

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2007  
(ORIGINALLY ISSUED IN TURKISH)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRIYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND NOTES FOR THE INTERIM PERIOD 1 JANUARY- 31 MARCH 2007**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated)

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**CONSOLIDATED FINANCIAL STATEMENTS  
AND NOTES FOR THE INTERIM PERIOD 1 JANUARY- 31 MARCH 2007**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated)

	Notes	(Not reviewed) 31 March 2007	(Audited) 31 December 2006
<b>ASSETS</b>			
<b>Current assets</b>		<b>512.041.550</b>	<b>406.886.019</b>
Cash and cash equivalents	4	230.100.447	141.823.172
Marketable securities (net)	5	11.434.425	23.056.445
Trade receivables (net)	7	165.542.358	155.918.910
Leasing receivables (net)	8	-	-
Due from related parties (net)	9	36.480.824	38.566.006
Other receivables (net)	10	28.490.465	24.440.185
Biological assets (net)	11	-	-
Inventories (net)	12	22.241.459	18.002.865
Construction contract receivables (net)	13	-	-
Deferred tax assets	14	-	-
Assets held for sale	35	4.381.817	-
Other current assets	15	13.369.755	5.078.436
<b>Non-current assets</b>		<b>1.316.777.095</b>	<b>562.478.799</b>
Trade receivables (net)	7	804.170	334.638
Leasing receivables (net)	8	-	-
Due from related parties (net)	9	-	-
Other receivables (net)	10	-	-
Financial assets (net)	16	18.061.180	10.762.570
Goodwill / negative goodwill (net)	17	567.871.219	11.332.183
Investment properties (net)	18	14.550.831	15.219.729
Property, plant and equipment (net)	19	556.431.777	518.267.349
Intangible assets (net)	20	143.720.925	1.179.670
Deferred tax assets	14	15.336.993	5.382.660
Other non-current assets	15	-	-
<b>TOTAL ASSETS</b>		<b>1.828.818.645</b>	<b>969.364.818</b>

The accompanying notes form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND NOTES FOR THE INTERIM PERIOD 1 JANUARY- 31 MARCH 2007**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated)

	Notes	(Not reviewed) 31 March 2007	(Audited) 31 December 2006
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>427.361.176</b>	<b>105.594.260</b>
Short-term bank borrowings (net)	6	182.877.804	1.473.835
Short-term portion of long-term bank borrowings (net)	6	15.037.114	5.613.230
Leasing payables (net)	8	4.203.735	4.620.935
Other financial liabilities (net)	10	-	-
Trade payables (net)	7	71.046.182	49.090.780
Due to related parties (net)	9	8.013.563	2.887.857
Advances received	21	4.787	1.080.121
Construction progress billings (net)	13	-	-
Provisions	23	7.751.685	26.610.246
Deferred tax liabilities	14	-	-
Liability held for sale	35	821.160	-
Other liabilities (net)	10	137.605.146	14.217.256
<b>Non-current liabilities</b>		<b>634.837.069</b>	<b>160.979.232</b>
Long-term bank borrowings (net)	6	442.889.845	39.026.920
Leasing payables (net)	8	7.442.333	8.066.629
Other financial liabilities (net)	10	14.123.943	-
Trade payables (net)	7	88.211.366	78.001.254
Due to related parties (net)	9	-	-
Advances received	21	-	-
Provisions	23	8.921.264	8.470.347
Deferred tax liabilities	14	72.296.049	27.224.327
Other liabilities (net)	10	952.269	189.755
<b>MINORITY INTEREST</b>	24	<b>57.864.171</b>	<b>111.140</b>
<b>SHAREHOLDERS' EQUITY</b>		<b>708.756.229</b>	<b>702.680.186</b>
Share capital	25	416.742.560	416.742.560
Treasury shares	25	-	-
Capital reserves	26	81.270.970	81.270.970
Share premium		-	-
Share cancellation gains		-	-
Revaluation fund		-	-
Financial assets fair value reserve		-	-
Inflation adjustment to shareholders' equity	28	81.270.970	81.270.970
Profit reserves	27	71.800.225	71.894.841
Legal reserves	28	18.679.778	18.679.778
Statutory reserves		-	-
Extraordinary reserves	28	52.713.095	52.713.095
Special reserves		-	-
Investment and property sales income to be added to the capital		-	-
Translation reserve	2,28	407.352	501.968
Current year profit	28	6.170.659	104.157.463
Retained earnings	28	132.771.815	28.614.352
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1.828.818.645</b>	<b>969.364.818</b>
Commitments and contingent liabilities	31		

These consolidated financial statements as at and for the period ended at 31 March 2007 were approved by the Board of Directors on 22 June 2007.

The accompanying notes form an integral part of consolidated financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED STATEMENTS OF INCOME FOR THE  
INTERIM PERIODS 1 JANUARY-31 MARCH 2007 AND 2006**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated)

	Notes	(Not reviewed) 31 March 2007	(Not reviewed) 31 March 2006
<b>OPERATING REVENUES</b>			
Net sales	36	140.547.654	141.703.099
Cost of sales (-)	36	(103.936.045)	(94.185.041)
Income from services (net)	36	-	-
Income from other operating activities (net)	36	-	-
<b>GROSS OPERATING PROFIT</b>		<b>36.611.609</b>	<b>47.518.058</b>
Operating expenses (-)	37	(34.527.537)	(31.073.574)
<b>NET OPERATING PROFIT</b>		<b>2.084.072</b>	<b>16.444.484</b>
Other income and profits	38	14.508.085	13.006.550
Other expenses and losses (-)	38	(7.670.911)	(3.893.852)
Financial expenses (-)	39	(2.065.078)	(1.929.540)
<b>OPERATING PROFIT</b>		<b>6.856.168</b>	<b>23.627.642</b>
Monetary gain/ (loss)	40	-	-
<b>MINORITY INTEREST</b>		<b>93.522</b>	<b>(742.014)</b>
<b>INCOME BEFORE TAX</b>		<b>6.949.690</b>	<b>22.885.628</b>
Taxes on income	41	(779.031)	(5.713.811)
<b>NET INCOME</b>		<b>6.170.659</b>	<b>17.171.817</b>
<b>EARNINGS PER SHARE</b>		<b>0,0148</b>	<b>0,0412</b>

The accompanying notes form an integral part of these consolidated financial statements.

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE PERIODS ENDED AT 31 MARCH 2007 AND 2006**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated)

	<u>Capital Reserves</u>		<u>Profit Reserves</u>			<u>Retained Earnings</u>		<u>Total shareholders' equity</u>
	<u>Share capital</u>	<u>Inflation adjustment to shareholders' equity</u>	<u>Legal reserve</u>	<u>Extraordinary reserve</u>	<u>Translation Reserve</u>	<u>Retained earnings</u>	<u>Net income for the period</u>	
Balances at 1 January 2006	416.742.560	81.270.970	13.322.675	26.317.495	(1.210.058)	33.228.436	87.580.389	657.252.467
Change in effective rates of the subsidiaries	-	-	-	-	-	13.165.961	(572.211)	12.593.750
Balances at 1 January 2006 as restated	416.742.560	81.270.970	13.322.675	26.317.495	(1.210.058)	46.394.397	87.008.178	669.846.217
Currency translation differences	-	-	-	-	(637.224)	-	-	1.712.026
Transfers	-	-	-	-	-	87.008.178	(87.008.178)	-
Dividends	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	17.171.817	17.171.817
<b>Balances at 31 March 2006</b>	<b>416.742.560</b>	<b>81.270.970</b>	<b>13.322.675</b>	<b>26.317.495</b>	<b>(1.847.282)</b>	<b>133.402.575</b>	<b>17.171.817</b>	<b>686.380.810</b>
Balances at 1 January 2007	416.742.560	81.270.970	18.679.778	52.713.095	501.968	28.614.352	104.157.463	702.680.186
Currency translation adjustment	-	-	-	-	(94.616)	-	-	(94.616)
Transfers	-	-	-	-	-	104.157.463	(104.157.463)	-
Net income for the period	-	-	-	-	-	-	6.170.659	6.170.659
<b>Balances at 31 March 2007</b>	<b>416.742.560</b>	<b>81.270.970</b>	<b>18.679.778</b>	<b>52.713.095</b>	<b>407.352</b>	<b>132.771.815</b>	<b>6.170.659</b>	<b>708.756.229</b>

The accompanying notes form an integral part of these consolidated financial statements.

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**HÜRRIYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**STATEMENTS OF CONSOLIDATED CASH FLOWS  
FOR THE THREE MONTHS PERIODS ENDED AT 31 MARCH 2007 AND 2006**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated)

	Notes	(Not reviewed) 31 March 2007	(Not reviewed) 31 March 2006
Net profit for the period		6.170.659	17.171.817
<b>Adjustments:</b>			
Depreciation	18,19	11.776.816	11.886.791
Amortisation	20	452.998	157.706
Net profit/ (loss) on disposal of property, plant and equipment, intangible assets and investment property	18,19	1.510.062	(176.901)
Minority interest	24	(93.522)	742.014
Taxation	41	779.031	5.713.811
Provision for employment termination benefits	23	894.440	(90.987)
Interest income	38	(4.460.540)	(5.923.525)
Interest expenses	39	2.065.078	1.325.295
Currency translation differences		219.688	(1.443.126)
Provision expenses		125.075	4.519.699
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		<b>19.439.785</b>	<b>33.882.594</b>
Changes in operating assets and liabilities-net	43	106.132.225	14.105.353
Income taxes paid		(2.846.415)	(5.874.806)
Employment termination benefits paid	23	(451.804)	(449.456)
<b>Net cash provided by operating activities</b>		<b>122.273.791</b>	<b>41.663.685</b>
<b>Cash flows from investing activities:</b>			
Purchases of plant, property and equipment	19	(21.374.008)	(6.609.181)
Purchases of intangible assets	20	(449.245)	(129.649)
Proceeds from sales of plant, property and equipment intangible assets and investment properties		2.120.173	1.811.694
Interests received		4.744.480	5.830.196
Acquisition of subsidiaries, net paid		(435.046.412)	-
Changes in available-for-sale financial assets		(7.130.238)	(924.648)
<b>Net cash used in investing activities</b>		<b>(457.135.250)</b>	<b>(21.588)</b>
<b>Cash used in financing activities:</b>			
Change in borrowings		415.695.003	(22.678.827)
Change in long term trade payables		10.210.112	(4.363.412)
Interests paid		(2.482.441)	(2.215.201)
<b>Net cash used in financing activities</b>		<b>423.422.674</b>	<b>(29.257.440)</b>
Change in cash and cash equivalents		88.561.215	12.384.657
Change in blocked deposits		35.757.000	(48.223)
Cash and cash equivalents at the beginning of the period		90.041.981	150.778.800
<b>Cash and cash equivalents at the end of the year</b>		<b>214.360.196</b>	<b>163.115.234</b>

The accompanying notes form an integral part of these consolidated financial statements

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**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED AT 31 MARCH 2007**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated)

**NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS**

Hürriyet Gazetecilik ve Matbaacılık A.Ş. (a Turkish corporation - “Hürriyet” or the “Company”) was established in 1960 and is registered in Istanbul (Turkey). The Company undertakes journalism, printing and advertising. The Company operates 7 printing plants in Turkey with locations in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon and in Germany. The Company is a member of the Doğan Şirketler Grubu Holding A.Ş. (“Doğan Holding”) through the investment of Doğan Yayın Holding A.Ş. (“Doğan Yayın”), which has a majority ownership in the Company.

The address of the registered office is as follows:

Hürriyet Medya Towers  
34212 Güneşli, Istanbul  
Turkey

The Company is registered with the Capital Markets Board (“CMB”) and its shares have been quoted on the Istanbul Stock Exchange (“ISE”) since 1992. 40% of the capital of the Company is circulated in Istanbul Stock Exchange.

**The subsidiaries of the company**

The subsidiaries (“Subsidiaries”) of the Company and the nature of the business of the subsidiaries are as follows:

<b>Subsidiaries</b>	<b>Country</b>	<b>Geographic Division</b>	<b>Nature of business</b>
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. (“Hürriyet Medya Basım”)	Turkey	Turkey	Periodicals and administrative services
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. (“Doğan Ofset”)	Turkey	Turkey	Magazine and book publishing
Yenibirış İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. (“Yenibir”)	Turkey	Turkey	Internet services
Hür Medya İlançılık ve Reklamcılık Tic A.Ş. (“Hür Medya”)	Turkey	Turkey	Advertisement
Doğan Haber Ajansı A.Ş. (“Doğan Haber”)	Turkey	Turkey	News agency
Doğan Daily News Gazetecilik ve Matbaacılık A.Ş. (“Doğan Daily News”)	Turkey	Turkey	Newspaper publishing
Emlaksimum Elektronik Yayıncılık ve Ticaret A.Ş. (“Emlaksimum”)	Turkey	Turkey	Internet services
Hürriyet Zweigniederlassung GmbH. (“Hürriyet Zweigniederlassung”)	Germany	Europe	Newspaper publishing
Hürriyet Invest BV. (“Hürriyet Invest”)	Netherlands	Europe	Investment
Trader Media East Ltd.	Jersey	Europe	Investment
Oglasnik d.o.o.	Croatia	Europe	Newspaper and internet publishing
TCM Adria d.o.o.	Croatia	Europe	Investment
Internet Posao d.o.o.	Croatia	Europe	Internet services
TME Management (France) SAS	France	Europe	Investment
Expressz Garancia Kőzpont Kft	Hungary	Europe	Marketing
Expressz Magyarorszag Rt	Hungary	Europe	Newspaper and internet publishing
Kisokos Directory kereskedelmi es Szolgaltato kft	Hungary	Europe	Discontinued operations
Szuperinfo Magyarorszag Kft	Hungary	Europe	Newspaper and internet publishing
Trader Hungary Tanacsado Kft	Hungary	Europe	Investment
International Ssuarts Holding B.V.	Netherlands	Europe	Investment
Mirabridge International B.V.	Netherlands	Europe	Investment
Trader Classified Media Croatia Holdings B.V.	Netherlands	Europe	Investment
Trader East Holdings B.V.	Netherlands	Europe	Investment
Siodemka Sp. Z.o.o.	Poland	Europe	Newspaper and internet publishing
Trader.com (Polska) Sp. Z.o.o.	Poland	Europe	Newspaper and internet publishing
Ssuarts Holding GmbH	Austria	Russia & CIS	Investment
ZAO Pronto Akzhol	Kazakhstan	Russia & CIS	Newspaper and internet publishing
OOO Pronto-Akmola	Kazakhstan	Russia & CIS	Newspaper and internet publishing
OOO Pronto Atyrau	Kazakhstan	Russia & CIS	Newspaper and internet publishing

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED AT 31 MARCH 2007**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated)

**NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)**

<b>Subsidiaries</b>	<b>Country</b>	<b>Geographic Division</b>	<b>Nature of business</b>
OOO Pronto Aktobe	Kazakhstan	Russia & CIS	Newspaper and internet publishing
OOO Pronto Aktau	Kazakhstan	Russia & CIS	Newspaper and internet publishing
Informacia Vilnusa	Lithuania	Russia & CIS	Newspaper and internet publishing
OOO Pronto Rostov	Russia	Russia & CIS	Newspaper and internet publishing
ZAO Avtotehsnab	Russia	Russia & CIS	Newspaper and internet publishing
OOO Novoprint	Russia	Russia & CIS	Newspaper and internet publishing
ZAO NPK	Russia	Russia & CIS	Call center
OOO Balt-Pronto Kaliningrad	Russia	Russia & CIS	Newspaper and internet publishing
OOO Delta-M	Russia	Russia & CIS	Newspaper and internet publishing
OOO Gratis	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Baikal	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto DV	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Ivanovo	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Kaliningrad	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Kazan	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Krasnodar	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Krasnojarsk	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Nizhnij Novgorod	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Novosibirsk	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Oka	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Petersburg	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Print	Russia	Russia & CIS	Printing services
OOO Pronto Samara	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Stavropol	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto UlanUde	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Vladivostok	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Volgograd	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto-Moscow	Russia	Russia & CIS	Newspaper and internet publishing
OOO Rosprint	Russia	Russia & CIS	Printing services
OOO Rosprint Samara	Russia	Russia & CIS	Printing services
OOO Tambukan	Russia	Russia & CIS	Newspaper and internet publishing
OOO Utro Peterburga	Russia	Russia & CIS	Newspaper and internet publishing
OOO Partner-Soft	Russia	Russia & CIS	Internet
OOO Pronto Astrakhan	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Kemerovo	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Server	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Smolensk	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Tula	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto TV	Russia	Russia & CIS	TV publishing
OOO Pronto Voronezh	Russia	Russia & CIS	Newspaper and internet publishing
SP Belpronto OOO	Belarus	Russia & CIS	Newspaper and internet publishing
OOO Tambov-Info	Russia	Russia & CIS	Newspaper and internet publishing
Impress Media Marketing LLC	Russia	Russia & CIS	Publishing
OOO Pronto Obninsk	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Komi	Russia	Russia & CIS	Newspaper and internet publishing
OOO Rektcentr	Russia	Russia & CIS	Investment
Impress Media Marketing BVI	Russia	Russia & CIS	Publishing
SP Pronto Kiev	Ukraine	Russia & CIS	Newspaper and internet publishing
Ssuarts Trading Ltd	Ukraine	Russia & CIS	Investment
E-Prostir	Ukraine	Russia & CIS	Internet publishing
Publishing House Pennsylvania Inc	USA	Russia & CIS	Investment

The Company and its Subsidiaries (“Group”) operates predominantly in one industry segment, media. The group has started its foreign operations after the acquisition of Trader Media East Ltd. and its subsidiaries at 30 March 2007. The Group has initiated geographical segment reporting for the purpose of segment reporting (Note 33).

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED AT 31 MARCH 2007

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

##### 2.1 Accounting standards

###### *Preparation of the financial statements*

The consolidated financial statements of the Group have been prepared in accordance with accounting and reporting principles published by the Capital Markets Board (“CMB”), namely “CMB Accounting Standards”. The CMB published a comprehensive set of accounting principles in Communiqué No: XI-25 “The Accounting Standards in the Capital Markets”. In the aforementioned communiqué, it has been stated that applying the International Financial Reporting Standards “IFRS” issued by the International Accounting Standards Board (“IASB”) is accepted as an alternative to conform with the CMB Accounting Standards.

With the decision taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards. Accordingly, the Company did not apply IAS 29 “Financial Reporting in Hyperinflationary Economies” issued by IASB in its consolidated financial statements for the accounting periods starting 1 January 2005.

These consolidated financial statements and the related notes have been presented in accordance with the alternative application allowed by the CMB mentioned above and formats required by the CMB with the announcement dated 20 December 2004.

The consolidated financial statements are prepared in New Turkish Lira (“YTL”) based on the historical cost conversion except for the financial assets and liabilities which are expressed with their fair values.

##### 2.2 Financial statements of foreign Subsidiaries and Associates

The financial statements of Subsidiaries and Associates that operate in foreign countries are prepared according to the regulations of the countries where they operate and the necessary adjustments and reclassifications have been reflected in order to comply with basis of presentation that are explained in Note 2. The assets and liabilities of foreign Subsidiaries and Associates are translated into YTL using the relevant foreign exchange rates prevailing at the balance sheet date. The results of the foreign Subsidiaries and Associates are translated into YTL using average exchange rate for the period and are restated by applying the relevant conversion factors and are expressed as YTL at the purchasing power of the balance sheet date (for 31 December 2004). Exchange differences arising on translation of the opening net assets of foreign Subsidiaries and Associates and arising from using closing and average exchange rates are included in the shareholders’ equity as translation reserve.

##### 2.3 Consolidation principles

The consolidated financial statements include the accounts of the parent company, Hürriyet Gazetecilik ve Matbaacılık A.Ş., its Subsidiaries, and its Associates (collectively referred as the “Group”) on the basis set out in sections (a) to (b) below. The financial statements of the companies included in the consolidation are based on the statutory records and for the purpose of fair presentation in accordance with the accounting policies described in Note 2.1 and application of uniform accounting policies and presentations; adjustments and reclassifications including restatement for changes in the general purchasing power of the YTL for the periods which inflation accounting has been applied (for 31 December 2004).

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.3 Consolidation principles (Continued)**

**(a) Subsidiaries**

Subsidiaries are companies in which the Company has power to control the financial and operating policies for the benefit of the Company either (a) through the power to exercise more than 50% voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or by companies whereby the Company exercises control over the voting rights of (but does not have the economic benefit of) the shares held by them; or (b) although not having the power to exercise more than 50% of the voting rights, through the exercise of actual dominant influence over the financial and operating policies. The results of Subsidiaries are included to the consolidated financial statements from their effective dates of acquisition.

Since the acquisition of Trader Media East Ltd occurred at 30 March 2007, the Company is included in the balance sheet of the Group as of 31 March 2007. The income statement of Trader Media East Ltd shall be included in the consolidated financial statements in the subsequent period starting from 31 March 2007. The table below sets out all consolidated Subsidiaries and shows their shareholding structure at 31 March 2007 and 31 December 2006.

Subsidiaries	Proportion of voting power held by Hürriyet and its Subsidiaries		Effective control rates	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Hürriyet Medya Basım	99,99	99,99	99,99	99,99
Doğan Ofset	99,89	99,89	99,89	99,89
Hürriyet Zweigniederlassung	100,00	100,00	100,00	100,00
Yenibir	100,00	100,00	100,00	100,00
Hür Medya	100,00	100,00	100,00	100,00
Doğan Haber	50,01	50,01	50,01	50,01
Doğan Daily News	94,25	94,25	94,25	94,25
Emlaksimum	98,41	98,41	98,41	98,41
Hürriyet Invest	100,00	100,00	100,00	100,00
Trader Media East Ltd.	67,30	-	67,30	-
Ssuarts Holding GmbH	100,00	-	67,30	-
Oglasnik d.o.o.	70,00	-	47,11	-
TCM Adria d.o.o.	100,00	-	67,30	-
Internet Posao d.o.o.	70,00	-	32,98	-
TME Management (France) SAS	100,00	-	67,30	-
Expressz Garancia Kőzpont Kft	100,00	-	67,30	-
Expressz Magyarorszag Rt	100,00	-	67,30	-
Kisokos Directory kereskedelmi es Szolgáltato kft	100,00	-	67,30	-
Szuperinfo Magyarorszag Kft	100,00	-	67,30	-
Trader Hungary Tanacsado Kft	100,00	-	67,30	-
ZAO Pronto Akzhol	80,00	-	53,84	-
OOO Pronto-Akmola	100,00	-	67,30	-
OOO Pronto Atyrau	100,00	-	53,84	-
OOO Pronto Aktobe	80,00	-	43,07	-
OOO Pronto Aktau	100,00	-	53,84	-
Informatcia Vilnusa	100,00	-	67,30	-
International Ssuarts Holding B.V.	100,00	-	67,30	-
Mirabridge International B.V.	100,00	-	67,30	-
Trader Classified Media Croatia Holdings B.V.	100,00	-	67,30	-

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.3 Consolidation principles (Continued)**

Subsidiaries	Proportion of voting power of Hürriyet and its Subsidiaries		Effective control rates of Hürriyet	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Trader East Holdings B.V.	100,00	-	67,30	-
Siodemka Sp. Z.o.o.	100,00	-	67,30	-
Trader.com (Polska) Sp, Z.o.o.	100,00	-	67,30	-
OOO Pronto Rostov	100,00	-	67,30	-
ZAO Avtotehsnab	100,00	-	57,21	-
OOO Novoprint	100,00	-	67,30	-
ZAO NPK	100,00	-	67,30	-
OOO Balt-Pronto Kaliningrad	100,00	-	67,30	-
OOO Delta-M	55,00	-	37,02	-
OOO Gratis	90,00	-	60,57	-
OOO Pronto Baikal	100,00	-	67,30	-
OOO Pronto DV	100,00	-	67,30	-
OOO Pronto Ivanovo	86,00	-	57,88	-
OOO Pronto Kaliningrad	95,00	-	63,94	-
OOO Pronto Kazan	72,00	-	48,46	-
OOO Pronto Krasnodar	80,00	-	53,84	-
OOO Pronto Krasnojarsk	100,00	-	67,30	-
OOO Pronto Nizhnij Novgorod	90,00	-	60,57	-
OOO Pronto Novosibirsk	100,00	-	67,30	-
OOO Pronto Oka	100,00	-	67,30	-
OOO Pronto Petersburg	51,00	-	34,32	-
OOO Pronto Print	54,00	-	36,34	-
OOO Pronto Samara	89,90	-	60,50	-
OOO Pronto Stavropol	100,00	-	67,30	-
OOO Pronto UlanUde	90,00	-	60,57	-
OOO Pronto Vladivostok	90,00	-	60,57	-
OOO Pronto Volgograd	100,00	-	67,30	-
OOO Pronto-Moscow	100,00	-	67,30	-
OOO Rosprint	60,00	-	40,38	-
OOO Rosprint Samara	59,50	-	40,04	-
OOO Tambukan	85,00	-	57,21	-
OOO Utro Peterburga	55,00	-	37,02	-
OOO Partner-Soft	90,00	-	60,57	-
OOO Pronto Astrakhan	100,00	-	67,30	-
OOO Pronto Kemerovo	100,00	-	67,30	-
OOO Pronto Server	90,00	-	60,57	-
OOO Pronto Smolensk	100,00	-	67,30	-
OOO Pronto Tula	100,00	-	67,30	-
OOO Pronto TV	70,00	-	47,11	-
OOO Pronto Voronezh	100,00	-	67,30	-
SP Belpronto OOO	60,00	-	40,38	-
OOO Tambov-Info	100,00	-	67,30	-
Impress Media Marketing LLC	68,54	-	46,13	-
OOO Pronto Obninsk	100,00	-	67,30	-
OOO Pronto Komi	70,00	-	47,11	-
OOO Rektcentr	100,00	-	67,30	-
Impress Media Marketing BVI	100,00	-	46,13	-
SP Pronto Kiev	50,00	-	33,65	-
Ssuarts Trading Ltd	55,00	-	37,02	-
E-Prostir	50,00	-	33,65	-
Publishing House Pennsylvania Inc	100,00	-	67,30	-

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.3 Consolidation principles (Continued)**

**(b) Investments in associated undertakings**

Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Unrealised gains on transactions between the Group and its associated undertakings are eliminated to the extent of the Group's interest in the associated undertakings; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Equity accounting is discontinued when the carrying amount of the investment in an associated undertaking reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated undertaking or significant influence of the Company ceases. The carrying amount of the investment at the date when significant influence ceases is regarded as cost thereafter.

The table below sets out the Associates and shows the proportion of ownership interests at 31 March 2007 and 31 December 2006.

<b>Name</b>	<b>31 March 2007 Direct and indirect control by the Company and its Subsidiaries (%)</b>	<b>31 December 2006 Direct and indirect control by the Company and its Subsidiaries (%)</b>
Doğan Media	41,33	43,93
Yaysat	25,00	25,00
DYG İlan	20,00	20,00

**(c) Financial assets at fair value through profit and loss**

Financial assets at fair value through profit and loss in which the Group has controlling interests below 20%, or above 20% over which the Company does not exercise a significant influence, or which are immaterial and that do not have quoted market price in active markets and whose fair values cannot be measured reliably, are carried at cost less any provision for diminution in value and for the periods which inflation accounting is applied are carried at cost and restated to the equivalent purchasing power at the balance sheet date less any provision for diminution in value (Note 16).

**(d) Minority interest**

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

The losses applicable to the minority in a consolidated subsidiary may exceed the minority interest in the equity of the subsidiary. The excess, and any further losses applicable to the minority, are charged against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, the majority interest is allocated all such profits until the minority's share of losses previously absorbed by the majority has been recovered.

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.3 Consolidation principles (Continued)**

***(e) Accounting policy for business combinations under Common Control***

In business combinations involving entities under common control, assets and liabilities subject to business combination are recognised at their carrying amounts in consolidated financial statements. In addition, statements of income are consolidated from the beginning of financial year in which the business combination takes place. Similarly, comparative consolidated financial statements are restated retrospectively for comparison purposes. As a result of these transactions, no goodwill is recognised. The difference arising in the elimination of the carrying value of the investment held and share capital of the acquired company is directly accounted under “effect of transactions under common control” in shareholders’ equity.

**2.4 Convenience translation into English of consolidated financial statements originally issued in Turkish**

As of 31 March 2007, the accounting principles described in Note 2.1 (defined as CMB Accounting Standards) differ from IFRS issued by the International Accounting Standards Board with respect to the application of inflation accounting, presentation of the basic financial statements and the notes to them. Accordingly, these financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

**3.1 Related parties**

For the purposes of these consolidated financial statements, Doğan Holding and Doğan Yayın, shareholders, key management personnel and Board members, in each case together with their families and companies controlled or affiliated with them are considered and referred to as related parties (Note 9).

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#### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 3.2 Financial assets at fair value through profit and loss

IAS 39- Financial Assets (IAS 39) has been revised, to be effective from 1 January 2005. Accordingly, changes in the fair values of financial assets other than investments in shares with no market values quoted in the stock exchange, or whose fair values cannot be reliably measured, provided that they are defined at the first inclusion in the financial statements, can be recognised in the statement of income.

As stated in the revised IAS 39, when applying the revised IAS 39 for the first time, the Group classified assets held for trading in the previous periods, other than investments in shares that had no market values quoted in the stock exchange or whose fair values could not be reliably measured, as “financial assets at fair value through profit and loss” (Note 16). Since the changes in the fair values of the relevant financial assets were accounted at profit and loss until 31 December 2004, the related comparative amounts disclosed at previous periods are not revised. The Group has accounted for the changes in the fair values of the relevant assets in the current period in the statement of income.

##### 3.3 Trade receivables and provision for doubtful receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Trade receivables that deferred financial income is netted off, is calculated by discounting amounts that will be collected of trade receivables recorded in the original invoice value in the subsequent periods by effective interest method. Short duration receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant (Note 7).

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 amount of the provision is the difference between the carrying amount and the recoverable amount, being 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.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.

##### 3.4 Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs to make the sale. Cost elements included in inventories are materials, labour and an appropriate amount for production overheads. The cost of inventories is determined on the weighted average basis (Note 12).

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#### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 3.5 Investment properties and depreciation

Buildings and land held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as investment property. Items are carried at cost less accumulated depreciation (except land) and impairment. Depreciation is provided using a straight-line basis. The depreciation periods for investment property, which approximate the economic useful lives of such assets, are 50 years (Note 18).

Investment properties are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use.

##### 3.6 Property, plant, and equipment and depreciation

Property, plant and equipment are carried at cost less accumulated depreciation (Note 19). Depreciation is provided using the straight-line method based on the estimated useful lives of the assets. The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

Buildings	25-50 years
Machinery and equipment	10-15 years
Furniture and fixtures	4-10 years
Motor vehicles	5 years
Leasehold improvements	5 years

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use.

Gains or losses on disposals of property, plant and equipment are included in the other income and expense accounts, as appropriate.

Repair and maintenance expenses are charged to the income statement as they are incurred. Repair and maintenance expenditures are capitalised if they result in an enlargement or substantial improvement of the respective assets (Note 19).

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**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.7 Financial leases**

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

The capital elements are treated as reducing the capitalised obligation under the lease and the interest element is charged to the consolidated statement of income. Depreciation on the relevant asset is also charged to the consolidated statement of income over a period depending on the useful life of the asset.

**3.8 Goodwill / negative goodwill and amortization**

In the consolidated financial statements the goodwill and negative goodwill, the difference between the fair value of purchase consideration and the attributable share of the Company in the fair value of the underlying net assets of the company acquired, are capitalized and fully amortised using the straight-line method over the useful life until 31 December 2004 if the acquisition is before 31 March 2004. Within the context of IFRS 3 - "Business Combinations" amortisation accounting is not applied for goodwill related to the acquisitions after 31 March 2004, and the carrying value of goodwill is reviewed annually and adjusted for permanent impairment where it is considered necessary (Note 17). The carrying amount of negative goodwill related to the acquisition after 31 March 2004 is reviewed and accounted for as income in the related period. In accordance with IFRS 3, goodwill associated with the transactions before 31 March 2004 are not amortized starting from the beginning of the first annual period beginning on or after 31 March 2004 (1 January 2005) and are being reviewed for impairment annually.

**3.9 Intangible assets and amortization**

Intangible assets excluding goodwill comprise acquired intellectual property, trademarks and other identified rights. Items are carried at cost and amortised using the straight-line method over their estimated useful lives for a period of 5 years from the date of acquisition (Note 20).

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#### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 3.10 Significant accounting estimates and decisions

Preparation of financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognised as of the balance sheet date, contingent assets and liabilities disclosed and the amount of revenue and expenses reported. Although, these estimates and assumptions rely on the Company management's best knowledge about current events and transactions, actual outcomes may vary from those estimates and assumptions.

##### 3.11 Taxes on income

Taxes include current period income taxes and deferred taxes. Current year tax liability consists of tax liability on period income calculated according to currently enacted tax rates and tax legislation in force as of balance sheet date and includes adjustments related to previous years' tax liabilities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

In substance, temporary differences arise from the differences in the periods of the recognition of income and expenses in accordance with the accounting policies described in Note 2 and tax legislation.

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset accordingly.

##### 3.12 Bank borrowings

Bank borrowings are recognized initially at proceeds received, net of transaction costs incurred. Bank borrowings are subsequently stated at amortised cost using the effective yield method in the consolidated financial statements. Any difference between the proceeds and redemption value is recognized in the consolidated statement of income over the period of the borrowings (Note 6).

##### 3.13 Employment termination benefits

The Group is required to pay termination benefits to employees who is retired, whose employment is terminated without due causes in Labour Law, in accordance with the Law related with The Arrangement of the Relationships within the Employees in Press Sector (employees in media sector) and other laws .The provision for employment termination benefits, as required by Turkish Labour Law, is recognised in these financial statements as the benefits are earned. The total provision represents the present value of future probable obligation of the Group arising from the retirement of its employees regarding the actuarial projections (Note 23).

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#### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 3.14 Provisions

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

##### 3.15 Share capital and dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared. Dividend receivables are accounted for income at the date of dividend collection is eligible.

##### 3.16 Foreign currency transactions and translation

Income and expenses arising in foreign currencies have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from settlement and translation of foreign currency items have been included in the consolidated income statement.

##### 3.17 Revenue recognition

Revenue from newspaper sales is recognized at the time of delivery of the newspapers by the distribution company to the vendor at the invoiced values. Revenue arising through advertising is recognized at the time of publishing, at the invoiced values. The amount of recorded income should be measurable, economic benefits should arise as a result of the transactions, and the income should be accounted for with respect to the fair value of the receivable income. If the sales transaction is including a financing transaction, the fair value of the sales amount should be calculated according to the receivables dates related to the sales. Net sales represent the invoiced value of goods shipped less sales returns and commission, and excluding sales taxes. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized as interest income on a time proportion basis that takes into account the effective yield on the asset. Newspaper sale returns are recorded at the time of sale, based on previous experience and other relevant factors.

##### *Interest income:*

Interest income is recognized on a time proportion basis that takes into account the effective yield on the asset.

##### *Rental income:*

Rental income of investment properties is recognized on an accrual basis.

##### *Other income:*

Other income is recognized on an accrual basis.

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**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.18 Barter agreements**

When goods or services are exchanged or swapped for goods or services, which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred (Note 31).

**3.19 Earnings per share**

Earnings per share disclosed in the consolidated statements of income are determined by dividing net profit by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“Bonus Shares”) to existing shareholders from retained earnings (Note 26). For the purpose of earnings per share computations, such Bonus Share issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by giving retroactive effect to the issuances of the shares without consideration (Note 42).

In case of dividend payment, earning per share is determined on existing number of shares rather than the weighted average numbers of shares.

**3.20 Cash and cash equivalents**

Cash and cash equivalents include cash and amounts due from banks, and highly liquid investments with maturity periods of less than three-months (Note 4).

**3.21 Offsetting**

All items, significant in terms of content and amount, are stated separately in the consolidated financial statements even if they bear the same characteristics. Insignificant amounts or items displaying similar characteristics are stated collectively. As a consequence, situations that arise due to the content of transactions and events make offsetting necessary, as the stating of the transaction or event over the net values or recognising assets after the deduction for impairment, is not regarded as a violation of the rule of non-offsetting. Income obtained, other than revenue, defined under the title “Proceeds” as a result of the Group’s transactions realised within the normal course of business, are accounted for over the net values, provided that they are related to the essence of the transaction or event.

**3.22 Comparatives**

To conform to changes in presentation of the financial statements as of 31 March 2007, classifications have been made to prior year financial statements when necessary.

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**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.23 Financial instruments and financial risk management**

***Interest rate risk***

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

***Funding risk***

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

***Credit risk***

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by limiting the aggregate risk to any individual counterparty. The credit risk is generally highly diversified due to the large number of entities comprising the customer bases.

***Foreign currency risk***

The Group is exposed to the foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to YTL. These risks are monitored and limited by the analysis of foreign currency position (Note 29).

***Fair value of financial instruments***

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group and its Subsidiaries using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

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**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.23 Financial instruments and financial risk management (Continued)**

*Monetary Assets*

The fair values of balances denominated in foreign currencies, which are translated at the period-end exchange rates, are considered to approximate carrying value.

The fair values of certain financial assets carried at cost, including cash and amounts due from banks, are considered to approximate their respective carrying values due to their short-term nature.

The carrying value of trade receivables along with the related allowances for uncollectibility is estimated to be their fair values.

*Monetary Liabilities*

Trading liabilities have been estimated at their fair values.

The fair values of funds borrowed and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings, which are principally at variable rates, and denominated in foreign currencies, are translated at the period-end exchange rates and accordingly, their fair values approximate their carrying values.

**3.24. Accounting for put-options**

Under the terms of certain acquisition agreements, the Group is committed to acquire the interests owned by minority shareholders in consolidated subsidiaries, if these minority interests wish to sell their investment.

IAS 32, "Financial Instruments: Disclosure and Presentation", requires the value of such put option to be presented as a financial liability on the balance sheet for the discounted value of the expected exercise price of this option, notwithstanding the ability of the Company to settle part of these obligations with its own shares and not cash. In addition, the share of minority shareholders in the net asset of the company subject to the put option must be reclassified from "minority interest" to "financial liability" in the consolidated balance sheet.

The Group presents, on initial recognition, the difference between the exercise price of the option and the carrying value of the minority interests first as a reduction of minority interest and then as additional goodwill. The subsequent unwinding of the discount is recognized in financial expense. Any subsequent change in the value of the commitment is recorded through goodwill.

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**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.25 Reporting of cash flows**

In the statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

The cash flows raised from/ (used in) operating activities indicate cash flows due to the Group's operations.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with less than three months to maturity (Note 4).

**3.26 Subsequent Events**

Subsequent events and announcements related to net profit or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when the balance sheet is authorised for issue.

In the case that events requiring a correction to be made occur subsequent to the balance sheet date, the Company makes the necessary corrections to the financial statements.

**3.27 Discontinued Operations**

Discontinued operations are the part of the Group which either are classified as held-for-sale or have been disposed of and whose activities and cash flows can be treated as separable from the Group's activities and cash flows. Discontinued operations represent separate business or geographical segments, which are part of a plan to sell or dispose, or is a subsidiary acquired for selling. The Group's discontinued operations have been valued with the lower of the book values of the related asset and liabilities of the discontinued operations or the market values thereof net of costs incurred to dispose of them (Note 35).

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**NOTE 4 - CASH AND CASH EQUIVALENTS**

The analysis of cash and cash equivalents at 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Cash in hand	1.009.432	430.374
Cash at banks		
- demand deposits	109.800.977	961.578
- time deposits	104.012.331	89.396.513
- blocked deposits	15.277.707	51.034.707
	<b>230.100.447</b>	<b>141.823.172</b>

Cash and cash equivalents included in the consolidated statements as of 31 March 2007 and 31 December 2006 of cash flows is as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>	<b>31 March 2006</b>
Cash and banks	230.100.447	141.823.172	165.039.358
Blocked deposits	(15.277.707)	(51.034.707)	-
Less: Interest accruals	(462.544)	(746.484)	(1.924.124)
	<b>214.360.196</b>	<b>90.041.981</b>	<b>163.115.234</b>

Cash and cash equivalents amounting to YTL 15.277.707 is blocked regarding to the payment for the acquisition of 12% shares of the Group's subsidiary Pronto Moscow Ltd from its minority shareholders as of 31 March 2007 and is not available for use (31 December 2006: YTL 51.034.707).

The demand deposit amounting to YTL 81.233.414 is the amount to be paid to the shareholders for the acquisition of Trader Media East Ltd shares by Hürriyet Investment BV. The related amount was paid to shareholders at 2 April 2007.

The maturity analysis of time deposits including the blocked time deposits is as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
0-1 month	104.012.331	74.043.035
1-3 months	-	15.353.478
3-6 months	-	51.034.707
6-12 months	15.277.707	-
	<b>119.290.038</b>	<b>140.431.220</b>

At 31 March 2007, the weighted average interest rate for YTL time deposits is 19,6% (31 December 2006: 20,0%) and weighted average interest rate for foreign currency time deposits is 4,4% (31 December 2006: 4,9%).

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**NOTE 5 - MARKETABLE SECURITIES**

The analysis of financial assets at fair value through profit and loss at 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Treasury bills and government bonds	7.365.890	23.056.445
Mutual fund	4.068.535	-
	<b>11.434.425</b>	<b>23.056.445</b>

The highest bid of the pending current orders at the end of the second session as of 30 March 2007 was used in determination of the fair values of treasury bills and government bonds as of 31 March 2007. The weighted average interest rate of treasury bills and government bonds is 21,9% at 31 March 2007 (31 December 2006: 19,8%).

Maturity analysis for the financial assets at fair value through profit and loss as of 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
0- 30 days	4.068.535	-
31-90 days	-	-
91-180 days	7.365.890	15.623.355
181-365 days	-	7.433.090
Over 365 days	-	-
	<b>11.434.425</b>	<b>23.056.445</b>

There are no pledged or blocked financial assets at fair value through profit and loss at 31 March 2007 and 31 December 2006.

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**NOTE 6 - BORROWINGS**

Details of borrowings at 31 March 2007 and 31 December 2006 are as follows:

	Weighted average effective interest rate (%)		Original currency		YTL	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006	31 March 2007	31 December 2006
<b>Short term bank borrowings</b>						
- USD	7,5	6,8	124.806.592	1.048.544	172.245.578	1.473.835
- Euro	5,8	-	354.353	-	651.408	-
- HUF (*)	10,8	-	1.347.819.000	-	9.980.818	-
<b>Total</b>					<b>182.877.804</b>	<b>1.473.835</b>
<b>Short-term portion of long term bank borrowings</b>						
- Euro	7,6	5,8	2.349.786	2.303.982	4.319.612	4.265.823
- USD	5,8	8,3	5.267.397	615.081	7.269.534	864.558
- Other	4,6	5,0	3.052.380	419.760	3.447.968	482.849
<b>Total</b>					<b>15.037.114</b>	<b>5.613.230</b>
<b>Long-term bank borrowings</b>						
- Euro	6,1	4,6	10.726.213	11.594.235	19.717.997	21.466.727
- USD	7,6	7,6	299.482.546	11.700.023	413.315.862	16.445.553
- Other	4,5	5,0	8.725.200	969.000	9.855.986	1.114.640
<b>Total long-term bank borrowings</b>					<b>442.889.845</b>	<b>39.026.920</b>

(\*) Hungarian forint.

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**NOTE 6 - BORROWINGS (Continued)**

The redemption schedule of long-term borrowings is stated below:

<b>Year</b>	<b>31 March 2007</b>	<b>31 December 2006</b>
2008	11.776.386	10.409.261
2009	161.037.666	15.437.951
2010	79.885.863	4.899.532
2011	77.422.282	7.631.437
2012 and after	112.767.648	648.739
<b>Total</b>	<b>442.889.845</b>	<b>39.026.920</b>

**NOTE 7 - TRADE RECEIVABLES AND PAYABLES**

Trade receivables net of unearned credit finance income at 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Trade receivables	159.911.584	143.681.111
Cheques and notes receivable	23.694.311	27.040.392
Receivables from credit cards	249.394	147.877
	<b>183.855.289</b>	<b>170.869.380</b>
Unearned credit finance income	(1.718.439)	(2.048.613)
<b>Trade receivables - net</b>	<b>182.136.850</b>	<b>168.820.767</b>
Less: Provision for doubtful receivables	(16.594.492)	(12.901.857)
<b>Trade receivables</b>	<b>165.542.358</b>	<b>155.918.910</b>

In accordance with the factoring agreement signed between the Group and Doğan Faktoring Hizmetleri A.Ş. (“Doğan Faktoring”), trade receivables amounting to YTL 96.932.136 (31 December 2006: YTL 105.564.252) is followed by Doğan Faktoring. The unearned credit finance income related with the receivables followed by Doğan Faktoring is YTL 1.718.439 (31 December 2006: YTL 2.048.613) and effective interest rate is 18% (31 December 2006: 17%).

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**NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)**

The movements of provisions for doubtful receivables during the periods are as follows:

	<b>2007</b>	<b>2006</b>
<b>1 January</b>	<b>12.901.857</b>	<b>10.616.655</b>
Additions during the period (Note 38)	209.793	528.388
Collections during the period	(84.718)	(24.233)
Acquisition of subsidiaries	3.567.560	-
<b>31 March</b>	<b>16.594.492</b>	<b>11.120.810</b>

Long term trade receivables at 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Deposits and guarantees given	804.170	334.638
	<b>804.170</b>	<b>334.638</b>

Trade payables at 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Short-term trade payables	70.802.648	40.980.909
Notes payable	243.534	8.109.871
	<b>71.046.182</b>	<b>49.090.780</b>

	<b>31 March 2007</b>	<b>31 December 2006</b>
Long-term payables to suppliers	<b>88.211.366</b>	<b>78.001.254</b>

Long-term payables to suppliers resulted from to the purchase of machinery and equipment. The weighted average interest rates of long term trade payables are 5,3% for USD, 4,0% for Euro and 4,4% for CHF (31 December 2006: USD: 5,2%, Euro:4,1% ,CHF:2,7%)

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**NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)**

The redemption schedules of long-term payables are stated below:

<b>Year</b>	<b>31 March 2007</b>	<b>31 December 2006</b>
2008	17.638.445	15.020.381
2009	16.496.446	15.410.227
2010	12.791.810	10.818.150
2011	12.590.680	10.408.457
2012 and after	28.693.985	26.344.039
	<b>88.211.366</b>	<b>78.001.254</b>

**NOTE 8 - LEASING RECEIVABLES AND PAYABLES**

Leasing payables at 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Short term leasing payables	4.203.735	4.620.935
Long term leasing payables	7.442.333	8.066.629
	<b>11.646.068</b>	<b>12.687.564</b>

The redemption schedules of long-term leasing payables are stated below:

<b>Year</b>	<b>31 March 2007</b>	<b>31 December 2006</b>
2008	2.637.008	2.593.785
2009	2.531.695	2.520.474
2010	1.849.560	2.283.778
2011	424.070	668.592
	<b>7.442.333</b>	<b>8.066.629</b>

The weighted average interest rate for long term leasing payable is 6,9% for USD and 4,9% for Euro (31 December 2006: USD: 6,5%, Euro :5%)

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**NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

**i) Balances with related parties:**

a) Due from related parties:

**Short Term:**

	<b>31 March 2007</b>	<b>31 December 2006</b>
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik")	7.335.613	7.476.577
Doğan Dış Ticaret A.Ş. ("Doğan Dış Ticaret") (*)	5.432.081	644.151
Milliyet Verlags und Handels GmbH ("Milliyet Verlags")	3.100.244	2.876.395
Doğan Müzik Kitapçılık A.Ş. ("DMK")	2.788.549	2.617.516
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım")	2.622.313	1.081.093
Doğan Media	1.923.222	3.594.097
Doğan Burda Dergi		
Yayıncılık ve Pazarlama A.Ş. ("DB")	1.613.778	1.730.095
Eko TV Televizyon Yayıncılık A.Ş. ("Eko TV")	1.400.086	1.525.463
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	1.220.303	1.223.151
Medyanet İletişim Reklam Pazarlama ve Turizm A.Ş. ("Medyanet A.Ş.")	974.163	1.175.485
Doğan Faktoring	845.709	192.391
Milliyet Haber Ajansı A.Ş. ("Milha")	832.276	831.116
Doğan TV Holding A.Ş. ("Doğan TV Radyo")	786.064	-
Süper Kanal Televizyon Video Radyo Basın Yapım Yayın Tanıtım ve Haber Hizmetleri A.Ş. ("Süper Kanal")	781.041	1.002.370
Hürriyet Ticari ve Sınai Pazarlama A.Ş. ("Hürriyet Pazarlama")	605.598	605.598
Işıl İthalat İhracat Mümessillik A.Ş. ("Işıl İthalat") (*)	503.860	5.951.581
Hür Servis	419.488	405.142
Doğan Elektronik Turizm Satış Pazarlama Hizmetleri ve Yayıncılık A.Ş. ("Doğan Elektronik Turizm")	379.624	379.175
D Market Ticaret A.Ş. ("D Market")	316.783	349.751
Doğan Kitapçılık	310.599	233.238
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	-	2.479.688
Other	2.289.430	2.191.933
	<b>36.480.824</b>	<b>38.566.006</b>

(\*) The Group purchases its primal raw materials from Doğan Dış Ticaret and Işıl İthalat.

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**NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

b) Short-term due to related companies:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Işıl Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Işıl TV")	2.241.326	-
Doğan Yayın	1.819.012	119.044
Kanal D	1.226.968	-
Doğan İletişim	753.556	792.070
Milta Turizm	497.740	742.178
Dış Ticaret	343.764	3.585
Hürbim Görsel Yayıncılık A.Ş. ("Hürbim")	176.701	176.748
Doğan Müzik Yapım	140.910	24.994
Medyanet İletişim Reklam Pazarlama ve Turizm A.Ş. ("Medyanet A.Ş.")	131.067	133.410
Doğan Platform Yatırımları A.Ş.	94.683	97.478
Petrol Ofisi A.Ş.	61.024	83.881
Doğan TV	47.230	71.260
Doğa Televizyon ve Yayıncılık A.Ş. ("Doğa TV")	-	177.637
Doğan İnternet Yatırımları Ticaret A.Ş.	-	168.037
Other	479.582	297.535
	<b>8.013.563</b>	<b>2.887.857</b>

**ii) Significant transactions with related parties:**

a) Significant service and product sales to related parties:

	<b>31 March 2007</b>	<b>31 March 2006</b>
Doğan Dağıtım	22.986.098	22.475.504
Doğan Gazetecilik	7.158.731	6.542.181
Doğan Media	3.828.752	3.354.771
DB	1.995.507	3.251.449
Doğan Yayın	1.022.635	618.896
Eko TV	869.799	896.334
Doğan TV Radyo	795.591	249
Medyanet A.Ş.	709.637	348.913
Milliyet Verlags	672.746	547.148
Kanal D	362.821	1.196.227
Doğan Egmont	242.569	351.893
DMK	226.630	307.781
Işıl TV	155.430	470.300
Other	1.711.124	1.761.077
	<b>42.738.070</b>	<b>42.122.723</b>

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**NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

b) Significant service and product purchases from related parties:

	<b>31 March 2007</b>	<b>31 March 2006</b>
Işıl İthalat (*)	24.596.473	12.319.799
Doğan Dış Ticaret (*)	18.715.156	17.697.613
Doğan Dağıtım (**)	6.052.867	4.711.377
Doğan Yayın	3.005.146	2.888.254
Kanal D	2.982.072	3.296.099
Işıl TV	2.037.575	1.540.318
Milta Seyahat Acentası İşletmeciliği A.Ş. ("Milta")	1.704.561	764.126
DB	171.004	1.525.288
Other	2.550.915	4.061.017
	<b>61.815.769</b>	<b>48.803.891</b>

(\*) The Group purchases its primal raw materials from Doğan Dış Ticaret and Işıl İthalat.

(\*\*) Doğan Dağıtım provides newspaper distribution services to the Group. The amount of services and goods purchased from Doğan Dağıtım includes newspaper returns, distribution and transportation expenses.

c) Other significant transactions with related parties:

**Other income:**

	<b>31 March 2007</b>	<b>31 March 2006</b>
Işıl İthalat	227.609	-
Doğan Dış Ticaret	219.227	278.471
Doğan Dağıtım	163.309	154.555
DB	129.085	65.850
Other	244.893	288.101
	<b>984.123</b>	<b>786.977</b>

	<b>31 March 2007</b>	<b>31 March 2006</b>
<b>Other expenses:</b>		
Doğan Faktoring	215.949	203.461
Doğan Gazetecilik	89.500	-
Doğan Dağıtım	18.417	8.344
Other	4.334	4.892
	<b>328.200</b>	<b>216.697</b>

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**NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

	<b>31 March 2007</b>	<b>31 December 2006</b>
<b>Purchase of property, plant and equipment:</b>		
D Market Ticaret A.Ş.	101.032	89.265
D Yapı İnşaat Sanayi ve Ticaret A.Ş.	-	3.933.294
Doğan Gazetecilik	-	38.136
	<b>101.032</b>	<b>4.060.695</b>
	<b>31 March 2007</b>	<b>31 December 2006</b>
Remuneration paid to Board members and top management	452.222	407.620
	<b>452.222</b>	<b>407.620</b>

**NOTE 10 - OTHER RECEIVABLES AND PAYABLES**

Other current receivables at 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Dividend advance receivable	4.722.702	-
Receivable from tax authorities (*)	4.254.848	-
Advances given to personnel	3.710.750	3.330.671
Value Added Tax ("VAT") receivable	2.995.544	442.857
Job advances	2.984.061	1.256.820
Prepaid taxes and funds (Note 41)	1.392.103	19.230.600
Other current assets (**)	8.430.457	179.237
	<b>28.490.465</b>	<b>24.440.185</b>

(\*) The receivable from tax authorities is the tax receivable as a result of tax litigation won by Pronto Moscow which is a subsidiary of Trader Media East Ltd, which will be offset in future.

(\*\*) The amount YTL 4.837.251 classified in other current assets is also booked in trade payables. The amount is related with the initial public offering costs at February 2006 of our indirect subsidiary Trader Media East Ltd. and is recorded to this account temporarily since the mutual agreement continues.

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**NOTE 10 - OTHER RECEIVABLES AND PAYABLES (Continued)**

Other current payables at 31 March 2007 and 31 December 2006 are as below:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Payables related with the acquisition of subsidiary	81.233.414	-
Payables related to share purchase (***)	15.908.413	-
Taxes and funds payable	13.679.010	10.822.667
Deferred income	11.688.347	1.962.603
Due to personnel	5.191.324	283.427
Provision for consulting expenses	5.000.152	-
Cash options provision payable to the management	2.516.301	-
Expense accruals	1.202.515	633.254
Other	1.185.670	515.305
	<b>137.605.146</b>	<b>14.217.256</b>

Payable related with the acquisition of subsidiary is the remaining amount to be paid to shareholders of Trader Media East Ltd for the acquisition of shares by Hürriyet Invest BV. The cash which will be necessary for the payment is in the Group's bank accounts as of 31 March 2007 (Note 4). The transfer took place at 2 April 2007.

(\*\*\*) Payables related to share purchase is the remaining amount that will be paid for the acquisition of 12% shares of Pronto Moscow, by Trader Media East Ltd. to Leonid Makaron, one of minority shareholders (Note 4).

The long-term financial liabilities as of 31 March 2007 and 31 December 2007 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Put-option commitment (Note 31)	14.123.943	-
	<b>14.123.943</b>	<b>-</b>

**NOTE 11 - BIOLOGICAL ASSETS**

None (2006: None)

**NOTE 12 - INVENTORIES**

	<b>31 March 2007</b>	<b>31 December 2006</b>
Promotion stocks	3.523.978	3.880.348
Impairment for promotion stocks	(223.665)	(223.665)
Promotion stocks, net	3.300.313	3.656.683
Raw materials and supplies	15.647.079	12.130.464
Finished goods and merchandise	1.643.396	1.593.437
Semi-finished goods	369.252	268.504
Order advances for raw material purchases	584.468	353.777
Other inventory	696.951	-
	<b>22.241.459</b>	<b>18.002.865</b>

Promotion stocks include promotion materials such as books and CDs.

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**NOTE 13 - CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING**

None (2006: None).

**NOTE 14 - DEFERRED TAX ASSETS AND LIABILITIES**

The Group calculates deferred tax assets and liabilities based on the temporary differences between the financials prepared in accordance with the accounting policies described in Note 2 and financials prepared according to Turkish tax legislation. In substance, differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with the accounting policies described in Note 2 and tax legislation.

The tax rate for the temporary differences operating in Turkey for the year 2007 is 20% (2006: 20%).

The tax rates (%) used considering each country's tax legislations as of 31 March 2007 for the calculation of deferred taxes is as follows;

Country	Tax rates	Country	Tax rates
Germany	39,6	Kazakhstan	30,0
Austria	25,0	Hungary	16,0
France	33,3	Poland	19,0
Netherlands	25,5	Russia	24,0

The temporary differences giving rise to deferred income tax assets and deferred tax liabilities using the enacted tax rates as of 31 March 2007 and 31 December 2006 are as follows:

	Temporary differences		Deferred tax assets/ (liabilities)	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Provision for employment termination benefits	8.921.264	8.470.347	1.784.253	1.694.069
Difference between tax base and carrying value of trade receivables and due from related parties	1.121.925	1.463.176	224.385	292.636
Deferred income	758.013	1.374.906	151.603	274.981
Accumulated losses not utilized	45.076.865	1.330.418	7.427.429	266.084
Difference between tax base and carrying value of leasing payables	11.387.484	12.621.514	4.400.124	4.876.953
Other, net	6.102.703	1.225.691	1.032.847	511.222
<b>Deferred tax assets</b>	<b>73.368.254</b>	<b>26.486.052</b>	<b>15.020.641</b>	<b>7.649.861</b>
Difference between tax bases and carrying value of property, plant and equipment and intangibles	(311.792.762)	(127.127.279)	(68.758.201)	(28.077.084)
Other, net	(14.554.762)	(5.250.828)	(3.221.496)	(1.414.444)
<b>Deferred tax liabilities</b>	<b>(326.347.524)</b>	<b>(132.378.107)</b>	<b>(71.979.697)</b>	<b>(29.491.528)</b>
<b>Deferred tax liabilities, net</b>	<b>(252.979.270)</b>	<b>(105.892.055)</b>	<b>(56.959.056)</b>	<b>(21.841.667)</b>

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**NOTE 14 - DEFERRED TAX ASSETS AND LIABILITIES (Continued)**

The movements of deferred tax balances during the three months period ended at 31 March 2007 and 2006 are as follows:

	<b>31 March 2007</b>	<b>31 March 2006</b>
Deferred tax liabilities - net, at 1 January	<b>21.841.667</b>	<b>32.164.243</b>
Acquisition of subsidiaries	35.061.441	-
Deferred tax losses/ (income) at consolidated statements of income (Note 41)	72.809	(1.307.668)
Currency translation adjustment	(16.861)	-
<b>Deferred tax liabilities, net</b>	<b>56.959.056</b>	<b>30.856.575</b>

**NOTE 15 - OTHER CURRENT/ NON CURRENT ASSETS**

Other current assets at 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Prepaid expenses	12.841.823	3.580.423
Income accruals	527.932	1.498.013
	<b>13.369.755</b>	<b>5.078.436</b>

**NOTE 16 - FINANCIAL ASSETS**

Financial assets at 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Available for sale investments	6.247.611	6.079.239
Associates	11.813.569	4.683.331
	<b>18.061.180</b>	<b>10.762.570</b>

Details of available-for-sale investments at 31 March 2007 and 31 December 2006 are as follows:

	<b>%</b>	<b>31 March 2007</b>	<b>%</b>	<b>31 December 2006</b>
Doğan Havacılık San. ve Tic. A.Ş. ("Doğan Havacılık")	9,00	4.513.093	9,00	4.513.093
Doğan Faktoring	5,00	736.422	5,00	736.422
Doğan Dış Ticaret	1,75	346.040	1,75	346.040
Coats İplik Sanayi A.Ş.	0,50	257.849	0,50	257.849
Hür Servis	19,00	169.166	19,00	169.166
Other	-	225.041	-	56.669
		<b>6.247.611</b>		<b>6.079.239</b>

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**NOTE 16 - FINANCIAL ASSETS (Continued)**

Details of associates at 31 March 2007 and 31 December 2006 are as follows:

	%	31 March 2007	%	31 December 2006
Doğan Media	41,33	10.908.090	43,93	3.714.273
Yaysat	25,00	819.280	25,00	879.207
DYG İlan	20,00	86.199	20,00	89.851
		<b>11.813.569</b>		<b>4.683.331</b>

Movements of associates during the year ended 31 March 2007 and 2006 are as follows:

	2007	2006
<b>1 January</b>	<b>4.683.331</b>	<b>7.676.708</b>
Loss from associates (Note 38)	(721.018)	-
Income from associates	-	114.648
Capital increase	7.851.256	-
<b>31 March</b>	<b>11.813.569</b>	<b>7.791.356</b>

**NOTE 17 - GOODWILL / NEGATIVE GOODWILL**

**Goodwill:**

	2007	2006
1 January	11.332.183	11.332.183
Additions (Note 32)	365.400.706	-
Acquisition of subsidiaries (*)	191.138.330	-
<b>31 March</b>	<b>567.871.219</b>	<b>11.332.183</b>

Group has recognized cost of combination over the net assets of Trader Media East Ltd. ("TME") as goodwill.

The carrying value of goodwill is reviewed and adjusted for permanent impairment annually.

Starting from 1 January 2005, within framework of IFRS 3 "Business Combinations", amortisation accounting has not been applied for goodwill and the carrying value of goodwill is reviewed and adjusted for permanent impairment where it is considered necessary.

(\*) The goodwill amounts have been recorded by Trader Media East Ltd. through its acquisitions.

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**NOTE 18 - INVESTMENT PROPERTY**

The movement of investment property and related accumulated depreciation for the three month period ended at 31 March 2007 are as follows:

	<b>1 January 2007</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 March 2007</b>
<b>Cost:</b>				
Land and land improvements	9.565.495	-	-	9.565.495
Buildings	5.899.086	-	(650.534)	5.248.552
<b>Total</b>	<b>15.464.581</b>	<b>-</b>	<b>(650.534)</b>	<b>14.814.047</b>
<b>Accumulated depreciation:</b>				
Buildings	244.852	18.364	-	263.216
<b>Total</b>	<b>244.852</b>	<b>18.364</b>	<b>-</b>	<b>263.216</b>
<b>Net book value</b>	<b>15.219.729</b>			<b>14.550.831</b>

The depreciation charge for the three-month period ended at 31 March 2007 amounting to YTL 18.364 has been included in the cost of sales.

The movement of investment property and related accumulated depreciation for the three month period ended at 31 March 2006 are as follows:

	<b>1 January 2006</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 March 2006</b>
<b>Cost:</b>				
Land and land improvements	5.468.941	-	-	5.468.941
Buildings	13.445.412	-	(398.042)	13.047.370
<b>Total</b>	<b>18.914.353</b>	<b>-</b>	<b>(398.042)</b>	<b>18.516.311</b>
<b>Accumulated depreciation:</b>				
Buildings	685.293	56.355	-	741.648
<b>Total</b>	<b>685.293</b>	<b>56.355</b>	<b>-</b>	<b>741.648</b>
<b>Net book value</b>	<b>18.229.060</b>			<b>17.774.663</b>

The depreciation charge for the three month period ended at 31 March 2006 amounting to YTL 56.355 has been included in the cost of sales.

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**NOTE 19 - PROPERTY, PLANT AND EQUIPMENT**

The movement of property, plant and equipment and related accumulated depreciation for the three month period ended at 31 March 2007 are as follows:

	<b>1 January 2007</b>	<b>Currency translation adjustment</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Acquisitions</b>	<b>31 March 2007</b>
<b>Cost</b>							
Land and land improvements	50.604.910	(36.002)	23.302	-	-	191.834	50.784.044
Buildings	244.975.906	(100.864)	315.441	-	-	5.334.087	250.524.570
Machinery and equipments	597.486.398	(304.044)	1.336.860	(6.683.772)	706.423	27.251.455	619.793.320
Motor vehicles	6.710.741	-	25.000	(16.806)	-	1.559.513	8.278.448
Furniture and fixtures	76.100.712	(7.010)	655.652	(23.343)	-	21.590.284	98.316.295
Leasehold improvements	24.049.075	-	9.084	(217.413)	-	520.298	24.361.044
Advances given	8.004.926	-	23.196	-	(4.168.093)	-	3.860.029
	<b>1.007.932.668</b>	<b>(447.920)</b>	<b>2.388.535</b>	<b>(6.941.334)</b>	<b>(3.461.670)</b>	<b>56.447.471</b>	<b>1.055.917.750</b>
Construction in progress	3.760.765	-	18.985.473	-	3.461.670	1.883.837	28.091.745
	<b>1.011.693.433</b>	<b>(447.920)</b>	<b>21.374.008</b>	<b>(6.941.334)</b>	<b>-</b>	<b>58.331.308</b>	<b>1.084.009.495</b>
<b>Accumulated Depreciation</b>							
Land and land improvements	278.439	-	11.593	-	-	-	290.032
Buildings	46.236.618	(19.344)	1.300.826	-	-	615.525	48.133.625
Machinery and equipments	358.646.459	(109.994)	9.331.615	(3.415.112)	-	10.168.576	374.621.544
Motor vehicles	3.293.599	-	254.956	(16.806)	-	-	3.531.749
Furniture and fixtures	63.439.186	(4.280)	706.569	(2.987)	-	15.168.679	79.307.167
Leasehold improvements	21.531.783	-	152.893	(195.330)	-	204.255	21.693.601
	<b>493.426.084</b>	<b>(133.618)</b>	<b>11.758.452</b>	<b>(3.630.235)</b>	<b>-</b>	<b>26.157.035</b>	<b>527.577.718</b>
<b>Net book value</b>	<b>518.267.349</b>						<b>556.431.777</b>

Net book value of the property, plant and equipment in machinery and equipment group obtained via financial leasing is amounting to YTL 15.766.654 at 31 March 2007, (31 December 2006: YTL 16.458.488)

There is no mortgage and liens on property, plant and equipment at 31 March 2007 (31 December 2006: None).

The depreciation charge for the period ended at 31 March 2007 amounting to YTL 9.837.022 has been included to cost of sales, YTL 1.921.430 has been included to operating expenses.

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**NOTE 19 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

The movement of property, plant and equipment and related accumulated depreciation for the three month period ended at 31 March 2007 are as follows:

	1 January 2006	Currency translation differences	Additions	Disposals	31 March 2006
<b>Cost</b>					
Land and land improvements	53.289.072	67.128	-	(609.160)	52.747.040
Buildings	233.192.530	253.772	40.407	-	233.486.709
Machinery and equipments	516.569.101	725.118	874.483	(1.528.527)	516.640.175
Motor vehicles	7.743.419	-	58.165	(25.950)	7.775.634
Furniture and fixtures	72.489.899	16.413	539.988	(10.727)	73.035.573
Leasehold improvements	22.241.708	-	9.910	-	22.251.618
Advances given	2.207.570	-	100.620	-	2.308.190
	<b>907.733.299</b>	<b>1.062.431</b>	<b>1.623.573</b>	<b>(2.174.364)</b>	<b>908.244.939</b>
Construction in progress	4.208.378	-	4.985.608	(2.669)	9.191.317
	<b>911.941.677</b>	<b>1.062.431</b>	<b>6.609.181</b>	<b>(2.177.033)</b>	<b>917.436.256</b>
<b>Accumulated Depreciation</b>					
Land and land improvements	243.508	-	8.090	-	251.598
Buildings	41.922.240	38.776	1.289.440	-	43.250.456
Machinery and equipments	325.769.800	208.484	9.163.268	(942.600)	334.198.952
Motor vehicles	2.454.957	-	200.054	(9.201)	2.645.810
Furniture and fixtures	60.344.314	9.269	631.381	(9.922)	60.975.042
Leasehold improvements	19.480.263	-	538.203	-	20.018.466
	<b>450.215.082</b>	<b>256.529</b>	<b>11.830.436</b>	<b>(961.723)</b>	<b>461.340.324</b>
<b>Net book value</b>	<b>461.726.595</b>				<b>456.095.932</b>

Net book value of the property, plant and equipment in machinery and equipment group obtained via financial leasing is amounting to YTL 7.777.568 at 31 December 2006 (31 December 2005: YTL 7.907.561).

There are mortgages on property, plant and equipment amounting to YTL 12.500 at 31 March 2006 (31 December 2005: 12.500).

The depreciation charge for the period ended at 31 March 2006 amounting to YTL 9.064.487 has been included to cost of sales; YTL 2.765.949 has been included to operating expenses.

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**NOTE 20 - INTANGIBLE ASSETS**

Movements of intangible assets and related accumulated amortization for the three months periods ended at 31 March 2007 and 2006 are as follows:

	<b>1 January 2007</b>	<b>Additions</b>	<b>Disposals</b>	<b>Acquisitions</b>	<b>31 March 2007</b>
<b>Cost</b>					
Rights	10.603.019	43.568	(231.379)	31.199.921	41.615.129
Trademarks and licenses	-	-	-	146.925.446	146.925.446
Other intangible assets	4.451.878	405.677	-	3.523.395	8.380.950
	<b>15.054.897</b>	<b>449.245</b>	<b>(231.379)</b>	<b>181.648.762</b>	<b>196.921.525</b>
<b>Accumulated amortization</b>					
Rights	10.022.798	50.718	(231.379)	19.266.196	29.108.333
Trademarks and licenses	-	-	-	17.178.105	17.178.105
Other intangible assets	3.852.429	402.280	-	2.659.453	6.914.162
	<b>13.875.227</b>	<b>452.998</b>	<b>(231.379)</b>	<b>39.103.754</b>	<b>53.200.600</b>
<b>Net book value</b>	<b>1.179.670</b>				<b>143.720.925</b>
	<b>1 January 2006</b>	<b>Additions</b>	<b>Disposals</b>	<b>Acquisitions</b>	<b>31 March 2006</b>
<b>Cost</b>					
Rights	9.786.515	57.536	-	-	9.844.051
Other intangible assets	3.811.917	72.113	-	-	3.884.030
	<b>13.598.432</b>	<b>129.649</b>	<b>-</b>	<b>-</b>	<b>13.728.081</b>
<b>Accumulated amortisation</b>					
Rights	9.192.399	62.435	-	-	9.254.834
Other intangible assets	3.572.796	95.271	-	-	3.668.067
	<b>12.765.195</b>	<b>157.706</b>	<b>-</b>	<b>-</b>	<b>12.922.901</b>
<b>Net book value</b>	<b>833.237</b>				<b>805.180</b>

The amortisation charge for the period ended at 31 March 2007 amounting to YTL 452.998 (31 March 2006: YTL 157.706) has been included in operating expenses.

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**NOTE 21 - ADVANCES RECEIVED**

	<b>31 March 2007</b>	<b>31 December 2006</b>
Short term advances received	4.787	1.080.121
	<b>4.787</b>	<b>1.080.121</b>

The short term advances received comprise of the advances which are taken for the campaigns and other advances that are taken from the customers.

**NOTE 22 - RETIREMENT PLANS**

None (2006: None).

**NOTE 23 - PROVISIONS**

Short-term provisions at 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Provisions for lawsuits	6.126.556	6.240.306
Income tax provision (Note 41)	1.625.129	20.369.940
	<b>7.751.685</b>	<b>26.610.246</b>

The movement schedules of provisions for lawsuits during the period are as follows:

	<b>31 March 2007</b>	<b>31 March 2006</b>
<b>At 1 January</b>	<b>6.240.306</b>	<b>14.504.574</b>
Additions during the period	-	-
Reversal of the provisions	(113.750)	(463.435)
<b>31 March</b>	<b>6.126.556</b>	<b>14.041.139</b>

The Company has filed two lawsuits with related tax courts regarding the tax and fine notifications communicated by the Presidency of Tax Administration ("Tax Administration") at various dates.

Within the legal time frame, the first lawsuit was filed by the Company claiming the unfair assessment of the taxes and penalties notified by the tax office on 28 August 2001 and 17 October 2001. Deciding in favour of the Company, the tax court concluded to cancel the taxes and penalties on 28 March 2002. However, the tax office appealed to the Council of State, and on 14 June 2004 the Company was informed about the decision of the Council of State, which was against the Company with a majority of votes (3 to 2). On 22 June 2004, the Company demanded that the decision in favour of the Company by the tax court to be ratified, as it was deemed lawful by the Company.

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**NOTE 23 - PROVISIONS (Continued)**

However, application of the Group for correction of decision was rejected by a majority of votes. On 6 May 2005 it was learned that Tax Court decided to comply with the decision of Council of State 4th division. Group appealed against this compliance decision as well, on 25 May 2005. Council of State accepted the appeal overruled local court's decision partially. Decision of the local court is now being awaited.

On the other hand, with respect to the lawsuit returned to the local court, and for which decision of the court is awaited, refund claim right that may arise later being reserved, the Group paid YTL 852.871 corporate tax, YTL 85.287 fund contribution, YTL 196.868 fault penalty, and YTL 6.099.796 late payment interest at 30 December 2006, before hearing for the final decision of the court, considering that prolonging the dispute has no public benefit. All of the payments were covered by the provisions made for this lawsuit.

The second lawsuit was filed by the Company within the legal time frame at Istanbul tax court with the claim of unfair assessment of the taxes and penalties notified by the tax office on 12 November 2003. On 26 May 2004, the tax court decided to approve the year 2001 Corporate Tax and Fund, the assessment of which was requested in the tax review report. The tax court also decided to decrease the late payment penalty by 50% and to cancel the entire amount of the late payment penalty for provisional tax. The Group management appealed to the Council of State against this decision of the tax court and demand suspension of the execution at 10 September 2004. Regarding to the tax fine and penalty amounting to YTL 10.329.985, the Council of State accepted a partial cancellation in the amount of YTL 2.122.283, and refused the demand for the suspension of execution in the amount of YTL 8.207.702. The company paid the amount after the deduction of Corporate Tax and Fund Levy amounting to YTL 1.676.491 which had already been paid in April 2003, from the taxes subject to dispute, the tax fine and penalty subject to dispute is YTL 6.541.530, the interest amount is YTL 7.210.655 at 29 December 2004. Tax fine and penalty YTL 6.541.530 is deducted from the provision and interest YTL 7.210.655 is directly accounted as expense.

On the other hand, Council of State overruled local court's decision partly accepting the appeal made on 10 September 2004. After this, decision of the local court is awaited.

In the case that in future the law suits are finalised in favour of the Company, the aforementioned provisions accounted for in these consolidated financial statements will required to be reversed.

In relation to these two lawsuits, the management of the Company, in line with the Company's legal advisor's view, accounted for a provision of YTL 2.538.000 at 31 March 2007.

Long-term provisions at 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Provision for employment termination benefits	8.921.264	8.470.347
	<b>8.921.264</b>	<b>8.470.347</b>

There are no agreements for pension commitments other than the legal requirement as explained below.

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**NOTE 23 - PROVISIONS (Continued)**

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002 there are certain transitional provisions relating to the length of service prior to retirement. At 31 March 2007 the amount payable consists of one month's salary limited to a maximum of YTL 1.960,69 (31 December 2006 : YTL 1.857,44) for each year of service.

In addition, according to press sector regulations, companies should make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due cause. The maximum payable amount is 30 days' salary for each year of service. Additionally the Group has made a payment of 40 days' salary if the employee quitted voluntarily, 50 days' salary if the employment terminated by the Group in case one year service has been completed. The monthly salary figure is calculated by adding all cash and non-cash payments received during the year and dividing by twelve.

The liability is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

Accounting principles described in Note 2, require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly the following actuarial assumptions were used in the calculation of the total provision:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Discount rate (%)	5,71	5,71
Turnover rate to estimate the probability of retirement (%)	90	90

The principal assumption is that the maximum liability of YTL 1.960,69 (31 December 2006: YTL 1.857,44) for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of YTL 1.960,69 (1 January 2006: YTL 1.770,62), which is effective from 1 January 2007, has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

Movements in the provision for employment termination benefits during the period are as follows:

	<b>2007</b>	<b>2006</b>
<b>1 January</b>	<b>8.470.347</b>	<b>8.133.033</b>
Additions	894.440	(90.987)
Acquisitions	8.281	-
Payments and reversal of provisions during the year	(451.804)	(449.456)
<b>31 March</b>	<b>8.921.264</b>	<b>7.592.590</b>

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**NOTE 24 - MINORITY INTEREST**

Changes in minority interest during the period are as follows:

	<b>31 March 2007</b>	<b>31 March 2006</b>
<b>1 January</b>	<b>111.140</b>	<b>16.045.560</b>
Net income / (loss) attributable to minority interest	(93.522)	742.014
Acquisition of subsidiaries	55.194.000	-
Minority of the subsidiaries	2.652.553	-
<b>31 March</b>	<b>57.864.171</b>	<b>16.787.574</b>

**NOTE 25 - CAPITAL/ADJUSTMENT TO SHARE CAPITAL**

The Company adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of TL 1.000. There are no privileged shares. The Company's historical authorized and paid-in share capital at 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Limit on registered share capital (historical)	800.000.000	800.000.000
Historical authorized and paid-in share capital	416.742.560	416.742.560

Companies in Turkey may exceed the limit for registered share capital in case of issuance of free capital shares to existing shareholders.

The shareholding structure of the Company is as follows:

	<b>31 March 2007</b>	<b>Share (%)</b>	<b>31 December 2006</b>	<b>Share (%)</b>
Doğan Yayın Holding A.Ş.	250.045.536	60	250.045.536	60
Publicly owned	166.697.024	40	166.697.024	40
	<b>416.742.560</b>		<b>416.742.560</b>	
Adjustment to share capital	77.198.813		77.198.813	
<b>Total share capital</b>	<b>493.941.373</b>		<b>493.941.373</b>	

Adjustment to share capital represents the restatement effect of the cash contributions to share capital at the latest balance sheet purchasing power.

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**NOTE 26 - CAPITAL RESERVES**

Details of the inflation adjustment to shareholders' equity stated under capital reserves at 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>			<b>31 December 2006</b>		
	<b>Historical amounts</b>	<b>Restated amounts</b>	<b>Inflation adjustment to shareholders equity</b>	<b>Historical amounts</b>	<b>Restated amounts</b>	<b>Inflation adjustment to shareholders equity</b>
Share capital	416.742.560	493.941.373	77.198.813	416.742.560	493.941.373	77.198.813
Legal reserves	18.679.778	22.581.010	3.901.232	18.679.778	22.581.010	3.901.232
Extraordinary reserves	52.713.095	52.884.020	170.925	52.713.095	52.884.020	170.925
<b>Total</b>	<b>488.135.433</b>	<b>569.406.403</b>	<b>81.270.970</b>	<b>488.135.433</b>	<b>569.406.403</b>	<b>81.270.970</b>

**NOTE 27 - PROFIT RESERVES**

Details of profit reserves at 31 March 2007 and 31 December 2006 are as follows:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Legal reserves	18.679.778	18.679.778
Extraordinary reserves	52.713.095	52.713.095
Translation reserve	407.352	501.968
	<b>71.800.225</b>	<b>71.894.841</b>

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**NOTE 28 - RETAINED EARNINGS**

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

Public companies distribute dividends according to CMB regulations as follows:

In accordance with Communiqué XI/25, effective from 1 January 2004, companies are obliged to distribute at least 20% of their distributable profit arising from the activity, which is calculated based on the financial statements prepared in accordance with accounting principles described in Note 2. Based on the decision of the General Assembly, the distribution of a minimum of 20% of the distributable profit can be made as cash or as bonus share or as a combination of a certain percentage of cash and bonus shares. If the first dividend amount is lower than 5% of the issued share capital, the amount should be retained within the company without distribution.

For the purposes of profit distribution in accordance with related CMB regulations, items of statutory shareholders' equity such as "share capital, share premium, legal reserves, other reserves, special reserves and extraordinary reserves", are presented at their historical amounts. The difference between the inflated and historical amounts of these items is presented in shareholders' equity as "inflation adjustment to shareholders' equity".

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source in capital increase where extraordinary reserves can be netted-off against prior years' losses, used in distribution of bonus shares and distributions of dividends to shareholders.

In accordance with the Communiqué No: XI-25, at 31 March 2007 and 31 December 2006, the shareholders' equity schedule, is as below:

	<b>31 March 2007</b>	<b>31 December 2006</b>
Share capital	416.742.560	416.742.560
Legal reserves	18.679.778	18.679.778
Extraordinary reserves	52.713.095	52.713.095
Inflation adjustment to shareholders' equity	81.270.970	81.270.970
Translation reserve	407.352	501.968
Net income for the period	6.170.659	104.157.463
Retained earnings	132.771.815	28.614.352
<b>Total Equity</b>	<b>708.756.229</b>	<b>702.680.186</b>

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**NOTE 29 - FOREIGN CURRENCY POSITION**

YTL equivalents of assets and liabilities denominated in foreign and local currency at 31 March 2007 and 31 December 2006 are as follows:

	31 March 2007			Total foreign currency
	USD	Euro	Other	
<b>Assets</b>				
Cash and cash equivalents	157.859.904	11.687.587	18.747.905	188.295.396
Trade receivables and due from related parties	562.242	3.457.103	16.731.694	20.751.039
<b>Total</b>	<b>158.422.146</b>	<b>15.144.690</b>	<b>35.479.599</b>	<b>209.046.435</b>
<b>Liabilities</b>				
Short term bank borrowings	179.536.415	9.052.639	13.428.852	202.017.906
Short-term trade payables and due to related parties	8.728.249	18.928.343	18.970.172	46.626.764
Other liabilities	81.233.414	62.077	-	81.295.491
Long term bank borrowings	413.355.723	27.023.862	9.855.986	450.235.571
Long term trade payables and due to related parties	26.204.061	29.139.114	47.758.090	103.101.265
<b>Total</b>	<b>709.057.862</b>	<b>84.206.035</b>	<b>90.013.100</b>	<b>883.276.997</b>
<b>Net foreign currency position</b>	<b>(550.635.716)</b>	<b>(69.061.345)</b>	<b>(54.533.501)</b>	<b>(674.230.562)</b>

	31 March 2006			Total foreign currency
	USD	Euro	Other	
<b>Assets</b>				
Cash and cash equivalents	83.909.876	14.232.097	77.627	98.219.600
Trade receivables and due from related parties	789.837	606.277	63.756	1.459.870
Other current assets				
<b>Total</b>	<b>84.699.713</b>	<b>14.838.374</b>	<b>141.383</b>	<b>99.679.470</b>
<b>Liabilities</b>				
Short term bank borrowings	2.367.603	8.857.548	482.849	11.708.000
Short-term trade payables and due to related parties	8.007.661	7.937.527	1.304.059	17.249.247
Taxes payable and other current liabilities	6.966	-	-	6.966
Other liabilities				
Long term bank borrowings	16.485.414	29.493.495	1.114.640	47.093.549
Long term trade payables and due to related parties	22.839.639	23.432.150	31.729.465	78.001.254
<b>Total</b>	<b>49.707.283</b>	<b>69.720.720</b>	<b>34.631.013</b>	<b>154.059.016</b>
<b>Net foreign currency position</b>	<b>34.992.430</b>	<b>(54.882.346)</b>	<b>(34.489.630)</b>	<b>(54.379.546)</b>

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 March 2007; YTL 1,3801=USD1 and YTL1,8383=Euro 1 (31 December 2006: YTL1,4056 = USD1 and YTL1,8515=Euro1).

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**NOTE 30 - GOVERNMENT GRANTS**

The Group obtained an investment incentive certificate dated 9 September 2004 for the investments of imported equipment amounting to USD 34.905.838, and domestic equipment amounting to YTL 739.909. Investment completion date in the certificates is 26 August 2006 and extended for one year. Equipment imported within the scope of the certificate is exempt from Customs Duty, Collective Housing Fund and VAT.

**NOTE 31 - PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES**

Commitments and contingencies, from which the management does not anticipate any significant losses or liabilities, are summarized below:

	Currency	Original amount	31 March 2007	Original amount	31 December 2006
<b>a) Guarantees given:</b>					
Letters of guarantee	YTL	9.835.488	9.835.488	9.627.090	9.627.090
Financial notes	YTL	202.122	202.122	202.223	202.223
Guarantee notes	YTL	1.714	1.714	1.714	1.714
Other	USD	5.500.000	7.590.550	5.500.000	7.730.800
	Euro	25.000	45.958	-	-
	YTL	7.008.529	7.008.529	8.146.009	8.146.009
			<b>24.684.361</b>		<b>25.707.836</b>

**b) Commitments given:**

The Group has blocked time deposits amounting to YTL 15.277.707 (31 December 2006: YTL 51.034.707) related to the bank borrowings which will be used in the acquisition of subsidiaries described in Note 4 (Note4).

There is no mortgage on property plant and equipment as of 31 March 2007 (31 December 2006: None) (Note 19).

**c) Barter agreements:**

The Company, as is common practice in the media sector, has entered into barter agreements. These agreements involve the exchange of goods or services without cash collections or payments. Advertising amounting to USD 1.672.122 (31 December 2006: USD 550.619) is issued and USD 2.548.544 (31 December 2006: USD 794.526) of various types of services has been used in connection with the barter agreements as of 31 March 2007.

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**NOTE 31 - PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

**d) Legal cases:**

The legal cases commenced against the Company are amounting to YTL 58.142.145 (31 December 2006: YTL 62.527.244). The Group sets a provision amounting to YTL 3.588.555 for these legal cases at 31 March 2007 (31 December 2006: YTL 3.711.306). Additionally, as disclosed in detail in Note 23, the provision accounted for the tax law cases is YTL 2.538.000 (31 December 2006: YTL 2.529.000) and as of 31 March 2007 total provision for court cases amounts to YTL 6.126.555 (31 December 2006: YTL 6.240.306).

- e) OOO Pronto Moscow, a subsidiary of the Group has given option to buy to the minority share of 31,46%, related to the acquisition of Impress Media Marketing upon agreed terms based on valuation techniques and specific assumptions of which the fair value of the shares is YTL 5.222.298.

In relation to the acquisition of a 70% share of the subsidiary of the company, Oglasnik d.o.o, which operates in Croatia, the Group granted certain rights including a put option over the 30% interest held by minority shareholders. The value of such put option is YTL 8.901.645 to be disclosed in the "Other Long-term financial liabilities" in the consolidated balance sheet for the discounted value of the expected exercise price of this option. This option is exercisable until July 2009.

**NOTE 32 - BUSINESS COMBINATIONS**

**Three-month period ended at 31 March 2007**

Hürriyet Gazetecilik ve Matbaacılık A.Ş., a Subsidiary of the Group has acquired 67,3% shares of Trader Media East Ltd. ("TME") with a purchase consideration of YTL 478.995.696. The entire amount of YTL 365.400.706, the difference between the purchase consideration and share of the Group in the net assets of TME, has been accounted as positive goodwill as of 31 March 2007.

According to IFRS 3 – "Business Combination" Standard, required valuation work will be performed for TME within one year, and the portion of this amount which is associated with related asset accounts will be reflected to those asset accounts and the amount which is not associated with any asset accounts will be recognized as goodwill.

Since the acquisition of TME has been eventuated at 30 March 2007, TME has been included in the financial statements of the Group only with its balance sheet as of 31 March 2007. The statement of income of TME will be included in the financials statements of the Group in the upcoming periods considering 31 March 2007 as an initial date.

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**NOTE 32 - BUSINESS COMBINATIONS (Continued)**

Net assets and positive goodwill acquired from Subsidiaries at acquisition date are as follows:

	<b>31 March 2007</b>
Total purchase amount	478.995.696
Net assets acquired at fair value	(113.594.990)
<b>Goodwill (Note 17)</b>	<b>365.400.706</b>
Fair value of assets and liabilities at acquisition date is as follows:	
	<b>31 March 2007</b>
Current assets	99.448.626
Non-current assets	378.892.654
Current liabilities	(248.003.970)
Non-current liabilities	(61.548.320)
Minority Interest	(55.194.000)
<b>Fair value of net assets</b>	<b>113.594.990</b>
<b>Goodwill (Note 17)</b>	<b>365.400.706</b>
Total cash consideration	478.995.696
Less: Cash and cash equivalents in subsidiaries acquired	(43.949.284)
<b>Net assets acquired</b>	<b>435.046.412</b>

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**NOTE 33 - SEGMENT REPORTING**

Due to the change in geographical distribution of the Group after the acquisition of the 67,3 % of Trader Media East Ltd. at 30 March 2007 -despite core business of the Group has not changed- the group initiated segment reporting by performing geographical segmentation.

**Segment assets and liabilities**

	<b>31 March 2007</b>	<b>31 December 2006</b>
<b><u>Total assets:</u></b>		
Europe	1.559.187.953	63.589.588
Turkey	1.438.622.592	1.014.350.524
Russian & CIS	902.797.936	-
	<b>3.900.608.481</b>	<b>1.077.940.112</b>
Less: Inter segment adjustment and reclassification	(2.071.789.836)	(108.575.294)
<b>Total assets in consolidated financial statements</b>	<b>1.828.818.645</b>	<b>969.364.818</b>
<b><u>Total Liabilities:</u></b>		
Turkey	646.170.548	228.329.803
Europe	456.487.531	50.528.635
Russia & CIS	271.326.280	-
	<b>1.373.984.359</b>	<b>278.858.438</b>
Less: Inter segment adjustment and reclassification	(311.786.114)	(12.284.946)
<b>Total liability in consolidated financial statements</b>	<b>1.062.198.245</b>	<b>266.573.492</b>

**NOTE 34 - SUBSEQUENT EVENTS**

Our company's general assembly meeting for the year 2006 operations was held on 10.05.2007 at 10:30 in the Hürriyet Medya Towers Güneşli / Istanbul Company headquarters. The General Assembly decided not to distribute profit due to 20% of the net profit held from 2006 operations is below %5 of the capital. After the first dividend amount is set the rest of the balance is decided to be added to the extraordinary reserves.

The blockage on the bank deposit at 31 March 2007, due to the acquisition of Trader Media East Ltd and payable related with the acquisition was removed in June 2007 as the Group paid the agreed amount.

Trader Media East Ltd. acquired the majority shares of the Moje Delo, spletni marketing, d.o.o. which is a human resource company in Slovenia at 15 June 2007.

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**NOTE 35 - DISCONTINUED OPERATIONS**

Kisokos Directory Kereskedelmi es Szolgaltato Kft. (“Kisokos”), which is located in Hungary and is acquired indirectly with the acquisition of 67,3% shares of Trader Media East Ltd., is the Subsidiary of the Group classified as discontinued operations (2006:None). Trader Media East Ltd. has announced that the trademark rights of Kisokos will be sold in September 2006. With respect to the sales agreement signed in May 2007, intangible assets of the company will be transferred to the acquirer until December 2008 at the latest. The acquirer will manage the firm from 16 April 2007 to the date of actual transfer of intangible assets and will be responsible from the gain/loss resulting from this management. The acquirer will pay a license fee to the Group in return for this management.

The financial statements as of 31 March 2007 include this agreement and the merge of the subsidiaries in Hungary subsequent to the agreement. The total sale price of the trademark and the total of the license fees for the years 2007 and 2008 amount to 120 Million Hungary’s Forinti (“HUF”) (YTL888.619) and this amount is considered as the fair value of Kisokos’ trademark. The discounted value of the trademark is disclosed in intangible assets in below balance sheet.

As of 31 March 2007, the Group classified Kisokos as discontinued operations with the consideration of criteria stated in IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”.

As of 31 March 2007, assets and liabilities of the discontinued operations are classified in “Assets held for sale” and “Liabilities held for sale” sections in the consolidated balance sheet and the details are stated below:

	<b>31 March 2007</b>
<b>Current assets</b>	
Accounts receivable	2.217.821
Inventories	153.191
Other current assets	198.734
<b>Total current assets</b>	<b>2.569.746</b>
<b>Non-current assets</b>	
Intangible Assets, net	598.963
Deferred tax assets	1.213.108
<b>Total non-current assets</b>	<b>1.812.071</b>
<b>Total assets</b>	<b>4.381.817</b>
<b>Asset held for sale</b>	<b>4.381.817</b>
<b>Current liabilities</b>	
Financial liabilities	64.865
Trade payables	161.472
Other current liabilities	28.982
Provisions	565.841
<b>Total current liabilities</b>	<b>821.160</b>
<b>Non-current liabilities</b>	-
<b>Total liabilities</b>	<b>821.160</b>
<b>Liabilities held for sale</b>	<b>821.160</b>

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**NOTE 36 - OPERATING INCOME**

The details of sales for the three month period ended at 31 March 2007 and 2006 are as follows:

	<b>31 March 2007</b>	<b>31 March 2006</b>
Domestic sales	132.172.788	133.261.058
Foreign sales	8.374.866	8.442.041
<b>Gross sales</b>	<b>140.547.654</b>	<b>141.703.099</b>
Cost of sales	(103.936.045)	(94.185.041)
<b>Gross profit</b>	<b>36.611.609</b>	<b>47.518.058</b>

**NOTE 37 - OPERATING EXPENSES**

The details of operating expenses for the three month period ended at 31 March 2007 and 2006 are as follows:

	<b>31 March 2007</b>	<b>31 March 2006</b>
Advertisement expenses	9.863.936	7.875.703
Transportation, storage and travel	7.014.251	5.555.718
Promotion expenses	6.138.876	3.658.206
Consulting expenses	3.366.871	3.182.261
Personnel expenses	2.750.737	3.329.639
Depreciation and amortization	2.374.428	2.923.655
Repair and maintenance expenses	645.231	838.357
Communication expenses	620.696	495.153
Services outsourced	458.445	902.661
Taxes and other fees	314.823	316.707
Rent expenses	172.525	632.988
Other	806.718	1.362.526
	<b>34.527.537</b>	<b>31.073.574</b>

The allocation of personnel expenses for three month periods ended at 31 March 2007 and 2006 is as follows:

	<b>31 March 2007</b>	<b>31 March 2006</b>
Cost of sales	24.215.385	20.282.757
Operating expenses (Note 37)	2.750.737	3.329.639
	<b>26.966.122</b>	<b>23.612.396</b>

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**NOTE 38 - OTHER INCOME/EXPENSES AND PROFIT/LOSSES**

Other income and expenses for the three month periods ended at 31 March 2007 and 2006 are as follows:

	<b>31 March 2007</b>	<b>31 March 2006</b>
Foreign exchange gains	5.365.653	1.542.953
Interest income on bank deposits	3.978.510	5.427.777
Due date charges on credit sales	2.782.227	2.311.929
Rent and service income	951.136	874.577
Overdue charges on credit sales	636.238	920.272
Interest income on financial assets at fair value through profit and loss, net	482.030	495.748
Reversal of provisions	239.205	955.187
Other	73.086	478.107
	<b>14.508.085</b>	<b>13.006.550</b>

The other expenses and losses for the three month periods ended at 31 March 2007 and 2006 are as follows:

	<b>31 March 2007</b>	<b>31 March 2006</b>
Foreign exchange losses	3.808.362	1.879.545
Plant property and equipment sales loss	1.510.062	4.201
Losses from associates	721.018	-
Banking and commissions expenses	299.004	358.792
Doubtful receivable provisions expense	209.793	528.388
Donations and aids	142.915	50.805
Fines and compensations paid	99.363	150.415
Other	880.394	921.706
	<b>7.670.911</b>	<b>3.893.852</b>

**NOTE 39 - FINANCIAL EXPENSES**

The financial income and expenses for three month periods ended at 31 March 2007 and 2006 are as follows:

	<b>31 March 2007</b>	<b>31 March 2006</b>
Interest expenses	2.065.078	1.325.295
Foreign currency losses (*)	-	604.245
	<b>2.065.078</b>	<b>1.929.540</b>

(\*) The foreign exchange gains due to bank borrowings at 31 March 2007 have been reclassified under other income, "foreign exchange gains".

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**NOTE 40 - NET MONETARY POSITION GAIN/LOSSES**

None (31 March 2006: None)

**NOTE 41 - TAXES ON INCOME**

	<b>31 March 2007</b>	<b>31 December 2006</b>
Corporation and income taxes (Note 23)	1.625.129	20.369.940
Less: prepaid tax (Note 10)	(1.392.103)	(19.230.600)
<b>Taxes payable, net</b>	<b>233.026</b>	<b>1.139.340</b>
Deferred tax liabilities	71.979.697	29.491.528
Deferred tax assets	(15.020.641)	(7.649.861)
<b>Deferred tax liability, net</b>	<b>56.959.056</b>	<b>21.841.667</b>

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006. Most of the articles of this new Law No. 5520 have come into force effective from 1 January 2006. Corporation tax is 20% (2006: 20%). Corporation tax is payable on the total income of the companies after adjusting for certain disallowable expenses, corporate income tax exemptions (gain from associates' exemption, investment allowances etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19,8% on the investment incentive allowance utilized within the scope of the Income Tax Law Transitional Article 61).

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (2006:%20) on their corporate income. Advance tax is to be declared by the 10th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

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**NOTE 41 - TAXES ON INCOME (Continued)**

In accordance with Tax Law No: 5024 “Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law” that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, the income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira. In accordance with the aforementioned law provisions, in order to apply inflation adjustment, cumulative inflation rate (SIS-WPI) over last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not fulfilled in the year 2005.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for 5 years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses can not be carried back to offset profits from previous periods.

Dividend income from shares in capital of another corporation subject to resident taxpaying (except dividends from investment funds participation certificates and investment trusts shares) are exempt from corporate tax.

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

The participation income of corporations participating in 10% or more of the capital of a limited liability or joint stock company which does not have its legal or business centre in Turkey (except for corporations whose principal activity is financial leasing or investment of marketable securities) for at least a year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries are subject to corporate income tax, or alike, in their country of legal or business centre at the rate of at least 15% (at corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

The income of corporations arising from their offices or permanent representatives abroad (except for corporations whose principal activity is financial leasing or investment of marketable securities) for at least a year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax and provided that the foreign office or permanent representative must be subject to corporate income tax, or alike, in the country it is located at the rate of at least 15% (at corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

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**NOTE 41 - TAXES ON INCOME (Continued)**

A 75% portion of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realized.

The investment allowance application which had been in force for a significant period of time; and indicated that the taxpayer may receive %40 of the fixed asset purchase amounts; was abolished by Law No.5479 dated 30 March 2006. However, in accordance with the temporary article 69 of the Income Tax Law, income and corporate taxpayers can deduct the amounts in relation to below mentioned allowances from their income for the years 2006, 2007 and 2008 as well as the investment allowances amounts they could not offset against 2005 gains which were present as of 2005, in accordance with the legislation (including the provisions related to tax rates) in force as of 2005:

a) In the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6 th articles prior to the abrogation of Income Tax Law No. 193, with Law No. 4842.

b) In the scope of the abolished 19th article of Income Tax Law No: 193, the investment allowance amounts to be calculated in accordance with the legislation in force at 31 December 2005 for investments which were started before 1 January 2006 and which display an economic and technical integrity. According to the regulatory provisions in effect at the year 2005, the investment allowances to be calculated could be deducted from the incomes belong to 2006, 2007 and 2008 years based on the regulatory provisions in effect in these years (including the provisions related to tax ratios).

Accordingly, abovementioned profits within trade income/loss are considered in the calculation of corporate income tax.

In additions to exemptions explained above, tax deductions specified in Corporation Tax Law Articles 8, 9, 10, and Income Tax Law article 40, are also considered in the assessment of the corporate tax base.

The taxes on income for the three months period ended at 31 March 2007 and 2006 is summarized as follows:

	<b>31 March 2007</b>	<b>31 March 2006</b>
Current	706.222	7.021.479
Deferred (Note 14)	72.809	(1.307.668)
	<b>779.031</b>	<b>5.713.811</b>

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**NOTE 41 - TAXES ON INCOME (Continued)**

The reconciliation of the income tax expenses in the consolidated income statement and taxation expense calculated through consolidated income before minority and taxes with the enacted tax rate for the three month period ended at 31 March 2007 is as follows:

Income before minority and tax	6.856.168
Current tax expense through 20% enacted tax rate	1.371.234
Differences due to application of different tax rates in different countries	104.031 392.037
Expenses not deductible for tax purposes	(231.289)
Income not subject to tax	(418.593)
Effect of change in enacted tax rate	206.165
Other	(644.554)
<b>Taxation expense</b>	<b>779.031</b>

**NOTE 42 - EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue (416.742.560 shares). Calculation is as follows:

	<b>31 March 2007</b>	<b>31 March 2006</b>
Net income	6.170.659	17.171.817
Weighted average number of ordinary shares in issue (Each of 1 YTL)	416.742.560	416.742.560
Earnings per share	0,0148	0,0412

**NOTE 43 - CASH FLOWS**

The details of changes in operating assets and liabilities at consolidated cash flows for the three months period ended at 31 March 2007 and 2006 are as follows:

	<b>31 March 2007</b>	<b>31 March 2006</b>
Change in trade receivables	7.821.232	4.127.141
Change in due from related parties	2.085.182	4.021.717
Change in marketable securities	15.690.555	17.280.152
Change in inventories	582.095	(751.508)
Change in other assets	11.776.707	(5.617.907)
Change in trade payables	(6.084.094)	(888.966)
Change in due to related parties	3.783.006	(763.602)
Change in other current liabilities	70.477.542	(3.301.674)
	<b>106.132.225</b>	<b>14.105.353</b>

**NOTE 44 - OTHER EVENTS**

None (31 December 2006: None).