

HRANT DINK VAKFI

CONVENIENCE TRANSLATION OF STATUTORY
FINANCIAL STATEMENTS AS OF DECEMBER 31, 2016
TOGETHER WITH AUDITORS' REPORT

**Convenience Translation of the
Independent Auditors' Report to the Board of Directors of
Hrant Dink Vakfı**

Report for the Financial Statements

We have audited the accompanying balance sheet of Hrant Dink Vakfı (hereinafter referred to as "the Foundation") as of December 31, 2016 and the statement of income for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards specified in note 2, and for such internal control as management determines is necessary to enable the preparation of 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 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Hrant Dink Vakfı as of December 31, 2016 and its financial performance for the year then ended in accordance with the accounting standards specified in note 2.

Other Matters

In the appendix of Foundations General Chart of Account published by T.R. Prime Ministry General Directorate of Foundations in the Official Gazette dated September 27, 2008 and numbered 27010, there is only balance sheet and statement of income and there is no statement of changes in equity and statement of cash flows. Because of the fact, statement of changes in equity and statement of cash flows have not been presented in the accompanying financial statements.

Additional Paragraph for Convenience Translation into English

The effect of differences between the accounting principles as set out by accounting principles generally accepted in countries in which the accompanying balance sheet and statement of income are to be distributed and International Financial Reporting Standards ('IFRS') have not been quantified in the accompanying balance sheet and statement of income. Accordingly, the accompanying balance sheet and statement of income are not intended to present the financial position and results of operations and changes in financial position and cash flows in accordance with accounting principles generally accepted in such countries and IFRS.

DENGE BAĞIMSIZ DENETİM SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of MAZARS



Aylin Beydemir, CPA

Istanbul, March 14, 2017

HRANT DİNK VAKFI
FINANCIAL STATEMENTS AS OF DECEMBER 31, 2016
(DETAILED BALANCE SHEET - STATEMENTS OF FINANCIAL POSITION)
(All amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated)

	Note	December 31, 2016	December 31, 2015
ASSETS			
I. CURRENT ASSETS			
CASH AND CASH EQUIVALENTS		1.878.758	945.100
- Cash		10.047	768
- Banks	6	1.868.711	944.332
OTHER RECEIVABLES		215.665	165.091
- Receivables from commercial enterprise	7	215.665	165.091
SHORT-TERM PREPAID EXPENSES AND DEFERRED INCOME		5.722	3.793
- Short-term prepaid expenses		4.888	2.959
- Income accruals		834	834
Total Current Assets		2.100.145	1.113.984
II. NON-CURRENT ASSETS			
OTHER RECEIVABLES		162	162
- Deposits and guarantees given		162	162
FINANCIAL FIXED ASSETS		5.000	5.000
- Commercial enterprises		5.000	5.000
TANGIBLE ASSETS		1.014.554	1.141.508
- Furniture and fixture	10	343.691	215.553
- Leasehold improvements	10	1.181.820	1.181.820
- Accumulated depreciation (-)	10	(510.957)	(255.865)
INTANGIBLE ASSETS		8.392	9.020
- Rights	11	10.560	10.560
- Accumulated amortization (-)	11	(2.168)	(1.540)
Total Non-Current Assets		1.028.108	1.155.690
TOTAL ASSETS		3.128.253	2.269.674

The accompanying notes form an integral part of these financial statements

HRANT DİNK VAKFI
FINANCIAL STATEMENTS AS OF DECEMBER 31, 2016
(DETAILED BALANCE SHEET - STATEMENTS OF FINANCIAL POSITION)
(All amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated)

	Note	December 31, 2016	December 31, 2015
LIABILITY			
I. SHORT TERM LIABILITIES			
BORROWINGS		300	2.324
- Bank loans	13	300	2.324
PAYABLES FROM OPERATIONS		176.507	235.843
- Payables	14	176.507	235.843
TAXES AND OTHER LIABILITIES		62.713	33.990
- Taxes and funds payable	15	35.938	16.065
- Social security premiums payables	15	26.775	17.925
SHORT TERM DEFERRED INCOME AND ACCRUED EXPENSES		327	575
- Short-term deferred income and accrued expenses		327	575
OTHER SHORT TERM LIABILITIES		40	-
- Count and delivery surplus		40	-
Short Term Liabilities		239.887	272.732
SHAREHOLDERS' EQUITY			
CAPITAL	12	100.000	100.000
- Paid in capital		100.000	100.000
RETAINED EARNINGS	12	2.756.640	2.756.640
RETAINED LOSSES (-)	12	(859.698)	(368.242)
PERIOD NET INCOME OR LOSS (-)		891.424	(491.456)
- Period net income	12	891.424	-
- Period net loss (-)	12	-	(491.456)
Total Shareholders' Equity		2.888.366	1.996.942
TOTAL LIABILITIES		3.128.253	2.269.674

The accompanying notes form an integral part of these financial statements

HRANT DİNK VAKFI
FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2016
(DETAILED STATEMENTS OF INCOME)

(All amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated)

	Note	January 1 – December 31, 2016	January 1 – December 31, 2015
A- GROSS SALES		3.251.013	1.681.083
- Donations and charities	20	3.251.013	1.681.083
NET SALES		3.251.013	1.681.083
C- COST OF SALES (-)		(550.901)	(317.448)
- Cost of services rendered (-)	21	(550.901)	(317.448)
PROFIT FROM GROSS SALES		2.700.112	1.363.635
D- OPERATING EXPENSES (-)		(2.096.182)	(1.908.611)
- Goal directed expenses (-)	22	(2.096.182)	(1.908.611)
E- INCOME AND PROFIT FROM OTHER OPERATIONS		297.263	139.341
- Interest income	23	41.553	21.968
- Foreign currency gain	23	245.577	116.906
- Prior period's income and profits	23	-	365
- Other extraordinary income	23	10.133	102
F- EXPENSES AND LOSSES FROM OTHER OPERATIONS (-)		(9.240)	(85.029)
- Foreign currency losses (-)		(9.240)	(24.239)
- Prior period loss (-)		-	(60.613)
- Other extraordinary expenses (-)		-	(177)
G- FINANCE EXPENSES (-)		(529)	(792)
- Finance expenses (short term) (-)		(529)	(792)
NET PERIOD INCOME/(LOSS)		891.424	(491.456)

The accompanying notes form an integral part of these financial statements