İHLAS YAYIN HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS and INDEPENDENT AUDIT REPORT FOR THE JANUARY 1- DECEMBER 31, 2014 ACCOUNTING PERIOD

INDEPENDENT AUDIT REPORT

BİLGİLİ BAĞIMSIZ DENETİM VE YMM A.Ş.

(Member firm of AGN International

İHLAS YAYIN HOLDİNG A.Ş.

INDEPENDENT AUDIT REPORT
FOR THE JANUARY 1-DECEMBER 31, 2014 ACCOUNTING PERIOD

To the Attention of the Board of Directors of İhlas Yayın Holding Anonim Şirketi,
We have audited the consolidated financial statement (balance sheet) dated December 31, 2014 for İhlas Yayın Holding Anonim Şirketi (hereafter referred to as "Holding") and its subsidiaries (hereafter referred to as "Group" together), as well as profit and loss statement, other consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement, and the attached consolidated financial statements that contain summary of important accounting policies and footnotes for the year ending on the same date.

Responsibilities of the Company Management Regarding Financial Statements
Group Management is responsible for preparing the consolidated financial statements in accordance with Turkish Accounting Standards (TAS), presenting them fairly, and performing the internal audits it deems necessary so as to prepare the consolidated financial statements free of critical mistakes arising from errors and/or fraud.

Responsibilities of the Independent Auditing Firm
We are responsible for presenting an opinion on these financial statements based on the independent audit we performed. Our independent audit has been performed in accordance with the Independent Audit Standards published by the Capital Markets Board and with the Independent Audit Standards, which is published by the Public Oversight, Accounting and Auditing Standards Authority and which is a part of the Turkish Audit Standards Board. These standards require that ethical provisions be followed and that the independent audit be planned and executed so as to establish reasonable assurance on whether the financial statements contain critical mistakes.

An independent audit involves implementation of audit procedures with the goal of obtaining proof of audit on the consolidated financial statement figures and footnotes. The selection of these procedures is based on the independent auditor's professional judgment, which includes an assessment of the risks with regard to critical mistakes arising from errors or fraud in the consolidated financial statements. While assessing the risks, the independent auditor scrutinizes the company's internal audit regarding the preparation of consolidated financial statements and their fair presentation, with the aim of determining suitable audit procedures for the conditions. Nevertheless, this assessment does not intend to provide an opinion with regard to the effectiveness of the company's internal audit. An independent audit encompasses an assessment of the presentation of the consolidated financial statements as a whole, as well as whether the management's accounting policies are suitable and the accounting projections reasonable.

We therefore maintain that the independent auditing techniques used to substantiate the findings of the independent audit are sufficient as a basis of our opinions.

Opinion
In our opinion, the attached consolidated financial statements accurately reflect, in all critical aspects, the financial status, financial performance and cash flow of İhlas Yayın Holding Anonim Şirketi for the period ending on December 31, 2014, in compliance with the financial reporting standards published by the Capital Markets Board.

Report on the Independent Auditor's Responsibilities Arising from Other Relevant Legislation
On March 4, 2015, the Board of Directors of the Company was presented the Audit Report on the Early Detection of Risk System and Committee, prepared pursuant to Article 398/4 of the Turkish Commercial Code (TCC) No. 6102.

Pursuant to Article 402/4 of the TCC, during the January 1-December 31, 2014, fiscal year, no significant reservations were identified regarding compliance of the company's bookkeeping and financial statements with the law and with the company's Articles of Association on financial reporting.

According to the same article of the TCC, the Board of Directors provided the explanations and documents requested by us.

Istanbul, March 4, 2015
BİLGİLİ BAĞIMSIZ DENETİM ve
YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.

RAFET KALKAN
Responsible Partner, Lead Auditor
Certified Public Accountant

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December 31, 2014-December 31, 2013 Period

Consolidated Financial Statements (Balance Sheets)

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

		Based on Independent Audit	
	Footnote References	Audited December 31,	Audited December
ASSETS			
Current Assets		**170,689,666**	**126,329,709**
Cash and Cash Equivalents	5	3,319,215	1,677,775
Financial Investments	6	-	7,600,329
Trade Receivables		93,971,301	90,257,392
-Trade Receivables from Related Parties	8-31	19,719,282	28,408,437
-Trade Receivables from Non-Related Parties	8	74,252,019	61,848,955
Financial Receivables		-	-
- Finance Operations Receivables from Related Parties		-	-
- Finance Operations Receivables from Non-Related Parties		-	-
Other Receivables		47,664,269	477,496
-Other Receivables from Related Parties	9-31	46,985,333	-
-Other Receivables from Non-Related Parties	9	678,936	477,496
Derivative Instruments		-	-
Inventories	10	6,957,859	8,008,913
Live Assets		-	-
Prepaid Expenses	18	18,162,210	17,647,047
Current Tax Assets	19	78,510	350,223
Other Current Assets	20	536,302	310,534
(Subtotal)		170,689,666	126,329,709
Fixed Assets Held for Sale		-	-
Fixed Assets		**206,148,827**	**232,159,352**
Financial Investments		-	-
Trade Receivables		-	-
-Trade Receivables from Related Parties		-	-
-Trade Receivables from Non-Related Parties		-	-
Financial Receivables		-	-
- Finance Operations Receivables from Related Parties		-	-
- Finance Operations Receivables from Non-Related Parties		-	-
Other Receivables		99,585	103,031
-Other Receivables from Related Parties		-	-
-Other Receivables from Non-Related Parties	9	99,585	103,031
Derivative Instruments		-	-
Investments Valued by Equity Method	11	76,524	1,522,564
Live Assets		-	-
Investment Properties	12	74,627,254	99,124,386
Tangible Fixed Assets	13	46,262,178	46,834,039
Intangible Fixed Assets		60,943,451	63,097,187
-Goodwill	15	5,783,920	7,514,951
-Other Intangible Fixed Assets	14	55,159,531	55,582,236
Prepaid Expenses	18	942,218	2,900,358
Deferred Tax Asset	29	23,197,617	18,577,787
Other Fixed Assets	20	-	-
TOTAL ASSETS		**376,838,493**	**358,489,061**

Attached footnotes are supplementary pieces of the financial statements.

İhlas Yayın Holding A.Ş.

December 31, 2014-December 31, 2013 Period
Consolidated Financial Statements (Balance Sheets)

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

	Footnote References	Based on Independent Audit	
		Audited December 31, 2014	Audited December 31,
Liabilities and Shareholders' Equity			
Short-Term Liabilities		**62,271,230**	**67,830,970**
Short-Term Borrowing	7	4,506,522	11,694,384
Current Portion of Long-term Borrowings	7	2,556,911	3,066,261
Other Financial Liabilities			
Trade Payables		24,260,127	37,033,175
-Trade Payables to Related Parties	8-31	5,020,664	7,942,630
-Trade Payables to Non-Related Parties	8	19,239,463	29,090,545
Financial Payables			
Other Payables		170,985	262,652
-Other Payables to Related Parties			9,001
-Other Payables to Non-Related Parties	9	170,985	253,651
Derivative Instruments			
Government Incentives and Grants			
Deferred Income	18	6,731,806	4,682,249
Tax for the Period	29	900,317	98,614
Short-Term Provisions		11,742,719	6,085,658
-Short-term Provisions for Employee Benefits	17	10,846,681	5,434,004
-Other Short-Term Provisions	16	896,038	651,654
Other Short-Term Liabilities	20	11,401,843	4,907,977
(Subtotal)		62,271,230	67,830,970
Liabilities for Asset Groups Classified as			
Held for Sale			
Long-Term Liabilities		**48,499,965**	**41,736,073**
Long-Term Borrowing	7	3,064,286	4,409,568
Other Financial Liabilities			
Trade Payables			
Financial Payables			
Other Payables			
Derivative Instruments			
Government Incentives and Grants			
Deferred Income			
Long-Term Provisions		15,332,617	13,756,549
-Long-term Provisions for Employee Benefits	17	14,732,052	13,533,922
-Other Long-Term Provisions	16	600,565	222,627
Current Tax Payables			
Deferred Tax Liability	29	23,929,579	23,566,073
Other Long-Term Liabilities	20	6,173,483	3,883
SHAREHOLDERS' EQUITY		**266,067,298**	**248,922,018**
Shareholders' Equity for the Parent Company		**158,929,697**	**151,025,311**
Paid-in Capital	21	200,000,000	200,000,000
Capital Adjustment Differences	21	22,039,497	22,039,497
Retracted Shares (-)			
Cross-Ownership Capital Adjustments (-)			
Other Capital Reserves	21	(31,746,667)	(19,814,896)
Share Premiums/Discounts			
Other Accumulated Comprehensive Income or Expenses			
not to be Reclassified in Profit or Loss		3,557,351	3,124,201
-Profit/Losses from Revaluation and Measurement	21	4,332,380	3,416,065
-Other Profits/Losses	21	(775,029)	(291,864)
Other Accumulated Comprehensive Income or Expenses			
not to be Reclassified in Profit or Loss			
Restricted Reserves Derived from Profit	21	6,529,507	6,545,398
Retained Earnings/(Loss)	21	(63,023,018)	(53,520,132)
Net Profit/(Loss) for the Period	30	21,573,027	(7,348,757)
Non-Controlling Interests	**21**	**107,137,601**	**97,896,707**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**376,838,493**	**358,489,061**

Attached footnotes are supplementary pieces of the financial statements.

İhlas Yayın Holding A.Ş.

January 1-December 31, 2013 and January 1-December 31, 2014 Accounting Period

Consolidated Profit and Loss Statements

(All amounts are shown in Turkish lira (“TL”) unless otherwise stated.)

		Based on Independent Audit	
		Audited	**Audited**
	Footnote References	**January 1, 2014-December 31,**	**January 1, 2013-**
Revenue	22	175,909,374	170,580,498
Cost of Sales (-)	22	(155,875,087)	(149,581,250)
Gross Profit/(Loss) from Trade Operations		**20,034,287**	**20,999,248**
Revenues from Finance Operations		-	-
Cost of Finance Operations (-)		-	-
Gross Profit/(Loss) from Finance Operations		**-**	**-**
GROSS PROFIT/LOSS		**20,034,287**	**20,999,248**
Marketing Expenses (-)	23-24	(11,696,194)	(15,287,081)
Administrative Expenses (-)	23-24	(50,514,940)	(34,839,387)
Research and Development Expenses (-)		-	-
Other Operating Income	25	21,786,192	23,951,390
Other Operating Expenses (-)	25	(16,891,409)	(18,646,457)
OPERATING PROFIT/LOSS		**(37,282,064)**	**(23,822,287)**
Income from Investments	26	73,528,136	13,519,129
Expenses from Investments (-)	26	-	(34,662)
Share of Investments Valued by Equity Method in Profit/Loss	11	(42,007)	2,314,388
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSES		**36,204,065**	**(8,023,432)**
Finance Income	27	2,785,753	3,579,027
Finance Expenses (-)	28	(2,889,688)	(3,312,765)
PRETAX PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**36,100,130**	**(7,757,170)**
Continuing Operations Tax Income/ (Expense)		**3,687,839**	**895,700**
-Tax (Expense)/Income for the Period	29	(1,090,978)	(298,546)
-Deferred Tax Income/(Expense)	29	4,778,817	1,194,246
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**30**	**39,787,969**	**(6,861,470)**
DISCONTINUED OPERATIONS		**74,477**	**-**
Net After Tax Earnings/(Loss) for the Period from Discontinued Operations	34	74,477	-
PROFIT/(LOSS) FOR THE PERIOD		**39,862,446**	**(6,861,470)**
Distribution of Profit/(Loss) for the Period			
Non-Controlling Interests	30	18,289,419	487,287
Parent Company Shares	30	21,573,027	(7,348,757)
Profit per Share	**30**	**0.1993**	**(0.0343)**
Profit per Share from Continuing Operations		0.1989	(0.0343)
Profit per Share from Discontinued Operations		0.0004	-
Diluted Profit per Share		**-**	**-**
Diluted Profit per Share from Continuing Operations		-	-
Diluted Profit per Share from Discontinued Operations		-	-

Attached footnotes are supplementary pieces of the financial statements.

İhlas Yayın Holding A.Ş.

January 1-December 31, 2013 and January 1-December 31, 2014 Accounting Period

Other Consolidated Comprehensive Income Statements

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

		Based on Independent Audit	
		Audited	Audited
	Footnote References	January 1-December 31,	January 1-December 31,
PROFIT/LOSS FOR THE PERIOD	30	**39,862,446**	**(6,861,470)**
OTHER COMPREHENSIVE INCOME			
Items not to be Reclassified in Profit or Loss			
Tangible Fixed Assets Revaluation Increase/Decrease	13	1,648,077	6,314,501
Intangible Fixed Assets Revaluation Increase/Decrease			
Defined Benefit Plans Re-measurement Gains/Losses	17	(484,586)	(33,374)
Shares not to be Reclassified in Profit or Loss from Other Comprehensive Income of Investments Valued by Equity Method			
Other Comprehensive Income not to be Reclassified in Profit or Loss			
Taxes for Other Comprehensive Income not to be Reclassified in Profit or Loss			
Tax Expense/Income for the Period			
Deferred Tax Expense/Income	29	(82,403)	(315,725)
Items to be Reclassified as Profit or Loss			
Foreign Currency Exchange Differences			
Revaluation and/or Reclassification Gains/Losses from Available-for-sale Financial Assets			
Cash Flow Risk Protection Gains/Losses		-	-
Cash Flow Risk Protection Gains/Losses for Business Abroad			
Shares to be Reclassified in Profit or Loss from Other Comprehensive Income of Investments Valued by Equity Method			
Other Comprehensive Income to be Reclassified in Profit or Loss			
Other Comprehensive Income/ Expense to be Reclassified in Profit or Loss			
Tax Expense/Income for the Period		-	-
Deferred Tax Expense/Income		-	-
OTHER COMPREHENSIVE INCOME (AFTER TAXES)		**1,081,088**	**5,965,402**
TOTAL COMPREHENSIVE INCOME		**40,943,534**	**(896,068)**
Distribution of Total Comprehensive Income			
Non-Controlling Interests		18,968,289	2,940,576
Parent Company Shares		21,975,245	(3,836,644)

Attached footnotes are supplementary pieces of the financial statements.

İhlas Yayın Holding A.Ş.

January 1-December 31, 2013 and January 1-December 31, 2014 Accounting Period

Consolidated Equity Adjustment Statements

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

					Other Comprehensive Income/ Expense not to be Reclassified in Profit or Loss						
	Footnote References	Paid-in Capital	Capital Adjustment Differences	Other Capital Reserves	Growth Funds	Actuarial Gains/Losses from Severance Payment	Restricted Reserves Derived from Profit	Retained Earnings/Loss	Net Profit/(Loss) for the Period	Non-Controlling Interests	Total
January 1, 2014		200,000,000	22,039,497	(19,814,896)	3,416,065	(291,864)	6,545,398	(53,520,132)	(7,348,757)	97,896,707	248,922,018
Comprehensive Income											
Net Profit/Loss for the Period	30								21,573,027	18,289,419	39,862,446
Other Comprehensive Income											
Tangible fixed assets appreciation fund	21				885,383					680,291	1,565,674
Defined benefit plans re-measurement gains/losses	17					(483,165)				(1,421)	(484,586)
Other total comprehensive income					885,383	(483,165)				678,870	1,081,088
Total comprehensive income					885,383	(483,165)			21,573,027	18,968,289	40,943,534
Transfers	21							(7,348,757)	7,348,757		
Transactions with non-controlling shareholders	21			(11,931,771)						(9,167,873)	(21,099,644)
Subsidiaries sold and changes in effective shares	21				30,932		(15,891)	(2,154,129)		(559,522)	(2,698,610)
December 31, 2014		200,000,000	22,039,497	(31,746,667)	4,332,380	(775,029)	6,529,507	(63,023,018)	21,573,027	107,137,601	266,067,298
January 1, 2013 (Reclassified)		200,000,000	22,039,497	(19,814,896)		(387,912)	6,950,379	(47,464,208)	(6,159,567)	94,899,972	250,063,265
Comprehensive Income											
Net Profit/Loss for the Period	30								(7,348,757)	487,287	(6,861,470)
Other Comprehensive Income											
Tangible fixed assets appreciation fund	21				3,416,065					2,582,711	5,998,776
Defined benefit plans re-measurement gains/losses	17					96,048				(129,422)	(33,374)
Other total comprehensive income					3,416,065	96,048				2,453,289	5,965,402
Total Comprehensive Income					3,416,065	96,048			(7,348,757)	2,940,576	896,068
Transfers	21						(405,299)	(5,754,268)	6,159,567		
Changes in Effective Shares	21						318	(301,656)		56,159	(245,179)
December 31, 2013		200,000,000	22,039,497	(19,814,896)	3,416,065	(291,864)	6,545,398	(53,520,132)	(7,348,757)	97,896,707	248,922,018

Attached footnotes are supplementary pieces of the financial statements.

İhlas Yayın Holding A.Ş.

January 1-December 31, 2013 and January 1-December 31, 2014 Accounting Period
Consolidated Cash Flow Statements

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

		Based on Independent Audit	
		Audited	Audited
	Footnote References	Current Period December 31, 2014	Previous Period December 31, 2013
Cash Flows Generated from Operating Activities			
Net Profit/(Loss) for the Period	30	21,573,027	(7,348,757)
Adjustments For Net Income/Loss Reconciliation			
Adjustments For Depreciation and Amortization Expenses	13.14	6,601,979	6,575,467
Adjustments For Severance Pay Provision	17	4,847,240	7,111,374
Adjustments For Tax Expense/Income	29	(3,687,839)	(895,700)
Interest Income Adjustment	27	(2,397,243)	(3,505,508)
Adjustments For Interest Expenses	28	2,091,055	2,668,691
Adjustments for provisions for value increases and impairment of investment properties	26	(22,723,965)	(12,786,374)
Adjustments to gains/losses from disposal of fixed assets	26	(50,804,171)	(698,094)
Non-parent company profit/loss adjustments	30	18,289,419	487,287
Adjustments for goodwill impairment	15	-	5,827,777
Net sales profit from subsidiaries (discontinued operations)	34	(74,477)	-
Adjustments for brand impairment	14	-	1,577,485
Adjustments for litigation provisions	25	642,673	354,619
Adjustments for work advance provisions	24	3,314,346	4,250,651
Adjustments for share of investments valued by equity method in profit/loss	11	42,007	(2,314,388)
Adjustments for doubtful receivable provisions no longer required	8	(3,198,870)	(3,589,798)
Adjustments for severance pay provision no longer required	17	(241,719)	(797,083)
Adjustments for other provisions no longer required		(183,352)	(942,451)
Changes in working capital			
Adjustments for increase/decrease in financial investments		7,600,329	(329)
Adjustments for increase/decrease in trade receivables		(5,072,941)	(14,564,049)
Adjustments for increase/decrease in other receivables		(47,183,327)	(111,382)
Adjustments for increase/decrease in inventories		1,051,054	1,445,471
Adjustments for increase/decrease in other current assets		(469,218)	2,319,221
Adjustments for increase/decrease in other fixed assets		1,958,140	691,883
Adjustments for increase/decrease in trade payables		(12,773,048)	11,690,758
Adjustments for increase/decrease in other payables		6,185,051	2,560,256
Adjustments for increase/decrease in other short- and long-term payables		14,896,374	(1,329,227)
Cash flows from operating activities			
Tax payments	29	992,364	85,650
Severance payments	17	(3,764,883)	(3,867,236)
Adjustments for other expenses/income not requiring cash inflow/outflow/net		(99,668)	(755,973)
Cash flows from operating activities (A)		**(62,589,663)**	**(5,859,759)**
Cash flows from investments			
Cash outflows arising from purchase of fixed assets	13	(4,331,044)	(6,806,949)
Cash outflows from purchase of intangible fixed assets	14	(132,369)	(916,351)
Cash inflows from sale of tangible fixed assets		97,436,532	6,415,542
Dividend income from investments valued by equity method	11	1,314,032	1,262,642
Cash inflows from affiliate capital refunds	11	45,000	-
Cash inflows from sale of subsidiaries	34	1,904,000	-
Cash outflows from additional acquisition of subsidiaries	21	(23,230,457)	-
Cash flows from investment activities (B)		**73,005,694**	**(45,116)**
Cash flows from financing activities			
Received Interest	27	2,397,243	3,505,508
Paid interest	28	(2,091,055)	(2,668,691)
Cash inflows from financial borrowing	7	(9,042,494)	4,432,283
Cash flows used in finance activities (C)		**(8,736,306)**	**5,269,100**
Net increase/decrease in cash and cash equivalents (D=A+B+C)		**1,679,725**	**(635,775)**
Cash and cash equivalents at the end of the period (E)	**5**	**1,677,775**	**2,313,550**
Cash balance of subsidiaries at the beginning of the period (F)		**(38,285)**	**-**
Cash and cash equivalents at the end of the period (D+E+F)	**5**	**3,319,215**	**1,677,775**

Attached footnotes are supplementary pieces of the financial statements.

İhlas Yayın Holding A.Ş.
Footnotes to the Consolidated Financial Statements as of December 31, 2014
(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

Note 1 - Organization and Area of Activity of the Holding

The area of activity of İhlas Yayın Holding A.Ş. is to join or participate in the capital, management, and control of all types of partnerships, whether existing or to be established, which are, or will be, involved in all types of printed, audio-visual publishing, advertising and news agency activities as well as in other related industries, and establish businesses and companies on its behalf in the aforementioned industries.

The Holding's headquarters is located at the "Merkez Mahallesi, 29 Ekim Cad., İhlas Plaza No. 11, B/31 Yenibosna, Bahçelievler, Istanbul" address.

The number of personnel employed by the Holding and subsidiaries as of the following dates:

Periods	Holding	Subsidiaries	Group Total
December 31, 2014	19	1,015	**1,034**
December 31, 2013	23	1,151	**1,174**

The Holding's shareholder structure as of December 31, 2014 and December 31, 2013:

	December 31, 2014		December 31, 2013	
Name/Title Share %		**Share Amount (TL)**	**Share (%)**	**Share Amount (TL)**
İhlas Holding A.Ş.	54.54	109,079,614	65.15	130,300,000
Open to the Public	43.36	86,720,386	29.25	58,499,387
İhlas Pazarlama A.Ş.	-	-	3.50	7,000,613
Ahmet Mücahid Ören	1.85	3,700,000	1.65	3,300,000
Ayşe Dilvin Ören	0.25	500,000	0.25	500,000
Mahmut Kemal Aydın	-	-	0.10	200,000
Other	-	-	0.10	200,000
Total	**100**	**200,000,000**	**100**	**200,000,000**
Capital Adjustment Differences		22,039,497		22,039,497
Total		**222,039,497**		**222,039,497**

Natural and legal persons that hold the capital indirectly based on the Holding's ultimate partners:

	December 31, 2014		December 31, 2013	
Name/Title Share %		**Share Amount (TL)**	**Share (%)**	**Share Amount (TL)**
Open to the Public	90.47%	180,933,249	87.41%	174,821,511
Ahmet Mücahid Ören	7.62%	15,232,167	8.10%	16,202,328
Ayşe Dilvin Ören	1.46%	2,925,985	1.78%	3,552,990
Other	0.45%	908,599	2.71%	5,423,171
Total	**100%**	**200,000,000**	**100%**	**200,000,000**

The breakdown and benefits of the Holding's privileged shares (Group B shares):

Partner Name / Title	N/H	Number of Shares	Amount
İhlas Holding A.Ş.	Number of Shares	8,000,000	8,000,000
Ahmet Mücahid Ören	Number of Shares	1,750,000	1,750,000
Ayşe Dilvin Ören	Number of Shares	250,000	250,000
Total		**10,000,000**	**10,000,000**

İhlas Yayın Holding A.Ş.
Footnotes to the Consolidated Financial Statements as of December 31, 2014
(All amounts are shown in Turkish lira (“TL”) unless otherwise stated.)

Benefits of Preferential Shares

a) Privilege to select the Board Members;

The Members of the Board of Directors are selected among candidates nominated by Group B shareholders: At least 4 members if the Board of Directors is made up of 5 people, at least 5 members if the Board of Directors is made up of 7 people, at least 7 members if the Board of Directors is made up of 9 people, and at least 9 members if the Board of Directors is made up of 11 people.

b) Privilege to vote at the General Assembly meetings;

Each of the Group B shareholders has 15 (fifteen) votes in the Holding's ordinary and extraordinary general assembly meetings.

The Group's Areas of Activity

The Group is made up of the Holding and its subsidiaries

İhlas Gazetecilik A.Ş. (İhlas Gazetecilik), a Group company, is involved in publication and printing, as well as domestic and foreign distribution, sale, delivery, and marketing of daily, weekly, and monthly, and short or long-term, and non-periodical newspapers, magazines, books, encyclopedias, pamphlets, and journals in Turkish and foreign languages. It owns six printing facilities in Istanbul, Ankara, Antalya, Izmir, Adana, and Trabzon.

İhlas Haber Ajansı A.Ş. (İHA), a Group company, is a news agency producing visual, printed, and photo news domestically and abroad, and marketing these news by way of satellites and other means.

TGRT Haber TV A.Ş. (TGRT Haber), a Group company, mainly broadcasts, produces, and performs audio and visual recordings for television and radio programs, television films, videos, and commercials, leases TV channels, and sets up radio stations. TGRT FM operates under the TGRT Haber TV A.Ş. legal entity, and it owns one broadcasting, two recording, and two montage studios.

TGRT Dijital TV Hizmetleri A.Ş. (TGRT Dijital), a Group company, broadcasts, produces, and performs audio and visual recordings for television and radio programs, documentaries, television films, videos, and commercials.

İletişim Magazin Gazt. ve Tic. A.Ş. (İletişim Magazin), a Group company, prints and markets newspapers, magazines, books, etc., and publishes numerous magazines covering various subjects, as well as a newspaper.

İhlas Gelişim Yayıncılık A.Ş.'nin (İhlas Gelişim), a Group company, sells, distributes, and markets newspapers and all forms of publications in Turkish and foreign languages in Turkey and foreign countries. It is the main partner of İhlas Gelişim, İletişim Magazin.

Dijital Varlıklar Görsel Medya ve İnternet Hizm. Ltd. Şti. (Formerly: Alternatif Medya Görsel İletişim Sis. Ltd. Şti. (Dijital Varlıklar), a Group company, operates as an advertising, publicity, and photography agency.

İhlas Medya Planlama ve Satınalma Hiz. Ltd.Şti. (İhlas Medya), a Group company, operates as an advertising, publicity, photography, publication, and advertising agency. It was merged with İhlas Medya, Promaş Profesyonel Medya Reklam ve Film Pazarlama Hizmetleri A.Ş. (Promaş) through an acquisition in the previous period.

İhlas Yayın Holding A.Ş.

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Subsidiaries

The Holding's subsidiaries and final shares as of December 31, 2014 and December 31, 2013:

	Main Area of Activity	Ownership Ratio December 31, 2014	Ownership Ratio December 31, 2013
1) İhlas Gazetecilik	Publishing, distribution, marketing, and printing of Türkiye Newspaper	56%	56%
2) IHA	News agency	89%	75%
3) TGRT Haber	Television broadcasting through TGRT Haber TV and radio broadcasting through TGRT FM	98%	98%
4) TGRT Dijital	Television broadcasting through TGRT Belgesel TV	99%	99%
5) İletişim Magazin	Publishing, printing, and marketing magazines, newspapers, books, etc.	97%	79%
6) İhlas Fuar (*)	Publishing periodical publications with regard to the organization and topic or fairs and exhibitions	-	77%
7) İhlas Gelişim	Main partner of İletişim Magazin Gazt. San ve Tic. A.Ş.	98%	84%
8) Dijital Varlıklar	Advertising, publicity, photography, and agency	93%	93%
9) İhlas Medya	Advertising, publicity, photography, and agency	98%	98%

(*) İhlas Fuar was sold in the current period (Note 34)

Investments Valued by Equity Method (Affiliates)

The Holding's affiliates and final shares as of December 31, 2014 and December 31, 2013:

	Main Area of Activity	Ownership Ratio December 31, 2014	Ownership Ratio December 31, 2013
1) İhlas İletişim Hiz. A.Ş. (İhlas İletişim)	Telecommunication and similar communication services	20%	20%
2) İhlas Holding A.Ş.- İhlas Yayın Holding A.Ş. - İhlas Pazarlama A.Ş. Ortak Girişimi (Ortak Girişim) (*)	Business of revenue sharing in return for land		45%

(*) İhlas Holding A.Ş. - İhlas Yayın Holding A.Ş. - İhlas Pazarlama A.Ş. Ortak Girişimi was closed in the current period as it has served its purpose of establishment

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Note 2 - Principles Regarding the Presentation of Financial Statements

A. Fundamental Presentation Principles

Compliance Statement

The Group keeps accounting records and statutory financial statements in Turkish lira (TL) in compliance with trade legislation, financial legislation, and the Uniform Chart of Accounts requirements issued by the Ministry of Finance. Based on the Company's legal records, financial statements have been rectified and classified so as to ensure compliance with the Turkish Accounting Standards (TAS) and the Turkish Financial Reporting Standards (TFRS), issued by the Public Oversight, Accounting and Auditing Standards Authority, and with the appendices and footnotes related to them.

The Capital Markets Board Communiqué Serial II, No. 14.1 on "Principles Regarding Financial Reporting in Capital Markets" was issued in the Official Gazette dated June 13, 2013, and entered into effect on the date of issue to be valid as of the interim period financial reports ending after April 1, 2013. The communiqué sets the policies, procedures and principles on the financial statements that will be drawn up by the businesses, and on their preparation and submission to the authorities. This communiqué annuls the Communiqué Serial XI, No: 29 on "Principles Regarding Financial Reporting in the Capital Markets."

In the preparation of financial statements, businesses refer to the TAS and TFRS provisions issued by the Public Oversight, Accounting and Auditing Standards Authority (POA) in compliance with the provisions of the Capital Markets Board Communiqué Serial: II, No: 14.1 on "Principles Regarding Financial Reporting in Capital Markets." Accordingly, the attached financial statements have been prepared based on the TAS and TFRS, and on the related appendices and comments. Moreover, the financial statements and footnotes have been presented in the formats and with the information required by the POA.

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

The Group's consolidated financial statements are prepared comparatively with the previous year's so as to allow for the identification of financial status and performance trends. Financial statements from the previous year are re-classified to allow comparison when presentation or classification of financial statement items change.

In the event of the retroactive application of any of the Group's accounting policies, or retroactive adjustment of figures stated on an enterprise's financial statements or reclassification of items in financial statements, footnotes will be provided regarding the financial statements (balance sheet) pertaining to at least three periods, and regarding the statements belonging to two periods for each of the other statements (other consolidated income statement, cash flow statement, statement of changes in equity). The Group presents its financial statements for the following periods:

- as of the end of the current period,
- as of the end of the previous annual reporting period, and
- as of the beginning of the most recent comparative period.

Statement about Inflation Accounting and Reporting Currency

In accordance with a decision made by the CMB dated March 17, 2005, effective from January 1, 2005, companies that operate in the Turkish market and prepare financial statements according to the CMB Financial Reporting Standards do not need to apply inflation accounting. Therefore, starting from January 1, 2005, the TAS 29 standard titled "Financial Reporting Standard on High-Inflation Economies" published by the POA was not applied to the Company's consolidated financial statements dated December 31, 2014.

The enclosed consolidated financial statements have been prepared in Turkish lira (TL) with the inclusion of the consolidated financial tables dated December 31, 2014, and the consolidated financial data from previous periods to be used for comparison.

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As per TAS 21 standard "Effects of Foreign Currency Rate Changes," the Group records foreign currency transactions based on the spot exchange rate amount that is calculated as the difference between the foreign currency and the functional currency at the time of the transaction.

Foreign currency closing rates published by the Central Bank of Turkey for the December 31, 2014 - December 31, 2013 period:

	Foreign Exchange Rates (TL/Foreign Currency)	
Currency	**December 31, 2014**	**December 31, 2013**
USD	2.3189	2.1343
EURO	2.8207	2.9365
CHF	2.3397	2.3899
GBP	3.5961	3.5114
SEK	0.2958	0.3278

Offsetting

Assets-liabilities and income-costs are not entered into accounts, unless Standards or Interpretations stipulate or permit. Assets and liabilities are shown as net amounts when there is a legally enforceable right or when the assets and liabilities in question are intended to be assessed as net values or when 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.

Basis of Consolidation Applied

Consolidated financial statements include the accounts of the parent company, İhlas Holding A.Ş., and its subsidiaries ending on December 31, 2014. Subsidiaries are consolidated on the date when control is transferred to the Group, and they are removed from subsidiaries on the date when control is out of the Group's hands. The Group's consolidated financial statements represent the companies in which the Holding has the authority and power to control financial and business policies in line with the Holding's interests, either by employing the authority to use more than 50 percent of the voting rights with regard to the shares that belong to the Holding directly and/or indirectly; or by employing actual control over the financial and business policies when it does not have the authority to use more than 50 percent of the voting rights.

Subsidiaries have been consolidated as per the full consolidation method; thus, the recorded values for subsidiaries have been netted in light of their relevant equities. Subsidiaries' shareholders' equities and net profits for the period with regard to non-main partnership beneficiaries are recognized as non-controlling shares in the consolidated financial statement (balance sheet) and consolidated comprehensive income statement.

The Group evaluates the activities of selling and buying the non-controlling shares of subsidiaries as a method of extending the parent company. Therefore, the difference between the subsidiary's share purchased based on the recorded net value of its assets and the cost of acquisition within the scope of buying and selling transactions of shares outside the parent company is accounted into equity. In other words, the changes in the parent company's shares of the subsidiary, given that there is no loss of control, are recorded as equity transactions.

Balances and transactions between Group companies, including profits across companies, and unrealized profits and losses, are eliminated. Similar accounting principles have been used for similar events and transactions in the consolidated financial statements.

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In the case that the business, in which direct or indirect investment is made, holds 20-50 percent of the voting rights, unless clearly proven otherwise, a significant impact is considered to be present in the aforementioned transaction and the invested business is considered as a subsidiary.

Investments in the subsidiaries are consolidated through the equity method. According to this method, the subsidiary investment is initially recorded with the acquisition cost. After the acquisition date, the book value of the investment is increased or decreased so as to reflect in the financial statements the investor’s share in the invested business’ profit or loss. Investor's share in the profit or loss of the invested business is entered into the books as profit or loss of the investor. Also, the goodwill relating to the subsidiary is included in the book value of the subsidiary investment.

The Group classifies its affiliate İhlas İletişim Hiz. A.Ş. (İhlas İletişim) in the investments valued by equity method.

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,

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

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

The new standards, amendments, and interpretations, which are effective as of January 1, 2014:

Investment Businesses (Changes regarding TFRS 10, TFRS 12 and TAS 27)

TFRS 10 has been amended to bring an exception with regard to exempting the companies that fit the description of an investment entity from the consolidation provisions. The exception introduced to the consolidation provisions require recognition of subsidiaries by the investment entities based on real value pursuant to the provisions of the TFRS 9 Financial Instruments standard. TAS 39 Financial Instruments when businesses do not apply TFRS 9: Recognition is required based on fair value, pursuant to the provisions of Recognition and Measurement. The aforementioned amendment has not had a significant effect on the Group’s financial status and performance.

TAS 32 Financial Instruments: Disclosure-Offsetting Financial Assets and Financial Liabilities (Amendment)

The amendment brings clarification to the current legal rights with regard to offsetting the recognized amounts as well as to the application area of the TAS 32 offsetting principle in the non-concurrent and gross payment offsetting systems (such as the clearing offices). The amendments will be effective retroactively for the annual accounting periods starting on or after January 1, 2014. The aforementioned standard has not had a significant effect on the Group’s financial status or performance.

TFRIC Interpretation 21 Levies

The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively, only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached. The interpretation is effective for annual periods beginning on or after January 1, 2014, with early implementation permitted. Retroactive application of this interpretation is required. This interpretation does not apply to the Group and is not expected to have a significant impact on the Group's financial position or performance.

TAS 36 Impairment of Assets-Recoverable Amount Disclosures for Non-Financial assets (Amendment)

The TFRS, as a consequential amendment to TFRS 13 Fair Value Measurement, modified some of the disclosure requirements in TAS 36 Impairment of Assets, regarding measurement of the recoverable amount of impaired assets. The amendment requires additional disclosures about measuring the recoverable amount by deducting the real value of the impaired assets (or a group of assets) from the fair disposal cost. The amendment will be effective retroactively for the annual accounting periods starting on or after January 1, 2014. The aforementioned amendment had an effect on the disclosure provisions, but it has not had a significant effect on the Group's financial status and performance.

TAS 39 Financial Instruments: Recognition and Measurement- Transfer of Derivatives and Continuation of Hedge Accounting (Amendment)

TAS 39 Financial Instruments: Amendments to the Recognition and Measurement standard published. These amendments introduce a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be transferred to a central counterparty, as a result of laws or regulations. The amendment will be effective retroactively for the annual accounting periods starting on or after January 1, 2014. The aforementioned standard has not had a significant effect on the Group's financial status or performance.

Standards that have been issued but are not yet in effect or have not been adopted early

The following are the new standards, interpretations, and amendments which have been issued as of the consolidated financial statements' approval dates, but have not been entered into effect for the current reporting period, and which the Group has not begun implementing early. Unless stated otherwise, the Group will make the necessary changes that will affect its consolidated financial statements and footnotes after the new standards and interpretations come into effect.

TFRS 9 Financial Instruments – Classification and Measurement

Pursuant to the amendment made in December 2012, the new standard will be effective for annual periods beginning on or after January 1, 2015. The first phase of the TFRS 9 Financial Instrument standard introduces new requirements for classifying and measuring financial assets and liabilities. The amendments made to TFRS 9 affect mainly the classification and measurement of financial assets and the measurement of fair value option (FVO) liabilities, and they require that the change in fair value of a FVO financial liability attributable to credit risk is presented in the Other Comprehensive Income table. In November 2013, the second stage of amendments that introduce new requirements for financial instruments were published, and TFRS 9's effective date of January 1, 2015 was postponed. These amendments and requirements are explained below as a 2013 amendment. IASB is continuing the work regarding impairment. The Group is assessing the effects of the standard on its financial status and performance.

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TAS 19 – Employee Benefits – Defined Benefit Plans: Employee Contribution (Amendment)

Employee or third party contributions must be taken into account during recognition of the benefit plans that are defined according to TAS 19. The amendment clarifies that if the contribution amount is independent of the number of years served, businesses can recognize the contributions by deducting them from the cost of service in the year the service was provided, rather than spreading them over the periods of service. The amendment will be effective retroactively for the annual accounting periods starting on or after July 1, 2014. The aforementioned amendment is expected to have no significant effect on the Group's financial status and performance.

TAS 16 and TAS 38 - Clarification of Acceptable Depreciation and Amortization Methods (Amendment)

The amendments prohibited the use of revenue-based depreciation calculation for tangible fixed assets, and brought significant limitation for revenue-based depreciation calculation for intangible fixed assets. The amendments will be effective prospectively for the annual accounting periods starting on or after January 1, 2016. Early adoption is permitted. The aforementioned amendment is expected to have no significant effect on the Group's financial status and performance.

The new and amended standards and interpretations that are issued by the International Accounting Standards Board (IASB) but not by the POA:

The following new standards, interpretations and amendments to existing IFRS standards have been issued by the IASB but have not been entered into effect for the current financial reporting period. However, these new standards, interpretations, and amendments to existing IFRS standards are not yet adapted to/issued in the TFRS by the POA; thus they do not constitute part of the TFRS. The Group will make the necessary changes to its financial statements after the new standards and interpretations have been issued and become effective under the TFRS.

IFRS 9 Financial Instruments - Hedge Accounting and amendments to IFRS 9, IFRS 7, and IAS 39

In November 2013, the IASB issued a new version of IFRS 9, which includes the new hedge accounting requirements and some related amendments to the IAS 39 and the IFRS 7. Entities can adopt an accounting policy so as to continue applying the hedge accounting requirements of IAS 39 for all of their hedging transactions. The standard does not have a mandatory effective date, but it is currently applicable, and a new mandatory effective date will be set when the IASB completes the impairment phase of its project on the accounting for financial instruments. Annual accounting periods starting from January 1, 2018, have been set as the temporary effective date. The Group is assessing the effects of the standard on its financial status and performance.

IFRS 15 Contracts with Customers

The IASB issued IFRS 15 Revenue from Contracts with Customers standard in May 2014. The new five-phase model for the standards sets out the requirements for recognizing and measuring the revenue. The standard will apply to revenues arising from contracts with customers, and it sets a model for recognizing and measuring the sale of certain non-financial assets (e.g., intangible fixed asset sales) that are not related to the normal activities of a business. IFRS 15 will be effective prospectively for the annual accounting periods starting on or after January 1, 2017. Two alternatives are offered for transition to IFRS 15: full retroactive or modified retroactive application. When modified retroactive application is preferred, previous periods will not be re-adjusted, but comparative numerical information will be provided in the footnotes of financial statements. The Group is assessing the amendment's impact on its financial position and performance.

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IAS 27 - Equity Method in Personal Financial Statements (Amendment)

In August 2014, the IASB amended IAS 27 so as to give the businesses once again the option of using the equity method when recognizing in personal financial statements the investments made in the subsidiaries and affiliates. Accordingly,

- businesses are required to recognize these investments
- based on cost value according to IFRS 9 (or IAS 39)
- or by using the equity method.

Businesses are required to use the same method in every investment category. As a result, an amendment was made to the application of IFRS 1 International Financial Reporting Standards for the first time. The amendment to IFRS 1 makes it possible to for timer businesses to recognize investments using the equity method in personal financial statements while applying the IFRS 1 exemption during the acquisition of the investment for past company mergers. The amendments will be effective retroactively for the annual reporting periods starting on or after January 1, 2016. Early adoption is permitted, and it must be stated. The Group is assessing the amendment's impact on its financial position and performance.

Annual improvements: 2010-2012 Period

IFRS 13 Fair Value Measurement: As clarified in the Basis for Conclusions, short-term trade receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The Group is assessing the amendment's impact on its financial position and performance.

Annual improvements: 2012-2014 Period

In September 2014, the IASB published it annual improvements to the IFRS under the "IFRS Annual Improvements 2012-2014 Period" name. The document introduces five amendments to four standards, excluding the amended standards and related justifications. Effected standards and the subjects of the amendments:

- IFRS 5 Fixed Assets Held-for-Sale Durdurulan Faaliyetler - Discontinued Operations - amendment to disposal methods
- IFRS 7 Financial Instruments: Explanations - service contracts; applicability of amendments to IFRS 7 interim period summary financial reports
- IAS 19 Employee Benefits - regional market issue regarding the discount rate
- IAS 34 Interim Period Financial Reporting - explanation of the information "in another section of the interim financial report"

The standard is effective for annual reporting periods beginning on or after January 1, 2016, with early implementation permitted. The Group is assessing the amendments' impact on its financial position and performance.

IFRS 10 and IAS 28: Investor's Asset Sales or Contributions for Affiliates or Business Partnership (Changes)

In September 2014, the IASB amended IFRS 10 and IAS 28 with the goal of eliminating inconsistencies on requirements when handling loss of control of a subsidiary that is given to an affiliate or business partner. The amendment clarifies that it is the responsibility of the investor to recognize all of the gains or losses arising from the sale or contribution, between an investor and an affiliate or business partnership, of assets considered as a business in the manner described by IFRS 3.
Gains or losses that arise from the fair value re-evaluation of the investments retained by the previous subsidiary must be recognized in proportion to the non-related investment shares in that previous subsidiary. Businesses are required to implement the amendment to be effective retroactively for the annual reporting periods starting on or after January 1, 2016. Early adoption is permitted. The aforementioned amendment is expected to have no significant effect on the Group's financial status and performance.

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IFRS 10, IFRS 12, and IAS 28: Investment Enterprises: Application of consolidation exception (Amendment to IFRS 10 and IAS 28)

In December 2014, the IASB made amendments to IFRS 10, IFRS 12, and IAS 28 to address the following issues that arise in the application of the investment enterprises exception in IFRS 10 Consolidated Financial Statements standard: i) Consolidated financial statement presentation exception applies when the investment partnership measures all of the subsidiaries based on fair value for a parent company which is the investment enterprise's subsidiary, ii) Consolidation is done only for a subsidiary, which itself is not an investment enterprise, but provides support services to one. All other subsidiaries of the investment enterprise are measured based on fair value, iii) IAS Amendments to standards for Investments in Affiliates and Business Partners allow the investor to preserve the fair value measurement applied to subsidiaries by the affiliate or business partnership, which is the investment enterprise, when using the equity method. Amendments are effective for annual reporting periods beginning on or after January 1, 2016, with early implementation permitted. The aforementioned amendment is expected to have no significant effect on the Group's financial status and performance.

IAS 1: Explanation Initiative (Amendment to IAS 1)

The IASB amended IAS 1 in December 2014. These amendments contain limited improvement in the areas of importance, sorting and subtotals, footnote structure, accounting policy explanations, and presentation of other comprehensive income items arising from investments recognized in equity. Amendments are effective for annual reporting periods beginning on or after January 1, 2016, with early implementation permitted. The aforementioned amendment is expected to have no significant effect on the Group's financial status and performance.

TAS/TFRS Improvements:

In September 2014, the POA published the following amendments to standards with regard to the "Annual Improvements for the 2010-2012 Period" and "Annual Improvements for the 2011-2013 Period."

Amendments are effective for annual accounting periods beginning on or after January 1, 2016.

Annual improvements: 2010-2012 Period

TFRS 2 "Share-based Payments": Definitions relating to vesting conditions have changed, and the performance and service conditions are defined in order to clarify issues. The aforementioned amendment is expected to have no significant effect on the Group's financial status and performance. The amendment will be applied prospectively.

TFRS 3 "Business Mergers": Contingent consideration in a business merger that is not classified as equity is subsequently measured at fair value through profit or loss, whether or not it falls within the scope of TFRS 9 Financial Instruments. The aforementioned amendment is expected to have no significant effect on the Group's financial status and performance. The amendment will be applied prospectively for business mergers.

TFRS 8 "Operating Segments": Amendments: i) Operating segments may be combined/aggregated with the core principle of the standard. ii) The reconciliation of segment assets to total assets is required to be disclosed only if the reconciliation is reported to the decision-maker regarding the operations. The aforementioned amendment is expected to have no significant effect on the Group's financial status and performance. The amendments will be applied retroactively.

TAS 16 "Tangible Fixed Assets" and TAS 38 "Intangible Fixed Assets": The amendment to IAS 16.35 (a) and IAS 38.80 (a)clarifies that revaluation can be performed as follows:

i) Adjust the gross carrying amount of the asset to market value, or ii) Determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the carrying amount is equal to the market value. The aforementioned amendment is expected to have no significant effect on the Group's financial status and performance. The amendment will be applied retroactively.

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TAS 24 “Related Party Disclosures”: The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. The aforementioned amendment is expected to have no significant effect on the Group’s financial status and performance. The amendment will be applied retroactively.

Annual improvements: 2011-2013 Period

TFRS 3 "Business Mergers": Amendment has clarified that i) Joint arrangements, as well as joint ventures, are outside the scope of IFRS 3, ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The aforementioned amendment is expected to have no significant effect on the Group’s financial status and performance. The amendment will be applied prospectively.

TFRS 13 “Fair Value Measurement”: Clarifies that the portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The aforementioned amendment is expected to have no significant effect on the Group’s financial status and performance. The amendment will be applied prospectively.

TAS 40 “Investment Properties”: The amendment clarifies the interrelationship of TFRS 3 and TAS 40 when classifying property as investment property or owner-occupied property. The aforementioned amendment is expected to have no significant effect on the Group’s financial status and performance. The amendment will be applied prospectively.

C. Changes and Errors in Accounting Estimates

Corrections and inaccuracies in accounting estimates refer to an adjustment of the carrying amount of an asset or liability, or related expense, resulting from reassessing the expected future benefits and obligations associated with that asset or liability. Changes in accounting estimates result from a new development or information and, therefore, do not constitute a correction of errors.

When preparing the financial statements according to TFRS, the Group management is required to perform some projections and assumption that will affect the reported asset and liability amounts as well as the assets and liabilities that are likely to occur as of the statement date. Actual results may differ from estimates and assumptions.

Material changes to accounting policies and material accounting errors detected are applied retroactively, 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 Significant Accounting Policies

Cash and Cash Equivalents

In terms of presentation of the cash flow table, cash and cash equivalents contain the prompt cash, and cash money and term deposits in banks. Cash and cash equivalents are recognized with the cost of acquisition and the sum of interest accrued. Financial investments with less than three months of term are reported in the cash and cash equivalents group pursuant to the TAS 7 "Cash Flow Statements” standard.

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.

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When recognizing securities whose fair value difference is not reflected in the profit/loss, transaction costs directly associated with the acquisition of such securities are added to the fair value in question.

Marketable securities are composed of securities that are acquired for the purpose of profiting from short-term fluctuations in prices and similar elements; or securities that are a part of a portfolio aiming to profit in the short-term, independently of the reason for its acquisition; as well as bank deposits with a maturity longer than three months. Financial assets held for trading are measured at fair value when they are recognized for the first time. 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. Earnings and losses calculated during valuation are included in the comprehensive income statement. Financial assets held for trading without an active market are recognized from amortized costs in the subsequent periods. Interest and dividends generated during the retention of marketable securities are indicated under interest incomes and dividend incomes, respectively. Trading transactions of securities held for trading become either recognized or derecognized 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. Earnings and losses calculated during valuation are included in the comprehensive income statement.

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.

Financial investments available-for-sale are financial investments that are not identified as investments to be held until maturity, or financial investments whose fair value difference is not reflected into profit/loss. Available-for-sale financial assets with an active market are valued at the fair market value, and the gains or losses resulting from this valuation are recognized as equities until they are derecognized 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.

The imputed rate of interest is taken as a basis when effective interest rates of trade receivables are unknown. The Group has used LIBOR as the effective interest rate because as per trade practices, its receivables and payables do not have a cash value and it does not apply delayed interest on sales.

Promissory notes and dated checks classified under trade receivables are subject to rediscounting and are reported at 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 as an interest expense in the comprehensive income statement pursuant to the "TAS 39 Financial Instruments: Recognition and Measurement" standard.

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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 Group's management. There are several ways a receivable may be evaluated as 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.

Pursuant to TAS 1 "Presentation of Financial Statements," trade receivables are a part of the business capital used during the regular operating cycle of the business. Therefore, they are classified as short-term, even if they are to be collected over a period longer than 12 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.

Inventory acquisition costs are reduced to their net realizable values on the basis of each inventory item. The reduction is performed by allocating provisions for low inventory values. 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 in the comprehensive income statement 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 described as 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. The Group has revaluation performed when there are signs of significant changes in real estate properties for which it uses the revaluation method. Meanwhile, since there is not an active market for tangible and intangible fixed assets other than real estate properties, it uses the cost method.

Provisions of the standards TAS 2 “Inventory” and TAS 16 “Tangible Fixed Assets” are applied for the transfers the Group makes from inventories to fixed assets to be used in operational activities. Accordingly, the transfer is based on the fair value at the time of the transfer.

Depreciation is measured by the normal and straight-line method based on a pro-rata basis according to the useful lives and methods indicated below:

	Useful Life (Years)	**Method**
Buildings	50	Normal
Machinery, plants, and equipment	5-13	Normal
Vehicles, tools, and instruments	5-10	Normal
Furniture and fixtures	3-15	Normal
Other tangible fixed assets (Film)	2	Normal/ Straight-line
Special Costs	5	Normal
Rights	5	Normal
Other intangible fixed assets (computer software)	2-5	Normal

According to TAS 38, some intangible fixed assets can be in or on physical objects such as a legal document (if computer software) or film (if a license or patent). Films are considered within this scope and recognized in tangible fixed assets. These films do not have broadcast right, and they are generally films with religious content distributed by the Türkiye newspaper as a promotion in CD format.

The useful life and amortization method is reviewed regularly to ensure the amortization method and period reflect economic benefit.

Even if purchased together, land and buildings are separate fixed assets and are recognized as such. No provision is allocated for amortization of such assets as estates and lands, for which useful life cannot be determined, in other words, which have an indefinite useful life.

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. Depreciation amounts of tangible fixed assets and depreciation losses are recorded in the income statement under administrative expenses, marketing, sales and distribution expenses, and cost of sales, whereas appreciations are recorded in the appreciation fund under equities.

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The Group 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 fixed assets represent brand, rights, and other intangible items (computer software). Intangible assets are recognized at their inflation-adjusted cost value as of December 31, 2004, for the items purchased prior to January 1, 2005; and by deducting accumulated amortization and permanent value losses from sales cost value, for the items purchased after December 31, 2004. Amortization of intangible assets was calculated using the straight-line method from the useful life of the assets, without exceeding their economic life starting from the date of purchase. Amortization shares of tangible fixed assets are recorded in the income statement under marketing expenses, administrative expenses, and cost of sales.

İhlas Gazetecilik, a Group company acquired the "Türkiye" brand in 2000, and it has been publishing and using it as the newspaper's brand since that date. The brand is considered to have an indefinite useful life, and thus it is not amortized. This brand is subject to the impairment test as per TAS 36 "Impairment on Assets" standard. When determining the recoverable value of assets with an indefinite useful life, the higher is selected as the basis from either the fair value less sales costs or the usage value. Nevertheless, a single method may be used to determine the recoverable value, if one of these methods is not reliable or cannot be established. Impairment provisions are reported under the Other Operating Expenses account, whereas impairment cancellations are recorded under the Other Operating Income account.

Profit or loss derived from the disposal of tangible or intangible fixed assets is determined by comparing the net book value and the cost of sales, and it is recorded under the income and expense account from investment activities in the comprehensive income statement.

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) and not for the purposes listed below:

a) To use in the manufacture or the supply of goods and services, or for administrative purposes; or
b) To sell through regular business flow.

Investment properties are held to earn 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) Possible inflow of property-related future benefits to the business, and
b) Reliable measurement of the investment property's cost.

An investment property is initially measured based on its 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.

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In the following periods, investment properties are valued by choosing either the fair value or the cost method, and the Group uses the former method in the valuation of its investment properties. Fair value of an investment property is determined as the value that should be obtained when an asset changes hands among groups with information and desire in a mutual negotiation environment, or when a debt is paid. 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.

Income or losses arising from fair value changes of an investment property are included in the profits or losses in the period in which they occur, and they are recognized under other operating income/revenues.

Even if purchased together, land and buildings are separate fixed assets and are recognized as such.

Impairment of Assets

An impairment test is performed in the event of circumstances or incidents in which it is not possible to recover the book value for the assets that are subject to depreciation and amortization. Impairment provision is recognized in the event that the book value of the asset exceeds the recoverable amount. Recoverable amount is the higher of an asset's fair value less the cost to sell or the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, for which impairment provisions are allocated, are reviewed at each reporting date for possible cancellation of impairment.

Goodwill

Goodwill acquired though company merger represents the payment made by the company for future economic benefits projected from assets which cannot be determined individually and cannot be recognized separately. Goodwill does not create cash flows independent of other assets or asset groups, and usually contributes to the cash flow of multiple departments that create cash. At times, it may be necessary to distribute goodwill only to cash-generating department groups, rather than to departments that create personal cash. As a result, to serve internal administrative purposes, the lowest level where goodwill is recorded may sometimes be made up of a group of cash-creating departments to which goodwill is connected, but cannot be distributed to. Amounts that arise from mergers in which there are no cash-generating departments or to which the cash-generating department does not contribute to cash flow and does offer future economic benefit, and that are not defined as goodwill, are directly associated with expenses without being capitalized.

The acquisition method (or purchase method) is used for all mergers. These are the steps in applying the acquisition method:

a) Identification of the buyer;
b) Determination of the acquisition cost; and
c) Distribution of the merger costs incurred on the date of the merger to acquired assets, assumed liabilities, and contingent liabilities.

Goodwill is the measured difference between the acquisition cost of acquired assets or business and the fair value of net assets of the business as of the date of acquisition. If the acquisition cost exceeds the fair value of the acquired net assets, then the difference is recognized as goodwill on the balance sheet. If the price of the acquisition is less than the fair value of the acquired net assets, then the difference is reflected in the income statement as profit derived from business mergers.

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According to TFRS 3 "Business Mergers," a provision of impairment in relation to goodwill is allocated if the goodwill's recoverable value is less than its book value, and if there are issues that can be considered an indication of impairment of an asset. Among the items that constitute an impairment of the asset are: significant changes in the activities of the acquired business; significant differences between the actual results and the forward estimates made on the acquisition date; malfunction of the product, service, or technology of the acquired business; and other issues indicating non-recoverability of the recognized value of the asset.

Taxation and Deferred Taxes

The Group's tax expense/income is the sum of its current tax costs/income and deferred tax costs/income.

Current year tax liability is to be calculated based on the part of taxable profit for the period. Taxable profit is different from the profit stated in the income statement as it excludes taxable or deductible income and expense items in previous years as well as non-taxable or non-deductible items. The Group's current tax liability was calculated at the legal tax rate, or the rate that will be valid with certainty, on the balance sheet date.

Payable current taxes are offset 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 offset in the same manner.

Deferred tax is calculated by means of the unit credit method based on temporary differences between the recognized values of deferred tax assets and liabilities stated in consolidated financial statements and their tax values (balance sheet method/balance sheet liability method). These differences are classified into two groups: deductible or taxable. For all temporary differences that are considered to be tax deductible expenses, there must be a strong possibility that enough taxable income will be generated to suffice deduction of these expenses in the future periods, they are recognized by taking into account the deferred taxes, in the event that the transaction is not a part of a business merger or the it does not arise from the initial recognition of the debt. 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 law, tax schedules that are currently in effect or substantively in effect as of the balance sheet date are used when calculating the deferred tax.

While the deferred tax liability is calculated for all temporary differences, deferred tax assets arising from deductible temporary differences are calculated on the condition that the Company is highly likely to benefit from such differences by generating profit subject to taxation in the future (Note 29).

Deferred tax assets and deferred tax liabilities are deducted from each other as 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.

Corporate tax exemption applies to the revenues arising from the sale of 75 percent of the properties, participation stocks, dividend right certificates and pre-emption rights that remain in the corporation's assets for at least two full years. In order to benefit from the exemption, such earnings must be held in a fund account under Liabilities and must not be withdrawn for at least 5 years. The sales revenue must be collected by the end of the second calendar year from the transaction completion date. Accordingly, 25 percent of the difference related to these assets is considered temporary differences.

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Acquired by İhlas Gazetecilik, a Group company, through purchase, the "Türkiye" brand 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 Leasing

Financial leases, which set forth the transfer of all risks and benefits related to the ownership of the asset that was leased to the Group, shall be recognized by reflecting the lesser of either the fair value of the asset subjected to leasing or the present value of lease payments. The finance lease payments are allocated as principal and finance expenses so as to produce a fixed periodic rate of interest on the remaining balance of the payables for each period over the term of the lease. The finance expenses are recognized in the income statement on a straight-line basis. The capitalized leased assets are subject to amortization over the estimated useful life of the asset.

Fair value used in finance leases are the purchase price used in the acquisition of the asset and agreed between the parties. Minimum rent payments include capital and total liabilities like interest and taxes. Because the current value of these is less than the purchase price (capital), they are recognized at purchase price.

Operating Lease

All leases where the lessor retains all the risks and rewards of the leased assets are considered operating leases. The operating lease payments are recognized as straight-line expenses in the income statement throughout the term of the lease.

Provisions for Employee Benefits

The severance payment provision explains the balance sheet date value of estimated total provisions for possible future liabilities, which may arise when the Group employee retires or the employment relationship is terminated after the employee completes at least one year of service in accordance with the Law on the Regulation of the Relationship Among Press Workers and the Turkish Labor Law; or is called for military service, or dies (Note 17). Actuarial valuation method is used for reduction of liabilities for severance liabilities. This was done by applying actuarial assumptions. The most important of these is the discount rate used in the discounting process.

The rate used to discount post-employment benefit liabilities (severance indemnity provisions) should be determined by a reference to market yields of high quality corporate bonds on the date of the balance sheet. Due to the lack of a deep market for such bonds, a real interest rate has been applied using a reference to market yields (compound interest rates) of government bonds (on the balance sheet date). In other words, an inflation-adjusted net interest rate (real interest rate) is used (Note 22).

Within this context, as an institution subject to labor laws, a provision for severance pay was calculated in accordance with the "International Accounting Standard Regarding Benefits Provided to Employees" (TAS 19), and by using the actuarial method for future liability amounts which may arise if the entire staff were to retire, discontinue its working relations after completing a minimum of one year of service, were all called to duty for military service, or in the event of death; the calculated severance pay is recognized in the attached consolidated financial statements.

The assumptions used in the calculation of the severance payment provisions are explained in Note 17.

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Provisions, Contingent Assets, and Liabilities

Provisions are recognized provided that a present obligation has arisen as a result of a past event, that the probability exists of disposing any resources of economic benefit to the enterprise through the liabilities, and that the amount can be estimated accurately.

If some or all of the expenditures required in settling a provision are expected to be reimbursed by another party, the reimbursement should be recognized in the financial statement. However, it must be virtually certain that reimbursement will be received if the enterprise settles the obligation.

One of three methods is used in allocating provisions. The first of these methods is applied where the effect of the time value of money is material. The provisions are recognized at discounted values of expected future expenses on the date of the balance sheet when the effect of the time value of money becomes material. When the discounted value is used, the increases in provisions due to time will be 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 used for provisions for large populations or events; the liability is estimated taking into account all probable outcomes. The third method is the recognition of provisions in the financial statements by measuring one-off events or liabilities at the most likely amount.

There may be liabilities or assets that can be confirmed depending on whether one or more future uncertain event, which arise from past events and of which the existence is out of the entity's control, take place. They are considered contingent liabilities, assets, and liabilities. As such, they are not included in the financial statements and are explained in footnotes (Note 16).

Revenue

Revenue is recognized when the flow of economic benefits to the entity is probable and when the amount of revenue can be measured accurately. Revenues are shown as net values after deducting discounts, value-added tax and sales taxes. The following criteria are required for the revenue to be generated.

Sales of goods (newspaper, magazine, other publications, and time share sales);

Revenue is considered to have occurred when the risk and benefit of sold goods have been transferred to the buyer; the amount of revenue can be calculated reliably; the organization does not have a continued administrative participation with regard to ownership and does not have effective control over the sold goods; there is no flow of economic benefit to the organization with regard to the transaction; and costs arising from the transaction can be measured reliably. Net sales consist of the invoiced selling price, after discounts and commissions are deducted. A major portion of sales discounts are composed of returns from the Group's sale of the daily newspaper. After the Group prints and distributes the newspaper, these sales are reflected in their income. Meanwhile, unsold and returned newspapers are recognized as sales returns. In addition, there may be other insignificant transactions related to outsourced printing works that are later returned; some other works that are returned after issuing a commercial invoice; and some others that are discounted.

There is no progress payment in the Group's construction operations of its affiliate which it consolidates through the equity method. Therefore, provisions of TAS 11 apply, and construction revenues are calculated based on TAS 18 "Revenue" standard. TAS 18 describes the terms on how to reflect sales of goods and services in financial statements, and construction proceeds are reflected in the financial statements in accordance with these terms. In sales on credit, the Group bears the risk as no revenue is created until the product has been delivered and invoiced.

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Sale of Services (advertising, fairs, TV services, etc.)

Revenue arising from the sale of services is recognized when it reaches a stage of completion that can be measured reliably. If the revenue generated from the agreement cannot be measured reliably, the revenue is recognized only to the extent of the expenses recognized as recoverable.

Interest

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net book value. The Group's forward sales interest income arising from trade receivables are recognized in other operating income.

Dividend

Share certificate income generated from equity investments is recognized when shareholders gain dividend rights.

Revenue is measured at the fair value of the consideration receivable. In the event of forward sales, the difference between the nominal and fair value (discounted value) of the sales is recognized as interest expense in the comprehensive income statement pursuant to the "TAS 39 Financial Instruments: Recognition and Measurement" standard.

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.

The stage of completion of a sale of service can be measured using various methods. Depending on the nature of the transaction, the method that provides a reliable measurement is used. Depending on the nature of the transaction, these are the methods:

a) investigations related to the work completed,
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 to the estimated total costs.

Non-accrual Financial Income/Expenses

Financial income/expenses that have not been accrued represent financial income and expenses that exceed forward sales and purchases. During the period of the credit sales and purchases, these revenues and expenses are calculated based on the effective interest method, and they are shown under financial income and expenses.

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, building or manufacturing of a qualifying asset are recognized as a part of the cost of the related asset. These types of costs are included in the cost of the qualifying asset when they can be measured reliably and when it is likely for the business to benefit from future economic use. All other borrowing costs are recognized as expenses in the income statement when they are incurred.

In the following periods, they are provided in financial statements at a discounted value. The difference between cash inflow and repayment value is written off in the income statement for the duration of the borrowing period.

Profit per Share

Profit per share is calculated by the ratio of the net profit or loss for the period belonging to ordinary shareholders to the weighted average number of ordinary shares within the period. The weighted average number of ordinary stocks outstanding during the period is calculated with respect to undiluted earnings per stock.

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Financial Instruments

Recognition and Derecognition of Financial Instruments

The Group reflects financial assets or financial liabilities in its balance sheet only when it is a party to the financial instrument agreement. The Group must derecognize a financial asset or a part of it only when it loses control of the contractual rights with regard to these assets. The Group removes a financial liability from the balance sheet only when the obligation specified in the contract is discharged, canceled, 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 Group, using the active market inputs and an acceptable valuation technique. However, discretion is used in the interpretation of market inputs for estimating fair value. As a result, the estimates presented herein may not be an indication of the actual values that may be obtained by the Group in a current market transaction.

The methods and assumptions below have been used in the estimation of the fair value of financial instruments whose fair value can be determined.

Financial Assets

With the exception of those classified as fair value through profit and loss and those that are recognized at fair value, financial assets are recorded through fair value transaction by deducting the directly related expenses. Investments are recognized or derecognized on the date of the trade transaction that contractually stipulates delivery of investment instruments within the period set by the related markets.

Other financial assets are classified into these categories: “financial assets at fair value through profit or loss,” “held-to maturity investments,” “available-for-sale financial investments” and “loans and receivables.” The classification depends on the nature and purpose of the financial assets, and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method to calculate the amortized cost of a financial asset and to allocate interest income over the relevant period. The effective interest rate is the rate that precisely discounts estimated future cash collections for the expected life, or a shorter period if applicable, of the financial instrument to the net book value of the financial asset or liability.

The effective interest method is used to calculate the income related to financial assets that are classified as held-to-maturity or available-for-sale debt instruments, and credits and receivables.

Available-for-sale financial assets

Securities and long-term marketable securities held by the entities are classified as available-for-sale financial assets, and they are valued at their fair value.

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Equity-based financial instruments that do not have a quoted market price in an active market, and whose fair value cannot be measured reliably, are shown at their value after deducting accumulated impairments from cost value. With the exception of interest income calculated with the effective interest method and foreign exchange gains or losses arising from valuation of foreign currency assets; gains and losses arising from fair value changes are recognized in the investment revaluation fund directly within the shareholder's equity. In the event that the investment is disposed of, or permanently impaired; the total profits or losses, which were previously recognized in the investment revaluation fund, are then transferred to the period income.

Dividends that are associated with available-for-sale equity instruments are recognized in the other comprehensive income statement, after the entity is entitled to receive the related payments.

Receivables

Trade and other receivables are recognized at fair value on the initial registration date. In reporting periods following the first registration date, they are shown with the discounted cost using the effective interest method.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are subjected to assessment as to whether there are indications of impairment of a financial asset, or a group of financial assets, at each balance sheet date. Financial assets are impaired when there is objective evidence that one or more incidents took place after the financial asset was first recognized and that incident(s) caused an adverse effect on the estimated future cash flows, which were projected reliably, of the related financial asset or group of assets, and that as a result, the related financial asset was impaired.

For the receivables, the impairment amount is the difference between the asset's book value and the present value of estimated future cash flows that are discounted over the original effective interest rate of the financial asset. For all financial assets, impairment is reduced directly from the relative financial asset's book value, with the exception of trade receivables, in which book value is decreased by using a reserve account. When a trade receivable is uncollectible, the amount written off from the reserve account. Changes in the reserve account are recognized in other comprehensive income.

With the exception of available-for-sale equity instruments, if the impairment loss decreases in the subsequent period and the decrease can be attributed to an incident after the impairment was recognized; then, previously recognized impairment loss is reserved in a way not to exceed the amortized cost amount, which it would have reached if the impairment of the investment had not been recognized at all on the impairment reversal date.

In respect to available-for-sale equity securities, any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income.

The fair value of foreign currency balances that have been converted from end-of-period rates are recognized as being within reasonable convergence to the recognized value.

Since the fair values of the financial assets, including the cash, bank, and bank deposits, which are recognized at their cost values, have short-term maturities and negligible losses in receivables, they are considered to approximate their book values.

Foreign exchange income/ losses arising from valuation of the foreign currency balances included in the cash and current deposits are reported in financial income/ expenses. Term deposit (restricted and unrestricted) amount is valued by the effective interest method.

Fair values of securities investments are calculated according to their market values on the date of the balance sheet.

Trade receivables are valued by the effective interest method.

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Financial Liabilities

The Group's financial liabilities and equity instruments are classified in accordance with the contractual arrangements and recognition principles of a financial liability and equity instrument. Equity instrument is described as a contract that represents the residual interest in assets after deducting all of the Group's liabilities. Significant accounting policies for certain financial liabilities and equity instruments are described below.

Financial liabilities are classified as either financial liabilities at fair value through profit and loss or other financial liabilities. Other financial liabilities, including bank borrowings, are initially recognized at fair value, net of transaction costs. They are recognized at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expenses over the relevant period. Effective interest rate is the rate that precisely discounts estimated future cash payments for the expected life, or a shorter period if applicable, of the financial instrument to the net book value of the financial liability.

Short- and long-term bank loans are presented with their amortized cost values. Long-term loans in foreign currency are converted from end-of-period rates; hence, their fair value is within reasonable convergence to the book value.

Trade payables are presented based on their amortized cost values. Pursuant to TAS 1, trade payables are a part of the business capital used during the regular operating cycle of the business. Therefore, they are classified as short-term, even if they are to be paid over a period longer than 12 months from the balance sheet date.

In the event the Group is planning or preferring to refinance or rotate its financial liability within at least 12 months after the reporting period, this liability is classified as a long-term liability, even if the new payment program is short-termed. However, if the company does not choose or prefer to refinance or rotate its financial liabilities (i.e., a refinancing contract does not exist), a possibility of refinancing is not considered and the liability is reset in the short term.

Trade payables and financial liabilities are measured by the effective interest method.

Impairment of Financial Instruments

At the end of each reporting period, financial asset and financial liability groups, valued by amortized costs, are assessed regarding whether they have equitable indications of value impairment. In the presence of such an indicator, impairment loss is evaluated. It may not be possible to determine a unique and separate event that causes impairment. Sometimes there may be more than one reason.

Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are initially recorded at cost value and are re-measured at their fair value in the subsequent periods. The method of calculating the profit or loss arising as a result of the transaction depends on the features of the item being hedged.

Changes in the fair values of the derivative financial instruments, which are considered an effective cash flow hedge, are recognized as hedge funds in the equity. If a hedged commitment or possible future transaction becomes an asset or liability, the profits or losses regarding these transactions, which are recognized in the equity, are then transferred from these items to the initial cost or book value of this asset or liability. Profit or losses included in the initial cost or book value of the hedged instrument are recognized in the comprehensive income statement if they affect the net profit/loss.

İhlas Yayın Holding A.Ş.

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Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised; or no longer qualifies for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument recognized in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is transferred to profit or loss for the period.

The Group has had no derivative instrument transactions during the period.

Financial Risk Management

Collection Risk

The Group's collection risk may generally arise from trade receivables. Trade receivables are evaluated by the Group management in light of market conditions and by taking past experiences into consideration. Provisions have been allocated for doubtful receivables incurred until the report date.

Currency Risk

Currency risk arises from changes in the foreign exchange rates of a financial instrument. The Group's foreign currency balances resulting from its operating, investment. and financial activities as of the report date are described in Note 32. Foreign currency risk arises when the TL loses value against foreign currencies as the Group's net currency position is (-) as of December 31, 2014.

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 Group manages its liquidity risk by balancing the distribution of its assets and liabilities over time (Note 39).

Related Parties

TAS 24 "Related Party Disclosures Standards" defines related parties as those that may directly or indirectly control or significantly influence the counterparty through shareholding, contracted rights, family relations, or similar means. Furthermore, related parties include investors and Group management. Related party transactions consist of the transfer of assets, services, or liabilities between related parties, regardless of whether a fee is applicable.

For the purpose of these consolidated financial statements, the Group's partners and group companies with indirect capital relationships with the Group, as well as board members and senior managers and other key executive personnel are defined as "related parties." Key management personnel include executives (administrative or otherwise) with direct or indirect authority and responsibility to plan, manage, and control the Group's operations (Note 31).

Due to ordinary activities, related party transactions have generally been performed at prices compatible with market conditions. The companies which the Group is directly or indirectly associated with, other than its subsidiaries, affiliates, and business partners:

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İlişkili Şirket Ünvanları

1) İhlas İletişim Hizmetleri A.Ş.
2) İhlas Holding A.Ş. - İhlas Yayın Holding A.Ş. ve İhlasPazarlama A.Ş. Ortak Girişimi 3
3) İhlas Holding A.Ş.
4) İhlas Ev Aletleri İmalat San.Tic.A.Ş.
5) İhlas Pazarlama A.Ş
6) Kuzuluk Kapl.Sağ. ve Petr.Ür.Tic.A.Ş
7) İhlas Net A.Ş
8) İhlas Motor A.Ş.
9) Bisan Bisiklet Moped Otomotiv Sanayi ve Ticaret A.Ş.
10) Bisiklet Pazarlama Sanayi ve Ticaret A.Ş.
11) İhlas Yapı Turizm ve Sağlık A.Ş
12) Cyprus Office
13) Armutlu Tatil ve Turizm İşletmeleri A.Ş.
14) İhlas İnşaat Holding A.Ş.
15) İhlas Pazarlama Yatırım Holding A.Ş.
16) İhlas İnşaat Proje Taahhüt Turizm ve Tic. A.Ş.
17) Şifa Yemek ve Gıda Üretim Tesisleri Tic. A.Ş.
18) KPT Lojistik Taşımacılık Tur. Rek. Paz. İç ve Dış Tic. A.Ş.
19) İhlas Madencilik A.Ş.
20) İhlas Yapı Turizm ve Sağlık A.Ş.-Kam Gayrimenkul Proje ve İnşaat Ltd. Şti. Adi Ortaklığı
21) Tasfiye Halinde İhlas Finans Kurumu A.Ş.
22) İhlas Dış Ticaret A.Ş.
23) Detes Enerji Üretim A.Ş.
24) Mir Maden İşletmeciliği Enerji ve Kimya San. Ltd. Şti.
25) İhlas Mining Ltd. Şti.
26) İhlas Holding A.Ş.-Belbeton Beton Elemanları Sanayi Üretim ve Tic. A.Ş. - Ulubol İnşaat Harfiyat Gıda Tur. San. ve Tic. Ltd. Şti. Adi Ortaklığı
27) Doğu Yatırım Holding A.Ş.
28) Swiss PB AG
29) İstmag Magazin Gazetecilik Yayıncılık İç ve Dış Tic. Ltd. Şti. (former name: Yakamoz Sektörel Petrol Ürünleri Yapı Gıda Ltd. Şti.)
30) Voli Turizm Seyahat Tic. Ltd .Şti.
31) Voli Fuar Hizmetleri A.Ş. (former name: İhlasFuarHizmetleri A.Ş)
32) Klas Dış Ticaret A.Ş.
33) Ulubol İnşaat Harfiyat Gıda Tur. San. ve Tic. Ltd. Şti.
34) Belbeton Beton Elemanları Sanayi Üretim ve Tic. A.Ş.
35) İhlas Vakfı
36) İhlas Vakfı Yurt ve Eğitim Hizmetleri İktisadi İşletmesi
37) Net İletişim Hizmetleri Ltd. Şti.
38) NETTEC Otomasyon ve Çevre Teknolojileri A.Ş. (Former name: İhlas Net Ltd. Şti.)
39) İleri Haber Ajansı Tanıtım İletişim ve Teknik Hizmetleri Tic. A.Ş.
40) İHA GmBH Almanya
41) Mute Grup Medya İç ve Dış Ticaret A.Ş.
42) Kam Gayrimenkul Proje ve İnşaat Ltd.Şti.
43) Antalya İmar Ltd. Şti.
44) Plus Gayrimenkul Tic. A.Ş.
45) Şecere İnşaat Ticaret A.Ş.
46) Kahraman Gayrimenkul Yatırım İnşaat San. Tic. Ltd. Şti.
47) CDC Kurumsal Gelişim Merkezi Ltd. Şti.
48) London Video Production Center Plc.
49) İhlas Holding A.Ş. - İhlas Yapı Turizm ve Sağlık A.Ş. Ortak Girişimi-4
50) İhlas Genel Antrepo Nakliyat ve Tic. A.Ş.
51) Tasfiye Halinde İhlas Oxford Mortgage İnşaat ve Ticaret A.Ş.
52) Tasfiye Halinde Kia-İhlas Motor Sanayi ve Ticaret A.Ş.
Kristal Kola ve Meşrubat Sanayi Ticaret A.Ş.

İhlas Yayın Holding A.Ş.

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54) Kristal Gıda Dağıtım Pazarlama San. ve Tic. A.Ş.
55) Sıla Meşrubat Üretim ve Pazarlama A.Ş. (previous name: İhlas Meşrubat Üretim ve Pazarlama A.Ş.)
56) Balsa Balıkesir Meşrubat San. Tic. A.Ş.
57) ZELA İnş. Otom. Tur. San. ve Tic. A.Ş.
58) Fikirevim Reklamcılık Görsel Etkinlik Tic. Ltd. Şti.
59) Alternatif Görüntülü İşitsel Bilişim ve İletişim Sistemleri Ltd. Şti.
60) YB Reklam ve Halkla İlişkiler İnş. Ve Tic. Ltd. Şti.

Effects of Changes in Foreign Exchange Rate

The functional currency of the Group is the Turkish lira ("TL"). When initially recognizing the transactions in foreign currency (currencies other than the relative entity's functional currency), the Group uses the foreign exchange rates valid on the transaction date. Foreign currency denominated monetary assets and liabilities are valued at exchange rates prevailing on the balance sheet date, and the resulting exchange losses or gains are recognized in other comprehensive income in the relevant period. All monetary assets and liabilities were exchanged at period-end exchange rates and related foreign exchange differences were recognized in other comprehensive income. Foreign currency denominated non-monetary items that are valued at cost value are exchanged into the functional currency using the exchange rates on the initial transaction date. Foreign currency denominated non-monetary items valued at fair value are exchanged into the functional currency using the exchange rates prevailing on the fair value determination date.

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. As per the provisions of TAS 10 "Events After the Reporting Period" standard, in the event that new evidence appears in respect to the presence of such events as of the balance sheet date, or such events occur subsequent to the balance sheet date, and if such events require a correction in financial statements, the Company makes the necessary corrections to its financial statements. However, if such events do not require any correction in the financial statements, the Group discloses them in the accompanying notes (Note 35).

Government Incentives and Aid

Government incentives are not reflected in the financial statements unless a reasonable assurance exists that certain terms will be fulfilled. These condition are a) the business fulfills the necessary conditions to obtain the incentive, and b) the business obtains the incentive. Unless a reasonable assurance exists that the company will meet the conditions required for the incentive and that the incentive will be obtained, government incentives are not reflected in the financial statements.

Cash Flow Statements

In terms of cash flow statement; cash consists of the entity's cash and current deposits. With high liquidity and negligible valuation differences, cash equivalents are investments that are easily convertible into cash in the short term. According to the TAS 7 "Cash Flow Statements" standard, cash equivalents are the assets that are held to meet short-term liabilities and that are not used for any other investment purposes. Any asset qualifying as a cash equivalent must be convertible into cash with certain identifiable value, and the difference risk of this value should not exceed negligible amount. Based on this definition, investments with three months or less maturity are considered as cash equivalents. Investments in securities that represent equity are not considered as cash equivalents unless they have intrinsic cash equivalent properties (e.g., preferred stocks with fixed redemption dates).

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Footnotes to the Consolidated Financial Statements as of December 31, 2014
(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

The Group's cash and cash equivalents:

	December 31, 2014	December 31,
Cash	202,349	281,719
Bank	2,432,623	1,055,898
Other current assets	215,733	211,604
Checks that are due on balance sheet date	468,510	128,554
Total	**3,319,215**	**1,677,775**

The Group prepares cash flow statements so as to inform the financial statement users about its ability to make adjustment to changes in net assets, financial structure, cash flow amounts and timing in accordance with changing conditions.

In the cash flow statement, cash flows for the period are reported based on the classifications of business, investment, and financing activity. Cash flows deriving from operating activities represent the cash flows that derive from the Group's areas of activity. Cash flows related to investment activities show the cash flows that the Group uses in investments activities (fixed investments and financial investments) and acquires from investments. Cash flows related to financial activities show the sources used by the Group in its financing activities, and the reimbursement of these sources.

Department-Based Reporting

Within the structure of an entity, an operations department is defined as a department that:

(a) engages in business activities from which it earns revenues and makes payments (including revenues and expenses related to transactions performed with other parts of the same entity),;

(b) is regularly reviewed by the entity's decision-making authority regarding its activities, for the purpose of making decisions about the resources to be allocated to the department and assessing the department's performance; and

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

Reportable Parts

The Group separately reports the following information regarding each operation segment:

(i) Those determined to be in compliance with the aforementioned paragraphs (a, b, and c) or the results obtained by combining two or more related segments together, and
(ii) those exceeding the threshold values presented in the following article consisting of the numerical lower limits.

Numerical Lower Limits

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

(a) Reported revenues obtained by operation segment, including sales to non-business customers and interdepartmental sales or transfers, constitute 10 percent or more of the total values of all operation departments, both within and outside the company,

(b) Absolute amount of the profit or loss reported by an operation segment is 10 percent or more than the absolute figures of the profit report prepared by combining all of the operation segments 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 segments that have declared a loss,

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(c) Assets of an operation segment is 10 percent or more than the total assets of all the operation departments.

Reportable parts are determined based on the activities carried out with the subsidiaries and affiliates within the Group's consolidation scope, and for which the revenue and expenses can be identified separately according to company. As each company included in the consolidation is deemed by the Group as a reportable operating segment, reporting in Note 3 is made accordingly. The goods and services bought and sold between these companies are generally done up to market value.

E. Source of Significant Accounting Assessments, Estimates, Assumptions and Ambiguities

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. Any assessment, estimate or assumption employed in accounting is constantly reviewed and evaluated in light of past experiences, additional factors, current circumstances and reasonable expectations about future developments. Actual results may deviate from assumptions, even though the estimates and assumptions reflect the best judgment of management of current events and transactions.

Significant estimates and assumptions used by the Group while preparing its consolidated financial statements are included in the following footnotes:

Note 8 Provision for impairment of trade receivables
Note 10 Provision for impairment of inventories
Notes 12, 13, and 14 Useful lives and provisions for impairment of investment properties, tangible and intangible fixed assets
Note 16 Provisions for litigations and other payables
Note 29/B Deferred tax assets and liabilities

Sources of ambiguity as of the date of the annual report related to calculations and assumptions pertaining to the subsequent period, and posing a risk that could cause significant adjustments to the assets and liabilities of the subsequent annual reporting period are explained below:

a) Within the framework of the established accounting policies, the Group annually tests goodwill carrying amounts, or tangible fixed assets with indefinite useful life for impairment in case the circumstances indicate impairment. The values of the tangible fixed assets with indefinite useful life and goodwill carrying amount have been compared to their recoverable values and have been subjected to the value impairment test. Recoverable values are determined based on the usage values.

b) Deferred taxes are recognized in the books only in the event of the possibility of taxable income in the coming years. When taxable income is anticipated in the future, then the deferred tax is calculated on the carried forward but unused losses as well as on any deductible temporary differences. The Group reviewed transferred tax losses as of December 31, 2014.

c) The management has also used some assumptions and projections to determine useful lives, establish provisions for doubtful receivables (Note 8), and calculate provisions for litigation (Note 16) and other debt provisions.

Note 3 - Business Mergers

None (December 31, 2013: The Board of Directors resolved on December 18, 2013 to incorporate Promaş, a Group company, into İhlas Medya by taking over all of its assets and liabilities in their entirety in accordance with the provisions of Article 451 of the Turkish Commercial Code No. 6762, and Articles 19 and 20 of the Corporate Income Tax Law No. 5520. No goodwill was derived since the aforementioned merger was completed between companies included in the consolidation.)

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Note 4 - Department-Based Reporting

January 1-December 31, 2014 period:

	Newspaper and Publishing Business	News Agency	TV Services	Advertising Agency	Fairs and Magazines °	Other	Eliminations within the	Group Total
Revenues	95,713,790	33,532,641	14,919,543	28,165,470	6,512,567	1,160,454	(4,095,091)	175,909,374
Cost of Sales (-)	(84,999,299)	(30,058,606)	(9,637,725)	(28,530,762)	(4,118,111)	(581,969)	2,051,385	(155,875,087)
Gross Profit/Loss	**10,714,491**	**3,474,035**	**5,281,818**	**(365,292)**	**2,394,456**	**578,485**	**(2,043,706)**	**20,034,287**
Operating Expenses (-)	(40,616,856)	(4,175,535)	(11,478,947)	(1,152,852)	(2,875,577)	(4,241,266)	2,329,899	(62,211,134)
Other Operating Income	12,409,500	4,191,174	2,029,534	1,878,232	544,516	1,019,429	(286,193)	21,786,192
Other Operating Expenses (-)	(3,756,614)	(3,261,907)	(4,220,837)	(1,144,609)	(7,870)	(4,499,572)		(16,891,409)
Operating Profit/ Loss	**(21,249,479)**	**227,767**	**(8,388,432)**	**(784,521)**	**55,525**	**(7,142,924)**	**-**	**(37,282,064)**
Income/Expenses (-) from Investments, net	62,762,505	192,738	43,095			10,604,275		73,602,613
Share of Investments Valued by Equity Method in Profit/Loss						(42,007)		(42,007)
Operating Profit/ (Loss) Before Financial Expenses	**41,513,026**	**420,505**	**(8,345,337)**	**(784,521)**	**55,525**	**3,419,344**	**-**	**36,278,542**
Financial Income/ (Expenses), (net)	444,111	(33,907)	(41,346)	35,737	(76,376)	(432,154)		(103,935)
Pretax Profit/ (Loss) from Continuing	**41,957,137**	**386,598**	**(8,386,683)**	**(748,784)**	**(20,851)**	**2,987,190**	**-**	**36,174,607**
Total Assets	**301,402,793**	**22,630,887**	**33,623,344**	**10,822,981**	**4,661,316**	**24,342,948**	**(20,645,776)**	**376,838,493**
Total Liabilities	**62,853,009**	**13,752,493**	**37,988,194**	**7,240,362**	**4,672,250**	**4,910,663**	**(20,645,776)**	**110,771,195**

° The Group terminated fair operations in the current period (Note 34).

As per Article 34 of TFRS 8, which includes in the reporting, according to the aforementioned operating segments, revenues from customers from which the Group has earned more than 10 percent of its total income:

	Newspaper and Publishing Business	News Agency	TV Services	Advertising Agency	Fairs and Magazines	Other	Total
Revenues	1,016,575	-	300,000	27,956,649	10,593	25,000	29,308,817

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January 1-December 31, 2013 period:

	Newspaper and Publishing	News Agency	TV Services	Advertising Agency	Fairs and Magazines	Other	Eliminations within the	Group Total
Revenues	81,715,889	31,300,271	22,821,493	26,747,483	11,739,600	857,012	(4,601,250)	170,580,498
Cost of Sales (-)	(80,709,989)	(28,202,570)	(8,533,897)	(27,689,822)	(8,055,199)	(183,357)	3,793,584	(149,581,250)
Gross Profit/Loss	**1,005,900**	**3,097,701**	**14,287,596**	**(942,339)**	**3,684,401**	**673,655**	**(807,666)**	**20,999,248**
Operating Expenses (-)	(22,453,266)	(4,619,527)	(13,275,080)	(996,915)	(5,794,158)	(4,273,861)	1,286,339	(50,126,468)
Other Operating Income	13,878,511	2,997,152	2,761,242	2,281,913	1,146,111	1,370,052	(483,591)	23,951,390
Other Operating Expenses (-)	(4,482,531)	(2,773,136)	(3,623,795)	(787,246)	(38,565)	(6,941,184)		(18,646,457)
Operating Profit/(Loss)	**(12,051,386)**	**(1,297,810)**	**149,963**	**(444,587)**	**(1,002,211)**	**(9,171,338)**	**(4,918)**	**(23,822,287)**
Income/Expenses (-) from Investments, net	12,859,519	44,561	27		82,992	497,368		13,484,467
Share of Investments Valued by Equity Method in Profit/Loss						2,314,388		2,314,388
Operating Profit/Loss Before Finance Expenses	**808,133**	**(1,253,249)**	**149,990**	**(444,587)**	**(919,219)**	**(6,359,582)**	**(4,918)**	**(8,023,432)**
Financial Income/ (Expenses), (net)	1,038,144	(31,920)	(823,571)	526,416	(103,276)	(344,449)	4,918	266,262
Pretax Profit/Loss from Continuing Operations	**1,846,277**	**(1,285,169)**	**(673,581)**	**81,829**	**(1,022,495)**	**(6,704,031)**		**(7,757,170)**
Total Assets	**261,622,837**	**22,148,363**	**29,810,703**	**15,752,414**	**8,044,591**	**29,598,805**	**(8,488,652)**	**358,489,061**
Total Liabilities	**45,809,653**	**13,301,710**	**26,479,175**	**11,454,884**	**7,830,416**	**13,179,857**	**(8,488,652)**	**109,567,043**

As per Article 34 of TFRS 8, which includes in the reporting, according to the aforementioned operating segments, revenues from customers from which the Group has earned more than 10 percent of its total income:

Newspaper and New Publishing Business	TV Services	Advertising Agency	Fairs and Magazines Other	Total
Revenues 683,738 4,526	4,455,000	26,313,566	17,330 -	31,474,160

Note 5 - Cash and Cash Equivalents

	December 31, 2014	December 31, 2013
Cash	**202,349**	**281,719**
-TL	131,404	177,407
-Foreign Currency	70,945	104,312
Bank	**2,432,623**	**1,055,898**
-Current deposits	**2,289,814**	**1,050,380**
-TL	1,105,973	445,709
-Foreign Currency	1,183,841	604,671
-Term deposits	**142,809**	**5,518**
Term deposits with a maturity of less	142,809	-
-Liquid funds	-	5,518
Other Current Assets	**215,733**	**211,604**
Checks that are due on balance sheet	**468,510**	**128,554**
Total	**3,319,215**	**1,677,775**

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(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

Note 6 - Financial Investments

	December 31, 2014	December 31,
Short-Term Financial Investments		
Banks	**-**	**7,600,329**
-Restricted term deposits with maturities of more than 3 months	-	7,600,329
Total	**-**	**7,600,329**

Note 13 provides detailed information on the principal of restricted term deposits in the previous period.
The interest rate is 7.75 percent for TL term deposits restricted until July 4, 2014 for the previous period.

Note 7 - Financial Liabilities

	December	December 31,
Short-term financial liabilities	**4,506,522**	**11,694,384**
Bank Loans	3,875,555	10,765,187
Financial Leasing	630,967	929,197
Current Portion of Long-term Financial Liabilities	**2,556,911**	**3,066,261**
Bank Loans	-	176,735
Financial Leasing	2,556,911	2,889,526
Long-term Financial Liabilities	**3,064,286**	**4,409,568**
Bank Loans	-	70,407
Financial Leasing	3,064,286	4,339,161

a) Bank Loans

December 31, 2014 Currency		Applied Interest Rate		Maturity	TL Amount
		Minimum	Maximum		
	TL	16%	17%	Revolving	3,657,312
Short-term Loans	TL	12%	14%	Up to 3 months	58,942
	TL	12%	14%	3 to 12 Months	159,301
Total Short-term Loans					**3,875,555**
Short-term Portion of Long-term Loans	TL	-	-	Up to 3 months	-
	TL	-	-	3 to 12 Months	-
Short-term Portion of Total Long-term Loans					**-**
Long-term Loans	TL	-	-	1 to 5 Years	-
Total Long-term Loans					**-**

December 31, 2013 Currency		Applied Interest Rate		Maturity	TL Amount
		Minimum	Maximum		
	TL	6%	19%	Revolving	2,974,405
Short-term Loans	TL	9%	12%	Up to 3 months	19,846
	TL	9%	12%	3 to 12 Months	7,770,936
Total Short-term Loans					**10,765,187**
Short-term Portion of Long-term Loans	TL	10%	12%	Up to 3 months	45,417
	TL	10%	12%	3 to 12 Months	131,318
Short-term Portion of Total Long-term Loans					**176,735**
Long-term Loans	TL	10%	12%	1 to 5 Years	70,407
Total Long-term Loans					**70,407**

İhlas Yayın Holding A.Ş.

Footnotes to the Consolidated Financial Statements as of December 31, 2014

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The following is the maturity analysis as of December 31, 2014 and December 31, 2013:

	December 31, 2014	December 31,
Revolving	3,657,312	2,974,405
Up to 3 months	58,942	65,263
3 to 12 Months	159,301	7,902,254
1 to 5 Years	-	70,407
Total	**3,875,555**	**11,012,329**

b) Financial Leasing

	Currency	Applied Interest Rate		Maturity	December 31, 2014	December 31, 2013
		Minimum	Maximum		TL Amount	TL Amount
	TL	-	-	Up to 3 months		-
	USD	5%	7%		153,550	277,836
....	EUR	7%	8%		91.458	-
Financial Leasing Liabilities	TL	11%	11%	3 to 12 Months	41	
	USD	5%	7%		297,894	641,750
	EUR	7%	8%		88,024	9,611
Total Short-term Financial Leasing Liabilities					**630,967**	**929,197**
	TL	11%	11%	Up to 3 months	63,792	34,153
	USD	5%	7%		-	84,470
Long-term Financial Liabilities	EUR	3%	8%		493,897	555,987
Short-term Portion of Financial Liabilities	TL	11%	11%	3 to 12 Months	423,023	108,654
	USD	5%	7%		-	255,450
	EUR	7%	8%		1,576,199	1,850,812
Short-term Portion of Total Long-term Financial Leasing					**2,556,911**	**2,889,526**
Long-term Financial Liabilities	TL	11%	11%	1 to 5 years	2,214,660	667,140
Financial Leasing Liabilities	USD	5%	7%		-	415,507
	EUR	3%	8%		849,626	3,256,514
Total Long-term Financial Leasing Liabilities					**3,064,286**	**4,339,161**

Maturity analysis of long-term leasing liabilities as of December 31, 2014 and December 31, 2013 :

	December 31, 2014	December 31, 2013
2015	-	1,902,701
2016	1,215,669	1,766,894
2017	832,406	546,152
2018	630,112	123,414
2019	386,099	-
Total	**3,064,286**	**4,339,161**

Financial leasing operations are reported over the lesser of the current value and the fair value of the minimum leasing payments. Accordingly, evaluations revealed fair values (acquisition values, capital payments) to be lower than the current value of the minimum leasing payments. Financial leasing activities have been reported based on their fair value as of the dates of the balance sheets.

İhlas Yayın Holding A.Ş.

Footnotes to the Consolidated Financial Statements as of December 31, 2014

(All amounts are shown in Turkish lira (“TL”) unless otherwise stated.)

Note 8 - Trade Receivables and Payables

	December 31, 2014	December 31, 2013
Trade receivables from related parties [1]	**19,719,282**	**28,408,437**
-Gross trade receivables from related parties	22,737,912	30,830,860
-Minus: Trade receivables rediscount from related	(2,869,049)	(2,174,617)
-Provision for doubtful receivables [2]	(149,581)	(247,806)
-Trade receivables from non-related parties	**74,252,019**	**61,848,955**
-Buyers	32,014,985	36,119,251
-Post-dated checks and notes receivables	80,060,776	42,551,838
-Minus: Trade receivables rediscount	(5,638,321)	(3,706,799)
-Provision for doubtful receivables (2)	(32,185,421)	(13,115,335)
Total	**93,971,301**	**90,257,392**

[1] Details provided in Note 31.

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

	December 31, 2014	December 31, 2013
Balance as of January 1	**(13,363,141)**	**(13,941,435)**
Terminated provisions in the current period	3,198,870	3,589,798
Provisions reserved in the period	(22,170,731)	(3,011,504)
Balance as of the period end date	**(32,335,002)**	**(13,363,141)**

	December 31, 2014	December 31, 2013
Trade payables to related parties °	**5,020,664**	**7,942,630**
-Gross trade payables to related parties	5,467,163	8,871,000
-Minus: Trade payables rediscount to related parties	(446,499)	(928,370)
Trade payables to non-related parties	**19,239,463**	**29,090,545**
-Vendors gross amount	18,386,626	29,591,059
-Gross amount of post-dated checks and notes payable	2,249,925	2,233,410
-Minus: Trade liabilities rediscount	(1,397,088)	(2,733,924)
Total	**24,260,127**	**37,033,175**

° Details provided in Note 31.

Note 9 - Other Receivables and Payables

	December 31, 2014	December 31, 2013
-Other receivables from related parties (,)	**46,985,333**	**-**
Other receivables from related parties (")	46,958,503	-
Receivable from partners	26,830	-
Other receivables from non-related parties	**678,936**	**477,496**
Receivables from personnel	234,115	214,447
Other receivables	374,806	254,042
Deposits and collaterals given	70,015	9,007
Other receivables (Short-term)	**47,664,269**	**477,496**
Other receivables from non-related parties	**99,585**	**103,031**
Deposits and collaterals given	99,585	103,031
Other Receivables (Long-term)	**99,585**	**103,031**

(*) Details provided in Note 31.

(**) Finance receivable

İhlas Yayın Holding A.Ş.

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(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

	December 31, 2014	December 31,
Other payables to non-related parties	**170,985**	**253,651**
Other payables	170,985	253,651
Other payables to related parties	**-**	**9,001**
Payables to partners	-	9,001
Other Payables (Short-term)	**170,985**	**262,652**

Note 10 - Inventories

	December 31, 2014	December 31,
Raw Materials and Supplies	6,506,513	7,562,335
Semi-finished goods	88,540	71,170
Goods	594,100	417,807
Commodities	63,748	214,988
Other Inventory	101,600	128,764
Provisions for Inventory Impairment (-)	(396,642)	(386,151)
Total	**6,957,859**	**8,008,913**

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

	December 31,	December 31,
Balance as of the period start date	**(386,151)**	**(413,003)**
Provision for Impairment (-)/Provision no longer required, net	(10,491)	26,852
Balance as of the period end date	**(396,642)**	**(386,151)**

The conditions under provisions for impairment of inventories are canceled: a) changes in projected market sales price and expense, b) sale of inventory items for which provisions are allocated, c) current economic conditions and d) the Group's inventory policy.

No inventories have been provided as collateral for the Group's liabilities (Previous period: None).

Inventories do not fall within the scope of qualifying assets described in TAS 23 "Borrowing Costs"; therefore, finance expenses in this regard are recognized in the related income statement and are not capitalized.

İhlas Yayın Holding A.Ş.

Footnotes to the Consolidated Financial Statements as of December 31, 2014

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

Note 11 - Investments Valued by Equity Method

December 31, 2014

Company Name	Effective Share %	Affiliate Amount	Capital Commitment (-)	Valuation Difference	Net Value
İhlas İletişim	20	200,000	-	(123,476)	76,524
TOTAL		**200,000**	-	**(123,476)**	**76,524**

"İhlas Holding A.Ş. - İhlas Yayın Holding A.Ş. ve İhlas Pazarlama A.Ş. Ortak Girişimi" (Ortak Girişim) was closed on November 30, 2014 as it has served its purpose of establishment. The company was established as an ordinary partnership and it was included in the consolidation by equity method until September 30, 2014 with an effective share ratio of 45 percent.

December 31, 2013

Company Name	Effective Share (%)	Affiliate Amount	Capital Undertaking (-)	Evaluation Difference	Net Appreciation
Ortak Girişim	45	45,000	-	1,384,757	1,429,757
İhlas İletişim	20	200,000	-	(107,194)	92,806
TOTAL		**245,000**	-	**1,277,563**	**1,522,563**

Share of Investments Valued by Equity Method in Profit/(Loss)

	January 1-	January 1-
Affiliation valuation difference at the beginning of the period (a)	1,277,563	225,818
Affiliation valuation difference at the end of the period (b)	(123,476)	1,277,563
Dividend income in the period (c)	1,314,032	1,262,643
Capital refund (d)	45,000	-
Affiliates appreciation/(depreciation) in the period (b+c+d-a)	**(42,007)**	**2,314.388**

İhlas İletişim is the Group's other affiliate included in the consolidation by equity method. The company is involved in all kinds of telephone and telecommunication, and other similar communication operations. The affiliate's summary financial statements:

	December 31, 2014	December 31,
Current/Non-Current Assets	374,932	569,251
Non-Current/Fixed Assets	122,982	104,410
Total Assets	**497,914**	**673,661**
Short-Term Liabilities	112,501	206,962
Long-Term Liabilities	2,792	2,666
Shareholders' Equity	382,621	464,033
Total liabilities and shareholders' equity	**497,914**	**673,661**
Net Sales	-	235,794
Profit/(Loss) for the Period	(81,412)	19,728

İhlas Yayın Holding A.Ş.
Footnotes to the Consolidated Financial Statements as of December 31, 2014
(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

Note 12 - Investment Properties

January 1-December 31 2014

Investment Properties	January 1, 2014	Inflows	Outflows <*>	Appreciation (**>	Subsidiary Sales	Transfer	December 31, 2014
Land and lots	74,188,606	-	(32,648,048)	4,118,609	(978,239)	-	44,680,928
Buildings	24,935,780	-	(13,523,049)	18,605,356	(71,761)	-	29,946,326
Total	**99,124,386**	**-**	**(46,171,097)**	**22,723,965**	**(1,050,000)**	**-**	**74,627,254**

January 1-December 31 2013

Investment Properties	January 1, 2013	Inflows	Outflows	Appreciations	Impairment	Transfer	December 31, 2013
Land and lots	39,491,235	-	(3,435,929)	11,690,558	-	26,442,742	74,188,606
Buildings	26,140,729	6,097	(1,994,928)	1,130,477	(34,662)	(311,933)	24,935,780
Total	**65,631,964**	**6,097**	**(5,430,857)**	**12,821,035**	**(34,662)**	**26,130,809**	**99,124,386**

(*) The Group sold the detached units number 2, 3, 4, and 5 in section 24, parcel 10913 in Yenibosna neighborhood, Bahçelievler district, Istanbul, to Aslan Ticaret Dayanıklı Tüketim Malları Ltd. Şti. for a price of 96,015,000 TL on December 29, 2014, and recognized the sales profit of 49,843,903 TL in the income from investments account (Note 26).
(**) The Company has had an appraisal performed in the current period for its sizable lands, lots, and buildings, which it holds to earn rent income, and appreciations have been calculated using the fair value method according to the appraisal reports.

An independent and expert institution (appraiser) has established the fair values of the investment properties. Appraisal transaction information is as follows:

Properties	Current Appraisal Value	The Part Appraised as Investment Property	Values as of December 31, 2013	Resulting Appreciations in the Current Period	Appraisal Date	Appraisal Methods
Detached Units 8, 10, 11, and 12 (*)	45,400,000	43,189,836	25,772,500	17,417,336	January 23, 2015	Peer Comparison Method
Detached Unit No. 13 (*) (2)	24,000,000	23,861,379	19,175,750	4,685,629	January 23, 2015	Peer Comparison Method
Mürselpaşa Bulvarı, No:161 Kahramanlar-Konak/Izmir	8,460,000	8,460,000	8,000,000	460,000	November 10, 2014	Replacement Cost Method
Block 1927, parcel 187 Yüreğir/Adana	2,585,000	2,585,000	2,424,000	161,000	December 31, 2014	Peer Comparison and Cost Methods
Total Appreciation (Note 26)				**22,723,965**		

° Detached units located on Section 24, Parcel 10913 in Yenibosna neighborhood, Bahçelievler district, Istanbul.
(1) A 4.87-percent section used by the Group in the detached unit has been classified as a tangible fixed asset.
(2) A 0.58-percent section used by the Group in the detached unit has been classified as a tangible fixed asset.

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The total amount of lien, restrictions, and mortgages on the Company's investment properties is 68,400,000 TL, or $7,000,000 (December 12, 2013: 96,400,000 TL, or $20,000,000).

There are no investment properties which the Group acquired through leasing and for which it still owes money.

Investment properties do not fall within the scope of qualifying assets described in TAS 23 “Borrowing Costs,” and therefore, finance expenses in this regard are recognized in the related income statement and are not capitalized.

The Group earned a total of 3,255,828 TL (previous period: 1,812,171 TL) from its investment properties in the current period, and incurred an insurance and real estate tax expense of 220,854 TL (previous period: 239,663 TL).

Note 13 - Tangible Fixed Assets

January 1-December 31 2014

	January 1, 2014	Inflows	Outflows	Transfers	Subsidiaries Sold	Growth Funds	December 31, 2014
Tangible Fixed Assets							
Land and lots	17,775,573	-	-	(2,097,913)	-	750,226	16,427,886
Buildings	6,006,938	-	-	2,097,913	-	1,039,159	9,144,010
Machinery, plants and equipment	89,701,640	3,722,082	(1,096,580)				92,327,142
Vehicles	3,747,034	260,960	(1,094,358)	-	-	-	2,913,636
Fixtures	23,720,042	329,884	(307,616)	-	(300,551)	-	23,441,759
Other tangible fixed assets	2,270,229						2,270,229
Special Costs	256,477	18,118	-	-	(55,170)	-	219,425
Total	**143,477,933**	**4,331,044**	**(2,498,554)**	**-**	**(355,721)**	**1,789,385**	**146,744,087**
Less: Accumulated Depreciation							
Buildings	(521,388)	(167,897)	-	-	-	(141,308)	(830,593)
Machinery, plants, and equipment	(69,848,869)	(4,653,773)	950,434				(73,552,208)
Vehicles	(2,029,899)	(494,613)	776,056	-	-	-	(1,748,456)
Fixtures	(21,913,709)	(644,967)	300,394	-	280,221	-	(21,978,061)
Other tangible fixed assets	(2,108,804)	(73,425)					(2,182,229)
Special Costs	(221,225)	(12,856)	-	-	43,719	-	(190,362)
Total	**(96,643,894)**	**(6,047,531)**	**2,026,884**	**-**	**323,940**	**(141,308)**	**(100,481,909)**
Tangible Fixed Assets (net)	**46,834,039**					**1,648,077**	**46,262,178**

İhlas Yayın Holding A.Ş.
Footnotes to the Consolidated Financial Statements as of December 31, 2014

(All amounts are shown in Turkish lira (“TL”) unless otherwise stated.)

January 1-December 31, 2013

	January 1, 2013	Inflows	Outflow	Transfers	Growth Funds	December 31, 2013
Tangible Fixed Assets						
Land and lots	26,875,439	-		(13,537,079)	4,437,213	17,775,573
Buildings	16,724,910	-		(12,861,996)	2,144,024	6,006,938
Machinery, plants and equipment	84,905,920	4,987,931	(192,211)			89,701,640
Vehicles	3,747,215	887,260	(887,441)		-	3,747,034
Fixtures	22,998,270	833,368	(111,596)		-	23,720,042
Other tangible fixed assets	2,190,129	80,100				2,270,229
Special Costs	244,284	12,193		- -	-	256,477
Total	**157,686,167**	**6,800,852**	**(1,191,248)**	**(26,399,075)**	**6,581,237**	**143,477,933**
Less: Accumulated Depreciation						
Buildings	(401,498)	(121,420)		268,266	(266,736)	(521,388)
Machinery, plants and equipment	(65,678,298)	(4,362,782)	192,211			(69,848,869)
Vehicles	(2,028,466)	(564,481)	563,048		-	(2,029,899)
Fixtures	(21,329,437)	(672,967)	88,695		-	(21,913,709)
Other tangible fixed assets	(1,881,854)	(226,950)				(2,108,804)
Special Costs	(206,041)	(15,184)		- -	-	(221,225)
Total	**(91,525,594)**	**(5,963,784)**	**843,954**	**268,266**	**(266,736)**	**(96,643,894)**
Tangible Fixed Assets (net)	**66,160,573**			**(26,130,809)**	**6,314,501**	**46,834,039**

The Group's tangible fixed assets acquired through leasing:

	January 1, 2014	Inflows	Outflows	December 31, 2014
Tangible Fixed Assets				
Machinery, plants and equipment	13,103,805	2,394,154	-	15,497,959
Total	**13,103,805**	**2,394,154**	**-**	**15,497,959**
Less: Accumulated Depreciation				
Machinery, plants and equipment	(3,882,139)	(2,046,345)	-	(5,928,484)
Total	**(3,882,139)**	**(2,046,345)**	**-**	**(5,928,484)**
Tangible Fixed Assets (net)	**9,221,666**			**9,569,475**

	January 1, 2013	Inflows	Outflows	December 31, 2013
Tangible Fixed Assets				
Machinery, plants, and equipment	8,600,796	4,503,009	-	13,103,805
Total	**8,600,796**	**4,503,009**	**-**	**13,103,805**
Less: Accumulated Depreciation				
Machinery, plants and equipment	(2,087,960)	(1,794,179)	-	(3,882,139)
Total	**(2,087,960)**	**(1,794,179)**	**-**	**(3,882,139)**
Tangible Fixed Assets (net)	**6,512,836**			**9,221,666**

İhlas Yayın Holding A.Ş.

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Total amount of liens, restrictions, and mortgages on the Group's tangible fixed assets is 43,830,000 TL (December 12, 2013: 57,830,000 TL and $4,500,000).

Tangible fixed assets do not fall within the scope of qualifying assets described in TAS 23 "Borrowing Costs;" therefore, finance expenses in this regard are recognized in the related income statement and are not capitalized.

The Group does not have any temporarily idle tangible fixed assets.

Note 14 - Tangible Fixed Assets

January 1-December 31, 2014

	January 1, 2014	Inflows	Outflows	Subsidiaries Sold	December 31, 2014
Cost					
Brand	54,150,555	-	-	-	54,150,555
Rights	3,812,973	-	-	(1)	3,812,972
Computer software	2,336,075	132,369	-	(42,244)	2,426,200
Total	**60,299,603**	**132,369**		**(42,245)**	**60,389,727**
Less: Accumulated Depreciation					
Rights	(3,150,546)	(94,008)	-	-	(3,244,554)
Computer software	(1,566,821)	(460,440)	-	41,619	(1,985,642)
Total	**(4,717,367)**	**(554,448)**	**-**	**41,619**	**(5,230,196)**
Intangible Fixed Assets (net)	**55,582,236**			**-**	**55,159,531**

January 1-December 31 2013

	January 1, 2013	Inflows	Outflows	Provisions for Impairment	December 31, 2013
Cost					
Brand	55,728,040	-	-	(1,577,485)	54,150,555
Rights	3,338,320	474,653	-	-	3,812,973
Computer software	1,894,377	441,698	-	-	2,336,075
Total	**60,960,737**	**916,351**		**(1,577,485)**	**60,299,603**
Less: Accumulated Depreciation					
Rights	(3,072,896)	(77,650)	-	-	(3,150,546)
Computer software	(1,032,788)	(534,033)	-	-	(1,566,821)
Total	**(4,105,684)**	**(611,683)**	**-**	**-**	**(4,717,367)**
Intangible Fixed Assets (net)	**56,855,053**				**55,582,236**

İhlas Yayın Holding A.Ş.

Footnotes to the Consolidated Financial Statements as of December 31, 2014

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On December 31, 2014, the Group performed an impairment test on intangible fixed assets, and no impairment was detected in intangible fixed assets with indefinite useful life. Concept of continuity was taken into consideration when assessing whether the brand value has indefinite useful life. An appraisal firm conducted an impairment test for İhlas Gazetecilik, a Group company. The following are the summary information, hypothesis, and methods related to the assessment report of the "Türkiye" brand, which the Company owns and uses as the brand of the newspaper it publishes.

- The brand appraisal was performed by taking into consideration macroeconomic factors such economic indicators as gross national product, inflation rates, data regarding the media and printing industries such as newspaper circulations, advertising revenues, etc., as well as the financial statements and projections for İhlas Gazetecilik.
-The brand appraisal was performed by an independent audit company.

The appraisal was performed based on the usage value. The following are the other main

- The discount rate was calculated with the Weighted Average Capital Cost at 13.33 percent within the scope of the Financial Assets Pricing System.
- Inflation rate estimations for the two years following the current reporting period were based on the expectations of the Central Bank of Republic of Turkey.
- Circulation between 2012-2014 were used when projecting the national newspaper circulations in Turkey.
- The market value of the brand and name rights for the Türkiye Newspaper have been calculated by using the Price Premium Analysis Method.

The following are the impairment provisions for the brand:

	December 31, 2014	December 31,
Appraisal value of the brand	55,479,995	54,150,555
Book value of the brand	79,875,083	79,875,083
Provisions for brand impairment	**(25,724,528)**	**(25,724,528)**

A brand value of 55,479,995 TL was ascertained for the brand in the appraisal report in the current period. Provisions for impairment did not occur in the current period as this value is higher than the one in the previous year, and as such, the provisions for impairment in the amount of 25,724,528 TL from the previous year were maintained without any change.

Pledges, restrictions, or mortgages on the Group's tangible fixed assets.

December 31, 2014: None (December 31, 2013: None).

Note 15 - Goodwill

Goodwill transactions between December 31, 2014 and December 31, 2013:

	December	December 31,
Balance as of January 1	**7,514,951**	**13,342,728**
Inflows	-	-
Goodwill canceled in relation to the subsidiary sold (İhlas Fuar)	(1,731,031)	-
Provisions for impairments arising during the period (Note 25)	-	(5,827,777)
Balance as of December 31	**5,783,920**	**7,514,951**

The Group compared the goodwill amounts accounted in the consolidated financial statements in the impairment studies with values of use of the relevant cash generating units, as of December 31, 2014. No impairment emerged as a result of these transactions.

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The following assumptions were used in the calculation of the goodwill impairment.

- Weighted Average Capital Cost calculated as 11 percent as the discount rate of the usage value within the scope of the Financial Assets Pricing System.
- Projects include 2021 with the calculated discount rate.
- Inflation rate estimations for the two years following the current reporting period were based on the expectations of the Central Bank of Republic of Turkey.
- Sales income in the projected period was calculated based on the course of the industries in which companies with calculated goodwill are included.

The goodwill carried into the consolidated financial statements is derived from the acquisition of the companies below:

	December 31, 2014	December 31, 2013
İhlas Fuar Hizmetleri A.Ş.	-	1,731,031
İletişim Magazin Gaz. San. Tic. A.Ş.	1,904,525	1,904,525
İhlas Medya Planlama Satınalma Hiz. Ltd. Şti.	3,879,395	3,879,395
Total Goodwill	**5,783,920**	**7,514,951**

Note 16 - Provisions, Contingent Assets and Liabilities, and Commitments

a) Guarantees, pledges, and mortgages issued by the Group:

The Group's guarantees, pledges, and mortgages (GPM) position table:

GPMs issued by the Group (December 31, 2014)	**USD Balance**	**EUR Balance**	**Balance**	**TOTAL (TL)**
A. Total GPMs issued by the main partnership in favor of its own legal entity			5,900,000	5,900,000
B. i. Total GPMs issued in favor of subsidiaries and affiliates included in the full consolidation of the parent company	259,570	671,003	4,515,975	7,010,591
B. ii. Total GPMs subsidiaries and affiliates included within the full consolidation issued in their own favor and to each other	568,705		55,450,299	56,769,069
B. iii. Total GPMs subsidiaries and affiliates included in the full consolidation issued in favor of the parent company				
C. Total GPMs issued by the Group to secure the liabilities of other third parties so as to carry out ordinary trade operations				
D. Total amount of other GPMs issued	7,100,000	-	57,846,080	74,310,270
i. Total GPMs the Group issued in favor of parent company	7,100,000		57,846,080	74,310,270
ii. Total GPMs issued in favor of other Group companies not covered in items B and C				
iii. Total GPMs the Group issued in favor of third parties not covered in item C				
Total	**7,928,275**	**671,003**	**123,712,354**	**143,989,930**
Total Shareholders' Equity of the Group				266,067,298
Ratio of the other Company-issued GPMs to its shareholders' equity				**28%**

İhlas Yayın Holding A.Ş.

Footnotes to the Consolidated Financial Statements as of December 31, 2014

(All amounts are shown in Turkish lira (“TL”) unless otherwise stated.)

GPMs issued by the Group (December 31, 2013)	USD Balance	EUR Balance	TL TOPLAM (TL Balance)	
A. Total GPMs issued by the main partnership in favor of its own legal entity				
B. i. Total GPMs issued in favor of subsidiaries and affiliates included in the full consolidation of the parent company	1,027,872	1,149,400	7,494,275	13,063,276
B. ii. Total GPMs subsidiaries and affiliates included within the full consolidation issued in their own favor and to each other	618,705		56,653,185	57,973,687
B. iii. Total GPMs subsidiaries and affiliates included in the full consolidation issued in favor of the parent company			7,600,000	7,600,000
C. Total GPMs issued by the Group to secure the liabilities of other third parties so as to carry out ordinary trade operations				
D. Total amount of other GPMs issued	25,100,000	225,000	103,054,080	157,285,723
i. Total GPMs the Group issued in favor of parent company	25,100,000	.	102,054,080	155,625,010
ii. Total GPMs issued in favor of other Group companies not covered in items B and C		225,000		660,713
iii. Total GPMs the Group issued in favor of third parties not covered in item C			1,000,000	1,000,000
Total	**26,746,577**	**1,374,400**	**174,801,540**	**235,922,686**
Total Shareholders' Equity of the Group				248,922,018
Ratio of the other Company-issued GPMs to its shareholders' equity				**63%**

Details regarding the disclosure of the contingent assets, liabilities, and commitments given in the GPM table above are listed below:

-The Parent Company gave its percentage of shares in İhlas Gazetecilik A.Ş. with a nominal value of 15,500,000 TL to the Large Taxpayer Office as collateral with a guarantee amount of 5,900,000 TL on November 23, 2014 (Previous Period: None).
-None (Previous Period: TGRT Dijital, a Group company, voluntarily put a block on the whole of the term savings deposits, of which the principal amount is 7,600,329 TL, in its accounts, as collateral for the loans taken up by the Parent Company.

b) The following is the important information on litigations and performances related to the Groups as of December 31, 2014:

	Amount
Pending litigation initiated by the Group	468,360
Foreclosure proceedings filed by the Group	6,531,932
Ongoing litigation initiated against the Group	1,775,963
Foreclosure proceedings filed against the Group	441,262

The Group has not allocated any provisions for the litigation which it deems highly likely to win. However, it has allocated provisions for those lawsuits which might be lost, or in other words, which might lead to the loss of economic resources (Note 16-C).

İhlas Yayın Holding A.Ş.

Footnotes to the Consolidated Financial Statements as of December 31, 2014

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

c) Details on provisions for litigation and other liabilities regarding the Company as of December 31, 2014-December 31, 2013:

	December 31, 2014	December 31,
Litigation provisions	896,038	651,654
Other Short-Term Provisions	**896,038**	**651,654**
Litigation provisions	600,565	222,627
Other Long-Term Provisions	**600,565**	**222,627**

Note 17 - Employee Benefits

Provisions for Employee Benefits	December 31, 2014	December 31, 2013
Debts to personnel	6,002,416	4,415,582
-Debts to key personnel	100,829	147,132
-Debts to other personnel r)	5,901,587	4,268,450
Social security premiums payable <">	4,844,265	1,018,422
Total	**10,846,681**	**5,434,004**

° Of this amount, 4,058,071 TL is overdue.

(‘‘) Of this amount, 4,572,246 TL is overdue.

	December 31, 2014	December 31, 2013
Long-Term Liabilities		
Severance provisions	14,732,052	13,533,922
Total	**14,732,052**	**13,533,922**

According to the Turkish Labor Law, the Group is legally required to offer a severance payment to an employee who has been terminated without due cause, on the condition of his/her being employed for at least one year, or who has been drafted into the military, or has died, or has retired upon reaching retirement age (58 for females and 60 for males); or after 25 years of service for males and 20 years for females. The amount to be paid is capped at the following amounts and is equal to one month's salary.

-December 31, 2014: 3,438 TL

-December 31, 2013: 3,254 TL

On the other hand, according to the Law on the Regulation of Relationships between Employees and Employers Engaged in the Profession of the Press, the Group is obliged to pay severance to each employee who is subject to this law and worked for a minimum of 5 years and whose employment is terminated without due cause. The maximum payable amount is 30 days' salary for each year. There is no severance payments cap application for press personnel.

Early retirement rights of people working in press, publishing, packaging and printing works have been nullified since October 1, 2008.

Currently, no regulations exist for retirement commitments aside from the legal requirements delineated above.

No funds were allocated for such a liability since there are no requirements for allocating such funds.

Provisions for severance payments were calculated based on the estimated balance sheet date value of the possible future liabilities that will arise from retirement of the Group's employees.

İhlas Yayın Holding A.Ş.

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The "TAS 19 - Employee Benefits" standard stipulates the use of actuarial evaluation methods when estimating the companies' liabilities within the scope of their specific social rights plans. Accordingly, actuarial assumptions and existing legal obligations were used in the calculation of the total amount of liabilities for each company.

The following are the other actuarial estimates and assumptions:

	December 31,	December 31,
Discount rate	3.26%	3.32%
Rate of non-payment of severance payment liabilities (average)	9%	10%

Provisions for severance payment activities are shown below:

	December 31, 2014	December 31, 2013
Balance as of January 1	**13,533,922**	**11,053,492**
Payments	(3,764,883)	(3,867,235)
Provisions canceled in the period	(241,719)	(797,083)
Actuarial gains/losses	484,586	33,374
Provisions reserved in the period	4,847,240	7,111,374
Provisions canceled due to sale of subsidiary	(127,094)	-
Closing Balance	**14,732,052**	**13,533,922**

Note 18 - Prepaid Expenses and Deferred Income

	December 31, 2014	December 31, 2013
Work advances	14,832,141	14,141,096
Advance Payments for Purchase Orders	2,964,706	3,044,898
Expenses for future months	365,363	461,053
Prepaid Expenses (Short-term)	**18,162,210**	**17,647,047**
Expenses for future months	726,596	184,736
Advances Given (for fixed assets)	215,622	2,715,622
Prepaid Expenses (Long-term)	**942,218**	**2,900,358**

	December 31, 2014	December 31, 2013
Advances Received for Purchase Orders	6,083,338	4,204,788
Expenses for future months	648,468	471,919
Prepaid tax receivables	-	5,542
Deferred Income (Short-Term)	**6,731,806**	**4,682,249**

Note 19 - Current Tax Assets

	December 31, 2014	December 31, 2013
Prepaid tax assets	78,510	350,223
Current Tax Assets	**78,510**	**350,223**

İhlas Yayın Holding A.Ş.
Footnotes to the Consolidated Financial Statements as of December 31, 2014

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

Note 20 - Other Assets and Liabilities

	December 31, 2014	December 31,
Carry Forward VAT	536,302	310,534
Other Current Assets	**536,302**	**310,534**

	December 31, 2014	December 31, 2013
Taxes, fees and other deductions payable	5,303,501	3,229,270
Overdue deferred public debts	6,098,342	1,678,707
Other Short-Term Liabilities	**11,401,843**	**4,907,977**
Overdue deferred public debts	6,173,483	3,883
Other Long-Term Liabilities	**6,173,483**	**3,883**

° Of this amount, 3,622,901 TL is overdue tax debts. Of the overdue tax debts, an installment plan was made for 314,225 TL.

Note 21 - Shareholders' Equity

A. Issued Capital

The Holding's registered and issued capital comprises of shares, each with a nominal value of 1 TL. The Holding's registered authorized capital is 600,000,000 Turkish lira.

The Company's registered and issued capital, and capital structure as of December 31, 2014 and December 31, 2013:

	December 31, 2014		December 31, 2013	
Name / Title	**Share (%)**	**Share Amount**	**Share (%)**	**Share Amount**
İhlas Holding A.Ş.	54.54	109,079,614	65.15	130,300,000
Open to the Public	43.36	86,720,386	29.25	58,499,387
İhlas Pazarlama A.Ş.	-	-	3.50	7,000,613
Ahmet Mücahid Ören	1.85	3,700,000	1.65	3,300,000
Ayşe Dilvin Ören	0.25	500,000	0.25	500,000
Mahmut Kemal Aydın	-	-	0.10	200,000
Other	-	-	0.10	200,000
Total	**100**	**200,000,000**	**100**	**200,000,000**
Capital Adjustment Differences		22,039,497		22,039,497
Total		**222,039,497**		**222,039,497**

Natural and legal persons that hold capital indirectly based on the Holding's ultimate partners:

	December 31, 2014		December 31, 2013	
Name / Title	**Share (%)**	**Share Amount**	**Share (%)**	**Share Amount**
Open to the Public	90.47%	180,933,249	87.41%	174,821,511
Ahmet Mücahid Ören	7.62%	15,232,167	8.10%	16,202,328
Ayşe Dilvin Ören	1.46%	2,925,985	1.78%	3,552,990
Other	0.45%	908,599	2.71%	5,423,171
Total	**100**	**200,000,000**	**100**	**200,000,000**

İhlas Yayın Holding A.Ş.
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The breakdown and benefits of the Holding's privileged shares (Group B shares):

Partner Name / Title	N/H	Number of	Amount
İhlas Holding A.Ş.	Number of Shares	8,000,000	8,000,000
Ahmet Mücahid Ören	Number of Shares	1,750,000	1,750,000
Ayşe Dilvin Ören	Number of Shares	250,000	250,000
Total		**10,000,000**	**10,000,000**

Benefits of Preferential Shares

a) Privilege to select the Board Members;

The Members of the Holding's Board of Directors are selected among candidates nominated by Group B shareholders: at least 4 members if the Board of Directors is made up of 5 people, at least 5 members if the Board of Directors is made up of 7 people, at least 7 members if the Board of Directors is made up of 9 people, and at least 9 members if the Board of Directors is made up of 11 people.

b) Privilege to vote at the General Assembly meetings;

Each of the Group B shareholders has 15 (fifteen) votes in the Holding's ordinary and extraordinary general assembly meetings.

B. Restricted Reserves Derived from Profit

Pursuant to the Turkish Commercial Code, legal reserves are divided into two: primary and secondary. Primary legal reserves are appropriated at 5 percent of the net profits in the balance sheet until the total reaches 20 percent of the revalued paid-in capital. Secondary legal reserves are appropriated at 10 percent of the total dividends that exceed 5 percent of the revalued capital. According to the provisions of the Turkish Commercial Code, legal reserves may be used only for net losses, and not for any other purposes so long as the reserves do not exceed 50 percent of the issued capital.

	December 31, 2014	December 31,
Legal reserves	80,503	86,379
Statutory Reserves	-	10,015
Special reserves (*)	6,449,004	6,449,004
Total	**6,529,507**	**6,545,398**

Of this amount, 5,955,167 Turkish lira consists of capital reserves paid by the partners to the Group companies in order to cover the taxes paid pursuant to the Law No. 5811 on Integration of Some Assets into the National Economy; the remaining amount consists of capital reserves paid by the partners to the Group companies so as to prevent capital loss in accordance with the Turkish Commercial Code.

Legal Reserve activities in accounting periods:

	December 31, 2014	December 31,
Balance as of January 1	**86,379**	**95,358**
Subsidiaries sold and changes in effective shares	(5,876)	38
Transfer to retained earnings/(loss)	-	(9,017)
Closing Balance	**80,503**	**86,379**

İhlas Yayın Holding A.Ş.

Footnotes to the Consolidated Financial Statements as of December 31, 2014

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

Legal Reserve activities in accounting periods:

	December 31,	December 31, 2013
Balance as of January 1	**10,015**	**10,015**
Subsidiaries sold	(10,015)	-
Closing Balance	**-**	**10,015**

Special Reserve activities in accounting periods:

	December 31, 2014	December 31, 2013
Balance as of January 1	**6,449,004**	**6,845,006**
Changes in Effective Shares	-	280
Transfer to retained earnings/(loss)	-	(396,282)
Closing Balance	**6,449,004**	**6,449,004**

C. Other Comprehensive Income/Expense not to be Reclassified in Profit or Loss

Other comprehensive income/expense not to be reclassified in profit or loss consists of tangible fixed asset appreciation funds, and actuarial gains/losses from pension plans. The following are the transaction tables:

Profit/Losses from Revaluation and Measurement	December 31, 2014	December 31, 2013
Balance as of January 1	**3,416,065**	**-**
Tangible fixed asset appreciation funds in the period	931,982	3,595,858
Taxes for Other Comprehensive Income in the period not to be Reclassified in Profit or Loss	(46,599)	(179,793)
Changes in Effective Shares	30,932	-
Closing Balance	**4,332,380**	**3,416,065**

Other Profits/Losses	December 31, 2014	December 31, 2013
Balance as of January 1	**(291,864)**	**(387,912)**
Actuarial gains/losses fund in the period	(483,165)	96,048
Closing Balance	**(775,029)**	**(291,864)**

D. Other Reserves

	December 31, 2014	December 31, 2013
Other Reserves (purchase of a non-controlling share)	(31,746,667)	(19,814,896)

Other Reserve activities in accounting periods:

	December 31, 2014	December 31, 2013
Balance as of January 1	**(19,814,896)**	**(19,814,896)**
Purchase of a non-controlling share in the period	(11,931,771)	-
Closing Balance	**(31,746,667)**	**(19,814,896)**

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İhlas Gazetecilik A.Ş., a group company, purchased 24 percent of its nominal shares worth 3,360,000 TL in İHA, a group company of İhlas Holding A.Ş., at a value of 23,230,457 TL by taking into consideration the company value determined by the appraisal company, upon the Board of Directors’ resolution dated December 31, 2014. These purchase transaction is considered as a non-controlling interest purchase between the partners, since it did not result in a change of control as per TAS 27. The Group’s share in the fair value acquisition rate within the acquired net assets is 2,130,813 TL. Meanwhile, the Group’s acquisition amount (purchase value) is 23,230,457 TL. The difference is 21,099,644 TL, and 11,931,771 TL of this amount belongs to the parent company, which is recognized in other reserves under shareholders’ equity. This transaction had a 11,931,771 TL negative effect on the parent company's shareholders' equity, and non-controlling shares went down by 9,167,873 TL after the transaction. (Note 21-F). This transaction also had a 23,230,457 TL negative effect on the Group's cash flow.

E. Retained Earnings/(Loss)

Retained earning/loss activities in the accounting period:

	December 31, 2014	December 31,
Balance as of January 1	**(53,520,132)**	**(47,464,208)**
Changes in accounting policies	-	-
Profit/(loss) for the previous period	(7,348,757)	(6,159,567)
Subsidiaries sold and changes in effective shares	(2,154,129)	(301,656)
Transfer to retained earnings/(loss)	-	(405.299)
Closing Balance	**(63,023,018)**	**(53,520,132)**

F. Non-Controlling Interests

Non-controlling shares' activities in the accounting period:

	December 31, 2014	December 31, 2013
Balance as of January 1	**97,896,707**	**94,899,972**
Net period profit/loss of non-controlling interests	18,289,419	487,287
Tangible fixed assets revaluation increases in the period	716,095	2,718,643
Actuarial gains/losses in the period	(1,421)	(129,422)
Taxes for Other Comprehensive Income in the period not to be Reclassified in Profit or Loss	(35,804)	(135,932)
Subsidiaries sold and changes in effective shares	(559,522)	56,159
Transactions with non-controlling shareholders	(9,167,873)	-
Closing Balance	**107,137,601**	**97,896,707**

G. Dividend Distribution

Publicly traded companies distribute dividends pursuant to the CMB Communique on Dividends No. II-19.1 dated February 1, 2014. Partnerships distribute dividends upon General Assembly resolutions, according to the dividend distribution policies of their general assemblies and as per the provisions of application legislation. A minimum dividend distribution rate was not set within the scope of this communique. Companies pay dividends in the manner stipulated in their articles of association or in dividend policies. Furthermore, dividends can be paid in installments of equal or varying amounts, and a cash dividend advance can be distributed based on the profit amount stated in the interim financial statements.

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Unless legal reserves, which are required as per TCC, and dividends, which are determined in the articles of association or in the dividend distribution policy, are set aside, a resolution cannot be passed to set aside other legal reserves, to defer profits to next year, or to distribute dividends to anyone other than dividend share owners, board members, partnership employees or shareholders; and unless dividend share is paid to share holders in cash, dividends cannot be distributed to these people.

No dividends were distributed for the January 1-December 31, 2014 accounting period as the Holding had posted a loss for the previous year.

Note 22 - Cost of Revenue and Sales

Gross Proft/Loss from Trade Operations

	January 1-December	**January 1-**
Domestic Sales	170,639,865	163,695,983
Overseas Sales	19,175,710	18,866,137
Other Sales	-	153,205
Total Gross Revenue	**189,815,575**	**182,715,325**
Sales Discounts (-)	(13,906,201)	(12,134,827)
Net Revenue	**175,909,374**	**170,580,498**
Cost of Sales (-)	(155,875,087)	(149,581,250)
Gross Sales Profit	**20,034,287**	**20,999,248**

* Cost of sales:

	January 1-December 31, 2014	**January 1-December 31, 2013**
Raw material expenses	(46,609,487)	(39,778,153)
Personnel expenses (fees, deductions, etc.)	(34,944,971)	(37,137,957)
Outsourced benefits and services	(36,343,198)	(32,331,902)
Advertising and publicity expenses	(27,985,683)	(25,079,251)
Depreciation and amortization costs	(5,416,728)	(5,212,159)
Severance provisions	(3,822,757)	(4,821,035)
Maturity differences regarding purchases transferred to other	3,358,798	4,186,147
Inventory DDK (-)/Cancellations (+)	(10,491)	26,852
Other Costs	(4,100,570)	(9,433,792)
Total	**(155,875,087)**	**(149,581,250)**

Note 23 - Operating Costs

	January 1-December 31, 2014	**January 1-December 31, 2013**
Marketing, sales, and distribution costs	(11,696,194)	(15,287,081)
Administrative expenses	(50,514,940)	(34,839,387)
Research and development expenses	-	-
Total	**(62,211,134)**	**(50,126,468)**

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Note 24 - Segmented Costs

The following are the details of segmented costs in the January 1-December 31, 2014 and January 1-December 31, 2013 periods:

	January 1-December	January 1-
Gross personnel expenses (a)	(3,979,774)	(4,655,029)
Advertising and publicity expenses	(2,099,271)	(4,484,451)
Publicity commission and premium expenses	(1,691,273)	(1,725,153)
Outsourced benefits and services	(581,447)	(1,554,816)
Promotional expenses	(809,898)	(1,180,837)
Distribution and transportation expenses	(1,001,664)	(753,505)
Market research expenses	(243,945)	(215,094)
Provisions for severance payment expenses (c)	(78,790)	(194,581)
Maintenance and insurance expenses	(206,562)	(177,857)
Depreciation and amortization costs (b)	(54,794)	(78,421)
Rent expenses	(154,782)	(68,566)
Travel and accommodation expenses	(4,395)	(23,966)
Provision for work advance expenses	(514,231)	-
Provision for doubtful receivables expenses	(52,846)	-
Other marketing, sales, and distribution expenses	(222,522)	(174,805)
Other marketing, sales, and distribution expenses	**(11,696,194)**	**(15,287,081)**

	January 1-December 31, 2014	January 1-December 31, 2013
Gross personnel expenses [a]	(9,685,551)	(12,854,963)
Provision for work advance expenses	(2,800,115)	(4,250,651)
Outsourced benefits and services	(3,255,806)	(4,119,994)
Expenses related to provision for doubtful trade receivables	(22,117,885)	(3,011,504)
Rent expenses	(2,328,515)	(2,150,276)
Provisions for severance payment expenses [c]	(946,189)	(2,095,758)
Maintenance and insurance expenses	(1,241,444)	(1,543,643)
Depreciation and amortization costs[b]	(1,130,462)	(1,284,888)
Taxes, duties, and charges	(4,448,409)	(868,814)
Court, notary public, title deed, and service expenses	(256,959)	(816,942)
Audit, consultancy, and financial adviser expenses	(753,917)	(693,067)
Travel and accommodation expenses	(525,815)	(687,798)
Other administrative expenses	(1,023,873)	(461,089)
Administrative Expenses	**(50,514,940)**	**(34,839,387)**

[a] Details of personnel expenses, filed under operating expenses

	January 1-December 31, 2014	January 1-December 31, 2013
Gross salary expenses	(10,685,618)	(14,211,180)
SSI deductions (employee and employer)	(2,448,139)	(2,492,369)
Other Costs	(531,568)	(806,443)
Total	**(13,665,325)**	**(17,509,992)**

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Footnotes to the Consolidated Financial Statements as of December 31, 2014

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

(b) Details of depreciation and amortization expenses:

	January 1-December	January 1-
Cost of sales	(5,416,728)	(5,212,159)
Administrative expenses	(1,130,462)	(1,284,888)
Marketing, sales, and distribution costs	(54,794)	(78,421)
Total	**(6,601,984)**	**(6,575,468)**

(c) The Group's severance payment expenses:

	January 1-December 31, 2014	January 1- December 31, 2013
Cost of sales	(3,822,261)	(4,821,035)
Administrative expenses	(946,189)	(2,095,758)
Marketing, sales, and distribution costs	(78,790)	(194,581)
Total	**(4,847,240)**	**(7,111,374)**

Note 25 - Other Operating Income and Expenses

Other operating income and expenses in the January 1-December 31, 2014 and January 1-December 31, 2013 periods:

	January 1-December 31,	January 1-
Late interest income	10,965,551	12,044,911
Terminated Provisions	3,623,940	5,329,332
Foreign exchange profits	2,864,340	3,116,648
Rent income	3,540,847	1,357,092
Financial aids (SSI Treasury discount)	68,474	1,031,381
Other income	723,040	1,072,026
Other Operating Income	**21,786,192**	**23,951,390**

	January 1-December 31, 2014	January 1- December 31, 2013
Goodwill impairment provisions	-	(5,827,777)
Late interest income	(7,856,716)	(4,450,152)
Foreign exchange losses	(2,946,236)	(3,905,148)
Provisions for brand impairment	-	(1,577,485)
Commission expenses	(566,250)	(638,890)
Tax expense (pursuant to Law No. 6552)	(1,518,687)	(532,285)
Litigation provision expenses	(642,673)	(354,619)
Other Costs	(3,360,847)	(1,360,101)
Other Operating Expenses	**(16,891,409)**	**(18,646,457)**

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Footnotes to the Consolidated Financial Statements as of December 31, 2014

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Note 26 - Income and Expenses from Investments

Other income and expenses from investment activities in the January 1-December 31, 2013 and January 1-December 31, 2014 periods:

	January 1-December	January 1-
Sales profit from investment properties	49,843,903	-
Appreciation income from investment properties	22,723,965	12,821,035
Profits from sale of fix assets	960,268	698,094
Income from Investments	**73,528,136**	**13,519,129**

	January 1-December 31, 2014	January 1-December 31, 2013
Impairment provisions for investment properties	-	(34,662)
Expenses from Investments	**-**	**(34,662)**

Note 27 - Finance Income

Finance income in the January 1-December 31, 2014 and January 1-December 31, 2013 periods:

	January 1-December 31, 2014	January 1-
Interest income	2,397,243	3,505,508
Foreign exchange profits	386,618	73,367
Profit from sale of financial investment	1,892	152
Total	**2,785,753**	**3,579,027**

Note 28 - Finance Expenses

Finance expenses in the January 1-December 31, 2014 and January 1-December 31, 2013 periods:

	January 1-December 31, 2014	January 1-
Interest expenses	(2,091,055)	(2,668,691)
Foreign exchange losses	(747,156)	(571,655)
Other finance costs	(51,477)	(72,419)
Total	**(2,889,688)**	**(3,312,765)**

Note 29 - Deferred Tax Assets and Liabilities

A. Current Period Tax Assets and Liabilities

The corporate tax rate is 20 percent. Dividends paid to corporations that earn income through an office or a permanent agency in Turkey, and corporations located in Turkey are not subject to withholding tax. Dividend payments other than these shall be subject to withholding tax at a rate of 15 percent. Addition of profit to the capital shall not be deemed as dividend distribution and thus, no withholding tax shall be levied. While advance taxes paid during the year pertain to that year, they are deducted from the corporate tax of the subsequent year, which will be calculated based on the corporate tax statement to be submitted.

Corporate tax exemption applies to the revenues arising from the sale of 75 percent of the properties, participation stocks, dividend right certificates and pre-emption rights that remain in the corporation's assets for at least two full years. In order to benefit from the exemption, such earnings must be held in a fund account under Liabilities and must not be withdrawn for at least 5 years. The sales revenue must be collected by the end of the second calendar year from the date of completion of the transaction.

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Footnotes to the Consolidated Financial Statements as of December 31, 2014

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

According to the Corporate Income Tax Law, financial losses on tax statements may be deducted from the corporate tax base, provided that the period of deduction does not exceed five years. The tax office may review and make changes to declarations and related accounting records within five years.

Primary tax expense items as of December 31, 2014 and December 31,2013:

	December 31, 2014	December 31,
Current period tax provisions	1,090,978	298,546
Pre-paid taxes (-)	(190,661)	(199,932)
Total	**900,317**	**98,614**

Current period tax provisions and reconciliation of accounting profits for the December 31, 2014-December 31, 2013 period:

	January 1-December 31, 2014	January 1-
Accounting Profit/(Loss)	**9,754,832**	**605,789**
Additions (+)	2,975,835	1,145,120
Discounts (-)	(492,512)	-
Financial losses used (-)	(6,783,264)	(258,181)
Financial Profit/(Loss)	**5,454,891**	**1,492,728**
Tax rate	20%	20%
Tax Provision Amount	**1,090,978**	**298,546**

Primary tax expense items and main components in the comprehensive income statement as of December 31, 2014-December 31, 2013:

	January 1-December 31, 2014	January 1-
Current period corporate tax	(1,090,978)	(298,546)
Deferred tax income/(expense)	4,778,817	1,194,246
Closing Balance	**3,687,839**	**895,700**

B. Deferred tax assets and liabilities

The Group calculates its deferred tax assets and liabilities by taking into account the impact of temporary differences arising as a result of separate evaluation of balance sheet items in accordance with TFRS standards and tax legislation. These temporary differences arise from the differences in the periods of recognition of income and expenses in accordance with TFRS and tax legislation.

The corporate tax rate for 2014 is 20 percent (December 31, 2013: 20 percent). Therefore, a 20 percent rate is applied to deferred tax receivables and liabilities that are calculated based on the temporary differences according to the liability method.

İhlas Yayın Holding A.Ş.

Footnotes to the Consolidated Financial Statements

as of December 31, 2014

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

The following is the breakdown of accumulated temporary differences and deferred tax assets and liabilities, prepared by using effective tax rates as of December 31, 2014 and December 31, 2013:

	December 31, 2014		December 31, 2013	
Deferred Tax Related to the Income Statement	**Total Temporary Differences**	**Deferred Tax Asset/(Liability)**	**Total Temporary Differences**	**Deferred Tax Asset/(Liability)**
Temporary differences in investment properties and tangible fixed assets	(21,666,898)	(4,333,380)	(27,940,941)	(5,588,188)
Temporary differences in intangible fixed assets	(94,099,146)	(18,819,829)	(84,432,059)	(16,886,412)
Debt rediscounts	(1,890,970)	(378,194)	(3,878,737)	(775,748)
Foreign exchange difference income/expense (arising from foreign	(239)	(48)	784	157
Temporary differences in tangible fixed assets	24,851,164	4,970,233	20,988,395	4,197,679
Temporary differences in intangible fixed assets	25,724,528	5,144,905	25,735,685	5,147,137
Severance provisions	14,732,052	2,946,410	13,533,922	2,706,784
Provision for doubtful receivables	23,183,415	4,636,683	4,716,657	943,331
Receivables rediscounts	8,357,763	1,671,553	5,780,577	1,156,115
Provisions for business advances	8,385,628	1,677,126	6,434,161	1,286,832
Provisions for impairment of	422,623	84,525	413,003	82,601
Outstanding social security accruals	2,825,322	565,064	908,953	181,791
Litigation provision expenses	967,388	193,478	743,356	148,671
Provisions for other doubtful	88,241	17,648	48,472	9,694
Undiscounted financial losses	6,449,958	1,289,992	13,584,977	2,716,995
Gross deferred tax liability	**(117,657,253)**	**(23,531,451)**	**(116,251,737)**	**(23,250,348)**
Deferred tax assets	**115,988,082**	**23,197,617**	**92,888,942**	**18,577,787**
Net deferred tax assets/(liabilities)	**(1,669,171)**	**(333,834)**	**(23,362,795)**	**(4,672,561)**

	December 31, 2014		December 31, 2013	
Deferred Taxes Related to Shareholders' Equity	**Total Temporary Differences**	**Deferred Tax Asset/(Liability)**	**Total Temporary Differences**	**Deferred Tax Asset/(Liability)**
Tangible fixed assets revaluation fund (*)	(1,990,644)	(398,128)	(1,578,625)	(315,725)
Gross deferred tax liability	**(1,990,644)**	**(398,128)**	**(1,578,625)**	**(315,725)**
Net deferred tax assets/(liabilities)	**(1,990,644)**	**(398,128)**	**(1,578,625)**	**(315,725)**

(*) In accordance with Article 5 of KVK, 75 percent of the fixed asset revaluation fund was not included in deferred tax, but 25 percent was.

İhlas Yayın Holding A.Ş.

Footnotes to the Consolidated Financial Statements as of December 31, 2014

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

Net deferred tax assets transactions as follows:

	January 1-December	January 1-
Balance as of January 1	**(4,988,286)**	**(5,866,806)**
Deferred tax income/(expense)	4,778,817	1,194,245
Taxes income/(expense) related to shareholders' equity	(82,403)	(315,725)
Effects of subsidiaries sold	(440,090)	-
Closing Balance	**(731,962)**	**(4,988,286)**

The Group calculated deferred tax assets of 6,449,958 TL (December 31, 2013: 13,584,977 TL) in its consolidated financial statements, which were prepared pursuant to the TFRS standard, to be appropriated.

Maturities of financial losses as of December 31, 2014-December 31, 2013:

Expiration Dates	December 31, 2014	December 31,
2014	-	2,938
2015	2,533,263	3,141,354
2016	-	971,564
2017	865,447	1,144,866
2018	1,946,391	8,324,255
2019	1,104,857	-
Total	**6,449,958**	**13,584,977**

Deferred tax assets were recognized to the extent that the Group is likely to generate financial profit to be used for all deductible temporary differences. The Group had losses in the amount of 12,861,547 TL (December 31, 2013: 20,060,524 TL) that can be appropriated and that were deferred as of December 31, 2014 without calculating tax assets to be reviewed again in the following period. Their maturities are as follows:

	December 31, 2014	December 31,
2014	-	1,952,472
2015	2,947,450	3,417,944
2016	1,635,927	2,476,124
2017	2,596,341	3,153,952
2018	2,367,257	9,060,032
2019	3,314,572	-
Total	**12,861,547**	**20,060,524**

İhlas Yayın Holding A.Ş.

Footnotes to the Consolidated Financial Statements as of December 31, 2014

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

Note 30 - Earnings per Share

The following is the weighted average number of the Group's shares as of December 31, 2013 and December 31, 2012, and the calculation of earnings per unit share:

	January 1-	January 1-
Profit/(Loss) per share from continuing operations		
Earnings/(loss) per share from continued operations	39,787,969	(6,861,470)
Weighted average number of shares, each with a nominal value of 1	200,000,000	200,000,000
Profit/(Loss) (TL) per share from continuing operations	**0.1989**	**(0.0343)**
Profit/(loss) per share from discontinued operations		
Net earnings/(loss) for the period per share from discontinued	74,477	-
Weighted average number of stocks, each with a nominal value of 1	200,000,000	200,000,000
Profit/(loss) per share from discontinued operations (Kr)	**0.0004**	**-**
Profit/(Loss) per share:		
Profit/(Loss) for the Period	**39,862,446**	**(6,861,470)**
Net period profit/loss of non-controlling interests	18,289,419	487,287
Net profit/(loss) for the period of the Parent Company	21,573,027	(7,348,757)
Weighted average number of shares, each with a nominal value of 1	200,000,000	200,000,000
Profit/(Loss) (TL) per Share	**0.1993**	**(0.0343)**
Profit/(Loss) per Share for Parent Company (Kr)	**0.1079**	**(0.0367)**

The reconciliation of the number of stock shares of the Group at the beginning and by the end of the period:

	December 31, 2014	December 31, 2013
The number of weighted stock shares at the beginning of the period	200,000,000	200,000,000
The number of weighted stock shares at the end of the period	200,000,000	200,000,000

Diluted earnings per share have not been calculated since the Group does not have any potential common shares with dilutive effect (Previous period: None)

There are no dividends accrued in the current period (Previous period: None).

İhlas Yayın Holding A.Ş.
Footnotes to the Consolidated Financial Statements as of December 31, 2014
(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

Note 31 - Related Party Disclosures

A. Current account balances (net book values) of the Company with its shareholders; with major companies, with which it has an indirect capital, management, and business relationship through its shareholders; and with its key personnel as of December 31, 2014 and December 31, 2013:

Receivables from Partners and Related Parties	December 31,	December 31,
İhlas Holding A.Ş.	13,042,059	1,882,855
İhlas Pazarlama A.Ş.	3,384,324	7,034,220
İleri Haber Ajansı Tanıtım İletişim ve Teknik Hizmetleri Tic. A.Ş.	1,066,439	-
Armutlu Tatil ve Turizm İşletmeleri A.Ş.	867,691	1,387,178
Mute Grup Medya İç ve Dış Ticaret A.Ş.	581,247	602,321
Klas Dış Ticaret A.Ş.	342,337	214,888
İstmag Magazin Gazetecilik Yayıncılık İç ve Dış Tic. Ltd. Şti. (eski unvanı: Yakamoz Sektörel Petrol Ürünleri Yapı Gıda Ltd. Şti.)	119,916	91,699
İhlas Motor A.Ş.	82,666	130,233
Bisan Bisiklet Moped Otomotiv Sanayi ve Ticaret A.Ş.	45,513	39,644
Voli Fuar Hizmetleri A.Ş. (Former Name: İhlas Fuar Hizmetleri A.Ş)	42,038	-
İhlas Yapı Turizm ve Sağlık A.Ş.	35,961	177,053
İhlas Vakfı Yurt ve Eğitim Hizmetleri İktisadi İşletmesi	33,666	-
Voli Turizm Seyahat Tic. Ltd .Şti	16,963	106,541
Kuzuluk Kaplıca Sağ. ve Petr.Ür.Tic.A.Ş	15,365	26,236
İhlas Ev Aletleri İmalat San.Tic.A.Ş.	8,651	1,738
Mir Maden İşletmeciliği Enerji ve Kimya San. Ltd. Şti.	8,576	1,127
İhlas İnşaat Proje Taahhüt Turizm ve Tic. A.Ş.	8,232	4,301
Kam Gayrimenkul Proje ve İnşaat Ltd.Şti.	4,213	-
Detes Enerji Üretim A.Ş.	3,975	6,320
İhlas Net A.Ş.	2,960	6,414
İHA GMBH Germany	2,808	1,803,523
Antalya İmar Ltd. Şti.	2,008	11,265
Net İletişim Hizmetleri Elektronik San. ve Tic. Ltd. Şti.	1,674	387
Fikirevim Reklamcılık Görsel Etkinlik Tic. Ltd. Şti.	-	13,308,546
İhlas Media Trade Center GMBH	-	1,503,216
Abdurrahman Gök	-	13,600
Kristal Gıda Dağ. Paz. San. ve Tic A.Ş.	-	11,584
İhlas Holding A.Ş.-İhlas Yayın Holding A.Ş. ve İhlas Pazarlama A.Ş. Ortak Girişimi		11,265
Kristal Kola ve Meşrubat San. Tic. A.Ş.	-	8,244
İhlas İletişim Hizmetleri A.Ş.	-	7,104
İhlas Holding A.Ş.-İhlas Yapı Turizm ve Sağlık A.Ş. Ortak Girişi mı - 3	-	5,633
Tasfiye Halinde İhlas Finans Kurumu A.Ş.	-	3,413
Plus Gayrimenkul Tic. A.Ş	-	3,410
İhlas Pazarlama Yatırım Holding A.Ş.	-	1,237
İhlas Vakfı	-	1,168
Tasfiye Halinde İhlas Oxford Mortgage İnşaat ve Ticaret A.Ş.	-	891
İhlas İnşaat Holding A.Ş.	-	799
VAV İnternet Hiz. Paz. Tic. Ltd. Şti.	-	384
Total	**19,719,282**	**28,408,437**

Interest determination proceedings are applied for the receivables from related parties that exceed the commercial limits.

İhlas Yayın Holding A.Ş.
Footnotes to the Consolidated Financial Statements as of December 31, 2014
(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

Liabilities to Partners and Related Parties	December 31,	December 31,
İhlas Ev Aletleri İmalat San.Tic.A.Ş.	1,273,140	13,880
İhlas Madencilik A.Ş.	956,367	979,025
Voli Fuar Hizmetleri A.Ş. (Former Name: İhlas Fuar Hizmetleri A.Ş)	896,740	-
İhlas Holding A.Ş.	744,594	974,049
İhlas Pazarlama A.Ş.	443,680	2,688,295
Şifa Yemek ve Gıda Üretim Tesisleri Tic. A.Ş.	244,012	312,807
İhlas Net A.Ş.	104,741	38,255
İhlas İnşaat Proje Taahhüt Turizm ve Tic. A.Ş.	96,960	66,036
KPT Lojistik Taşımacılık Tur. Rek. Paz. İç ve Dış Tic. A.Ş.	79,649	32,985
NETTEC Otomasyon ve Çevre Teknolojileri A.Ş. (previous name: İhlas Net Ltd. Şti.)	38,648	2,674
Klas Dış Ticaret A.Ş.	4,757	219,703
Voli Turizm Seyahat Tic.Ltd.Şti	2,385	96,981
Net İletişim Hizmetleri Elektronik San. ve Tic. Ltd. Şti.	326	227
Other related parties	134,665	-
Fikirevim Reklamcılık Görsel Etkinlik Tic. Ltd. Şti.	-	2,407,450
Milenyum Oto Kiralama ve Oto.Tur.Tic.Ltd.Şti.	-	57,680
İhlas Genel Antrepo Nakliyat ve Tic. A.Ş.	-	38,609
Alternatif Görüntülü İşitsel Bilişim ve İletişim Sistemleri Ltd. Şti.	-	9,991
İhlas Vakfı	-	2,993
Kuzuluk Kaplıca Sağ. ve Petr.Ür.Tic.A.Ş	-	990
Total	**5,020,664**	**7,942,630**

Short-term Provisions for Employee Benefits	December 31, 2014	December 31, 2013
Debts to Other Related Parties (Key Personnel)	100,829	147,132
Total	**100,829**	**147,132**

Other Receivables	December 31, 2014	December 31, 2013
İhlas Holding A.Ş. (*)	46,958,503	-
Hüseyin Ferruh Işık	26,830	-
Total	**46,985,333**	**-**

(*) Finance receivable

Purchase Order Advances Given to Related Parties	December 31, 2014	December 31, 2013
İhlas İnşaat Proje Taahhüt Turizm ve Tic. A.Ş.	215,622	215,622
İhlas Pazarlama A.Ş.	155,018	225,481
Voli Turizm Seyahat Tic.Ltd.Şti	179,701	1,170
İhlas Holding A.Ş.	5,486	5,706
İhlas Ev Aletleri İmalat San.Tic.A.Ş.	-	274,940
Total	**555,827**	**722,919**

Purchase Order Advances Received from Related Parties	December 31, 2014	December 31, 2013
İstmag Magazin Gazetecilik Yayıncılık İç ve Dış Tic. Ltd. Şti. (previous name: Yakamoz Sektörel Petrol Ürünleri Yapı Gıda Ltd. Şti.)	375,280	
İhlas Dış Ticaret A.Ş.	272	-
Total	**375.552**	**-**

İhlas Yayın Holding A.Ş.
Footnotes to the Consolidated Financial Statements as of December 31, 2014
(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

B) Sales and purchases (including late interests) arising from the Group's shareholders; or from main companies with which it had an indirect capital, management, and business relationship through its shareholders; during the January 1-December 31, 2014 and January 1-December 31, 2013 periods:

Purchases	**January 1-**	**January 1-**
İhlas Holding A.Ş.	5,229,884	1,489,074
KPT Lojistik Taşımacılık Tur. Rek. Paz. İç ve Dış Tic. A.Ş.	721,249	732,396
Voli Turizm Seyahat Tic.Ltd.Şti.	678,629	599,346
Şifa Yemek ve Gıda Üretim Tesisleri Tic. A.Ş.	424.026	995.645
İHA GMBH Germany	418,842	954,578
İhlas Net A.Ş.	283,827	338,181
Fikirevim Reklamcılık Görsel Etkinlik Tic. Ltd. Şti.	281,092	4,065,545
Voli Fuar Hizmetleri A.Ş. (previous name: İhlas Fuar Hizmetleri A.Ş)	262,815	-
İleri Haber Ajansı Tanıtım İletişim ve Teknik Hizmetleri Tic. A.Ş.	240,000	-
Klas Dış Ticaret A.Ş.	120,073	80,538
Other related parties	136,040	137,458
Mute Grup Medya İç ve Dış Ticaret A.Ş.	74,720	9,865
İhlas Vakfı Yurt ve Eğitim Hizmetleri İktisadi İşletmesi	15,496	10,251
Armutlu Tatil ve Turizm İşletmeleri A.Ş.	3,634	7,791
Kuzuluk Kaplıca İnşaat Turizm Sağlık ve Petrol Ürünleri Tic.A.Ş.	2,021	11,579
Net İletişim Hizmetleri Ltd. Şti.	407	450
İhlas Ev Aletleri İmalat San.Tic.A.Ş.	280	496,004
Balsa Balıkesir Meşrubat San. Tic. A.Ş.	248	-
İhlas Pazarlama A.Ş.	169	5,323,647
İhlas Media Trade Center GMBH	-	773,758
İhlas Madencilik A.Ş.	-	208,385
İhlas Genel Antrepo Nakliyat ve Tic. A.Ş.	-	64,474
Alternatif Görüntülü İşitsel Bilişim ve İletişim Sistemleri Ltd. Şti.	-	37,437
Milenyum Oto Kiralama ve Otom. Tur. Tic. Ltd. Şti.	-	9,300
NETTEC Otomasyon ve Çevre Teknolojileri A.Ş. (previous name: İhlas Net Ltd. Şti.)		7,054
İhlas İletişim Hizmetleri A.Ş.	-	3,783
Çağlar Sağlık Güzellik ve Ev Aletleri Paz. İth. Ve İhracat A.Ş.	-	2,626
VAV İnternet Hiz. Paz. Tic. Ltd. Şti.	-	783
Kristal Gıda Dağıtım Pazarlama San. ve Tic. A.Ş.	-	99
TOTAL	**8,893,452**	**16,360,047**

İhlas Yayın Holding A.Ş.

Footnotes to the Consolidated Financial Statements as of December 31, 2014

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

Sales	January 1- December 31,	January 1- December 31,
Fikirevim Reklamcılık Görsel Etkinlik Tic. Ltd. Şti.	20,866,767	32,170,230
Armutlu Tatil ve Turizm İşletmeleri A.Ş.	2,497,054	2,157,984
İhlas Holding A.Ş.	1,673,703	697,463
İleri Haber Ajansı Tanıtım İletişim ve Teknik Hizmetleri Tic. A.Ş.	1,221,332	-
Mute Grup Medya İç ve Dış Ticaret A.Ş.	693,489	761,431
İhlas Yapı Turizm ve Sağlık A.Ş.	627,415	2,154,500
İstmag Magazin Gazetecilik Yayıncılık İç ve Dış Tic. Ltd. Şti. (previous name: Yakamoz Sektörel Petrol Ürünleri Yapı Gıda Ltd. Şti.)	579,551	54,878
İhlas Ev Aletleri İmalat San.Tic.A.Ş.	521,720	465,659
İhlas Pazarlama A.Ş.	313,102	1,717,231
İhlas Vakfı Yurt ve Eğitim Hizmetleri İktisadi İşletmesi	161,695	112,692
Kuzuluk Kaplıca İnşaat Turizm Sağlık ve Petrol Ürünleri Tic.A.Ş.	157,068	124,174
İhlas İnşaat Proje Taahhüt Turizm ve Tic. A.Ş.	98,330	119,365
İHA GMBH Germany	91,583	
Voli Fuar Hizmetleri A.Ş. (previous name: İhlas Fuar Hizmetleri A.Ş)	79,496	-
YB Reklam ve Halkla İlişkiler İnş. Ve Tic. Ltd. Şti.	74,661	-
Bisan Bisiklet Moped Oto. San. Tic. A.Ş.	57,329	68,283
Voli Turizm Seyahat Tic.Ltd.Şti.	27,000	63,175
İhlas Net A.Ş.	18,919	71,779
KPT Lojistik Taşımacılık Tur. Rek. Paz. İç ve Dış Tic. A.Ş.	12,475	2,519
Klas Dış Ticaret A.Ş.	12,400	3,154
Kristal Gıda Dağıtım Pazarlama San. ve Tic. A.Ş.	12,108	49,179
Kristal Kola ve Meşrubat Sanayi Ticaret A.Ş.	3,970	8,448
İhlas Vakfı	3,743	32,319
Ulubol İnşaat Harfiyat Gıda Tur. San. ve Tic. Ltd. Şti.	2,500	-
İhlas Madencilik A.Ş.	2,084	3,599
Bisiklet Pazarlama ve Tic. A.Ş.	1,500	-
Net İletişim Hizmetleri Ltd. Şti.	1,226	361
Tasfiye Halinde İhlas Finans Kurumu A.Ş.	710	480
Şifa Yemek ve Gıda Üretim Tesisleri Tic. A.Ş.	443	6,930
CDC Kurumsal Gelişim Merkezi Ltd. Şti.	160	128
Other related parties	1,556	2.645
İhlas Media Trade Center GMBH	-	1,207,280
İHA GMBH Germany	-	461,109
İhlas Motor A.Ş.	-	11.420
Alternatif Görüntülü İşitsel Bilişim ve İletişim Sistemleri Ltd. Şti.	-	3,313
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
VAV İnternet Hiz. Paz. Tic. Ltd. Şti.	-	938
Çağlar Sağlık Güzellik ve Ev Aletleri Paz. İth. Ve İhracat A.Ş.	-	230
Ekip Teknoloji Bilişim Hiz. Ltd. Şti.	-	17
TOTAL	**29,815,089**	**42,536,885**

İhlas Yayın Holding A.Ş.

Footnotes to the Consolidated Financial Statements as of December 31, 2014

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

C. The interest, rent, and other income/expenses the Group paid to or received from its shareholders; or the main companies with which it had an indirect capital, management or business relationship through its shareholders; during the January 1-December 31, 2014 and January 1-December 31, 2013 periods:

Interest Invoices Issued	January 1-December	January 1-
İhlas Pazarlama A.Ş.	553,686	1,893,590
İhlas Holding A.Ş	549,627	267,242
IHA GMBH Germany	98,954	182,649
İhlas Dış Ticaret A.Ş.	28,486	3,000
İhlas Motor A.Ş.	27,661	8,451
Klas Dış Ticaret A.Ş.	23,441	27,199
Voli Fuar Hizmetleri A.Ş. (previous name: İhlas Fuar Hizmetleri A.Ş)	12,504	-
Mir Maden İşletmeciliği Enerji ve Kimya San. Ltd. Şti.	8,114	-
Voli Turizm Seyahat Tic.Ltd.Şti.	6,358	10,696
Mute Grup Medya İç ve Dış Ticaret A.Ş.	3,820	-
Detes Enerji Üretim A.Ş.	1,721	-
İhlas Net A.Ş.	-	8,600
TOTAL	**1,314,372**	**2,401,427**

Interest Invoices Received	January 1-December 31, 2014	January 1-December 31, 2013
İhlas Holding A.Ş.	680,990	67,227
İhlas Madencilik A.Ş.	85,871	94,793
İhlas Pazarlama A.Ş.	84,981	216,268
İhlas Ev Aletleri İmalat San.Tic.A.Ş.	50,758	21,343
Şifa Yemek ve Gıda Üretim Tesisleri Tic. A.Ş.	10,175	8,389
İhlas Net A.Ş.	1,607	-
Net İletişim Hizmetleri Ltd. Şti.	-	48
TOTAL	**914,382**	**408,068**

İhlas Yayın Holding A.Ş.
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Rent Invoices Issued	January 1-	January 1-
İhlas Holding A.Ş.	964,488	479,724
İhlas Yapı Turizm ve Sağlık A.Ş.	270,000	119,898
Tasfiye Halinde İhlas Finans Kurumu A.Ş.	175,800	101,777
İhlas Pazarlama A.Ş.	74,630	218,490
Antalya İmar Ltd. Şti.	22,800	9,685
Voli Fuar Hizmetleri A.Ş. (former name: İhlas Fuar Hizmetleri A.Ş)	15,000	-
Kristal Kola ve Meşrubat Sanayi Ticaret A.Ş.	5,100	-
İhlas Yapı Turizm ve Sağlık A.Ş.-Kam Gayrimenkul Proje ve İnşaat Ltd.Şti. Adi Ortaklığı	2,126	
İhlas Dış Ticaret A.Ş.	2,040	4,981
Detes Enerji Üretim A.Ş.	2,040	623
Kam Gayrimenkul Proje ve İnşaat Ltd.Şti.	2,040	-
Fikirevim Reklamcılık Görsel Etkinlik Tic. Ltd. Şti.	672	7,720
İhlas Motor A.Ş.	-	51,347
Mute Grup Medya İç ve Dış Ticaret A.Ş.	-	26,531
Plus Gayrimenkul Tic. A.Ş.	-	6,706
Tasfiye Halinde İhlas Oxford Mortgage İnşaat ve Ticaret A.Ş.	-	1,107
Armutlu Tatil ve Turizm İşletmeleri A.Ş.	-	865
İhlas İnşaat Proje Taahhüt Turizm ve Tic. A.Ş.	-	649
Kuzuluk Kaplıca İnşaat Turizm Sağlık ve Petrol Ürünleri Tic.A.Ş.	-	519
İhlas Ev Aletleri İmalat San.Tic.A.Ş.	-	346
İhlas İnşaat Holding A.Ş.	-	173
İhlas Pazarlama Yatırım Holding A.Ş.	-	173
Other related parties	-	31,870
TOTAL	**1,536,736**	**1,063,184**

Rent Invoices Received	January 1- December 31, 2014	January 1- December 31, 2013
İhlas Holding A.Ş.	1,520,717	552,539
İhlas Ev Aletleri İmalat San.Tic.A.Ş.	1,296,732	264,348
İhlas Madencilik A.Ş.	395,658	152,556
Other related parties	35,476	30,500
Şifa Yemek ve Gıda Üretim Tesisleri Tic. A.Ş.	20,650	-
İhlas Net A.Ş.	17,655	-
Fikirevim Reklamcılık Görsel Etkinlik Tic. Ltd. Şti.	10,000	-
Net İletişim Hizmetleri Ltd. Şti.	104	
Milenyum Oto Kiralama ve Otom. Tur. Tic. Ltd. Şti.	-	75,423
İhlas Pazarlama A.Ş.	-	5,653
TOTAL	**3,296,992**	**1,081,019**

Tangible Fixed Asset Purchases	January 1- December 31, 2014	January 1- December 31, 2013
Klas Dış Ticaret A.Ş.	14,525	15,066
Bisan Bisiklet Moped Oto. San. Tic. A.Ş.	1,510	1,510
Fikirevim Reklamcılık Görsel Etkinlik Tic. Ltd. Şti.	1,420	-
Mute Grup Medya İç ve Dış Ticaret A.Ş.	-	10,000
İhlas Holding A.Ş.	-	5,486
İhlas İletişim Hizmetleri A.Ş.	-	2,097
TOTAL	**17,455**	**34,159**

İhlas Yayın Holding A.Ş.

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Tangible Fixed Asset Sales	January 1-	January 1-
Ahmet Mücahid Ören	200,990	-
Ceyhan Aral	54,455	-
İhlas Holding A.Ş.	-	6,000,000
Alternatif Görüntülü İşitsel Bilişim ve İletişim Sistemleri Ltd. Şti.	-	24,450
İhlas İletişim Hizmetleri A.Ş.	-	1,258
Other related parties	-	37,624
TOTAL	**255,445**	**6,063,332**

D. Short-term benefits provided to the Group's key management personnel in the January 1-December 31, 2014 and January 1-December 31, 2013 periods:

January 1-December 31, 2014: 2,694,436 TL
January 1-December 31, 2013: 2,407,382 TL

E. Short-term benefits, severance payment, and end-of-service indemnity provided to the Group's key management personnel in the January 1-December 31, 2014 and January 1-December 31, 2013 periods:

January 1-December 31, 2014: 1,146,821 TL

January 1-December 31, 2013: 1,362,077 TL

Note 32 - Nature and Extent of Exposure to Risks Arising from Financial Instruments:

A) Capital risk management

The Group strives to achieve sustainable operations, while also aiming to increase profitability and market value by establishing an efficient balance between liabilities and shareholders' equity.

The capital structure of the Holding is composed of liabilities, including the loans stated in Note 7; also equity items, including paid-in capital, reserves, and retained earnings disclosed in Note 21.

Senior management evaluates the Group's capital cost and the risks associated with each type of capital. Senior management evaluates capital costs along with the risks associated with each type of capital. Based on the evaluations conducted by senior management, the Group aims to optimize its capital diversification by means of new borrowing, repaying existing debts, and/or capital increases. The Group's overall strategy remains unchanged from the previous period.

The Group keeps track of its capital adequacy by applying the net debts/shareholders' equity ratio. The ratio is found by dividing the net debt by the total shareholders' equity. Net debt is calculated by deducting cash and cash equivalents from the total amount of debts (comprised of loans, trade payables and other debts indicated in the balance sheet).

	December 31, 2014	December 31,
Total liabilities	110,771,195	109,567,043
Minus: Cash and cash equivalents (Note 5)	(3,319,215)	(1,677,775)
Net liabilities	107,451,980	107,889,268
Total shareholder's equity (Note 21)	266,067,298	248,922,018
Net debt/shareholders' equity ratio	**40%**	**43%**

İhlas Yayın Holding A.Ş.
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B) Significant accounting policies

The Group's significant accounting policies related to financial instruments are outlined in the section "Financial Instruments" under footnote number 2: "Summary of Significant Accounting Policies."

C) Financial risk management objectives

The Group's significant financial risks include risks of foreign exchange, interest rate, and liquidity.

The Group has in place a committee for the early detection and management of risks. The Board of Directors is responsible for the early detection of risks that prevent the Company's growth and continuity, and for establishing the committee, as well as running and developing the system to take the necessary measures and manage risks.

D) Market risk

As a result of its operations, the Group is subject to financial risks related to changes in exchange and interest rates. The Group's management continuously monitors the breakdown of revenues and expenses based on foreign currency, the breakdown of liabilities based on foreign currency, and floating/fixed interest rates.

The changes in market conditions that lead to market risk include changes in the benchmark interest rate and changes in the price, cost price, foreign exchange rate, and price or ratio indices of another entity.

Management of stock price changes (price risk)

The Group is exposed to price risks as its sales prices are affected by changes in raw material stock prices. There is no derivative instrument that can be used to avoid the impact of negative price movements on sales margins. The Group reviews the balance between ordering, production, and purchasing by taking into account prospective raw material prices in the future, and it tries to adjust the sales prices based on raw material price changes. However, changes in raw material prices are not reflected in sales price of the newspaper, which makes up a significant part of the Group's sales income.

Interest rate risk management:

The Group borrows at fixed interest rates. Interest rates pertaining to the Group's liabilities are disclosed in detail in footnotes 5, 6, and 7.

Interest Position Table

	December 31, 2014	December 31,
Financial instruments with fixed interest rates		
Financial assets at fair value through profit or loss	142,809	7,605,847
Available-for-sale financial assets	-	-
Financial liabilities (bank loans)	218,243	8,037,924
Financial instruments with variable interest rates		
Financial assets	-	-
Financial liabilities	3,657,312	2,974,405

As of December 31, 2014-December 31, 2013, if the interest base point had changed by 100 points; in other words, if interest rates had changed by 1 percent; and all other variables had remained the same; it would have led to an increase in net interest expense/income, resulting in net profit/loss of 6,875 TL for the period (December 31, 2013: 29,300 TL).

İhlas Yayın Holding A.Ş.
Footnotes to the Consolidated Financial Statements as of December 31, 2014

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The Group's interest rate sensitivity is as follows:

Interest Rate Sensitivity Analysis Table

	December 31, 2014		December 31, 2013	
	Profit/ Loss		Profit/ Loss	
	Base Point Increase	Base Point Decrease	Base Point Increase	Base Point Decrease
	100 change by		100 points (1%):	
TL	(6,875)	6,875	(29,300)	29,300
USD	-	-	-	-
Sabit Faizli Finansal Araçların Toplam Etkisi	**(6,875)**	**6,875**	**(29,300)**	**29,300**
	Base point change by		**100 points (1%):**	
Effect of Financial Instruments with Floating	**-**	**-**	**-**	**-**
Total	**(6,875)**	**6,875**	**(29,300)**	**29,300**

Foreign exchange risk management:

Foreign exchange risk management:
As of December 31, 2014, and December 31, 2013, book values (net) of foreign currency-denominated financial assets and liabilities are as follows:

	December 31, 2014	December 31, 2013
A. Assets in foreign currency	3,317,767	5,978,598
B. Liabilities in foreign currency	14,472,905	19,358,160
Net Foreign Exchange Position (A-B)	**(11,155,138)**	**(13,379,562)**

İhlas Yayın Holding A.Ş.

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FOREIGN EXCHANGE POSITION TABLE

	December 31, 2014				December 31, 2013			
	TL Equivalent	**USD**	**EUR**	**Other**	**TL Provisions**	**USD**	**EUR**	**Other**
1. Trade Receivables	1,947,505	815,454	17,371	2,100	4,826,686	557,898	1,238,197	
2a. Monetary Financial Assets (Including cash and bank accounts)	1,253,651	347,518	158,752		936,169	194,618	177,353	282
2b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	
3. Other	61,230	26,405	-	-	157,301	73,701	-	
4. Current Assets (1+2+3)	**3,262,386**	**1,189,377**	**176,123**	**2,100**	**5,920,156**	**826,217**	**1,415,550**	**282**
5. Trade Receivables	-	-	-	-	-	-	-	
6a, Monetary Financial Assets	55,381	23,882	-	-	-	-	-	
6b, Non-Monetary Financial Assets	-	-	-	-	-	-	-	
7. Other	-	-	-	-	58,442	27,382	-	
8. Fixed Assets (5+6+7)	**55,381**	**23,882**	-	-	**58,442**	**27,382**	-	-
9. Total Assets (4+8)	**3,317,767**	**1,213,259**	**176,123**	**2,100**	**5,978,598**	**853,599**	**1,415,550**	**282**
10. Trade Payables	5,455,031	1,711,251	518,399	31,523	4,909,211	1,794,562	357,079	33,070
11. Financial Liabilities	2,701,022	194,681	797,524	-	3,675,915	590,125	822,888	
12a. Other Monetary Liabilities	4,753,314	592,052	1,198,428	-	-	-	-	
12b. Other Non-Monetary Liabilities	-	-	-	-	7,100,993	1,476,058	1,345,358	36
13. Short-Term Liabilities (10+11+12)	**12,909,367**	**2,497,984**	**2,514,351**	**31,523**	**15,686,119**	**3,860,745**	**2,525,325**	**33,106**
14. Financial Payables	-	-	-	-	-	-	-	
15. Financial Liabilities	849,626	-	301,211	-	3,672,020	194,681	1,108,978	
16a. Other Monetary Liabilities	713,912	-	253,098	-	21	10	-	
16b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-	
17. Long-Term Liabilities (14+15+16)	**1,563,538**	-	**554,309**	-	**3,672,041**	**194,691**	**1,108,978**	-
18. Total Liabilities (13+17)	**14,472,905**	2,497,984	**,068,660**	**31,523**	**19,358,160**	**4,055,436**	**3,634,303**	**33,106**

İhlas Yayın Holding A.Ş.

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FOREIGN EXCHANGE POSITION TABLE

	December 31,				December 31,			
	TL	**USD**	**EUR**	**Other**	**TL**	**USD**	**EUR**	**Other**
19. Net Asset/(Liability) Position of Off-balance Sheet Financial Instruments (19a-19b)	.	.	.	.	.	.	.	.
19a. Amount of Active Off-balance Sheet Foreign Currency Derivative Assets								
19b. Amount of Passive Off-balance Sheet Foreign Currency Derivative Assets								
20. Net Foreign Currency Asset/(Liability) Position) (9-18+19)	(11,155,138)	(1,284,725)	(2,892,537)	(29,423)	(13,379,562)	(3,201,837)	(2,218,753)	(32,824)
21. Monetary Items Net Foreign Asset/(Liability) Position (I+2a+5+6a-10-II-12a-14-15-16a)	(11,216,368)	(1,311,130)	(2,892,537)	(29,423)	(6,494,312)	(1,826,862)	(873,395)	(32,788)
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge	.	.	.	.	.	.	.	.
23. Amount of Hedged Foreign Exchange Assets	.	.	.	.	.	.	.	.
24. Amount of Hedged Foreign Exchange Liabilities	.	.	.	.	.	.	.	.
25. Export	19,262,481	5,340,699	2,311,660	169,197	19,373,970	4,829,139	3,583,365	-
26. Import	28,271,585	7,777,894	3,880,216	500	25,043,730	6,616,129	4,733,480	13,818

As of December 31, 2014, and December 31, 2013, the Group's hedging ratio of total foreign currency liabilities arising from total imports is the coverage ratio of the exchange rate risk by means of a derivative instrument. There is no hedging ratio of total foreign currency liabilities, since the Group performs no futures trading. The Group has a natural balance between income and expense in terms of currency rates and this balance is maintained by taking into account estimates for the future.

If there had been a 10 percent value change in the TL against the USD, EUR and other foreign currencies simultaneously, and if all other variables had remained the same as of December 31, 2014, and December 31, 2013, the net period profit/loss before tax as a result of net foreign exchange gains/losses arising from the assets and liabilities in these currencies would have been 1,115,514 TL (December 13, 2013: 1,337,957 TL lower/higher) lower/higher.

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Foreign exchange risk sensitivity analysis related to the Group's foreign exchange position is as follows:

Foreign Exchange Sensitivity Analysis Table

	December 31, 2013		December 31, 2013	
	Profit/Loss		Profit/Loss	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
In the event of a 10 percent change in USD currency:				
1-Net asset/(liability) in USD	(297,915)	297,915	(683,368)	683,368
2-Portion protected against USD risk (-)	-	-	-	-
3- Net Effect in USD (1+2)	**(297,915)**	**297,915**	**(683,368)**	**683,368**
In the event of a 10 percent change in EUR currency:				
4-Net asset/(liability) in EUR	(815,898)	815,898	(651,537)	651,537
5-Portion protected against EUR risk (-)	-	-	-	-
6-Net Effect in EUR (4+5)	**(815,898)**	**815,898**	**(651,537)**	**651,537**
In the event of a 10 percent change in other currencies				
7-Net asset/(liability) in other foreign currency	(1,701)	1,701	(3,052)	3,052
8-The part protected against other foreign currency risk (-)				
9-Net Effect in Other Currencies (7+8)	**(1,701)**	**1,701**	**(3,052)**	**3,052**
Total (3 + 6 + 9)	**(1,115,514)**	**1,115,514**	**(1,337,957)**	**1,337,957**

E) Credit and collection risk management

The Group's credit and collection risk is essentially related to its trade receivables. The amount recognized in the balance sheet is the net value calculated after deducting the doubtful receivables estimated by the Group management based on its previous experience and current economic circumstances. The Group's credit risk is mitigated by the fact that it works with many customers. As a result, no significant credit risk increase is observed.

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Credit risk exposure based on type of financial instruments:

	Receivables					
December 31, 2014	**Trade Receivables**		**Other Receivables**			
	Related Party	**Other Party**	**Related Party**	**Other Party**	**Bank Deposits**	**Cash and Other**
Maximum credit risk exposure as of the reporting date (A+B+C+D) (1)	**19,719,282**	**74,252,019**	**46,985,333**	**778,521**	**2,432,623**	**886,592**
The portion of maximum risk secured by guarantee, etc.						
A. Net book value of financial assets which are neither overdue nor subject to	19,717,843	56,080,405	46,985,333	778,521	2,432,623	886,592
B. Net book value of assets which are overdue but not subject to impairment (5)						
-The portion secured by guarantee, etc.						
C. Net book value of assets subject to impairment (3)	1,439	18,171,614				
-Overdue (gross book value)	151,020	50,357,035				
-Impairment (-)	(149,581)	(32,185,421	-	-	-	-
-The portion of net value secured by guarantee etc.						
-Undue (gross book value)						
-Impairment (-)	-	-	-	-	-	-
-The portion of net value secured by guarantee, etc.						
D. Off-balance sheet credit risk containing elements (4)						

(1) Factors such as received guarantees, which enhance loan credibility, are not taken into account in the determination of the amount.
(2) Financial assets which are not overdue or not subject to impairment are not expected to be subject to impairment in the future either; thus, no credit risk is expected.
(3) Following is the age analysis for financial assets which were overdue and impaired as of 31.12.2014:

December 31, 2014	**Receivables**	
	Provisions of Overdue	**Doubtful Receivables**
1-30 days overdue	85,804	(8,580)
1-3 months overdue	112,697	(39,444)
3-12 months overdue	36,259,938	(18,237,362)
1-5 years overdue	4,124,695	(4,124,695)
More than 5 years overdue	9,924,921	(9,924,921)
Total	**50,508,055**	**(32,335,002)**
The portion secured by guarantee, etc.	-	-

(4) There are no guarantees or irrevocable credit commitments received from the companies under credit risk.
(5) Overdue financial assets that are not impaired have a small collateral and/or short maturity period. Thus, no impairment is projected for them. As of December 31, 2014, there are no overdue financial assets that are impaired.

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	Receivables					
December 31, 2013	**Trade Receivables**		**Other Receivables**			
	Related Party	**Other Party**	**Related Party**	**Other Party**	**Bank Deposits**	**Cash and Other**
Maximum credit risk exposure as of the reporting date (A+B+C+D) (1)	**28,408,437**	**61,848,955**	**-**	**580,527**	**1,055,898**	**621,877**
The portion of maximum risk secured guarantee, etc.	-	-	-	-	-	-
A. Net book value of financial assets which are neither overdue nor subject to	28,408,437	61,344,698		580,527	1,055,898	621,877
B. Net book value of overdue assets that are subject to impairment (5)						
-The portion secured by guarantee, etc.	-	-	-	-	-	-
C. Net book value of assets subject to impairment (3)		504,257				
-Overdue (gross book value)	247,806	13,619,592	-	-	-	-
-Impairment (-)	(247,806)	(13,115,335	-	-	-	-
-Part of net value secured by guarantee, etc.	-	-	-	-	-	-
-Non-overdue (gross book value)	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-
-Part of net value secured by guarantee etc.	-	-	-	-		-
D. Off-balance sheet credit risk elements (4)	-	-	-	-	-	-

(1) Factors such as received guarantees, which enhance loan credibility, are not taken into account in the determination of the amount.
(2) Financial assets which are not overdue or not subject to impairment are not expected to be subject to impairment in the future either; thus, no credit risk is expected.
(3) The aging analysis for financial assets which were overdue and impaired as of December 31, 2013:

December 31, 2013	**Receivables**	
	Provisions of Overdue Doubtful Receivables	
1-30 days overdue	113,184	(51,020)
1-3 months overdue	192,450	(67,358)
3-12 months overdue	827,481	(510,481)
1-5 years overdue	4,333,590	(4,333,590)
More than 5 years overdue	8,400,692	(8,400,692)
Total	**13,867,397**	**(13,363,141)**
The portion secured by guarantee, etc.	-	-

(4) There are no guarantees or irrevocable credit commitments received from the companies under credit risk.
(5) Overdue financial assets that are not impaired have a small collateral and/or short maturity period. Thus, no impairment is projected for them.
(6) As of December 31, 2014, there are no overdue financial assets that are impaired.

İhlas Yayın Holding A.Ş.

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F) Liquidity risk management

The Group manages liquidity risk through monitoring estimated and realized cash flow regularly and ensuring maintenance of sufficient funds and borrowing reserves by matching maturities of financial assets and liabilities.

		December 31,			
Contractual Maturities	**Book Value**	**Contractual Cash Outflows Total**	**Less than 3 Months**	**3 to 12 Months**	**1 to 5 Years**
Non-Derivative Financial Liabilities	**29,430,178**	**29,701,965**	**11,734,940**	**14,903,953**	**3,063,072**
Bank Loans	3,875,555	3,894,415	87,738	3,806,677	-
Financial Leasing Liabilities	6,252,164	6,252,123	802,697	2,386,354	3,063,072
Trade Payables	2,156,038	2,409,006	696,740	1,712,266	-
Other Payables and Liabilities	17,146,421	17,146,421	10,147,765	6,998,656	-
Expected Maturities	**Book Value**	**Expected Cash Outflows Total**	**Less than 3 Months**	**3 to 12 Months**	**1 to 5 Years**
Non-Derivative Financial Liabilities	**42,679,384**	**44,152,181**	**20,512,724**	**12,475,304**	**11,164,153**
Bank Loans (with no definite maturity)					
Trade Payables	22,104,089	23,933,175	11,077,824	8,465,247	4,390,104
Other Payables and Liabilities	20,575,295	20,219,006	9,434,900	4,010,057	6,774,049
Expected (or Contractual) Maturities	**Book Value**	**Contractually/ Expected Cash Outflows Total**	**Less than 3 months**	**3-12 month**	**1-5 years**
Derivative Cash Inflows	-	-	-	-	-
Derivative Cash Outflows	-	-	-	-	-

İhlas Yayın Holding A.Ş.

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		December 31,			
Contractual Maturities	**Book Value**	**Contractual Cash Outflows Total**	**Less than 3 Months**	**3 to 12 Months**	**1 to 5 Years**
Non-Derivative Financial Liabilities	**24,282,914**	**22,968,492**	**4,373,981**	**13,900,708**	**4,693,803**
Bank Loans	8,037,925	7,843,608	58,944	7,711,804	72,860
Financial Leasing Liabilities	8,157,882	8,787,689	1,059,015	3,107,731	4,620,943
Trade Payables	2,062,093	2,211,810	904,340	1,307,470	-
Other Payables and Liabilities	6,025,014	4,125,385	2,351,682	1,773,703	-
Expected Maturities	**Book Value**	**Expected Cash Outflows Total**	**Less than 3 Months**	**3 to 12 Months**	**1 to 5 Years**
Non-Derivative Financial Liabilities	**48,184,134**	**54,842,875**	**17,412,446**	**33,030,297**	**4,400,132**
Bank Loans (with no definite maturity)	2,974,405	2,974,405		2,974,405	
Trade Payables	34,971,082	37,836,181	11,340,470	26,495,711	-
Other Payables and Liabilities	10,238,647	14,032,289	6,071,976	3,560,181	4,400,132

Expected (or Contractual) Maturities	**Book Value**	**Contractually Expected Cash Outflows Total**	**Less than 3 Months**	**3 to 12 Months**	**1 to 5 Years**
Derivative Cash Inflows	-	-	-	-	-
Derivative Cash Outflows	-	-	-	-	-

G) Hedge Accounting

The Group does not perform forwards, futures, options, or swaps transactions to hedge he risks arising from derivative products trading transactions and foreign exchange and/ or interest rates (fixed and floating).

Note 33 - Financial Instruments
(Disclosures on Fair Value and Hedge Accounting)

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement," financial assets are classified into four categories, whereas financial liabilities are classified into two categories. 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.

İhlas Yayın Holding A.Ş.
Footnotes to the Consolidated Financial Statements as of December 31, 2014
(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

The following are the values and classification of financial assets and liabilities as of December 31, 2014 and December 31, 2013:

December 31, 2014	Financial Assets at Fair Value through Income Statement	Financial Assets to be Held-on-Hand until End of Term	Loans and Payables	Ready-to-sell Financial Assets	Other Debts/Debts Measured by Amortized Cost
Financial Assets					
Cash and Cash Equivalents	3,319,215				
Financial investments	-	-	-	-	-
Trade Receivables	-	-	93,971,301	-	-
Other Receivables	-	-	47,763,854	-	-
Financial Liabilities					
Financial Liabilities	-	-	-	-	10,127,719
Trade Payables	-	-	-	-	24,260,127
Other Payables	-	-	-	-	170,985

December 31, 2013	Financial Assets at Fair Value through Income Statement	Financial Assets to be Held on Hand until End of Term	Loans and Payables	Ready-to-sell Financial Assets	Other Debts/Debts Measured by Amortized Cost
Financial Assets					
Cash and Cash Equivalents	1,677,775				
Financial investments	-	7,600,329	-	-	-
Trade Receivables	-	-	90,257,392	-	-
Other Receivables	-	-	580,527	-	-
Financial Liabilities					
Financial Liabilities	-	-	-	-	19,170,213
Trade Payables	-	-	-	-	37,033,175
Other Payables	-	-	-	-	262,652

Fair value measurements are described in the accounting policies for each financial asset and liability; there is no other event that requires revaluation. The book value of cash and banks is accepted to be similar to their fair value.

The Group classifies the fair value measurement of each class of financial instruments, reflected at fair values in the consolidated financial statements according to the source of their inputs, using the three-level hierarchy as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted) Level 2: Other valuation techniques including inputs that are observable, directly or indirectly Level 3: Valuation techniques not including observable market inputs

İhlas Yayın Holding A.Ş.

Footnotes to the Consolidated Financial Statements as of December 31, 2014

(All amounts are shown in Turkish lira ("TL") unless otherwise stated.)

The following is the fair value measurement hierarchy table as of December 31, 2014:

Financial assets carried to statement of financial position from fair value	Level 1	Level 2	Level 3
Cash and Cash Equivalents	3,319,215	-	-

The following is the fair value measurement hierarchy table as of December 31, 2013:

Financial assets carried to statement of financial position from fair value	Level 1	Level 2	Level 3
Cash and Cash Equivalents	1,677,775	-	-

Note 34 - Discontinued Operations

The Group left the exhibition industry by selling 92 percent (77 percent active rate) of its shares, with a nominal value of 3,266,000 TL, in its subsidiary İhlas Fuar Hizmetleri A.Ş., which it included in the consolidation, for 1,904,000 Turkish lira on April 22, 2014 based on a price determined by an appraisal company. The Group earned net 74,477 TL from the sales.

Note 35 - Events After Balance Sheet Date

Approval of the Financial Statements

The Holding's consolidated financial statements dated December 31, 2014 were approved by the Board of Directors on March 4, 2015. Only the General Assembly is authorized to change the consolidated financial statements approved by the Holding's Board of Directors.

About the sale of shares

Related financial institution sold to Borsa Istanbul the Holding's shares with a nominal value of 9,662,000 TL, which İhlas Holding A.Ş. showed as collateral for the loans it obtained. As a result of the sale, the share of İhlas Holding A.Ş. in the Holding decreased to 49.7 percent from 54.54 percent.

Note 36- Other matters that may affect the financial statements to a significant extent or matters that are required to be explained in order for the financial statements to be clear, interpretable and understandable

None.