR A NIGHT ON CALL PERSON AND I TOLD THEM ABOUT YOU". IT WAS NOVEMBER 1982. FOR 10 YEARS I DIDN'T EVEN NOTICE THAT THE NEWSPAPER WAS A WORKPLACE. I STARTED TO WRITE İN 1987, TOOK SOME TIME OUT AND STARTED AGAIN IN 2001. IT IS AS IF I GREW UP WHILE I WAS PLAYING AND FILLING IN TIME HERE BUT I WAS NEVER ABLE TO BECOME A PROFESSIONAL.

AHMET SAĞIRLI

AT THE TÜRKİYE NEWSPAPER, WHERE OUR PATHS CROSSED DURING THE NEW TURKEY ERA, I CHECK THE PULSE OF THE AUTOMOTIVE SECTOR EVERY WEEK ON MONDAY. I FOLLOW THE INNOVATIONS IN A SECTOR I HAVE BEEN IMMERSED IN SINCE I WAS A CHILD AND TRY TO INTRODUCE AND COMPARE DIFFERENT MODELS FOR YOU, OUR READERS, WITH THE EXPERIENCE I HAVE IN DRIVING AND TESTING OUT A VARIETY OF AUTOMOBILES.

I PARTICIPATE IN TEST DRIVES OF BRAND NEW MODELS AND INTRODUCE THEM TO YOU IN OUR NEWSPAPER BEFORE THEY EVEN REACH THE MARKET.

ON SUNDAYS I FOLLOW UP ON A VARIETY OF SUCCESS STORIES FROM ALL OVER THE WORLD FROM FOOTBALL PLAYERS TO POLITICIANS, ARTISTS AND WRITERS AND TRY TO SHOW THEIR PERSEPECTIVE OF LIFE THROUGH INTERVIEWS. I HAVE OPENED WINDOWS INTO THE LIVES OF MANY DIFFERENT PEOPLE TO DATE INCLUDING IŞIN KARACA, TUNCAY ŞANLI, OSMAN BAYDEMİR AND NECATİ ATEŞ AS WELL AS PEOPLE FROM ALL DIFFERENT WALKS OF LIFE LIKE CONSTRUCTION WORKERS AND TRUCK DRIVERS.

BURCU ÇETİNKAYA

"EVERYONE HAS AN INVISIBALE SIGN AROUND THEIR NECK. ON IT SAYS 'MAKES ME FEEL IMPORTANT AND VALUABLE!' SAYS THE WRITER AND THINKS FOR A MOMENT...THE TÜRKİYE NEWSPAPER IS AN SUCCESSFUL ESTABLISHMENT WHICH PLACES IMPORTANCE ON NEWS, CURRENT EVENTS, THE TRUTH, EFFORT, PAPER AND PEN, ITS EMPLOYEES, ITS READERS AND ITS WRITERS, ADDING VALUE TO ALL...

HALİME GÜRBÜZ

THE FAMILY IS GROWING...

"ONE OF THE COUNTRY'S GREATEST CONSERVATIVE NEWSPAPERS, TÜRKİYE, RECENTLY MADE A MOVE IN THE NATURE OF TEACHING A LESSON TO THE SECULAR INTELLECTUAL ARROGANCE THAT HAS BEEN DOMINATING THE PRESS. BY ALLOWING THE VARYING COLORS OF THE POLITICAL SCENE TO BE PLACED AMONG ITS PAGES IT LITERALLY WROTE A MANIFEST OF COURAGE AND TOLERANCE. I AM EXTREMELY PLEASED TO BE AMONG THE MODEST LOYAL "TÜRKİYE" SUPPORTERS AND ALL READERS WHO HAVE RECENTLY JOINED US TO PROVIDE A HUMBLE CONTRIBUTION TO THIS PROCESS."

MELİH ALTINOK

THE ANSWER TO THIS QUESTION "WHY TÜRKİYE" IS HERE IN TURKEY. IT IS HERE IN THE COUNTRY OF OUR SOIL. I COULD NOT SHAKE OFF THE RESPONSIBILITY ON MY SHOULDERS WHILE THE BARRIERS AND WALLS THAT HAD BEEN PLACED AGAINST OUR COUNTRY'S FUTURE STOOD BEFORE ME AND OUR DEMOCRACY WAS BEING THREATENED. THIS IS WHY IT WAS IMPOSSIBLE TO IGNORE THE APPEALS OF TÜRKİYE NEWSPAPER WHICH DECLARED ITS RETURN WITH THE "NEW TURKİYE" SLOGAN.

FUAT UĞUR

İHLAS GAZETECİLİK A.Ş.

ANNUAL REPORT FOR THE 01.01.2013/31.12.2013 ACCOUNTING PERIOD

BİLGİLİ BAĞIMSIZ DENETİM VE YMM A.Ş.
(Member firm of AGN International)

ANNUAL REPORT'S APPROVAL REPORT

İhlas Gazetecilik A.Ş.
Board of Directors;

1. As part of our independent audit work we have assessed whether or not the financial information in the "Company" annual report that has been prepared as of December 31, 2013 by İhlas Gazetecilik and the included Board of Directors evaluations and explanations are in compliance with the nonconsolidated financial tables of the same date that have undergone independent audit.
2. The preparation of the annual activity report, which is the subject of the Report, in compliance with the Regulation on Determining the Minimum Content of Company Annual Activity Reports is the responsibility of the Company management.
3. As the independent audit entity the responsibility that falls on us is to make a statement on whether or not the financial information in the annual activity report is in compliance with the financial tables that are the subject of the independent audit report performed on February 17, 2014.

   Our assessment has been made in accordance with the procedure and principles concerning the preparation and publication of annual activity reports put into force pursuant to the Turkish Commercial Code (TCC) no. 6102. These regulations set forth the need to plan and enforce in order to provide reasonable assurance on whether or not there is a significant error in the compliance between the financial information in the annual report and the financial tables that have undergone independent audit and the information obtained by the independent auditors during the audit.

   We believe that our assessment has provided reasonable and sufficient basis for forming an opinion on compliance.
4. As a result of our assessment we have not encountered a significant issue indicating that the financial information included in the annual activity report and the Board of Director's evaluations and explanations with all important aspects, do not comply with İhlas Gazetecilik A.Ş.'s nonconsolidated financial tables of December 31, 2013 which have undergone independent audit.

Istanbul, February 17, 2014

BİLGİLİ BAĞIMSIZ DENETİM VE YMM A.Ş.

Rafet KALKAN
Head Partner Auditor

GENERAL INFORMATION

a) The accounting period that the report pertains to : 01.01.2013 – 31.12.2013

b) The company's commercial title, commercial registry number, contact information for its headquarters and branches and internet site address, if any:

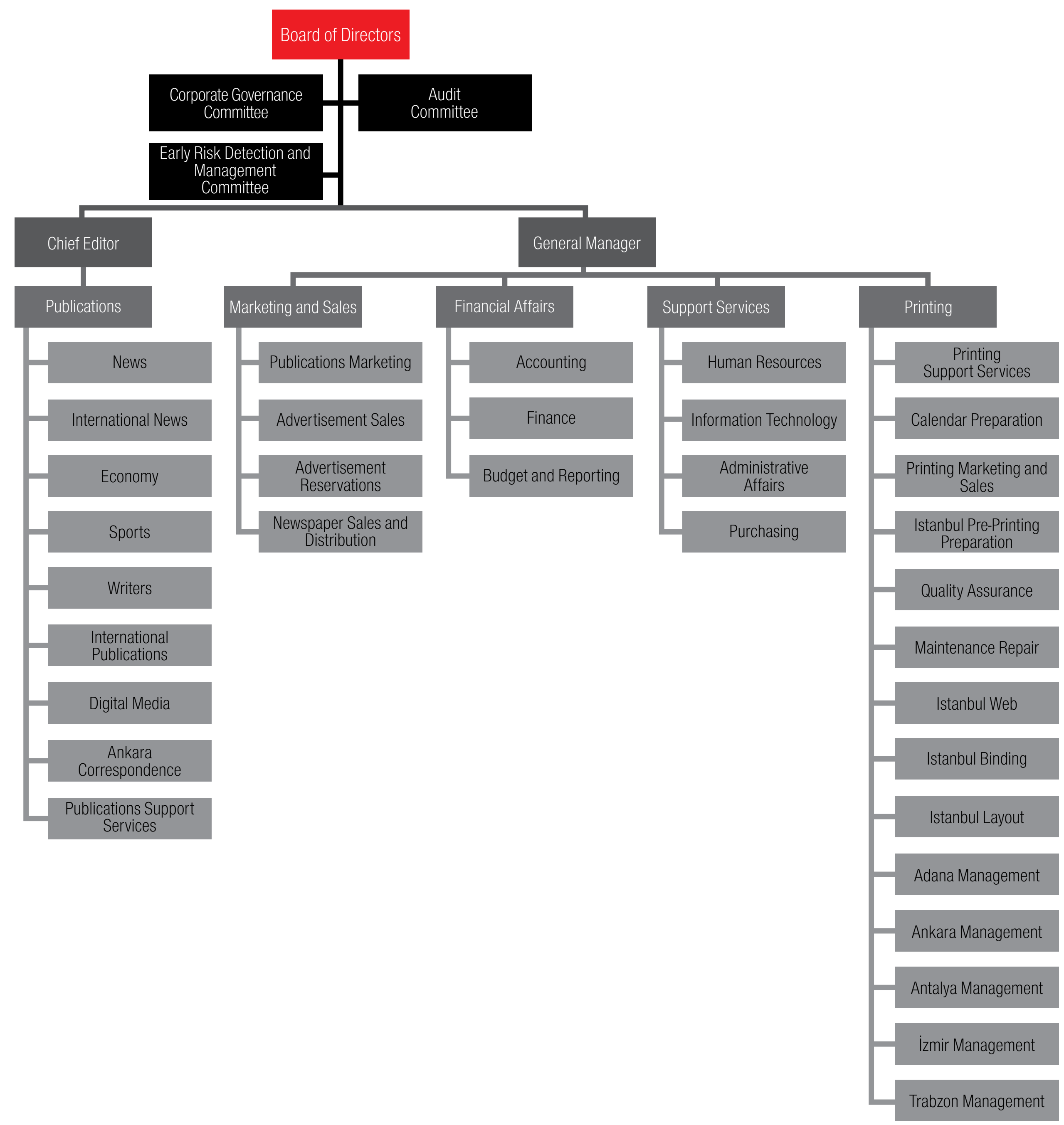
Commercial Title	: İhlas Gazetecilik Anonim Şirketi
Registered Capital	: 240.000.000 TL
Paid Capital	: 120.000.000 TL
Establishment Date	: 15.08.2000
Commercial Registry Office Registered Under	: İstanbul Commercial Registry Directorate
Commercial Registry No.	: 443129
Central Registration System Number	: 0-4700-2011-9400019
Date of Commercial Registration	: 15.08.2000
Headquarters Address	: Merkez Mahallesi 29 Ekim Caddesi İhlas Plaza No:11 A/41 34197 Yenibosna-Bahçelievler/İSTANBUL
Branch Address and Contact Information	: In addition to our headquarters we have the workplaces which are listed below

The Ankara Printing Facility	Samsun Yolu Demirciler Sitesi No:68 Siteler Altındağ - ANKARA **Telephone** : 0 312 353 29 61 **Fax** : 0 312 353 29 75
The Adana Printing Facility	Ceyhan Yolu Üzeri 4 Km. No:158 Yüreğir – ADANA **Telephone:** 0 322 346 36 25 **Fax:** 0 322 346 34 86
The İzmir Printing Facility	1397 Sok. No:3 Kahramanlar Konak - İZMİR **Telephone:** 0 232 483 96 60 **Fax:** 0 232 483 97 40
The Antalya Printing Facility	Yenigöl Mah. Serik Cad. No:38 Altınova - ANTALYA **Telephone:** 0 242 340 50 40 **Fax:** 0 242 340 43 82
The Trabzon Printing Facility	Organize Sanayi Bölgesi Arsin - TRABZON **Telephone:** 0 462 711 40 20 **Fax:** 0 462 711 40 23

Corporate e-mail	: ihlasgazetecilik@tg.com.tr
Website	: http://www.ihlasgazetecilik.com.tr
Call Center	: 444 0 144

c) The Company's organization, capital and partnership structure and any changes to these within the accounting period:

During the 2013 twelve month accounting period there were changes made and the organizational structure of the company is as follows:



As of 31.12.2013 the Company's paid capital is 120,000,000 TL, which is completely paid and comprised of 120,000,000 shares, each equivalent to 1TL.

	Share Rate	Share Amount
İhlas Yayın Holding A.Ş.	56.55%	67.859.559
İhlas Holding A.Ş.	6.92%	8.304.075
Ahmet Mücahid Ören	1.76%	2.108.943
İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş.	1.03%	1.237.553
Other	0.74%	889.870
Open to Public	33.00%	39.600.000
Total	**100.00%**	**120.000.000**

ç) Explanations regarding preferential shares, if any, and the voting rights of the preferential shares:

Amount of Preferential Shares: 12,000,000 TL

Our company shares are divided into group A and B.

The owners of B group shares are allowed 1(one) vote per share in the company's Ordinary and Extraordinary General Assembly Meetings.

The owners of A group shares are allowed 15 (fifteen) votes per share in the company's Ordinary and Extraordinary General Assembly Meetings.

The voting rights of our shareholders, taking into account preferential shares, are provided in the table below.

The issued capital of the company has been paid in full and is 120,000,000 TL (one hundred twenty million TL). The number and amounts of shares from the 120,000,000.00 TL capital of the A and B groups are provided in the table below.

The distribution of the 120,000,000.00 TL Capital among the A and B groups:

Group	Share Amount (Nominal TL)	Capital Rate (%)	Vote Right	Vote Rate (%)
Group A (Issued to Name)	12.000.000,00	10,00	180.000.000	62,50
Group A (Issued to Bearer	108.000.000,00	90,00	108.000.000	37,50
Total	**120.000.000,00**	**100,00**	**288.000.000**	**100,00**

There are preferential shares in the company and article 9 of the articles of association is as follows.

PRIVILEGES: (T.T.S.G. No. 8302 dated April 17, 2013)

Article 9:

a- Privilege of selecting Board of Director Members;

If the General Assembly of the Company decides that the Board of Directors consist of 5 people, at least 4 of the Members of the Board of Directors are selected from among candidates nominated by group (A) shareholders. Similarly, at least 5 of the members are selected among those candidates if a board of 7 people is decided, at least 7 of the members are selected among those candidates if a board of 9 people is decided, and at least 9 of the members are selected among those candidates if a board of 11 people is decided.

b- Privilege of voting in the General Assembly Meetings;

In the Ordinary and Extraordinary General Assembly Meetings of the Company, each group A shareholder has 15 (fifteen) vote rights for each share they possess.

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d) Information about the management organ, senior managers and the number of personnel:
Names and surnames, limits of authorization, and terms of office (beginning and end dates) of the Chairpersons and Members who took charge at the Board of Directors and Board of Auditors, as well as Managing Directors:

Position	Name	Limits of Authority	Starting and	Ending Date
Chairman	Nuh Albayrak	Is Jointly Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Deputy Chairman	Murat Odabaş**	Is Jointly Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Board Member and Executive Member Responsible for Financial Affairs	Ümit Künar	Is Jointly Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Board Member	Muaviye Gül	Is Jointly Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Board Member Corporate Governance Committee and Early Risk Detection and Management Committee Member	Orhan Tanışman	Not Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Board Member	Abdullah Tuğcu***	Not Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Board Member Corporate Governance Committee Chairman	Mehmet Remzi Esen	Independent Member- Not Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Board Member Audit Committee Chairman	Tolga Sönmez	Independent Member- Not Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Board Member Early Risk Detection and Management Committee Chairman And Audit Committee Member	Nazmi Örs	Independent Member- Not Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015

* Elected for three years on May 30th, 2012 to serve until the next Annual General Meeting that will be held by the end of the third year.

** Mr. Murat Odabaş was elected as a Board member on February 25th, 2013 to substitute the position of Mr. Ahmet Mücahid Ören in accordance with Article 363 of the Turkish Commercial Code, as Mr. Ören was appointed as the Chairman of the Board of Directors of Ihlas Holding A.Ş. Such changes in the Board of Directors shall be submitted for the approval of the General Assembly in the next Annual General Meeting, while Mr. Murat Odabaş shall retain his position until the end of his predecessor's term of duty.

*** Mr. Abdullah Tuğcu was elected as a Board member to substitute the position of Mr. Mustafa Ruşen Selçuk, in accordance with Article 363 of the Turkish Commercial Code in line with the Board's decision no: 2013/02 and dated January 22, 2013 as Mr. Selçuk resigned from his membership of the Board on January 22nd, 2013. Such changes in the composition of the Board of Directors shall be submitted for the approval of the General Assembly in the next AGM, while Mr. Abdullah Tuğcu shall retain his position until the end of his predecessor's term of duty. The Chairman of the Board of Directors and the CEO/General Manager are not the same person.

The Senior Administrators of the Company:

Name, Surname	Duty
Mustafa Asım Gök	General Manager
Nuh Albayrak	Editor in Chief
Ümit Künar	Assistant General Manager-Financial Affairs
İbrahim Öngün	Assistant General Manager-Marketing and Sales
Mustafa Bilim	Assistant General Manager-Publications
Muaviye Gül	Assistant General Manager-Printing
Mustafa Asım Gök (Acting)	Assistant General Manager-Support Services

The number of employees at İhlas Gazetecilik A.Ş. stood at 550 as of December 31, 2013. Of the company employees 2% have masters and doctorates, 26% have graduate degrees, 43% have high school diplomas and 29% are graduated from other institutions

Personnel expenses included in operating costs within the period stood at 6,658,478 TL. There is no collective labor agreement implemented in our company.

e) If any, information about transactions by management organ members on their own behalf or for others with the company within the framework of permission granted by the general assembly and activities within the scope of competition prohibition:

In accordance with Articles 395 and 396 of the Turkish Commercial Code, members of the Board of Directors are free to engage in any commercial activity that falls under the Company's business.

While there are no prohibitions are being applied against transactions with the company by board members, there have been no conflicts of interest as of the end of December 2013.

Any instances of anti-competitive practices or transactions of shareholders with a dominant influence on the management of the Board of Directors members, of the senior management and of their spouses and relatives up to the second level, in a manner which could cause conflicts of interest with the company and its subsidiaries; and/or performance, on their own behalf or on behalf of others, of any transactions that fall under the scope of the commercial business conducted by the company or its subsidiaries; and/or entering with unlimited liability into cooperation with another company in the same type of business shall be submitted to the General Assembly.

THE FINANCIAL BENEFITS PROVIDED TO MANAGEMENT ORGAN MEMBERS AND SENIOR ADMINISTRATORS

a) The total amount of benefits like attendance fees, salaries, premiums, bonuses and profit shares provided:

No payments are made to Board of Director Members within the scope of the articles of association by the General Assembly other than the rights and benefits that are determined for the duty of Board of Director Membership. However the executive Board of Director Members receive remuneration for their services.

In this context it has been decided in the 2012 General Assembly Meeting dated 30.03.2013 that a monthly gross fee of 1,000 TL is to be paid to the Board of Directors Chairman, 750 TL gross fee to the Board Members and 250TL per meeting for attendance. While these criteria are taken into account in the remuneration of independent members, care is taken to preserve the independence of the Independent Board of Directors Members. There are no other financial benefits outside of these. Within the period the Board Members were paid 159,500 TL and Senior Administrators were paid 826,668 TL.

b) Information about allowances, travel, accommodation and representation expenses and other cash and cash equivalent resources, insurance and similar assurances that have been provided:

None

THE RESEARCH AND DEVELOPMENT WORK OF THE COMPANY

We have no research and development activities.

THE OPERATIONS OF THE COMPANY AND IMPORTANT DEVELOPMENTS CONCERNING THE OPERATIONS

Our Company's field of activity consists of publishing and printing newspapers, magazines, books, encyclopedias, pamphlets and journals that are daily, weekly, monthly, shorter term, longer term or of uncertain frequency in Turkish and in foreign languages in addition to distributing, selling, delivering and marketing of these products, which is listed in our articles of association.

Türkiye Newspaper (www.türkiyegazetesi.com.tr), continues its activities as the only national newspaper under its original ownership structure and publishing policy was established on April 22, 1970.

İhlas Gazetecilik has a strong technical and distribution infrastructure as well as content, and maintains printing facilities in Istanbul, Ankara, Izmir, Adana, Trabzon and Antalya.

Besides retail sales, Türkiye Newspaper was the first to implement direct marketing by hand delivery. The paper distributes directly to houses and offices. This type of distribution also provides a wide customer base for İhlas Holding's other marketing activities.

Despite the fluctuations in the market and intense competition our company has provided innovations in the field of printing Newspapers and Magazines to hold onto a well deserved position in the sector.

The Newspaper, our primary source of income, contines to produce a high quality of print despite the economic crisis in the sector.

With the QR (Quick Response) code application the news in the newspaper can be viewed on smart phones and tablets by readers. Another new application we have adopted is the presentation of our columnist articles as "spoken articles".

Another element of our work to integrate technology and newspaper publications is to create our web portal with a whole new face and user friendly design.

Another new element is the page size and print quality of our newspaper. Our pages have been down-sized in order to cut costs but at the same time provide a more convenient size for our readers.

In terms of education and culture our newspaper will continue to provide CDs and books to support this subject.

The Türkiye Newspaper, with a successful history of 43 years, was presented to readers on October 17,2013 with a whole new face. Revising its logo and adding a number of new writers were among the changes that were made. With a whole new layout the Türkiye Newspaper also reinforced its staff in subjects like health, culture, magazine, and sports. The response to the changes has been very positive. This response has also been reflected on the circulation.

a) Information about the investments made by the company in the relevant accounting period.

None

b) The internal control system of the company and information regarding the control system and the management's opinion on this subject:

An Audit Committee has been formed on the Board of Directors and work has been started to form an Internal Audit Department.

Procedures will be determined, prepared and put into practice concerning the efficient application of Internal Audit.

c) Information about the company's direct and indirect affiliations and share rates:

The İhlas Gazetecilik A.Ş. has no direct and indirect affiliations as of 31.12.2013.

d) Information about the company's own shares that it has acquired:

As of 31.12.2013 there are no shares of its own that have been acquired by İhlas Gazetecilik A.Ş.

e) Explanations about special audits and public audits done within the accounting period:

Since the company is open to the public it undergoes periodical audits, independent and limited in the first 6 months and independent in the last 6 months. Our company has not been subject to any public audit during the current accounting period.

f) Information about lawsuits that have been filed against the company which could affect the financial state of the company and their probable outcome.

The summary of information concerning cases and debt execution continuing as of December 31, 2013 are provided below:

	Number of Cases	Amount
Execution of debt cases in favor of company	162	4.485.648
Execution of debt cases against company	4	52.292
Lawsuits continuing in favor of company	16	626.670
Lawsuits continuing against company	32	489.202

g) Explanations on any administrative sanctions and fines given to the Company or the members of the Board of Directors due to non-conformance with legal provisions

There are no administrative sanctions or fines given to the Company or the members of the Board of Directors due to non-conformance with legal provisions.

h) Information and assessments on whether or not the goals determined in the past have been met, the general assembly decisions have been enforced and if they have not the justifications for this:

The goals that were set in the past have been fulfilled. The decisions of the March 30 2013 General Assembly meeting have been enforced.

Our editorial quality which we had brought to a certain level has been raised even higher and this increase in quality has been announced to a wide audience.

i) If any extraordinary general assembly meeting has been held within the period, the meeting date, the decisions made in the meeting and the transactions performed as a result and information about the general assembly:

No Extraordinary General Assembly meeting was held in the 01.01.2013 – 31.12.2013 accounting period.

j) Information about the expenditures made by the company on donations, assistance and social responsibility projects:

No donations were made in the 01.01.2013-31.12.2013 period. There are no expenditures made in the scope of social responsibility projects.

k) If it is a company affiliated with a group f companies; legal transactions done with the main company, a company affiliated with the main company or for the benefit of a company that belongs to or is affiliated with the main company on the directions and all other precautions that have been taken for the main company or an affiliation in the previous activity period:

There are no legal transaction done in favor of the main company or an affiliation on the instructions of the main company in the past period.

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There are no precautions that have been taken or avoided for the benefit of the main company or any affiliates in the previous period.

l) If it is a company affiliated with a group of companies; at the moment when the legal transaction in article (k) was done or a precaution was taken or avoided, whether or not a suitable counter action was taken according to the state and conditions set by them and whether or not the precaution that was taken or avoided caused damages to the company; and if so whether or not this was offset:

Since there is no legal action or precaution in the previous term that was done in the benefit of the main company or an affiliate by the instructions of the main company there is no question of any actions, counter, precautions, reasons for the precautions, benefit or losses.

The company has not sustained any losses in the past activity year due to transactions with the main company or affiliates.

FINANCIAL STATE

Financial Statement	31.12.2013	Rate Analysis	31.12.2012	Rate Analysis
Floating Assets	72.382.601	27.85%	70.720.967	28.82%
Fixed Assets	187.567.927	72.15%	174.682.886	71.18%
TOTAL ASSETS	**259.950.528**	**100.00%**	**245.403.853**	**100.00%**
Short Term Liabilities	14.771.698	5.68%	11.768.726	4.80%
Long Term Liabilities	31.033.995	11.94%	26.925.206	10.97%
Equity	214.144.835	82.38%	206.709.921	84.23%
TOTAL RESOURCES	**259.950.528**	**100.00%**	**245.403.853**	**100.00%**

Income Table	31.12.2013	Rate Analysis	31.12.2012 (Reclassified)	Rate Analysis
Revenue	**81.715.889**	**100.00%**	**75.946.848**	100.00%
Cost of Sales (-)	**(80.431.355)**	-98.43%	**(69.022.222)**	-90.88%
GROSS PROFIT/(LOSS)	**1.284.534**	1.57%	**6.924.626**	9.12%
General Operations Costs (-)	**(13.607.313)**	-16.65%	**(9.431.891)**	-12.42%
Marketing, Sales and Distribution Costs (-)	**(10.443.347)**	-12.78%	**(7.398.256)**	-9.74%
Other Incomes from Operations	**13.417.307**	16.42%	**9.478.285**	12.48%
Other Costs from Operations	**(4.536.827)**	- 5.55%	**(1.408.189)**	-1.85%
OPERATION PROFIT/ (LOSS)	**(13.885.646)**	-16.99%	**(1.835.426)**	-2.42%
Income from Investment Activities	13.223.810	16.18%	94.229	0.12%
Costs from Investment Activities	-	0.00%	(690.350)	-0.91%
OPERATION PROFIT/(LOSS) BEFORE FINANCING	**(661.836)**	- 0.81%	**(2.431.547)**	-3.20%
Financing Costs (-)	**(1.336.901)**	-1.64%	**(1.343.134)**	-1.77%
Financing Incomes	**2.405.045**	2.94%	**2.317.178**	3.05%
PRETAX PROFIT/(LOSS) FROM ONGOING OPERATIONS	**376.308**	0.46%	**(1.457.503)**	-1.92%
Tax Income/ (Cost) from Ongoing Operations	**1.895.857**	2.32%	**322.770**	0.42%
PERIOD PROFIT/(LOSS) FROM ONGOING OPERATIONS	**2.272.165**	2.78%	**(1.134.733)**	-1.49%
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**-**	0.00%	**-**	0.00%
PROFIT/(LOSS)	**2.272.165**	2.78%	**(1.134.733)**	-1.49%

The financial tables have been prepared in accordance with the Capital Market Board's provisions of the Series II No. 14.1 "Communiqué on Financial Reporting in the Capital Markets Board" published in the Official Newspaper no. 28676 dated June 13, 2013.

All financial tables and footnotes can be accessed from the www.ihlasgazetecilik.com.tr address.

a) The governing organ's analysis and assessment of the financial status and results of activities, the degree to which planned operations were realized and the state of the company in terms of the set strategic goals;

According to the financial table dated 31.12.2013 data the company's total assets are 259,950,528 TL.

Our company resources are comprised of 14,771,698 TL in Short Term Resources, 31,033,995 L in Long Term Resources and 214,144,835 TL in Equity.

Our company closed the 01.01.2013-31.12.2013 period with a profit of 2,272,165 TL. The total assets are 259,950,258 TL and there is a corresponding equity of 214,144,835 TL.

The rate of equity against the assets total is 82.38% and the rate of foreign resources against the assets is about 17.62%.

In the management meeting that are held frequently and at regular intervals the state of the company is assessed and new goals and strategies are set to adapt to changing conditions.

b) Information about the sales, productivity, revenue production capacity, profitability and debt/equity rate compared to previous years and other matters that provide an idea of the company's operations results and predictions for the future:

Revenues were 81,715,889 TL in the 01.01.2013-31.12.2013 accounting period and 75,946,848 TL in the 01.01.2012-31.12.2012 period. In the 01.01.2012-31.12.2012 period our company had a net loss of 1,134,733 TL but made a net profit of 2,272,164 TL in the 01.01.2013-31.12.2013 accounting period .

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The payables/equity ratio of our company as of December 31, 2013 is 0.21.

	01.01.2013 31.12.2013	01.01.2012 31.12.2012
Paid Capital	**120.000.000**	**120.000.000**
Equity	214.144.835	206.709.921
Assets Size	259.950.528	245.403.853
Pretax Period Profit/(Loss)	**376.308**	**(1.457.503)**
Tax Cost/(Income) Ongoing Operations	**1.895.857**	**322.770**
-Period Tax Costs/(Income)	-	(27.779)
-Deferred Tax Costs/(Income)	1.895.857	350.549
Period Net Profit /(Loss)	**2.272.165**	**(1.134.733)**

ç) Precautions that are considered for improving the financial structure of the company, if any:

The company plans to make short term financial liabilities, long term liabilities within the present economic conditions to make an improvement.

d) Information about the profit distribution policy and if profit will not be distributed the reasons for this as well as how the undistributed profit is to be used:

Within the framework of our Company's public disclosure policy, the "Dividend Distribution Policy for 2010 and Subsequent Years", which was presented to the Board of Directors by the Corporate Governance Committee upon the committee's recommendation no: 2011/05 and dated: 18.03.2011, was disclosed to the public on the Company's annual report and website. Our Company's Dividend Distribution Policy was presented to shareholders for their information, and accepted in the first ordinary general assembly meeting. There are no privileges with respect to participation in the Company's profit. The Board of Directors of the Company aims at stable dividend distribution for as long as circumstances allow. However, the authority of arbitration on dividend distribution in accordance with Turkish Commercial Code belongs to the General Assembly. Within this context, the "net distributable profit for the period" calculated by taking the financial statements prepared to the standard specified by the Capital Markets Board into consideration, will be subject to distribution at the ratio determined by the Capital Markets Board, if an obligation of distribution is imposed by the Capital Markets Board for companies whose shares are traded on the Stock Exchange. However, if an obligation of distribution is not imposed by the Capital Markets Board for companies whose shares are traded on the Stock Exchange, it will be subject to distribution at the ratio determined by the General Assembly. Profit distribution is described in detail in the 29th and 30th articles of our main contract.

a) The portion of revenue that should be legally set aside according to the Turkish Trade Act, Tax Procedural Law, Capital Markets Law, Principles of the Capital Markets Board and related articles of the Company's articles of association is set aside. Once set aside, the distributable revenue is determined.

b) Profit will be allocated in proportion with the minimum profit share amount designated by the Capital Markets Board, by taking our Company's investment and financing plans, strategic objectives, fund requirements arising from the working capital and the interests of the shareholders into consideration. Arising needs of the Company's growth trend, profitability,

strategic objectives, investment projects and net working capital will also be taken into consideration. The related articles of the Turkish Trade Act, Tax Procedural Law, Capital Markets Law, Principles of the Capital Markets Board and related articles of the Company's articles of association will be complied with. Bearing in mind the potential profit share of the Company, the Executive Board can always decide to share more than the minimum profit allocation amount and propose this to the Board of Directors for approval.

c) Once the profit sharing decision is made, it is up to the Board to decide on the method. It can be either cash and /or opt for a bonus share. This is then proposed to the General Assembly for approval.

ç) There is no question of privileges in profit distribution. The profit is distributed equally between all existing shareholders no matter what the issuance and acquisition dates may be.

d) There is no article in the articles of association on profit allocation to managers and employees.

e) The shared profit will be distributed within legal regulations and article 30 of the Company's articles of association following the approval of the General Assembly of Shareholders and on the date decided once again by the Board of Directors.

f) Referring to article 29 of the articles of association, if the Board of Directors authorizes the Executive Board, and with the decision of the Executive Board, it is possible to give advance profit share to our partners.

g) The management informs the public on donations and charity work made during the year and those that are planned to be made at the end of the year. Moreover, donations made and grants given are also included in the Board of Directors' Annual Report which is disclosed to the public in three-month intervals.

Articles 29 and 30 of our Articles of Association are as follows:

DETECTION AND DISTRIBUTION OF PROFIT

Article - 29:

A. Dividends

Dividend is designated based on the Turkish Trade Act, Capital Markets Law and generally accepted accounting principles. After the deduction of amounts such as the Company's general overheads or various depreciation costs that must be paid or set aside by the Company, and taxes that must be paid out by the company from its income determined at the end of the year, the balance and, if applicable, the net profit on the annual financial statement, shall be deducted from the total sum of the losses from the previous years and distributed in the following manner:

First Legal Reserves

a. 5% (five percent) of the net profit shall be set aside as statutory reserves.

First Dividends

b. After the amount stated in the above paragraph (a) is deducted from the net profit, first dividends shall be set aside from the remaining amount in accordance with the General Assembly's dividend distribution policy and the related regulations.

Second Dividends

c.The General Assembly shall be authorized to distribute the balance (in full or in part) remaining after the amounts determined in paragraphs (a) and (b) are deducted as second dividends or dividends to the members of the Board and the Company's employees, or set the amounts aside as extraordinary reserves – in accordance with Article 521 of the Turkish Commercial Code.

Secondary Legal Reserves

d. After a dividend equal to 5% of the outstanding capital has been deducted from the portion of the profit that has been set aside for distribution to shareholders and others who shall participate in the profit, one tenth of the remaining amount shall be set aside as secondary reserves, as stipulated in Paragraph 2, Part c, Article 519 of the Turkish Commercial Code.

e. The General Assembly may decide to carry out donations after determining an upper limit. Donations made by the Company during the respective accounting periods are added to the distributable profit base.

Unless the statutory reserves and the first dividends specified in the Articles of Association have been set aside, no decision may be taken to set aside further reserves or to carry forward the profit to the following year. Unless the first dividends are paid out, no decision may be taken regarding the participation of holders of preferential shares in dividends or for the distribution of dividends to holders of founders' shares or ordinary bonus shares, to Board Members, employees and workers, or to foundations established for various purposes, or to such persons and/or organizations.

f. Dividends are distributed for all existing shares pertaining to the dividend account period, equally and without regard to the issue and acquisition dates of such shares.

g. The type and time of the decided distribution of the profit shall be determined by the General Assembly after the Board of Directors submits its distribution proposal on the issue. Such payments shall be carried out in accordance with the provisions of the Capital Markets Law. According to the provisions set forth in the Company's Articles of Association, no decision taken by the General Assembly concerning the distribution of dividends may be revoked.

B. Dividend Advance Payments

The Board of Directors may complete dividend advance payments provided such that authorization is granted to the Board of Directors by the General Assembly, and that such payments are in compliance with the Capital Markets Law and other Capital Market Board regulations. The authorization of advance dividend payments as granted by the General Assembly to the Board of Directors is limited to the year that such authorization is granted. No resolution may be undertaken concerning the payment of an additional dividend advance and/or for dividend payment unless the dividend advance for the previous year is totally offset.

DATE FOR PROFIT DISTRIBUTION

Article 30:

The date of the profit distribution is decided by the Board of Directors upon the proposal of the Executive Board in compliance with the articles of the Capital Markets Law.

Proposal for the Distribution of Dividends

At the end of the accounting period of 2012:

Our Company's loss for the period was 1,434,078 TL as stated in our Balance Sheet, which was prepared in accordance with the International Accounting / Financial Reporting Standards in line with the Capital Markets Board's Communiqué, Serial: XI and No: 29.

According to our legal records which have been prepared in accordance with the provisions set forth in the Tax Procedure Law, our Company's loss for the period amounted to 1,361,188.94TL. It has been decided to present a proposal to the Ordinary General Assembly to deduct our 2012 year loss from future term profits and not distribute any profit.

RISKS AND THE ASSESSMENT OF THE GOVERNANCE ORGAN

a) Information about the risk management policy that the company will implement against risks:

Our company is generally exposed to the following risks

- Collection Risk
- Exchange Rate Risk
- Liquidity Risk

Collection Risk

A collection risk might be an issue for the Company, due to the Company's trade receivables in general. Trade receivables are evaluated by the Company management in light of market conditions and by taking past experiences into consideration. After this evaluation, a provision for doubtful receivables is allocated accordingly.

Foreign Currency Risk

Foreign currency risk occurs due to changes in the value of a financial instrument which depend on changes in foreign currency exchange rates. In situations where Exchange rates increase in favor of the TL (when the TL loses value against foreign currencies) a foreign currency risk is formed.

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Liquidity Risk

The liquidity risk refers to the risk of encountering difficulties in providing funds to fulfill an entity's commitments regarding its financial instruments. The Company has been managing its liquidity risk by balancing the distribution of its assets and liabilities over time.

b) Information concerning the work and reports on early risk detection and management

In accordance with Article 4.5.1 of the Communiqué (Series:IV No:63-Article6) concerning the amendment of the Communiqué on the Determination and Application of Corporate Governance Principles (Series:IV, No:63-Article6) which went into force after publication in Official Newspaper no. 28567 on February 22, 2013; by decision no. 2013/14 on 12.03.2013 of our Company Board of Directors a separate "Early Risk Detection and Management Committee" was formed to operate under our board and independent board member Mr. Nazmi Örs was assigned as chairman while board member Mr. Orhan Tanışman was assigned as the committee member.

Risk Management is the identification, assessment, prioritization, monitoring and reporting the risks that the Company may encounter during its activities, deciding on the precautions to be taken and the strategies to be implemented and organizing the procedures and principles that will be applied.

Work is being done in our company to establish a special risk management model. The "Risk Assessment and Management Process Table", "Risk Assessment Report", "Probability Degrees Table", "Effect Degrees Table", "Probability-Effect Grading Matrix", "Control Degrees" and "Risk-Control Assessment Matrix" prepared by the Early Risk Detection and Management Committee in the scope of the Communiqué Series:IV No:56 relevant articles and article 378 of the Turkish Commercial Code has been examined by the Board of Directors and it has been decided that the committee will continue their work.

The main risks and specific risks outlined in the Risk Assessment Report have been reflected in the "Categories and Risk Classes Table".

As a result of this work five main categories have been determined;

- Strategic Management and Investment Category
- Product/Service Category
- Finance Category
- Workforce Category
- Information Category

The goals in Financial Risk Management

The company monitors financial risks by following the developments in the domestic and foreign markets to observe and manage the level and size of financial risks that the company may encounter during operations. Among the identified financial risks of the company are currency exchange risks, interest rate risks and liquidity risks. While the Company has no risk management model defined the company manages risks with the decisions and applications decided on by the management. A corporate risk management model is planned to be form and the work on this is ongoing.

c) Future risks related to subjects like sales, productivity, capacity to create income, profitability and debt/ equity ratio.

In previous activity periods we did not encounter any risks on their own or along with the other risks we have identified which would threaten the existence of our Company. Although the presence of such risks is impossible to predict is such exceptional risks occur they may impact our production amount and our profitability. Despite all this we have not identified a risk that could threaten the existence of our Company.

OTHER MATTERS

1) Explanations concerning specially significant events that will occur after the activity period has ended and might impact the rights of partners, creditors and other relevant individuals and companies:

None

2) In this section additional information that the management deemed suitable can be included on the condition that it is not in violation of provisions.

a) Amendments made to the articles of association within the period and their reasons:

Pursuant to our Board decision 2013/07 on 04.03.2013 the below amendments have been made:

The Company applied to CMB on 12.03.2013 by letter no. 2983736-110.03.02-664/2482 for the amendment of the following articles of the Company's Articles of Association in order to comply with the Turkish Commercial Code no: 6102 and the Capital Markets Board no: 6362: Article 3 (entitled "Purpose and Subject"), Article 4 (entitled "Company's Headquarters and Branches), Article 6 (entitled "Capital and Type of Share Certificates"), Article 8 (entitled "Transfer of Share Certificates"), Article 9 (entitled "Privileges"), Article 11 (entitled "Board of Directors Meetings – Attendance and Resolution Quorum"), Article 12 (entitled "Representation of the Company"), Article 14 (entitled "Auditors"), Article 15 (entitled "Duty of Auditors"), Article 16 (entitled "Remuneration for Auditors"), Article 17 (entitled "General Assembly"), Article 19 (entitled "Presence of Commissioner in the General Assembly Meeting"), Article 20 (entitled "Attendance and Resolution Quorum"), Article 21 (entitled "Voting"), Article 26 (entitled "Amendments to the Articles of Association"), Article 29 (entitled "Determination and Distribution of Profit"), Article 31 (entitled "Reserves", Article 32 (entitled "Articles of Association Submitted to the Ministry") and Article 33 (entitled "Compliance with Legal Provisions and Corporate Governance Principles") and the Capital Markets Board Directorate has approved these amendments with letter number 29833736-110.03.02-664/2482 on 12.03.2013. Application was made for the articles of association changes to the Customs and Trade Ministry and Ministry approval was received by letter no. 67300147/431.02-59268-320659-2878/1865 dated 15.03.2013.

The articles of association amendments have been submitted for ordinary and privileged shareholders at the Ordinary General Assembly held on 30.03.2013.

b) The nature and amount of the company's financing sources and if any, issued capital markets instruments.

There are no issued capital market instruments within the period.

c) Information regarding the sector in which the company operates and its position in the sector, the features of the production departments in the company, general explanations about the sales amounts and prices, sales conditions and developments in these throughout the year, productivity rates and the reasons for important changes in these compared to previous years:

İhlas Gazetecilik was founded on 15.08.2000. After the amendments made to the articles of association the company's main fields of activity are printing and producing newspapers and magazines. Although the articles of association have been made greatly comprehensive in this way, as of the Newspaper reporting date the company has actively only been operating in printing and broadcasting under its own legal entity.

The daily net sales of 2013 monthly averages for the daily newspapers produced in our country and the position of Türkiye Newspaper among them have been shown in the following table:

	NEWSPAPERS	YEAR 2013 MONTHLY
1	ZAMAN	1.031.037
2	POSTA	439.595
3	HÜRRİYET	402.926
4	SABAH	319.391
5	FOTOMAÇ	211.976
6	HABERTÜRK	204.495
7	**TÜRKİYE**	**179.104**
8	MİLLİYET	172.758
9	STAR	130.343
10	VATAN	121.451
11	BUGÜN	112.569
12	TAKVİM	110.200
13	YENİŞAFAK	108.481
14	AKŞAM	103.864
15	GÜNEŞ	99.662
16	TARAF	74.994
17	CUMHURİYET	52.995
18	YENİASYA	51.342
19	Y.AKİT	31.128
20	RADİKAL	24.399

d) **Developments in Investments, Status in Benefiting from Incentives and the Extent to Which the Company Benefited from Incentives,**
Our Company has not benefited from any incentives.

e) **Explanations including the Company's qualifications of the production units, capacity utilization rates and related developments, general capacity utilization rate, developments in products and services within the field of operation, quantity, quality, version and prices compared to previous terms:**

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Circulation Table of Türkiye Newspaper in 2013 By Month

MONTHS	2013	2013 Daily Circulation	2012
January	5.284.001	170.452	4.146.501
February	4.860.421	173.586	3.852.993
March	5.458.807	176.091	4.087.960
April	5.362.822	178.761	3.899.266
May	5.585.540	180.179	3.994.086
June	5.427.581	180.919	3.797.302
July	5.632.751	181.701	3.819.835
August	5.617.310	181.203	3.670.015
September	5.474.619	182.487	3.582.116
October	5.588.853	180.285	3.707.460
November	5.440.738	181.357	3.651.353
December	5.649.090	182.228	4.279.877

The Company's 12 month average capacity utilization rates for the year 2013 are shown below on a printing centre basis;

Printing Center	Number of Türkiye Printed	Number of Other Papers Printed	Printing Capacity
İstanbul	88.589	666.364	1.351.600
Ankara	39.620	36.935	284.000
İzmir	30.833	24.581	284.000
Adana	22.052	32.895	240.000
Antalya	9.204	23.591	150.000
Trabzon	23.218	16.162	150.000
TOTAL	**213.516**	**800.528**	**2.459.600**

* The print amounts include outsourced print amounts in addition to the Türkiye Newspaper prints.

c) The prices of goods and services subject to activity, turnover, sale conditions and developments in all these areas during the year; developments regarding efficiency and productivity measures; reasons for any significant changes in these measures when compared to previous years:

Media Activities	01.01-31.12.2013
Türkiye Newspaper Sales and Advertising Sales Income (Net)	31.266.388
Income of Contract Manufacturing and Other Sales (Net)	50.449.501
Total Media Sales Income (Net)	**81.715.889**
Total Media Sales Costs (-)	**(80.431.355)**
Gross Sales Profit in Media Activities	**1.284.534**

Sales Conditions:

The Company publishes Türkiye Newspaper. In addition to news stand sales, Türkiye Newspaper is the first organization to apply the house delivery model in Turkey, and it distributes newspapers directly to homes and offices. Sale prices are collected on a weekly basis from the newsstands by means of the distribution company, and on a monthly basis from subscribers.

g) Basic ratios related to the company's financial status, profitability and solvency, calculated based on financial statements and information prepared within the framework of this communiqué's provisions:

Financial Indicators	31.12.2013	31.12.2012
Revenue	**81.715.889**	**75.946.848**
Total Assets	**259.950.528**	**245.403.853**
Net Profit/Loss	**2.272.165**	**(1.134.733)**
Earnings Per Share		
Profit/(Loss) Per Share From	**0.019**	**(0.013)**
Likidite Oranları (%)		
Operations	**4.90**	**6.00**
Cash Rate	**2.66**	**3.43**
Financial Structure Rates (%)		
Total Debts/Equity	**21.39**	**18.72**
Short Term Debts/Equity	**6.90**	**5.69**
Long Term Debts/Equity	**14.49**	**13.03**

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a) Information required to be presented to partners concerning related party transactions and balances in accordance with regulations

Receivables from Partners and Parties Related to Partners	31.12.2013	31.12.2012
İhlas Pazarlama A.Ş. (*)	5.621.116	14.658.727
TGRT Haber TV A.Ş.	1.963.275	2.569.165
İhlas Holding A.Ş.	1.334.938	1.225.748
İletişim Magazin Gazt. Yayın San. ve Tic. A.Ş.	839.022	677.302
Mute Grup Medya İç ve Dış Tic. Ltd. Şti.	506.067	204.414
İhlas Medya Planlama ve Satınalma Hiz. Ltd. Şti.	254.089	386.901
İhlas Yapı Turizm ve Sağlık A.Ş.	128.711	-
İhlas Yayın Holding A.Ş.	77.204	-
İhlas Fuar Hizmetleri A.Ş.	75.505	24.126
İhlas Motor A.Ş.	66.595	-
Bisan Bisiklet Moped Otomotiv Sanayi ve Ticaret A.Ş.	39.644	-
Dijital Varlıklar Görsel Medya ve İnternet Hiz. Ltd. Şti.	32.192	-
Kuzuluk Kaplıca İnş. Tur. Sağlık Tic. A.Ş.	22.300	23.753
Abdurrahman Gök	13.601	-
İhlas Holding A.Ş. - İhlas Yapı Turizm ve Sağlık A.Ş. Ortak Girişimi 3	11.265	-
Antalya İmar Ltd. Şti.	11.265	-
İhlas Net A.Ş.	6.414	-
Detes Enerji Üretim A.Ş.	6.320	-
İhlas Holding A.Ş.-İhlas Yayın Holding A.Ş. ve İhlas Pazarlama A.Ş. Ortak Girişimi	5.633	-
Plus Gayrimenkul Ticaret A.Ş.	3.410	-
İhlas Pazarlama Yatırım Holding A.Ş.	1.237	1.070
İhlas Vakfı	1.168	-
Mir Maden İşletmeciliği Enerji ve Kimya San. Ltd. Şti.	1.127	-
Tasfiye Halinde İhlas Oxford Mortgage İnşaat ve Ticaret A.Ş.	891	-
İhlas İnşaat Holding A.Ş.	799	624
Net İletişim Hizmetleri Elek. San. ve Tic. Ltd. Şti.	387	-
VAV İnternet Hiz. Paz. Tic. Ltd. Şti.	384	-
İhlas İnşaat Proje Taahhüt Turizm ve Tic. A.Ş.	329	-
Yakamoz Sektörel Petrol Ürün. Yapı Gıda Ltd. Şti.	129	792
Kristal Kola ve Meşrubat Sanayi Ticaret A.Ş.	20	-
Bimeks Bilgi İşlem ve Dış Tic. A.Ş.	-	99.207
TGRT Dijital TV A.Ş.	-	6.929
İhlas Haber Ajansı A.Ş.	-	6.629
Voli Turizm Seyahat Tic. Ltd. Şti.	-	6.464
İhlas Vakfı Yurt ve Eğitim Hizmetleri	-	2.128
TOTAL	**11.025.037**	**19.893.979**

Payables to Partners and Parties Related to Partners	31.12.2013	31.12.2012
Fikirevim Reklamcılık Görsel Etkinlikler Tic. Ltd. Şti.	2.307.126	89.558
İhlas Madencilik A.Ş.	470.572	181.655
Şifa Yemek ve Gıda Üretim Tesisleri Tic. A.Ş.	123.431	51.864
İhlas Genel Antrepo Nakliyat ve Tic. A.Ş.	38.609	71.650
İhlas Holding A.Ş.	33.496	-
KPT Lojistik Taşımacılık Tur. Rek. Paz. İç ve Dış Tic. A.Ş.	32.985	66.703
İhlas Haber Ajansı A.Ş.	18.691	-
İhlas Ev Aletleri İmalat Sanayi Ticaret A.Ş.	12.503	100.150
İhlas Vakfı Yurt ve Eğitim Hizmetleri	2.993	-
Voli Turizm Seyahat Tic. Ltd. Şti.	411	-
İhlas Net A.Ş.	-	129.142
İhlas Yayın Holding A.Ş.	-	88.222
İhlas İnşaat Proje Taahhüt Turizm ve Tic.A.Ş.	-	12.017
TOTAL	**3.040.817**	**790.961**

Issued Advances	31.12.2013	31.12.2012
İhlas İnşaat Proje Taahhüt Tur. ve Tic. A.Ş.	215.622	215.622
İhlas Net Ltd. Şti.	-	3.369
TOTAL	**215.622**	**218.991**

i) Other matters not included in the financial tables but beneficial for the users to know:

None.

Report in Compliance with Corporate Governance Principles:

1. Declaration of Compliance with Corporate Governance Principles

Of the Corporate Governance Principles set forth in the Capital Markets Board's Communiqué, Serial: IV and No: 56, on the Determination and Implementation of Corporate Governance Principles, those whose implementation by our company during the reporting period was mandatory were put in practice, while our Company is still in efforts to implement those principles which are not mandatory. Our report, prepared in the form of the Corporate Governance Principles Compliance Report in accordance with the Capital Markets Board's decision no: 4/88 and dated: 01.02.2013, was submitted for the approval of our shareholders at the Ordinary General Board meeting held on 30.03.2013.

As Türkiye Newspaper completed its 43th year in publishing life, the newspaper's owner İhlas Gazetecilik A.Ş. initiated compliance works regarding Corporate Management Principles before the public offering. Holding the "Capital Markets Activities Advanced License", Mr. Abdullah Demirer holds office in order to help the Company fulfill its liabilities after the public offering, in accordance with capital markets legislation, and to enable coordination in corporate governance practices.

The Company began preparatory work to complete the harmonization process within the scope of CMB's "Communiqué on the Determination and Implementation of Corporate Governance Principles", Serial: IV and No: 56, which entered effect after being published in issue 28871of the Official Gazette, dated January 3, 2014.

Within the scope of Corporate Management Principles, all annual reports prepared and the corporate website are maintained in compliance with these principles. The Shareholder Relations Unit keeps all the shareholders informed through the website, which is continuously maintained at an up to date status.

One third of the Board of Directors, in which the Chairman of the Board of Directors is different from the Chief Executive Officer, consists of Independent Members. In the Corporate Management Committee, one of the committees created within the Board of Directors, Mehmet Remzi Esen, who is an Independent Member was commissioned as the Chairman and Orhan Tanışman was commissioned as a member. Tolga Sönmez as Chairman and Nazmi Örs as a member were commissioned in the Audit Committee, which is formed entirely of Independent Members. In the Early Risk Detection Committee Nazmi Örs serves as Chairman and Orhan Tanışman as a member.

Our Company has participated in training courses, seminars and panel discussions in order to improve compliance with the principles and follow developments in Corporate Governance.

There are no conflicts of interest arising from any matters of discordance with Corporate Management Principles.

Nuh Albayrak
Chairman and
Editor in Chief

Ümit Künar
Manager in Charge of Financial Affairs
Executive Member of the Board

SECTION I - SHAREHOLDERS

2. Shareholders Relations Unit

The Company's Shareholder Relations Unit was established according to the Board of Directors' decision No. 2010-06, dated 19.03.2010. The Shareholder Relations Department was established pursuant to decision 2010/06 on 19/03/2010. In order to ensure coordination in corporate management practices after the public offering, Abdullah Demirer was appointed Capital Markets Compliance and Corporate Management Director as of 14.10.2011. Abdullah Demirer also holds the "Advanced Level Certificate for Capital Market Activities". In the Shareholder Relations Unit, Betül Üstün was assigned manager and Cemal Boztepe was assigned as the other employee.

Contact information of the Shareholder Relations Unit is as follows:

Name and Last Name	Title	Telephone	E-Mail
Abdullah Demirer	Capital Markets Compliance and Corporate Management Director	(0212) 454 34 47	abdullah.demirer@tg.com.tr
Betül Üstün	Manager	(0212) 454 30 15	betul.ustun@tg.com.tr
Cemal Boztepe	Personnel	(0212) 454 37 08	cemal.boztepe@tg.com.tr

By the end of December 2013 e-mails received at this contact address were answered, and questions from domestic and international investors have also been answered.

The Unit performed an active role in the preparation of the Company's Annual Report. By this way investors are kept fully informed of developments. The Company's Investor Relations Unit updates the corporate website in line with developments and changes in the corporate organization and in accordance with the Corporate Governance Principles issued by the CMB. Since then, it has been updated in accordance with principles.

3. The Use of The Right to Information by Shareholders

Information requests received from shareholders are generally responded to via e-mail and telephone. The majority of incoming questions were related to Stock Market performance and the content of the replies included information that was not publicly announced and of confidential nature in commercial terms, while remaining in conformity with the Capital Markets Board legislation and the Turkish Code of Commerce.

No information or explanation that could affect the exploitations of shareholder rights has been included on the Company's website. The website at www.ihlasgazetecilik.com.tr, which is offered to the service of shareholders, is continuously updated by the Company's Investor Relations Department.

Assignment of special auditors has not been set out as an individual right in the Company's Articles of Association, while no such demand was submitted by shareholders in 2013.

4. General Assembly Meetings

The Company's Annual General Meeting was held at the Company's headquarters at 10:00 am on 30th March, 2013, with the participation of 13 persons, who hold and/or represent 67.44% of the total capital. Also In accordance with the Turkish Commercial Code article 454 and article 5 clause 2 titled "Regulation on the Procedures and Principles for General Assembly Meetings of Incorporated Companies and the Ministry of Customs and Trade Representatives Who Will Be Present in Meetings", since all of the privileged shareholders were present at the general assembly and all approved the articles of association amendments by unanimous vote no meeting was held for the privileged shareholders.

In order to ensure the attendance of a maximum number of shareholders, the announcement of the invitation to the Annual General Meeting should be performed through all means of communication including electronic media, at least three weeks in advance of the meeting, in addition to the methods of invitation set out by legislation. The announcement for the General Assembly was published in the Türkiye Trade Registry Gazette, Türkiye and Dünya newspapers on 08.03.2013 and was also announced on the company website.

Before General Assembly meetings, informative documents related to the topics on the agenda are prepared and disclosed to the public on the Company's website.

On the corporate website of the partnership and the Public Disclosure Platform, at least three weeks beforehand, not including the announcement and meeting dates, the general assembly meeting announcement in addition to all documents within the scope of the Turkish Commercial Code no. 6102 dated 13.1.2011 and the announcements and disclosures that are required by law the following matters will be announced to the investors:

a) Information about the total number of shares reflecting the partnership structure and voting rights, if there are privileged shares in the partnership capital the total number of shares representing each of the privileged groups, the voting rights and nature of privileges as of the date that the disclosure is made,

b) The explanation and reasons for changes in governance and activity organizations that will significantly impact the past and future activities of the company and company affiliates,

c) If there is a dismissal, change or election of board members on the General Assembly Agenda the reasons for the dismissal or change, the resumes for the individuals who have been nominated for Board Membership, the jobs they have held in the past ten years and reasons for departure from these jobs, the nature and level of significance of their relations with the partnership and partnership affiliates, whether they are independent or not and other information about similar matters that could impact the partnership.

d) The written requests from shareholders for matters they wish to be added to the agenda which have been conveyed to the Investor Relations Department, in situations where the board of directors does not accept recommendations for the agenda the recommendations which have been rejected and their reasons,

e) If there is a change in the articles of association on the agenda the old and new forms of the articles for which a change has been approved by the relevant agencies,

While the General Assembly agenda is being prepared special care is given to giving each proposal under a different heading, expressing agenda headings clearly so as not to cause varying interpretations. The information that is to be supplied before the General Assembly meeting will clearly give references to the agenda matters they are relevant to.

The financial tables and reports including the Annual Activity Report, profit distribution recommendation, the informative documents prepared on the General Assembly agenda matters and other documents on which the agenda matters are based, if changes are to be made on the Articles of Association the amendments and reasons are to be kept in a place that is easily accessible to shareholders at the company headquarters or internet site as of the date that the invitation to the General Assembly is issued.

Before the General Assembly, those that will be represented by proxy must have their power of attorney included in the announcement text and on the internet site.

Those who phoned in were also informed of the announcement by fax or e-mail. The shareholders used their right to inquire in the General Assembly. Those who exercised their right to inquire were supplied with answers. No recommendation for the agenda was submitted by shareholders.

In order to make participation in the general assembly easier the announcements were made in electronic format and the necessary documents were made available here. The General Assembly minutes were kept available to shareholders on the company website and within the Financial Affairs Coordinatorship.

That no donations or aid was given by the company in 2013 was presented to the information of partners in the agenda during the 2013 General Assembly. Also the top limit of donations that can be made by the company in 2013 was set at 1% of the consolidated gross sales for 2012.

As of 21 days before the date of the General Assembly the Board of Directors Activity Report, the Auditor's Report, the Independent Audit Report prepared by İrfan Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş., the financial statement and income table prepared in accordance with the CMB Series XI No 29 Communiqué provisions, the Financial Statement and Income Table prepared according to legal records and the results of the year 2013 were made available at the Headquarters.

General Assembly meetings are conducted in a way that does not cause any inequality between shareholders.

During the General Assembly meetings, items on the agenda are shared with shareholders in an open, understandable, objective and detailed manner; shareholders are offered the opportunity to state their opinions and ask questions under equal conditions, promoting a healthy environment of discussion. With respect to the primary issues on the agenda, related members of the Board, other respective persons, officials responsible for the preparation of financial statements and auditors are available in the Annual General Meetings in order to provide the necessary information and answer shareholders' questions. If the questions are not relevant to the agenda or of a scope that cannot be answered immediately a written answer will be provided by the Financial Affairs Department within 15 days after the meeting. All of the questions and answers in the General Assembly meeting are disclosed to the public on the partnership's website by the Inventor Relations Department within 30 days after the meeting.

With respect to the transactions between the corporations and subsidiaries thereof with their related parties, in cases where

a) In transactions i.e. asset and service purchase and obligation transfer transactions, the rate of the transaction amount comparing to the total asset as per the latest financial statements disclosed to public or to the revenue amount as per the latest financial statements disclosed to public or to the value of the corporation to be calculated on the basis of the average of the weighted average of the daily corrected prices of the six-month term prior to the board of directors resolution date,

b) In transactions i.e. asset and service sale, the rate of the transaction amount (in case the net book value of the asset is higher, the rate of the net book value) comparing to the total asset as per the latest financial statements disclosed to public or to the revenue amount (in cases that the asset is transferred, leased out or right in them is established thereon, the rate of the profit earned from the asset as per the latest financial statements comparing to the profit of the corporation before the taxation on its ongoing operations) as per the latest financial statements disclosed to public or to the value of the corporation to be calculated on the basis of the average of the weighted average of the daily corrected prices of the six-month term prior to the board of directors resolution date the rate reaches more than 10% or an operation is discontinued, approval by the majority of the independent board members shall be required for a board decision on the transaction. If a majority vote cannot be obtained with the present participants a signed Board of director's decision and conflict annotation is disclosed on the PDP.

In lease transactions and/or other transactions in which cash flows may be certainly dissociated, net present value of the total annual gross lease income/expense and/or other income/expense calculated in accordance with the reduced cash flow method shall be taken into consideration as the transaction amount.

In case the majority of the independent board members do not approve the transaction this situation shall be disclosed on the PDP in a manner including satisfactory explanation and the transaction shall be submitted to the approval of the general assembly. In general assembly meetings the principles in the sixth paragraph of Article 29 of the Law shall apply.

In case that the rates calculated within the framework of the principles in this paragraph are negative or non-applicable for reasons such as obtaining unreasonably high results, such rates shall not be taken into consideration during assessment and this situation shall be disclosed at PDP with a satisfactory explanation. If the amount corresponding to 10% of the revenue is lower than the amount corresponding to two per thousand of the total shareholder's equity; rate based on the revenue shall not be deemed applicable.

İHLAS GAZETECİLİK A.Ş.
BOARD OF DIRECTORS ANNUAL REPORT PREPARED PURSUANT TO COMMUNIQUE SERIES II NO:14.1

The 2012 Ordinary General Assembly Meeting of our company held on March 30, 2013 was registered by the Istanbul Commercial Registry Directorate on 11/04/2013 and announced in the Turkish commercial Registry Official Newspaper no. 8302 dated 17/04/2013.

Voting Rights and Minority Rights

In the Ordinary and the Extraordinary General Assembly Meetings of İhlas Gazetecilik A.Ş., group A shareholders have 15 vote rights for each share they possess.

Group A shareholders hold the privilege of selecting the majority of the Board members. The affiliated companies have no participations in the Company.

Minority interests are not represented in the management and no method of cumulative voting is provided in the Articles of Association of İhlas Gazetecilik A.Ş.

1. Dividend Rights

Within the framework of our Company's public disclosure policy, the "Dividend Distribution Policy for 2010 and Subsequent Years", which was presented to the Board of Directors by the Corporate Governance Committee upon the committee's recommendation no: 2011/05 and dated: 18.03.2011, was disclosed to the public on the Company's annual report and website. Our Company's Dividend Distribution Policy was presented to shareholders for their information, and accepted in the first ordinary general assembly meeting. There are no privileges with respect to participation in the Company's profit. The Board of Directors of the Company aims at stable dividend distribution for as long as circumstances allow. However, the authority of arbitration on dividend distribution in accordance with Turkish Commercial Code belongs to the General Assembly. Within this context, the "net distributable profit for the period" calculated by taking the financial statements prepared to the Standard specified by the Capital Markets Board into consideration, will be subject to distribution at the ratio determined by the Capital Markets Board, if an obligation of distribution is imposed by the Capital Markets Board for companies whose shares are traded on the Stock Exchange. However, if an obligation of distribution is not imposed by the Capital Markets Board for companies whose shares are traded on the Stock Exchange, it will be subject to distribution at the ratio determined by the General Assembly. Profit distribution is described in detail in the 29th and 30th articles of our main contract.

a) The portion of revenue that should be legally set aside according to the Turkish Trade Act, Tax Procedural Law, Capital Markets Law, Principles of the Capital Markets Board and related articles of the Company's articles of association is set aside. Once set aside, the distributable revenue is determined.

b) Profit will be allocated in proportion with the minimum profit share amount designated by the Capital Markets Board, by taking our Company's investment and financing plans, strategic objectives, fund requirements arising from the working capital and the interests of the shareholders into consideration. Arising needs of the Company's growth trend, profitability, strategic objectives, investment projects and net working capital will also be taken into consideration. The related articles of the Turkish Trade Act, Tax Procedural Law, Capital Markets Law, Principles of the Capital Markets Board and related articles of the Company's articles of association will be complied with. Bearing in mind the potential profit share of the Company, the Executive Board can always decide to share more than the minimum profit allocation amount and propose this to the Board of Directors for approval.

c) Once the profit sharing decision is made, it is up to the Executive Board to decide on the method. It can be either cash and / or opt for a bonus share. This is then proposed to the Board of Directors for approval.

ç) A grant in profit allocation is not in question. The profit is distributed equally between all existing shareholders no matter what the issuance and acquisition dates may be.

d) There is no article in the articles of association on profit allocation to managers and employees.

e) The shared profit will be distributed within legal regulations and article 30 of the Company's articles of association following the approval of the General Assembly of Shareholders and on the date decided once again by the Board of Directors.

f) Referring to article 29 of the articles of association, if the Board of Directors authorizes the Executive Board, and with the decision of the Executive Board, it is possible to give advance profit share to our partners.

g) The management informs the public on donations and charity work made during the year and those that are planned to be made at the end of the year. Moreover, donations made and grants given are also included in the Board of Directors' Annual Report which is disclosed to the public in three-month intervals.

The 29th and 30th articles of our main contract are as follows;

DETECTION AND DISTRIBUTION OF PROFIT

Article - 29:

A. Dividends

Dividend is designated based on the Turkish Trade Act, Capital Markets Law and generally accepted accounting principles. After the deduction of amounts such as the Company's general overheads or various depreciation costs that must be paid or set aside by the Company, and taxes that must be paid out by the company from its income determined at the end of the year, the balance and, if applicable, the net profit on the annual financial statement, shall be deducted from the total sum of the losses from the previous years and distributed in the following manner:

First Legal Reserves

a. 5% (five percent) of the net profit shall be set aside as statutory reserves.

First Dividends

b. After the amount stated in the above paragraph (a) is deducted from the net profit, first dividends shall be set aside from the remaining amount in accordance with the General Assembly's dividend distribution policy and the related regulations.

Second Dividends

c.The General Assembly shall be authorized to distribute the balance (in full or in part) remaining after the amounts determined in paragraphs (a) and (b) are deducted as second dividends or dividends to the members of the Board and the Company's employees, or set the amounts aside as extraordinary reserves – in accordance with Article 521 of the Turkish Commercial Code.

Secondary Legal Reserves

d. After a dividend equal to 5% of the outstanding capital has been deducted from the portion of the profit that has been set aside for distribution to shareholders and others who shall participate in the profit, one tenth of the remaining amount shall be set aside as secondary reserves, as stipulated in Paragraph 2, Part c, Article 519 of the Turkish Commercial Code.

e. The General Assembly may decide to carry out donations after determining an upper limit. Donations made by the Company during the respective accounting periods are added to the distributable profit base.

Unless the statutory reserves and the first dividends specified in the Articles of Association have been set aside, no decision may be taken to set aside further reserves or to carry forward the profit to the following year. Unless the first dividends are paid out, no decision may be taken regarding the participation of holders of preferential shares in dividends or for the distribution of dividends to holders of founders' shares or ordinary bonus shares, to Board Members, employees and workers, or to foundations established for various purposes, or to such persons and/or organizations.

f. Dividends are distributed for all existing shares pertaining to the dividend account period, equally and without regard to the issue and acquisition dates of such shares.

g. The type and time of the decided distribution of the profit shall be determined by the General Assembly after the Board of Directors submits its distribution proposal on the issue. Such payments shall be carried out in accordance with the provisions of the Capital Markets Law. According to the provisions set forth in the Company's Articles of Association, no decision taken by the General Assembly concerning the distribution of dividends may be revoked.

B. Dividend Advance Payments

The Board of Directors may complete dividend advance payments provided such that authorization is granted to the Board of Directors by the General Assembly, and that such payments are in compliance with the Capital Markets Law and other Capital Market Board regulations. The authorization of advance dividend payments as granted by the General Assembly to the Board of Directors is limited to the year that such authorization is granted.

No resolution may be undertaken concerning the payment of an additional dividend advance and/or for dividend payment unless the dividend advance for the previous year is totally offset.

No resolution may be undertaken concerning the payment of an additional dividend advance and/or for dividend payment unless the dividend advance for the previous year is totally offset.

DATE FOR PROFIT DISTRIBUTION

Article 30:

The date of the profit distribution is decided by the Board of Directors upon the proposal of the Executive Board. It complies with the articles of the Capital Markets Law.

Proposal for the Distribution of Dividends

At the end of the accounting period of 2012:

Our Company's loss for the period was 1,434,078 TL as stated in our Balance Sheet, which was prepared in accordance with the International Accounting / Financial Reporting Standards in line with the Capital Markets Board's Communiqué, Serial: XI and No: 29.

According to our legal records which have been prepared in accordance with the provisions set forth in the Tax Procedure Law, our Company's net loss for the period amounted to 1,361,188.94 TL.

The Board of Directors decided to offset the loss in future terms and not submit a proposal to the Ordinary General Assembly concerning the distribution of dividends.

6. Transfer of Shares

According to the 8th article of the Company's main contract, Group A shareholders have the prioritized share purchase rights in the transfers of Group A registered shares. In addition, transfers of Group A shares are subject to endorsement by the Board of Directors.

In the subject of the transfer of B Group shares issued to the bearer, there are no restrictions. These shares can be transferred freely under condition of being in accordance with the Turkish Commercial Code.

SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

7. The Company Information Policy

Our Company's Information Policy, approved according to our Board of Directors' decision no: 2011/06 and dated: 18.03.2011, was prepared in accordance with Article 23 of the Capital Markets Board's Communiqué on the "Principles Concerning the Public Disclosure of Material Events", Serial: VIII and No: 54. The Information Policy was presented for the information of shareholders, who approved the policy in the Ordinary General Assembly meeting.

Our Company's Information Policy is updated and revised in line with legislative changes and changing conditions and is subject to the approval of the Board of Directors. After the Board's approval, the Information Policy is disclosed to the public on the Public Disclosure Platform's (KAP) system on the same date, announced on our Company's website and presented for the information of shareholders at the Annual General Meeting.

There is no prospective information disclosed to the public. The information policy included in the Corporate Management Principles Compliance Report is announced to the public through the periodical activity reports and on the Company's corporate website under the title "Corporate Management".

Purpose

The main purpose of the information policy is to ensure the transmission of the necessary information and explanations excluded by the scope of trade secrets, to shareholders, employees, customers, creditors and other related parties in a manner that is timely, accurate, complete, understandable, and accessible in the easiest way, at the lowest cost and under equal conditions.

In order to follow an active and transparent information policy, İhlas Gazetecilik A.Ş. performs its informing and public disclosure activities, including all kinds of necessary financial information, other explanations and notifications within the framework of the relevant legislation in the Turkish Commercial Code and especially the regulations of the Capital Markets Board (SPK) and Borsa İstanbul (BIST) while remaining within the context of Generally Accepted Accounting Principles.

Responsibility

The Board of Directors is responsible for creating, reviewing and updating the information policy.

The Corporate Management Committee makes recommendations to the Board of Directors and related units about the information policy. The information policy presented to the shareholders at the General Assembly is disclosed to the public on the Company website.

Informing Tools and Methods

Tools and methods used by the Company in order to inform and notify the public in accordance with Capital Markets Board (SPK), Borsa İstanbul (BIST) regulations and the Turkish Commercial Code (TTK) provisions are listed below.

1- Special case announcements transmitted to the Public Disclosure Platform within the Borsa İstanbul (BIST) in accordance with the relevant notification of the Capital Markets Board (SPK),

2- The corporate website (www.ihlasgazetecilik.com.tr),

3- Financial Statements and their Footnotes, Independent Audit Report, Statements and Annual Reports declared on the Public Disclosure Platform and on the Company website,

4- Notices and announcements made by means of the Turkey Trade Registry Gazette and daily newspapers,

5- Press releases made to the written and visual media in addition to data distribution companies such as Reuters and Forex,

6- Investor meetings, informational and promotional documents prepared for investors,

7- Registration statements, communiqués, announcements and other documents that are required to be prepared in accordance with Capital Market Regulations,

8- Meetings with Capital Market participants that are either face to face or via teleconferencing.

Public Disclosure of Financial Statements and Authorized Officers

Financial statements are subject to independent audit, based on independent audit standards published by the Capital Markets Board and submitted for the approval of the Board of Directors following the approval of the Audit Committee. It is presented to the Board of Directors' endorsement after being approved by the Audit Committee After the attestation is signed by the authorized Members of the Board of Directors, financial statements are disclosed to the public.

The Company's annual reports are prepared within the framework of CMB's Corporate Governance Principles and in

accordance with the CMB's Communiqué, Serial: II and No: 14.1. After being approved by the Board of Directors, the annual reports are disclosed to the public with other financial statements and also published on the Company's website at www.ihlasgazetecilik.com. Following the approval of the Board of Directors, financial statements and their footnotes, as well as independent audit reports and their annexes are submitted to the Public Disclosure Platform in electronic form for publication in line with CMB and BIST regulations. Financial statements and their footnotes are also submitted through an electronic environment via KAP (Public

Disclosure Platform) Submission.

Individuals Authorized to Make Statements

All special case statements of İhlas Gazetecilik A.Ş. are made within the scope of the Capital Markets Board's Communiqué on Principles Regarding Public Disclosure of Special Cases (Series: VIII, No: 54). Special case announcements are prepared within the structure of the Financial Affairs Coordinatorship, with the signatures of the related Members of the Board of Directors, and are

disclosed to the public through the Public Disclosure Platform (KAP) and the Company website.

News and Rumors in the Market

News and rumors about the Company appearing in media organs and in the public are followed by our Investor Relations Unit on an up-to-date basis.

When news or rumors appear in media organs and/or in the public regarding our Company, and in the event that they are of a degree of significance such that they affect the investment decisions of investors or influence the value of capital market instruments, and which had not been disclosed by individuals authorized to represent our Company (other than information already disclosed to the public through special situation announcements, prospectuses, circular notes, proclamation texts approved by the Board, financial reports and other public disclosure documents), necessary explanations shall be provided by the associates in pursuance with Article 18 "Confirmation of

News and Rumors" of the Communiqué on whether such news and / or rumors are true or sufficient.

However, no special situation announcement shall be made if the information in such news and / or rumors is composed of information which had been disclosed through special situation announcements, circular notes, prospectuses, promulgation texts approved by the Board and financial reports and did not include any additional information.

Announcement of Expectations

Our Company may announce its expectations from time to time in compliance with its Information Policy. In written documents in which expectations are stated, the assumptions that such expectations are based on, and the motives they were prepared in accordance with, shall also be explained. Such explanations shall clearly state that the actual results may differ from expectations due to possible risks, uncertainties or various other reasons. Future-oriented information included in public disclosures shall be explained along with the grounds that the forecasts are based on, as well as statistical data. Information shall not include groundless or exaggerated projections, shall not be misleading and shall be associated with the Company's financial status and results of its operations.

In public disclosures, in the event that forecasts and their grounds stated in regular financial statements and reports are

not realized or understood not to be realized, revised information, statements and reports along with their grounds shall

be immediately disclosed to the public. Expectations shall be announced only by those persons authorized to issue public disclosures and by explicitly expressing the above stated warnings or by making reference to a written document (such as press release, information document, explanation formerly made within the framework of the Capital Markets Legislation, etc.) which is already disclosed to the public.

In the event that there is a significant change in the Company's financial status and/or operations or in cases in which it is expected that a significant change will take place in the near future, public disclosure is made within the framework of the Company's Public Disclosure Policy, provided that provisions stated in related regulations are preserved.

8. Our Company's Website and Content

Our Company's website address is www.ihlasgazetecilik.com.tr. Information that may be required concerning our Company is provided in detail on the website. Our Company's website is actively used in public disclosures and the information on the website is continuously updated. Information provided on the Company's website is the same and/or consistent with announcements made by the Company, in accordance with the provisions of respective legislation. There are no contradictions or missing information. The Company's letterhead contains the website address. In addition to the announcements of the Annual General Meeting and notifications and explanations that the Company is required to submit in accordance with regulations, the following issues are announced to shareholders on the Company's website, in a clear and intelligible manner:

a) The total number of shares reflecting the shareholder structure of the company and the respective voting rights as of the announcement date, and the number of shares and voting rights representing each privileged share group, if any.

b) Information regarding changes to the management and operations of the Company, its important subsidiaries and associates realized during the past fiscal year, or any changes planned for the upcoming fiscal year that would have a significant impact on the Company's operations, as well as the reasons for such changes, annual reports and annual financial statements of the

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entities for the past two fiscal years in relation to these changes.

c) In the event of the dismissal, change or election of members of the Board of Directors is included on the agenda of the Annual General Meeting, information on the reasons for respective dismissal and changes, as well as information on individuals who are nominated to the Board of Directors.

d) Information on requests by shareholders, the Capital Markets Board (CMB) and/or other public authorities pertaining to the inclusion of items to the agenda.

e) In the event that amendments to the Articles of Association are included on the agenda, the current and proposed versions of the Articles of Association, together with the related Board of Directors' resolution.

The Company's website includes trade registry data, the most recent shareholder and management structure, detailed information concerning preferential shares, the most recent Articles of Association and the dates and numbers of Trade Registry Gazettes in which the changes are promulgated, material event disclosures, financial reports, annual reports, prospectuses and public offering circulars, agenda, lists of attendants and minutes of General Assembly meetings and the proxy voting form. The website also includes the Company's dividend distribution policy, disclosure policy, donation and aid policy, rules of ethics formulated by the Company and the Company's remuneration policy related to Board members and senior managers. Moreover, information on committees established by the Board of Directors, fields of activity and working principles of committees and committee members is provided on the website. In addition, a substantial part of the information is also translated into and made available in English, so as to enable international investors to make use of the website. The website, which is updated according to developments, includes a section entitled "Investor Relations" that contains information setting out the minimum requirements stipulated by the CMB. Efforts aimed at enabling continuous dialogue with investors and expanding the scope of available information on our website are currently underway.

9. Annual Reports

The Company's annual reports are prepared within the framework of CMB's Corporate Governance Principles and Communiqué, Serial: II and No: 14.1 and in accordance with the provisions of the Ministry of Customs and Trade Regulation on the Determination of Minimum Content for Company Annual Reports. After being approved by the Board of Directors, the annual reports are disclosed to the public with other financial statements and published on the Company's website at www.ihlasgazetecilik.com. Annual reports are broadcasted on our Internet Site under Investor Relations "Activity Reports". Annual Reports are prepared to a level of detail sufficient to provide the public with full and precise information concerning the Company's activities.

SECTION III - STAKEHOLDERS

10. Informing Stakeholders

Stakeholders include various persons, institutions and interest groups, such as employees, creditors, customers, suppliers and NGOs that benefit from the Company achieving its targets or are interested in its activities. Corporate management practices of İhlas Gazetecilik A.Ş. guarantee the stakeholders' rights defined by legislations, legal regulations and mutual agreements. In cases where the rights of stakeholders are not protected by legislation and/or by mutual contracts, their benefits shall be protected within the framework of goodwill and to the extent of the Company's facilities. Company employees, partners and any third parties or organizations carrying on a business relationship with the Company may submit all suggestions or violations of this nature directly to Company authorities.

In accordance with the provisions of the Turkish Commercial Code and the Capital Markets Board regulations, stakeholders are informed of Company-related issues which are of particular concern to them, through Annual General Meetings, board meetings, the KAP (Public Disclosure Platform) system and newspaper advertisements or by our personnel at the Company's headquarters.

During the reporting period, all requests and questions from stakeholders were responded to by the related units and the e-mail address ihlasgazetecilik@tg.com.tr was used as the most effective response point. An electronic mail address, etik@tg.com.tr, was established for the stakeholders, consisting of shareholders, customers, providers and employees, to forward their opinions about any of our company's operations which deem contrary to the Company's ethical principles or legal policy. These complaints are referred to Board of Directors' Auditing Committee and are kept confidentially. The applications are assessed in the Auditing Committee, where necessary sanctions are applied and the applicant is informed.

11. Participation of Stakeholders in the Management

Considering stakeholders, İhlas Gazetecilik A.Ş., continuously improves the quality of products and services to meet customer expectations. During the reporting period, recommendations received through the official e-mail address were taken into consideration and transferred to the relevant units. In accordance with the provisions of the Turkish Commercial Code and the Capital Markets Board regulations, our Company exercises the greatest care in ensuring the participation of stakeholders in the management, as well as the utilization and protection of their rights. Stakeholders' opinions are taken into account in important decisions that may have an impact on stakeholders.

12. Human Resources Policy

Within the scope of our Company's HR policies, the Human Resources Department is responsible for the creation and implementation of such policies. Because of the Company's organization structure, no representative is assigned to assume responsibility for relations with employees. No complaints were submitted by employees concerning discrimination. Employees are informed about the scope and distribution of their duties, as well as their performance and rewarding criteria.

Our Company's human resources policy is as follows:

Our Vision

İhlas Gazetecilik is an organization with global and strategically oriented thinking; focused on the environment, society and customers; respecting resources, targeting efficiency, commanding scientific and integrated business practices, emphasizing compromise, change and sharing. Thus, for a contemporary Human Resources Management, the Company tries to recruit employees who share and practice these values. In parallel with the developments in management and organizational sciences and human resources management, both in Turkey and the world, the Company aims to maintain a competitive edge among its competitors; to introduce and employ a modern management system in the framework of a progressive vision in line with corporate culture and values.

Our Basic Policy

- Adjusting the organizational structure of İhlas Gazetecilik to ensure it is dynamic and open to change, without diverting from its visions and objectives.
- To ensure an efficient and productive workforce working under the guidance of the Company's main objectives, developing all systems in terms of individual and team performance within the context of process development, improving employees' professional skills to support their own performance, the corporate performance and for their career enhancement.
- Adherence to democratic principles of recruitment by not discriminating between candidates based on religion, language, sex or race during search, selection or during their employment.
- Preference to take disciplinary and regulatory measures rather than impose prohibitions
- Recruitment of employees to İhlas Gazetecilik who have outstanding academic credentials, are ethically conscious, demonstrate high emotional intelligence, display no behavioral problems, are open to dynamism and changes, able to think positively, exhibit superior delegation skills and relate to corporate values.
- To establish and update performance and pay systems in accordance with the structure of the Company, carrying out performance, career and salary appraisals in the fairest way possible.

Functional Policy

- To set up a friendly atmosphere so that all employees will contribute to the Company,
- To treat all employees equally and fairly,
- To provide all employees with equal opportunities so that they can contribute to the company, to the team they work in, and will self-improve to the utmost level,
- To help all employees utilize their skills, mental capacities and value production in the direction of corporate objectives,

• To establish and update systems that offer opportunities to employees for career development in the Company (or subsidiaries), by bearing in mind the needs of the company, individual talents and professional goals,

• To establish and update performance and pay systems in accordance with the structure of the Company; carrying out performance, career and salary appraisals in the fairest way,

• To make sure that employees will have clear and explicit information about how their role, capacities, authorities, responsibilities and work contribute to the main objectives of the Company,

• To notify all employees in advance about a system to be introduced and decisions about targets,

• To achieve multi-dimensional interaction and communication during Human Resources Management practices,

• To collect, sort and update all information, files and administrative data concerning employees,

• To establish an all-embracing and integrative corporate culture,

• To organize social and cultural activities that will prompt feelings owning up to the corporate culture and increase morale/ motivation,

• To revise human resources systems steadily to catch up with the developments in the world, while remaining loyal to beliefs / values of the Company,

• To extend training activities in a fair manner, within a certain budget and system to develop personal skills of employees,

• To introduce necessary regulations and drafting procedures so all employees will have the same rights and their performance will be facilitated,

• To offer assistance as soon as possible in case of any personal problems that may befall employees.

13. Rules of Ethics and Social Responsibility

With the initiation of our public offering studies, the following rules of ethics have been set out by the Board of Directors for the Company and its employees. These rules of ethics have been announced to Company employees and publicized on the website in accordance with the Company's information policy.

Our Company strives to achieve the objective of improving quality of life, supporting economic development and remaining in compliance with laws, environment, consumers, regulations on public health and ethical principles in its operations. Our Company has been following social works for the environment, its region and the general public, while envisaging supporting and leading the appropriate projects. During the period, no harm was done to the environment. Similarly, there were no conditions present that required an environmental impact assessment report about our Company.

An electronic mail address, etik@tg.com.tr, was established to allow stakeholders, including shareholders, customers, providers and employees, to forward any complaints regarding our company's operations which they deem to be contrary to the Company's ethic principles or legal policy. These complaints are referred to the Board of Directors' Auditing Committee and are kept confidentially. The applications are assessed in the Auditing Committee and necessary sanctions are applied and the applicant is informed.

İHLAS GAZETECİLİK A.Ş.
BOARD OF DIRECTORS ANNUAL REPORT PREPARED PURSUANT TO COMMUNIQUE SERIES II NO:14.1

SECTION IV - BOARD OF DIRECTORS

14. The Structure and Composition of the Board of Directors

Position	Name	Limits of Authority	Starting and	Ending Date
Chairman	Nuh Albayrak	Is Jointly Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Deputy Chairman	Murat Odabaş	Is Jointly Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Board Member and Executive Member in	Ümit Künar	Is Jointly Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Board Member	Muaviye Gül	Is Jointly Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Board Member Corporate Governance Committee and Early Risk Detection and Management Committee Member	Orhan Tanışman	Not Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Board Member	Abdullah Tuğcu	Not Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Board Member Corporate Governance Committee Chairman	Mehmet Remzi Esen	Independent Member- Not Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Board Member Audit Committee Chairman	Tolga Sönmez	Independent Member- Not Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015
Board Member Early Risk Detection and Management Committee Chairman And Audit Committee Member	Nazmi Örs	Independent Member- Not Authorized to Represent and Have Binding Power Concerning The Company	30.05.2012	*2015

* Elected for three years on May 30th, 2012 to serve until the next Annual General Meeting that will be held by the end of the third year.

The majority of the Board members comprise of non-executive members as defined in the Corporate Governance Principles.

The Chairman of the Board of Directors and the CEO/General Manager are not the same person.

The maximum term of office for Board members is three years. A member whose term of office has expired may be re-elected.

In the event of any vacancy on the Board, the Board of Directors shall elect a new member and present the member for the approval of the General Assembly in the next Annual General Meeting. The new member shall complete the remaining term of office of their predecessor.

NUH ALBAYRAK

Chairman and Editor in Chief

Nuh Albayrak was born in 1960 in Konya where he completed his primary and secondary education. He had a great interest in literature ever since, and proved this interest with many first places in high school essay contests. Mr. Albayrak wrote editorials in a local newspaper named Seydişehir Postası (Seydişehir Journal) for a year. Nuh Albayrak completed his university education in Istanbul at the Faculty of Engineering of İDMMA - Galatasaray Engineering, graduating as a civil engineer in 1980. After completing a year as an engineer, he returned to his first love, journalism, and started working at Türkiye Newspaper as an "apprentice". Since then, Mr. Albayrak has worked in all the units of the newspaper and after serving as Editorial Director for 12 years he undertook the responsibility of Chief Editor in May 2007. As one of the first people to display an example of the new "total responsibility" management format, Mr. Albayrak has expressed that he continuously experiences the difference in doing journalism in an "engineering kind of way" in the media sector. He is married and has two children. Nuh Albayrak is a member of the Journalists Association of Turkey, TSYD (Sports Journalists Association of Turkey), and MÜSİAD (Independent Industrialists and Businessmen's Association) in addition to carrying out his duties as Member of the Board of Directors of the Press Association and Vice President of the Media Ethics Council.

MURAT ODABAŞ

Deputy Chairman

Born in 1959 in Çorum, Mr. Murat Odabaş completed his primary and secondary education in Alaca. He graduated from the Kuleli Military High School in 1977 and then from the Department of Economics at the Turkish Military Academy in 1981. He served as an officer in the Turkish Armed Forces in many positions in Turkey and abroad. After his retirement, he started his career at İhlas Holding as İhlas Motor A.Ş. Assistant General Manager. While working as Private Secretary to the İhlas Holding General Manager in 1996, he was also serving simultaneously as the Secretary of the Executive Board. He became the İhlas Holding Assistant General Manager in charge of Administrative Affairs in 1999. He left this job in 2001 and worked abroad for a period. When he returned to Turkey, he first started serving as the Vice President of İhlas Ankara Media Group, and then he became the Ankara Representative of TGRT HABER TV in 2007. He presented the program "Ankara'nın Gündemi" (The Ankara Agenda) while in this position. He produced 440 programs with many politicians and bureaucrats including the President and Prime Minister. He is still serving as the General Coordinator at İhlas Holding A.Ş., is a member of the board at İhlas İnşaat Proje Taahhüt Turizm A.Ş. and chairman of the board in İhlas Motor A.Ş., Armutlu Tatil ve Turizm İşletmeleri A.Ş., İhlas Dış Ticaret A.Ş., Plus Gayrimenkul A.Ş., Akplus Pazarlama Gayrimenkul Tic. A.Ş.

ÜMİT KÜNAR

Executive Member of the Board of Directors, Responsible for Financial Affairs

Ümit Künar was born in 1975 in Tekirdağ. After graduating from İstanbul 100. Yıl Ticaret Meslek Lisesi (100th Year Trade Vocational School), he graduated from Anadolu University, Faculty of Business Administration. He began working at İhlas Holding in 1992 and is now the Executive Member of the Board of Directors Responsible for Financial Affairs for İhlas Gazetecilik A.Ş. Having completed his MBA at the Istanbul University, Institute of Business Administration he now holds an independent accounting and financial advisory license. He has also been authorized by the Public Oversight Accounting and Audit Standards Institution to audit in the Capital Market, Banking, Insurance and Private Retirement as well as General Fields sectors. Mr. Künar, who is married with one child, is also a member of the İstanbul Chamber of Freelance Accountants and Financial Consultants, the Corporate Governance Association of Turkey (TKYD), the Investor Relations Association of Turkey (TÜYİD) and the Association of Business Economics Institute Graduates (İMED).

MUAVİYE GÜL

Member of the Board of Directors

Born in 1961 in Istanbul, Mr. Muaviye Gül graduated from the Zeytinburnu İhsan Mermerci High School in 1979. Mr. Muaviye Gül, who started work at Türkiye Newspaper Technical Service in 1982, turned heads in this job by showing great care and following up the results of his work. He then served as Assistant to the Technical Services Director from 1987 to 2011. In 2012, he was appointed Assistant General Manager Responsible for Printing at İhlas Gazetecilik A.Ş., as part of the restructuring process within the frame of the ERP application. Mr. Muaviye Gül, who is married with three children, still serves in this position.

ORHAN TANIŞMAN

Member of the Board of Directors

Orhan Tanışman was born in Istanbul in 1969. After graduating in Shipbuilding Engineering at Istanbul Technical University, he got his master's degree from Yıldız Technical University, followed by his doctorate studies in investment planning at Istanbul University. Meanwhile, he attended Istanbul University's Graduate School of Business and Economics and graduated in 1999. He served as a Research Assistant at Marmara University's Faculty of Technical Education in 1991 - 1992 and at Istanbul University's Faculty of Engineering between 1992 and 1994. Mr. Tanışman began providing services for İhlas Holding in 1994 and since then, he has been Investor Relations Director of İhlas Holding. Orhan Tanışman is married and has a son and a daughter. He is a member of the Corporate Administration Association of Turkey (TKYD) and the Investor Relations Association of Turkey (TÜYİD).

ABDULLAH TUĞCU

Member of the Board of Directors

Born in 1982 in Kayseri, Mr. Abdullah Tuğcu completed his secondary and high school education in Kayseri. He graduated from the Faculty of Business Administration at Istanbul University in 2003. He then completed his Master's education in Fiscal Law at Marmara University Department of Public Finance. He started his business career at an Independent Audit Company as an assistant auditor in 2003. He joined İhlas Group in 2008. Besides being a Member of the Board of Directors at İhlas Haber Ajansı, Promaş Profesyonel Medya Reklam ve Film Pazarlama Hizmetleri A.Ş. and İhlas Gelişim Yayıncılık A.Ş., he also serves as the Finance Coordinator of İhlas Yayın Holding and the Financial Affairs Manager of İhlas Madencilik A.Ş. He has been to the USA for a short while for various training studies. Mr. Abdullah Tuğcu holds a Public Accountants License and is also a member of the Istanbul Chamber of Certified Public Accountants (İSMMMO), İSMMMO Turkish Trade Committee, Corporate Governance Association of Turkey (TKYD) and the Investor Relations Association of Turkey (TÜYİD).

MEHMET REMZİ ESEN

Independent Member of the Board of Directors

Born in 1956 in Istanbul, Mehmet Remzi Esen graduated from the Faculty of Commercial Science, Department of Business Administration in 1980. In 1976 he worked in the Liquid Capital Accounting Department of the University of Cerrahpaşa MedicalSchool. In 1986 he started to work in Technical Services at the Encyclopedia Department of Türkiye Newspaper. In 1998 he transferred to Türkiye Newspaper's Technical Department. He retired in 2001

TOLGA SÖNMEZ

Independent Member of the Board of Directors

Mr. Tolga Sönmez, who was born in 1973 in Ankara, graduated from the Anadolu University Faculty of Economics and Administrative Sciences in 1996. He then went to London and completed the Banking and Finance Certificate Program at London Guildhall University. Starting his business career as Finance Executive at İhlas Holding in 1997, Mr. Sönmez transferred to FFK Fon Finansal Kiralama A.Ş., the Ülker Group's leasing company, in 2002. Mr. Tolga Sönmez left the Finance Manager position at this company in 2008, then served as Finance Manager at Baklavacı Güllüoğlu A.Ş. until March, 2011. After working as Financial Affairs Coordinator at Boer Elektronik, he became the Finance Manager at Pelsan Aydınlatma. Mr. Tolga Sönmez, who is married with a daughter, has attended several seminars in Turkey and abroad, and he was a speaker at the Finance Congresses organized by the Middle East Technical University (METU)

Finance Club.

NAZMİ ÖRS

Independent Member of the Board of Directors

Born in 1948 in Antalya, Nazmi Örs graduated from Yenişehir Health College, Department of Radiology in 1969. In 1979 he graduated from the Gevher Nesibe Health Education Institute, Department of Public Health in Ankara. He held various posts in the Ministry of Health in Izmir, Kars, Gaziantep and Istanbul. He retired voluntarily in 1999 while working as an Assistant Manager in Bakırköy Psychiatric Hospital. He still runs his own independent business.

The duties performed by the Members of the Board of Directors outside of the Company:

NUH ALBAYRAK

İhlas Yayın Holding A.Ş.	Board Member

MURAT ODABAŞ

İhlas Holding A.Ş.	Board Member
Plus Gayrimenkul Ticaret A.Ş.	Chairman of the Board

ORHAN TANIŞMAN

İhlas Holding A.Ş.	Investor Relations Director
İhlas Yayın Holding A.Ş.	Board Member
İhlas Haber Ajansı A.Ş.	Board Member
Dijital Varlıklar Görsel Medya ve İnternet Hizmetleri Ltd. Şti.	Company Director

ABDULLAH TUĞCU

İhlas Yayın Holding A.Ş.	Brd Mem/Finance Coordinator
İhlas Holding A.Ş.	Board Member
İhlas Gelişim Yayıncılık A.Ş.	Board Member
İhlas Haber Ajansı A.Ş.	Board Member
Promaş Profesyonel Medya Reklam ve Film Pazarlama Hizmetleri A.Ş.	Board Member
Tgrt Haber TV A.Ş.	Board Member
Tgrt Dijital TV Hizmetleri A.Ş.	Board Member

TOLGA SÖNMEZ

İhlas Yayın Holding A.Ş.	Independent Board Member
İhlas Ev Aletleri A.Ş.	Independent Board Member
Pelsan Aydınlatma San. ve Tic. Ltd. Şti.	Finance Manager

No administrative sanctions or charges have been filed against the members of the Board of Directors of the Company for acting contrary to the provisions of the legislation. There have been no conflicts of interest between investment consultants and rating agencies and the Company.

In accordance with Articles 395 and 396 of the Turkish Trade Code, members of the Board of Directors are free to engage in any commercial activity that falls under the Company's business.

There is no reciprocal shareholding exceeding 5%. The number of Board members shall be determined by the General Assembly in a manner which allows board members to undertake efficient and productive efforts, to take rapid and rational decisions, to establish committees and to organize their work effectively on condition that there are at least 5 members in any situation.

The Board includes both executive and non-executive members. The non-executive members on the Board are individuals who do not have any administrative position in the Company other than in their capacity as members of the Board of Directors and who do not intervene in the daily businesses and ordinary activities of the Company. The majority of Board members are nonexecutive members.

Among the non-executive Board members, there are independent members who are able to perform their duties without being under any outside influence.

The number of independent members in the board shall not be less than one third of the total number of members. When calculating the number of independent members, the remainder is considered to be the following whole number. In any case, the number of independent members shall not be less than two.

The Chairman of the Board of Directors is not the same person as the CEO. In our Board of Directors, which comprises of 9 members, there are 3 executive members, 3 non-executive members and 3 independent members. Accordingly, one third of the Board members are executive members, while one third are independent members.

The office term of independent members of the board is up to three years, and it is possible for these members to be renominated as a candidate and to be re-elected.

A person who has served on the Board for more than six years within the last ten years shall not be appointed as an independent member.

In the event that a matter which eliminates the independence of a member arises, the change shall be conveyed to the Board by the independent member to be made public. In this respect, the Board member to have lost their independence shall resign as a principle. In order to re-ensure the minimum number of independent board members, the Nomination Committee undertakes an assessment regarding the selection of the independent member for the vacant seats and conveys the result of the assessment to the Board in written form by the next Annual General Meeting.

In the scope of the Board of Directors Nominating Committee report the list of candidates is sent to the CMB.

If the CMB has any negative comments about the list this will be supplied within 30 days. The person about whom the negative comment is made shall not be elected.

The provisions in this article are also valid if the independent board member resigns or is unable to fulfill duties.

Three independent members were nominated as candidates to the Corporate Governance Committee. On 2nd May, 2012, the Corporate Governance Committee submitted the report to the Board indicating whether independent member candidates of the Corporate Governance Committee possess the qualifications required for independent membership.

Among the Independent Board Members, Mehmet Remzi Esen, Nazmi Örs and Tolga Sönmez submitted their statements of independence at the General Assembly, in which they were elected on May 30, 2012 as required by the Communiqué Serial: IV, No: 56 on Principles Regarding Determination and Application of Corporate Governance Principles published on December 30, 2011.

There hasn't been any case dissolving the independence of the independent members during the period.

STATEMENT OF INDEPENDENCE

I declare to our Board of Directors, shareholders and all related parties that in the past five years, there has been no direct or indirect relationship of interest between İhlas Gazetecilik A.Ş. or its subsidiaries or legal entities who have management or capital relations with any shareholders which directly or indirectly hold at least 10% of the capital of Ihlas Gazetecilik A.Ş., and myself, my spouse or relatives to the third degree with respect to employment, capital or commerce; I have not worked or served as a Board member in companies that execute all or a part of the activities of Ihlas Gazetecilik A.Ş. or run its entire or a part of its business, in particular those companies that provide audit, rating and advisory services to Ihlas Gazetecilik A.Ş.; I have not worked or served as a shareholder, employee or a Board member in any company that has provided a substantial degree of service or products to the Company in the past five years; I am not a shareholder of Ihlas Gazetecilik A.Ş. holding more than 1% of its capital; I possess the necessary occupational education, knowledge and experience to fulfill all duties that I will undertake as an independent Board member; I do not serve full-time in any public institution or agency; I am considered as a Turkish citizen according to the Income Tax Law; I have gained a professional reputation and experience, and possess strong ethical standards that will allow me to contribute to the activities of Ihlas Gazetecilik A.Ş., to protect my objectivity in the event of any conflicts of interest between shareholders, and to undertake decisions freely by taking into account the benefits of other parties; I am able to allocate time to the operations of Ihlas Gazetecilik A.Ş. to the extent that I can follow the progress of such operations and to completely fulfill the requirements of the duty that I undertake.

Yours sincerely,

Mehmet Remzi Esen

STATEMENT OF INDEPENDENCE

I declare to our Board of Directors, shareholders and all related parties that in the past five years, there has been no direct or indirect relationship of interest between İhlas Gazetecilik A.Ş. or its subsidiaries or legal entities who have management or capital relations with any shareholders which directly or indirectly hold at least 10% of the capital of Ihlas Gazetecilik A.Ş., and myself, my spouse or relatives to the third degree with respect to employment, capital or commerce; I have not worked or served as a Board member in companies that execute all or a part of the activities of Ihlas Gazetecilik A.Ş. or run its entire or a part of its business, in particular those companies that provide audit, rating and advisory services to Ihlas Gazetecilik A.Ş.; I have not worked or served as a shareholder, employee or a Board member in any company that has provided a substantial degree of service or products to the Company in the past five years; I am not a shareholder of Ihlas Gazetecilik A.Ş. holding more than 1% of its capital; I possess the necessary occupational education, knowledge and experience to fulfill all duties that I will undertake as an independent Board member; I do not serve full-time in any public institution or agency; I am considered as a Turkish citizen according to the Income Tax Law; I have gained a professional reputation and experience, and possess strong ethical standards that will allow me to contribute to the activities of Ihlas Gazetecilik A.Ş., to protect my objectivity in the event of any conflicts of interest between shareholders, and to undertake decisions freely by taking into account the benefits of other parties; I am able to allocate time to the operations of Ihlas Gazetecilik A.Ş. to the extent that I can follow the progress of such operations and to completely fulfill the requirements of the duty that I undertake.

Yours sincerely,

Nazmi Örs

STATEMENT OF INDEPENDENCE

I declare to our Board of Directors, shareholders and all related parties that in the past five years, there has been no direct or indirect relationship of interest between İhlas Gazetecilik A.Ş. or its subsidiaries or legal entities who have management or capital relations with any shareholders which directly or indirectly hold at least 10% of the capital of Ihlas Gazetecilik A.Ş., and myself, my spouse or relatives to the third degree with respect to employment, capital or commerce; I have not worked or served as a Board member in companies that execute all or a part of the activities of Ihlas Gazetecilik A.Ş. or run its entire or a part of its business, in particular those companies that provide audit, rating and advisory services to Ihlas Gazetecilik A.Ş.; I have not worked or served as a shareholder, employee or a Board member in any company that has provided a substantial degree of service or products to the Company in the past five years; I am not a shareholder of Ihlas Gazetecilik A.Ş. holding more than 1% of its capital; I possess the necessary occupational education, knowledge and experience to fulfill all duties that I will undertake as an independent Board member; I do not serve full-time in any public institution or agency; I am considered as a Turkish citizen according to the Income Tax Law; I have gained a professional reputation and experience, and possess strong ethical standards that will allow me to contribute to the activities of Ihlas Gazetecilik A.Ş., to protect my objectivity in the event of any conflicts of interest between shareholders, and to undertake decisions freely by taking into account the benefits of other parties; I am able to allocate time to the operations of Ihlas Gazetecilik A.Ş. to the extent that I can follow the progress of such operations and to completely fulfill the requirements of the duty that I undertake.

Yours sincerely,

Tolga Sönmez

15. Principles for the Activities of the Board of Directors

The agenda of the Board of Directors Meeting consists of items that are requested by the members of the Board of Directors, demands of the Company managers and the recommendations of the committees.

As required by the Articles of Association, the Board of Directors meets at least once a month. The actual participation of the members of the Board of Directors is secured in all of the meetings of the Board of Directors.

The Secretariat to the Board of Directors is authorized to organize and announce the agenda of the Board of Directors' meeting and serve notice for the call to meetings, and to inform the Board Members and to draw up all documents related to the Board of Directors. Umut Bilen acts as the Secretary for the Board of Directors. Board Members are invited to attend meetings by the Board of Directors Secretariat via e-mail or telephone, informing Board Members of the venue, date and time of the meeting.

As of the end of December 2013, the Board of Directors had held 36 meetings with an 89% participation rate. There were no objections which were required to be recorded in the meetings. There was no important transaction or related party transaction which was not approved by independent members. Questions forwarded at the meetings are not recorded. Members of the Board of Directors are not entitled to preferential votes and/or veto rights.

The Board of Directors shall, by also taking into account the opinions of related Board committees, establish its control systems, including risk management and information systems and processes aimed at minimizing the impact of risks that could affect the Company's stakeholders, particularly its shareholders. The Board of Directors reviews the effectiveness of its risk management and internal control systems at least once a year. Information concerning the presence, functioning and effectiveness of internal control systems and the internal audit system is provided in the annual report.

The approval of the majority of the independent members is sought in all important associated party transactions of the Company as well as in the resolutions of Board of Directors related to the provision of warranties, pledges and mortgages to the benefit of third parties. In the event that a majority of the independent members do not approve the transaction in question, the case shall be publicized under the arrangements of enlightening the public, and the transaction is then submitted to the General Assembly for approval. In the mentioned Annual General Meetings, the resolution is undertaken in a voting procedure where the parties of the transaction and the persons associated with them shall not vote, thus ensuring the participation of other shareholders in such resolutions in the General Assembly. A meeting quorum is not sought in the Annual General Meetings held for the situations specified in this paragraph. The resolution is passed with a simple majority of the votes of those holding the voting rights. Any resolutions submitted by the Board of Directors and the General Assembly not taken in accordance with the principles specified in this paragraph are not deemed valid. Provisions regarding these issues shall be mentioned in the Company's Articles of Association.

16. Number, Structure and Independence of the Committees Established by the Board of Directors

In accordance with Corporate Management Principles, a Corporate Governance Committee, an Audit Committee and an Early Risk Detection and Management Committee were formed within the structure of the Company's Board of Directors. The Committee Chairpersons and all members of the Audit Committee are composed of independent members, while committee members are composed of non-executive Members of the Board of Directors.

All members of the Audit Committee and the chairpersons of other committees are elected from among independent Board members. The CEO/General Manager does not serve on committees.

Board Members shall not serve on more than one committee.

Because there is no "Candidate Nomination Committee", and "Remuneration Committee" because of the structure of the Board of Directors, the Corporate Governance Committee carries out the functions of these committees in accordance with Provision no: 4.5.1 in the Communiqué, Serial: IV and No: 56, published by the Capital Markets Board.

The committee in charge of audit; supervises the operation and efficiency of the accounting system of the company, disclosure of financial information, independent audit and internal control system. Election of independent audit institution, starting the independent audit process by preparing the independent audit agreements and operations in all stages of independent audit institution are performed under the supervision of the audit committee.

The independent audit institution to be used and the services to be received by this company are determined by the audit committee and are presented to the approval of the board of directors.

Method and criteria to be applied for analyzing and concluding of the complaints received by the Company in relation with the Company's accounting or internal control system and independent audit, evaluating the statements of the Company employees regarding the accounting and independent audit of the Company in accordance with the confidentiality policy, are determined by the audit committee.

The audit committee informs the annual and interim financial tables to be disclosed, accounting principles of the Company to the board of directors in writing and in accordance with their accuracy and correctness together with its own evaluations and by taking the opinion of senior managers and independent audits of the Company.

The audit committee meets at least once every three months and four times a year and it presents the meeting results to the board of directors. The audit committee repots the findings and proposals related with its duty and responsibility area to the board of directors in writing.

How many times the audit committee will report to the Board in a period is specified in the annual report.

Determines whether the company governance principles are applied in the company or not and the reason for non execution and the conflicts of interest arising due to this non compliance and gives corrective recommendations about corporate governance implementations to board of directors.

The Early Risk Detection Committee works to detect the risks that might endanger the existence, progress and survival of the Company, to ensure implementation of necessary measures and remedies in relation to the identified risks, and to manage the risk. The committee submits a bimonthly report to the Board of Directors, pointing at the perils, if any, and indicating the remedies. Our Company Board of Directors has formed an Early Risk Detection Committee by decision 2013/14 on 12/3/2014 and reviews risks at least once a year. The Committee Chairman is independent board member Nazmi Örs and the member is Orhan Tanışman.

Fields of activity, working principles and members of committees are determined by the Board of Directors and published on the Company's website.

Distribution of Committee Members are as follows:

Name/Last Name	Title
Mehmet Remzi Esen	Chairman (Independent Member)
Orhan Tanışman	Member

Audit Committee

Name/Last Name	Title
Tolga Sönmez	Chairman (Independent Member)
Nazmi Örs	Member (Independent Member)

Early Risk Detection Committee

Name/Last Name	Title
Nazmi Örs	Chairman (Independent Member)
Orhan Tanışman	Member

"Committees act within the scope of their authorities and responsibilities and submit recommendations to the Board of Directors. The final decision, however, lies with the Board of Directors." The committees act by applying this procedure. The Audit Committee held six meetings, the Corporate Governance Committee held five meetings and the Early Risk Detection and Management Committee held five meetings during the 2013 12 months operating period. All of the recommendations made by these committees have been adopted by the Board of Directors.

Qualifications of Board Members

In principle, candidates for the Membership of the Board are chosen among those with a high level of knowledge and skill, qualified and with a certain experience.

Besides the general characteristics described above, the minimum requirements sought in a candidate for Board Membership candidacy are as follows:

- Being able to read and analyze financial tables,
- Having fundamental information of the legal regulations that daily and long-term activities of the Company are subject to,
- Possessing the capacity and determination to attend all meetings of the Board that are planned to be held within the related accounting year.

Although minimum qualities required from Board Members are not specified in the Articles of Association, conventionally, all Board Members have these minimum qualifications.

17. Risk Management and Internal Control Mechanism

An Audit Committee was formed in the Board of Directors and works regarding the setting up of an Internal Audit

Department were initiated. Regarding the effective implementation of Internal Audit in our Company, the process time frames will be determined, procedures will be prepared and implementation will be commenced.

The Risk Management Unit arranges the procedures and principles that the Company must abide by in its activities, in particular during the process of identification, assessment, prioritization, monitoring and reporting risks and in the comparison and implementation of measures and strategies which should be applied to avoid such risks.

Our Company has undertaken efforts to set up a unique risk management model. The "Risk Assessment and Management Process Table" and the "Risk Assessment Report", "Degrees of Probability Report, "Impact Degrees Report", "Probability-Impact Scoring Matrix", "Control Degrees", and "Risk-Control Assessment Matrix" prepared by the Corporate Governance Committee in accordance with the respective articles of the Capital Markets Board's Communiqué, Serial: IV and No: 56, on the "Early Determination and Management of Risks", as well as Article 378 of the Turkish Commercial Code, were analyzed by the Board of Directors and a decision was taken to continue such efforts.

The primary and specific risks set forth in the Risk Assessment Report were also mentioned in the "Table of Categories and Risk Classes".

As a result of the efforts taken in this direction, five primary categories were determined:

- Strategic Management and Investment Category
- Product / Service Category
- Finance Category
- Labor Force Category
- Information Category

18. Strategic Targets

Strategic targets: The strategic targets of İhlas Gazetecilik are to serve within a consumer oriented system; develop special products aimed at the reader; produce content with traditional brands; keep a close view of technological developments; diversify and enlarge distribution channels by applying up-to-date production methods; prepare information and entertainment products and tools for individuals; diversify and raise the number of sales and distribution channels; and to cooperate with the world's leading media corporations.

19. Financial Benefits

- Remuneration principles for the Board members and senior directors were provided in writing; these principles were submitted for the information and approval of shareholders in the 2011 Annual General Meeting held on 30th May, 2012 and shareholders were permitted to express their views concerning this issue. The remuneration policy prepared for this purpose is published on the Company's website.

Remuneration principles for Board members and senior directors were submitted for the information of our shareholders in the Annual General Meeting held on 30th May, 2012.

REMUNERATION PRINCIPLES FOR THE BOARD MEMBERS AND SENIOR DIRECTORS

1. PURPOSE AND SCOPE

The Board of Directors is responsible for ensuring that the Company achieves its predetermined and publicly disclosed operational and financial performance targets. In the event that the predetermined targets are not achieved, a remuneration policy is determined in order to ensure that the Board of Directors undertakes self-criticism both as a Board and on a member basis, and evaluates both its own performance and that of its members. The remuneration policy aims to strengthen the motivation of Board members and senior directors to continue demonstrating a high performance.

2. PRINCIPLES

Remuneration principles for Board members and senior directors are required to be provided in writing; these principles must be submitted for the information of shareholders as a separate item in the Annual General Meetings and shareholders should be permitted to express their views concerning this issue.

The prepared remuneration policy is required to be published on the Company's website. The share certificate options or payment plans which are based on the Company's performance shall not be used in determining the remuneration of the independent members of the Board of Directors. The Company exercises care in ensuring that the remuneration of independent Board members is at a level sufficient to ensure that they maintain their independence.

3. PERFORMANCE AND REMUNERATION

The remuneration to be paid to the members of the Board of Directors, to the Executives of the Senior Management and other personnel cannot solely be associated with short term performances such as the profit or revenues of the Company. The members of the committees consisting of the members of the Board of Directors will receive remuneration in accordance with the responsibilities they have been charged with. Care is taken to ensure that the fees are in compliance with the ethical values, internal balances and strategic targets of the Company. The fees of the members of the Board of Directors are approved by the General Assembly.

Notwithstanding the fact that members of the Board of Directors and Executives of the Senior Management may be paid based on the performance of the Company, such payments shall have a positive effect on the corporate value of the Company and be subject to objective conditions.

The amount of the remuneration based on performance may not be granted in advance. Fees based on performance can be paid with consideration to the term of the risks taken and in installments. For fees based on performance, the prior term performance of the employees is assessed. The Board of Directors has the final authorization and responsibility in the efficient launch of the Remuneration Policy and its implementation. The Company's Senior Management is accountable to the Board of Directors for the efficient implementation of the Company's remuneration system in line with the relevant regulations. Within the scope of this policy, the compliance with the regulations is required by law.

4. POLICY CHANGE

If required, the Remunerations Policy is reviewed and updated at least once a year in accordance with the changes in the Company's business processes and the rising risks in the sector in a manner which supports the Company's targets and strategies in order to raise employees' motivation and loyalty. The updated Remunerations Policy is then presented for the information of shareholders in the General Assembly and also published on the Company's website. The Company abides by the Capital Markets Board's regulation concerning corporate management in the determination of remuneration principles for Board members and executives of the senior management.

- No payments are made to the Members of the Board of Directors other than the rights and benefits designated by the General

Assembly. Remunerations are paid to Executive Board Members however, for their executive duties.

- No performance based payment method exists which reflects performance within the Company.
- The Company does not extend loans or make available credits to Members of the Board and Company managers.
- No credits have been made available under the name of personal credit via the mediation of third persons, and no guarantees have been given such as surety in favor.
- The Company ensures that the remuneration of independent Board members is at a level which ensures their continued independence. The share certificate options or payment plans based on the Company's performance shall not be used.

STATEMENT OF RESPONSIBILITY

DATE: 17.02.2014
DATE OF THE BOARD OF DIRECTORS DECISION REGARDING THE ACCEPTANCE OF THE FINANCIAL TABLE AND ACTIVITY REPORTS : 17.02.2014
DECISION NO: 2014/02

STATEMENT OF RESPONSIBILITY PURSUANT TO CAPITAL MARKETS BOARD COMMUNIQUE SERIES: II, NO:14.1 SECTION TWO ARTICLE 9

We declare that the financial statements and the Annual Report of İhlas Gazetecilik A.Ş., which were completed by December 31, 2013, in accordance with the International Accounting / Financial Reporting Standards pursuant to the provisions of the Capital Markets Board's "Communiqué on the Principles of Financial Reporting in Capital Markets", Serial: II, No: 14.1,

a) Were examined by our side;

b) Did not include any explanation contrary to the facts in respect to important matters or any gaps that could be misleading as of the date when the explanation was made, to the extent of the information we have as per our duty and responsibility within the Company; and

c) To the extent of the information we have as per our duty and responsibility within the Company, financial statements, which were prepared in accordance with the financial reporting standards in effect, truly reflect the Company's assets, liabilities, financial status and profit / loss; and the Annual Report solely reflects the truth regarding the development and performance of the business; and the annual report, along with those under the scope of consolidation, reflects the truth regarding the Company's financial status, significant risks and uncertainties it faces.

Sincerely,

Nuh Albayrak
Chairman and Editor in Chief

Ümit Künar
Manager Responsible for Financial Affairs and Executive Board Member

PROPOSAL ON THE DISTRIBUTION OF PROFIT

By the end of our Company's 2013 accounting period;

The net profit for the period was 2,272,165 TL according to the consolidated Balance Sheet prepared according to the International Accounting / Financial Reporting Standards, in compliance with the provisions of the Capital Markets Board's

Communiqué - Serial: II No: 14.1. The Company's net loss for the period was 7,093,830.60 TL as stated in the statutory documents prepared in accordance with the provisions of the Tax Procedure Law (TPL). A decision was taken to submit a proposal to the Ordinary General Assembly, not to distribute any profit as no distributable profit was generated.

Sincerely,

Nuh Albayrak
Chairman and Editor in Chief

Ümit Künar
Manager Responsible for Financial Affairs and Executive Board Member

İHLAS GAZETECİLİK A.Ş.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE ACCOUNTING YEAR 01.01 – 31.12.2013

İHLAS GAZETECİLİK A.Ş.

FINANCIAL TABLES AND INDEPENDENT AUDIT REPORT FOR THE 01.01-31.12.2013 ACCOUNTING PERIOD

To the Board of Directors of İhlas Gazetecilik Anonim Şirketi,

We have audited the following documents regarding İhlas Gazetecilik A.Ş. (the "Company") which were included in the appendix: table of financial conditions (balance sheet) prepared as of December 31, 2013, comprehensive income statement for the year ending on the same date, statement of changes in equity, cash flow statement, summary of significant accounting policies and the footnotes.

Liability of the Company Management Regarding Financial Statements

The Company Management is responsible for preparation and accurate presentation of financial statements in accordance with the International Accounting Standards (IAS) published by the Public Oversight and Auditing Standards Organization (POA). This responsibility includes design, implementation and continuation of the necessary internal control system, estimating the accounting required by conditions and selecting the appropriate accounting policies in order to ensure that financial statements reflect the truth in an honest way and that they are prepared in a manner that does not contain any significant errors derived from mistakes and / or fraud or misconduct.

Responsibility of the Independent Auditing Company

Our responsibility is to express our opinion on these financial statements, based on the independent audit we conduct. Our independent audit has been conducted in accordance with independent auditing standards published by the Capital Markets Board. These standards require compliance with ethical principles, as well as ensuring that the independent audit was planned and executed in a way that ensures a reasonable amount of assurance over whether or not the financial statements reflect the truth in an accurate and honest way.

Our independent audit includes the use of independent auditing techniques in order to gather independent audit evidence regarding the amounts and footnotes included in financial statements. The selection of the independent audit techniques to be used was made according to our professional opinions in a manner that also includes a risk assessment on whether or not the financial statements contain any significant errors derived from mistakes and / or fraud and misconduct. In this risk assessment, the entity's internal control system was also taken into consideration. However, our aim is not to state an opinion on the effectiveness of the internal control system. It is to reveal the relationship between the financial statements prepared by the management of the Company and the internal control system to design the independent auditing techniques in accordance with the conditions. Our independent audit also includes an assessment over the conformity of an aggregate presentation, consisting of accounting policies adopted by and significant accounting estimates made by the Company management and the financial statements.

We believe that the independent auditing evidence we have obtained, make an adequate and appropriate basis in the composing of our opinion.

Opinion:

In our opinion, the enclosed financial statements accurately and honestly reflect İhlas Gazetecilik A.Ş.'s financial condition as of December 31, 2013, the Company's financial performance and cash flows regarding the year that ends on the same date, within the IAS framework of financial reporting standards.

Although it does not affect our opinion, we wish to draw your attention to the following issue: The Company's financial statements as of December 31st, 2012, and their comparative financial statements of previous periods were audited by another independent auditing firm, which proffered positive opinions on such financial statements.

Report on the Independent Auditor Responsibilities Generated from other Regulations

In accordance with the Turkish Commercial Code no 6102 Article 402 the Board of Directors has provided the explanations and documents that were requested in the scope of the audit also no important point indicating that the company's January1-December 31, 2013 accounting records were not in accordance with the provisions on financial reporting in the articles of association was found.

According to Turkish Commercial Code no 6102 Article 378 the board of directors in companies that are processed on the stock exchange must form an expert committee to work on the early detection of causes that may threaten the existence, development and continuance of the company; to apply the precautions necessary to avoid these, manage risk and operate this system. According to clause 4 of article 398 in the same law the auditor is responsible for checking to make sure that the board of directors has established the system set forth in article 378 to detect risks that are or may threaten the company and conduct risk management and if there is such a system to prepare a separate report concerning the structure of this system and as well as explain its functions according to principles set forth by the POA. Our audit does not cover assessment of the operational efficiency and sufficiency of the operations conducted by the Company Management to manage risk. As of the report date no statement had been released by the POA on these principles. Therefore no separate report has been prepared on this subject. Moreover the company established the said committee on March 12, 2013 with two members. Since the date it was established until the report date the committee met five times to detect risks threatening the existence of the Company, to apply the necessary precautions and to manage risk and has submitted this work to the Board of Directors.

İstanbul February 17, 2014

BİLGİLİ BAĞIMSIZ DENETİM ve

YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.

Rafet KALKAN

Head Partner Auditor

Certified Accountant

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FINANCIAL TABLES AS OF DECEMBER 31 2013 AND DECEMBER 31 2012
(The amounts are in Turkish Lira (TL) unless specified otherwise)

	Footnote References	From Independent Audit Past 31.12.2013	Past (Reclassified) 31.12.2012
ASSETS			
Current Assets		**72.382.601**	**70.720.967**
Cash and Cash Equivalents	6	393.608	403.673
Financial Investments	7	-	-
Trade Receivables	10	59.508.279	54.718.659
- Trade Receivables from Related Parties	10-38	11.025.037	19.893.979
- Trade Receivables from Non-Related Parties	10	48.483.242	34.824.680
Receivables from Finance Sector Activities	12	-	-
Other Receivables	11	-	-
Derivative Instruments		-	-
Inventories	13	7.857.673	9.076.454
Live Assets	14	-	-
Prepaid Expenses	24	4.332.168	6.198.192
Assets Related to the Current Period Tax	25	290.873	98.136
Other Current Assets	26	-	225.853
(Subtotal)		72.382.601	70.720.967
Held-for-sale Fixed Assets	35	-	-
Fixed Assets		**187.567.927**	**174.682.886**
Financial Investments	7	-	-
Trade Receivables	10	-	-
Receivables from Finance Sector Activities	12	-	-
Other Receivables	11	10.178	1.728
Derivative Instruments		-	-
Investments Appraised using the Equity Method of Accounting	16	-	-
Live Assets	14	-	-
Investment Properties	17	84.099.538	71.048.380
Tangible Fixed Assets	18	31.368.184	32.281.198
Intangible Fixed Assets	19	54.520.008	56.407.947
Prepaid Expenses	24	2.715.622	2.715.622
Deferred Tax Assets	36	14.854.397	12.228.011
Other Fixed Assets	26	-	-
TOTAL ASSETS		**259.950.528**	**245.403.853**

The attached footnotes augment the consolidated financial statements.

İHLAS GAZETECİLİK A.Ş.

FINANCIAL TABLES AS OF DECEMBER 31 2013 AND DECEMBER 31 2012
(The amounts are in Turkish Lira (TL) unless specified otherwise)

	Footnote References	From Independent Audit Past 31.12.2013	Past (Reclassified) 31.12.2012
LIABILITIES			
Short Term Liabilities		**14.771.698**	**11.768.726**
Short Term Payables	8	1.537.064	1.000.000
Short Term Portion of Long Term Liabilities	8	1.013.203	372.554
Other Financial Liabilities	9	-	-
Trade Payables	10	7.328.008	4.935.533
- Trade Payables to Related Parties	10-38	3.040.817	790.961
- Trade Payables to Non-Related Parties	10	4.287.191	4.144.572
Payables from Finance Sector Activities	12	-	-
Payables from Employees Benefits	22	2.467.414	1.743.546
Other Payables	11	19.029	15.114
Derivative Instruments		-	-
Government Incentives and Aid	20	-	-
Deferred Income	24	1.020.125	1.748.546
Period Profit Tax Liability	36	-	-
Short Term Provisions		-	-
- Short Term Provisions Rel. to Employee Benefits	22	-	-
- Other Short Term Provisions	21	-	-
Other Short Term Liabilities	26	1.386.855	1.953.433
(Subtotal)		14.771.698	11.768.726
Held for Sale Fixed Asset Liabilities	35	-	-
Long Term Liabilities		**31.033.995**	**26.925.206**
Long Term Payables	8	1.186.640	665.265
Other Financial Liabilities	9	-	-
Trade Payables	10	-	-
Payables from Finance Sector Activities	12	-	-
Other Payables	11	-	-
Derivative Instruments		-	-
Government Incentives and Aid	20	-	-
Deferred Income	24	-	-
Long Term Provisions		9.821.852	7.180.037
- Long Term Provisions Rel. to Employee Benefits	22	9.730.150	7.034.857
- Other Long Term Provisions	21	91.702	145.180
Payables Related to Current Period Tax	25	-	-
Deferred Tax Liability	36	20.025.503	19.004.247
Other Long Term Liabilities	26	-	75.657
EQUITIES		**214.144.835**	**206.709.921**
Issued Capital	27	120.000.000	120.000.000
Capital Correction Differences	27	38.494.868	38.494.868
Other Accumulated Comprehensive Incomes and Expenses Not to be Reclassified in Profit or Loss	27	5.015.158	(147.591)
- Revaluation Measurement Profit/Loss		5.523.815	-
- Other- Profit/Loss		(508.657)	(147.591)
Restricted Reserves from Profits	27	957.185	957.185
Profit/(Loss) from Previous Years	27	47.405.459	48.540.192
Net Current Profit/(Loss)	37	2.272.165	(1.134.733)
TOTAL RESOURCES		**259.950.528**	**245.403.853**

The attached footnotes augment the consolidated financial statements.

FINANCIAL TABLES AS OF DECEMBER 31 2013 AND DECEMBER 31 2012

(The amounts are in Turkish Lira (TL) unless specified otherwise)

	Footnote References	From Independent Audit Past 01.01.2013-31.12.2013	Past (Reclassified) 01.01.2012-31.12.2012
CONTINUED ACTIVITIES			
Sales Income	28	81.715.889	75.946.848
Cost of Sales (-)	**28**	**(80.431.355)**	**(69.022.222)**
Gross Profit/(Loss) from Trade Activities		1.284.534	6.924.626
Finance Sector Activities Sales Income	28	-	-
Finance Sector Activities Costs(-)	28	-	-
Gross Profit/(Loss) from Finance Sector Activities		**-**	**-**
GROSS PROFIT/LOSS		**1.284.534**	**6.924.626**
General Administrative Costs (-)	29-30	(13.607.313)	(9.431.891)
Marketing, Sales and Distribution Costs (-)	29-30	(10.443.347)	(7.398.257)
Research and Development Costs(-)		-	-
Other Operating Income	31	13.417.307	9.478.285
Other Operating Costs(-)	31	(4.536.827)	(1.408.189)
OPERATING PROFIT/LOSS		**(13.885.646)**	**(1.835.426)**
Income from Investment Activities	32	13.223.810	94.229
Costs from Investment Activities(-)	32	-	(690.350)
Amount of Investment Appraisal through Equity Management in Profit/Loss	16	-	-
OPERATION PROFIT/LOSS BEFORE FINANCIAL COSTS		**(661.836)**	**(2.431.547)**
Financial Costs (-)	33	(1.366.901)	(1.343.134)
Financial Incomes	34	2.405.045	2.317.178
CONTINUING OPERATIONS PROFIT/(LOSS) BEFORE TAXES		**376.308**	**(1.457.503)**
Continuing Operations Tax Income/ (Expense)		**1.895.857**	**322.770**
- Current Tax Income/(Costs)	36	-	(27.779)
- Deferred Tax Income/(Costs)	36	1.895.857	350.549
CONTINUING OPERATIONS PROFIT/(LOSS) FOR THE PERIOD	**37**	**2.272.165**	**(1.134.733)**
DISCONTINUED OPERATIONS PROFIT/(LOSS)	**35**	**-**	**-**
CURRENT PROFIT/(LOSS)	**37**	**2.272.165**	**(1.134.733)**
Earnings/(Loss) per Share	**37**	**0,019**	**(0,013)**
Earnings/(Loss) per Share from Continuing Operations	37	0,019	(0,013)
Earnings/(Loss) per Share from Discontinued Operations	35	-	-
Diluted Earnings/(Loss) per Share	**37**	**-**	**-**
Diluted Earnings/(Loss) per Share from Continuing Operations		-	-
Diluted Earnings/(Loss) per Share from Discontinued Operations		-	-
CURRENT PROFIT/(LOSS)	**37**	**2.272.165**	**(1.134.733)**
Other Comprehensive Income/(Expense)		**5.162.749**	**(299.345)**
Not to be Reclassified Under Profit/Loss		**5.162.749**	**(299.345)**
Value Increase/Decrease Revaluation for Tangible Fixed Assets	18-27	5.814.542	-
Reappraisal Profits/Losses for defined Benefit Plans	22-27	(361.066)	(299.345)
Taxes Concerning Other Comprehensive Income not to be Reclassified in Profit or Loss	27-36	(290.727)	-
TOTAL COMPREHENSIVE INCOME		**7.434.914**	**(1.434.078)**

The attached footnotes augment the consolidated financial statements.

FINANCIAL TABLES AS OF DECEMBER 31 2013 AND DECEMBER 31 2012

(The amounts are in Turkish Lira (TL) unless specified otherwise)

	Note Ref.	Issued Capital	Capital Correction Difference	Restricted reserves Reserved From Profit	Other Accumulated Incomes/Costs not to be Reclassified in Profit /Loss: Actuarial Profit / Loss Fund from Retirement Plans	Other Accumulated Incomes/Costs not to be Reclassified in Profit /Loss: Actuarial Profit / Loss Fund from Retirement Plans	Accumulated Profits: Previous Years Profit / Loss	Accumulated Profits: Net Current Profit / (Loss)	Total
January 1, 2013 (Reclassified)		120.000.000	38.494.868	957.185	-	(147.591)	48.540.192	(1.134.733)	206.709.921
Transfers	27	-	-	-	-	-	(1.134.733)	1.134.733	-
Total Comprehensive Income	27,37	-	-	-	5.523.815	(361.066)	-	2.272.165	7.434.914
December 31, 2013		120.000.000	38.494.868	957.185	5.523.815	(508.657)	47.405.459	2.272.165	214.144.835

	Note Ref.	Issued Capital	Capital Correction Difference	Restricted reserves Reserved From Profit	Other Accumulated Incomes/Costs not to be Reclassified in Profit /Loss: Actuarial Profit / Loss Fund from Retirement Plans	Accumulated Profits: Previous Years Profit / Loss	Accumulated Profits: Net Current Profit / (Loss)	Total
January 1, 2012 (Reclassified)		80.000.000	78.494.868	957.185	151.754	47.975.812	564.380	208.143.999
Capital Increase (From Internal Sources)		40.000.000	(40.000.000)	-	-	-	-	-
Transfer	27	-	-	-	-	564.380	(564.380)	-
Total Comprehensive Income	27,37	-	-	-	(299.345)	-	(1.134.733)	(1.434.078)
December 31, 2012 (Reclassified)		120.000.000	38.494.868	957.185	(147.591)	48.540.192	(1.134.733)	206.709.921

The attached footnotes augment the consolidated financial statements.

CASH FLOW TABLES AS OF THE JANUARY 01-DECEMBER 31,2013 and JANUARY 01-DECEMBER 31, 2012 ACCOUNTING PERIODS

(The amounts are in Turkish Lira (TL) unless specified otherwise)

	Footnote References	From Independent Audit Past 31.12.2013	Past (Reclassified) 31.12.2012
Cash flow from business Activities			
Current Net Profit/(Loss)	37	2.272.165	(1.134.733)
Adjustments concerning current net profit/loss reconciliation			
Adjustments concerning amortization and depletion shares	18-19	3.529.631	3.490.446
Adjustments concerning Termination Benefit Provisions	22	4.629.788	1.650.256
Adjustments concerning tax expense/income	36	(1.895.857)	(322.770)
Adjustments concerning lawsuit provisions	21	(6.148)	(82.000)
Adjustments concerning interest income	34	(2.405.045)	(2.317.178)
Adjustments concerning interest costs	33	1.366.901	1.343.134
Adjustments concerning investment properties value increase/decrease	32	(12.625.281)	690.350
Adjustments concerning brand value decrease/increase	31	1.577.485	397.820
Adjustments concerning profits and losses generated by disposing of fixed assets	32	(598.529)	(94.229)
Other Adjustments		(134.131)	-
Changes in the operation capital			
Adjustments concerning increase/decrease in commercial receivables	10	(4.789.620)	(2.339.275)
Adjust. concerning incr./decr. in other trade receivables	11	(8.450)	-
Adjustments concerning increase/decrease in inventories	13	1.218.781	(1.936.850)
Adjustments concerning increase/decrease in assets connected to current tax	25	(192.737)	54.751
Adjustments concerning increase/decrease in prepaid costs	24	1.866.024	(824.755)
Adjustments concerning increase/decrease in other assets	26	225.853	(225.853)
Adjust. concerning incr./decr. in trade payables	10	2.392.475	2.119.123
Adjustments to increase/decrease in employee benefit liabilities	22	723.868	263.115
Adjustments to increase/decrease in deferred income	24	(728.421)	(307.911)
Adjustments to increase/decrease in short and long term liabilities	11	3.915	(35.486)
Adjustments to increase/decrease in other short and long term liabilities	26	(642.235)	717.808
Net cash flow from operations			
Tax payments	36	-	(27.779)
Lawsuit expense payments	21	(47.330)	(5.000)
Termination benefit payments	22	(2.295.561)	(1.263.543)
Net Cash Flow from operations (A)		**(6.562.459)**	**(190.559)**
Net Cash flow from investment activities			
Cash output generated from investment properties and tangible fixed asset purchases	17-18	(2.370.768)	(1.261.691)
Cash output generated from intangible fixed asset purchases	19	(103.140)	(186.137)
Cash input achieved from sale of tangible fixed assets		6.289.070	1.983.071
Net cash flows provided from investment activities (B)		3.815.162	535.243
Cash Flows from financing activities			
Earned Interest	34	2.405.045	2.317.178
Paid Interest	33	(1.366.901)	(1.343.134)
Cash input generated from borrowing	8	1.699.088	(2.321.656)
Cash flows used in financing activities (C)		**2.737.232**	**(1.347.612)**
Net increase/decrease in cash and cash equivalents (D=A+B+C)		**(10.065)**	**(1.002.928)**
Period beginning cash and cash equivalents (E)	**6**	**403.673**	**1.406.601**
Period beginning cash and cash equivalents (D+E)	**6**	**393.608**	**403.673**

The attached footnotes augment the consolidated financial statements.

FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013

(The amounts are in Turkish Lira (TL) unless specified otherwise)

Note 1 - Organization and Field of Activity of the Company

The Company's field of activity consists of publishing and printing newspapers, magazines, books, encyclopedias, pamphlets and journals that are daily, weekly, monthly, shorter term, longer term or of uncertain frequency in Turkish and in foreign languages in addition to distributing, selling, delivering and marketing of these products.

The Company's number of personnel within the period was an average of 550 (547 in 2012)

The Company's headquarters is located at the address "Merkez Mahallesi 29 Ekim Cad. İhlas Plaza No:11 A/41, Yenibosna -Bahçelievler / Istanbul".

Information regarding the printing plants of the Company is as follows:

- Central Printing Facility: Merkez Mahallesi 29 Ekim Cad. İhlas Plaza No:11 A/41, Yenibosna - Bahçelievler / Istanbul
- Ankara Printing Facility: Samsun Yolu Demirciler Sitesi No:68 Siteler Altındağ - Ankara
- Antalya Printing Facility: Yenigöl Mah. Serik Cad. No:38 Altınova - Antalya
- Izmir Printing Facility: 1397 Sokak No:3 Kahramanlar Konak - Izmir
- Adana Printing Facility: Ceyhan Yolu Üzeri 4 Km. No:158 Yüreğir - Adana
- Trabzon Printing Facility: Organize Sanayi Bölgesi Arsin - Trabzon

The Company's shareholder structure as of 31.12.2013 and 31.12.2012 is as follows:

Title	31.12.2013 Share %	31.12.2013 Share Amount	31.12.2012 Share %	31.12.2012 Share Amount
İhlas Yayın Holding A.Ş.	56,55	67.859.559	56,55	67.859.559
Open to the Public	33,00	39.600.000	33,00	39.600.000
İhlas Holding A.Ş.	6,92	8.304.075	6,92	8.304.075
Ahmet Mücahit Ören	1,76	2.108.943	0,24	291.490
Enver Ören	-	-	2,02	2.423.271
İhlas Ev Aletleri İmalat Sanayi Ticaret A.Ş.	1,03	1.237.553	1,03	1.237.553
Other	0,74	889.870	0,24	284.052
Total	**100,00**	**120.000.000**	**100,00**	**120.000.000**
Capital Adjustment Account		38.494.868		38.494.868
Total		**158.494.868**		**158.494.868**

Real and legal entities that own the capital indirectly:

Title	31.12.2013 Share %	31.12.2013 Share Amount	31.12.2012 Share %	31.12.2012 Share Amount
Halka Açık Kısım	89,31	107.164.081	89,48	107.382.644
Ahmet Mücahid Ören	7,00	8.403.824	0,47	560.526
Enver Ören	-	-	7,29	8.744.458
Other	3,69	4.432.095	2,76	3.312.372
Total	**100,00**	**120.000.000**	**100,00**	**120.000.000**

The distribution of the Company's preferred shares (group A shares) as per the Ordinary General Assembly dated 30.03.2013 are as follows:

Partner Name / Title	Bearer / Registered	Number of Shares	AMOUNT
İhlas Yayın Holding A.Ş.	In Name	9.000.000	9.000.000
İhlas Holding A.Ş.	In Name	2.400.000	2.400.000
Ahmet Mücahid Ören	In Name	450.000	450.000
Ayşe Dilvin Ören	In Name	150.000	150.000
Total		**12.000.000**	**12.000.000**

Benefits Provided from Preferential Shares

If the General Assembly of the Company decides that the Board of Directors consist of 5 people, at least 4 of the Members of the Board of Directors are selected from among candidates nominated by group (A) shareholders. Similarly, at least 5 of the members are selected among those candidates if a board of 7 people is decided, at least 7 of the members are selected among those candidates if a board of 9 people is decided, and at least 9 of the members are selected among those candidates if a board of 11 people is decided.

NOTE 2 – Principles Regarding the Presentation of Financial Statements

A. Fundamental Presentation Principles

The Applied Accounting Standards

The Company keeps accounting records and prepares legal financial statements in Turkish Lira (TL) according to Turkish Commercial Code, finance regulations and the requirements of the Uniform Chart of Accounts published by the Ministry of Finance. The consolidated financial tables are based on the legal records of the Company and have been subjected to corrections and classifications to make them compliant with the Capital Market Board ("CMB") communiqués.

The CMB Series II, No:14.1 "Communiqué on the Principles Concerning Financial Reporting in the Capital Market" was published in the Official Newspaper dated June 13, 2013 to be in force for interim period financial reports ending after April 1, 2013. This communiqué determines that procedures and principles for preparing and presenting financial reports for companies. With this communiqué the former Communiqué Series: XI, No: 29 on "Principles of Financial Reporting in the Capital Market" has been removed from enforcement.

Companies prepare their financial tables pursuant to the Seri II, No: 14.1 " Communiqué on the Principles Concerning Financial Reporting in the Capital Market" in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/IFRS") published by the Public Oversight and Audit Standards ("POA"). Therefore the financial tables included here have been prepared in accordance with IAS/IFRS and additional comments.

New and revised standards and interpretations

The consolidated financial statements for the fiscal year ending in December 31, 2013 have been prepared according to the accounting policies that were used in the previous years, except for the new and revised standards effective as of January 1, 2013 and the interpretations by the International Financial Reporting Interpretations Committee (IFRIC). The effect of these standards and interpretations on the Company's financial status and performance are described in the relevant paragraphs.

New standards, amendments, and interpretations effective as of January 1, 2013 are as follows:

IFRS 7 Financial Instruments: Explanations – Netting of Financial Assets and Payables (Amended) The amendment provides an explanation concerning the rights and relevant regulations (example assurance contracts) pertaining to the netting of the company's financial instruments. The explanations provide helpful information to table users for

i) Assessing the effects and probable effects on the company's financial status of netting transactions and

ii) Comparing and analyzing financial tables that have been prepared according to IFRS and other generally accepted accounting principles.

The new explanations must be provided for all financial instruments that are netted in accordance with IAS 32. The explanations in question are also valid for applicable main netting arrangements and financial instruments subject to a similar agreement even if they have not been netted in the statement in accordance with IMS 32.

The amendment only impacts the principles of explanation and has had no effect on the Company's consolidated financial tables.

IAS 1 Presentation of Financial Statements (Amendment) – Presentation of Other Comprehensive Income Statements

The amendments will only change the grouping of items shown in the other comprehensive income statement. Items that may be classified (or recovered) in the comprehensive income statement at a future date will be shown separately from items that will never be classified in the income statement. The amendments must be applied retrospectively. The amendments only affect the basis of presentation; thus, this amendment will not have any effect on the financial status and performance of the Company.

IAS 19 Employee Benefits (Amendment)

The amendment to the standard has clarified many topics and has changed many practices. The most significant ones of the many changes made are the elimination of termination liabilities interval mechanism, listing of actuarial profit/loss related to defined benefit plans under other comprehensive income, and separation of short-term and long-term employee social rights not based on employees eligibility but based on the estimated payment date of the liability. The Company had been recording actuarial profit/loss on the income table before this amendment. The effect of the change that is generated by actuarial profit/loss being recorded under other comprehensive income on the Company's financial status and/or performance has been corrected retrospectively.

IAS 27 Separate Financial Tables (Amendment)

As a result of amendments to IFRS 10 and IFRS 12, the IASB has made changes to IAS 27 as well. As a result of these amendments, IAS 27 now only covers topics related to the accounting of subsidiaries, joint ventures, and associates in separate financial statements. The mentioned amendments have not had any effect on the Company's financial status and performance.

IAS 28 Investments in Associates and Joint Ventures (Amendment)

As a result of publishing IFRS 11 and IFRS 12, the IASB has amended IAS 28 and changed its name to IAS Investments in Associates and Joint Ventures. The amendments have brought accounting of associates as well as joint ventures by method of equity.

The mentioned standard is not expected to have any effect on the Company's financial status or performance.

IFRS 10 Consolidated Financial Tables

IFRS 10 - has replaced the part on consolidation in IAS 27 Consolidated and Separate Financial Statements. "Control" has been redefined for use in determining which companies will be consolidated. It is a principle based standard that allows more room for financial statement preparers to be able to decide. The mentioned standard has not had any significant effect on the Company's financial status or performance.

IFRS 11 Joint Arrangements

This standard regulates how joint ventures and joint activities will be recognized. Proportional consolidation of joint ventures is no longer permitted within the scope of this new standard. The mentioned standard has not had any effect on the Company's financial status or performance.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 contains all footnote disclosures related to associates, joint ventures, and subsidiaries. This standard is concerning only principles of presentation and has not had any effect on the disclosures made by the Group.

IFRS 13 Fair Value Measurement

The new standard explains how fair value is measured in line with IFRS, but does not change when fair value can and/or needs to be used. It is a guideline for all fair value measurements. Furthermore, the new standard brings additional disclosure obligations regarding fair value measurements. The new disclosures only need to be made as of the date that IFRS starts to be enforced. Some of the explanations concerning financial instruments must be presented in the financial tables as per IAS 34.16 A (j). The standard has had no effect on the Group's consolidated financial tables.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

(Stripping) Costs: The interpretation clarifies when and under what circumstances stripping costs in the production phase can be recognized as asset, initial recording of the recognized asset, and how it will be measured in the following years. The standard has had no effect on the Group's consolidated financial tables and/or performance.

Implementation Guide (IFRS 10, IFRS 11 and IFRS 12 Amendment)

The amendments have only been made in the implementation guide to eliminate the need to make retrospective corrections. The first application date has been determined as "the start of the period in which IFRS 10 is applied for the first time". The evaluation on whether there is a control or not will be done on date of implementation rather than the beginning of the period in which it is presented comparatively. If the control evaluation done based on IFRS 10 is different than the one done by IAS 27 / IFRIC 12, effects of retrospective adjustments must be identified. However, if the evaluation results are the same, there is no need for retrospective adjustment. If more than one comparative period is being presented, only the previous period can be adjusted. The IASB has amended the IFRS 11 and IFRS 12 in the implementation guide for the same reasons, and has eased the transition clauses. The mentioned standard has not had any significant effect on the Group's financial status or performance.

Improvements to IFRS

The 2009-2011 period annual IFRS improvements for the fiscal years starting on January 1, 2013 and later have not had any significant effect on the Group's financial status or performance.

IAS 1 Presentation of Financial Statements:

Difference between minimum mandatory comparative information and optional comparative information has been clarified.

IAS 16 Tangible Fixed Assets:

The fact that spare parts and maintenance equipment matching the tangible asset definition are not inventory has been clarified.

IAS 32 Financial Instruments: Presentation:

The need to recognize tax effect of distributions to shareholders within the scope of IAS 12 has been clarified. This amendment brings the need to recognize all types of income tax arising from eliminating all existing liabilities in IAS 32 and making distributions to shareholders within the scope of the clauses in IAS 12.

IAS 34 Interim Financial Reporting:

The required disclosures regarding total segment assets and liabilities for each operating segment in IAS 34 has been clarified. If only information on total assets and liabilities of all operating segments are reported periodically to the authorities entitled to make decisions regarding the operations of the company, and if a significant change in the total amount disclosed compared to previous years' statements exists, then it must be explained.

Standards which have been published but are not in force and not in early implementation The new standards, interpretations and amendments which have been published as of the approval date of the current financial tables but are not in force for the current reporting period and have not been implemented early by the group are as follows. Unless specified otherwise the Group will make any changes that affect its consolidated financial tables and footnotes after the new standards and comments have gone into force.

IAS 32 Financial Instruments: Presentation - Offsetting of Financial Assets and Liabilities (Amendment)

The amendment clarifies the meaning of "having a legally enforceable right to set off the amounts", and clarifies the scopes of its application in systems where the IAS 32 offsetting principle does not take place simultaneously and in settlement systems with gross payments, like clearing offices. The amendments will be effective for years starting on or after January 1, 2014, and will be implemented retrospectively. The mentioned standard is not expected to have any significant effect on the Group's financial status or performance.

IFRS 9 Financial Instruments – Classification and Disclosure

With the amendments made in December 2011, the new standard will be effective for annual periods starting on or after January 1, 2015. The first phase of IFRS 9 Financial Instruments brings new clauses regarding the measurement and classification of financial assets and liabilities. The amendments to IFRS 9 will mainly effect the classification and measurement of financial assets and measurement of financial liabilities classified as measured by reflecting differences in fair value to profit or loss. Furthermore, the amendments to IFRS 9 bring the presentation of adjustments in fair value of such financial liabilities related to credit risk under the comprehensive income statement. Early adoption of this standard is permitted. This standard has not yet been approved by the European Union. The Group is assessing the effects of the standard on its financial status and performance.

TFRYK Interpretation 21 Required Taxes

This comment clarifies the fact that actions by the company that generate required tax must be recorded in the framework of relevant laws on the date that they take place. It also clarifies that only if the action generating the required tax within the relevant regulations takes place within a period in installments can it accrue in installments. A tax that is generated when a minimum limit is exceeded shall not be recorded until that minimum limit is exceeded. This interpretation is valid for the annual fiscal years that start on January 1, 2014 and after an early application is allowed. This interpretation must be applied retrospectively. This comment is not valid for the group and therefore is not expected to have an effect on the Group's financial statement and/or performance.

IAS 36 Impairment of Assets – Explanation of recoverable value for non-financial assets (Amendment)

After the changes made in the IFRS 13 "Fair value measurements" the IASK has made some explanations concerning the recovering of asset that have been repaired in the impairment of assets IAS 36. The amendment has brought additional explanations concerning the measurement of recoverable amount after the selling cost is deducted from fair value in impaired assets (or an asset group). This amendment will be applied retrospectively to annual fiscal periods starting on January 1, 2014 and after. If the company has implemented IFRS 13 early application is allowed. The amendment in question has affected the explanation provisions and has no effect on the Group's financial statement and/or performance.

IAS 39 Financial Instruments: Recognition and Measurement – Transfer of derivative products and continuation of protection from risk recognition (Amendment)

IAS 39 Financial Instruments: The amendment made in the Recognition and Measurement standard brings an exception to the provision that requires protection from risk recognition to be stopped when a financial risk protection instrument is legally or as the result of regulations in transferred to a central party. This amendment will be applied retrospectively to annual fiscal periods starting on January 1, 2014 and after. The amendment in question will have no effect on the Group's financial statement and/or performance.

New and corrected standards and interpretations that have been published by the International Accounting Standards Committee (IASC) but not by the POA:

The new standards, interpretations and amendments to the existing IFRS standards listed below have been published by the IASC but are not enforced for the current period. However these new standards, interpretations and amendments have not yet been adapted to the IFRS/published by the POA and for this reason cannot constitute a part of IFRS. The Group will make the necessary changes in the consolidated financial tables and footnotes after they have gone into force in the IFRS.

IFRS 10 Consolidated Financial Statements (Amendment)

IFRS 10 has been changed to bring an exception for companies that fit the description of an investment company to be exempt of consolidation clauses. With the exemption brought on the consolidation clauses, subsidiaries of investment companies need to be recognized at fair value, as per the clauses of IFRS 9 Financial Instruments The mentioned amendments are not expected to have any effect on the Group's financial status and performance.

IFRS 9 "Financial Instruments – Protection from Risk Recognition and IFRS 9, IFRS 7 and IAS 39amendements - IFRS 9 (2013)" The IASC has published a new version of IFRS 9 that includes risk protection recognition and IAS 39 and IFRS 7 amendments in November of 2013. Companies can make an accounting policy selection in order to continue applying the requirements of the IAS 39 risk protection recognition for protection against all risks. This standard has no required validity date but is still applicable and a new required validity date will be determines after completing the impairment phase of the IASC project. The group is assessing the effects of the standard on financial statements and/or performance.

IFRS Improvements:

The IASC has published two series of "Annual IFRS Improvements" in December of 2013 for the '2010-2012 period' and '2011-2013 period'.

The amendments other than those that impact "Decision Reasons" of the standards are valid as of July 1, 2014.

Annual Improvements - 2010-2012 Period

IFRS 2 "Stock Based Payments": Definitions concerning earning conditions have been changed to performance conditions and service conditions. Amendment will be applied prospectively.

IFRS 3 "Company Mergers": The conditional cost that is not classified as equity in a company merger is recognized in profit or loss having been measured from its fair value in later periods whether or not it is in the scope of IFRS 9 Financial Instruments.

IFRS 8 "Operation Sections": Amendments are as follows:

i) Operation sections can be merged/grouped in consistency with the main principles of the standard.

ii) If reconciliation of operation assets with total assets is being reported to the authority that is authorized to decide on the company operations it must be disclosed. Amendments to be applied retrospectively.

IFRS 13 "Fair Value Measurement": As explained in the Decision Justifications it will be possible to show short term commercial receivables and payables on which no interest rate as their invoiced amount when the effect of a discount is unimportant. Amendments will apply immediately.

IAS 16 "Tangible Fixed Assets and IAS 38 Intangible Fixed Assets ": The amendment in IAS 16.35 (a) and IAS 38.80 (a) has clarified that revaluation is to be done as follows.

i) The gross ledger of assets is corrected to bring it to fair value or

ii) The net ledger value of the asset is determined to be the market value and the gross ledger value is corrected proportionally to bring the net ledger value to market value. The amendment will be made retrospectively.

İHLAS GAZETECİLİK A.Ş.
FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013
(The amounts are in Turkish Lira (TL) unless specified otherwise)

IAS 24 "Related Part Disclosures": The amendment has clarified that management operations which provide key management personnel services are subject to related party disclosures. The amendment will be made retrospectively.

Yearly Improvements - 2011-2013 Period

IFRS 3 "Mergers": Amendment, It has been clarified that

i) neither business partnerships nor joint ventures are within the scope of IFRS 3

ii) and this scope exception is only applicable to the recognition on the financial tables of a joint agreement. The amendment will be made prospectively.

IFRS 13 "Fair Value Measurement": It has been clarified that the portfolio exception in IFRS 13 can only be applied towards financial assets, liabilities and other agreements. The amendment will be made prospectively.

IAS 40 "Investment Properties": The reciprocal relation between IFRS 3 and IAS 40 in the classification of properties as investment properties and properties used by the owner has been clarified. The amendment will be made prospectively.

IFRS 14 "The Temporary Standard Regarding Accounts Deferred Subject to Regulation ": The IASC published this standards in January 2014. IFRS 14 allows operations using IFRS for the first time and for which the prices are regulated to be able to carry the prices they have entered on record before the price regulation onto the financial tables they have prepared according to the IFRS. It has been forbidden for businesses still preparing financial tables according to IFRS to implement this standard. The standard will be applied retrospectively on annual accounting periods starting on January 1, 2016 and after but early application is allowed. It is not expected that these amendments will have any significant impact on the Group's financial state and/or performance.

The principle decisions issued by the POA

In addition to those mentioned above the POA has issued the following principle decisions concerning the practice of International Accounting Standards. The "Financial table samples and user guides" have become valid as of the issuance date but other decisions are to be valid as of the yearly reporting periods that start after December 31,2012.

2013-1 Financial Table Samples and User Guide

On May 20,2013 the POA issued the Financial Table Samples and User Guide in order to make financial tables uniform and simplify their audit. The financial tables included in this regulation have been published to constitute an example for the financial tables that must be prepared by companies obligated to comply with IFS outside of those established to carry out banking, insurance, private retirement or capital markets activities. The Group has made the changes specified in Note 2 and 42 in order to carry out the requirements of this regulation.

2013-2 The Recognition of Business Mergers Subject to Joint Control

According to the decision it is required that i) The merging of companies subject to joint control must be recognized by the merging of rights method, ii) therefore goodwill must be included in the financial tables and iii) while the merging of rights is being implemented the financial tables must be amended as if the merger took place at the beginning of the reporting period in which joint control occurred and presented comparatively as of the beginning of the reporting period in which the joint control was formed. The said decisions have not had any effect on the Group's consolidated financial tables.

2013-3 The Recognition of Dividend Shares

In which situations dividend shares are to be recognized as financial liability and in which they are to be recognized as a financial instrument based on equity is clarified. The mentioned decisions have no bearing on the Group's consolidated financial tables.

2013-4 The Recognition of Reciprocal Participation Investments

The existence of shares belonging to a company in a company in which they have affiliation investment is defined as a reciprocal participation relationship and the issue of recognizing reciprocal participations has been assessed based on the type of investment and the different accounting principles that are applied. The subject principle decision has been evaluated under three headings below and an accounting principle has been determined for each one.

i)The state of the affiliated partnership having financial instruments dependent on the equity of the main partnership,

ii)The state of the affiliates or business partnership having financial instruments dependent on the equity of the of the investor company

iii)The state of the company being owned by a company with equity dependent financial instruments and an investment that is recognized within the scope of IAS39 and IFRS 9. The decisions in question do not have an effect on the Group's financial tables.

Explanation about Inflation Accounting and the Monetary Unit for Reporting

In a decision taken on March 17, 2005 CMB declared that companies operating in Turkey that prepare financial tables according to CMB Financial Reporting Standards do not have to apply inflation accounting as of January 1, 2005. Therefore, in the consolidated financial tables of 31.12.2013, IAS 29 "Financial Reporting in Hyperinflationary Economies" standard published by IASB was not applied as of January 1, 2005.

Consolidated financial tables of December 31, 2013 and including the financial data of the previous period to be used for comparison purposes, the attached consolidated financial tables are prepared in Turkish Lira "TL" currency.

According to IAS 21 "*The Effects of Changes in Foreign Exchange Rates*" standard, the company records the foreign currency transactions in functional currency over the amount found by applying the spot exchange rate between the foreign currency and functional currency.

As of December 31, 2013 and December 31, 2012, the closing exchange rates of foreign currency units published by T.R. Central Bank are as follows.

	Exchange Rates (TL/ Currency Unit)	
Currency	31.12.2013	31.12.2012
USD	2,1343	1,7826
AVRO	2,9365	2,3517
GBP	3,5114	2,8708

Comparative Information and Adjustments to the Financial Statements from the Previous Year

The Company's consolidated financial statements are prepared compared to the previous year in an effort to identify financial conditions and performance trends. As presentation or classification of items in the financial statement changes, those statements from the previous year are also changed and re-segmented, accordingly, so the two statements are comparable. In accordance with these formats for capital market companies in the scope of the Communiqué on Financial Reporting in the Capital Market enforced for interim periods ending after March 31,2013 as per decision no. 20/670 dated June 7, 2013 of the CMB some items presented in the Group's consolidated financial statement dated 31.12.2012 and 01.01-31.12.2012 accounting period other comprehensive income table have been reclassified and reported therefore the Group's previous term consolidated financial statements and consolidated other comprehensive income tables have been reclassified. Information about the classifications in question have been provided in Note:42.

In the event the Group applies an accounting policy retrospectively or a company adjusts or reclassifies items in its financial statements retrospectively, footnotes for the financial statement (balance sheet) for at least three periods and footnotes for other statements (comprehensive income statement, cash flow statement, and equity adjustment statement) for at least two periods must be presented

The Group presents financial statements for each reporting period mentioned below:

- As of the end of current annual reporting period
- As of the end of the previous annual reporting period
- As of the beginning of the most recent comparative annual reporting period

Offsetting

To the extent allowed by the standards or notes, the receivables - payables and income-expenses have not been offset. Assets and liabilities are shown in net where legal and the assets and liabilities in question are intended to be assessed as net values if the assets are acquired simultaneously with liabilities being met. Offsetting does not pertain to showing assets after deducting regulatory accounts, such as inventory impairment provisions and doubtful payables provisions.

Disclosure Concerning Individual (Solo) Financial Tables

The financial tables of the company contain a single company. Therefore the attached financial tables cover individual financial tables.

B. Changes in Accounting Policies

Companies must have the ability to compare financial statements over time in order for the users to be able to identify the financial status, performance, and cash flow trends of a business. Therefore, the same accounting policies apply to each interim period and fiscal year.

The following do not constitute adjustments to the accounting policies:

- Implementation of an accounting policy for events or transactions that differ in essence due to actions that may have taken place before; and

- Implementation of a new accounting policy for events or transactions that have not arisen nor have had any previous importance.

The Company employs the same accounting policies for all periods as required by the consistency principle.

C. Changes and Errors in Accounting Policies and Estimates

Material changes to accounting policies and material accounting errors detected are applied retrospectively, and the previous period's financial statements are readjusted. If the changes in accounting estimates are only for one period, they are applied during the current period when the changes occur; if they are for future periods, they are applied to both the current period when the changes occur and future periods as projected.

D. Summary of Important Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalent items are other short term investments which have a maturation of 3 or less than 3 months as of the date of deposit or purchase, which can immediately be turned into cash and do not carry a high risk of impairment. The ledger value of these assets is close to their fair value.

Financial Investments

There are three groups of financing investments: financial assets held for trading (whose fair value difference

is recognized in the income statement), held-to-maturity investments, and available-for-sale financial assets.

During the initial recognition of financial assets whose changes in fair value are not included in profits or losses, the transaction costs directly related to the acquisition of the relevant financial asset are added to the recognized fair value.

Financial assets for purchase-sale are comprised of securities which are obtained to provide profit from the price and other fluctuations occurring in the market in the short term or independent of the purpose for attaining them part of a portfolio for gaining profit in a short term and banks with a maturity of longer than three months Initially, financial assets held for trading are measured at fair value. Transaction costs related to the acquisition of the relevant financial asset are added to the fair value; the relevant financial assets are measured at fair value in the periods subsequent to the initial recognition. Gains or losses from valuation are recognized in profit or loss. Financial assets held for trading without an active market are recognized from amortized costs in the subsequent periods. Interest accrued during the possession of securities held for trading are initially recognized under interest income and then under dividend income from profit. Trading transactions of securities held for trading become either recognized or de-recognized according to the delivery dates.

Held-to-maturity investments are financial assets with fixed or determinable payments that an entity intends to hold or that is able to be held until maturity. Held-to-maturity investments are measured at amortized costs that have been calculated using the effective interest method in the periods after recognition. Gains or losses from valuation are recognized in profit or loss. The effective interest method is the method that calculates amortized costs of a financial asset (or a financial asset group) and distributes the interest income or expense over the relevant period. The effective interest rate is the rate that precisely discounts estimated future cash payments or receipts for the expected life, or a shorter period if applicable, of the financial instrument to the net carrying amount of the financial asset or liability.

Available-for-sale financial assets are financial assets that are available for sale and are not designated as financing investments that are held to maturity or as assets at fair value through profit or loss on initial recognition. If the market is inactive, available for sale financial assets are valued at the fair market value; the gains or losses resulting from this valuation are recognized as equities until they are de-recognized, as such. If there are no active markets for available-for-sale financial assets, they are valued at the amortized cost.

Trade Receivables

Trade receivables from future sales are recognized at the amortized cost based on the effective interest method. Short-term trade receivables that do not have a specified interest rate are recognized at billed value when the interest accrued has insignificant effect. If the effective rate of interest for trade receivables is not known, the imputed rate of interest is assumed. Because as per trade practices, its receivables and payables do not have a cash value and it does not apply delay interest in sales, the Group has used LIBOR as the effective interest rate.

Classified under trade receivables, promissory notes and dated checks are subject to rediscounting and are reported with values reduced through the effective interest method (amortized cost value).

The difference between the nominal value and the amortized value of trade receivables is recognized by interest income according to IAS 39 "Financial Instruments: Recognition and Measurement".

Doubtful receivable provisions are recognized as expenses. Provision is the amount that offsets damage due to risk, according to the nature of the account or to economic conditions, and is assumed by the Company's management.

There are several ways a receivable may be evaluated as being doubtful:

a) Doubtful receivables from previous years;

b) The debtor's ability to pay; or

c) Extraordinary conditions in the industry and in the economy.

As stated in IAS 1 "Presentation of Financial Statements", since trade receivables are a part of the working capital used by a company in its regular operating cycle, trade receivables must be classified as short-term even if they will be collected within or more than twelve months from the balance sheet date.

Inventories

Inventories are required to be stated at the cost or net realizable value, whichever is lower. Inventory costs include all purchasing costs, conversion costs, and any other costs incurred in bringing the inventories to their present location and condition. The individual cost of inventory is calculated using the weighted average method. The distribution of fixed production overheads to conversion costs are based on the assumption that manufacturing activities will be at normal capacity. The normal capacity is the average volume of manufacturing expected over multiple periods or seasons under normal conditions, taking into account the decrease in capacity from scheduled maintenance and repairs. If actual production rate is close to the normal capacity, this capacity can be assumed as the normal capacity.

Net realizable value is the estimated cost of sales in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. Renewal cost of raw materials and supplies may be the best measure to reflect the net realizable value.

For each inventory item, acquisition costs of inventories are written-down values at the net realizable value in order to set aside any provisions for impairments of the inventory. In other words, if the cost of the inventory is greater than the net realizable value, the cost is a written-down value at the net realizable value subtracted by the provision for the impairment. Otherwise, no transaction can be performed.

If the difference between the cash purchase price and the inventory purchase price with a deferred payment includes financing, then the financing is recognized as an interest expense for the period of financing.

Tangible and Intangible Fixed Assets

The cost of a tangible or an intangible asset may be reported under assets in the financial statement only if:

a) It is probable that the future economic benefits attributable to the asset will flow to the enterprise; and

b) The cost of the asset can be measured reliably.

Intangible and tangible assets are measured at cost for initial recognition. In the subsequent periods, they are measured using either the cost model or the revaluation model.

The initial cost of long-term assets consists of the purchasing price that includes customs, non-refundable purchase taxes, and direct costs incurred until the asset is in working condition.

The cost model is the recognition of intangible and tangible assets at cost, less any amortization and impairment losses.

The revaluation model recognizes intangible and tangible assets at a revalued amount after being recognized as an asset whose fair value can be determined reliably. The revalued amount is the fair value at the revaluation date less subsequent amortization and impairment losses. Revaluations are performed regularly in order not to create significant differences between the residual value and the amount calculated using the fair value on the date of the balance sheet. If there are indications of significant changes for the property where the it uses revaluation model, the Company has it revalued. Since there is not an active market for its other intangible and tangible assets besides property, the Company applies the cost model. In line with IAS 36 Impairment of Assets, the Group has conducted an impairment/appraisal study on its properties. The result of these studies show there is neither an impairment nor an appraisal on its properties for the current period. The study has been done with expert individuals/institutions by taking into account criteria like fair value stripped of cost of sales (net sales price), location of the tangible assets, imputed transactions, and whether it has a market or not.

When a tangible asset is revalued, the accumulated depreciation at the time of the revaluing is readjusted proportionally to the asset's gross book value. Thus, the book value of the asset after revaluing is equal to its revalued value.

(The amounts are in Turkish Lira (TL) unless specified otherwise)

IAS 2 "Inventories" and IAS 16 "Tangible Fixed Assets" standards are applied to the transfers made from the Group's inventories to its tangible assets with the intention to use in its business operations. Accordingly, the transfer is based on the fair value at the time of the transfer.

Amortization is calculated based on the method and useful life indicated in the table below using normal amortization methods and criteria:

	Useful Life (Years)	Method
Buildings	50	Linear
Machinery, plants and equipment	4-10	Linear
Vehicles, tools, and instruments	4-10	Linear
Fixtures and appliances	3-15	Linear
Other Intangible Assets (computer software)	3-5	Linear

The useful life and amortization method is reviewed regularly to ensure the amortization method and period reflect economic benefit. Even if bought together, land and buildings, are separable fixed assets and are recognized separately. There is no amortization for assets such as property and land, for the useful life of such is indeterminable or indefinite.

Tangible assets are checked for impairment when an event or circumstance arises in the existing conditions regarding the recoverability of the value of the tangible assets. When such events or circumstances arise, or when the carried value exceeds realizable value, those assets are written-down values at their realizable value. The realizable value is the higher of an asset's net selling price and its value in use. When calculating value in use, the estimated future cash flow expected to arise is discounted to present value, using the pre-tax rate that reflects the risks specific to the asset. Realizable values for assets that do not generate large cash inflow independently from other assets or groups of assets are determined for the cash-generating unit to which the asset belongs.

The relevant tangible asset is subjected to depreciation based on its estimated remaining useful life. Amortization and impairment losses of tangible assets are recognized under administrative expenses, sales costs, and idle capacity expenses in the idle capacity columns of the income statement. The Company conducts impairment tests on its assets.

Net sales prices for some assets are determined taking into account "second- hand market value" and as "depreciated renewal costs" for assets that do not have a second-hand market. Because the net sales price for these assets were equal to or more than their book value, their depreciation value has not been calculated; and thus, no impairment provision has been set aside. If the net sales price for some assets, like goodwill, cannot be determined, depreciation value is used for impairment testing.

Intangible assets represent brands and other non-monetary items (computer software). For items

purchased before January 1, 2005, intangible fixed assets are reflected by use of their corrected cost values due to the effects of inflation as of December 31, 2004. For items bought after December 31, 2004 intangible fixed assets are reflected by deducting the permanent impairment and the accumulated amortizations of their acquisition cost. Amortization regarding intangible fixed assets is allocated by using the straight line amortization method, as of the date of purchase, over the useful life time of the related assets, provided that their economic life is not exceeded. The amortization of intangible fixed assets is recorded in the income statement under general management expenses.

The brand "Türkiye" was purchased by the Company in the year 2000, and is used as the brand of the newspaper published by the Company. The Company deducts sales costs in the determination of recyclable values of assets with an unlimited useful life and takes the fair value or the usage value into account, whichever is the higher. However, in the event that one of these methods is not reliable or cannot be determined, the other method may

be applied when determining the recyclable value. The impairment provisions and impairment cancellations are reported under Other Operating Costs and Other Operating Income, respectively. The brand impairment provision generated in the current period has been reported in the Other Operating Costs (Note 31).

Any profits or losses on the sale of tangible or intangible fixed assets are determined by comparing their net book value to the sales amounts, and are reflected to the related other operating income and expenses accounts in the current period.

Investment Properties

An investment property is property (land or building and/or a part of a building) held on hand in order to obtain rental income and/ or appreciation surplus (by the owner or the lessee depending on the financial leasing contract) rather than the purposes enlisted below:

a) Usage for administrative purposes or in the procurement or production of goods or services; or

b) Sale as part of regular business flow

Investment properties are held on hand in order to obtain rental income and/or capital gain(appreciation surplus).

An investment property is recognized by the Group as an asset if and only if it meets both of the following conditions:

a) The inflow of the future economic benefits from the property is probable.

b) The cost of the investment property is accurately measurable.

An investment property is measured by its initial cost. Transaction cost is also included in the initial measurement. However, investment property acquired via financial leasing is recognized based on the lesser value of the fair value or current value of the minimum rental payment.

Fair value of an investment property is determined as the value that arises in the event of handover of an asset among willing groups with knowledge or paying a debt. Fair value is determined on the best possible estimate if the property does not have a market. Fair value is determined on the best possible estimate if the property does not have a market.

Thus, fair value can change as a result of the fluctuations in the estimate and market conditions. When determining fair value, an expert opinion on factors like the asset's risks, market conditions, and depreciation must be considered. Accordingly, the Group has studied whether the value of its investment properties was appraised or impaired. As a result of this study, the impairment value of its investment properties for the current period has been calculated with other costs in the comprehensive income statement. Profit or loss resulting from the changes in the fair value of the investment property is recognized in the profit or loss for the period in which it occurs, not in the other operational profit/losses. As a result of the studies done by the Group to determine whether an impairment or increase in value was in question for investment properties, the value increases which emerged in the current period were associated with the incomes account under the comprehensive incomes table investment activities (Note 32). Detailed information about the appraisal is provided in Footnote 17.

The profit or loss generated by the change in the real value of the investment property is included in the profit or loss of the period in which it is generated and recognized in the income/expense from investment activities.

Transfers have been made in the current period between property and building shares taking into account current appraisal reports.

Even if bought together, land and buildings, are separable fixed assets and are recognized separately.

Property leased to and used by the parent company or the subsidiaries are not evaluated as investment property in the consolidated financial statements. These properties are evaluated as property used by owner, and are reported under tangible fixed assets.

Asset Impairment

In the event of situations or incident occurring in which it is impossible to recover the book value for assets that are subject to amortization and depreciation and impairment test is applied. If the book value exceeds the recoverable amount of the asset it is recorded as an impairment. The recoverable amount is the highest of either the fair valued obtained after deducting the sales costs or the value in use. In order for impairment to be assessed assets are grouped in the lowest level (cash generating units) where separately definable cash flows are. Non-financial assets for which impairment provisions have been reserved are reviewed at each reporting date for the possible cancellation of impairment.

Taxation and Deferred Taxes

The Group's tax income and expenses is the sum of its current tax and deferred tax income and expenses.

Current year tax liability is calculated based on the taxable portion of the profit of the period. Tax provisions shown in the consolidated financial statement differ from those in the income statement because taxable profit excludes profits and losses both, taxable or deductible, and non-taxable and non-deductible in other years. The Group's current tax liability was calculated based on the tax rate that was either already legally accepted or will be accepted at the balance sheet date. Payable current taxes are netted with the tax amount paid upfront if they are made or will be made to the same tax authority. Deferred tax asset and liability is netted in the same manner.

Deferred taxes are determined using the liability method based on the temporary differences between the recognized values and the tax values of assets and liabilities stated in the consolidated financial statement. These temporary differences are segmented separately as deductible or taxable. For all temporary differences that may constitute taxable income, a deferred tax asset should be recognized only on the condition that it is considered highly probable that there will be sufficient future taxable profit from which these expenses can be deducted and that the process will not be part of a business combination or that the liability did not arise from initial recognition. All taxable temporary differences are recognized as a deferred tax liability. However, temporary differences that arose from the initial recognition of goodwill, during the initial recognition of an asset or liability or from non-business combination transactions, may not be recognized as a deferred tax liability.

A deferred tax asset should be recognized for an unused tax loss carry-forward item or an unused tax credit only on the condition that it is considered probable that there will be sufficient future taxable profit against which the loss or credit carry-forward items can be utilized. According to the tax laws, tax schedules currently in effect or substantively in effect as of the date of the balance sheet are used when calculating deferred tax. When calculating deferred tax liability for all taxable temporary differences, the deferred tax assets consisting of deductible temporary differences are calculated on the condition that the enterprise will generate taxable profit in the future and that it is virtually certain these differences will be utilized. (Note 36)

Deferred tax assets and deferred tax liabilities are deducted from each other so long as they are subject to the tax laws of the same country, and no legal rights exist regarding the deduction of current tax assets from current tax liabilities.

For income generated from the sale of real estate, affiliated shares, founding shares, utilization shares and preemption rights carried in the Company's assets for a minimum of two full years, 75 percent of the income is exempt from corporate taxation. To use this exemption, this income must be kept in a reserve account, with no withdrawals for five years and with no cost of sales collected within two calendar years after the year of sale. The differences associated with these assets because of this have been taken into account with 25% temporary difference.

The brand "Türkiye" was acquired by the Company through purchase and it is a part of the goodwill. The standard IAS 12 "Income Taxes" indicate that brands are subjected to amortization by the legal authorities, in other words, they are considered as a deductible item when calculating the financial profit. Therefore, the brand was evaluated as a temporary difference and it was subjected to deferred tax as a deferred tax liability.

Leases

Financial Lease:

Financial leases envisioning the transfer of all the risks and benefits related to the ownership of the asset that was leased to the Company, shall be recognized by reflecting one of the following as a basis, depending on which of the two is the lesser amount; the fair value of the asset subjected to leasing, or the present value of lease payments. Financial lease payments are allocated as capital and finance expenses all through the lease term, so that they would generate a constant periodic rate of interest over the remaining debt balance. Financing expenses are directly reflected to the income statement in the respective periods.

Capitalized leased assets are subjected to depreciation over the asset's estimated useful life.

The fair value applied in financial leasing is the purchase price determined by and between the parties during the purchase of the investment property in question. Minimum lease payments include all liabilities, such as the principal, interest and taxes. Because the present value of the minimum lease payments cannot be less than the purchase price (principal), investment properties are recognized through their purchase values.

Operational Lease:

The form of leasing in which the lessor party holds all the risks and benefits of the leased asset to themselves is classified as operational leasing. All through the lease term, the operating lease payments are recognized as expenses in the income statement, using the straight line method.

Provision for Employee Benefits:

Provision for severance pay indicates the reduction of the estimated total provisions for possible future liabilities to the value of the balance sheet date for the following conditions or terms: if the employee of the Company becomes retired in conformity with the "Law on Arrangement of the Relationships Between Employees Working In Press and Turkish Labor Law", or if the employee's employment relationship is discontinued after completing at least one year of service (at least five years of service for Press employees), if the employee is called to duty for his military services, or in case of the employee's death (Note 22). The

actuarial valuation method is used for the reduction of liabilities for employee termination benefits. In order to do this, actuarial assumptions were made. The most important of these is the discount rate used in performing the termination.

The ratio used for discounting benefit obligations (provisions for employee termination benefits) after the release of the employee is determined by observing the market returns regarding high quality corporate bonds on the date of the balance sheet. Due to the lack of a deep market for such bonds, the real interest rate was used by taking the market returns (compound interest rates) of state bonds (on the date of the balance sheet) into consideration. In other words an interest rate (real interest rate) which was net of the effects of inflation is used (Note 22).

Within this context, as an institution subject to business law, a provision for severance pay was calculated in accordance with the "International Accounting Standard Regarding Benefits Provided to Employees" (IAS 19), and by using the actuarial method for future liability amounts which may arise if the entire personnel were to become retired, discontinued their working relations with the Company after completing a minimum of one year of service, if they were all called to duty for their military service, or in case of death; the calculated severance pay is recognized in the attached financial statements.

The assumptions used in the calculation of the provisions for employee termination benefits are described in Note 22.

Provisions, Contingent Assets and Liabilities

Provisions are recognized only if the Company has a liability (legal or structural) that has been carried over from the past, if there is a probability that the Company's benefit generating sources might have to be sold because of this liability, and if the amount of the liability can be determined in a reliable manner.

If another party is expected to partially or entirely compensate the expenditure required for fulfilling the obligations of the liability, the related compensation is also included in the financial statements. However, in this scenario, it must be highly probable that if the Company was to fulfill the obligations of the liability, the related compensation would be acquired by the Company.

When allocating a provision, one of the three methods is applied. The first of these methods is applied when the time value of money is important. When the loss of value encountered by money over time gains importance, provisions are reflected by the reduced value (on the date of the balance sheet) of the expenses likely to occur in the future. When the reduced value is used, the increases that are going to occur in the provisions, due to the passage of time, are recognized as interest expenses.

For the provisions in which the time value of the money is of importance, it is assumed that there are no risks or uncertainties when determining the estimated cash flows. The reduction of these provisions is performed by using the estimated cash flow and the risk free discount rate, which is based on similar term government bonds. The second method is the expected value method. This method is applied when the provision is related to a large batch or a large number of incidents. With this method, the liability is estimated by taking all possible results into consideration. Meanwhile, the third method is applied when there is only a single liability or an incident. The application of this method involves reflecting the provision to the financial statements by

estimating the most likely outcome.

If a liability or an asset is of uncertain nature, they are not included in the financial statements and they are considered as contingent liabilities and assets. Therefore, they are explained in the footnotes. This uncertain nature might be caused by past events, the asset's or liability's existence within the structure of the Company might be dependent on a condition over which the Company does not have full control, or it might be dependent on an event in the future which is not certain at the reporting date (See: Note 21).

Revenues

Revenue occurs when it is probable that an economic benefit is going to be received by an entity and it is

recognized when the amount of income can be measured in a reliable manner. Revenues are shown in their

net forms, which are obtained after deducting discounts, value added tax and sales taxes. For the formation

of a revenue, the following criteria are required to be fulfilled.

Sales of Goods (Newspaper, Magazine, Other Publications and Time Share Sales):

Revenue is considered as occurring when the risks and the benefits of the goods sold are transferred to the buyer, and when the amount of revenue can be calculated in a reliable manner. Net sales consist of the invoiced selling price, after the deduction of discounts and commissions is performed. A major portion of the sales discounts are comprised of returns from the sale of the daily newspaper that the Group sells. After the Group prints and distributes the newspaper these sales are reflected on their income then the newspapers that are not sold and returned are recognized as sales returns. In addition to this but not so significant are the works that are printed as outsourcing and returned later and some work for which an advertisement invoice is issued and later returned and discounted.

The Company does not have a progress price within its construction activities. Therefore, the provisions of IAS 11 are not applied and the Company's income regarding its construction activities is measured by the standard IAS 18 "Revenue". The terms of reflecting sales of goods and services in financial statements are indicated in IAS 18, and the Company's construction proceeds are reflected in the financial statements in accordance with these terms. For sales that are performed in return for receiving advance payments, the Company holds the risk until the product has been

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FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013
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delivered and invoiced. The Company does not have any revenues until the delivery and invoice time.

Sales of Services (advertising, fair services, TV services etc.)

When income from the sale of a service achieves a measurable completion level, it is considered as having occurred. In cases where a gain obtained from an agreement made cannot be measured reliably, the income is accepted by the recoverable amount of the expenses incurred.

Interest Rates

Interest rate is accrued for the relevant period at the effective interest rate that reduces the predicted cash inflows to be obtained from the relevant financial asset throughout its life with the remaining principle balance, to the recorded value of the asset in question. The Group's forward sale income generated from commercial receivables is processed under Other Incomes from Main Operations.

Dividends

The income is considered to be earned when the right to receive a dividend is provided to the partners. Revenues are measured by the fair value of a fee which is either obtained or will be obtained. If the sales are performed with a maturity, according to the standard "IAS 39 Financial Instruments: Recognition and Measurement", the difference between the nominal amount of the sales price and the fair value (the discounted value) is recognized as an interest income. In cases where the result of a transaction related to a sale of services can be estimated in a reliable manner, the revenue regarding the transaction is recognized by taking into consideration the completion level of the procedure on the date of the balance sheet. Level of completion regarding the service transaction is determined by using various methods. Depending on the nature of the transaction, the preference made is based on which method provides a reliable

measurement. Depending on the nature of the transaction, these methods are as follows:

a) investigations related to the work done,

b) the ratio of the services to be provided until the date of the balance sheet, to the total of the services provided, and

c) the ratio of total costs incurred until the present day within the estimated total costs.

Financing Income/Expenses which have not been Accrued

Financing income / expenses which have not been accrued, represent financial income and expenses regarding sales and purchases with terms. During the period of the credit sales and purchases, these revenues and expenses are calculated with the use of the effective interest method and they are shown under the item titled financial income and expenses.

Borrowing Costs

Borrowing costs which can be directly linked to the acquisition, construction or production of a qualifying asset, are capitalized as an element of the cost of the qualifying asset in question. If these types of costs can be measured in a reliable manner, and if it is probable that the future economic benefits deriving from them can be of benefit to the entity, they are included in the cost of the related qualifying asset. Borrowing costs other than those mentioned above are recognized as an expense in the period in which they occur.

In the following periods, these borrowing costs are presented in the financial statements at a discounted value. The difference between the provided cash entry and the repayment value is written off in the income

statement throughout the borrowing period.

Earnings Per Share

Earnings per share is calculated by dividing the part of the net profit or loss for the period that corresponds with the holders of ordinary shares, by the weighted average number of ordinary shares within the period.

The weighted average of the total number of shares in circulation during the period is calculated by also

taking the shares (bonus) issued into consideration without causing an increase in the sources.

Financial Instruments

Recognition and De-recognition of Financial Instruments:

An entity must recognize financial assets or financial liabilities in the balance sheet only when the entity becomes a party to the contractual provisions of the financial instrument. The entity must de-recognize a financial asset or part of a financial liability when the entity does not control the asset. All financial liability should be removed from the balance sheet only when the obligation specified in the contract is discharged, cancelled, or expired.

Fair value of financial instruments:

Fair value is the amount at which an asset may be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, and if this exists, the fair value is best determined by quoted market prices.

The fair values of financial instruments are determined by the enterprise, using active market inputs and an acceptable valuation technique. However, discretion is used in the interpretation of market inputs for estimating fair value. Hence, the estimates presented here may not indicate the value the entity may obtain from a current transaction in a market.

Financial Assets

Financial assets other than financial assets for which the fair value difference is reflected on profit or loss and which are entered on record in accordance with their fair value, are entered into records after the costs which are directly associated with its acquisition at fair value are deducted. Investments are entered on record and removed from records on the date of the commercial transaction which is bound by a contract with conditions for delivery on a certain date determined by the market relevant to the investment instruments. Other Financial Assets are classified as "financial assets reflected on fair value difference profit and loss ", "investments held to maturity ", "financial assets available for sale " and "loans and receivables". The classification is made according to the quality and purpose of the financial asset and is determined and initial recognition.

Effective Interest Method

The effective interest method is the method that calculates amortized costs of a financial asset and

distributes the interest income or expense over the relevant period. The effective interest rate is the rate that precisely discounts estimated future cash payments or receipts for the expected life, or a shorter period if applicable, of the financial instrument to the net carrying amount of the financial asset or liability.

The incomes related to financial assets which are classified as financial instruments to be held until maturity and available for sale are calculated according to the effective interest method.

Available-for-sale financial assets

Some stock certificates and associated securities that are held available to sell by companies are classified as Financial Assets and these type of assets are valued with their fair value. Financial Instruments based on equity which do not have a price registered in an active market and their fair value cannot be reliably measured are shown with their value after their depreciation accumulated from cost value is deducted.

The profits and losses that originate from changes in fair value other than depreciation expenses, interest rate calculated according to effective interest management and profits losses generated by assets of foreign currency that are valued by exchange rates; are directly recognized in the revaluation fund with the Equity Capital. If the investment is disposed of or encounters a permanent depreciation it is included in the period income accounts of total profits or losses that are recognized in the previously revaluated investments fund. The dividends that are associated with equity instruments

held available for sale are recognized in the other comprehensive income table when the company earns the right to the relevant payments.

Receivables

Other receivables are recognized with their fair value on the initial record entry date. In the reporting periods after the initial recording the effective interest method is used to show them based on discounted cost.

Financial Assets Impairment

The financial assets other than those which are reflected in fair value profits or losses, are subjected to assessment on each financial statement date to check whether or not there is any indication that the asset or group of assets has been impaired. If after the financial asset has been initially recognized one or more incidents occur and as a result of the predicted adverse effect on cash flow of the financial asset or asset groups which can be reliably predicted there is an objective indication that the relevant financial asset is impaired an impairment loss is generated. The impairment amount for receivables is the difference between the value today which is calculated by discounting the expected cash flows based on the effective interest rate of the financial asset and the book value. In all financial assets, other than those for which the book valued is decreased by means of using a reserve account, the impairment is directly deducted from the recorded value of the relevant asset. In the event that commercial receivables are not collected this amount will be deleted by means of deduction from the reserve account. The changes in the reserve accounts are recognized in the other comprehensive income table.

If impairment losses, other than those occurring in equity instruments held available for sale, decrease in later periods and the decrease can be associated with an event that has occurred after the impairment loss was recognized, the previously recognized impairment loss is cancelled in the profit/loss not to exceed the amortized cost amount that it would have reached if the investment impairment had never been recognized on the date that the impairment is to be cancelled. An increase that occurs in equity instruments after impairment is recognized directly in the other comprehensive income table.

It is accepted that the fair value of foreign currency balances that are converted by the rate at the end of the period are close to their recorded values. Due to the fair value of financial assets shown with their costs including Cashier, Bank and Bank accounts, being short term and their receivables losses being negligible it is accepted that they are close to their recorded value. The exchange rate difference incomes/expenses that are generated by the valuation of foreign currency balances in cashiers and bank accounts are reported in the financial income/expense account. Term deposit (blocked and not blocked) amounts are valuated according to the effective interest method.

The fair value of securities investments have been predicted based on their market prices on the statement date. Commercial receivables are valued according to the effective interest method.

Financial Liabilities

The Group's Financial Liabilities and equity instruments are classified according to contractual regulations and the principle of defining an instrument based on a financial liability and equity. The contract which represents the rights of the Group on the assets which are left after all debts have been deducted is an equity based financial instrument. The accounting policies applied for certain financial liabilities and financial instruments based on equity are provided below.

Financial Liabilities are classified either as financial liabilities for which the fair value difference is reflected on profit or loss or as other financial liabilities.

Other Financial Liabilities are recognized with their fair value cleared of transaction costs in the beginning. In later periods other financial liabilities are recognized based on the amortized cost amount using the interest expense calculated by the effective interest rate. The effective interest method is a method in which the amortized costs of financial liabilities are calculated and the related interest income is distributed in the associated period. The effective interest rate is the rate that exactly reduces the financial instruments' estimated cash payments and collections in the future (through the expected life or for a shorter period of time if applicable) to the net current value of the associated financial liability.

Short and long term Bank Loans have been shown with their amortized cost values. Long terms loans in foreign currency are converted based on the period end exchange rate and therefore their fair value is close to their recorded value

Commercial debts have been shown with their amortized cost values. In accordance with IAS 1 since commercial debts are a part of the operation capital used within the normal activity period of the company are classified as short term, even if they are to be paid over a period that is longer

If the Group decides or chooses to refinance or reverse its financial debt within at least twelve months after the reporting period, this debt is classified as long term even if it will be paid in a relatively short time. However if the refinancing or reversing is not the choice of the company (for example if there is a refinancing contract) the possibility to refinance is not taken into account and the debt is classified as short term.

Commercial and financial debts are valued according to the effective interest method.

Impairment of Financial Instruments

At the end of each reporting period, financial asset and financial liability groups, measured by amortized costs, are assessed for having equitable indications on value impairment. In the event of the presence of such an indication, the loss from impairment is calculated. It may not be possible to identify a single stand-alone event that caused the value impairments; sometimes more than one reason may be behind it. (NOTE 39-E).

Derivative Financial Instruments and Financial Risk Hedging Accounting

When Derivative Financial Instruments are first entered on record their acquisition cost is used and these instruments are valued at a reasonable value in the periods after they have been recorded. The method for calculating the profit or loss that is generated as a result of the transaction is dependent on the properties of the transaction which is being hedged. The reasonable value changes of Derivative Financial Instruments, which are considered cash flow hedging and an effective form of hedging, are shown as financial risk hedging funds under Equity Capital. If the commitment or probable future transaction becomes an asset or liability the profit or shares that are observed in connection with these transactions among the equity items are taken from these items and included in the acquisition cost or book value of the asset or liability in question. If the profit or share that has been included in the acquisition cost or book value of the instrument being hedged impacts net profit/loss it is reflected in the other comprehensive income table. Financial risk hedging accounting is stopped when the period of use for the financial risk hedging instrument is expired, it is sold or used or becomes unable to sustain the conditions that are necessary for financial risk hedging accounting. The cumulative profit or risk that is generated from the financial risk hedging instrument that was entered into equity on the relevant date will continue to be included in equity until the date on which transaction on the profit or share is expected to take place. If the transaction which is protected from financial risk does not take place the cumulative net profit and loss in equity is recorded in the period profit/loss. The Group has had no derivative instrument transaction in the period.

Related Parties

IAS 24 "Related Party Disclosures Standard", states that parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party directly or indirectly, including through shareholding, contractual benefits, and familial relations. Furthermore, related parties include investors and company management. Related party transactions consist of the transfer of assets, services, or liabilities between related parties, regardless of whether a fee is applicable.

Segmented as "related parties" for purposes of the financial statements are shareholders of the Company, the group companies in indirect capital relationships with the Company, members of the Board of Directors, executive managers, and other key management personnel.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including all directors, whether executive or otherwise (Note:38).

Due to ordinary activities, related party transactions have generally been performed at prices compatible with market conditions. All of the Group's balances with companies they are in direct or indirect affiliation with and all transactions carried out with them have been presented in Note 38.

Financial Risk Management

Collection Risk

The Group's collection risk is generally due to trade receivables. Trade receivables are evaluated by the enterprise's administration based on previous experiences and market conditions, and an acceptable amount of doubtful receivable provision is allocated. Provisions have been allocated for doubtful receivables incurred until the report date. (Note 39).

Currency Risk

Currency risk arises from changes in the foreign exchange rates of a financial instrument. The balance of the foreign currency transactions from operating, investment, and finance activities of the Group as of the report date is given in Note 39. A foreign currency risk arises when exchange rates increase where the Turkish lira depreciates against foreign currencies. (Note 39).

Liquidity Risk

Liquidity risk is the risk of an enterprise facing difficulty in finding funds to fulfill financial instrument commitments. The Group manages its liquidity risk by balancing the distribution of the maturity of its assets and liabilities (Note 39).

The Effect of Foreign Currency Changes

The Group's monetary unit is expressed in Turkish Lira ("TL"). The Group takes the relevant exchange rate on the date of transaction when initially recording transactions that are done in Foreign Currency (monetary units outside of the functional monetary unit used by the company). The monetary assets and liabilities that are in Foreign Currency are utilized with the exchange rate that is valid on the financial statement date and any exchange rate difference expenses or incomes are reflected on the other comprehensive income table. All monetary assets and liabilities have been converted with the exchange rate at the end of the period and their exchange rate differences have been reflected in the other comprehensive income table. Non-monetary items that are in Foreign Currency and measured with a financial value are converted with the exchange rate on the first transaction date into the functional monetary unit. Non-monetary items that are in Foreign Currency and measured with fair value are converted with the exchange rate on the date that the fair value was first determined into the functional monetary unit.

Events After the Reporting Period

Events after the annual reporting period refers to events, either favorable or unfavorable, that occur between the end of the annual reporting period and the date that the financial statements are authorized for issue. According to the standards of IAS 10 "Events after the Reporting Period" the entity must adjust its financial statements to reflect the new events if an event after the annual reporting period provides further evidence of conditions that existed at the end of the annual reporting period or if an event arises after the annual reporting period that requires adjusting the financial statements. If these events do not require adjusting the financial statements, the entity must explain these events in the footnotes to its financial statement. (Note41).

Government Incentives and Aid

Government incentives are entered on record according to their fair value when sufficient confidence is present that the incentive will be received and the Group has fulfilled the necessary conditions. Government incentives and aid are recognized consistently throughout the period in which the costs they match are recognized.

Statement of Cash Flows

In terms of a cash flow statement, cash consists of the cash within the entity and the demand deposits of the entity. Whereas cash equivalents stand for investments which have an amount that can be easily converted into a certain amount of cash, these are short-term investments with high liquidity and the risk derived from changes occurring in their conversion is insignificant.

Cash equivalents are assets that are retained for short-term cash liabilities and they are not used for investment purposes or other similar purposes. In order to consider an asset as a cash equivalent, it must be easily converted to a cash amount with a precisely detectable value and it is essential that the risk of changes in its value should be insignificant. Accordingly, investments with a maturity of 3 months or less are considered as cash equivalent investments. Investments done on marketable securities which represent shareholders' equity are not considered to be cash equivalents, unless they are fundamentally cash equivalents to begin with (for example, preferential stock shares which have a certain date of amortization written on them and which are acquired in a short period of time before their maturities).

The Company prepares its cash flow statements in order to inform the financial statement users about its ability to Orient changes in its net assets, its financial structure, the amount of its cash flows, and the timing of its cash flows, in accordance with the changing conditions. In the cash flow statement, the cash flow for the period is reported according to the classification made on the basis of its business, investment and financing activities. Cash flows derived from operating activities, represent the cash flows which are derived from issues included in the Company's field of activity. Cash flows related to investment activities indicate the cash flows obtained by the Company through the investing activities (fixed investments and financial investments). Cash flows related to financing activities indicate the sources used by the Company in its financing activities, and the reimbursement of these sources.

Reporting According to Operation Departments

Within the structure of an entity, an operation department can be defined as follows:

(a) An operation department is engaged in the business activities from which the entity is able to obtain revenues and perform payments (including revenues and expenses related to transactions performed with other parts of the same entity),

(b) An operation department is reviewed on a regular basis by the authority assigned by the entity, which is authorized to make decisions in the related activities. The purpose of this review is decision making regarding the resources to be provided for the department, evaluating the operating results and assessing the performance of the department, and

(c) An operation department represents a part of an entity with separate financial information.

Reportable Departments:

The Company reports the following information regarding each and every operation department with a separate report:

(i) Those determined as in compliance with the above mentioned paragraphs (paragraphs a, b and c) or the results obtained from combining two or more related departments together, and

(ii) Those exceeding the threshold values presented in the following article consisting of the numerical lower limits, are reported separately.

Numerical Lower Limits:

The Company prepares a separate report containing information about an operation department that meets any of the following numerical lower limits:

(a) If the reported revenues obtained by the operation department, including sales to non-business customers and interdepartmental sales or transfers, constitute 10 percent or more of the total value of all operation departments both inside the entity and outside the entity,

(b) If the absolute amount of the profit or loss reported by an operation department is 10 percent or more than the absolute figures of the profit report prepared by combining all of the operation departments that have not declared a loss, or 10 percent or more than the absolute figures of the loss report prepared by combining all of the operation departments that have declared a loss,

(c) If the assets of an operation department is 10 percent or more than the total assets of all the operation departments. The reportable departments are determined based on their activities, for which the Company may determine the departments' revenues and expenses separately.

The Company prepared the report by taking into account this criterion stated in Note 5.

E. Significant Accounting Assessments, Estimates and Assumptions, and Sources of Uncertainties

Preparation of financial statements involves the amounts of assets and liabilities reported as of the date of the balance sheet, the disclosure of contingent assets and liabilities, and the use of estimates and assumptions which may have an affect over the amounts of income and expenses that are reported throughout the accounting period. Accounting assessments, estimates and assumptions are continuously evaluated by taking reasonable expectations into account. These reasonable accounts involve past experience, other factors and future events based on conditions of the present day. Although these estimates and assumptions are based on the managements' best information regarding current events and transactions, the actual results may vary from the assumptions.

The important estimates and assumptions used by the Company while preparing its financial statements are included in the following footnotes:

Note 2/D Determination of fair values

Note 35/B Deferred tax assets and liabilities

Note 21 Provisions for lawsuits

Note 22 Provision for employee termination benefits

Note 2/D Useful lives and provision for impairment of tangible and intangible fixed assets

Note 10 ve 39/E Provision for impairment of trade receivables

Note 13 Provision for impairment of inventories

The descriptions provided below include assumptions regarding the upcoming period which carry a particular risk that may lead to significant alterations on the assets and liabilities of the balance sheet in the next reporting period. The descriptions also include the sources of uncertainty in the calculations.

a) Within the framework of the specified accounting policies, the Company holds intangible fixed assets with unlimited useful lives subject to an impairment test which may be conducted annually or when conditions indicate the presence of either a reduction in value, or a cancellation. An impairment test is conducted by comparing the intangible fixed assets that have unlimited useful lives to their recoverable values. The recoverable values are determined by applying the usage value calculations as a basis (Note 19).

b) Deferred taxes are recognized in the books only in the case of a detection indicating the probability of a taxable income in the years to come. If a taxable income is considered to be probable, the calculation regarding deferred tax assets is based on the unused accumulated losses and all deductible temporary differences(Note 36).

The management has also used some assumptions and projections during the determination of useful lives, determining the provision for doubtful receivables (Note 10 and 39), the calculation of provisions for litigation (Note 21), and the calculation of the provision for severance payments (Note 22).

Note 3 – Mergers

31.12.2013: None (31.12.2012: None)

Note 4- Shares in other Businesses

31.12.2013: None (31.12.2012: None)

(The amounts are in Turkish Lira (TL) unless specified otherwise

Note 5 - Reporting According to Operation Departments

Media Activities	01.01-31.12.2013	01.01-31.12.2012
Türkiye Newspaper Sales and Advertising Sales Income (net)	31.266.388	27.503.705
Outsourcing and Other Sales Revenues (net)	50.449.501	48.443.143
Total Sales Revenues (net)	81.715.889	75.946.848
Cost of Türkiye Newspaper Sales and Advertising Sales	(28.594.426)	(23.156.044)
Cost of Outsourced and Other Sales	(51.836.929)	(45.866.178)
Cost of Total Sales	**(80.431.355)**	**(69.022.222)**
Gross Profit	**1.284.534**	**6.924.626**

Note 6 - Cash and Cash Equivalents

	31.12.2013	31.12.2012
Cash	**28.130**	**26.771**
- Turkish lira	28.130	26.771
Bank	**241.984**	**146.489**
- Demand Deposits	**241.984**	**146.489**
- Turkish lira	175.084	106.896
- Foreign currency	66.900	39.593
Other cash equivalents	**4.941**	**6.740**
Checks to be expired on the day of balance sheet	**118.553**	**223.673**
Total	**393.608**	**403.673**

Note 7 - Financial Investments

Short and Long-Term Financial Investments

31.12.2013: None (31.12.2012: None).

Note 8 - Financial Liabilities

	31.12.2013	31.12.2012
Short-Term Financial Liabilities	**1.537.064**	**1.000.000**
Bank Loans	1.537.064	1.000.000
Short Term Portions of Long Term Liabilities	**1.013.203**	**372.554**
Financial leasing debts	1.013.203	372.554
Long-Term Liabilities	**1.186.640**	**665.265**
Financial leasing debts	1.186.640	665.265

Bank Loans:

Comprised of rotating loans the principle balance as of 31.12.2013 is 1,500,000 TL, the accrued interest at the end of the period is 37,064 TL (31.12.2012 principle is 1,000,000 TL). The rotating interest interval is 14% - 18.75% (31.12.2012: 14%). No term is determined for these loans.

Financial Leasing Operations

	Currency	Maturity	31.12.2013 Amount in TL	31.12.2012 Amount in TL
Short Term Portions of Long Term Financial Leasing	EURO	up to 3 months	216.636	98.249
	EURO	Between 3 and	796.567	274.305
Total Short-Term Portion of Long Term Financial Leasing			**1.013.203**	**372.554**
Long-Term Leasing Payables	EURO	Between 1 and 5 years	1.186.640	665.265
Total Long-Term Leasing Payables			**1.186.640**	**665.265**

The maturity analyses of long-term financial leasing debts as of December 31, 2013 and December 31, 2012 are shown below:

	31.12.2013	31.12.2012
2014	-	304.787
2015	1.043.320	292.832
2016	143.320	67.646
Toplam	**1.186.640**	**665.265**

The interest rates of financial leasing debts are in the 3.48%-6.90% interval (31.12.2012: 3.48%-5,75%)

Financial leasing transactions are reported with either the minimum lease payments or their present day values, depending on which of the two is the lower. The calculations performed indicated that the fair values (purchasing prices - capital payments) of the financial leasing transactions are lower than the present day values of the minimum lease payments. Financial leases are reported based on their fair values and as of the date of the balance sheet.

Note 9 – Other Financial Liabilities

31.12.2013: None (31.12.2012:None)

Note 10 – Trade Receivables and Payables

	31.12.2013	31.12.2012
Trade receivables from related parties(1)	11.025.037	19.893.979
-Creditors	11.209.308	20.927.642
- Postdated checks and notes receivables	890.232	512.498
-Doubtful trade receivables	2.091.596	439.037
-Minus: Trade receivables rediscount from related parties	(1.074.503)	(1.553.089)
-Minus: Related parties provisions for doubtful trade receivables(2)	(2.091.596)	(432.109)
-Trade Receivables from non-related parties	48.483.242	34.824.680
-Buyers	13.332.342	10.758.663
-Postdated checks and notes receivables	37.926.649	25.478.146
-Doubtful trade receivables	9.095.274	9.614.656
-Doubtful trade receivables	(3.024.615)	(1.734.080)
-Minus: Trade receivables rediscount from non-related parties	(8.846.408)	(9.292.705)
Total	**59.508.279**	**54.718.659**

([1]) Related details are described in Note 38.

([2]) Reconciliation regarding the provision for doubtful trade receivables as of the beginning and end of the period is as follows:

	31.12.2013	31.12.2012
Balance as of January 1	(9.724.814)	(8.236.154)
Provisions no longer required in the current period (Note 31)	2.194.607	25.456
Provision amount of the current period (Note 30)	(3.407.797)	(1.514.116)
Balance as of the end of the period	(10.938.004)	(9.724.814)

The company has presented some related party balances that were mistakenly presented in trade receivables in the previous term in trade receivables from related parties.

In addition to the allocated provisions, the ageing analysis for those without an allocated provision for impairment, even though they are past due, and for those that are overdue and a provision for impairment was allocated, are described in detail in Note 39-E.

The maturity analysis of (net) trade receivables which are not past due as of the dates 31.12.2013 and 31.12.2012 are presented in Note 39-E.

	31.12.2013	31.12.2012
Trade payables to related parties(3)	**3.040.817**	**790.961**
-Vendors	3.070.397	795.289
-Minus: rediscount of trade payables to related parties	(29.580)	(4.328)
Trade Payables not from related parties	4.287.191	4.144.572
-Vendors	4.038.494	3.679.021
-Post-dated checks and the gross amount of notes payable	293.466	512.498
Minus: rediscount of trade payables from non- related parties	(44.769)	(46.947)
Toplam	**7.328.008**	**4.935.533**

([3]) Related details are described in Note 38.

The company has presented some related party balances that were mistakenly presented in trade receivables in the previous term in trade receivables from related parties.

Note 11 – Other Receivables and Payables

	31.12.2013	31.12.2012
Other Receivables (Short Term)	-	-
Issued Deposits and Securities	10.178	1.728
Other Receivables (Long Term)	**10.178**	**1.728**

	31.12.2013	31.12.2012
Other payables	**19.029**	**15.114**
Short Term Other Payables	19.029	15.114
Long Term Other Payables	-	-

Note 12 – Receivables and Payables from Finance Sector Activities

31.12.2013: None (31.12.2012: None).

İHLAS GAZETECİLİK A.Ş.

FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013
(The amounts are in Turkish Lira (TL) unless specified otherwise)

Note 13 – Inventories

	31.12.2013	31.12.2012
Starting materials and supplies	7.562.336	9.052.392
Semi-products	71.170	48.502
Finished goods	417.806	214.225
Goods	63.748	63.748
Other inventories	128.764	110.590
Provision for inventory impairment (-)	(386.151)	(413.003)
Total	**7.857.673**	**9.076.454**

Reconciliation regarding the provision for inventory impairment as of the beginning and end of the period is as follows:

	31.12.2013	31.12.2012
Starting materials and supplies	7.562.336	9.052.392
Semi-products	71.170	48.502
Finished goods	417.806	214.225
Goods	63.748	63.748
Other inventories	128.764	110.590
Provision for inventory impairment (-)	(386.151)	(413.003)
Total	**7.857.673**	**9.076.454**

	31.12.2013	31.12.2012
Balance as of the beginning of the period	**(413.003)**	**(316.906)**
Provision for impairment (-) / no longer required (Note28)	26.852	(96.097)
Balance as of the end of the period	**(386.151)**	**(413.003)**

There are no inventories presented as guarantee for the Company's liabilities (Previous period: None).

As inventories are not covered by the qualifying asset definition in the standard IAS 23 "Borrowing Costs", financing expenses regarding the inventories are associated with the income statement and they are not capitalized.

Note 14 - Live Assets

31.12.2013: None (31.12.2012: None).

Note 15 - Balances Related to Construction Contracts in Progress

31.12.2013: None (31.12.2012: None).

Note 16 - Investments Evaluated with the Equity Method

31.12.2013: None (31.12.2012: None).

Note 17 - Investment Property

January 01 - December 31, 2013

	01.01.2013	Inputs	Outputs	Value Increase	Transfers (*)	31.12.2013
Investment Property						
Lands	42.392.226	-	(3.570.062)	11.646.997	15.096.717	65.565.878
Buildings	28.656.154	-	(1.994.927)	978.283	(9.105.850)	18.533.660
Total	**71.048.380**		**(5.564.989)**	**12.625.280**	**5.990.867**	**84.099.538**

(*) The Adana and Izmir properties that the Company received rent income from in the current period and classified under fixed tangible assets in previous years is now being monitored under investment properties.

(The amounts are in Turkish Lira (TL) unless specified otherwise)

Also in the current period the appraisal reports were used as benchmarks between the land and building shares to make transfers.

January 01 - December 31, 2012

	01.01.2012	Inputs	Outputs	Impairment Provisions	31.12.2012
Investment Property					
Lands	43.263.213	-	(870.987)	-	42.392.226
Buildings	30.364.359	-	(1.017.855)	(690.350)	28.656.154
Total	**73.627.572**		**(1.888.842)**	**(690.350)**	**71.048.380**

The Group had appraisals done by experts on property, land and buildings being held for rent income in the current period and the appreciated values have been calculated according to the appraisal reports (fair value appraisal method).

The fair value of investment properties have been determined by an independent and expert company (appraiser). The information concerning the appraisal is as follows

Properties	Current Appraisal Values	Values as of 31.12.2012	Generated Value Increases	Appraisal Dates	Appraisal Methods
No. 8-10-11-12 Independent Section (*)	25.772.500	23.299.084	2.473.416	20.12.2013	Precedent Comparison Method
2-3-4-5 Independent Section (*)	28.665.000	25.670.290	2.994.710	20.12.2013	Precedent Comparison Method
No. 13 Independent Section (*)	19.175.750	16.451.729	2.724.021	20.12.2013	Precedent Comparison Method
Murselpaşa Bul. No:161 Kahramanlar Konak/Izmir	8.000.000	5.169.667	2.830.333	03.01.2014	Precedent Comparison Method, Income Reduction Method, Cost Method
Block 1927 parcel 187 Yüreğir/Adana	2.424.000	821.200	1.602.800	03.01.2014	Precedent Comparison Method, Cost Method
Total Value Increase(NOTE 32)			**12.625.280**		

(*) These are the independent sections located in the İstanbul province Bahçelievler District Yenibosna Neighborhood 24 th map section parcel 10913.

There is a 22,750,000USD and 10,000,000 TL mortgage against the Group's investment properties (31.12.2012: 104,400,000 TL and 25,000,000 USD).

The company has no investment properties which it has acquired through leasing and for which the debt is ongoing.

Since investment properties are not in the scope of the IAS23 "Debt Costs" standard as special assets, they are associated with Investment Properties related Financing Expenses income tables and are not capitalized.

In the current period the Group has acquired a Total of 1,623,671 TL rent income (previous period: 1,861,013 TL) from investment properties and incurred 202,153 TL (previous period: 237,404 TL) in costs (insurance costs and property tax).

Note 18 Tangible Fixed Assets

January 01 – December 31, 2013

	01.01.2013	Input	Output	Value Increase	Transfers (*)	31.12.2013
Cost						
Land	12.905.139	-	-	4.149.196	(2.056.922)	14.997.413
Buildings	6.280.276	-	-	1.922.393	(4.068.078)	4.134.591
Machinery, plants equipment	72.433.337	2.026.810	(192.211)	-	-	74.267.936
Vehicles	1.574.976	274.031	(415.367)	-	-	1.433.640
Fixtures	6.986.306	69.927	(50.717)	-	-	7.005.516
Total	**100.180.034**	**2.370.768**	**(658.295)**	**6.071.589**	**(6.125.000)**	**101.839.096**
Minus: Accumulated Amortization						
Buildings	(348.862)	(101.961)	-	(257.047)	268.266	(439.604)
Machinery, plants equipment	(60.363.601)	(2.535.196)	192.211	-	-	(62.706.586)
Vehicles	(756.620)	(251.230)	292.073	-	-	(715.777)
Fixtures	(6.429.753)	(227.650)	48.458	-	-	(6.608.945)
Total	**(67.898.836)**	**(3.116.037)**	**532.742**	**(257.047)**	**268.266**	**(70.470.912)**
Tangible fixed assets (net)	**32.281.198**			**5.814.542**		**31.368.184**

(*)Also in the current period the appraisal reports were used as benchmarks between the land and building shares to make transfers. The Adana and Izmir properties that the Company classified under fixed tangible assets in previous years has been transferred to investment properties. In the current period the Company is not using the properties in question but is getting rent income from them.

January 01 – December 31, 2012

	01.01.2012	Input	Output	31.12.2012
Cost				
Land	12.905.139	-	-	12.905.139
Buildings	6.280.276	-	-	6.280.276
Machinery, plants equipment	71.765.238	867.663	(199.564)	72.433.337
Vehicles	1.387.611	289.685	(102.320)	1.574.976
Fixtures	6.881.963	104.343	-	6.986.306
Total	**99.220.227**	**1.261.691**	**(301.884)**	**100.180.034**
Minus: Accumulated Amortization				
Buildings	(223.256)	(125.606)	-	(348.862)
Machinery, plants equipment	(58.093.933)	(2.469.232)	199.564	(60.363.601)
Vehicles	(632.676)	(226.264)	102.320	(756.620)
Fixtures	(6.139.533)	(290.220)	-	(6.429.753)
Total	**(65.089.398)**	**(3.111.322)**	**301.884**	**(67.898.836)**
Tangible fixed assets (net)	**34.130.829**			**32.281.198**

(The amounts are in Turkish Lira (TL) unless specified otherwise)

The investment purpose real estate received by the Company through financial leasing are as follows:

	01.01.2013	Input	Output	31.12.2013
Cost				
Machinery, plants equipment	4.025.160	1.552.475	-	5.577.635
Total	4.025.160	1.552.475	-	5.577.635
Minus: Accumulated Amortization				
Machinery, plants equipment	(811.604)	(544.826)	-	(1.356.430)
Total	**(811.604)**	**(544.826)**	**-**	**(1.356.430)**
Tangible fixed assets (net)	**3.213.556**			**4.221.205**

	01.01.2012	Input	Output	31.12.2012
Cost				
Machinery, plants equipment	3.854.817	170.343	-	4.025.160
Total	3.854.817	170.343	-	4.025.160
Minus: Accumulated Amortization				
Machinery, plants equipment	(417.605)	(393.999)	-	(811.604)
Total	**(417.605)**	**(393.999)**	**-**	**(811.604)**
Tangible fixed assets (net)	**3.437.212**			**3.213.556**

The Group had appraisals done by experts on property, land and buildings in the current period and the appreciated values have been calculated according to the appraisal reports (fair value appraisal method).

The fair value of investment properties have been determined by an independent and expert company (appraiser). The information concerning the appraisal is as follows:

Properties	Current Appraisal Values	Values as of 31.12.2012	Generated Value Increases	Appraisal Dates	Appraisal Methods
Block 1896 Parcel 35 Kahramanlar-Konak / Izmir	10.000.000	6.586.675	3.413.325	03.01.2014	Precedent Comparison Method, Income Method, Cost Meth.
Block 12553 Parcel 11 Koyunlar Köyü Kepez / Antalya	5.823.500	5.014.452	809.048	23.12.2013	Precedent Comparison Method, Income Method, Cost Meth.
Block 1927 Parcel 153 Yüreğir /Adana	1.336.400	227.907	1.108.493	24.12.2013	Precedent Comparison Method, Income Method Cost Meth.
Block 719 Parcel 3 Tekkeköy/Samsun Yüreğir / Adana	1.285.000	848.824	436.176	31.12.2013	Cost Method
Block 719 Parcel 2 Tekkeköy/Samsun	247.500	200.000	47.500	31.12.2013	Precedent Comparison Method, Project Development
Total Value Increase(NOTE 27)			**5.814.542**		

The total of liens, restrictions or mortgages on the Company's fixed assets is 28,830,000 TL (31.12.2012: 28,830)

Since investment properties are not in the scope of the IAS23 "Debt Costs" standard as special assets, they are associated with Investment Properties related Financing Expenses income tables and are not capitalized

The Company has no idle tangible fixed assets.

The Company's tangible fixed assets that are already being used and have been fully amortized are as follows:

	31.12.2013	31.12.2012
Plant, machinery and equipment (*)	49.769.745	47.077.406
Vehicles (*)	168.392	330.717
Fixtures(*)	5.876.398	5.365.397
Total	**55.814.535**	**52.773.520**

(*) The company sold its plant, machinery, equipment and inventory, which were fully amortized, worth 483,076TL (net book value: 0) at their salvage value in the current period.

Note 19 - Intangible Fixed Assets

January 01 - December 31, 2013

	01.01.2013	Input	Output	Impairment Provisions	31.12.2013
Cost					
Brand	55.728.040	-	-	(1.577.485)	54.150.555
Computer software	1.326.417	103.140	-	-	1.429.557
Total	**57.054.457**	**103.140**	**-**	**(1.577.485)**	**55.580.112**
Minus: Accumulated Depreciation					
Computer software	(646.510)	(413.594)	-	-	(1.060.104)
Total	**(646.510)**	**(413.594)**	**-**	**-**	**(1.060.104)**
Intangible Fixed Assets (net)	**56.407.947**			**(1.577.485)**	**54.520.008**

January 01 - December 31, 2012

	01.01.2012	Input	Output	Impairment Provisions	31.12.2012
Cost					
Brand	56.125.860	-	-	(397.820)	55.728.040
Computer software	1.140.280	186.137	-	-	1.326.417
Total	**57.266.140**	**186.137**	**-**	**(397.820)**	**57.054.457**
Minus: Accumulated Depreciation					
Computer software	(267.386)	(379.124)	-	-	(646.510)
Total	**(267.386)**	**(379.124)**	**-**	**-**	**(646.510)**
Intangible Fixed Assets (net)	**56.998.754**			**(397.820)**	**56.407.947**

There are no pledges, restrictions or mortgages over the intangible fixed assets that belong to the Company.

As of December 31st, 2012, the Company undertook an impairment test for its intangible fixed assets and calculated impairment provisions for its intangible fixed assets of an unlimited useful life. The concept of continuity was taken into consideration in the assessment of whether or not the brand value was deemed to have an unlimited useful life. The summary information, hypothesis and methods related to the assessment report of the "Türkiye" brand, which is owned by the Company being tested for the impairment by an assessment company and used as the brand name of the newspaper issued by the Company, are as follows:

- During the brand valuation, the factors taken into consideration by the valuation company were the macroeconomic factors (economic indicators (the gross national product, inflation rates)), data regarding the media and printing industries (newspaper circulations, advertising revenues, etc.)), in addition to the financial statements and projections regarding İhlas Gazetecilik.

- Brand assessment was performed by an independent audit company. The usage value was taken as a basis in the assessment, for which the following assumptions were applied:

Within the scope of the Financial Assets Pricing Model, the Weighted Average Cost of Capital of 13.73% was applied as a discount rate.

• Projections were extended to the terminal period, assuming a terminal growth rate of 2%.

• Projected inflation rates for the current year and for the two following years were determined based on expectations set forth

in the Inflation Report 2013-II published by the CBRT (Central Bank of Republic of Turkey).

• Circulations between 2007 and 2012 are taken as a basis in estimating the circulation of national newspapers in Turkey.

The market value of the brand and name rights for the Türkiye Newspaper have been calculated using the Price Premium Analysis Method.

Impairment provisions for the aforementioned brand are as follows:

	31.12.2013	31.12.2012
Book value of the Brand (a)	79.875.083	79.875.083
Appraisal value (b)	54.150.555	55.728.040
Provision for impairment (b-a)	**(25.724.528)**	**(24.147.043)**

The 1,577,485 TL (previous term; 397,820TL) impairment provision generated for the brand in the current period has been presented in the comprehensive income table under other expenses from operations (Note 31).

The total of intangible fixed assets which are completely amortisized despite currently being used by the company are 117,181 TL. (previous period: 117,181TL).

Goodwill: 31.12.2013: None (31.12.2012: None).

Note 20 - Government Grants and Incentives

31.12.2013: None (31.12.2012: None).

İHLAS GAZETECİLİK A.Ş.

FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013
(The amounts are in Turkish Lira (TL) unless specified otherwise)

Note 21 - Provisions, Contingent Assets and Liabilities, Commitments

a) Guarantees, mortgages and pledges given by the Company:

The Company's charts regarding its position on guarantees, pledges and mortgages (GPM) are as follows:

GPMs Given by the Company (31.12.2013)	US$ Balance	EURO Balance	TL Balance	Balance (TL Equivalent)
A. The Total Amount of GPMs Given by the Company on Behalf of Its Own Legal Entity	150.000	-	923.978	1.244.123
B. The Total Amount of GPMs Given by the Company in Favor of Its Partnerships Which are Included in the Scope of Full Consolidation	-	-	-	-
C. The Total Amount of GPMs Given by the Company to Guarantee the Debts of Other 3rd Parties in Order to Execute Ordinary Business Activities	-	-	-	-
D. The Total Amount of Other GPMs Given by the Company	25.362.230	225.000	136.454.080	191.245.400
i. The Total Amount of GPMs Given by the Company in Favor of the Main Partnership	-	-	-	-
ii. The Total Amount of GPMs Given by the Company in Favor of Other Related Companies Which are not Included in the Scopes of Articles B and C	25.362.230	225.000	136.454.080	191.245.400
iii. The Total Amount of GPMs Given by the Company in Favor of Third Parties Which are Not Included in the Scope of Article C	-	-	-	-
Total	**25.512.230**	**225.000**	**137.378.058**	**192.489.523**
The Total Equity of the Company (Note 27)				214.144.835
The ratio of GPMs given by the company to the Equity				**% 89**

GPMs Given by the Company (31.12.2012)	US$ Balance	EURO Balance	TL Balance	Balance (TL Equivalent)
A. The Total Amount of GPMs Given by the Company on Behalf of Its Own Legal Entity	150.000	-	1.819.573	2.086.963
B. The Total Amount of GPMs Given by the Company in Favor of Its Partnerships Which are Included in the Scope of Full Consolidation	-	-	-	-
C. The Total Amount of GPMs Given by the Company to Guarantee the Debts of Other 3rd Parties in Order to Execute Ordinary Business Activities	-	-	-	-
D. The Total Amount of Other GPMs Given by the Company	25.362.230	225.000	136.547.530	182.287.374
i. The Total Amount of GPMs Given by the Company in Favor of the Main Partnership	-	-	-	-
ii. The Total Amount of GPMs Given by the Company in Favor of Other Related Companies Which are not Included in the Scopes of Articles B and C	25.362.230	225.000	136.547.530	182.287.374
iii. The Total Amount of GPMs Given by the Company in Favor of Third Parties Which are Not Included in the Scope of Article C	-	-	-	-
Total	**25.512.230**	**225.000**	**138.367.103**	**184.374.337**
The Total Equity of the Company (Note 27)				206.709.921
The ratio of GPMs given by the company to the Equity				**% 88**

b) Details regarding lawsuits of the Company as of the dates December 31, 2013, and December 31, 2012, are as follows:

	31.12.2013	31.12.2012
Provisions for lawsuits	91.702	145.180
Debt Provisions (Long-Term)	91.702	145.180

(The amounts are in Turkish Lira (TL) unless specified otherwise)

Details regarding lawsuits of the Company as of the dates December 31, 2013, and December 31, 2012, are as follows:

	31.12.2013	31.12.2012
Balance at the beginning of term	145.180	232.180
Payments	(47.330)	(5.000)
Lawsuit provisions no longer valid	(6.148)	(82.000)
Balance at the end of term	91.702	145.180

The Company did not allocate provision for lawsuits against the Company with high probability of winning. However, the Company has allocated provisions for those lawsuits which might be lost, or in other words, which might lead to the loss of economic resources.

The summarized information regarding the Company's ongoing lawsuits as of December 31, 2013, is provided in the chart below:

	Number	Amount
Enforcement proceedings conducted in favor of the Company	162	4.485.648
Enforcement proceedings conducted against the Company	4	52.292
Ongoing lawsuits that were commenced in favor of the Company	16	626.670
Ongoing lawsuits that were commenced against the Company	32	489.202

Note 22 - Benefits Provided to the Personnel

	31.12.2013	31.12.2012
Long-Term Liabilities		
Provision for severance pay	9.730.150	7.034.857
Total	**9.730.150**	**7.034.857**

According to Labor Law, the Company is obliged to pay severance pay to its personnel in case of the presence of the following situations, provided that the employee has completed at least one full year of service: if the employment of an employee is terminated without any valid reasons, if the employee is called to duty by the military, if the employee dies. The severance pay which the Company is obliged to pay also applies to staff who have retired after completing the required service time, which is

25 years for men and 20 years for women, provided that they have reached their retirement age, which is 58 years of age for women and 60 years of age for men. The amount to be paid is capped at the following amounts and is equal to one month's salary.

- 31.12.2013: 3,325 TL

-31.12.2012: 3,034 TL

On the other hand, the Company is subjected to the "Law on Arrangement of the Relationships between Employees Working in the Press". Therefore, the Company is obliged to pay severance pay to each of its personnel whose employment is terminated after having worked in the Press sector for a minimum of five years, regardless of the grounds of termination. The compensation to be paid is limited to an amount worth 30 days' salary for each year that the employee worked. There are no maximum limit applications when calculating severance pay for press staff.

The right to early retirement for those working in the press, publishing, packaging and printing jobs have been removed as of October 1, 2008.

There are no regulations regarding pension commitments, apart from the legal regulations explained above.

As it is not required to allocate a fund, no funds were allocated regarding this liability.

Provision for severance pay is calculated at an estimated value that represents the Company's possible liability in the future, which may arise from the retirement of its employees, on the date of the balance sheet.

IAS 19 "Benefits to the Employees" requires companies to use actuarial valuation methods when estimating the companies' liabilities within the scope of certain social benefit plans. Accordingly, actuarial assumptions and existing legal obligations were used during calculations regarding the total liability. The main actuarial estimates and assumptions used are as follows:

	31.12.2013	31.12.2012
Discount rate	%3,32	%3,81
Rate of unpaid severance pay liability (average)	%4	%5

	31.12.2013	31.12.2012
Balance on January 1	**7.034.857**	**6.348.799**
Payments	(2.295.561)	(1.263.543)
Provisions no longer required (Note 31)	-	(225.384)
Retirement Plan Actuarial Profit/Loss Fund (Note 27)	361.066	299.345
Provisions allocated within the period (Note 30)	4.629.788	1.875.640
Balance at the End of the Period	**9.730.150**	**7.034.857**

	31.12.2013	31.12.2012
Salaries and other payables to Employees	1.939.230	1.260.694
Social security deductions to be paid	528.184	482.852
Payables in the scope of employee benefits	**2.467.414**	**1.743.546**

Note 23 – Retirement Plans

Other than the legal regulations explained in Note 22 there is no other regulation for retirement commitments.

Note 24 – Prepaid Expenses and Deferred Incomes

	31.12.2013	31.12.2012
Business advances	4.000.191	6.129.025
Issued order advances (*)	219.911	37.299
Personnel Advances	77.508	-
Expenses for future months	34.558	31.868
Prepaid Expenses / (Classified in Floating Assets)	**4.332.168**	**6.198.192**
Advances paid (for the fixed assets)(*)	2.715.622	2.715.622
Prepaid Expenses / (Classified in Fixed Assets)	**2.715.622**	**2.715.622**
Advances received for purchase orders	1.020.125	1.748.546
Deferred Incomes (Short Term)	1.020.125	1.748.546
Deferred Incomes (Long Term)	**-**	**-**

(*) The details concerning related party balances have been explained in Note 38.

Note 25 – Assets Related to Current Period

	31.12.2013	31.12.2012
Prepaid tax receivables	290.873	98.136
Assets Concerning Current Period Tax	**290.873**	**98.136**

(The amounts are in Turkish Lira (TL) unless specified otherwise)

Note 26 – Other Assets and Liabilities

	31.12.2013	31.12.2012
Other VAT	-	225.853
Other Current(Floating Assets	**-**	**225.853**
Other Non-Current(Fixed Assets	**-**	**-**
Tax, dues and other deductions to be paid	1.386.855	1.726.463
Tax payables past due, deferred or committed to installments	-	226.970
Short Term Liabilities	**1.386.855**	**1.953.433**
Tax payables past due, deferred or committed to installments	-	75.657
Other Long Term Liabilities	**-**	**75.657**

Note 27 – Capital, Provisions and Other Equity Items

A. Paid Capital

The Company's approved and issued share capital consists of shares and each of these shares has a registered nominal value of 1TL. As of December 31, 2013, the registered capital ceiling of the Company is 240,000,000TL.

As of December 31, 2013, and December 31, 2012, the Company's approved and issued share capital, and its capital structure, are as follows:

	31.12.2013		31.12.2012	
Name / Title	Share Rate %	Share Amount (TL)	Share Rate %	Share Amount (TL)
İhlas Yayın Holding A.Ş.	56,55	67.859.559	56,55	67.859.559
Open to Public	33,00	39.600.000	33,00	39.600.000
İhlas Holding A.Ş.	6,92	8.304.075	6,92	8.304.075
Ahmet Mücahid Ören	1,76	2.108.943	0,24	291.490
Enver Ören	-	-	2,02	2.423.271
İhlas Ev Aletleri İmalat Sanayi Ticaret A.Ş.	1,03	1.237.553	1,03	1.237.553
Other	0,74	889.870	0,24	284.052
Total	**100,00**	**120.000.000**	**100,00**	**120.000.000**
Capital Adjustment Account		38.494.868		38.494.868
Total		**158.494.868**		**158.494.868**

The distribution of the Company's preferential shares (Group A shares) according to the Ordinary General Assembly Decision dated 30.03.2013 is as below:

Partner's Name / Title	Bearer	Quantity	Amount
İhlas Yayın Holding A.Ş.	In Name	9.000.000	9.000.000
İhlas Holding A.Ş.	In Name	2.400.000	2.400.000
Ahmet Mücahid Ören	In Name	450.000	450.000
Ayşe Dilvin Ören	In Name	150.000	150.000
Total		**12.000.000**	**12.000.000**

Benefits Provided from Preferential Shares

If the General Assembly of the Company decides that the Board of Directors consist of 5 people, at least 4 of the Members of the Board of Directors are selected among candidates nominated by group (A) shareholders. Similarly, at least 5 of the members are selected among those candidates if a board of 7 people is decided, at least 7 of the members are selected among those candidates if a board of 9 people is decided, and at least 9 of the members are selected among those candidates if a board of 11 people is decided.

In the ordinary and extraordinary General Assembly Meetings of the Company, each group A shareholder has 15 (fifteen) vote rights for each share they possess.

B. Other Accumulated Comprehensive Income/Expense not to be Reclassified in Profit or Loss

Other accumulated comprehensive income/expense not to be reclassified under profit or loss is comprised of revaluation increases of fixed tangible assets and the actuarial profit/loss fund from retirement plans and the movement table is provided below:

	31.12.2013	31.12.2012
January 1 balance	**-**	**-**
Revaluation increases of fixed tangible assets in period	5.814.542	-
Taxes concerning other comprehensive income not T be reclassified in profit or loss in the period	(290.727)	-
Period End Balance	**5.523.815**	**-**

	31.12.2013	31.12.2012
January 1 balance	**(147.591)**	**151.754**
Actuarial gains/losses funding of pension plan occured during the period	(361.066)	(299.345)
Period End Balance	**(508.657)**	**(147.591)**

C. Restricted Reserves That Are Allocated from Profit

According to the Turkish Commercial Code, legal reserves are classified into two, which are the primary and the secondary legal reserves. Until the primary legal reserves reach 20% of the sum of revalued paid-in capital, they are allocated by an amount that corresponds to 5% of the net profit in the legal financial statements. The secondary legal reserves are allocated as 10% of the sum of dividend distributions exceeding 5% of the revalued capital. Within the framework of TCC provisions, legal reserves are only used for netting the losses; and they are not allowed to be used for any other purpose unless they exceed 50% of the paid in capital.

	31.12.2013	31.12.2012
Legal reserves	83.901	83.901
Special reserves(*)	873.284	873.284
Total	**957.185**	**957.185**

(*) This amount is associated with the merger between the Company and the "Medya Reklam Pazarlama, Film Prodüksiyon ve Basım Hizmetleri" Joint Stock Company in 2008. Because this company, which merged with İhlas Gazetecilik A.Ş., lost its entire capital in accordance with the provisions of the Turkish Commercial Code, the company was financed by transferring capital from its capital reserves.

D. Profit / Loss for the Previous Years

According to CMB's communiqué Serial: XI, No: 29, which entered into force as of January 1, 2008, "Paid-in Capital" is required to be presented from the amounts that represent "Restricted Reserves That Are Allocated from Profit" and "Premiums on Sale of Share Certificates" in the legal records. The differences occurring in the valuation during the implementation of the aforementioned communiqué are processed as follows:

- If the difference is derived from "Paid-in Capital", and if the difference has not yet been added to the capital, then the difference is associated with the item "Capital Adjustment Difference" coming right after the item "Paid-in Capital",

- If the difference is derived from "Restricted Reserves That Are Allocated from Profit" and "Premiums on Sale of Share

(The amounts are in Turkish Lira (TL) unless specified otherwise)

Certificates", and if is not subjected to profit sharing or share capital increase, it is associated with the "Accumulated Profit/Loss of previous years"

Profit / Loss for the Previous Years consists of the following items;

	31.12.2013	31.12.2012
January 1 Balance	48.540.192	47.975.812
Previous period profit/(loss)	(1.134.733)	564.380
Period end balance	**47.405.459**	**48.540.192**

Profit Share Distribution

Companies open to the public distribute profits according to the no 11-19.1 Communiqué on Profit Shares of the CMB enforced as of February 1, 2014. Partnerships distribute profits in the framework of profit distribution policies determined by the General Assembly and in compliance with relevant law provisions, by General Assembly decision. No minimum distribution rate was determined within the scope of the mentioned communiqué. Companies pay shares in accordance with the form that is specified in their core contract or profit distribution policies. They may also be paid in equal or varying installments and as a cash profit share advance from the profit that is in interim period financial tables.

Unless the contingency reserves that are required to be reserved by TCC or the profit share to be reserved for shareholders specified in the profit distribution policy are reserved not only can no decision be made for other contingency reserves, transferring profit to the next year and distributing profit to dividend shareholders, Board of Directors members, partnership employees and individuals other than shareholders; but until the profit share determined for shareholders is paid in cash profit may not be distributed to any of these individual.

The Company does not have period profit in its legal records as of December 31, 2013 therefore there is no profit to make a profit distribution decision on.

NOTE 28 – Sale and Cost of Sales

A. Gross Profit / Loss from Commercial Operations

	01.01-31.12.2013	01.01-31.12.2012
Domestic Sales	90.832.878	78.027.564
International Sales	2.154.497	2.950.219
Total Gross Sales Income	**92.987.375**	**80.977.783**
Sales Discounts (-)	(11.271.486)	(5.030.935)
Net Sales Income	**81.715.889**	**75.946.848**
Cost of Sales (-)	(80.431.355)	(69.022.222)
Gross Sales Profit	**1.284.534**	**6.924.626**

The Group's Cost of Sold Goods table for the period 01.01-31.12.2013 and 01.01-31.12.2012is as follows:

	01.01-31.12.2013	01.01-31.12.2012
Raw materials and commercial goods expenses	(39.778.153)	(34.792.506)
Personnel expenses	(22.973.289)	(20.294.294)
Provisions for severance pay expenses (NOTE 30)	(3.963.530)	(1.485.094)
Electricity and heating expenses	(3.295.742)	(3.122.959)
Amortization and Impairment expenses (NOTE 30)	(2.669.325)	(3.061.201)
Repair and maintenance expenses	(2.313.133)	(1.674.879)
Rent expenses	(1.139.817)	(986.612)
Security, cleaning, health and kitchen expenses	(1.111.649)	(815.728)
Tax, dues, fees, notary and service expenses	(1.083.980)	(1.042.510)
Transport, distribution and transporting expenses	(906.186)	(887.392)
Fuel and Transportation expenses	(265.278)	(208.149)
Agency and consultation expenses	(160.589)	(466.975)
Communication expenses	(88.757)	(87.546)
Transfer of maturity differences concerning purchases to other expenses	744.634	351.694
Stock DDK (-) / Cancellations(+)	26.852	(96.097)
Other Production Expenses and Amendments	(1.453.413)	(351.974)
Cost of Sales	**(80.431.355)**	**(69.022.222)**

B. Gross Profit / Loss from Finance Sector Activities

01.01-31.12.2013: None (01.01-31.12.2012: None).

NOTE 29 - Operating Expenses

	01.01-31.12.2013	01.01-31.12.2012
General Administrative Costs	(13.607.313)	(9.431.891)
Marketing, sales and distribution Costs	(10.443.347)	(7.398.257)
Total	**(24.050.660)**	**(16.830.148)**

(The amounts are in Turkish Lira (TL) unless specified otherwise)

NOTE 30 – Segmented Costs

As of the 01.01-31.12.2013 and 01.01-31.12.2012 period the details for segmented costs are as follows:

	01.01-31.12.2013	01.01-31.12.2012
Personnel Costs [a]	(4.456.167)	(4.233.588)
Doubtful Trade Receivables provision costs	(3.407.797)	(1.514.116)
Work advance provisions costs	(1.977.711)	(806.119)
Amortization and Impairment costs [b]	(860.306)	(429.245)
Severance provision costs [c]	(628.209)	(300.542)
Benefits and services obtained from outside	(579.508)	(520.794)
Taxes, fees, dues	(411.934)	(396.525)
Consultation and consultancy costs	(203.402)	(303.126)
Maintenance and insurance costs	(192.147)	(234.590)
Rent costs	(95.009)	(103.816)
Court, notary, deed and service fees	(32.185)	(223.900)
Other administrative expenses	(762.938)	(365.530)
General Administrative Costs	**(13.607.313)**	**(9.431.891)**

	01.01-31.12.2013	01.01-31.12.2012
Advertising Expenses	(3.978.281)	(1.792.213)
Personnel expenses (a)	(2.202.311)	(1.760.887)
Advertising Commission and Bonus Expenses	(1.637.831)	(1.212.417)
Promotion Expenses	(1.033.239)	(728.576)
Distribution and Shipping expenses	(753.505)	(617.795)
Outsourced benefits	(564.864)	(561.890)
Market Research Expenses	(102.606)	(82.128)
Rent Expenses	(55.613)	(112.461)
Termination Benefit Provision Expenses	(38.049)	(90.004)
Other marketing and sales expenses	(77.048)	(439.886)
Marketing, Sales and Distribution Expenses	**(10.443.347)**	**(7.398.257)**

(a) The detail of personnel expenses included in the portion of Amortization and Impairment costs is as follows:

	01.01-31.12.2013	01.01-31.12.2012
Gross salary expenses	(5.142.752)	(4.450.037)
SGK deductions (employee, employer)	(1.095.144)	(1.041.744)
Other expenses	(420.582)	(502.694)
Total	**(6.658.478)**	**(5.994.475)**

(b) The detail of Amortization and Impairment costs :

	01.01-31.12.2013	01.01-31.12.2012
Sales costs	(2.669.325)	(3.061.201)
General Administrative Costs	(860.306)	(429.245)
Total	**(3.529.631)**	**(3.490.446)**

(c) The details of severance provisions are as follows:

	01.01-31.12.2013	01.01-31.12.2012
Cost of Sales	(3.963.530)	(1.485.094)
General Administrative Costs	(628.209)	(300.542)
Marketing Sales Distribution Costs	(38.049)	(90.004)
Total	**(4.629.788)**	**(1.875.640)**

NOTE 31 – Other Income/Costs from Operations

The details of other income/costs from operations as of 01.01-31.12.2013 and 01.01-31.12.2012 are as follows:

	01.01-31.12.2013	01.01-31.12.2012
Incomes from delayed interest differences	7.380.250	5.968.698
Trade receivables provisions no longer valid	2.194.607	25.456
Rent Incomes	1.623.671	1.861.013
Exchange rate difference incomes	1.058.852	534.135
SGK premium treasury discount	726.949	624.122
Provisions for law suits no longer valid	6.148	82.000
Severance provisions no longer valid	-	225.384
Other incomes	426.830	157.477
Total Other Operating Income	**13.417.307**	**9.478.285**

	01.01-31.12.2013	01.01-31.12.2012
Provision for brand impairment	(1.577.485)	(397.820)
Expenses from delayed interest differences	(1.561.599)	(527.643)
Exchange rate difference incomes	(1.397.743)	(482.726)
Total Other Operating Income	**(4.536.827)**	**(1.408.189)**

NOTE 32 – Income/Costs from Investment Activities

The details for income/costs from investment activities as of 01.01-31.12.2013 and 01.01-31.12.2012 are as follows:

	01.01-31.12.2013	01.01-31.12.2012
Income from financial investment sales profits and value increase	12.625.281	-
Fixed Assets Sales Profit	598.529	94.229
Income from Investment Activities Total	**13.223.810**	**94.229**

	01.01-31.12.2013	01.01-31.12.2012
Provision for investment property impairment	-	(690.350)
Total Expenses from investment activities	-	(690.350)

(The amounts are in Turkish Lira (TL) unless specified otherwise)

NOTE 33 - Financial Costs

The details of financial costs as of 01.01-31.12.2013 and 01.01-31.12.2012 are as follows:

	01.01-31.12.2013	01.01-31.12.2012
Interest costs	(1.366.901)	(1.343.134)
Total	**(1.366.901)**	**(1.343.134)**

NOTE 33 - Financial Costs

The details of financial costs as of 01.01-31.12.2013 and 01.01-31.12.2012 are as follows:

	01.01-31.12.2013	01.01-31.12.2012
Interest incomes	2.405.045	2.317.178
Total	**2.405.045**	**2.317.178**

NOTE 35 – Fixed Assets Held for Sale and Discontinued Operations

A. Fixed Assets Held for Sale

31.12.2013: None.

31.12.2012: None.

B. Discontinued Operations

01.01-31.12.2013: None.

01.01-31.12.2012: None.

NOTE 36 – Income Taxes

A. Current Period Tax Assets and Liabilities

The corporate tax rate is 20%. Profit shares (dividends) paid to domestic organizations in Turkey, and to organizations that generate income through a business or a permanent agency office in Turkey, are not subject to withholding tax. All other dividend payments are subject to a 15 % withholding tax. Profits transferred to capital are not considered profit distributions and no withholding taxes apply. Quarterly estimated withholding taxes apply to the year the estimated taxes are paid and are deducted from corporate taxes on the income tax returns submitted the subsequent year.

For income generated from the sale of real estate, affiliated shares, founding shares, utilization shares and preemption rights carried in the Company's assets for a minimum of two full years, 75 % of the income is exempt from corporate taxation. To use this exemption, this income must be kept in a reserve account, with no withdrawals for 5 years and with no cost of sales collected within two calendar years after the year of sale.

According to Turkish tax laws, financial losses reported on tax returns may be deducted up to five years from the yearly income of a company. The declarations and relevant accounting records can be inspected by the tax office within five years.

The main components of tax expenses as of December 31,2013 and December 31, 2012 are as follows:

	31.12.2013	31.12.2012
Current period tax provisions	-	27.779
Current period tax provisions	-	(27.779)
Total	**-**	**-**

Reconciliation for the tax provisions for the current period and the accounting profit as of the dates December 31, 2012, and December 31, 2011, are as follows:

	01.01-31.12.2013	01.01-31.12.2012
Accounting Profit / Loss	**(7.093.831)**	**(1.333.410)**
Additions (+)	1.403.022	1.918.353
Discounts (-)	(372.063)	(446.049)
Financial Profit / Loss	**(6.062.872)**	**138.894**
Tax rate	20%	20%
Tax Provision Amount	**-**	**27.779**

The main components of the tax expenses which are reflected to the income statement as of the dates 01.01 - 31.12.2012 and 01.01 - 31.12.2011, are as follows:

	01.01-31.12.2013	01.01-31.12.2012
Current period corporate tax	-	(27.779)
Deferred tax income / (expense)	1.895.857	350.549
Balance at the end of the period	**1.895.857**	**322.770**

B. Deferred Tax Assets and Liabilities

The Group calculates deferred tax assets and liabilities on income, taking into consideration the effects of temporary differences that arise from different treatments of balance sheet items in the financial statements according to IFRS and statutory reporting regulations. These temporary differences generally arise from the differences in revenue and expense recognition in different annual reporting periods according to the IFRS and tax codes.

The tax rate for 2013 is 20% (31.12.2012: 20%). Therefore the tax rate applied to deferred tax assets and liabilities calculated according to the liability on temporary differences method is 20%.

FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013
(The amounts are in Turkish Lira (TL) unless specified otherwise)

The breakdown of accumulated temporary differences and deferred tax asset and liabilities as of December 31, 2013 and December 31, 2012 prepared using the valid tax rates is as follows:

	31.12.2013		31.12.2012	
Deferred Tax liabilities Associated with Income Tables	Total Temporary Differences	Deferred Tax Assets / (Liabilities)	Total Temporary Differences	Deferred Tax Assets / (Liabilities)
Intangible fixed assets impairment provisions (brand)	25.724.528	5.144.906	24.147.043	4.829.409
Investment property impairment provisions	20.058.426	4.011.685	20.058.426	4.011.685
Severance provisions	9.730.150	1.946.030	7.034.857	1.406.970
Costs losses not reduced	6.062.872	1.212.574	-	-
Doubtful receivables provisions	4.145.641	829.128	4.238.360	847.672
Rediscount expense for trade receivables from non-related parties	3.024.615	604.923	1.758.901	351.780
Rediscount expense for trade receivables from related parties	1.074.503	214.901	1.528.268	305.654
Work advance provision expenses	3.598.482	719.696	1.620.770	324.154
Inventory Impairment provisions	386.151	77.230	413.003	82.601
Issued order prepayment provisions expenses	374.033	74.807	195.248	39.050
Lawsuit provisions	91.702	18.340	145.180	29.036
Exchange rate income/expenses	885	177	(2.111)	(422)
Temporary differences in intangible fixed assets	(83.543.045)	(16.708.609)	(82.614.710)	(16.522.942)
Temporary differences arising from the capitalization of property acquired through leasing	(8.835.999)	(1.767.200)	(10.303.996)	(2.060.799)
Temporary differences in tangible fixed assets	(2.443.625)	(488.725)	(1.428.599)	(285.720)
Value increases in investment properties	(3.776.864)	(755.372)	(620.544)	(124.109)
Trade payables rediscount incomes	(44.769)	(8.954)	(47.437)	(9.487)
Re discount income from related party payables	(29.580)	(5.916)	(3.838)	(768)
Gross deferred tax assets	**74.271.988**	**14.854.397**	**61.140.056**	**12.228.011**
Gross deferred tax liabilities	**(98.673.882)**	**(19.734.776)**	**(95.021.235)**	**(19.004.247)**
Net deferred tax assets /(liabilities)	**(24.401.894)**	**(4.880.379)**	**(33.881.179)**	**(6.776.236)**

	31.12.2013		31.12.2012	
Deferred Tax Related to Equity Capital	Total Temporary Differences	Deferred Tax Assets / Liabilities	Total Temporary Differences	Deferred Tax Assets / Liabilities
Tangible Fixed Assets Revaluation Fund (*)	(1.453.635)	(290.727)	-	-
Gross Deferred Tax Liability	(1.453.635)	(290.727)	-	-
Net Deferred Tax Assets / (liabilities)	(1.453.635)	(290.727)	-	-

(*) In accordance with KVK article 5, 75% of the fixed asset revaluation fund has not been included in deferred tax but 25% has been included.

The movement table of net deferred tax assets is as follows:

	01.01-31.12.2013	01.01-31.12.2012
January 1 Balance	(6.776.236)	(7.126.785)
Deferred Tax income (cost)	1.895.857	350.549
Deferred Tax income (expense) associated with equity	(290.727)	-
Period End Balance	(5.171.106)	(6.776.236)

FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013
(The amounts are in Turkish Lira (TL) unless specified otherwise)

The company's entire financial loss has been attributed to deferred tax.

NOTE 37 – Earnings / (Loss) per Share

Weighted average shares of the company and calculation of profit per unit share of the Company as of December 31, 2013 and December 31, 2012 are as follows:

	01.01-31.12.2013	01.01-31.12.2012
Earnings /(losses) per share from ongoing operations:		
Net period profit/(loss) share of main partnership for ongoing operations	2.272.165	(1.134.733)
Weighted average number of shares with 1 TL nominal value each	120.000.000	90.520.548
Earnings/(Loss) per share from on-going operations (TL)	**0,019**	**(0,013)**
Profit / (Loss) per share:		
Net Period Profit / (Loss)	2.272.165	(1.134.733)
Net Period profit/(loss) of minority shares	-	-
Net period profit/(loss) share of main partnership	2.272.165	(1.134.733)
Weighted average number of shares with 1 TL nominal value each	120.000.000	90.520.548
Earnings/(Loss) per Share(Kr)	**0,019**	**(0,013)**

The reconciliation of the number of stock shares of the Company at the beginning and by the end of the period is as follows:

	31.12.2013	31.12.2012
The number of weighted stock shares at the beginning of the period	**120.000.000**	**80.000.000**
The number of issued stock shares within the period	-	40.000.000
The number of weighted stock shares at the end of the period	**120.000.000**	**120.000.000**

No income per dilutive share has been calculated as the Company has no dilutive potential ordinary shares.

(Previous period: None.)

There is no accrued dividends in the current period. (Previous period: None.)

There are no share based payments (Previous period: None)

NOTE 38 – Related Party Disclosures

A. The existing account balances of the Group with partners, certain companies with which the Group has indirect capital, management and business relations through partners and key personnel as of December 31, 2013 and December 31, 2012 (the net ledger values)(Some of the related party commercial receivables/debts that were mistakenly not presented under related parties in the previous period independent audit report have been included in the 31.12.2012 column below)are as follows:

FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013
(The amounts are in Turkish Lira (TL) unless specified otherwise)

	31.12.2013	31.12.2012
Receivables from Partners and Related Parties		
İhlas Pazarlama A.Ş. (*)	5.621.116	14.658.727
TGRT Haber TV A.Ş.	1.963.275	2.569.165
İhlas Holding A.Ş.	1.334.938	1.225.748
İletişim Magazin Gazt. Yayın San. ve Tic. A.Ş.	839.022	677.302
Mute Grup Medya İç ve Dış Tic. Ltd. Şti.	506.067	204.414
İhlas Medya Planlama ve Satınalma Hiz. Ltd. Şti.	254.089	386.901
İhlas Yapı Turizm ve Sağlık A.Ş.	128.711	-
İhlas Yayın Holding A.Ş.	77.204	-
İhlas Fuar Hizmetleri A.Ş.	75.505	24.126
İhlas Motor A.Ş.	66.595	-
Bisan Bisiklet Moped Otomotiv Sanayi ve Ticaret A.Ş.	39.644	-
Dijital Varlıklar Görsel Medya ve İnternet Hiz. Ltd. Şti.	32.192	-
Kuzuluk Kaplıca İnş. Tur. Sağlık Tic. A.Ş.	22.300	23.753
Abdurrahman Gök	13.601	-
İhlas Holding A.Ş. - İhlas Yapı Turizm ve Sağlık A.Ş. Ortak Girişimi 3	11.265	-
Antalya İmar Ltd. Şti.	11.265	-
İhlas Net A.Ş.	6.414	-
Detes Enerji Üretim A.Ş.	6.320	-
İhlas Holding A.Ş.-İhlas Yayın Holding A.Ş. ve İhlas Pazarlama A.Ş. Ortak Girişimi	5.633	-
Plus Gayrimenkul Ticaret A.Ş.	3.410	-
İhlas Pazarlama Yatırım Holding A.Ş.	1.237	1.070
İhlas Vakfı	1.168	-
Mir Maden İşletmeciliği Enerji ve Kimya San. Ltd. Şti.	1.127	-
Tasfiye Halinde İhlas Oxford Mortgage İnşaat ve Ticaret A.Ş.	891	-
İhlas İnşaat Holding A.Ş.	799	624
Net İletişim Hizmetleri Elek. San. ve Tic. Ltd. Şti.	387	-
VAV İnternet Hiz. Paz. Tic. Ltd. Şti.	384	-
İhlas İnşaat Proje Taahhüt Turizm ve Tic. A.Ş.	329	-
Yakamoz Sektörel Petrol Ürün. Yapı Gıda Ltd. Şti.	129	792
Kristal Kola ve Meşrubat Sanayi Ticaret A.Ş.	20	-
Bimeks Bilgi İşlem ve Dış Tic. A.Ş.	-	99.207
TGRT Dijital TV A.Ş.	-	6.929
İhlas Haber Ajansı A.Ş.	-	6.629
Voli Turizm Seyahat Tic. Ltd. Şti.	-	6.464
İhlas Vakfı Yurt ve Eğitim Hizmetleri	-	2.128
TOTAL	**11.025.037**	**19.893.979**

(*) This balance includes receivables associated with the sale of goods and services, advertising and rental income, etc, and a specific portion of receivables which arose in connection with the sale of "Türkiye" - a newspaper published by the Company - by Doğan Dağıtım A.Ş., a company under the Doğan Group. Such receivables are collected by İhlas Pazarlama A.Ş. in order to speed up the collection process.

FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013
(The amounts are in Turkish Lira (TL) unless specified otherwise)

	31.12.2013	31.12.2012
Debts to Partners and Related Parties		
Fikirevim Reklamcılık Görsel Etkinlikler Tic. Ltd. Şti.	2.307.126	89.558
İhlas Madencilik A.Ş.	470.572	181.655
Şifa Yemek ve Gıda Üretim Tesisleri Tic. A.Ş.	123.431	51.864
İhlas Genel Antrepo Nakliyat ve Tic. A.Ş.	38.609	71.650
İhlas Holding A.Ş.	33.496	-
KPT Lojistik Taşımacılık Tur. Rek. Paz. İç ve Dış Tic. A.Ş.	32.985	66.703
İhlas Haber Ajansı A.Ş.	18.691	-
İhlas Ev Aletleri İmalat Sanayi Ticaret A.Ş.	12.503	100.150
İhlas Vakfı Yurt ve Eğitim Hizmetleri	2.993	-
Voli Turizm Seyahat Tic. Ltd. Şti.	411	-
İhlas Net A.Ş.	-	129.142
İhlas Yayın Holding A.Ş.	-	88.222
İhlas İnşaat Proje Taahhüt Turizm ve Tic.A.Ş.	-	12.017
TOTAL	**3.040.817**	**790.961**

	31.12.2013	31.12.2012
Issued Advances		
İhlas İnşaat Proje Taahhüt Tur. ve Tic. A.Ş.	215.622	215.622
İhlas Net Ltd. Şti.	-	3.369
TOTAL	**215.622**	**218.991**

B. The Company's sales to and purchases (including interest delay differences) from its partners, indirect capital through its partners, the management and the major companies with whom the Company has a business relationship, within the periods 01.01. - 31.12.2013 and 01.01. - 31.12.2012, are as follows(some of the related party commercial receivables/ debts that were mistakenly not presented under related parties in the previous period independent audit report have been included in the 31.12.2012 column below::

(The amounts are in Turkish Lira (TL) unless specified otherwise)

01.01-31.12.2013	Sales of Goods & Services and Advertisement	Purchases of Goods & Services and Advertisement
İhlas Pazarlama A.Ş.	1.683.855	3.853.284
İletişim Magazin Gazt. Yan. San ve Tic. A.Ş.	1.475.983	6.536
İhlas Medya Trade Center GMBH	780.715	773.758
Fikirevim Reklamcılık Görsel Etkinlik Tic. Ltd. Şti.	683.738	2.794.969
Mute Grup Medya İç ve Dış Ticaret A.Ş.	568.166	-
İhlas Ev Aletleri İmalat San. Tic.A.Ş.	452.281	495.330
İhlas Medya Planlama ve Satınalma Hiz. Ltd. Şti.	250.730	-
İhlas Holding A.Ş.	192.421	704.866
İhlas Vakfı Yurt ve Eğitim Hizmetleri İktisadi İşletmesi	108.442	6.000
İhlas Fuar Hizmetleri A.Ş.	97.818	-
TGRT Haber TV A.Ş.	95.949	123.879
İhlas Yayın Holding A.Ş.	82.582	89.515
Bisan Bisiklet Moped Oto. San. Tic. A.Ş.	68.283	-
İhlas Vakfı	32.319	-
Armutlu Tatil ve Turizm İşletmeleri A.Ş.	14.176	3.216
İhlas İnşaat Proje Taahhüt Turizm ve Tic. A.Ş.	12.942	-
Kuzuluk Kaplıca İnşaat Turizm Sağlık ve Petrol Ürünleri Tic.A.Ş.	12.640	-
İhlas Haber Ajansı A.Ş.	9.513	120.000
İhlas Motor A.Ş.	7.042	-
Şifa Yemek ve Gıda Üretim Tesisleri Tic. A.Ş.	6.930	704.082
Dijital Varlıklar Görsel Medya ve İnternet Hiz. Ltd. Şti.	5.310	46.920
İhlas Madencilik A.Ş.	3.254	208.385
Kristal Gıda Dağıtım Pazarlama San. ve Tic. A.Ş.	3.179	71
Klas Dış Ticaret A.Ş.	3.154	-
İhlas Net A.Ş	2.841	59.344
KPT Lojistik Taşımacılık Tur. Rek. Paz. İç ve Dış Tic. A.Ş.	2.519	732.396
TGRT Dijital TV Hizmetleri A.Ş.	2.500	-
Konak İnş. Proje Taah. Tic. Tur. A.Ş.	1.750	-
İhlas Dış Ticaret A.Ş.	1.248	-
İhlas Genel Antrepo Nakliyat ve Tic. A.Ş.	974	64.474
VAV İnternet Hiz. Paz. Tic. Ltd. Şti.	938	-
Kristal Kola ve Meşrubat Sanayi Ticaret A.Ş.	606	-
Yakamoz Sektörel Petrol Ürünleri Yapı Gıda Ltd. Şti.	570	-
Tasfiye Halinde İhlas Finans Kurumu A.Ş.	480	-
Net İletişim Hizmetleri	361	-
Çağlar Sağlık Güzellik ve Ev Aletleri Paz. İth. ve İhracat A.Ş.	230	-
CDC Kurumsal Gelişim Merkezi Ltd. Şti.	128	-
Ekip Teknoloji Bilişim Hiz. Ltd. Şti.	17	-
Voli Turizm Seyahat Tic. Ltd. Şti.	-	52.849
Milenyum Oto Kiralama ve Otom. Tur. Tic. Ltd. Şti.	-	9.300
Other related parties	2.646	87.058
TOPLAM	**6.669.230**	**10.936.232**

01.01-31.12.2012	Sales of Goods & Services and Advertisement	Purchases of Goods & Services and Advertisement
İhlas Pazarlama A.Ş.	2.962.992	2.921.609
İletişim Magazin Gazetecilik A.Ş.	1.595.662	-
İhlas Media Trade Center GMBH	681.129	681.129
Fikirevim Reklamcılık Görsel Etkinlikler Tic. Ltd. Şti.	674.996	802.968
Mute Grup Medya İç ve Dış Tic. Ltd. Şti.	668.246	12.977
Bimeks Bilgi İşlem ve Dış Tic. A.Ş.	632.883	29.539
İhlas Ev Aletleri İmalat San. Tic. A.Ş.	466.363	21
İhlas Medya Planlama ve Satınalma Hiz. Ltd. Şti.	328.614	-
İhlas Holding A.Ş.	237.051	639.317
İhlas Vakfı Yurt ve Eğitim Hizmetleri	171.067	2.500
Armutlu Tatil ve Turizm İşletmeleri A.Ş.	114.566	963
İhlas Yayın Holding A.Ş.	112.964	-
İhlas İnşaat Proje Taah. Tur. ve Tic. A.Ş.	53.614	-
TGRT Haber TV A.Ş	44.230	28.341
Klas Dış Tic. A.Ş.	24.406	12.114
Kuzuluk Kapl. Sağ. ve Petr. Ür. Tic. A.Ş.	21.007	-
İhlas Fuar Hizmetleri A.Ş.	20.318	-
Bisan Bisiklet Moped Otomotiv Sanayi ve Ticaret A.Ş.	20.045	-
Çağlar Sağlık Güzellik Ev Aletleri Paz. İth. İhr. A.Ş.	15.884	-
Şifa Yemek ve Gıda Üretim Tesisleri Tic. A.Ş.	12.470	735.675
İhlas Haber Ajansı A.Ş.	8.120	297.000
İhlas Motor A.Ş.	7.341	-
Alternatif Medya Görsel İlet. Sis. Ltd. Şti.	4.940	15.500
Net İletişim Ltd. Şti.	3.342	-
İhlas Net A.Ş.	2.625	63.924
İhlas İletişim Hizmetleri A.Ş.	2.115	-
Yakamoz Sektörel Petrol Ürün. Yapı Gıda Ltd. Şti.	1.415	-
Tasfiye Halinde İhlas Finans KurumuA.Ş.	1.350	-
KPT Lojistik Taşımacılık Tur. Rek. Paz. İç ve Dış Tic. A.Ş.	884	713.095
İhlas Madencilik A.Ş.	256	-
Kristal Kola ve Meşrubat San. Tic. A.Ş.	70	-
M. Muammer Gürbüz	42	-
İhlas Genel Antrepo Nakliyat ve Tic. A.Ş.	-	203.377
Voli Turizm Seyahat Tic. Ltd. Şti.	-	53.434
İhlas Net Ltd. Şti.	-	34.874
Bisiklet Pazarlama San. ve Tic. A.Ş.	-	3.052
TGRT Dijital TV A.Ş.	-	2.500
TOTAL	**8.891.007**	**7.253.909**

C. Interest, rent and other income / expense paid and received by the Company to and from its partners, indirect capital through its partners, the management and the major companies with whom the Company has a business relationship, within the periods 01.01. - 31.12.2013 and 01.01. - 31.12.2012, are as follows (some of the related party transactions that were mistakenly not presented under related parties in the previous period independent audit report have been included in the 31.12.2012 column below:

(The amounts are in Turkish Lira (TL) unless specified otherwise)

01.01-31.12.2013	Interest Income	Rent Income	Interest Expense	Rent Expense
İhlas Pazarlama A.Ş.	1.891.820	218.490	-	-
TGRT Haber TV A.Ş.	293.705	206.391	-	-
İhlas Holding A.Ş.	165.711	472.206	-	364.719
İhlas Medya Planlama ve Satınalma Hiz. Ltd. Şti.	22.181	60.143	-	-
İhlas Fuar Hizmetleri A.Ş	6.786	-	-	-
İhlas Yayın Holding A.Ş.	6.317	58.220	305	-
İhlas Dış Ticaret A.Ş.	3.000	4.981	-	-
İhlas Motor A.Ş.	1.947	1.816	-	-
İhlas Yapı Turizm ve Sağlık A.Ş.	-	119.898	-	-
Tasfiye Halinde İhlas Finans Kurumu A.Ş.	-	101.777	-	-
İhlas Holding A.Ş. – İhlas Yapı Turizm ve Sağlık A.Ş. Ortak Girişimi-4	-	9.685	-	-
Antalya İmar Ltd. Şti.	-	9.685	-	-
TGRT Dijital TV Hizmetleri A.Ş.	-	8.301	-	-
Fikirevim Reklamcılık Görsel Etkinlik Tic. Ltd. Şti.	-	7.720	-	-
Plus Gayrimenkul Ticaret A.Ş.	-	6.706	-	-
İhlas Holding A.Ş. – İhlas Yayın Holding A.Ş. ve İhlas Pazarlama A.Ş. Ortak Girişimi-3	-	4.842	-	-
İhlas Haber Ajansı A.Ş	-	3.345	-	-
Tasfiye Halinde İhlas Oxford Mortgage İnşaat ve Tic. A.Ş.	-	1.107	-	-
Armutlu Tatil ve Turizm İşletmeleri A.Ş.	-	865	-	-
Detes Enerji Üretim A.Ş.	-	623	-	-
Kuzuluk Kaplıca İnş. Tur. Sağ. ve Petrol Ürün. Tic. A.Ş.	-	519	-	-
İhlas Ev Aletleri İmalat San.Tic. A.Ş.	-	346	21.343	-
Mir Maden İşletmeciliği Enerji ve Kimya San. Ltd. Şti.	-	173	-	-
İhlas İnşaat Holding A.Ş.	-	173	-	-
İhlas Pazarlama Yatırım Holding A.Ş.	-	173	-	-
İhlas Madencilik A.Ş.	-	-	42.623	-
Other related parties	-	31.870	-	-
TOTAL	**2.391.467**	**1.330.055**	**64.271**	**364.719**

01.01-31.12.2013	Fixed Assets Sales	Fixed Assets Purchases
İhlas Holding A.Ş.	6.000.000	-
Klas Dış Ticaret A.Ş.	-	12.712
Mute Grup Medya İç ve Dış Tic. Ltd. Şti.	-	10.000
Bisiklet Pazarlama ve Tic. A.Ş.	-	1.510
Other related parties	37.624	-
TOTAL	**6.037.624**	**24.222**

01.01-31.12.2012	Interest Income	Rent Income	Interest Expense	Rent Expense
İhlas Pazarlama A.Ş.	2.007.588	224.434	-	-
TGRT Haber TV A.Ş.	164.577	194.727	-	-
İhlas Holding A.Ş.	95.071	579.319	-	149.926
İhlas Medya Planlama ve Satınalma Hiz. Ltd. Şti.	12.653	56.744	-	-
İhlas Fuar Hizmetleri A.Ş.	7.880	-	-	-
İhlas Ev Aletleri İmalat San. Tic. A.Ş.	1.855	1.958	-	466.824
İhlas Haber Ajansı A.Ş.	3.207	3.156	-	-
Tasfiye Halinde İhlas Finans Kurumu A.Ş.	-	147.832	-	-
İhlas Holding A.Ş. - İhlas Yapı Turizm ve Sağlık A.Ş. Ortak Girişimi 3	-	113.122	-	-
İhlas Yayın Holding A.Ş.	-	54.930	17.111	-
Plus Gayrimenkul Ticaret A.Ş.	-	21.105	-	-
İhlas Yapı Turizm ve Sağlık A.Ş.	-	9.138	-	-
İhlas Dış Ticaret A.Ş.	-	8.354	-	-
TGRT Dijital TV A.Ş.	-	7.832	-	-
Fikirevim Reklamcılık Görsel Etkinlikler Tic. Ltd. Şti.	-	7.284	-	-
Armutlu Tatil ve Turizm İşletmeleri A.Ş.	-	4.895	-	-
İhlas Holding A.Ş.-İhlas Yayın Holding A.Ş. ve İhlas Pazarlama A.Ş. Ortak Girişimi	-	4.569	-	-
İhlas Motor A.Ş.	-	2.937	-	-
Kuzuluk Kapl. Sağ. ve Petr. Ür. Tic. A.Ş.	-	2.937	-	-
Mir Maden İşletmeciliği Enerji ve Kimya San. Tic. Ltd. Şti.	-	1.810	-	-
İhlas Holding A.Ş. - İhlas Yapı Turizm ve Sağlık A.Ş. Ortak Girişimi 2	-	1.142	-	-
İhlas Oxford Mortgage İnşaat ve Ticaret A.Ş.	-	1.044	-	-
İhlas İnşaat Holding A.Ş.	-	979	-	-
İhlas Pazarlama Yatırım Holding A.Ş.	-	979	-	-
Voli Turizm Seyahat Tic. Ltd. Şti.	-	568	-	-
Alaettin Şener	-	326	-	-
Mute Grup Medya İç ve Dış Tic. Ltd. Şti.	-	142	-	-
İhlas Madencilik A.Ş.	-	-	29.399	363.234
TOTAL	**2.292.831**	**1.452.263**	**46.510**	**979.984**

01.01-31.12.2012	Fixed Assets Sales	Fixed Assets Purchases
M. Muammer Gürbüz	105.941	-
İhlas Yayın Holding A.Ş.	8.895	-
Mute Grup Medya İç ve Dış Tic. Ltd. Şti.	-	89.680
Bimeks Bilgi İşlem ve Dış Tic. A.Ş.	-	53.555
İletişim Magazin Gazetecilik A.Ş.	-	4.000
Bisiklet Pazarlama San. ve Tic. A.Ş.	-	2.826
Klas Dış Tic. A.Ş.	-	1.793
TOTAL	**114.836**	**151.854**

(The amounts are in Turkish Lira (TL) unless specified otherwise)

D. Short-term benefits provided to the Company's key management personnel in the periods January 1 - December 31, 2013 and January 1 - December 31, 2012 are as follows:

01.01-31.12.2013: 986,168 TL (01.01-31.12.2012: 375,695 TL)

Redundancy compensation for the Company's top level (key) management personnel is as follows:

01.01-31.12.2013: 832,337 TL (01.01-31.12.2012: 186,096 TL)

E. Long-term benefits provided to the Company's key management personnel in the periods January 1 - December 31, 2013 and January 1 - December 31, 2012 are as follows: None.

F. Benefits (severance) provided to the Company's key management personnel in the periods January 1 - December 31, 2013 and January 1 - December 31, 2012 are as follows: None.

G. No share based payment is made.

NOTE 39 – The Nature and Risks Generated by Financial Instruments

A) Capital risk management

The Group aims to enhance its profit and market value by maintaining an efficient debt and equity balance while trying to ensure continuity of operations in capital management. The Holding's capital structure, formed by debts and loans which are described in Note 8, and the paid-in capital, capital reserves, restricted profit reserves and equity components including prior years' profits/losses explained in Note 27.

Risks associated with each class of capital and the Group's cost of capital are evaluated by the senior management of the Group. During this evaluation, senior management evaluates the risks associated with each class of capital and cost of capital, and presents those dependent on the decision of the Board of Directors for the evaluation of the Board of Directors. The Group optimizes diversification of capital, based on the evaluation of the senior management and the Board of Directors by acquisition of new debt, repayment of existing debt and / or capital increase. The Group's overall strategy is not different from the previous period. The Group monitors the capital adequacy by using the debt/equity ratio.

The calculation of this ratio is performed through dividing the net debt by total shareholders' equity. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (short-and long-term loans in the balance sheet, include trade and other payables).

	31.12.2013	31.12.2012
Total Liabilities	45.805.693	38.693.932
Minus: cash and cash equivalent values (NOTE 6)	(393.608)	(403.673)
Net liability	45.412.085	38.290.259
Total Equity (NOTE 27)	214.144.835	206.709.921
Ratio of net liability/equity	**21,21%**	**18,52%**

B) Significant Accounting Policies

The significant accounting policies of the Group regarding financial instruments are described in detail in the "Financial Instruments" section within footnote No: 2 "Summary of Significant Accounting Policies".

C) Financial Risk Management Objectives

The Group observes and manages the level and size of financial risks it has and could be exposed to through its operations by regularly following developments in the foreign and domestic markets.

Among the Group's important financial risks are currency exchange risks and delayed interest rate risks.

While the Group has no risk management model defined the group manages risks with the decisions and applications decided on by the Group management. A corporate risk management model is planned to be formed and the work on this is ongoing.

D) Market Risk

The Group is exposed to financial risks due to operations related to fluctuations in foreign exchange rates and interest rates. The Company's management monitors income and expense breakdowns by foreign currency and liabilities by foreign currency and fixed and variable interest rates. The changes in market conditions which cause market risks include changes in indicator interest rates, the prices of another company's financial instrument, goods prices, exchange rates or price and rate indexes.

Management of Stock Price Changes (price risk)

The Company is exposed to price risks due to the sales prices being impacted by the changes in the price of raw material stocks. There is no kind of instrument to be used for avoiding the adverse price movements on sales margins. The Company takes into account the prospective movements in raw material prices when reviewing the order – production - purchasing balances and tries to reflect the changes in raw material prices on the sales prices.

Interest Rate Risk Management:

The Company obtains loans at fixed interest rates. Interest rates related to the Company's liabilities are disclosed in detail in Footnote 8

Interest Position Table			
		31.12.2013	31.12.2012
Fixed Interest Financial Instruments			
Financial Assets	Assets reflected on fair value difference profit /	-	-
	Ready-to-sell Financial Assets	-	-
Financial Liabilities (Note 8)		3.736.907	2.037.819
Variable Interest Financial Instruments			
Financial Assets		-	-
Financial Liabilities		-	-

As of the dates December 31, 2013 and December 31, 2012, if the base point of interest were to be changed by 100 points, which means if interest rates were changed by 1%, and if all other variables could be held constant, a net interest expense / income of 15,000 TL would have emerged due to the interest change applied on the financial instruments with fixed interest rates and in this case the pretax profit/loss would have increased/decreased by 15,000 TL.

Exchange Rate Risk Management

The recorded value (net) of financial assets and liabilities in foreign currency as of December 31,2013 and 2012 are as follows.

	31.12.2013	31.12.2012
A. Foreign Currency Assets	1.150.525	588.518
B. Foreign Currency Liabilities	2.526.618	1.568.490
Net currency position (A-B)	**(1.376.093)**	**(979.972)**

FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013
(The amounts are in Turkish Lira (TL) unless specified otherwise)

FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013
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Currency Position Table	31.12.2013				31.12.2012			
	TL Equivalent	USD	EURO	Other	TL Equivalent	USD	EURO	Other
1. Trade Receivables	1.083.625	344.081	118.935	-	548.925	206.138	77.163	-
2a.Monetary Financial Assets (Cash, Bank accounts included)	66.900	6.336	18.177	-	39.593	6.922	11.549	33
2b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-
4. Current Assets(1+2+3)	**1.150.525**	**350.417**	**137.112**	**-**	**588.518**	**213.060**	**88.712**	**33**
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-
8. Fixed Assets (5+6+7)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**1.150.525**	**350.417**	**137.112**	**-**	**588.518**	**213.060**	**88.712**	**33**
10. Trade Payables	317.886	136.125	9.315	-	530.671	284.430	9.805	204
11. Financial Liabilities	1.013.203	-	345.038	-	372.554	-	158.419	-
12a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-	-
13. Short term Liabilities (10+11+12)	**1.331.089**	**136.125**	**354.353**	**-**	**903.225**	**284.430**	**168.224**	**204**
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	1.186.640	-	404.100	-	665.265	-	282.887	-
16a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
16b. Other Non-Monetary Liabilities	8.889	1.234	2.131	-	-	-	-	-
17. Long Term Liabilities (14+15+16)	**1.195.529**	**1.234**	**406.231**	**-**	**665.265**	**-**	**282.887**	**-**
18. Total Liabilities (13+17)	**2.526.618**	**137.359**	**760.584**	**-**	**1.568.490**	**284.430**	**451.111**	**204**
19. Derivatives in Foreign Currency Outside of the Financial Statement The Net Asset/(Liability) Situation of Instruments (19a-19b)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
19a. Amount of Foreign Currency Derivative Products Outside of the Active Character Financial Statement	-	-	-	-	-	-	-	-
19b. Amount of Foreign Currency Derivative Products Outside of the Passive Character Financial Statement	-	-	-	-	-	-	-	-
20. Net Foreign Currency Asset/ (Liability) Position (9- 18+19)	**(1.376.093)**	**213.058**	**(623.472)**	**-**	**(979.972)**	**(71.370)**	**(362.399)**	**(171)**
21. Monetary Items Net Foreign Currency Asset/ (Liability) Position (I+2a+5+6a-10-II-12a-14-15-16a)	**(1.367.204)**	**214.292**	**(621.341)**	**-**	**(979.972)**	**(71.370)**	**(362.399)**	**(171)**
22. The Total Fair Value of Financial Instruments Used for Exchange Rate Hedging	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
23. Amount of Hedged Currency Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
24. Döviz Yükümlülüklerinin Hedge Edilen Kısmının Tutarı	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25. İhracat	**2.154.497**	**102.242**	**453.900**	**-**	**2.950.219**	**1.117.080**	**399.510**	**-**
26. İthalat	**20.437.499**	**6.069.005**	**3.309.010**	**13.818**	**23.894.036**	**9.166.701**	**3.177.155**	**4.931**

The hedging rate of total foreign exchange liabilities deriving from total imports is the rate of comparing total foreign Exchange liability by using a derivative instrument. As of the dates December 31, 2013, and December 31, 2012, the Company does not have any hedging rates regarding its total foreign exchange liabilities, due to the fact that the Company does not have any forward transactions. The company has a natural balance between income and expense in terms of currency rates and this balance is maintained taking into account estimates for the future and the market conditions31 As of December 31 2013 and December 31 2012 , TL, USD, EURO and other Foreign Currencies had changed by 10% at the same time and all other variables had stayed the same as a result of the net exchange rate change profits/losses generated by assets and liabilities in these currencies the pretax period net profit/loss would have been

31.12.2013: 137,609 TL less / more

31.12.2012: 97,997 TL less / more.

The exchange rate risk sensitivity analysis concerning the Group's foreign currency position is as follows

	Exchange Rate Sensitivity Analysis Table			
	31.12.2013		31.12.2012	
	Profit / Loss		Profit / Loss	
	Increase in Currency Value	Decrease in Foreign Currency Value	Increase in Currency Value	Decrease in Foreign Currency Value
	If USD exchange rate changes by 10%:			
1- USD net assets/(liabilities)	45.473	(45.473)	(12.722)	12.722
2- Portion protected from USD risk (-)	-	-	-	-
3- USD Net Impact (1+2)	**45.473**	**(45.473)**	**(12.722)**	**12.722**
	If EURO exchange rate changes by 10%:			
4- EURO net assets/(liabilities)	(183.082)	183.082	(85.226)	85.226
5- Portion protected from EURO risk (-)	-	-	-	-
6- EURO Net Impact (4+5)	**(183.082)**	**183.082**	**(85.226)**	**85.226**
	If Other currency exchange rates changes by 10%:			
7- Other currencies net assets/(liabilities)	-	-	(49)	49
8- Portion protected from other currency risks(-)	-	-	-	-
9- Other Foreign Currencies Net Impact (7+8)	-	-	(49)	49
Total (3+6+9)	**(137.609)**	**137.609**	**(97.997)**	**97.997**

E) Credit and collection risk management

Company's credit and collection risk is basically related to its commercial receivables. The amount shown on the balance sheet consists of the net amount after the doubtful receivables estimated by Company management based on its previous experience and current economic conditions are deducted. The Company 's credit risk is distributed since it works with a lot of customers and there is no important credit risk condensation.

İHLAS GAZETECİLİK A.Ş.

FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013
(The amounts are in Turkish Lira (TL) unless specified otherwise)

Credit Risks Exposed to by Financial Instruments

December 31, 2013	Receivables					
	Trade Receivables		Other Receivables			
	Related Parties	Other Parties	Related Parties	Other Parties	Bank Accounts	Cash and Other
Maximum credit risk exposed to as of the reporting date (A+B+C+D) (1)	**11.025.037**	**48.483.242**	**-**	**10.178**	**241.984**	**151.624**
Part of the maximum risk secured by assurance, etc.	-	-	-	-	-	-
A. Net book value of financial assets not past due or not subjected to depredation (2)	11.025.037	48.234.376	-	10.178	241.984	151.624
B. Net book value of assets which are past due but which have not been subjected to depredation (5)	-	-	-	-	-	-
C. Net book values of assets subjected to depredation (3)	-	248.866	-	-	-	-
- Past due (gross book value)	2.091.596	9.095.274	-	-	-	-
- Depreciation (-)	(2.091.596)	(8.846.408)	-	-	-	-
- Parts of net value assured by securities etc.	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-
- Depreciation(-)	-	-	-	-	-	-
- Parts of net value assured by securities etc	-	-	-	-	-	-
D. . Elements that contain off-balance sheet credit risk (4)	-	-	-	-	-	-

(1) Securities received, other elements that provide increase in credit reliability have not been considered in determination of the amount

(2) Future depredation and credit risk of financial assets not past due or not subjected to depredation is not expected.

(3) Aging analysis related to the assets past due but not subjected to depredation as of 31.12.2013 is as follows:

	Receivables	
	Past Due Amount	Doubtful Receivables Provision
1-30 past due	57.163	(13.231)
1-3 months past due	138.050	(56.118)
3-12 months past due	317.505	(194.503)
1-5 years past due	4.065.554	(4.065.554)
More than 5 years past due	6.608.598	(6.608.598)
Total	**11.186.870**	**(10.938.004)**
Portion secures by assurances, etc.	-	-

There are several ways a receivable may be evaluated as doubtful: a) doubtful receivables from previous years; b) the debtor's ability to pay; and/or c) extraordinary conditions in the industry and in the economy d) progressing to legal action because of being unable to collect the receivable.

Due to the ability to collect receivables becoming weaker for receivables that are under legal pursuit and lawsuits provisions are reserved for all of these receivables.

(The amounts are in Turkish Lira (TL) unless specified otherwise)

(4) There are no assurances or irrevocable loan commitments received from companies that could create a credit risk

(5) There are no financial assets past due but not subjected to depredation

December 31, 2013	Receivables					
	Trade Receivables		Other Receivables			
	Related Parties	Other Parties	Related Parties	Other Parties	Bank Accounts	Cash and Other
Maximum credit risk exposed to as of the reporting date (A+B+C+D) (1)	**19.893.979**	**34.824.680**	**-**	**1.728**	**146.489**	**257.184**
Part of the maximum risk secured by assurance, etc.	-	-	-	-	-	-
A. Net book value of financial assets not past due or not subjected to depredation (2)	19.887.051	34.502.729	-	1.728	146.489	257.184
B. Net book value of assets which are past due but which have not been subjected to depredation (5)	-	-	-	-	-	-
C. Net book values of assets subjected to depredation (3)	6.928	321.951	-	-	-	-
- Past due (gross book value)	439.037	9.614.656	-	-	-	-
- Depreciation (-)	(432.109)	(9.292.705)	-	-	-	-
- Net değerin teminat vs. ile güvence altına alınmış kısmı	-	-	-	-	-	-
- Parts of net value assured by securities etc.	-	-	-	-	-	-
- Depreciation(-)	-	-	-	-	-	-
- Parts of net value assured by securities etc	-	-	-	-	-	-
D. . Elements that contain off-balance sheet credit risk (4)	-	-	-	-	-	-

(1) Securities received, other elements that provide increase in credit reliability have not been considered in determination of the amount.

(2) Future depredation and credit risk of financial assets not past due or not subjected to depredation is not expected.

(3) Aging analysis related to the assets past due but not subjected to depredation as of 31.12.2012 is as follows:

	Receivables	
	Past Due Amount	Doubtful Receivables Provision
1-30 past due	168.021	(16.802)
1-3 months past due	130.811	(45.784)
3-12 months past due	231.585	(138.952)
1-5 years past due	4.016.821	(4.016.821)
More than 5 years past due	5.506.455	(5.506.455)
Total	**10.053.693**	**(9.724.814)**
Portion secures by assurances, etc.	-	-

There are several ways a receivable may be evaluated as doubtful: a) doubtful receivables from previous years; b) the debtor's ability to pay; and/or c) extraordinary conditions in the industry and in the economy d) progressing to legal action because of being unable to collect the receivable.

Due to the ability to collect receivables becoming weaker for receivables that are under legal pursuit and lawsuits provisions are reserved for all f these receivables.

(4) There are no assurances or irrevocable loan commitments received from companies that could create a credit risk

(5) There are no financial assets past due but not subjected to depredation.

F) Liquidity Risk Management

The Group manages liquidity risk through monitoring estimated and realized cash flow regularly and ensuring sustenance of sufficient funds and borrowing reserves by criticizing maturities of financial assets and liabilities.

Maturities According to Agreement	31.12.2013				
	Book Value	Contractual Cash Outflows Total	Less than 3 months	3 - 12 months	1 – 5 years
Non-Derivative Financial Liabilities	**7.897.758**	**7.903.671**	**4.169.970**	**2.547.061**	**1.186.640**
Bank Loans	1.537.064	1.537.064	-	1.537.064	-
Financial Leasing Liabilities	2.199.843	2.199.843	216.636	796.567	1.186.640
Trade Payables	287.553	293.466	80.036	213.430	-
Other Payables	19.029	19.029	19.029	-	-
Other Liabilities	3.854.269	3.854.269	3.854.269	-	-
Expected Maturities	**Book Value**	**Contractual Cash Outflows Total**	**Less than 3 months**	**3 -12 months**	**1 - 5 years**
Non-Derivative Financial Liabilities	**8.152.282**	**8.220.718**	**7.108.891**	**1.020.125**	**91.702**
Trade Payables	7.040.455	7.108.891	7.108.891	-	-
Other Liabilities	1.111.827	1.111.827	-	1.020.125	91.702
Expected (or Contractual) Maturities	**Book Value**	**Expected Cash Outflows Total**	**Less than 3 months**	**3-12 months**	**1-5 years**
Derivative Cash Input	-	-	-	-	-
Derivative Cash Output	-	-	-	-	-

FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013
(The amounts are in Turkish Lira (TL) unless specified otherwise)

Maturities According to Agreement	31.12.2012				
	Book Value	Contractual Cash Outflows Total	Less than 3 months	3 - 12 months	1 – 5 years
Non-Derivative Financial Liabilities	**6.311.050**	**6.340.195**	**3.879.317**	**1.474.848**	**986.030**
Bank Loans	1.000.000	1.000.000	-	1.000.000	-
Financial Leasing Liabilities	1.037.819	1.037.819	98.249	274.305	665.265
Trade Payables	485.481	514.626	68.975	200.543	245.108
Other Payables	15.114	15.114	15.114	-	-
Other Liabilities	3.772.636	3.772.636	3.696.979	-	75.657
Expected Maturities	**Book Value**	**Expected Cash Outflows Total**	**Less than 3 months**	**3-12 months**	**1-5 years**
Non-Derivative Financial Liabilities	**6.343.778**	**6.368.037**	**4.474.311**	**1.748.546**	**145.180**
Trade Payables	4.450.052	4.474.311	4.474.311	-	-
Other Liabilities	1.893.726	1.893.726	-	1.748.546	145.180
Expected (or Contractual) Maturities	**Book Value**	**Expected Cash Outflows Total**	**Less than 3 months**	**3-12 months**	**1-5 years**
Derivative Cash Input	-	-	-	-	-
Derivative Cash Output	-	-	-	-	-

G) Hedge Accounting

The Group does not perform forward, future, option and swap transactions to hedge derivative product purchase and sales transactions and currency exchange and/or interest rate risk.

NOTE 40 – Financial Instruments (Fair Value Disclosures and Disclosures in the Framework of Financial Risk Hedging)

According to the IAS 39 "Financial Instruments: Recognition and Measurement", financial assets are classified into four groups and financial liabilities into two groups. Financial assets include loans, receivables and assets for sales items where fair value differences are reflected in the income statement. On the other hand, financial liabilities are classified into two groups: those with fair value differences reflected in the income statement and those classified as other financial liabilities.

Values and classifications of financial assets and liabilities as of December 31, 2013 and as of December 31, 2012 are depicted below

FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013
(The amounts are in Turkish Lira (TL) unless specified otherwise)

31.12.2013	Financial Assets and Liabilities Reflected on the Fair value Difference Table	Financial Assets Held to Maturity	Loans and Payables	Ready to Sell Financial Assets	Other Debts / Debts Measured in Amortized Cost	NOTE Ref.
Financial Assets						
Cash and Cash Equivalents	393.608	-	-	-	-	6
Trade Receivables	-	-	59.508.279	-	-	10
Other Receivables	-	-	10.178	-	-	11
Financial Liabilities						
Payables	-	-	-	-	3.736.907	8
Trade Payables	-	-	-	-	7.328.008	10
Other Payables	-	-	-	-	19.029	11

31.12.2012	Financial Assets and Liabilities Reflected on the Fair value Difference Table	Financial Assets Held to Maturity	Loans and Payables	Ready to Sell Financial Assets	Other Debts / Debts Measured in Amortized Cost	NOTE Ref.
Financial Assets						
Cash and Cash Equivalents	403.673	-	-	-	-	6
Trade Receivables	-	-	54.718.659	-	-	10
Other Receivables	-	-	1.728	-	-	11
Financial Liabilities						
Payables	-	-	-	-	2.037.819	8
Trade Payables	-	-	-	-	4.935.533	10
Other Payables	-	-	-	-	15.114	11

Fair value measurements are described in the accounting policies for each financial asset and liability; and there is no other event that requires revaluation. Book value of cash and banks are accepted to be similar to their fair value.

The Group has classified the fair value measurements of financial instruments reflected in the consolidated financial tables with fair value in three hierarchy levels according to the source of financial instrument class inputs.

Level 1: Valuation techniques in which the price being processed (unamended) on the active market for specified financial instruments.

Level 2: Other valuation techniques containing direct and indirect observable input

Level 3: Valuation techniques that do not include market input.

The fair value measurement hierarchy table as of December 31, 2013 is as follows:

Financial assets carried to the financial table from fair value	Level 1	Level 2	Level 3
Cash and Cash Equivalents	-	393.608	-

The fair value measurement hierarchy table as of December 31, 2012 is as follows:

Financial assets carried to the financial table from fair value	Level 1	Level 2	Level 3
Cash and Cash Equivalents	-	403.673	-

NOTE 41 – Events After the Reporting Period

The Board of Directors approved the financial statements dated December 31, 2013 and authorized their publication on February 17, 2014. Only the General Assembly is authorized to adjust the financial statements once published by the Group shareholders or other related parties.

NOTE 42 - Miscellaneous Items for Clarifying and Explaining the Financial Statements and Items that Significantly Affect the Financial Statements

Pursuant to the Capital Market Board's meeting no. 20/670 on June 7, 2013 the samples of financial tables effective as of the interim periods ending after March 31,2013 for capital market companies within the scope of the Communiqué on Principles Concerning Financial Reporting in the Capital Market and the guidebook have been published. Since, in accordance with these formats, some account items have been reclassified and reported in the Group's financial status tables dated 31/12/2012 and 31/12/2011 other consolidated comprehensive income tables for the period 01/01 – 31/12/2012, the Group's previous consolidated financial tables and consolidated comprehensive income table has been reclassified. Also the Group has classified some commercial receivables/payables from related parties shown inadvertently in previous periods under the other commercial receivables/payables not from related parties, under commercial receivables/payables from related parties.

The mentioned classifications are as follows:

In the 01.01 – 31.12.2012 accounting period financial table and comprehensive income tables;

The issued advances and costs for future months under other floating assets have been classified under prepaid expenses. The prepaid tax receivables under other floating assets have been classified under assets relevant to current period tax.

The advances under fixed assets have been classified under prepaid expenses.

The rotating bank loans within other financial liabilities have been classified under short term payables.

The social security deductions within the short term liabilities have been classified under employee benefits payables.

The advances received within the short term liabilities have been classified under deferred income.

The cost of sales and the actuarial profits/losses under general administration costs have been classified under accumulated other comprehensive incomes or costs not to be reclassified under profits or losses. The delayed interests and exchanges rate difference costs/revenues under the financing costs/revenues have been classified under costs/ revenues from main operations.

The sales profits from securities under financing revenues have been classified under revenues from investment activities.

The fixed asset sales profits/losses, financial investments value appreciation/depreciation and sales profits/losses under main operations revenues/costs have been classified under the provisions for long term financial investments impairments / cancellations and investment property impairment revenues/costs.

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FOOTNOTES TO THE FINANCIAL TABLES AS OF DECEMBER 31, 2013
(The amounts are in Turkish Lira (TL) unless specified otherwise)

The impairment of properties under expenses from main operations have been classified under expenses from investment activities.

Reclassified Items	Before Classification 01.01-31.12.2012	Amount Classified	After Classification 01.01-31.12.2012
Prepaid Costs (Classified in Floating Assets)	-	6.198.192	6.198.192
Assets Related to the Current Period Tax	-	98.136	98.136
Other Floating Assets	6.522.181	(6.296.328)	225.853
Trade Receivables from Nonrelated Parties	35.137.685	(313.005)	34.824.680
Trade Receivables from Related Parties	19.580.974	313.005	19.893.979
Trade Payables to Nonrelated Parties	4.234.129	(89.557)	4.144.572
Trade Payables to Related Parties	701.404	89.557	790.961
Prepaid Expenses (Classified in Fixed Assets)	-	2.715.622	2.715.622
Other Fixed Assets	2.715.622	(2.715.622)	-
Short term Liabilities	372.554	627.446	1.000.000
Short Term Portion of Long Term Liabilities	-	372.554	372.554
Other Financial Liabilities	1.000.000	(1.000.000)	-
Employee Benefits Liabilities	-	1.743.546	1.743.546
Short Term Deferred Incomes	-	1.748.546	1.748.546
Short Term Other Payables	1.275.808	(1.260.694)	15.114
Short Term Other Liabilities	4.184.831	(2.231.398)	1.953.433
Cost of Sales	(69.259.237)	237.015	(69.022.222)
General Administration Costs	(9.494.221)	62.330	(9.431.891)
Other Incomes from Operations	3.069.681	6.408.604	9.478.285
Other Expenses from Operations	(1.088.170)	(320.019)	(1.408.189)
Incomes from Investment Activities	-	94.229	94.229
Expenses from Investment Activities	-	(690.350)	(690.350)
Financing Expenses	(2.353.503)	1.010.369	(1.343.134)
Financing Incomes	8.820.011	(6.502.833)	2.317.178
Accumulated Other Comprehensive Income or Expenses not to be Reclassified in Profit or Loss- Actuarial Profit/(Loss) from Retirement Plans	-	(299.345)	(299.345)

In the 01.01-31.12.2011 accounting period financial position table and comprehensive income tables;

The issued advances and costs for future months under other floating assets have been classified under prepaid expenses.. The prepaid tax receivables under other floating assets have been classified under assets relevant to current period tax.

The advances under fixed assets have been classified under prepaid expenses.

The rotating bank loans within other financial liabilities have been classified under short term payables.

The short term portions of payables from long term financial leasing under short term liabilities have been classified under other short term liabilities. The personnel salaries and other liabilities in the other short term liabilities have been classified under liabilities for employee benefits.

The social security deductions within the short term liabilities have been classified under employee benefits payables.

(The amounts are in Turkish Lira (TL) unless specified otherwise)

The advances received within the short term liabilities have been classified under deferred income.

The cost of sales and the actuarial profits/losses under general administration costs have been classified under accumulated other comprehensive incomes or costs not to be reclassified under profits or losses. The delayed interests and exchanges rate difference costs/revenues under the financing costs/revenues have been classified under costs/revenues from main operations. The sales profits from securities under financing revenues have been classified under revenues from investment activities.

Reclassified Items	Before Classification		After Classification
	01.01-31.12.2011	Amount Classified	01.01-31.12.2011
Prepaid Costs (Classified in Floating Assets)	-	7.873.437	7.873.437
Assets Related to the Current Period Tax	-	152.887	152.887
Other Floating Assets	8.026.324	(8.026.324)	-
Prepaid Expenses (Classified in Fixed Assets)	-	215.622	215.622
Other Fixed Assets	215.622	(215.622)	-
Short term Liabilities	2.427.862	(1.427.862)	1.000.000
Short Term Portion of Long Term Liabilities	-	2.427.862	2.427.862
Other Financial Liabilities	1.000.000	(1.000.000)	-
Employee Benefits Liabilities	-	1.480.431	1.480.431
Short Term Deferred Incomes	-	2.056.457	2.056.457
Short Term Other Payables	1.064.812	(1.014.212)	50.600
Short Term Other Liabilities	3.531.331	(2.522.676)	1.008.655
Cost of Sales	(68.950.309)	(71.913)	(69.022.222)
General Administration Costs	(9.352.050)	(79.841)	(9.431.891)
Other Incomes from Operations	2.546.681	6.852.312	9.398.993
Other Expenses from Operations	(1.440.666)	(2.647.875)	(4.088.541)
Incomes from Investment Activities	-	149.944	149.944
Financing Expense	(3.086.433)	2.647.875	(438.558)
Financing Incomes	8.621.503	(7.002.256)	1.619.247
Accumulated Other Comprehensive Income or Expenses not to be Reclassified in Profit or Loss- Actuarial Profit/(Loss) from Retirement Plans	-	151.754	151.754

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