TRADER MEDIA EAST LIMITED

Annual Report &
Consolidated Financial Statements
for the year ended 31 December 2014

TABLE OF CONTENTS

2014 FINANCIAL HIGHLIGHTS

Total revenues from continuing operations were US$ 63.3 million (2013 US$ 96.3), down by 34.3% due to excessive ruble exchange rate volatility. In local currency terms (LCY) total revenues decreased by 22.1%.

Online revenues were US$ 25.2 million (2013 US$ 29.7), down by 15.2%, and in local currency terms increased by 1.6%.

Total group Adjusted EBITDA was US$ (1.5) million (2013: US$ 7.3), down by 120.5%.

We define Adjusted EBITDA as net profit from continuing operations before financial income, financial expense, income tax (expense)/benefit, depreciation and amortization, provision for doubtful receivables and other receivables, impairment charges and certain other non-recurring gains and losses and Adjusted EBITDA margin as the ratio of Adjusted EBITDA to revenues.

We define Operations EBITDA (or operating profit before certain expenses) as Adjusted EBITDA before management service expenses or corporate costs, and Operations EBITDA margin as the ratio of Operations EBITDA to revenues.

Consolidated Revenues

The revenues were lower versus 2013 due to significant deterioration of the economic environment in Russia, Kazakhstan and Belarus, significant devaluation of Russian ruble in the fourth quarter of 2014 (by 42.8% during the fourth quarter of 2014) and the continuing decrease in print revenues in Russia. Mergers or liquidation in loss making print entities are ongoing.

The decrease in print revenues was US$ 28.5 million or 42.8%, from US$ 66.6 million in 2013 down to US$ 38.1 million. The main revenue contributor of Russia had two different levels of decline; in Moscow, print revenues contracted 50.5% in LCY, in regions the fall was 29.8% in LCY. Moscow includes Pronto Media Holding, Job.ru and Impress Media Marketing.

The decrease in online revenues was US$ 4.5 million or 15.2% from US$ 29.7 million in 2013 down to US$ 25.2 million. In LCY the increase comprised 1.6%.

Adjusted EBITDA and Operations EBITDA

Operations EBITDA decreased from US$ 8.1 million in 2013 to US$ 0.3 million in 2014, by 96.3% while total group Adjusted EBITDA fell from US$ 7.3 million in 2013 to US$ (1.5) million in 2014, by 120.5%.

Print Adjusted EBITDA contracted from US$ 7.1 million in 2013 to US$ (1.4) million in 2014, by 119.7%. In Moscow Adjusted EBITDA fell by 7.0% due to decline in Revenues by 30.6% which was not fully covered with cost saving by 23.6%. In Russian Regions, Adjusted EBITDA decreased by 58.8% in a climate where the revenues fell 40.9%, whereas cost saving was 34.5%.

Online Adjusted EBITDA decreased from US$ 0.2 million in 2013 to US$ (0.1) million in 2014.

Share of online revenues amounted to 39.8% of total revenues in 2014. It has increased compared to the share of online revenues of 30.8% in 2013.

Financial Highlights (continuing operations)

IN US$ MILLIONS	2014	2013
REVENUES	63.3	96.3
OPERATIONS EBITDA	0.3	8.1
MARGIN (%)	0.5%	8.4%
ADJUSTED EBITDA	(1.5)	7.3
MARGIN (%)	(2.4)%	7.6%
NET (LOSS)/PROFIT	(64.2)	(10.3)

VISION, MISSION AND STRATEGIC GOALS

Trader Media East Limited ("TME")'s vision is to become the leading classified advertising transaction platform by providing our customers the best online and offline solutions, and generating high returns, which will create long term shareholder value.

TME is in a transformation stage where the revenues are shifting from traditional print media to digital, which is the conclusion of our once readers' / users' preference to use online resources more and more. We anticipate that as of the end of year 2015, our digital revenues, in which the operational costs are less and the model is much more scalable, will surpass print revenues. In this way, we are expecting to improve our profitability and extend the user base significantly.

We have a clear business plan in each country in line with our vision. In order to successfully manage the transition from offline to online and also extend the life of print, we formed a new management team, composed of experienced and dynamic top management.

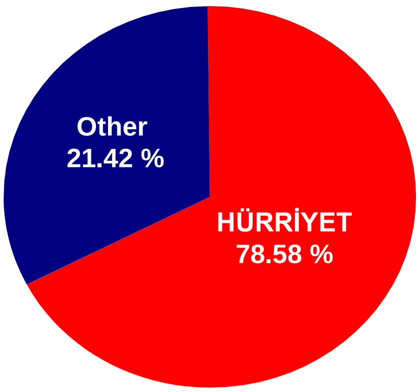
Our main competitive advantages are our well-established relations with professional clients in the real estate and auto segments, our regional franchise (operating physically over 90 cities in Russia & CIS) and our well-known brand, *Iz Ruk v Ruki,* in Russia & CIS.

In online segment (Irr.ru and Job.ru) is the main revenue and traffic generators.

CORPORATE SHAREHOLDING STRUCTURE & PROFILE

At 31 December 2014 HÜRRİYET Invest B.V. ("HIBV")[1] directly owns 78.58% shares of Trader Media East Limited.

	Number of Shares	Share Ownership (%)
Hurriyet Invest BV	47,139,097	78.57
Hurriyet Invest BV GDR	4,113	0.01
Others GDR	12,505,781	20.84
Others	351,009	0.58
Total	**60,000,000**	**100.00**



[1] Hürriyet Invest B.V. is a wholly and directly owned by Hürriyet Gazetecilik ve Matbaacılık A.Ş.

CHAIRWOMAN'S STATEMENT

2015 Overview & 2014 Financial Results

2014 was also a transition year for TME in all respects. We continued to grow our online revenues and shifted our revenue composition towards digital. In 2014, nearly 1/3 of our revenues came from our web-sites and mobile services (mainly from two core platforms of irr.ru and job.ru).

Due to global trends and increasing internet usage in Russia & Regions and CIS, we did a lot of optimization and restructuring of our operations. Thus, TME Management has a vision to become a pure "Digital Group" together with a competitive regional franchises within coming years.

Moreover, we continue to improve our online products and offer best usage experience in all segments in year 2014. Product quality is an important factor to succeed in digital transformation. In this respect, we continue to invest in our technology and human resources.

TME Board of Directors is very committed to the current transition plan and thinks that the healthy transitioning of the company is a great opportunity for the shareholders to re-gain value in coming years.

Dividend

TME Group's policy is to re-invest cash generated in the business. Consequently, TME Board of Directors is not recommending a distribution.

Outlook

In 2015, we are expecting highly competitive market conditions in Russia and the CIS. We are growing aggressively in on-line due to initiation of new product and services in the digital market. We are also planning significant marketing investments in Russia & Regions and CIS, to increase our C2C audiences.

Vuslat Doğan-Sabancı
Chairwoman

MESSAGE FROM THE CEO

Having joined the Company in May 2014, I have accelerated processes started by my predecessor aimed at transition of the Company to a pure "**Digital State**".

Last year, the share of revenues from digital sales reached 39.8% as it was planned.

One of the major challenges in this process is to maintain great legacy of our newspaper brand in our Internet Projects.

For years, "*Iz Ruk v Ruki*" was a leading expert brand in "Real Estate" and "General Classified" in Russia. Strong regional presence also is a part of our heritage. We have to take it all to our Digital Future.

Current market developments saw significant slow-down of the Russian Economy. That was particularly true for print advertising industry.

Our newspaper business e.g. declined over 42.8% in USD terms, while our digital sales remained robust, increasing by 1.6% in local currency terms (LCY) and declined by 15.2% in USD terms. Looking back at similar situations of 1998 and 2008, TME projects emerged as winners from those times. I believe that the optimization and transition to a pure Digital State is the first step in this direction.

The outlook to the future is bright as we look to complete this transition by mid-year 2015.

Nikolay Dadiani
Chief Executive Officer

BOARD OF DIRECTORS & ADVISORS

Current Directors	Mrs.Vuslat Doğan Sabancı, *Chairwoman & Senior Executive Director* [2] Mr. Turhan Cemal Beriker, Vice-Chairman & *Senior Independent Non-Executive Director* [3] Mrs. Özlem Mertoğlu-Munanoğlu,*Senior Independent Non-Executive Director* [4]
Chief Executive Officer	Mr. Nikolay Dadiani [5]
General Secretary	Dr. Hakan Hanlı [6]
Registered Office	SANNE Corporate Service Limited 13 Castle Street St. Helier Jersey JE4 5UT Channel Islands
Business Address	World Trade Center Amsterdam D Tower Level 12 Strawinskylaan 1265 1077XX Amsterdam The Netherlands
Company Registration	Registered in Jersey Number 91704
Independent Auditors	ZAO DELOITTE & TOUCHE CIS Lesnaya Street 5 Moscow 125047 Russia
Legal Advisers as to Jersey Law	Mourant Ozannes 22 Grenville Street St Helier, Jersey JE4 8PX Channel Islands
Solicitors	DENTONS UKMEA LLP One Fleet Place London EC4M 7WS United Kingdom
Principal Bankers	Credit Europe Bank N.V. Karspeldreef 6A 1101 CJ Amsterdam The Netherlands Credit Europe Bank Ltd. Paveletskaya Square No: 2/2 Moscow 115054 Russian Federation
Website	Further corporate, financial and shareholder information is available in the Investor Centre section of TME Group's website: www.tmeast.com

2 Mrs. Vuslat Doğan Sabancı is a "Chairwoman" since August 17, 2010.
3 Mr. Turhan Cemal Beriker has been appointed as "Vice-Chairman" (Independent Director) by the Board in April 9, 2013.
4 Mrs. Özlem Mertoğlu-Munanoğlu has been appointed as Director by the Board in July 31, 2013.
5 Mr. Nikolay Dadiani has been appointed as CEO by the Board in May 19, 2014.
6 Dr. Hakan Hanlı acts as "General Counsel" since June 30, 2009.

DIRECTORS' BIOGRAPHIES

Vuslat Doğan – Sabancı

Chairwoman & Senior Executive Director

Mrs. Vuslat Doğan-Sabancı, born in 1971, Turkish citizen, has been a member of TME Board of Directors since March 2007. She is currently Chairwoman of TME Board of Directors being Senior Executive Director since August 2010.

During the course of her career, she currently holds the following positions: (i) within TME Group, including the positions of Vice-Chairwoman of Board of Directors, Vice-Presidents of Corporate Governance Committee, and Audit Committee; and (ii) HÜRRİYET Group, including the position of Chairwoman of Board, before that she held the positions of Board member, and CEO within HÜRRİYET Group.

Prior to joining the HÜRRİYET Group in 1996, her professional experience included time at the "Wall Street Journal" and the "New York Times". She is graduated from Bilkent University with B.A. in Economics" and holds a Master Degree (LL.M) in Media & Communications from Columbia University. She is also a member of Board of the International Press Institute (IPI).

Turhan Cemal Beriker

Vice-Chairman & Senior Independent Non-Executive Director

Mr. Turhan Cemal Beriker, born in 1968, a Turkish citizen, graduated in Management Science (BSc) in the Faculty of Engineering at Bilkent University in Ankara, Turkey. He started his career as Manager at Interbank AS in 1990. In 1993, he joined Finansbank as Director, and as CEO in 2001 and joined as Director at Credit Europe Bank N.V. in 2010, where he gained experience in banking, finance and management. After CEB, he joined for Kiltoprak NV as full-time advisor to the President & Board in transport, energy and tourism sectors in 2011.

He is currently Vice-Chairman of TME Board of Directors, and President of Audit and Corporate Governance Committees, being Senior Independent Non-Executive Director since April 2013.

Özlem Mertoğlu – Munanoğlu

Senior Independent Non-Executive Director

Mrs. Özlem Mertoğlu-Munanoğlu, born in 1966, Turkish and Dutch citizens, graduated in International Relations (B.A.), School of Business Administration at Middle East Technical University, Ankara, Turkey, and studied International Business Law in the Faculty of Business Law at De Montfort University, Leicester in UK.

She started her career as Manager at Interbank AS in 1987. In 1990 she joined Impexbank, in 1991 HSBC AS as Finance & Marketing Manager and in 1996 KÖRFEZBANK AS as Vice-President. In 1999, she joined DIŞBANK as General Manager – Managing Director of Disbank Nederland NV and then after in 2003 to Demir-Halk Bank Nederland NV as Assistant General Manager. Between 2004 and 2009, she worked as Shareholder & Managing Director of Commodum Consultancy Services BV. Since 2009 she is the Shareholder & Managing Director of AFFIANCE Management BV, a licensed trust office supervised by Dutch Central Bank. She is experienced in structured finance, international operations and expansion, finance and banking. Also, she acts as Independent Board Member in holding and finance companies.

She is currently member of TME Board of Directors, and member of the Audit and the Corporate Governance Committees, being Senior Independent Non-Executive Director since July 2013.

CORPORATE GOVERNANCE

The 2008 Combined Code of Corporate Governance has been renamed UK Corporate Governance Code, with the revised Code applying to reporting periods beginning on or after October 1, 2012. It sets out certain Corporate Governance recommendations in relation to companies with a Premium Listing of equity shares at the London Stock Exchange ("LSE") regardless of whether they are incorporated in The United Kingdom or elsewhere. Trader Media East Limited has a Standard Listing at the LSE and as such the UK Corporate Governance Code does not strictly apply to it. However, the Group intends so far as it is able to apply the underlying principles of UK Corporate Governance Code, having regard to its size and stage of development.

The Board is committed to maintaining high standards of Corporate Governance. This statement, together with the Report on Remuneration and the Report of the Board of Directors set out on pages 15 and 16, describes how the Group has applied the relevant Principles of UK Corporate Governance Code, and also adheres to Dutch tax substance requirements. The Board believes that the Group complies with the spirit of UK Corporate Governance Code although there are some departures as mentioned below.

Corporate Governance Compliance Statement

As a Jersey incorporated company, the Company is governed according to its articles of association and the relevant provisions of the Companies (Jersey) Law 1991. The Board is responsible for the proper management of the Group and confirms that the Group has complied throughout the financial year with most of the relevant provisions set out in UK Corporate Governance Code. The departures from UK Corporate Governance Code are discussed below.

The majority of the Board, and Corporate Governance (Compensation & Nomination) Committee members are considered independent as required by UK Corporate Governance Code.

Board of Directors, Audit & Corporate Governance Committees' Status

The restructuring of the Board and Committees have taken place with two simple considerations in mind, *simplicity and efficiency.*

TME is a company going through transition, driving its revenues from offline to online. As a result of this transition, a more flexible body was needed to further push this change.

Going Concern Basis

After making enquiries, the directors have formed a judgment, at the time of approving the financial statements, that there is a reasonable expectation that TME Group has adequate resources to continue in operational existence for the foreseeable future. Management has plans to improve the Group's financial position including, but not limited to borrowings from the parent and capital increase financed by the parent. In order to improve profitability and working capital situation management also envisages further cost reductions, in particular, but not limited, in offline segment, and considers additional external financing options. The Group finances its operations though the bank borrowings guaranteed by ultimate parent company.

For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

THE BOARD OF DIRECTORS

- Mrs. Vuslat Doğan-Sabancı, *Chairwoman, Senior Executive Director*;
- Mr. Turhan Cemal Beriker, *Vice-Chairman, Senior Independent Non-Executive Director*; and
- Mrs. Özlem Mertoğlu-Munanoğlu, *Member, Senior Independent Non-Executive Director.*

The Board is responsible and accountable for the Group's operations. The Board has a formal schedule of matters for which they have sole responsibility, including the Group's strategic plans, acquisitions or disposals, capital expenditure, all financing matters, annual operating plan and budget and operating and financial performance. The Board meets regularly and a table of attendance is shown on page 13.

The Board also delegates specific responsibilities to the Committees, each of which has clear written terms of reference, as described below. The Board did not believe that it was necessary to use external resources to review its performance during year 2014, but chose to evaluate its own performance, that of its Committees and of its Directors. The Board was broadly satisfied with its performance.

Under UK Corporate Governance Code Provisions, the Company should arrange appropriate insurance cover in respect of legal action against its directors and officers. The Board believes that an increasing amount of work is undertaken by the Audit and Corporate Governance Committees and that non-executive director(s) can only properly fulfill their responsibilities if they are present during committee meetings and are able to follow the detail of discussions and debate held at those meetings.

There are currently three directors: Mrs. Vuslat Doğan-Sabancı as Chairwoman & Senior Executive Director, Mr. Turhan Cemal Beriker as Vice-Chairman & Senior Independent Non-Executive Director, and Mrs. Özlem Mertoğlu-Munanoğlu as Senior Independent Non-Executive Director. The biographies are set out on page 8, and illustrate the directors' breadth of experience.

The responsibilities of the Chief Executive Officer has been set out in writing and approved by the Board in year 2010. The Non-Executive Directors are subject to re-appointment on an annual basis at TME Annual General Meeting. Before a Non-Executive Director is proposed for re-election by shareholders, the Corporate Governance Committee (which is responsible for the roles identified by UK Corporate Governance Code, which would be reserved for the "Compensation & Nomination Committees") meets to consider whether a Non-Executive Director's performance continues to be effective and whether s/he demonstrates a commitment to the role.

Each director is subject to re-election by shareholders on an annual basis. An assessment is made of any training needs on a director's appointment and the appropriate training provided, if applicable. All directors have access to the Company Secretary and, in the furtherance of their duties, may take independent professional advice, if necessary, at the Group's expense.

TME Board believes that the Chairwoman was and remains a self-reliant senior executive director since the date of her appointment.

RELATIONS WITH SHAREHOLDERS

The Group encourages two-way communication with its investors and responds quickly to all queries received orally or in writing. The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") meet regularly with analysts and institutional shareholders.

The Chief Executive Officer and the Chief Financial Officer report to the Board giving details of comment and "feedback" received from analysts and institutional investors. At TME Annual General Meeting directors or alternates are available for questions. The communication is also made through the website, which is regularly updated.

AUDIT COMMITTEE

The Audit Committee is comprised of two independent non-executive directors and two representatives of HÜRRİYET Group. Mr. Turhan Cemal Beriker as President & Senior Independent Non-Executive Director, and Mrs. Özlem Mertoğlu-Munanoğlu as Senior Independent Non-Executive Director are independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. Mrs. Vuslat Doğan-Sabancı is as Vice-President (who is Chairwoman of HÜRRİYET Group), and Mr. Kemal Sertkaya [10] is an employee of DOĞAN Group.

The Audit Committee meets at least twice a year and is responsible for reviewing, prior to its publication, any financial information made public through quarterly and half-year press releases on the Group's results, monitoring the Group's financial, accounting and legal practices against relevant ethical standards, reviewing any changes in accounting methods and main judgments made by management at the close of the half-year and annual consolidated financial statements and supervising the Group's compliance with accounting and financial internal control processes.

The Audit Committee will also recommend the choice of independent auditors to the Board, to be put to shareholders for approval at TME Annual General Meeting. It will also discuss with the auditors their findings. In addition, the Audit Committee will direct the Group's internal audit function and review and analyze the reports issued by the internal audit team after a written response from management.

The performance of the external auditors is evaluated by the Audit Committee each year. Central to this evaluation is scrutiny of the external auditors' independence, objectivity and viability. To maintain the independence of the external auditors, the provision of non-audit services is limited to tax and audit-related work that fall within specific categories. The appointment of independent auditors to perform these non-audit services has been pre-approved by the Audit Committee.

The Audit Committee has formal written terms of reference which are available on TME website.
The members of the Audit Committee at the date of this report were:

Mr. Turhan Cemal Beriker (President) [7]
Mrs. Vuslat Doğan-Sabancı (Vice-President) [8]
Mrs. Özlem Mertoğlu-Munanoğlu (Member) [9]
Mr. Kemal Sertkaya (Member) [10]

Mr. Igor Popovich has been appointed as TME / Pronto Media Holding Limited "**Internal Audit Manager"** on December 1, 2014. He was born in 1983, Russian citizen, graduated from Finance University under the Government of Russain Federation for "Specialist in Finance & Taxation" in 2005. In addition, he has been qualified in Audit Chamber of Russia as "Russian Certified Auditor". He started his career as Auditor at KPMG Moscow, in Energy & Natural Sources Department in July 2004.

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7 Mr. Turhan Cemal Beriker has been appointed as Member (July 31), then as President of Audit Committee in October 11, 2013.

8 Mrs. Vuslat Doğan-Sabancı has been appointed as Vice-President of Audit Committee in October 11, 2013.

9 Mrs. Özlem Mertoğlu-Munanoğlu has been appointed as Member of Audit Committee in July 31, 2013.

10 Mr. Kemal Sertkaya is Vice-President of Internal Audit activities within the parent groups of HÜRRİYET and DOĞAN Holding.

CORPORATE GOVERNANCE COMMITTEE [11]

The Corporate Governance Committee is comprised of one senior executive director and two senior independent non-executive directors. Mr. Turhan-Cemal Beriker and Mrs. Özlem Mertoğlu–Munanoğlu have been appointed as President and Member respectively in 2013. Mrs. Vuslat Doğan-Sabancı (who is also Chairwoman of HÜRRİYET Group, which is the majority shareholder of the Group), is Vice-President of the Compensation Committee. The non-executive senior directors are independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment.

The Corporate Governance Committee meets at least one time a year and is responsible for establishing and controlling the internal practices and rules developed in terms of financial compensation for the members of the Board, certain members of executive management and other key employees. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as directors, as the need may arise, and determining succession plans for the Chairwoman of the Group.

The Report on Remuneration set out on page 14 contains a more detailed description of the Group's policies and procedures for executive remuneration. The Chief Executive Officer, the General Counsel and Chief HR Officer, as appropriate, attend meetings of the Committee, but they do not participate in discussions on their own remuneration.

The Corporate Governance Committee has formal written *terms of reference*, which are available upon written request addressed to the Company Secretary.

The members of the Corporate Governance Committee at the date of this report were:

Mr. Mr. Turhan Cemal Beriker (President) [12]
Mrs. Vuslat Doğan-Sabancı (Vice-President*)* [13]
Mrs. Özlem Mertoğlu-Munanoğlu (Member) [14]

COMPENSATION & NOMINATION COMMITTEES

The Corporate Governance Committee is additionally responsible for the roles identified by UK Corporate Governance Code which would be reserved for Compensation and Nomination Committees. Consequently, the Corporate Governance Committee also meets as required to select and propose to the Board suitable candidates of appropriate caliber for appointment as "director(s), officer(s), advisor(s) and its/their related fee(s)/package(s)".

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[11] The Compensation Committee renamed as "Corporate Governance Committee" by the Board on April 17, 2014.

[12] Mr. Turhan-Cemal Beriker has been appointed as Member (July 2013), then as President of Compensation Committee in October 11, 2013

[13] Mrs. Vuslat Doğan-Sabancı has been appointed as Vice-President of Compensation Committee on October 11, 2013.

[14] Mrs. Özlem Mertoğlu-Munanoğlu has been appointed as Member of Compensation Committee on July 31, 2013.

INTERNAL CONTROL

The directors are responsible for the Group's established system of internal financial control and for reviewing its effectiveness. During the internal audit reviews the Board has not been advised of any failings or weaknesses which were deemed to be significant. No system of internal financial control can provide absolute assurance against material misstatement or loss. The established system is designed to provide the directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately. The key procedures that have been established and designed to provide effective internal financial control are:

- *Management and Organizational Structure*. The existing organizational structure is considered appropriate to the size of the Group. This clearly identifies levels of delegated responsibility to operational management. The performance of senior management is regularly evaluated and individual employees' responsibilities are clearly defined and communicated.

- *Financial Reporting.* Part of the comprehensive management reporting discipline involves the preparation of detailed annual budgets by all operating units. These budgets are reviewed by the executive management, and are ultimately summarized and submitted to the Board for approval.

  Monthly revenue and profit returns are received from all operating units followed by the issuance of monthly management accounts, which are prepared promptly and reported against the approved budget. Consolidated monthly management accounts are prepared, including detailed profit analysis (with comparisons to budget, latest forecasts, prior year and consensus market opinion), and treasury report (including comparison to our financial covenants), providing relevant, reliable and up-to-date financial and other information to the Board. Revised profit and cash flow forecasts for the current year are prepared and submitted to the Board at quarterly intervals during the year.

- *Investment Appraisal*. We have a clearly defined framework for capital expenditure which is controlled centrally. Appropriate authorization levels and limits beyond which such expenditure requires the prior approval of the Executive Management Team or, in certain circumstances, the Board, are clearly set. There is a prescribed format for capital expenditure applications which places a high emphasis on the overall Group strategy or logic for the expenditure, and demands a comprehensive and sound financial representation of the business case being put forward. All significant corporate acquisitions or investments are controlled by the Board on the basis of proposals advanced by the Executive Management Team or a Board sub-committee and are subject to detailed investment appraisal and performance of due diligence procedures prior to approval by the Board.

- *Functional Reporting.* A number of our key functions, including treasury, taxation, internal audit and risk management, litigation, IT strategy and development and insurance are dealt with centrally. Each of these functions reports to the Board on a regular basis through CEO, CFO and General Counsel, as appropriate. The treasury function operates within the terms of clearly defined policy statements. The policy statements exist to ensure that we are not exposed to any unnecessary risk and that where appropriate there is hedging against foreign currency and interest rate risks.

The Audit Committee reviews the reports from Management, the internal audit department and the external auditors to provide reasonable assurance that control procedures are in place and are being followed. Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

Table of Attendance at the Meetings:

	Board	**Audit Committee**	**Corporate Governance (Compensation) Committee**	**AGM**
Number of meetings in the year 2014	**6**	**4**	**4**	**1**
Mrs. Vuslat Doğan-Sabancı	6	4	4	1
Mr. Turhan Cemal Beriker	6	4	4	1
Mrs. Özlem Mertoğlu-Munanoğlu	6	4	4	1
Mr. Kemal Sertkaya	-	2	-	-

REPORT ON REMUNERATION

The Company Directors are paid annual fee on a quarterly basis. The Company annual fees are as follows: (i) TME Board Chairwoman/man and Vice-Chairman's fees are EUR€ 20,000, and member fee is EUR€ 10,000; (ii) TME Committees' President and member fees are EUR€ 1,000; Members of the Audit and Corporate Governance Committees are paid by attendance fee of EUR€ 1,000 per meeting.

Service Contracts

Non-Executive Directors

There are no service contracts in force between any non-executive director and TME Group. Each of the non-executive directors has a letter of appointment setting out the terms and conditions of her/his appointment. The letters of appointment do not provide for any benefits to be paid to the non-executive directors upon the termination of their appointments nor do they provide for a specific notice period. There are no commissions or profit-sharing arrangements in their letters of appointment.

TME has incentive plan, however, no options were granted to or exercised by any Director of TME for the years ended at December 31, 2014 and 2013 and the signing date of these audited financial statements. There is no long term incentive plans granted to any Director or top management of TME as of December 31, 2014.

Chief Executive Officer (CEO)

Mr. Nikolay Dadiani was appointed as "CEO" by the Board on May 19, 2014.

He was born in 1970, Russian citizen, graduated from Cambridge Academy of English and European Business School for "Marketing, Advertising & Promotion" in 1992 and 1995 respectively, additionally studied in ISAS at Young & Rubicam in 2001 London in UK.

He started his career as Account Manager at MCCANN-ERICKSON RUSSIA in 1995, he also worked as Project Director at the University of Moscow in Academy of Marketing & Advertising in Russia in 1996, as Account Director at MAXIMA CG in Moscow (1997), as Group Account Director and Client Service Director at YOUNG & RUBICAM MOSCOW (2000 & 2007 respectively), as Commercial Director at AFISHA INDUSTRIES in Moscow (2007). Also, he served as Chief Sales Officer at SANOMA INDEPENDENT MEDIA in 2013.

Directors' Remuneration

TME Directors' annual remunerations are set out as follows:

	EUR€	
	2014 Basic Remuneration	2014 Committee Fees
Mrs. Vuslat Doğan-Sabancı	20,000	8,000
Mr. Turhan Cemal Beriker	20,000	8,000
Mrs. Özlem Mertoğlu-Munanoğlu	10,000	8,000
Mr. Kemal Sertkaya	-	2,000

REPORT OF THE BOARD OF DIRECTORS

Trader Media East Limited ("TME" or the "Company" or the "Group")'s directors present their report and the audited financial statements for the year ended December 31, 2014.

Incorporation

The Company is incorporated in Jersey, Channel Islands.

Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements". In virtually, all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the website is the responsibility of the directors, the work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the financial statements since they were initially presented on the website.

The directors are also required by the Disclosure and Transparency Rules (DTR) of the United Kingdom Listing Authority ("UKLA") to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

Directors' Statement pursuant to the Disclosure and Transparency Rules (DTR)

Each of the directors, whose names and functions are listed on page 8 confirm that, to the best of each person's knowledge and belief:

- the financial statements, prepared in accordance with IFRS as adopted by EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Directors' Report contained in the Annual Report includes a review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and the financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Principal Activities

TME is the leading marketplace for communities of generalist, real estate, auto and recruitment, with strong local brands, serving local markets in Russia, Kazakhstan and Belarus. TME produces 125 print titles, with 0.8 million readers per month and hosts 11 websites, with 18.7 million unique monthly visitors. TME is one of the largest companies in the region operating with weekly and daily newspapers and websites, primarily in the generalist, real estate, automotive and recruitment categories.

Results and Dividends

The profit and loss account of the Group for the year ended December 31, 2014 is set out in the audited financial statements. No dividends were paid during the year 2014.

Directors

The composition of the Board of Directors as of December 31, 2014 is as follows:

- Mrs. Vuslat Doğan-Sabancı as Chairwoman, Senior Executive Director;
- Mr. Turhan Cemal Beriker as Vice-Chairman & Senior Independent Non-Executive Director; and
- Mrs. Özlem Mertoğlu-Munanoğlu as Member & Senior Independent Non-Executive Director.

Directors' Interests

No options were granted to or exercised by any director of TME in the period between December 31, 2014 and the signing date of these audited financial statements. None of the directors had a material interest in any contract of significance to which the Company or any of its subsidiaries was a party during the year.

Policy on Payment of Creditors

It is Group policy, in respect of all of its suppliers, to settle the terms of payment when agreeing each transaction, to ensure that suppliers are made aware of the terms of payment and to abide by those terms. The average number of creditor days in relation to trade creditors outstanding depends on each country where we generally apply local practices.

Financial Risk Management

The Group finances its operations through the generation of cash from operating activities and from bank borrowings. Liquidity risk is managed through forecasting the future cash flow requirements of the business and maintaining sufficient cash at bank balances.

Principal Risks and Uncertainties

The following risks and uncertainties could have an effect on the Group's performance. As at the date of this report, the Board considers the risks described below as the principal risks facing the Group. The Group has a risk management structure in place that is designed to identify, manage, and mitigate business risks. This forms part of the Group's system of internal control that is described in detail in Corporate Governance. The key risks identified through this risk management process, and how they are managed is detailed below.

General

The Group's activities expose it to a variety of operational and financial risks; these risks are market risk including the effects of changes in debt and equity market prices, foreign currency exchange rates, fair value interest rate risk, and cash flow interest rate risk, credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. As the Group operates in different regions and countries, TME headquarters deal effectively with the coordination of management of different entities.

Risks relating to the Group's Business and Industry

The Total Ads Revenue decreased 33.9%, in which classifieds decreased 43.0%, whereas displays decreased 28.4% versus 2013 figures. Displays share increased in Total Ads Revenue in 2014 to 67.5% in comparison to 2013 (62.4%).

GDP in current prices in 2014 amounted to 71,406.4 billion rubles. The index of physical volume relative to 2013 amounted to 100.6%. Index-deflator of GDP relative to prices 2013 made 107.2%. In 2014 Kazakhstan's GDP increased by 4.3%. Gross domestic product of Belarus in 2014 increased compared to 2013 by 1.6%.

Risks relating to the Group's Financial Condition

The Group is exposed to variety of financial risks due to its operations. These risks include liquidity risk, funding risk, credit risk and foreign currency risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group finances its operations through loan facilities provided by its controlling shareholder, Hurriyet Group, as well as bank loans. Liquidity risk is managed through forecasting the future cash flow requirements of the business and maintaining sufficient cash at bank balances.

Foreign Currency

A high proportion of the Group's sales (81.8%) and operating loss arise in the Russian Federation. As a result, the Group's reported results in 2014 have been negatively affected by the weakening of the Russian Ruble (RUR) against the US Dollar (US$) (20.6% on an annual average basis) versus 2013.

Competitive Forces

The markets in which the Group operates are highly dynamic and competitive. The majority of its co-operation is long term in nature and access to the key platforms is critical to the success of the business. This requires sustained investment in technology, capability and infrastructure, which presents a high barrier to entry. However, these factors alone do not protect the Group from competition, such that price competition and technical advances made by competitors could adversely affect the Group's results.

The Group has developed a balanced business portfolio and maintained a steady improvement in operational performance, which together with the establishment of long term customer relationships and sustained investment in technology acquisition, allow the Group to respond to competitive pressure.

Legal Risks

The Group operates internationally and is subject to laws and regulations in a large number of jurisdictions. Combined with this, the large numbers of customers and suppliers to the Group result in a complex set of contractual obligations and a risk of non-compliance with the applicable laws and regulations.

The Group addresses this risk in a number of ways:

- through reviews, advice and opinions provided by the in-house legal department;
- monitoring and reporting of issues by the Internal Audit function;
- internal control processes requiring local and Group management to report on areas of potential non-compliance; and
- controls on the levels of management required to approve proposed contractual arrangements.

Charitable and Political Donations

The Group did not make any material charitable or political donations during the year.

Intangible Assets

Historically, the Group has attributed value to its main trade names, customer database and goodwill in allocating a part of the purchase price paid for its subsidiaries to these intangible assets. These values attributed to intangible assets are referred to in Note 14 to the financial statements.

Purchase of Own Shares

The Group did not purchase any of its shares for cancellation during the year. At present, TME Group had no authority to purchase Group's issued ordinary share capital.

Secretary

Dr. Hakan Hanlı is the Company Secretary since June 30, 2009.

Independent Auditors

Deloitte Touche Tohmatsu LLP [15] member firms ZAO Deloitte & Touche CIS and DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş have been appointed as External Auditor to TME Group since January 2013 and June 2010, respectively, in responding to regulatory obligation in Jersey.

A resolution to appoint the auditors and to authorize the directors to fix their remuneration will be proposed at the Annual General Meeting (AGM), which will be held in June 12, 2015 at the Company's headquarter in Amsterdam, The Netherlands.

By order of the Board

Dr. Hakan HANLI
General Secretary & Counsel
27 April 2015

Registered office:
SANNE Corporate Service Limited
13 Castle Street
St. Helier Jersey JE4 5UT
Channels Islands

[15] Deloitte Touche Tohmatsu LLP was appointed by the Board as External Auditor to TME, its subsidiaries:
(i) DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş in Turkey since June 2010; and
(ii) ZAO Deloitte & Touche CIS" in Russia since January 2013.

RESPONSIBILITY STATEMENT

TME Annual Report & Consolidated Financial Statements of 2014 contain a “Responsibility Statement” in compliance with paragraph 4.1.12 of the DTR signed by order of the Board by Mrs. Vuslat Doğan-Sabancı as Chairwoman of the Board & Senior Executive Director, Mr. Turhan Cemal Beriker as Vice-Chairman & Independent Senior Non-Executive Director, and Mrs. Özlem Mertoğlu-Munanoğlu as Member, Senior Non-Executive Director.

This statement is set out below in full and unedited text. This states that on **April 27, 2015**, the date of approval of the 2014 Annual Report & Consolidated Financial Statements (Accounts)

Each of the directors hereby confirm:

“To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of TME Group”.

Amsterdam, The Netherlands
27 April 2015

TRADER MEDIA EAST LIMITED

Vuslat Doğan-Sabancı
Chairwoman

Turhan Cemal Beriker
Vice-Chairman

Özlem Mertoğlu-Munanoğlu
Director

GENERAL OVERVIEW & FINANCIAL REVIEW

We are pleased to present the consolidated financial results of Trader Media East Limited ("**Trader Media East**" or "**TME**" or the "**Group**" or **"We"**) for the year ended December 31, 2014.

The financial results for both periods have been prepared on the basis described below, in the section "Basis of Presentation".

This report contains statements regarding future events or conditions that may or may not be accurate in the future. You should refer to the risks identified in the "Forward Looking Statements" section of this report.

About Trader Media East

TME is the leading market place for communities of real estate, auto and recruitment, with strong local brands, serving local markets in Russia, Kazakhstan and Belarus. TME produces 125 print titles with 0.8 million readers per month and hosts 11 web-sites with 18.7 million unique monthly visitors.

TME was founded in November 2005, and comprises the former operations of Trader Classified Media N.V., Currently, the Group employs 2,034 permanent employees in 3 countries.

TME's branded classified advertising websites and publications and related specialized services have leading positions in specific markets in the following countries: Belarus, Kazakhstan, and Russia.

Major Developments

<u>TME Group Inter-Company Loan</u>

TME Group Management will use US$ 35M HÜRRİYET Group as inter-company loan with the fair market interest rate, which will be then capitalized within the company.

<u>TME/PMH Bank Borrowing (Short Term)</u>

TME/PMH negotiated *(the interest rate, etc.)* and concluded two agreements for credit lines with Denizbank Moscow on June 20, 2014 (RUR 137,000,000) and on December 12, 2014 (RUR 150,000,000).

<u>Credit Europe Bank ("CEB") debt</u>

On 20 April 2015 the Group repaid the debt from CEB in the amount of USD 35 million maturing on that date with an inter-company loan provided by Hurriyet Group.

<u>Status of New Russian Media & Broadcasting Law: "20% Limitation for Foreign Investor"</u>

Three deputies of Russian Parliament (Mr. Vadim Dengin, Mr. Parakhin and Mr. Voronenkov) have submitted a draft Media Law, which has already passed on September 26, 2014. Such Amendment to Media Law (№ 604509-6) provides some limitations into the "**Law on Mass Media & Broadcasting**" with regards to 20% limitation of ownership in media for foreign companies and private persons.

Neverthless, this current structure of the "Law on Mass Media & Broadcasting" does not provide any difference/category between the content producers and the pure advertising publication, who merely aggregate commercial information, like ourselves.

Moreover, Pronto Media Holding's "**online business**" is de-registered from Roskomnadzor (as media registry) from October 24, 2014, thus Pronto Media Holding's "online business" is protected under such law.

<u>ASPM Holding B.V. Liquidation</u>

In December 2013, we completed the liquidation of AutoScout24 Ltd., the joint-venture operation company in Moscow, Russian Federation, which was wholly owned by ASPM Holding B.V. In addition, ASPM Holding B.V. will be liquidated in 2015, which is in process as of the date of the report.

Pronto Invest B.V. Sale & Merger

Pronto Invest B.V. was sold by Pronto Media Holding to Mirabridge International B.V. on 18 December 2014.

Pronto Invest B.V. was merged (upstream) into Mirabridge International B.V. on 13 April 2015.

Oglasnik d.o.o. Disposal & Appeal against Award

On 28 February 2014, we completed an agreement to sell our 70% indirect stake in Oglasnik d.o.o, the operating company of TME's Croatian operations (which was directly owned by TCM Adria d.o.o,) for a consideration of EUR€ 2 to its Minority Shareholders.

Arbitral Award was announced on 6 August 2014 by virtue of which the claim of the Minorities has been accepted in full. The Award came in as unexpected, especially given that the Tribunal not only ruled in favour of the Minorities, but they rejected practically all our lawfull arguments.

Upon such Award, we received a Notice Letter from the Minorities invited TCM Adria d.o.o. to pay within eight days an amount of KN 24,108,331.09 (approximately US$ 3.85 million) per Minority. This amount includes KN 13,273,109.76 of principal and KN 10,835,221.33 of interest, which is in total approximately US$ 7.7 mln. Since this Award is enforcable, but not final, we are continuing to challenge for: (i) its suspension *(interim injunction);* and/or (ii) cancellation of such Award at a higher instance, which is ongoing/pending at Zagreb High Court.

TCM Adria 2 Tax Cases

On 18 October 2014, TCM Adria's 1st Tax case; Zagreb Tax Court granted a judgment in favour of TCM Adria d.o.o. (TCM Adria's former Paris office directors were accused of several tax offences) by Zagreb Tax Authority/Croatian Ministry of Finance.

As a result, TCM Adria was acquitted of the tax and its penalty charge (approximately EUR€ 50.000 not counting calculation of benefit in kind etc.).

On 20 February 2015, TCM Adria's 2nd Tax Case; Zagreb Tax Court granted a judgment in favour of TCM Adria d.o.o. (TCM Adria's former Paris Office 5 directors were accused of several tax offences on the grounds of statute of limitations).

As a result, TCM Adria was acquitted of the tax and its penalty charge (approximately EUR€ 160.000).

Capital Increase in TME

On 15 October 2014, Capital Raising in TME (which means to convert TME's debt to HIBV into equity) has been successfully concluded. TME concluded: (i) an offering to holders of TME's global depositary receipts of the right to subscribe for new ordinary shares (which will be evaluated independent company) in the capital of the Company in the form of newly issued GDRs with one New GDR representing one New Share and with three New GDRs offered for every one GDR held by Eligible Investors; and (ii) an offering to holders of ordinary shares on the register of members of the Company the right to subscribe for New Shares *pro rata* to their existing holding of ordinary shares.

Pronto Moscow Limited Re-named: "**Pronto Media Holding Limited**"

Pronto Moscow Limited Articles of Association/Charter and legal entity name have been modified and renamed into "**Pronto Media Holding Limited**" on December 23, 2014.

Simultaneously with re-naming Pronto Media Holding Limited has started transfer of operations from JOB.RU Ltd. to Pronto Media Holding Limited. Since 2015, Pronto Media Holding Limited also operates web-site www.job.ru.

Liquidation & Mergers in Russia & CIS

Pronto Neva Limited was liquidated on February 21, 2014.

Pronto-Kemerovo Limited was liquidated on May 23, 2014.

Pronto-Voronezh Limited was liquidated on June 20, 2014.

Pronto-Rostov Limited was liquidated on June 24, 2014.

Pronto-Tula Limited was liquidated on July 18, 2014.

Partner Soft Limited was liquidated on December 10, 2014.

Disposals

On April 27, 2013, TME concluded an agreement to sell 90% of Pronto-Pskov Limited.

In January 2014, TME completed agreements to sell remaining holding of 10% in Pronto-Obninsk Limited.

BUSINESS OVERVIEW

Our registered office is in Jersey and we maintain our principal administrative offices in The Netherlands. Our operating structure is designed to provide centralized control over financial management, acquisitions, strategic partnerships and Internet development.

We provide local managers with support for finance, sales, marketing, production and distribution while giving them the responsibility and the flexibility to react quickly and effectively to varying local market conditions. Within each of our major metropolitan and regional markets, we have operation managers, sales and marketing teams, a production group and distribution managers.

Market Conditions

Print revenues decreased in 2014 versus 2013. The biggest drop in US$ terms was in Display Ads (US$ 14.5 million) which was followed by Classified Ads (US$ 9.9 million). Online revenue decreased by 15.2% in 2014 versus 2013. The biggest drop in US$ terms was in Classified ads (US$ 2.6 million) which was followed by Display ads (US$ 1.6 million).

TME's action plan towards optimizing costs and transformation into online classifieds company, which has been initialized at the beginning of 2010, has continued to be implemented during 2014 due to ongoing print revenue decline (US$ 28.5 million). TME kept implementing aggressive cost savings in print and managed to save US$ 19.3 million in printing costs. Those actions helped to mitigate operational losses as Adjusted EBITDA of print segment declined by $8.5 million compared to 2013.

Sales and Marketing

We sell advertisements in our print publications and on our websites through our local direct sales force, centralized marketing team and customer service call centers.

Our number of web-sites and various publications, such as *Iz Ruk v Ruki* in Russia, have a national reach, and in these cases we solicit national advertising, either directly or through advertising agencies.

Each of our local print and online media operations has a dedicated direct sales force focused on retaining existing advertisers and acquiring new ones, particularly local businesses such as car dealers, real estate brokers and other local retailers, through sales visits to customers. In addition, our sales forces in both our satellite offices and call centers up-sell enhancements to advertisements and value-added services including our ''Power Pages'' solutions and inventory lot management. Our local sales forces are also instrumental in promoting our websites to advertisers in our print publications with integrated print and online advertising offered to professional advertisers for an incremental fee.

Our local managers set advertising rates and cover prices of our local publications, after consultation with our centralized management. The advertisements we sell typically run for one to four editions are generally published on a daily, weekly or monthly basis.

Customers typically place advertisements in our publications either through our local call centers (via standard or premium rate telephone lines) or by filling in a coupon from the relevant publication and taking it to one of our ad placement offices located within each city or region. Our customers in Moscow may also place both online and offline advertisements either by purchasing a telephone card from one of our ad placement offices and placing an advertisement over the phone, by purchasing an Internet card from one of our websites or ad placement offices and placing the advertisement online, or via SMS and MMS services by mobile phone.

Distribution of Print Publications

We distribute our products through a variety of channels, including:

- independent wholesalers: third party distributors who purchase from us directly at wholesale prices and sell through their own sales networks or to other networks;
- individual distributors; and
- satellite offices.

Our ability to distribute publications in an efficient and cost-effective manner is a decisive factor in our business. All of our publications have or share an internal distribution department dedicated to managing the distribution process. Local distribution managers, through frequent contact with wholesalers, third party distributors and retailers, closely monitor the flow of publications to ensure that an adequate number of copies are available for sale or distribution, while minimizing the number of unsold or undistributed copies.

In many of our regions, this process has been automated through the use of planning software.
Our distribution channels vary from region to region and we have sought to expand our distribution network where feasible.

Production, Printing & Technology

We prepare our own page layout design for print publications using desktop publishing systems with modern commercial software packages. This is efficient in terms of the amount of labor and materials required and helps to minimize the lead-time necessary to produce each edition. These digitally formatted layouts can be conveniently transferred by our designers to printing facilities or uploaded to websites at minimal added cost.

All our publications are printed by third party printing houses. Our two previously owned printing houses in Moscow and Samara were sold in year 2012. We track established contracts (generally for 12 months terms with the option to extend) with reliable and proven printing houses, typically on a publication-by-publication basis.

With the help of innovative in-house software (IT) development center in Minsk, Belarus, we are implementing a technology initiative focusing on providing comprehensive and flexible technology platforms to support our online strategy with TME.

Paper Supply

We typically consolidate purchases of large quantities of paper in each country to obtain volume discounts. We buy paper either directly from paper manufacturers or from third party printing houses. In the absence of fixed price, long-term contracts or discount arrangements, we purchase paper at market prices.

Currency Fluctuations

We express our results in US Dollar and generate revenues in different currencies. The most significant currency is the Russian Ruble, in which we have generated 81.8% of our revenues in 2014. The second one is Belarusian ruble which produces 10.0% of our revenues in 2014, and the third one is Kazakhstan Tenge in which we have generated 8.2%.

Set up below is a table of 2014 annual average rates of major local currencies against US$ compared to 2013:

	2014 Annual average rate	2013 Annual average rate	Fluctuation %
Russian Ruble (RUR)	0.0260	0.0314	(17.2%)
Kazakhstan Tenge (KZT)	0.0056	0.0066	(15.2%)
Belarusian Ruble (BYR)	0.00009	0.00011	(18.2%)

Inflation

Our costs are closely linked to domestic cost factors in the countries in which we operate. In 2014 the highest inflation rate was in Belarus (16.2%).

The table below presents changes in Russia's consumer price index from 2008 through 2014.

(Annual percent change)	2008	2009	2010	2011	2012	2013	2014
Consumer Price Index (Dec. to Dec. change in RUR)	13.3%	8.8%	8.8%	6.1%	6.6%	6.5%	11.4%

Revenues

Source of Revenues

We primarily derive revenues from selling advertising space in our publications. To a lesser extent, we derived revenues from paid circulation of some of our print publications and from additional services we provide. We generated revenues from print activities (60.2% in 2014 and 69.2% in 2013) and Internet activity (39.8% in year 2014, and 30.8% of revenues in year 2013).

We generate print revenues principally from four sources, or "channels", which are display advertisements, private and professional classified advertisements, circulation and services. We earn circulation revenues primarily through sales to individuals who purchase at kiosks or newsstands, through subscriptions or from street vendors.

Service and other revenues include commissions earned for selling products and services to third parties including warranty services. They also include revenues associated with services such as pre-paid telephone calling cards used by private customers to access our call centers and place advertisements. The commissions earned are a percentage of the value of the products or services.

We derive online revenues primarily from classified and display advertisements, including professional advertisements, consumer advertisements and banners. We also derive online revenue from subscription or one-off access fees to content and information we provide through our websites. In online revenues we include revenues deriving from products advertised solely on our web-sites, as well as the portion of revenues attributable to the online component (as determined by management based upon relative fair value) for bundled contracts providing both print and online advertisements.

The channel of revenue varies in importance depending on the individual publication. Our primary channels of revenue are as follows:

	Relative Importance of Revenues by Channels	
	Year ended December 31, 2014	Year ended December 31, 2013
	(percentage of total revenues)	
Print revenues	**60.2%**	**69.2%**
Classified Ads	20.1%	23.5%
Display	31.4%	35.7%
Circulation	3.6%	4.3%
Services & Other	5.1%	5.7%
Online revenues	**39.8%**	**30.8%**
Classified Ads	7.3%	7.5%
Display	24.8%	18.0%
Circulation	6.0%	4.7%
Services & Other	1.7%	0.6%

The Management believes that the Group is operating under two business segments as the scope of the business for the Group, nature of products, nature of production processes, methods used to distribute the products are different.

We publish private and professional classified advertisements and display advertisements on a daily, weekly and monthly basis depending on the publication, and recognise the related revenues at the time the advertisement is published. We defer revenues related to advertisements appearing on multiple occasions and recognise them proportionally during the period when the advertisement is run. We recognise circulation revenues at the time a publication is sold to a customer. We recognise service revenues (i.e. commissions) as earned at the date the service is rendered, or when contracts are activated. We recognise online revenues at the time the advertisement is run. We recognise revenues from subscription and one-off access fees to content and information we provide through our websites over the period of usage, and other related services.

Consolidated Revenues

Revenues from continuing operations dropped to US$ 63.3 million in year 2014 from US$ 96.3 million in year 2013. In order to reflect the effect of acquisitions, disposals or mergers-liquidation on our financial statements, we measure revenues, Adjusted EBITDA and Operations EBITDA on the basis of total growth and organic growth. In calculating organic growth (in local currency), we include the revenue, Adjusted EBITDA or Operations EBITDA contribution from business only with respect to entities that have been consolidated in our financial statements for at least twelve months.

Print revenues by sources are as follows:

Print Revenue by source	**31-Dec-14 US$**	**31-Dec-13 US$**	**(Decline)/Growth (%)**
Display	19.9	34.4	(42.2%)
Classified Ads	12.7	22.6	(43.8%)
Circulation	2.3	4.1	(43.9%)
Services & Other	3.2	5.5	(41.8%)
Print revenues	38.1	66.6	(42.8%)
Online revenues	25.2	29.7	(15.2%)
Total revenues	**63.3**	**96.3**	**(34.3%)**

Print revenues in year 2014 decreased by 42.8%, to US$ 38.1 million from US$ 66.6 million in year 2013, local currency decrease was 31.9%. Online revenues in year 2014 decreased by 15.2%, to US$ 25.2 million from US$ 29.7 million in year 2013, local currency increase comprised 1.6%.

Operating loss

The operating loss increased by US$ 4.4 from US$ 1.3 million in year 2013 to US$ 5.7 million in year 2014, an increase of 338.5%.

ADJUSTED EBITDA

Adjusted EBITDA decreased by US$ 8.8 million from US$ 7.3 million in year 2013 to US$ (1.5) million in year 2014, a decrease of 120.5%. In local currency, Adjusted EBITDA decreased by 126.9 % versus in year 2013. The margin fell to negative 2.4% in year 2014 versus 7.6% in year 2013, due to decrease in both print margin to 1.0% in year 2014 versus 11.8% in year 2013 and online margin to negative 0.4% in year 2014 versus 0.6% in year 2013.

Total TME (millions of US$)	**December 31**		**(Decline)/ Growth in US$**	**(Decline)/ Growth %**	**(Decline)/ Growth in LCY %**	**EBITDA Margin 2014 FY**
	2014	**2013**				
Operations Print EBITDA	$0.4	$7.9	($7.5)	(94.9%)	(64.1%)	1.0%
Operations Online EBITDA	($0.1)	$0.2	($0.3)	(150.0%)	1.2%	(0.4%)
Corporate Costs	($1.8)	($0.8)	($1.0)	125.0%	125.0%	(2.8%)
Adjusted EBITDA	**($1.5)**	**$7.3**	**($8.8)**	**(120.5%)**	**(126.9)**	**(2.4%)**

Operations Print EBITDA decreased by US$ 7.5 million, or 94.9% in 2014 compared to year 2013, while local currency decrease was 64.1%.

Operations Online EBITDA decreased by US$ 0.3 million, or 150% in 2014 compared to year 2013, while local currency increase was 1.2%.

Summary Information Regarding TME's Leading Publications as of 2014

Number of publications 2014-end	Number of editions per publication	Major publications	Segment	Primary market(s)	Year founded	Freq.	Revenue model	2014 circulation	Approximate number of classified advertise-ment in 2014
								(millions of copies sold)	*(millions of advertise-ments)*
125	49	Iz Ruk v Ruki	Generalist	Moscow and cities across Russia, Kazakhstan and Belarus	1991	Daily/ Weekly	Free-Paid Ad/Paid Circulation	7.5	8.9
	34	Rabota Segodnya	Employment	Moscow and regions, Kazakhstan, Belarus	1997	Weekly	Paid Ad/Paid Circulation	1.5	0.3
	9	Avto	Automotive	Moscow, Eastern Russia, Siberia, Southern Russia, Kazakhstan, Belarus	1997	Weekly	Paid Ad/Paid Circulation	0.3	0.09
	3	Nedvizhimost	Real Estate	Kazan, Izhevsk, Belarus	1998	Weekly	Paid Ad/Paid Circulation	0.1	0.4
	2	Commercial Real Estate	Business Real Estate	Moscow	2003	Bi- Monthly	Paid Ad/Free Circulation	-	-
	28	Other Publications	—	Moscow and regions	—	—	—	0.3	0.3

Summary Information Regarding TME's Leading Websites as of 2014

Domain	Segment	Primary market(s)	Year founded	Freq.	Revenue model	Average monthly visitors	Average monthly page views	Numbers of ads/ vacancies and CVs (average per day)	Numbers of Internet partners/ active clients (average per month)
IRR.RU	Generalist	Russia	2000	online	Free-Paid Ad/Advertising model	11,174,134	118,834,165	10 470 092 ads	11 372 internet parnters
JOB.RU	Employment	Russia	1998	online	Paid ads and Paid access to CV database	5,568,532	60,642,619	96 997 vacancies 4 782 151 CV	20 028 active clients
Trucklist.ru	Automotive	Russia	2008	online	Free-Paid Ad/Advertising model	52,677	223,928	11 028 ads	38 clients
IRR.KZ	Generalist	Kazakhstan	2008	online	Free-Paid Ad/Advertising model	323,846	3,547,802	115382 ads	5 internet partners
IRR.BY	Generalist	Belarus	2005	online	Free-Paid Ad/Advertising model	1,003,057	23,643,945	313 384 ads	1 306 internet partners
Gojob.kz	Employment	Kazakhstan	2011	online	Paid ads and Paid access to CV database	158,601	1,664,459	117 632 CV 6 448 vacancies	935 active clients
Myjob.by	Employment	Belarus	2007	online	Paid ads and Paid access to CV database	266,631	2,423,162	96 298 CV 1 940 vacancies	914 active clients
Domania.ru	Real Estate	Russia	2007	online	Free-Paid Ad/Advertising model	3,319	no data	no data	no data
Automania.ru	Automotive	Russia	2006	online	Free-Paid Ad/Advertising model	496	925	no data	no data
Domania.by	Real Estate	Belarus	2009	online	Free-Paid Ad/Advertising model	65,889	426,213	28035 ads	2 internet partners
Automania.by	Automotive	Belarus	2009	online	Free-Paid Ad/Advertising model	68,187	267,133	4925 ads	12 internet partners

Basis of Preparation

These consolidated financial statements of TME are for the year ended December 31, 2014. They have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the European Union ("EU"). These consolidated financial statements have been prepared in accordance with those IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued by the International Accounting Standards Board and effective for 2014.

Purchase Price Allocation for Business Combinations

Our growth has been driven, in part, by acquisitions made since we commenced operations in year 2005. A significant portion of the value related to these acquisitions has been determined to be goodwill or identifiable intangible assets, principally trade names and advertising customer bases of the acquired entities.

Goodwill represents the excess of purchase price over the fair value of identifiable assets and liabilities acquired. Intangible assets, substantially all of which resulted from business combinations except for computer software and rights, include trade names and advertiser bases. Purchase price amounts allocated to these intangibles, and their related amortization periods, are determined principally by the Group. Goodwill and intangible assets with indefinite useful lives are not amortized but subject to at least an annual assessment for impairment. Amortization of intangible assets is recognised in general administrative expenses.

Estimated useful lives of the intangible assets with finite useful lives are as follows:

Trade names	20 years
Customer lists	9-18 years
Software and rights	3-5 years
Other intangible assets	2-5 years

Forward-Looking Statements

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of Trader Media East or its officers with respect to various matters. When used in this document, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcome to differ materially from those suggested by any such statements.

Those factors include, but are not limited to, risks or uncertainties relating to our highly competitive industry, our dependence on advertising including print and online advertising, our ability to make and integrate acquisitions, our ability to obtain financing for acquisitions and other needs on terms acceptable to us, the uncertain operating environment created by political, economic and social conditions, including corruption, in some of the countries in which we operate, the currencies in which we do business, our ability to remit funds freely from the jurisdictions in which we operate, restraints on our operations resulting from minority holdings in some of our subsidiaries, our ability to manage foreign exchange exposures, our dependence on our management team and key personnel, our ability to attract and retain key sales staff, our content, our brands, our limited operating history of our online operations in the countries in which we do business, our inability to adapt to technological changes, as well as general economic and market conditions relating generally to emerging markets.

These forward-looking statements speak only as of the date of this document. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

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TRADER MEDIA EAST LIMITED

Consolidated financial statements
For the year ended 31 december 2014
And independent auditor’s report

TRADER MEDIA EAST LIMITED

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Trader Media East Limited:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Trader Media East Limited (the "Company" or "TME") and its subsidiaries (together "the Group") which comprise the consolidated statement of profit and loss, the consolidated statement of comprehensive loss for the year ended 31 December 2014, statement of financial position as at 31 December 2014, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and the related notes 1 to 32. The financial reporting framework that has been applied in their preparation is the applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU").

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view in accordance with IFRSs as adopted by EU and with the requirements of the Companies (Jersey) Law 1991 and for such internal control as directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonble assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the companies circumstances and have been consistently apllied and adequately disclosed; the reasonableness of accounting estimates made by the directors; and the overall presentation of the consolidated financial statements.
In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the financial statements

In our opinion, the consolidated financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014, and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

John Robarts
for and on behalf of

ZAO Deloitte & Touche CIS
Recognized Auditor

Moscow
27 April 2015

TRADER MEDIA EAST LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

	Notes	For the years ended 31 December 2014	For the years ended 31 December 2013, As restated
Continuing Operations			
Revenue	6	63.3	96.3
Cost of sales	7	(32.7)	(46.7)
Gross profit		**30.6**	**49.6**
Marketing, selling and distribution expenses	7	(14.6)	(18.9)
General administrative expenses	7	(21.8)	(32.3)
Share of profit of associates	12	0.1	0.3
Operating loss		**(5.7)**	**(1.3)**
Financial income	8	0.1	0.3
Financial expenses	9	(5.3)	(5.6)
Foreign exchange loss, net		(52.5)	(6.1)
Gain on sale of property, plant and equipment		1.0	0.2
Other income, net		0.3	0.9
Loss before taxes		**(62.1)**	**(11.6)**
Income tax (expense)/benefit	10	(2.1)	1.3
Loss for the year from continuing operations		**(64.2)**	**(10.3)**
Discontinued operations			
Loss for the year from discontinued operations	28	(0.3)	(8.3)
Net loss for the year		**(64.5)**	**(18.6)**
Attributable to:			
Equity holders of the parent		(65.9)	(19.9)
Non-controlling interests		1.4	1.3
		(64.5)	**(18.6)**
Loss per share			
Weighted average number of ordinary shares in issue (thousands)	27	52,849	50,000
Basic and diluted loss per share from continuing and discontinued operations (US Dollar per share)	27	(1.25)	(0.40)
Basic and diluted loss per share from continuing operations (US Dollar per share)	27	(1.24)	(0.23)

The accompanying notes on pages 39-79 form an integral part of these consolidated financial statements.

TRADER MEDIA EAST LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

	For the years ended	
	31 December 2014	**31 December 2013, As restated**
Net loss for the year	(64.5)	(18.6)
Items that may be reclassified subsequently to profit or loss		
- Exchange differences on translating foreign operations	(2.2)	(2.6)
Total comprehensive loss for the year	**(66.7)**	**(21.2)**
Attributable to:		
Equity holders of the parent	(67.9)	(22.5)
Non-controlling interests	1.2	1.3
	(66.7)	**(21.2)**

The accompanying notes on pages 39-79 form an integral part of these consolidated financial statements.

TRADER MEDIA EAST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

	Notes	31 December 2014	31 December 2013, As restated
ASSETS			
Non-current assets			
Property, plant and equipment	11	1.8	3.0
Goodwill	13	42.7	72.9
Other intangible assets	14	30.4	54.0
Deferred tax assets	10	0.7	0.9
Investments in associates	12	1.1	2.1
Other non-current assets		-	0.1
Total non-current assets		**76.7**	**133.0**
Current assets			
Inventories	16	0.2	0.4
Trade and other receivables	17	2.2	2.5
Current income tax asset	10	0.4	1.0
Other current assets	24	1.8	4.5
Cash and cash equivalents	18	2.2	10.0
		6.8	**18.4**
Assets classified as held for sale	28	-	2.5
Total current assets		**6.8**	**20.9**
Total assets		**83.5**	**153.9**
EQUITY			
Capital and reserves attributable to equity holders of the company			
Share capital	19	9.6	8.0
Additional paid-in capital		696.8	678.1
Translation reserve		15.0	17.0
Accumulated losses, openng balance		(664.4)	(644.5)
Loss for the reporting period		(65.9)	(19.9)
Total shareholders' equity		**(8.9)**	**38.7**
Non-controlling interests		**(0.1)**	**(0.2)**
Total (deficit)/equity		**(9.0)**	**38.5**
LIABILITIES			
Non-current liabilities			
Borrowings	20	-	70.0
Deferred tax liabilities	10	4.3	2.7
Total non-current liabilities		**4.3**	**72.7**
Current liabilities			
Borrowings	20	38.4	0.9
Liabilities relating to former non-controlling interests	21	7.7	7.6
Trade and other payables	22	3.1	5.3
Amounts due to shareholders	23	35.2	18.9
Current income tax liabilities	10	0.5	0.4
Other current liabilities	25	3.3	7.1
		88.2	**40.2**
Liabilities classified as held for sale	28	-	2.5
Total current liabilities		**88.2**	**42.7**
Total liabilities		**92.5**	**115.4**
Total liabilities and equity		**83.5**	**153.9**

The accompanying notes on pages 39-79 form an integral part of these consolidated financial statements
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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

	Share capital	Additional paid-in capital	Translation reserve	Accumulated losses	Non-controlling interests	Total equity
Balance at January 1, 2013	**8.0**	**678.1**	**19.6**	**(644.5)**	**-**	**61.2**
Net profit for the year, as restated	-	-	-	(19.9)	1.3	(18.6)
Other comprehensive income for the year	-	-	(2.6)	-	-	(2.6)
Total comprehensive income for the year	**-**	**-**	**(2.6)**	**(19.9)**	**1.3**	**(21.2)**
Dividend payments to non-controlling interests	-	-	-	-	(1.7)	(1.7)
Disposal of non-controlling interest	-	-	-	-	0.2	0.2
Balance at 31 December 2013, as restated	**8.0**	**678.1**	**17.0**	**(664.4)**	**(0.2)**	**38.5**
Capital increase (Note 19)	1.6	18.7	-	-	-	20.3
Net loss for the year	-	-	-	(65.9)	1.4	(64.5)
Other comprehensive loss for the year	-	-	(2.0)	-	(0.2)	(2.2)
Total comprehensive loss for the year	**-**	**-**	**(2.0)**	**(65.9)**	**1.2**	**(66.7)**
Dividend payments to non-controlling interests	-	-	-	-	(0.8)	(0.8)
Disposal of non-controlling interest	-	-	-	-	(0.3)	(0.3)
Balance at 31 December 2014	**9.6**	**696.8**	**15.0**	**(730.3)**	**(0.1)**	**(9.0)**

The accompanying notes on pages 39-79 form an integral part of these consolidated financial statements.

TRADER MEDIA EAST LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

	Notes	For the years ended 31 December 2014	31 December
Net loss for the year		(64.5)	(18.6)
Adjustments:			
Depreciation and amortization	6	3.5	4.6
Income tax expense/(benefit) recognised in profit and loss		2.1	(3.4)
Unrealized foreign exchange expense from borrowings		52.5	-
Impairment loss recognised on reclassification of assets to assets held-for-sale	28	-	8.4
Share of profit of associates		(0.1)	(0.3)
Impairment loss recognised on doubtful receivables and other current assets	17	0.7	1.5
Gain on sale of property, plant and equipment		(1.0)	(0.2)
Financial expenses	9	5.3	5.6
Financial income	8	(0.1)	(0.3)
Net loss on disposal of subsidiaries	28	0.3	1.3
		(1.3)	**(1.4)**
Movements in working capital:			
Changes in trade and other receivables		1.3	3.7
Changes in inventories		0.2	0.2
Changes in other current assets		2.8	1.9
Changes in trade payables		(2.2)	0.5
Changes in liabilities relating to former non-controlling interests		0.1	(0.4)
Changes in other current liabilities		(3.8)	(0.5)
Cash (used in)/generated from operations		**(2.9)**	**4.0**
Interest paid		(4.9)	(5.6)
Income taxes paid		(1.8)	(1.7)
Net cash used in operating activities		**(9.6)**	**(3.3)**
Cash flows from investing activities:			
Payments to acquire property, plant and equipment and intangible assets		(2.4)	(3.0)
Proceeds from sales of property, plant and equipment and intangible assets		0.7	0.3
Dividends received from associates		-	0.2
Proceeds from disposal of subsidiaries less cash disposed		(0.4)	1.8
Interest received		0.1	0.3
Net cash used in investing activities		**(2.0)**	**(0.4)**
Cash flows from financing activities:			
Proceeds from borrowings		5.2	-
Repayment of loans		(35.0)	-
Capital increase		0.6	-
Increase in loans from shareholders		35.0	0.7
Dividends paid to non-controlling interests		(0.8)	(1.7)
Net cash generated by/(used in) financing activities		**5.0**	**(1.0)**
Net change in cash and cash equivalents		**(7.8)**	**(4.7)**
Cash and cash equivalents at the beginning of year		10.0	13.8
Effect of exchange rate changes on cash held in foreign currencies		(1.2)	0.9
Cash and cash equivalents at the end of year	**18**	**2.2**	**10.0**

Non cash transactions are disclosed in Note 29.

The accompanying notes on pages 39-79 form an integral part of these consolidated financial statements.

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

1. ORGANISATION AND NATURE OF OPERATIONS

Description of the business

Trader Media East Ltd. ("the Company" or "TME") and its subsidiaries (together, "the Group") are involved in classified advertising mainly for real estate, automotive and recruitment businesses through daily and weekly newspapers, periodicals, magazines and internet services, primarily in Russia and the Commonwealth of Independent States ("CIS") and various Eastern European countries.

The address of the registered office of TME is 22 Grenville Street, St Helier, Jersey, JE4 8PX, Channel Islands.

The Group had the following non-dormant subsidiaries as at 31 December 2014 and 2013:

			% ownership	
Subsidiaries	**Country of incorporation**	**Geographic segment**	**2014**	**2013**
Investment and holding entities				
Publishing House Pennsylvania Inc.	USA	Corporate	100%	100%
Pronto Invest B.V.	Holland	Corporate	100%	100%
Mirabridge International B.V.	Holland	Corporate	100%	100%
Publishing International Holding BV	Holland	Corporate	100%	100%
OOO Rektcentr	Russia	Russia	100%	100%
ASPM Holding B.V.	Holland	Corporate	51%	51%
Newspaper and internet publishing				
OOO SP Belpronto	Belarus	CIS	60%	60%
TOO Pronto Akmola	Kazakhstan	CIS	100%	100%
OOO Pronto Aktau	Kazakhstan	CIS	80%	80%
OOO Pronto Aktobe	Kazakhstan	CIS	64%	64%
OOO Pronto Atyrau	Kazakhstan	CIS	80%	80%
ZAO Pronto Akzhol	Kazakhstan	CIS	80%	80%
OOO Delta-M	Russia	Russia	55%	55%
OOO Pronto Baikal	Russia	Russia	100%	100%
OOO Pronto DV	Russia	Russia	100%	100%
OOO Pronto Ivanovo	Russia	Russia	100%	100%
OOO Pronto Kaliningrad	Russia	Russia	95%	95%
OOO Pronto Kazan	Russia	Russia	72%	72%
OOO Pronto Kemerovo	Russia	Russia	100%	100%
OOO Pronto Krasnodar	Russia	Russia	80%	80%
OOO Pronto Moscow	Russia	Russia	100%	100%
OOO Pronto Nizhny Novgorod	Russia	Russia	90%	90%
OOO Pronto Novosibirsk	Russia	Russia	100%	100%
OOO Pronto Oka	Russia	Russia	100%	100%
OOO Pronto Rostov	Russia	Russia	-	100%
OOO Pronto Samara	Russia	Russia	100%	100%
OOO Pronto Smolensk	Russia	Russia	100%	100%
OOO Pronto Tula	Russia	Russia	-	100%
OOO Tambukan	Russia	Russia	85%	85%
OOO Utro Peterburga	Russia	Russia	55%	55%
OOO Pronto UlanUde	Russia	Russia	90%	90%
OOO Pronto Vladivostok	Russia	Russia	90%	90%
OOO Pronto Voronezh	Russia	Russia	-	100%
OOO Tambov-Info	Russia	Russia	100%	100%
Expressz Magyarorszag Media Kft.[1]	Hungary	Hungary	-	100%
Oglasnik d.o.o.[1]	Croatia	Croatia	-	70%
TCM Adria d.o.o.	Croatia	Corporate	100%	100%
Newspaper publishing				
Pronto Ust Kamenogorsk	Kazakhstan	CIS	80%	80%

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

1. ORGANISATION AND NATURE OF OPERATIONS (CONTINUED)

Description of the business (continued)

Subsidiaries	Country of incorporation	Geographic segment	% ownership 2014	% ownership 2013
Publishing				
Impress Media Marketing LLC	Russia	Russia	97%	97%
Internet publishing				
Pronto Soft	Belarus	CIS	90%	90%
Job.ru LLC	Russia	Russia	100%	100%
OOO Rukom	Russia	Russia	100%	100%
Bolji Posao d.o.o.[1]	Bosnia-Herzegovina	Eastern Europe	-	100%
OOO Partner-Soft	Russia	Russia	-	90%
OOO Pronto Neva	Russia	Russia	-	100%
Bolji Posao d.o.o.[1]	Serbia	Eastern Europe	-	100%

[1]Classified as discontinuing operations within these consolidated financial statements as of 31 December 2013 and disposed of in February – April 2014 for nominal consideration.

Investments in associates of the Company as at 31 December 2014 and 2013, along with the nature of their business, the geographic segment to which they belong, as details of the Company's shareholding are as follows:

Investment	% shareholding	Country of incorporation	Geographic segment	Nature of business
SP Pronto Kiev	50%	Ukraine	CIS	Newspaper and internet publishing
TOV E-Prostir	50%	Ukraine	CIS	Internet publishing

Formation of the Group

TME was incorporated in November 2005 in Jersey, and is listed on the London Stock Exchange ("LSE") through Global Depository Receipt shares ("GDRs"). The controlling party of TME is Hurriyet Invest B.V. which holds 78.58% of its shares as of 31 December 2014.

The parent company of Hurriyet Invest B.V. is Hurriyet Gazetecilik ve Matbaacilik A.Ş. ("Hurriyet"), a company listed on the Borsa İstanbul A.Ş. ("BIST") in Turkey. The majority shareholder of Hürriyet is Doğan Holding Şirketler Grubu A.Ş. ("Doğan Holding") which is listed on BIAS and controlled by Aydın Doğan, the Doğan Family and companies owned by the Doğan Family ("Ultimate Controlling Party").

Business and economic environment

The subsidiaries of TME representing its continuing operations operate in Russia and the CIS (Russia, Belarus and Kazakhstan). Russia and the CIS have been experiencing political and economic change, which has affected and will continue to affect the activities of enterprises operating in this environment. Adverse changes arising from systemic risks in global finance and the economy could slow or disrupt the Russian economy, adversely affect the Group's access to capital and cost of capital and, more generally, its business, results of operations, financial condition and prospects. Consequently, operations in Russian and the CIS involve risks which do not typically exist in other markets.

1. ORGANISATION AND NATURE OF OPERATIONS (CONTINUED)

Starting from March 2014, sanctions have been imposed in several packages by the U.S. and the EU on certain Russian officials, businessmen and companies. International credit agencies downgraded Russia's long-term foreign currency sovereign rating with a negative outlook. In December 2014, the Central Bank of the Russian Federation significantly increased its key interest rate, which resulted in growth of interest rates on domestic borrowings. The exchange rate of the Russian Ruble depreciated significantly. These developments may result in reduced access of Russian businesses to international capital and export markets, capital flight, further weakening of the Ruble and other negative economic consequences.

The impact of further political and economic developments in Russia on future operations and financial position of the Group is at this stage difficult to determine.

In 2014, the economies of the CIS countries experienced political and economic turmoil which significantly affected the Belarussian economy. The currency exchange market was unstable and the Belarussian ruble depreciated substantially against major foreign currencies. The National Bank of Belarus introduced a range of measures aimed at limiting outflow of customer deposits from the banking system, improving the liquidity of banks, and supporting the exchange rate of the Belarussian Ruble. The stabilization of the economic situation in Belarus depends, to a large extent, upon success of the Belarussian government's efforts and the future condition of the Russian economy and political developments in the CIS. The outcome of these efforts and developments is at this stage difficult to determine.

Since 2014, Ukraine has experienced political and economic instability. The Ukrainian Hryvnia has devalued against major foreign currencies. The National Bank of Ukraine introduced a range of measures aimed at limiting outflow of customer deposits from the banking system, improving the liquidity of banks, and supporting the exchange rate of the Ukrainian Hryvnia. The stabilisation of the economic and political situation depends on a number of factors, the outcome of which is difficult to predict.

The consolidated financial statements reflect management's assessment of the impact of the business environments in the countries in which the Group operates. The future business environments may differ from management's assessment.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The following new and revised standards and interpretations have been adopted by the Group in the current period and have affected the amounts reported and disclosures in these consolidated financial statements. Details of other standards and interpretations adopted in these consolidated financial statements but that have had no material impact on the consolidated financial statements are set out in the following sections.

2.1 Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that were mandatorily effective for accounting periods beginning on or after 1 January 2014.

Amendments to IFRS 10, 12, IAS 27 *Investment Entities*

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (CONTINUED)

As the Company is not an investment entity (assessed based on the criteria set out in IFRS 10 as at 1 January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*

The Group has applied the amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement',

The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

The Group has applied the amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 *Fair Value Measurements*.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*

The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

IFRIC 21 *Levies*

The Group has applied IFRIC 21 Levies for the first time in the current year. IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (CONTINUED)

2.2 New and revised IFRSs in issue but not yet effective and which have not been early adopted by the Group

As of the date of the approval of these consolidated financial statements the following new and revised IFRSs that have been issued but are not yet effective:

Standards and Interpretations	Applicable to annual reporting periods beginning not earlier than
IFRS 9 Financial Instruments	1 January 2018
Amendments to IAS 19 Defined Benefit Plans: Employee Contributions – The amendments clarify how the contribution from employees or third parties that are linked to service should be attributed to periods of service.	1 July 2014
Annual Improvements to 2010-2012 Cycle – IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and IAS 38, IAS 24	1 July 2014
Annual Improvements to 2011-2013 Cycle – IFRS 1, IFRS 3, IFRS 13, IAS 40	1 July 2014
IFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to IFRS 11 Accounting for Acquisition of Interests in Joint operations – The amendments provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 Business Combinations.	1 January 2016
Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation – The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset.	1 January 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants – define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41.	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to IAS 27 Equity Method in Separate Financial Statements – The amendments allow entities to apply the equity method as one of the option for accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.	1 January 2016
Amendments to IAS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – The amendments clarify the accounting for the sale or contribution of assets to a joint venture or associate.	1 January 2016
Annual Improvements to 2012-2014 Cycle – IFRS 5, IFRS 7, IAS 9, IAS 34	1 July 2016
Amendments to IAS 1 Disclosure Initiative – The amendments address perceived impediments to preparers exercising their judgement in presenting their financial reports.	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception – The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities.	1 January 2016

The Group currently evaluates the effects of these standards on the consolidated financial statements for the future accounting periods.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted in the European Union ("EU"). The consolidated financial statements have been prepared in accordance with those IFRSs and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued by the International Accounting Standards Board that were issued and effective, or issued and early adopted for use in the EU.

The accounting policies set out in Note 3 have been consistently applied to all reporting periods.

3.2 Basis of preparation

3.2.1 General

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The disclosure of fair value of certain financial assets and liabilities recorded at cost or amortized cost is as follows:

- Cash and cash equivalents: The carrying value approximates fair value due to the short maturity of these instruments;
- Trade and other receivables and short-term investments: The carrying value approximates fair value due to the short maturity of these instruments;
- Trade and other payables: The carrying value approximates fair value due to the short maturity of these instruments; and
- Borrowings: The fair value is based on the Group's current incremental borrowing rate for similar types of borrowing arrangements or, where applicable, quoted market prices.

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates, and also requires management to exercise judgment in the process of applying the Group's accounting policies. Those areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are discussed in Note 4.

3.2.2 Inflation accounting

The Group operates subsidiaries in Belarus. With effect from 1 January 2011, the Belarusian economy has been considered to be hyperinflationary in accordance with the criteria in IAS 29 *Financial Reporting in Hyperinflationary Economies*. Accordingly, these consolidated financial statements contain certain adjustments for changes in the general purchasing power of the Belarusian ruble.

(Amounts expressed in millions of US Dollars (“$”) unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In applying IAS 29, the Group has used conversion factors derived from the Belarusian consumer price index (“CPI”), published by the National Statistical Committee of the Republic of Belarus. The CPIs and respective conversion factors used in these consolidated financial statements are as follows:

Dates	Index	Conversion Factor
31 December 2013	1.1649	1.1617
31 December 2014	1.3533	1.0000

Non-monetary assets and liabilities are restated by applying to each asset and liabilities the relevant index as at the date when the asset or liability arose. Monetary assets and liabilities are not restated because they are already expressed in terms of the current monetary units as of 31 December 2014.

3.2.3 Restatement of prior period information

Due to the retrospective application of new and revised IFRSs (as discussed in Note 2) as well as the Group’s restructuring plans, certain prior period comparative information has been restated to comply with IFRS and to maintain the transparency and comparability of these consolidated financial statements. The details and amounts of these restatements can be found in Note 30.

3.2.4 Going concern

The consolidated financial statements have been prepared on the going concern basis, which means they were prepared on the assumption that the Group will have a continuity of operations, realisation of assets, and liquidation of liabilities and commitments in the normal course of business.

The Group has realized a trading loss of $64.5 for the year ended 31 December 2014 as well as negative operating and net cash flows, and as at the year-end had a working capital deficit of $81.4 (31 December 2013: deficit of $21.9) and equity deficit of $9.0 (31 December 2013: equity of $38.5). In order to decrease the Group’s short-term debt to the third parties the Company obtained a loan from the parent company, Hurriyet Invest B.V., in the amount of $35.0 in November 2014 and repaid part of the short-term liability to Credit Europe Bank N.V. The short-term debt outstanding to Credit Europe Bank N.V. decreased to $35.0 as of 31 December 2014 and is guaranteed by the cash deposit of $35.0 placed in the bank by Hurriyet Invest B.V. As discussed in Note 31, on 20 April 2015 the $35.0 loan from Credit Europe Bank was replaced by a $35.0 loan from Hurriyet Invest B.V., the ultimate parent company, and the Group repaid the third party loan in full.

Management has plans to improve the Group’s financial position including, but not limited to, equity capital increases financed by the parent. In order to improve profitability and working capital situation management also envisages further cost reductions, including personnel, printing and general & administrative expenses, in particular, but not limited, in offline segment, and considers additional external financing options. The Group finances its operations though bank borrowings guaranteed by its ultimate parent company and other financial support from the parent company when and as required.

Based on the measures described above and the commitment of the ultimate parent company to support the Group, management has a reasonable expectation that the Group has adequate resources to continue its activity for the foreseeable future.

3.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and its subsidiaries. Control is achieved when the Group:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3.2 Company Only Financial Statements

Under Article 105(11) of the Companies Jersey Law 1991 the directors of a holding company need not prepare separate financial statements (i.e. Company only financial statements) if consolidated accounts for the Company are prepared, unless required to do so by the members of the Company by ordinary resolution. The members of the Company had not passed a resolution requiring separate financial statements and, in the Directors' opinion, the Company meets the definition of a holding company. As permitted by law, the Directors have elected not to prepare separate financial statements.

3.4. Business combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

The non-controlling shareholders' share in the net assets and results for the period of subsidiaries are separately classified in the consolidated balance sheets and statements of income as non-controlling interest.

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.4 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described at Note 3.6 below.

3.6. Investments in associates

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3.7. Assets held for sale and discontinued operations

In accordance with guidance contained in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Discontinued operations represent parts of the Group which either are classified as held-for-sale or have been disposed of, and whose activities and cash flows represent a geographical segment or major line of business and can be treated as separable from the Group’s activities and cash flows.

3.8. Segment reporting

Management has determined the Group’s reportable operating segments based on the reports reviewed and used to make strategic decisions by the Executive Committee, which is the Group’s chief operating decision-maker. The Executive Committee monitors the business from a geographic perspective as the risks and returns in geographical areas reflecting the primary source of risks and returns. The Group’s reportable operating segments have been discussed in Note 6.

3.9. Related party transactions

For the purposes of these consolidated financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24, “Related Party Disclosures”. In considering related party relationships, attention is directed to the substance of the relationship, and not merely the legal form.

Related parties may enter into transactions in which unrelated parties would not enter. Transactions between related parties may be on different terms, conditions and amounts as the transactions between unrelated parties.

Management has assessed the Group’s related parties as being Doğan Holding, Doğan Yayın, and the Group’s shareholders, key management personnel and Board members, along with their families and any entities under their control. Transactions with related parties for the years ended 31 December 2014 and 2013 and outstanding amounts as of those dates are disclosed in Note 23.

3.10. Revenue recognition

The Group’s primary source of revenues is print revenues, earned from the sale of advertising space in the Group’s publications. Private and professional classified advertisements and display advertisements are published on a daily, weekly and monthly basis. The related revenues are recognised at the time the advertisement is published. Revenues related to advertisements appearing on multiple occasions are deferred and recognised as the relevant advertisements are run.

Circulation revenues, whereby publications are sold via third party vendor, are recognised at the time when the publications are sold to the third party vendor. Circulation revenues are earned mainly through kiosks, newsstands and other points of sales, with such vendors having one month to return any unsold publications. Revenue recognised initially is offset by an estimate of expected returns, based on the historical track record of such returns.

Online revenues are primarily earned through the sale of advertising space on the Group’s websites, derived principally from classified ads and display ads, including professional ads, consumer ads and banners. The related revenues are recognised at the time when the advertisement is published online, with an appropriate portion deferred where the advertisement has been scheduled to run over multiple periods.

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other types of online revenue include (1) subscription or one-off access fees to content and information provided through the Group's websites which are recognised over the period of usage and (2) revenues generated from paid line usage for connecting buyers and sellers or other related services, which are recognised upon provision of the service.

The Group is engaged in barter transactions whereby the Group exchanges the advertising space on its websites, print media and exhibitions for advertising space in other print media, websites, forums and events and other mediums. The Group considers that these advertising services are dissimilar and therefore recognises revenues and expenses from such barter transactions at fair value which is determined based on the value of similar non-barter transactions. The amounts of revenue and expense recognised for advertising barter transactions are disclosed in Note 29.

3.11. Foreign currencies

The functional currency of the Company is the Russian Ruble, as this is the currency in which the majority of transactions take place. The Group uses the US Dollar as its presentational currency as management considers this to be the most meaningful currency for the users of the financial statements given the number of different local currencies in use across the Group. All Group entities use their local currency as their functional currency. In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Exchange rates are taken from the official daily closing rate per the Central Bank of Russia (CBR). The Russian Ruble and some other currencies of Russia and the CIS (the Commonwealth of Independent States) are not readily convertible outside of their countries. Accordingly, the translation of amounts recorded in these currencies into US Dollars should not be construed as a representation that such currency amounts have been, could be or will in the future be converted into US Dollars at the exchange rate shown or at any other exchange rate.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into US Dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. As a result of the significant volatility in the Ruble:US Dollar exchange rate during the fourth quarter of 2014 the income and expense items of Russian subsidiaries were translated at the average monthly rates in the fourth quarter of 2014. Exchange differences arising, if any, are recognised in other comprehensive loss and accumulated in equity.

The exchange rates at which the assets, liabilities and operations of the Group were translated into the presentation currency are presented below:

	Average rates						Reporting date spot rates	
	December 2014	November 2014	October 2014	January – September 2014	2014	2013	31 December 2014	31 December 2013
RUB/USD	55.77	46.22	40.80	35.42	38.47	31.85	56.26	32.73
BYR/USD	-	-	-	-	10.224	8.850	11.850	9.505
KZT/USD	-	-	-	-	179.10	150.02	182.35	152.49
EURO/USD	-	-	-	-	0.75	0.75	0.80	0.73

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.12. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.13. Leasing

Assets acquired under finance lease agreements are capitalized at the inception of the lease at fair value of the leased asset or at present value of the lease payment, whichever is the lower, less accumulated depreciation. Minimum lease payments are treated as comprising capital and interest elements.

Lease payments are apportioned between the finance charges and capital redemption so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.14. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided using the straight-line method based on the estimated useful lives of the assets. Assets lives and residual values are reviewed annually at each balance sheet. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of assets concerned, are as follows:

Buildings	10-50 years
Printing presses and related equipment	3-15 years
Furniture and fixtures	3-10 years
Leasehold improvements	2-20 years

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets held under finance leases and leasehold improvements are depreciated over the shorter of the term of the related lease or the useful life of the asset. Gains or losses on the sale of property, plant and equipment are recognised in the period of disposal of the asset. Improvements which extend the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred.

3.15. Intangible assets

3.15.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The useful lives of the Group's intangible assets, substantially all of which resulted from business combinations except for computer software and rights, have been assessed as follows:

Trade names	20 years
Customer lists	9-18 years
Software and rights	3-5 years
Other intangible assets	2-5 years

Certain trademarks have indefinite useful lives as it is not practical to determine their useful lives.

3.15.2 Internally-generated intangible assets – research and development expenditure

The Group's internally-generated intangible assets relate to website development costs.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.15.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.16. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

3.17. Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs to make the sale. Inventories are mainly composed of paper raw materials. The cost of inventories is determined on the weighted average basis.

3.18. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of certain resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3.19. Cash and cash equivalents

Cash and cash equivalents are defined as cash available in bank accounts or in hand and highly liquid investments, including bank deposits, with a maturity term of less than three months.

3.20. Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.21. Financial assets

The Group's financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3.21.1 Receivables

Receivables are carried at amortised cost, less any impairment. A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception. Movement in the provision for doubtful receivables is included in marketing, selling and distribution expenses.

3.21.2 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.22. Financial liabilities

3.22.1 Borrowings and other payables

Borrowings and other payables, including trade payables, are initially recognised at fair value and subsequently are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability to the net carrying amount on initial recognition.

3.22.2 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.23. Dividends

Dividends on ordinary shares are recognised in equity in the period in which the dividends are approved by the Group's shareholders. Dividend income is recognised when the right to receive payment is established.

3.24 Income taxes

Income taxes have been computed in accordance with the laws of the country of incorporation of the respective companies of the Group.

Deferred tax assets and liabilities are recognised for the expected future tax consequences of existing differences between the financial and tax reporting bases of assets and liabilities, as well as loss carry forwards, using enacted tax rates expected to be in effect at the time these differences are realised. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the consolidated statement of operations and comprehensive income in the period in which the change is substantively enacted. Deferred tax assets are written-down at such time as, based on available evidence, it is more likely than not that the deferred tax assets will not be realised. In making such determination, the Group considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations.

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset to the extent there is a legally enforceable right to set off current tax assets against current tax liabilities, and the Group intends to settle its current tax assets and liabilities on a net basis.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1. Critical accounting judgements

4.1.1 Identification of reportable operating segments

Note 6 discloses the Group's reportable operating segments. The identification of reportable operating segments in accordance with the provisions of IFRS 8 *Operating Segments* requires judgement. In making their judgement, management considered the independence of Group entities in terms of cash inflows and outflows and the aggregation level at which results are reviewed by the Group's chief operating decision maker.

4.2. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Useful lives of intangible assets

The Directors estimate the useful lives of certain trade names as indefinite. Had these intangible assets' useful lives been considered finite, with a useful life of 20 years, the Group's amortization charge and loss before tax for the year ended 31 December 2014 would have increased by $1.4 (year ended 31 December 2013: increase in amortization charge and decrease in profit before tax of $2.7), with net assets decreasing by the same amount.

The Group amortizes intangible assets relating to certain trade names, customer lists and domain names over their useful lives, which are estimated by management and reviewed on an annual basis. At the end of the year the useful lives of 20 years represent the best estimate of the management. Had the useful lives of such trade names, customer lists and domain names been increased/decreased by 10%, the Group's amortization charge and loss before tax for the year ended 31 December 2014 would have decreased/increased by $0.2 (year ended 31 December 2013: decrease/increase in amortization charge and increase/decrease in profit before tax of $0.3), with net assets increasing/decreasing by the same amount.

4.2.2 Impairment testing of goodwill and intangible assets with indefinite useful lives

Determining whether goodwill and intangible assets with indefinite useful lives are impaired requires an estimation of the value in use of the cash-generating units to which goodwill and intangible assets with indefinite useful lives have been allocated. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination, and represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of goodwill and intangible assets with indefinite useful lives as at 31 December 2014 was $42.7 and $27.0, respectively (31 December 2013: $72.9 and $46.5, respectively). Details of the goodwill and intangible assets with indefinite useful lives impairment testing performed by the Group are set out in Note 15.

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

4.2.3 Barter revenue recognition

The Group recognises barter revenue on a gross basis at the fair value of services provided, adjusted by the amount of any cash equivalents transferred. Management uses its judgement to measure the fair value of the services provided by reference to similar non-barter advertising revenue.

4.2.4 Deferred tax recoverability

Determining whether recognised deferred tax assets, specifically those arising on losses carried forward, are recoverable requires an estimation of the future cash flows and taxable profits expected to arise from the subsidiary in which the associated deferred tax asset has been recognised. Where the actual future cash flows and taxable profits are less than expected, a material write-off of deferred tax assets may arise. As of 31 December 2014 the management of the Group has derecognised deferred tax assets arisen in losses carried forward in the amount of $5.0 as it was not considered probable that sufficient taxable profit would be available within the period of the tax loss carried forward expiration.

4.2.5 Liability relating to former non-controlling interest

As of 31 December 2014 the Group has recognised a liability to former non-controlling interest in the amount of $7.7, which represents the best estimate of the management of a consideration required to settle the obligation and it depends on the outcome of the legal process as discussed in Note 21 to the Group's consolidated financial statements.

5. CAPITAL AND FINANCIAL RISK MANAGEMENT

5.1. Capital risk management

The Group's objectives when managing capital are to safeguard the ability of the Group and its subsidiaries to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2013.

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances) and equity of the Group.

The Directors monitor the capital structure of the Group on the basis of the gearing ratio, calculated as net debt divided by total capital (defined as total equity plus debt), with a target gearing ratio of 45% – 65%. The gearing ratio at the end of each reporting period was as follows:

	31 December 2014	31 December 2013
Total bank borrowings (Note 20)	38.4	70.9
Less: Cash and cash equivalents (Note 18)	(2.2)	(10.0)
Net debt	36.2	60.9
Total equity	(9.0)	38.5
Total capital	**27.2**	**99.4**
Gearing ratio	**1.33**	**0.61**

The movement in the gearing ratio in 2014 as described above has resulted primarily from a significant devaluation of the Russian Ruble against the US Dollar. The Group intends to reduce its gearing ratio down to the target range by converting parts of its shareholder's debt to equity in the course of 2015.

(Amounts expressed in millions of US Dollars (“$”) unless otherwise indicated)

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2. Financial risk management

The Group is exposed to variety of financial risks due to its operations. These risks include interest rate risk, credit risk, liquidity risk and foreign currency risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance.

Financial risk management is carried out by management under policies approved by the Board of Directors.

5.2.1 Interest rate risk

The Group funds its working capital requirements through a short-term senior credit facility, and places surplus cash on short-term floating rate interest bearing deposits. As such, the Group is exposed to interest rate risk. The risk is managed through the senior credit facility having a fixed interest rate, which during 2014 management has successfully negotiated a decrease from 6.25% to 4.29%.
The tranche in the amount of $1.0 obtained from Deniz Bank bears a floating interest rate of 3.25% + 1m MOSPRIME. Management actively manages the Group’s short term deposits to ensure the most favourable interest rates are obtained.

Consequently, management does not consider the Group to be materially exposed to fluctuations in interest rates.

5.2.2 Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group uses a combination of information supplied by independent rating agencies, other publicly available financial information, and its own trading records to rate the creditworthiness of its major customers.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group does not have significant credit risk exposure to any single counterparty.

5.2.3 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group’s short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The ability to meet the contracted repayments of financial liabilities is managed by monitoring working capital levels and maintaining the availability of adequate committed funding lines from high quality lenders.

The following tables detail the Group’s remaining contractual maturity for financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

At 31 December 2014	Up to 3 months	3 to 6 months	6 to 12 months	1 to 2 years	Total
Senior credit facility	-	36.0	3.0	-	39.0
Trade and other payables	3.1	-	-	-	3.1
Amounts due to shareholders	-	-	35.2	-	35.2
	3.1	**36.0**	**38.2**	**-**	**77.3**

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

At 31 December 2013	Up to 3 months	3 to 6 months	6 to 12 months	1 to 2 years	Total
Senior credit facility	1.1	1.1	1.1	73.1	76.4
Trade and other payables	5.3	-	-	-	5.3
Amounts due to shareholders	-	18.9	-	-	18.9
	6.4	**20.0**	**1.1**	**73.1**	**100.6**

5.2.4 Foreign currency risk

The Group's subsidiaries undertake transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
US Dollars	**0.2**	**1.2**	**(73.6)**	**(70.9)**

The following table details the Group's sensitivity to a 20% increase and decrease in the US Dollar against the relevant foreign currencies. 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the US Dollar weakens 20% against the relevant currency. For a 20% strengthening of the US Dollar against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	US Dollar impact	
	2014	2013
Profit or loss after tax	11.8	11.2

6. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the geographical location in which the Group's revenues are derived, with revenues being further analysed as derived from print or online.
All revenues reported are external.

Segment performance is primarily analysed by the chief operating decision maker at the adjusted EBITDA level. Adjusted EBITDA is defined by the Group as net profit from continuing operations before financial income, financial expense, income tax (expense)/benefit, depreciation and amortization, provision for doubtful receivables and other receivables, impairment charges and certain other non-recurring gains and losses.

Specifically, as at 31 December 2014 and 2013 the Group's two reportable segments under IFRS 8 *Operating Segments* are as follows: Russia and CIS.

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

6. SEGMENT INFORMATION (CONTINUED)

The following in an analysis of the Group's revenue, results, assets and liabilities by reportable segment for the year ended 31 December 2014.

	Russia	CIS	Sub-total	Corporate and unallocated	Total
Print revenues	29.1	9.0	38.1	-	38.1
Online revenues	22.7	2.5	25.2	-	25.2
Total revenues	**51.8**	**11.5**	**63.3**	**-**	**63.3**
Adjusted EBITDA	**(3.4)**	**2.9**	**(0.5)**	**(1.0)**	**(1.5)**
Depreciation and amortization	(3.3)	(0.2)	(3.5)	-	(3.5)
Income tax expense	(1.1)	(0.5)	(1.6)	(0.5)	(2.1)
Gain on sale of property, plant and equipment	1.0	-	1.0	-	1.0
Non-cash gain/(loss), net:					
Provision for doubtful receivables and other receivables	(0.6)	(0.1)	(0.7)	-	(0.7)
Total assets	78.9	3.2	82.1	1.4	83.5
Additions to non-current assets	2.5	-	2.5	-	2.5
Intangible assets	30.4	-	30.4	-	30.4
Goodwill	42.5	0.2	42.7	-	42.7
Total liabilities	47.9	0.9	48.8	43.7	92.5

The following in an analysis of the Group's revenue, results, assets and liabilities by reportable segment for the year ended 31 December 2013.

	Russia	CIS	Sub-total	Corporate and unallocated	Total
Print revenues	54.3	12.3	66.6	-	66.6
Online revenues	27.3	2.4	29.7	-	29.7
Total revenues	**81.6**	**14.7**	**96.3**	**-**	**96.3**
Adjusted EBITDA	**4.0**	**3.6**	**7.6**	**(0.3)**	**7.3**
Depreciation and amortization	(4.3)	(0.3)	(4.6)	-	(4.6)
Income tax expense	3.1	(0.7)	2.4	1.0	3.4
Non-cash gain/(loss), net:					
Provision for doubtful receivables and other receivables	(1.4)	(0.1)	(1.5)	-	(1.5)
Impairment on assets held for sale	-	-	-	(8.4)	(8.4)
Gain on sale of property, plant and equipment	0.2	-	0.2	-	0.2
Total assets	146.5	3.4	149.9	4.0	153.9
Additions to non-current assets	3.0	-	3.0	-	3.0
Intangible assets	53.9	0.1	54.0	-	54.0
Goodwill	72.5	0.4	72.9	-	72.9
Total liabilities	84.4	1.5	85.9	29.5	115.4

With the exception of the $8.4 impairment on assets held for sale, income tax benefit of $2.1 shown within corporate and unallocated income tax expense (net), and amounts included in corporate and unallocated assets and liabilities of $2.5 and $2.5, respectively, all amounts in the table above relate to and were derived from continuing operations.

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

6. SEGMENT INFORMATION (CONTINUED)

A reconciliation of adjusted EBITDA to profit before tax for each reporting period is as follows.

	2014	**2013**
Adjusted EBITDA for reportable segments	(0.5)	7.6
Corporate and unallocated adjusted EBITDA	(1.0)	(0.3)
Depreciation and amortization	(3.5)	(4.6)
Provision for doubtful receivables and other receivables	(0.7)	(1.5)
Foreign exchange (loss)/gain, net	(52.5)	(6.1)
Financial income	0.1	0.3
Financial expense	(5.3)	(5.6)
Other gain/(loss), net	1.3	(1.4)
Loss before income tax	**(62.1)**	**(11.6)**

Reportable segments' assets are reconciled to total assets in each reporting period as follows.

	2014	**2013**
Segment assets for reportable segments	82.1	149.9
Corporate and unallocated:		
Cash and cash equivalents	0.2	0.4
Prepayments and other assets	1.2	1.1
Assets classified as held for sale	-	2.5
Total assets	**83.5**	**153.9**

Reportable segments' liabilities are reconciled to total liabilities in each reporting period as follows.

	2014	**2013**
Segment liabilities for reportable segments	48.8	85.9
Corporate and unallocated:		
Amounts due to shareholders	35.2	18.9
Liabilities to former non-controlling interests	7.7	7.6
Other payables	0.8	0.5
Liabilities classified as held for sale	-	2.5
Total liabilities	**92.5**	**115.4**

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

7. EXPENSES

Expenses, by nature, for the years ended 31 December 2014 and 2013 are as follows:

	2014	2013
Continuing operations		
Personnel costs	27.3	37.3
Advertising	10.9	12.7
Raw materials:		
- Printing and ink	7.0	12.6
- Paper	1.4	2.7
Commissions	6.5	9.1
Rent	4.2	4.0
Depreciation and amortization charges (Notes 11 and 14)	3.5	4.6
Consultancy	2.0	0.7
Electricity, water and office expenses	1.5	2.1
Transportation, storage and travel	1.1	1.5
Provision for doubtful receivables	0.7	1.5
Communication	0.7	1.0
Other	2.3	8.1
	69.1	**97.9**

8. FINANCIAL INCOME

Financial income for the years ended 31 December 2014 and 2013 is as follows:

	2014	2013
Continuing operations		
Interest income on short term bank deposits	0.1	0.3
	0.1	**0.3**

9. FINANCIAL EXPENSES

Financial expense for the years ended 31 December 2014 and 2013 is as follows:

	2014	2013
Continuing operations		
Interest expense on borrowings	5.3	5.6
	5.3	**5.6**

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

10. INCOME TAXES RELATING TO CONTINUING OPERATIONS

10.1. Income tax recognised in profit and loss

	2014	2013
Current tax expense in respect of the current year	1.7	2.6
Deferred tax expense/(benefit) in respect of the current year	0.4	(3.9)
Total income tax expense/(benefit) in the current year relating to continuing operations	**2.1**	**(1.3)**

The Group primarily pays corporate income tax in the Russian Federation, Belarus and Kazakhstan, where the rates of corporate income tax throughout 2014 were 20%, 18% and 20%, respectively (2013: 20%, 18% and 20%, respectively). The Russian Federation is considered by management to be the main jurisdiction in which income tax is paid. The income tax benefit/(expense) for the year can be reconciled to the accounting profit as follows:

	2014	2013
Loss before tax from continuing operations	**(62.1)**	**(11.6)**
Income tax benefit calculated at statutory rate of Russian Federation of 20% (2013: 20%)	(12.4)	(2.3)
Expenses not deductible for tax purposes	0.9	0.5
Effect of different tax rates of subsidiaries operating in other jurisdictions	0.2	-
Change in unrecognised deferred tax assets	7.6	1.0
Withholding tax relating to dividend distribution	0.1	0.3
Write-off of deferred tax assets	5.0	-
Other	0.7	(0.8)
Income tax expense/(benefit)	**2.1**	**(1.3)**

10.2. Deferred tax balances

The movements in deferred tax balances during the reporting periods were as follows:

2014	**Opening balance**	**Recognised in profit or loss**	**Currency translation differences**	**Closing balance**
Deferred tax (liabilities)/assets relating to:				
Property, plant & equipment and intangible assets	(9.9)	0.3	3.9	(5.7)
Doubtful debts	1.1	0.1	(1.1)	0.1
Other	2.0	2.0	(2.1)	1.9
	(6.8)	**2.4**	**0.7**	**(3.7)**
Tax losses	5.0	(2.8)	(2.1)	0.1
	(1.8)	**(0.4)**	**(1.4)**	**(3.6)**

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

10. INCOME TAXES RELATING TO CONTINUING OPERATIONS (CONTINUED)

2013	Opening balance	Recognised in profit or loss	Currency translation differences	Liabilities associated with assets classified as held for sale (Note 29)	Closing balance
Deferred tax (liabilities)/assets relating to:					
Property, plant & equipment and intangible assets	(12.5)	0.5	(0.5)	2.6	(9.9)
Doubtful debts	1.2	0.3	-	(0.4)	1.1
Other	0.1	0.5	0.9	0.5	2.0
	(11.2)	**1.3**	**0.4**	**2.7**	**(6.8)**
Tax losses	2.4	2.6	-	-	5.0
	(8.8)	**3.9**	**0.4**	**2.7**	**(1.8)**

Deferred tax assets and liabilities are netted within the individual subsidiaries of the Group where the legal right of offset exists.

The Group's unrecognised tax losses are due to expire as follows:

2021	5.8
2022	1.3
2023	12.0
2024	43.6
Total	**62.7**

(Amounts expressed in millions of US Dollars (“$”) unless otherwise indicated)

11. PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment and related accumulated depreciation for the reporting periods is as follows.

	Buildings	Printing presses and related equipment	Furniture and fixtures	Leasehold improve-ments	Construction in progress	Total
Cost						
Balance at 1 January 2013	**1.9**	**0.4**	**9.4**	**0.2**	**1.2**	**13.1**
Additions	-	-	0.4	-	0.3	**0.7**
Disposals	-	(0.3)	(0.8)	-	-	**(1.1)**
Transfers	(0.3)	-	0.1	0.3	(0.1)	**-**
Currency translation impact	(0.1)	-	(0.7)	-	-	**(0.8)**
Transfer to asset held for sale	(0.1)	-	(1.7)	(0.2)	(0.7)	**(2.7)**
Disposal of subsidiaries	-	-	(0.1)	-	-	**(0.1)**
Balance at 31 December 2013	**1.4**	**0.1**	**6.6**	**0.3**	**0.7**	**9.1**
Additions	-	-	-	-	0.1	**0.1**
Disposals	(0.4)	-	(0.9)	-	-	**(1.3)**
Transfers	-	-	0.3	-	(0.3)	**-**
Currency translation impact	(0.2)	(0.1)	(1.2)	(0.2)	(0.5)	**(2.2)**
Balance at 31 December 2014	**0.8**	**-**	**4.8**	**0.1**	**-**	**5.7**
Accumulated depreciation						
Balance at 1 January 2013	**0.3**	**0.2**	**7.6**	**0.1**	**-**	**8.2**
Charge	0.2	-	0.5	-	-	**0.7**
Disposals	-	(0.2)	(0.8)	-	-	**(1.0)**
Currency translation impact	-	-	(0.1)	-	-	**(0.1)**
Transfer to asset held for sale	-	-	(1.5)	(0.1)	-	**(1.6)**
Disposal of subsidiaries	-	-	(0.1)	-	-	**(0.1)**
Balance at 31 December 2013	**0.5**	**-**	**5.6**	**-**	**-**	**6.1**
Charge	0.1	**-**	0.7	**-**	**-**	**0.8**
Disposals	(0.1)	**-**	(0.7)	**-**	**-**	**(0.8)**
Currency translation impact	(0.2)	**-**	(2.0)	**-**	**-**	**(2.2)**
Balance at 31 December 2014	**0.3**	**-**	**3.6**	**-**	**-**	**3.9**
Net carrying value						
As of 31 December 2013	**0.9**	**0.1**	**1.0**	**0.3**	**0.7**	**3.0**
As of 31 December 2014	**0.5**	**-**	**1.2**	**0.1**	**-**	**1.8**

Depreciation expense amounting to $0.8 for the year ended 31 December 2014 has been included in general administrative expenses (year ended 31 December 2013: $0.7).

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

12. INVESTMENTS IN ASSOCIATES

Details of each of the Group's material associates at the end of the reporting period are as follows:

Investment	Shareholding %	Country of incorporation	Geographic segment	Nature of business
SP Pronto Kiev	50%	Ukraine	CIS	Newspaper and internet publishing
TOV E-Prostir	50%	Ukraine	CIS	Internet publishing

All of the above associates are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs.

	SP Pronto Kiev		TOV E-Prostir	
	2014	2013	2014	2013
Current assets	1.8	4.2	0.3	0.2
Non-current assets	0.3	0.2	-	-
Current liabilities	0.1	0.2	0.1	0.2
Non-current liabilities	-	-	-	-

	SP Pronto Kiev		TOV E-Prostir	
	2014	2013	2014	2013
Revenue	1.4	3.2	0.4	0.4
Profit from continuing operations	-	0.6	0.2	-
Post-tax profit from discontinued operations	-	-	-	-
Profit for the year	-	0.6	0.2	-
Other comprehensive (loss)/income for the year	-	-	-	-
Total comprehensive (loss)/income for the year	-	0.6	0.2	-
Dividends received from the associate during the year	-	0.2	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

	SP Pronto Kiev		TOV E-Prostir	
	2014	2013	2014	2013
Net assets of the associate	2.0	4.2	0.2	-
Proportion of the Group's ownership interest in the associate	50%	50%	50%	50%
Carrying amount of the Group's interest in the associate	1.0	2.1	0.1	-

The National Bank of Ukraine passed a decree №540 on 29 August 2014 prohibiting Ukrainian companies to pay dividends to foreign investors.

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

13. GOODWILL

The movements in goodwill during the years ended 31 December 2014 and 2013 are as follows:

	2014	2013
1 January	**72.9**	**84.6**
Disposal of subsidiaries (Note 28)	-	(4.4)
Goodwill written-off on liquidation of subsidiary	-	(0.9)
Currency translation adjustment	(30.2)	(6.4)
31 December	**42.7**	**72.9**

Discussion of the Group's annual impairment testing for goodwill can be found in Note 15.

14. OTHER INTANGIBLE ASSETS

The movement of other intangible assets and related accumulated amortization for the reporting periods is as follows.

	Trade names	Customer lists	Software	Other intangibles	Assets under develop-ment	Total
Cost						
Balance at 1 January 2013	**70.1**	**7.4**	**30.6**	**7.9**	**1.6**	**117.6**
Additions	-	-	0.3	1.8	0.2	**2.3**
Disposals	-	-	(0.4)	(0.8)	-	**(1.2)**
Transfers	-	-	0.3	0.1	(0.4)	**-**
Currency translation impact	(4.2)	-	(0.3)	(0.5)	-	**(5.0)**
Reclassification to held-for-sale	(12.3)	(5.4)	(8.5)	(3.2)	-	**(29.4)**
Disposal of a subsidiary	-	-	(0.5)	-	-	**(0.5)**
Balance at 31 December 2013	**53.6**	**2.0**	**21.5**	**5.3**	**1.4**	**83.8**
Additions	-	-	0.5	0.8	-	**1.3**
Disposals	-	-	(1.9)	-	-	**(1.9)**
Transfers	-	-	-	0.8	(0.8)	**-**
Currency translation impact	(22.4)	(0.8)	(4.2)	(1.9)	(0.6)	**(29.9)**
Balance at 31 December 2014	**31.2**	**1.2**	**15.9**	**5.0**	**-**	**53.3**
Accumulated amortization						
Balance at 1 January 2013	**11.0**	**7.4**	**26.1**	**5.1**	**-**	**49.6**
Charge	0.3	-	2.2	1.4	-	**3.9**
Disposals	-	-	(0.4)	(0.8)	-	**(1.2)**
Currency translation impact	(0.6)	-	(0.4)	(0.2)	-	**(1.2)**
Reclassification to held-for-sale	(5.7)	(5.4)	(7.2)	(2.8)	-	**(21.1)**
Disposal of a subsidiary	-	-	(0.2)	-	-	**(0.2)**
Balance at 31 December 2013	**5.0**	**2.0**	**20.1**	**2.7**	**-**	**29.8**
Charge	0.1	-	1.3	1.3	-	**2.7**
Disposals	-	-	(1.8)	-	-	**(1.8)**
Currency translation impact	(2.0)	(0.8)	(4.0)	(1.0)	-	**(7.8)**
Balance at 31 December 2014	**3.1**	**1.2**	**15.6**	**3.0**	**-**	**22.9**
Net carrying value						
As of 31 December 2013	**48.6**	**-**	**1.4**	**2.6**	**1.4**	**54.0**
As of 31 December 2014	**28.1**	**-**	**0.3**	**2.0**	**-**	**30.4**

Intangible assets with indefinite useful lives included in the above balances amount to $27.0 at 31 December 2014 (2013: $46.5). Discussion of the Group's annual impairment testing for intangible assets with indefinite useful lives can be found in Note 15.

The amortization charge of $2.7 for the year ended 31 December 2014 has been included in general administrative expenses (year ended 31 December 2013: $3.9).

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

15. IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

As at 31 December 2014, goodwill and other intangible assets with indefinite useful lives have been allocated for impairment testing purposes to the following cash-generating units:

- Russia;
- CIS.

The carrying amounts of goodwill and other intangible assets with indefinite useful lives attributable to continuing operations were allocated to the cash-generating units as follows.

	Goodwill		Other intangibles	
	2014	2013	2014	2013
Russia	42.5	72.5	27.0	46.5
CIS	0.2	0.4	-	-
	42.7	**72.9**	**27.0**	**46.5**

The recoverable amounts of both the Russia and CIS cash-generating units are determined based on value in use calculations which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a discount rate of 14.7% per annum (2013: 12.6% per annum).

Cash flow projections during the budget period for both the Russia and CIS cash-generating units are based on an expected EBITDA margin of between 18% to 35% for the online business and -5% to 5% for the print business (2013: 18% to 50% for the online business and -5% to 5% for the print business). The cash flows beyond that five-year period have been extrapolated using steady 4% and 0% per annum growth rates for the online and print businesses, respectively (2013: 4% and 0%, respectively), which the directors consider to be reasonable and achievable long-term average growth rates for the online and print advertising markets in both Russia and the CIS.

In performing the annual impairment testing, management considered the following scenarios which would have an adverse impact on the recoverable amounts of the cash-generating units. The sensitivity percentages used in these scenarios are those which management considers are the most extreme scenarios that could be reasonably anticipated.

- An increase in WACC to 18.5% (31 December 2013: 15.7%);
- Budget deficit in each year of 10% (31 December 2013: 15%).

Management estimates that in the event that the budget deficit in each year increases to 15% it would result in the aggregate carrying amount of the Russia cash-generating unit exceeding its recoverable amount by approximately $3.7.

Based on the calculations and sensitivity analyses performed, management believes that any other reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of either the Russia or CIS cash-generating units to exceed the aggregate recoverable amounts.

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

16. INVENTORIES

	2014	2013
Raw materials	0.1	0.3
Finished goods	0.1	0.1
	0.2	**0.4**

The cost of inventories recognised as an expense during the year and included in cost of sales amounted to $8.4 (2013: $15.3).

17. TRADE AND OTHER RECEIVABLES

The details of trade and other receivables as at 31 December 2014 and 2013 are as follows:

	2014	2013
Trade receivables	4.1	5.4
Less: allowance for doubtful debts	(1.9)	(3.2)
Net trade receivables	**2.2**	**2.2**
Prepayments	-	0.3
	2.2	**2.5**

The fair values of trade and other receivables approximate to their carrying values.

As of 31 December 2014, trade receivables of $nil (2013: $0.2) included in the above amounts were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aged analysis of these trade receivables is as follows:

	2014	2013
Up to 3 months past due	-	0.2
	-	**0.2**

As of 31 December 2014, trade receivables of $1.9 (2013: $3.2) were impaired. The individually impaired receivables relate to customers that are in difficult economic situations. The aged analysis of these receivables is as follows:

	2014	2013
Up to 3 months	0.2	0.2
3 to 6 months	0.2	0.6
Over 6 months	1.5	2.4
	1.9	**3.2**

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

The movement in the allowance for doubtful debts is as follows:

	2014	2013
1 January	**3.2**	**9.0**
Impairment losses recognised on receivables	0.7	1.5
Amounts written off during the year as uncollectable	(1.2)	(3.4)
Amounts relating to impaired receivables disposed of with a subsidiary	-	(2.3)
Foreign exchange translation gains and losses	(0.8)	(1.6)
31 December	**1.9**	**3.2**

Trade receivables and related allowances are written off when there is no expectation of recovery. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable detailed above.

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31 December 2014 and 2013 are as follows:

	2014	2013
Cash at bank and in hand	1.8	5.8
Short term bank deposits	0.4	4.2
	2.2	**10.0**

The maturity analysis of time deposits is as follows:

	2014	2013
Up to 1 month	0.2	4.2
1-3 months	0.2	-
	0.4	**4.2**

19. SHARE CAPITAL

The Company's shareholding structure is as follows:

	2014			2013		
	Share capital	**Number of shares**	**Share, %**	**Share capital**	**Number of shares**	**Share, %**
Hurriyet Invest B.V.	7.5	47,139,097	78.57	5.9	37,139,782	74.28
Hurriyet Invest B.V. GDR	-	4,113	0.01	-	3,428	0.01
Other	0.1	351,009	0.58	0.1	351,009	0.70
Other GDR	2.0	12,505,781	20.84	2.0	12,505,781	25.01
Share capital	**9.6**	**60,000,000**	**100.00**	**8.0**	**50,000,000**	**100.00**

In September 2014, the Company raised additional capital in the amount of $ 20.3 via the offering of new GDRs to the existing holders of TME shares on a pro-rata basis (1 new GDR offered for 5 GDRs held by eligible investors) at the rate of USD 2.03 per new GDR The total amount of shares issued comprised 10 million shares with the nominal value of USD 0.16, increasing the share capital by $1.6 and additional paid-in capital by $18.7. The Group used the net proceeds obtained through the issuance of the capital to repay its debt to Hurriyet Invest B.V. and for operating purposes. The amount of debt to Hurriyet Invest B.V. which comprised $19.7 mln. as of 15 October 2014 was off-set with the proceeds from the capital raising in full, the rest $0.6 were paid to TME in October 2014.

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

20. BORROWINGS

	Currency	Annual interest rate (actual rate as at 31 December 2014)	Maturity	31 December 2014	31 December 2013
Deniz Bank CJSC	RUR	11.5%-14.5%	30 June – 6 November 2015	2.5	-
Deniz Bank CJSC	RUR	Mosprime +3.25%	14 December 2015	0.7	-
Credit Europe Bank N.V.	USD	4.29%-6.25%	20 April 2015	35.2	70.9
Less: amounts due within one year				(38.4)	(0.9)
Borrowings, net of current portion				**-**	**70.0**

As of the reporting date the Group was not in compliance with the covenants for the credit facilities of Credit Europe Bank N.V. and Deniz Bank CJSC (due to restructuring within the Group), although this did not affect the financial statements as the loans were classified as short-term as of the reporting date.

As at 31 December 2014, Dogan Holding has a blocked bank deposit of $35.0 with Credit Europe Bank N.V. as a guarantee against the Group's borrowings (31 December 2013: $70.0).

The carrying value of borrowings is considered to approximate their fair value since the effects of discounting are considered to be insignificant.

21. LIABILITIES RELATING TO FORMER NON-CONTROLLING INTERESTS

The Group has historically held a put-option over the non-controlled ordinary share capital of its Croatian subsidiary, Oglasnik d.o.o., in which the Group held a 70% equity interest as at 31 December 2013 and earlier reporting periods. During 2013, the Zagreb Court of Arbitration found in favour of a court case filed by the Group that the put-option is null and void. In response, the non-controlling shareholders of Oglasnik d.o.o filed a lawsuit against the Group of Euro 3.5 million plus interest, for financial damages as a result of the Group not exercising the original put-option. As at 31 December 2013 the Group recognised a liability of $7.6 as management's best estimate of the amount that might become payable to the non-controlling shareholders of Oglasnik d.o.o. should the court find in their favour. As discussed in Note 28, in 2014 the non-controlling share in Oglasnik d.o.o. was disposed of for a nominal consideration.

In July 2014, the arbitration process in Zagreb Arbitration Court has been resulted; accordingly the option was decided as invalid and a compensation in favour of the non-controlling shareholders' was decided due to the loss occurred. The judgment has been appealed by the Group on 5 November 2014 and the suspension of the payment has been filed. As of 31 December 2014 the Group continues to reflect $7.7 (including interest accrued) as a liability related to the court case.

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

22. TRADE AND OTHER PAYABLES

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

	2014	2013
Trade payables	2.3	3.8
Other payables	0.8	1.5
	3.1	**5.3**

The Group has financial policies in place to ensure all payables are paid within the contracted credit terms.

23. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below

Interest payable accrued for the period:

	2014	2013
Hürriyet Invest B.V.	0.9	1.1
	0.9	**1.1**

The following debt balances were outstanding at the end of the reporting period:

	2014	2013
Hürriyet Invest B.V.	35.2	18.9
	35.2	**18.9**

The following balances were in trade and other receivables at the end of the reporting period:

	2014	2013
Hürriyet Invest B.V.	0.1	0.1
	0.1	**0.1**

The remuneration of directors and other key management personnel during the year was as follows:

	2014	2013
Cash remuneration paid to board members and key management personnel	0.9	1.8
	0.9	**1.8**

There were no other benefits or payments made to directors or other key management personnel during the reporting periods.

The related party Dogan Holding has a blocked bank deposit of $35.0 (31 December 2013: $70.0) as a guarantee against TME Group borrowings at Credit Europa Bank N.V. (Note 20).

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

24. OTHER CURRENT ASSETS

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

	2014	2013
Prepaid rent and other expenses	0.4	1.9
Value Added Tax ("VAT") receivable	0.2	0.6
Advances given to employees	-	0.2
Other current assets	1.2	2.2
Less: allowance for other doubtful debts	-	(0.4)
	1.8	**4.5**

25. OTHER CURRENT LIABILITIES

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

	2014	2013
Advances received	1.9	3.6
VAT payable	0.7	1.5
Amounts due to employees	0.3	1.5
Social security and other taxes payable	0.4	0.5
	3.3	**7.1**

26. COMMITMENTS AND CONTINGENCIES

26.1. Operating lease arrangements

Minimum non-cancellable operating lease payments under existing operating leases for office space, automobiles and office equipment as at 31 December 2014 are as follows:

	2014	2013
Within one year	1.5	5.5
	1.5	**5.5**

Operating lease payments during the year ended 31 December 2014 amounted to $4.2 (year ended 31 December 2013: $4.0).

26.2. Litigation

The Group may be involved in various litigations arising in the normal course of business. As discussed in Note 21, the Group is currently involved in litigation with the non-controlling interests of its former Croatian subsidiary, Oglasnik d.o.o, for which the Group has recognised a liability of $7.7 as at 31 December 2014. There were no other litigations as at 31 December 2014 through to the date of approval of these consolidation financial statements which management believes could have a significant adverse impact, either individually or in aggregate, on these consolidated financial statements.

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

26. COMMITMENTS AND CONTINGENCIES (CONTINUED)

26.3. Tax and regulatory environment

The Group primarily operates in Russia and other countries of the CIS, in which laws and regulations affecting businesses continue to change rapidly. These changes are characterized by different interpretations and arbitrary application by the authorities. Management's interpretation of such legislation as applied to the activity of the Group may be challenged by the relevant authorities. The tax authorities in Russia and other countries of the CIS frequently take an assertive position in their interpretation of the legislation and assessments and as a result, it is possible that transactions and activities may be challenged. It is therefore possible that significant additional taxes, penalties and interest may be assessed. Under certain circumstances reviews may cover longer periods. Where uncertainty exists, the Group has accrued tax liabilities as management's best estimate of the probable outflow of resources which will be required to settle such liabilities. Management believes that it has provided adequately for tax liabilities based on its interpretations of tax legislation. However, the relevant authorities may have differing interpretations, and the effects could be significant.

26.4. Letters of guarantee

The Group has issued the following letters of guarantee, from which management does not anticipate any significant loss:

		31 December 2014		31 December 2013	
	Currency	**Currency amount**	**US Dollar millions**	**Currency amount**	**US Dollar millions**
Letters of guarantee	HRK	-	-	2.4	0.4

27. LOSS PER SHARE

Basic and diluted loss per share

The losses attributable to the equity holders of the Company and the weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows.

	2014	**2013**
Loss for the year and used in the calculation of basic and diluted earnings per share	(65.9)	(19.9)
Less		
Loss for the year from discontinued operations used in the calculation of basic and diluted earnings per share from discontinued operations	0.3	8.3
Loss used in the calculation of basic and diluted earnings per share from continuing operations	**(65.6)**	**(11.6)**
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share (thousands of shares)	52,849	50,000

	2014	**2013**
	US Dollars per share	**US Dollars per share**
Basic and diluted loss per share		
From continuing operations	(1.24)	(0.23)
From discontinued operations	(0.01)	(0.17)
Total basic and diluted loss per share	**(1.25)**	**(0.40)**

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

28. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

28.1. Disposal of Moje Delo

On 23 April 2013 the Group disposed of its entire shareholding in Moje Delo, Spletni Marketing, d.o.o., a subsidiary operating in Slovenia and comprising the Group's Slovenian operations, for a consideration of Euro 1.4 million ($1.8).The disposal was consistent with the Group's strategy to focus its activities on the Russian and CIS markets.

The major classes of assets and liabilities of the discontinued operations as of the date of disposal in 2013 are as follows:

	2013
Current assets	0.3
Non-current assets	0.3
Current liabilities	(2.3)
Non-current liabilities	-
Net liabilities disposed of	(1.7)

28.2. Disposal of Croatian, Hungarian, Bosnian and Herzegovinian and Serbian operations

In October 2013, the Board of Directors approved a plan to dispose of the Group's subsidiaries and operations in Croatia, Hungary, Bosnia and Herzegovina and Serbia due to the Group's strategy to focus its activities on the Russian and CIS markets. The corresponding assets and liabilities of these subsidiaries were reclassified as held for sale as at 31 December 2013, with an impairment loss of $8.4 recognised on reclassification.

On 28 February 2014, the Group transferred its subsidiary Oglasnik d.o.o., the operating company of its Croatian operations, for consideration of Kuna 2 to the non-controlling interests. In March 2014, the Group disposed of its subsidiaries in Bosnia & Herzegovina, and Serbia for a consideration of EUR 2 to non-controlling interest. The Group has disposed of its subsidiary Expressz Magyarorszag Media Kft. to non-controlling shareholders for EUR 1 in April 2014.

28.3 Loss for the year from discontinued operations

The combined results of the discontinued operations (i.e. the Slovenian, Croatian, Hungarian, Bosnian & Herzegovinian, and Serbian operations) included in the loss for the year 2013 are set out below.

	2014	2013
Loss for the year from discontinued operations		
Revenue	-	6.0
Expenses	-	(8.9)
Other income	-	0.9
Loss before tax	**-**	**(2.0)**
Attributable income tax benefit	-	2.1
Net profit/(loss)	**-**	**0.1**
Loss on remeasurement to fair value less costs to sell of associated assets (net of income tax effect)	-	(8.4)
Loss for the year from discontinued operations	**-**	**(8.3)**

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

28. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (CONTINUED)

The assets and related liabilities of the discontinued operations in Croatia, Hungary, Bosnia & Herzegovina and Serbia were included in the consolidated statement of financial position as disposal group held for sale as of 31 December 2013. An impairment loss of $8.4 was recorded to write down the carrying value of the related assets to the carrying value of related liabilities, along with derecognition of related deferred tax liabilities of $1.9 as of 31 December 2013.

28.4. Assets classified as held for sale

The major classes of assets and liabilities of the operations classified as held for sale at 31 December 2013 and as of the date of disposal in 2014 are as follows:

	At the date of disposal	2013
Assets		
Cash and cash equivalents	0.4	0.5
Trade and other receivables	0.8	0.8
Other current assets	0.5	0.2
Property, plant and equipment	1.1	1.1
Intangible assets	8.3	8.3
Impairment on asset held for sale	(8.4)	(8.4)
Total assets disposed of/held for sale	**2.7**	**2.5**
Liabilities		
Trade payables	1.1	1.2
Other payables	0.4	0.5
Deferred tax liabilities	0.6	0.8
Total liabilities disposed of/held for sale	**2.1**	**2.5**
Total net asset disposed of	**0.6**	**-**

28.5. Loss on disposal of discontinued operations

Loss on disposal of discontinued operations for the years ended 31 December 2014 and 2013 was as follows

	2014	2013
Consideration received	-	1.8
Net (assets)/liabilities disposed of	(0.6)	1.7
Non-controlling interests	0.3	(0.4)
Associated goodwill written-off	-	(4.4)
Loss on disposal of discontinued operations	**(0.3)**	**(1.3)**

29. NON-CASH TRANSACTIONS

During the year ended 31 December 2014 and 2013, the Group entered into the following non-cash barter transactions which are not reflected in the statement of cash flows:

	2014	2013
Revenue recognised for barter transactions	0.9	0.6

As discussed in Note 19, in October 2014 the Group had offset the loan from Hurriyet Invest B.V. in the amount of $19.7 against net proceeds from capital increase due as a result of capital issuance performed by the Company in September 2014.

(Amounts expressed in millions of US Dollars ("$") unless otherwise indicated)

30. RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

Subsequent to the issuance of 2013 financial statements, the Group identified a misclassification of a loss pertaining to dividends to non-controlling interests between non-controlling interest and equity holders of the Group for $1.7. Therefore, 2013 financial statements were restated as follows:

30.1. Effect on prior period consolidated statement of profit and loss

	2013 As previously reported	Correction effect	2013 As restated
Net loss for the year	**(18.6)**	**-**	**(18.6)**
Attributable to:			
Equity holders of the parent	(18.2)	(1.7)	(19.9)
Non-controlling interests	(0.4)	1.7	1.3
	(18.6)	**-**	**(18.6)**
Loss per share			
Weighted average number of ordinary shares in issue (thousands)	50,000	-	50,000
Basic and diluted loss per share from continuing and discontinued operations (US Dollar per share)	(0.36)	(0.04)	(0.40)
Basic and diluted loss per share from continuing operations (US Dollar per share)	(0.23)	-	(0.23)

30.2. Effect on prior period consolidated statement of comprehensive loss

	2013, As previously reported	Correction effect	2013, As restated
Total comprehensive loss for the year	**(21.2)**	**-**	**(21.2)**
Attributable to:			
Equity holders of the parent	(20.8)	(1.7)	(22.5)
Non-controlling interests	(0.4)	1.7	1.3
Total comprehensive loss for the year	**(21.2)**	**-**	**(21.2)**

30.3. Effect on prior period consolidated statement of financial position

	31 December 2013, As previously reported	Correction effect	31 December 2013, As restated
EQUITY			
Accumulated losses	(662.7)	(1.7)	(664.4)
Non-controlling interests	(1.9)	1.7	(0.2)
Total deficit	**38.5**	**-**	**38.5**

31. EVENTS AFTER THE REPORTING PERIOD

In February 2015, the Group announced the closure of print business in Moscow effective 1 March 2015. The Group's management also plans to transfer operations in subsidiaries in the Russian Federation to a franchising scheme during 2015. Regional subsidiaries in Russia will be either sold to non-controlling interests or liqudated with operations transferred to newly organized entities (independent from the Group). As a result of the described measures the Group plans to terminate up to 1,060 people and expects to pay respective severance payments up to $0.7 by the end of 2015.

On 20 April 2015, the management of the Group has received a loan of $35.0 from Hurriyet Invest B.V. bearing annual interest of 4.29% and maturing on 20 April 2016 in order to repay the loan to Credit Europe Bank N.V. in the same amount outstanding as of 31 December 2014. The $35.0 loan to Credit Europe Bank N.V. was repaid in full on 20 April 2015.

On 13 April 2015, Pronto Invest B.V. was legally merged with Mirabridge International B.V. in accordance with the Dutch Civil Code. After the merger all assets of Pronto Invest B.V. were transferred to Mirabridge International B.V., and Pronto Invest B.V. ceases to exist. The appropriate records were made to The Netherland Commercial Register on 14 April 2015.

32. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issuance on 27 April 2015.