

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

**CONVENIENCE TRANSLATION OF  
CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007**

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND NOTES FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2007

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# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## CONSOLIDATED BALANCE SHEETS AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

		Notes	30 September 2007	31 December 2006
<b>ASSETS</b>				
<b>Current assets</b>			<b>444.101.318</b>	<b>406.886.019</b>
Cash and cash equivalents	4		155.009.786	141.823.172
Marketable securities (net)	5		7.283.640	23.056.445
Trade receivables (net)	7		187.362.124	155.918.910
Leasing receivables (net)	8		-	-
Due from related parties (net)	9		31.820.953	38.566.006
Other receivables (net)	10		26.352.060	24.440.185
Biological assets (net)	11		-	-
Inventories (net)	12		24.072.360	18.002.865
Construction contract receivables (net)	13		-	-
Deferred tax assets	14		-	-
Assets held for sale	35		3.177.058	-
Other current assets	15		9.023.337	5.078.436
<b>Non-current assets</b>			<b>1.187.271.994</b>	<b>562.478.799</b>
Trade receivables (net)	7		430.301	334.638
Leasing receivables (net)	8		-	-
Due from related parties (net)	9		-	-
Other receivables (net)	10		-	-
Financial assets (net)	16		7.117.205	10.762.570
Goodwill / negative goodwill (net)	17		474.103.414	11.332.183
Investment properties (net)	18		13.045.402	15.219.729
Property, plant and equipment (net)	19		547.708.861	518.267.349
Intangible assets (net)	20		134.142.420	1.179.670
Deferred tax assets	14		10.724.391	5.382.660
Other non-current assets	15		-	-
<b>TOTAL ASSETS</b>			<b>1.631.373.312</b>	<b>969.364.818</b>

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

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## CONSOLIDATED BALANCE SHEETS AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

	Notes	30 September 2007	31 December 2006
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>164.740.661</b>	<b>105.594.260</b>
Short-term bank borrowings (net)	6	491.573	1.473.835
Short-term portion of long-term bank borrowings (net)	6	26.675.179	5.613.230
Leasing payables (net)	8	3.340.247	4.620.935
Other financial liabilities (net)	10	-	-
Trade payables (net)	7	61.339.130	49.090.780
Due to related parties (net)	9	8.678.349	2.887.857
Advances received	21	4.787	1.080.121
Construction progress billings (net)	13	-	-
Provisions	23	25.689.962	26.610.246
Deferred tax liabilities	14	-	-
Liabilities held for sale	35	204.816	-
Other liabilities (net)	10	38.316.618	14.217.256
<b>Non-current liabilities</b>		<b>734.246.306</b>	<b>160.979.232</b>
Long-term bank borrowings (net)	6	545.377.317	39.026.920
Leasing payables (net)	8	5.768.445	8.066.629
Other financial liabilities (net)	10	21.700.858	-
Trade payables (net)	7	86.635.722	78.001.254
Due to related parties (net)	9	-	-
Advances received	21	-	-
Provisions	23	10.918.845	8.470.347
Deferred tax liabilities	14	62.884.895	27.224.327
Other liabilities (net)		960.224	189.755
<b>MINORITY INTEREST</b>	<b>24</b>	<b>4.814.363</b>	<b>111.140</b>
<b>SHAREHOLDERS' EQUITY</b>		<b>727.571.982</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		81.270.970	81.270.970
Profit reserves	27	92.786.978	71.894.841
Legal reserves	28	22.732.229	18.679.778
Statutory reserves		-	-
Extraordinary reserves	28	129.709.663	52.713.095
Special reserves		-	-
Investment and property sales income to be added to the capital		-	-
Translation reserve	2,28	(59.654.914)	501.968
Current year profit	28	85.048.678	104.157.463
Retained earnings	28	51.722.796	28.614.352
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1.631.373.312</b>	<b>969.364.818</b>
Commitments and contingent liabilities	31		

These consolidated financial statements as at and for the period ended at 30 September 2007 were approved by the Board of Directors on 30 November 2007.

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

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## CONSOLIDATED INTERIM STATEMENTS OF INCOME FOR THE NINE AND THREE MONTH PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

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

	Notes	2007		2006	
		1 January - 30 September	1 July - 30 September	1 January - 30 September	1 July - 30 September
<b>Operating revenues</b>					
Net sales	36	659.392.218	253.686.409	474.022.970	150.737.564
Cost of sales (-)	36	(372.596.668)	(132.890.331)	(309.472.758)	(104.936.734)
Income from services	36	-	-	-	-
Income from other operating activities	36	-	-	-	-
<b>Gross operating profit</b>		<b>286.795.550</b>	<b>120.796.078</b>	<b>164.550.212</b>	<b>45.800.830</b>
Operating expenses (-)	37	(201.859.871)	(81.708.689)	91.528.687)	(24.985.713)
<b>Net operating profit</b>		<b>84.935.679</b>	<b>39.087.389</b>	<b>73.021.525</b>	<b>20.815.117</b>
Other income and profits	38	46.907.365	24.544.926	59.871.171	15.994.832
Other expenses and losses (-)	38	(41.354.214)	(15.438.398)	(24.355.961)	(7.497.259)
Financial expenses	39	34.312.299	17.900.375	(14.207.208)	528.471
<b>Operating profit</b>		<b>124.801.129</b>	<b>66.094.292</b>	<b>94.329.527</b>	<b>29.841.161</b>
Monetary gain/ (loss)	40	-	-	-	-
<b>Loss / (profit) of minority interest</b>	<b>24</b>	<b>(4.578.900)</b>	<b>(2.223.707)</b>	<b>1.257.036</b>	<b>(55.015)</b>
<b>Income before tax</b>		<b>120.222.229</b>	<b>63.870.585</b>	<b>95.586.563</b>	<b>29.786.146</b>
Taxation on income	41	(34.438.992)	(18.968.510)	(5.367.636)	(5.122.790)
<b>Net income from continuing operations</b>		<b>85.783.237</b>	<b>44.902.075</b>	<b>90.218.927</b>	<b>24.663.356</b>
Loss from disposal group		(734.559)	(470.437)	-	-
<b>Net income for the period</b>		<b>85.048.678</b>	<b>44.431.638</b>	<b>90.218.927</b>	<b>24.663.356</b>
<b>Earnings per share</b>	<b>42</b>	<b>0,204</b>	<b>0,107</b>	<b>0,216</b>	<b>0,060</b>
-continuing operations		0,206	0,108	0,216	0,060
-disposal group	35	(0,002)	(0,001)	-	-

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

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

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

	Capital Reserves		Profit Reserves			Retained Earnings		Total shareholders' equity
	Share capital	Inflation adjustment to shareholders' equity	Legal reserve	Extraordinary reserve	Translation Reserve	Retained earnings	Net income for the period	
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 control rate of subsidiaries	-	-	-	-	-	12.593.750	-	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)	45.822.186	87.580.389	669.846.217
Cumulative translation differences	-	-	-	-	1.188.274	-	-	1.188.274
Transfers	-	-	5.357.103	26.395.600	-	55.827.686	(87.580.389)	-
Dividend	-	-	-	-	-	(41.730.232)	-	(41.730.232)
Change in effective control rate of subsidiaries	-	-	-	-	-	(31.305.288)	-	(31.305.288)
Net income for the period	-	-	-	-	-	-	90.218.927	90.218.927
<b>Balances at 30 September 2006</b>	<b>416.742.560</b>	<b>81.270.970</b>	<b>18.679.778</b>	<b>52.713.095</b>	<b>(21.784)</b>	<b>28.614.352</b>	<b>90.218.927</b>	<b>688.217.898</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	-	-	-	-	(60.156.882)	-	-	(60.156.882)
Transfers	-	-	-	-	-	104.157.463	(104.157.463)	-
Transfers to legal reserves	-	-	4.052.451	76.996.568	-	(81.049.019)	-	-
Net income for the period	-	-	-	-	-	-	85.048.678	85.048.678
<b>Balances at 30 September 2007</b>	<b>416.742.560</b>	<b>81.270.970</b>	<b>22.732.229</b>	<b>129.709.663</b>	<b>(59.654.914)</b>	<b>51.722.796</b>	<b>85.048.678</b>	<b>727.571.982</b>

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

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## STATEMENTS OF CASH FLOWS FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

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

	Notes	30 September 2007	30 September 2006
Net income for the period		<b>85.048.678</b>	<b>90.218.927</b>
<b>Adjustments:</b>			
Depreciation	18,19	39.126.977	39.217.512
Amortisation	20	4.015.442	474.469
Net loss on disposal of property, plant and equipment, intangible assets and investment property	38	1.544.960	520.612
Minority interest	24	4.578.900	(1.257.036)
Taxation	41	34.438.992	5.367.636
Provision for employment termination benefits	23	4.422.103	2.264.528
Income from disposal of subsidiaries	38	-	(7.091.529)
Interest income	38	(11.039.339)	(16.417.011)
Interest expenses	39	31.665.322	7.245.940
Reversal of impairment on investment property	18	(510.921)	-
Currency translation differences		12.616.250	(3.657.498)
Provision expenses		2.358.233	(1.764.983)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		<b>208.265.597</b>	<b>115.121.567</b>
Changes in operating assets and liabilities-net	43	26.501.870	(7.575.165)
Income taxes paid		(10.493.652)	(17.655.410)
Employment termination benefits paid	23	(1.981.886)	(2.058.444)
<b>Net cash provided by operating activities</b>		<b>222.291.929</b>	<b>87.832.548</b>
<b>Cash flows from investing activities:</b>			
Purchases of plant, property and equipment	19	(46.561.670)	(61.074.371)
Purchases of intangible assets	20	(6.498.255)	(733.123)
Proceeds from sales of plant, property and equipment intangible assets and investment properties		5.289.495	10.376.634
Interests received		11.479.210	16.672.435
Proceeds from sales of financial assets	16	-	12.146.552
Acquisition of subsidiaries, net paid		(446.460.107)	(34.093.112)
Decrease/ (increase) in financial assets		3.813.737	(1.103.913)
<b>Net cash used in investing activities</b>		<b>(478.937.590)</b>	<b>(57.808.898)</b>
<b>Cash used in financing activities:</b>			
Proceeds of issuance of share capital to minority interests		1.593.295	-
Dividends paid to outside interests		(4.281.618)	-
Dividends paid		-	(41.730.232)
Change in borrowings		338.366.620	(18.806.669)
Change in long term trade payables		8.634.468	10.987.722
Interests paid		(23.005.911)	(14.821.513)
<b>Net cash used in financing activities</b>		<b>321.306.854</b>	<b>(64.370.692)</b>
Change in cash and cash equivalents		64.661.193	(34.347.042)
Cash and cash equivalents at the beginning of the period		90.041.981	148.965.460
<b>Cash and cash equivalents at the end of the period</b>		<b>154.703.174</b>	<b>114.618.418</b>

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

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 seven printing plants in Turkey with locations in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon and in Germany. The Company acquired 67,3% shares of Trader Media East Ltd. (“TME”) through its Subsidiary Hurriyet Invest B.V. at 29 March 2007. TME undertakes classified advertising mainly for real estate, automotive and human resources businesses through daily and weekly newspapers, periodicals, magazines and internet services, primarily in Russia and various Eastern European (“EE”) countries. The Company is a member of 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 on the Istanbul Stock Exchange.

### The subsidiaries of the Company

The Company’s subsidiaries (“Subsidiaries”), the nature of the business and geographic segments are as follows:

<u>Subsidiaries</u>	<u>Country</u>	<u>Geographic Segment</u>	<u>Nature of business</u>
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 Akzhoh	Kazakhstan	Russia & CIS	Newspaper and internet publishing

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

Subsidiaries	Country	Geographic Division	Nature of business
OOO Pronto-Akmola	Kazakhstan	Russia & CIS	Newspaper and internet publishing
OOO Pronto Atyrau	Kazakhstan	Russia & CIS	Newspaper and internet publishing
OOO Pronto Aktobe	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Aktau	Kazakhstan	Russia & CIS	Newspaper and internet publishing
Informacia Vilnusa	Russia	Russia & CIS	Newspaper and internet publishing
OOO Pronto Rostov	Belarus	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
Mojo Delo spletni marketing d.o.o	Slovenia	Europe	Internet publishing
TCM Croatia Holding BV	Netherlands	Europe	Investment
OOO Optoprint	Russia	Russia & CIS	Publishing
RU.com OOO	Russia	Russia & CIS	Internet publishing
SP Bel Pronto OOO BYR	Russia	Russia & CIS	Newspaper and internet publishing
Bolji Posao d.o.o. Serbia	Serbia	Europe	Internet publishing
Bolji Posao d.o.o. Bosnia	Bosnia	Europe	Internet publishing

The Company and its Subsidiaries (the “Group”) operate predominantly in one industry segment, media. The Group started its foreign operations after the acquisition of TME and its subsidiaries at 29 March 2007. The Group has initiated geographical segment reporting for the purpose of segment reporting (Note 33).

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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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 to the CMB Accounting Standards.

With the decision taken on 17 March 2006, 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.

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. Hürriyet and its Subsidiaries recorded in Turkey maintain their books of account and prepare their statutory financial statements in New Turkish Lira in accordance with the requirements of the Turkish Commercial Code (the “TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

#### 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 2.1. 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 cumulative translation adjustment.

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

#### 2.3 Consolidation principles

The consolidated financial statements include the accounts of the parent company, Hürriyet, its Subsidiaries, and its Associates (collectively referred as the “Group”) on the basis set out in sections (a) to (c) 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).

#### (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 Trader Media East Ltd was acquired at 29 March 2007, the income statement for three-month period ended 30 September 2007 starting from 31 March 2007 has been included in the consolidated financial statements.

The consolidated Subsidiaries and their shareholding structure at 30 September 2007 and 31 December 2006 are as follows:

Subsidiaries	Proportion of voting power of Hürriyet and its Subsidiaries (%)		Effective control rates(%)	
	30 September 2007	31 December 2006	30 September 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 Központ Kft	100,00	-	67,30	-
Expressz Magyarország Rt	100,00	-	67,30	-
Kisokos Directory kereskedelmi es Szolgáltato kft	100,00	-	67,30	-
Szuperinfo Magyarország Kft	100,00	-	67,30	-

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### 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	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
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	-
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	-

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### 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	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
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	-
TCM Croatia Holding BV	100,00	-	67,30	-
OOO Optoprint	100,00	-	67,30	-
RU.com OOO	100,00	-	67,30	-
SP Bel Pronto OOO BYR	60,00	-	40,38	-
Moje Delo, spletni marketing, d.o.o	55,00	-	37,02	-
Bolji Posao d.o.o. Serbia	100,00	-	37,02	-
Bolji Posao d.o.o. Bosnia	100,00	-	37,02	-

#### (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 30 September 2007 and 31 December 2006.

Name	30 September 2007	31 December 2006
	Direct and indirect control by the Company and its Subsidiaries (%)	Direct and indirect control by the Company and its Subsidiaries (%)
Doğan Media	41,33	43,93
Yaysat	25,00	25,00
DYG İlan	20,00	20,00

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

#### 2.3 Consolidation principles (Continued)

##### *(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.

##### *(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.

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are summarised 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).

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

Financial assets at fair value through profit and loss are either acquired for generating a profit from short-term fluctuations in price or dealer’s margin, or are securities included in a portfolio in which a pattern of short-term profit making exists. Financial assets at fair value through profit and loss are initially recognised at cost of purchase including the transaction costs and subsequently re-measured at fair value. All related realised and unrealised gains and losses are included in the income statement.

#### 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 amortised 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. Additionally, the Group impairs the receivables for which there are no guarantees or special agreements and which are overdue for more than one year. 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).

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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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	3-15 years
Furniture and fixtures	3-10 years
Motor vehicles	5 years
Leasehold improvements	2-20 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).

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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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 amortisation

Goodwill and negative goodwill arising on consolidation, indicating the difference between the purchase price and the attributable share of the Group in the fair value of the underlying net assets of the company acquired, are capitalised and amortised using the straight-line method over the useful life until 31 December 2004, if the acquisition is before 31 March 2004. Within the framework of IFRS 3 - "Business Combinations" amortisation accounting is not applied for goodwill related to acquisitions after 31 March 2004, and the carrying value of goodwill is reviewed and adjusted for permanent impairment where it is considered necessary. 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 transactions before 31 March 2004 is not amortised starting from the beginning of the first annual period beginning on or after 31 March 2004 (1 January 2005) and are reviewed for impairment annually (Note 17).

#### 3.9 Intangible assets and amortization

Intangible assets excluding goodwill comprise trade names, advertiser bases, acquired computer software, intellectual property and other identified rights. All trade names and advertiser bases have been identified as a result of independent valuations performed for purchase price allocation related with the business combinations. As goodwill, these intangibles which have an indefinite useful life are not subject to amortisation and they have been examined for any loss in value. Trade names with a definite life and advertiser base are amortised using the straight-line method over their estimated useful lives, which range from 10 to 20 years for trade names and from six to 12 years for the advertiser base. Other intangible assets are carried at their acquisition cost and amortised using the straight-line method over their estimated useful lives for a period of five years (Note 20).

#### 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.

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

#### 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 recognised 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 recognised in the consolidated statement of income over the period of the borrowings (Note 6).

International Accounting Standard No 23 "Borrowing Costs" was revised on 29 March 2007 by the IASB. The revised IAS 23 is effective at 1 January 2009, yet voluntary early transition to the application right is reserved. The Group opted for early adoption and changed accounting policy, choosing the policy envisaged in IAS 23 related to borrowing costs at 1 January 2007. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. All other borrowing costs are charged to the income statement when they are incurred.

#### 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).

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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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 Turkish Republic Central Bank bidding 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 recognised at the time of delivery of the newspapers by the distribution company to the vendor at the invoiced values. Revenue arising through advertising is recognised 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 recognised 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 recognised on a time proportion basis that takes into account the effective yield on the asset.

#### *Rental income:*

Rental income is recognised on an accrual basis.

#### *Other income:*

Other income is recognised on an accrual basis.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR  
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007**

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

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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 Subsequent events**

Subsequent events and announcements related to net income 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.

**3.22 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.

**3.23 Comparatives**

To conform to changes in presentation of the financial statements as of 30 September 2007, classifications have been made to prior period financial statements when necessary.

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

**3.24 Financial instruments and financial risk management**

**(i) 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. In addition, the Group manages its interest rate risk by using interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

At 30 September 2007, if interest rates on USD and Euro denominated borrowings had been one basis point higher/lower with all other variables held constant, mainly as a result of higher/lower interest expense on floating rate borrowings; net income for the period would have been YTL 1.782.403 (30 September 2006: YTL 197.028) lower/higher.

**(ii) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by maintaining availability under committed credit lines. The Group aims at maintaining cash for the anticipated cash flows of raw material purchase for the subsequent nine- months.

**(iii) 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.

**(iv) 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.

**(v) Foreign currency risk**

The Group is exposed to 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).

The Group's foreign exchange risk mainly arises from the impact of rate changes in the translation of its foreign currency denominated borrowings which are obtained to fund capital expenditures in domestic and overseas operations. The exposure is discussed regularly in management meetings. To dispose of the currency risk exposure in part, the Group maintains a certain portion of its liquid assets in foreign currency.

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

#### 3.24 Financial instruments and financial risk management (Continued)

The Group's risk management policy for currency risk is to maintain sufficient liquid assets for the anticipated cash flows of raw material purchase and borrowing repayment amounts in each major foreign currency for the subsequent three to nine- months. However, this policy should be revised by the management when deemed necessary, according to market conditions.

#### **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 realise 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:

#### ***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 cash equivalents, 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.

#### **Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

##### 3.24 Financial instruments and financial risk management (Continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There are covenants related with the bank borrowings stated in Note 6 which the Group has to fulfil net debt/equity ratio as stated in the contracts' of the related bank borrowings.

##### 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. 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 recognised in financial expense. Any subsequent change in the value of the commitment is recorded through goodwill (Note 17).

##### 3.27 Assets held for sale and 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 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.28 Web page development costs

The Groups capitalises direct costs incurred in the development of its websites and recognised over the estimated useful lives. The costs incurred that relate to the planning and post implementation phases are expensed. Costs associated with repair and maintenance of the website is included in operating expenses in the consolidated interim statements of operations (Note 20).

#### 3.29 Business combinations

In accordance with IFRS 3 “Business Combinations” all business combinations are accounted for by applying the purchase method. If the acquisition cost is higher than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as goodwill. Prior to the acquisition, the fair value differences of the net assets are accounted as fair value reserve in equity. Goodwill recognised in a business combination is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The Group performs the impairment test of goodwill at year-ends.

If the acquisition cost is lower than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as income in the related period (Note 32).

#### 3.30 Segment reporting

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments. A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

A reportable segment is a business segment or a geographical segment identified based on the foregoing definitions for which segment information is required to be disclosed. A business segment or geographical segment should be identified as a reportable segment if a majority of its revenue is earned from sales to external customers and its revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or its segment result, whether profit or loss, is 10% or more of the combined result of all segments in profit or the combined result of all segments in loss, whichever is the greater in absolute amount; or its assets are 10% or more of the total assets of all segments.

The Group has selected the geographical segment as the Group’s primary segment reporting format based on the risks and returns in geographical areas reflecting the primary source of the enterprise’s risks and returns. Business segments have not been disclosed in these consolidated interim financial statements as the secondary segment reporting format as the operations of the Group are not reportable business segments on the grounds of materiality.

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### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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#### NOTE 4 - CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007	31 December 2006
Cash in hand	1.118.148	430.374
Cash at banks		
- demand deposits	39.197.136	961.578
- time deposits	114.694.502	89.396.513
- blocked deposits	-	51.034.707
	<b>155.009.786</b>	<b>141.823.172</b>

Cash and cash equivalents included in the consolidated statements as of 30 September 2007 and 2006 of cash flows are as follows:

	30 September 2007	31 December 2006	30 September 2006	31 December 2005
Cash and banks	155.009.786	141.823.172	116.193.789	152.561.372
Blocked deposits	-	(51.034.707)	-	(1.765.117)
Less: Interest accruals	(306.612)	(746.484)	(1.575.371)	(1.830.795)
	<b>154.703.174</b>	<b>90.041.981</b>	<b>114.618.418</b>	<b>148.965.460</b>

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

	30 September 2007	31 December 2006
0-1 month	112.367.517	74.043.035
1-3 months	20.997	15.353.478
3-6 months	-	51.034.707
6-12 months	2.305.988	-
	<b>114.694.502</b>	<b>140.431.220</b>

There are no time deposits with variable interest rates at 30 September 2007 and 31 December 2006. Effective interest rate for YTL time deposits is 18,5% (31 December 2006: 20,0%). The effective interest rates of foreign currency denominated time deposits is 5,0% for USD and 3,9% for Euro (31 December 2006: USD 4,9%, EUR: None) at 30 September 2007.

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### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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#### NOTE 5 - MARKETABLE SECURITIES

The analysis of financial assets at fair value through profit and loss at 30 September 2007 and 31 December 2006 are as follows:

	<b>30 September 2007</b>	<b>31 December 2006</b>
Treasury bills and government bonds	7.283.640	23.056.445
	<b>7.283.640</b>	<b>23.056.445</b>

At 30 September 2007, the best bid prices on actual orders by the end of the second session in Istanbul Stock Exchange on 28 September 2007 were accepted upon the determination of the fair values of government bonds and treasury bills. The effective interest rate of treasury bills and government bonds is 18,1% at 30 September 2007 (31 December 2006: 19,8%).

Maturity analyses of financial assets at fair value through profit and loss as of 30 September 2007 and 31 December 2006 is as follows:

	<b>30 September 2007</b>	<b>31 December 2006</b>
91-180 days	-	15.623.355
181-365 days	7.283.640	-
Over 365 days	-	7.433.090
	<b>7.283.640</b>	<b>23.056.445</b>

At 30 September 2007, the pledged or blocked financial asset at fair value through profit and loss is YTL 8.543 (31 December 2006: None).

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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### NOTE 6 - BORROWINGS

Details of borrowings at 30 September 2007 and 31 December 2006 are as follows:

	Effective interest rate (%)		Original currency		YTL	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006	30 September 2007	31 December 2006
<b>Short term bank borrowings</b>						
- USD	4,4	-	287.705	-	491.573	-
- Euro	-	6,8	-	1.048.544	-	1.473.835
<b>Total</b>					<b>491.573</b>	<b>1.473.835</b>
<b>Short-term portion of long term bank borrowings</b>						
- USD	6,8	8,3	16.932.370	615.081	20.400.119	864.558
- Euro	5,8	5,8	2.078.694	2.303.982	3.551.656	4.265.823
- CHF	5,0	5,0	2.650.000	419.760	2.723.404	482.849
<b>Total</b>					<b>26.675.179</b>	<b>5.613.230</b>
<b>Long-term bank borrowings</b>						
- USD	7,7	7,6	433.186.727	11.700.023	521.903.368	16.445.553
- Euro	6,3	4,6	9.753.855	11.594.235	16.665.436	21.466.727
- CHF	5,0	5,0	6.625.000	969.000	6.808.513	1.114.640
<b>Total long-term bank borrowings</b>					<b>545.377.317</b>	<b>39.026.920</b>

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### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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#### NOTE 6 - BORROWINGS (Continued)

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

Year	30 September 2007	31 December 2006
2008 (*)	25.486.799	10.409.261
2009	184.943.045	15.437.951
2010	113.732.088	4.899.532
2011	122.471.394	7.631.437
2012 and after	98.743.991	648.739
<b>Total</b>	<b>545.377.317</b>	<b>39.026.920</b>

(\*) The expression year 2008 in the schedules of long-term borrowings at 30 September 2007 includes the period between 1 October 2008 and 31 December 2008.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

Year	30 September 2007	31 December 2006
Up to 6 months	489.367.637	41.107.483
6-12 months	4.907.953	-
1-5 years	78.277.562	5.006.502
<b>Total</b>	<b>572.553.152</b>	<b>46.113.985</b>

The Group has entered into a credit facility amounting to USD 240.850.000 for the acquisition of TME shares. The Group has some covenants related with these bank borrowings.

The Group has to maintain a required net debt ratio on the basis of identified earnings before interest, tax, depreciation and amortisation ("EBITDA") for the 12-month period ended 30 September 2007 which is the first test date.

Moreover, the Group has made a commitment that there will be no business combinations or disposals or sales of assets or liabilities in aggregate which may indicate a change in the control or in the major operations in the Group.

The Group has given 33.649.091 unit share certificates which comprise 67,3% of the shares of TME, which is one of the Subsidiaries, as collateral to financial institutions related with the long term bank borrowings (31 December 2006: None).

Additionally, the Group's subsidiary TME has signed a new senior credit agreement which amounts to a total facility of USD200.000.000. The borrowing is available in two parts: the first up to USD165.000.000 and the second up to USD35.000.000. The second part will be available in 2008 and shall be used for acquisitions and general corporate purposes. The total amount drawn by TME at the end of 30 September 2007 is USD144.900.000

If there is any change in the control of TME or any illegal acts and provided that there are mitigation clauses in the facility agreement, TME shall repay and cancel the facility in full.

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

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#### NOTE 6 - BORROWINGS (Continued)

Moreover, if there are disposals or asset sales in aggregate in excess of the amount of 10% of the book value of the Group's consolidated assets or equity issues received in excess of the amount of 10% of the book value of Group's consolidated assets, TME shall repay and cancel the facility in full.

The Group has borrowings amounting to YTL 489.997.597 which are issued at variable interest rates at 30 September 2007 (31 December 2006: YTL 16.635.441).

#### NOTE 7 - TRADE RECEIVABLES AND PAYABLES

Trade receivables net of unearned credit finance income at 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007	31 December 2006
Trade receivables	198.927.479	143.681.111
Cheques and notes receivable	7.432.022	27.040.392
Receivables from credit cards	347.183	147.877
	<b>206.706.684</b>	<b>170.869.380</b>
Unearned credit finance income	(1.611.507)	(2.048.613)
	<b>205.095.177</b>	<b>168.820.767</b>
Less: Provision for doubtful receivables	(17.733.053)	(12.901.857)
<b>Trade receivables</b>	<b>187.362.124</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 128.200.114 (31 December 2006: YTL 105.564.252) are followed up by Doğan Faktoring. The unearned credit finance income related with the receivables followed up by Doğan Faktoring is YTL 1.611.507 (31 December 2006: YTL 2.048.613) and the effective interest rate is 18% (31 December 2006: 17%).

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

##### Ageing of trade receivables:

As of 30 September 2007, trade receivables of YTL 47.942.378 (31 December 2006: YTL 32.885.434) were past due but not impaired as doubtful receivables. Due to sector dynamics and circumstances the Group does not foresee any collection risk for receivables which are overdue for less than 30 days. Trade receivables that are overdue for over a month are restructured and a due date difference is charged. The Group does not expect a collection risk since there are guarantee notes, guarantee cheques, mortgages and bails obtained for these receivables. The existence of overdue trade receivables is a sector characteristic as described above and was similar in previous periods.

As of 30 September 2007 and 31 December 2006, the ageing analysis of these trade receivables is as follows:

	<b>30 September 2007</b>	<b>31 December 2006</b>
Up to 1 month	18.999.382	16.380.092
1 to 3 months	11.184.325	8.339.981
3 to 6 months	11.089.415	4.929.382
Over 6 months	6.669.256	3.235.979
	<b>47.942.378</b>	<b>32.885.434</b>

Furthermore, the Group has trade receivables that are restructured and not included in the ageing of overdue receivables above. As of 30 September 2007 and 31 December 2006, the ageing of these receivables at their original maturities is as follows:

	<b>30 September 2007</b>	<b>31 December 2006</b>
Over 6 months	16.767.550	16.735.399
	<b>16.767.550</b>	<b>16.735.399</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

	2007	2006
<b>1 January</b>	<b>12.901.857</b>	<b>10.616.655</b>
Additions during the period (Note 38)	1.702.969	1.764.983
Collections during the period	(154.853)	(160.937)
Acquisition of subsidiaries	3.114.408	589.136
Currency translation differences	168.672	-
Disposal of subsidiaries	-	(167.590)
<b>30 September</b>	<b>17.733.053</b>	<b>12.642.247</b>

Long term trade receivables at 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007	31 December 2006
Deposits and guarantees given	430.301	334.638
	<b>430.301</b>	<b>334.638</b>

Trade payables at 30 September 2007 and 31 December 2006 are as follows:

	2007	2006
Short-term trade payables	61.322.006	40.980.909
Notes payable	17.124	8.109.871
	<b>61.339.130</b>	<b>49.090.780</b>

  

	30 September 2007	31 December 2006
Long-term payables to suppliers	86.635.722	78.001.254
	<b>86.635.722</b>	<b>78.001.254</b>

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

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

Year	2007	2006
2008 (*)	11.116.020	15.020.381
2009	18.637.257	15.410.227
2010	14.510.482	10.818.150
2011	14.048.216	10.408.457
2012 and after	28.323.747	26.344.039
	<b>86.635.722</b>	<b>78.001.254</b>

(\*) The expression year 2008 in the schedules of long-term payables at 30 September 2007 includes the period between 1 October 2008 and 31 December 2008.

The Group has long-term trade payables amounting to YTL 80.916.590 which are issued at variable interest rates at 30 September 2007 (31 December 2006: YTL 75.269.272).

The fair values of long-term trade payables are considered to approximate their carrying values due to their actual interest rates which approximate the market rates.

The exposure of the Group's long-term trade payables to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

Year	30 September 2007	31 December 2006
Up to 6 months	84.371.133	76.264.941
6-12 months	-	360.708
1-5 years	2.264.589	1.375.605
<b>Total</b>	<b>86.635.722</b>	<b>78.001.254</b>

#### NOTE 8 - LEASING RECEIVABLES AND PAYABLES

Leasing payables at 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007	31 December 2006
Short term leasing payables	3.340.247	4.620.935
Long term leasing payables	5.768.445	8.066.629
	<b>9.108.692</b>	<b>12.687.564</b>

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

Year	30 September 2007	31 December 2006
2008 (*)	712.377	2.593.785
2009	2.358.883	2.520.474
2010	2.114.126	2.283.778
2011	583.059	668.592
	<b>5.768.445</b>	<b>8.066.629</b>

(\*) The expression year 2008 in the schedules of long-term leasing payables at 30 September 2007 includes the period between 1 October 2008 and 31 December 2008.

The effective interest rate for long term leasing payable is 6,5% for USD and 5% for Euro (31 December 2006: USD: None, Euro :5%).

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

#### i) Balances with related parties:

##### a) Due from related parties:

##### Short Term:

	30 September 2007	31 December 2006
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik")	6.914.041	7.476.577
Doğan Media	6.722.152	3.594.097
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım")	3.528.028	1.081.093
Doğan Müzik Kitapçılık A.Ş. ("DMK") (*)	3.400.884	2.617.516
Işıl İthalat İhracat Mümessillik A.Ş. ("Işıl İthalat")	2.869.510	5.951.581
Milliyet Verlags und Handels GmbH ("Milliyet Verlags")	2.841.165	2.876.395
Doğan Dış Ticaret A.Ş. ("Doğan Dış Ticaret")	-	644.151
Doğan Burda Dergi		
Yayıncılık ve Pazarlama A.Ş. ("DB")	896.125	1.730.095
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	826.561	1.223.151
Doğan ve Egmont Yayıncılık ve		
Yayıncılık Ticaret A.Ş. ("Doğan Egmont")	691.771	293.208
Hür Servis	411.757	405.142
Hürriyet Ticari ve Sınai		
Pazarlama A.Ş. ("Hürriyet Pazarlama")	399.619	605.598
Doğan Elektronik Turizm Satış Pazarlama		
Hizmetleri ve Yayıncılık A.Ş. ("Doğan Elektronik Turizm")	383.050	379.175
Dergi Pazarlama Planlama A.Ş.	314.546	318.256
D Market Ticaret A.Ş. ("D Market")	289.305	349.751
D-Yapı İnşaat Sanayi ve Ticaret A.Ş. ("D Yapı")	146.710	-
Aydın Doğan Vakfı	43.490	310.149
Medyanet İletişim Reklam Pazarlama		
ve Turizm A.Ş. ("Medyanet A.Ş.")	1.694	1.175.485
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	-	2.479.688
Eko TV Televizyon Yayıncılık A.Ş. ("Eko TV")	-	1.525.463
Süper Kanal Televizyon Video Radyo Basım Yapım		
Yayın Tanıtım ve Haber Hizmetleri A.Ş. ("Süper Kanal")	-	1.002.370
Milliyet Haber Ajansı A.Ş. ("Milha")	-	831.116
Diğer	1.140.545	1.695.949
	<b>31.820.953</b>	<b>38.566.006</b>

(\*) The Group's YTL 615.600 portion of the due from DMK balance originates from the disposal of Hür Servis shares.

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

b) Short-term due to related companies:

	30 September 2007	31 December 2006
Doğan Yayın	2.081.042	119.044
Işıl Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Işıl TV")	1.280.935	-
Doğan Faktoring	1.171.575	5.351
Kanal D	841.443	-
Doğan Dış Ticaret	537.643	3.585
Milta Turizm	509.175	742.178
Doğan Gazetecilik	383.028	17.700
Doğan İletişim	376.879	792.070
DBR	279.891	12.744
Doğa Televizyon ve Yayıncılık A.Ş. ("Doğa TV")	220.629	177.637
Medyanet	184.705	133.410
Doğan İnternet Yatırımları Ticaret A.Ş.	168.037	168.037
Doğan Holding	152.989	26.735
Doğan Platform Yatırımları A.Ş.	96.125	97.478
Hürbim Görsel Yayıncılık A.Ş. ("Hürbim")	-	176.748
Diğer	394.253	415.140
	<b>8.678.349</b>	<b>2.887.857</b>

### ii) Significant transactions with related parties:

a) Significant service and product sales to related parties:

	2007		2006	
	1 January - 30 September	1 July - 30 September	1 January - 30 September	1 July - 30 September
Doğan Dağıtım	62.762.315	20.442.071	62.090.262	18.452.575
Doğan Gazetecilik	19.638.118	6.019.929	20.609.288	6.547.174
Doğan Media	11.157.478	3.250.625	11.566.976	4.007.835
DB	5.637.464	1.682.756	8.306.891	2.008.008
Doğan Yayın	2.660.335	762.180	2.283.936	877.600
Eko TV	2.304.165	671.100	2.929.968	864.786
Doğan TV	2.094.864	691.574	9.456	9.207
Milliyet Verlags	1.815.764	528.282	1.777.433	599.903
Medyanet A.Ş.	1.595.684	476.036	1.567.516	560.027
Petrol Ofisi	1.549.072	790.054	1.670.800	642.354
Alp Görsel	1.031.083	573.301	-	-
Kanal D	969.933	319.893	4.064.582	1.688.038
DMK	853.828	273.588	1.042.618	477.310
Doğan Egmont	743.397	276.961	887.203	234.170
Doğa TV	773.060	309.774	141.031	100.124
Doğan İletişim	621.427	103.785	272.552	80.288
Diğer	2.647.556	235.395	5.324.261	1.347.599
	<b>118.855.543</b>	<b>37.407.304</b>	<b>124.544.773</b>	<b>38.496.998</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

b) Significant service and product purchases from related parties:

	<u>2007</u>		<u>2006</u>	
	<u>1 January - 30 September</u>	<u>1 July - 30 September</u>	<u>1 January - 30 September</u>	<u>1 July - 30 September</u>
Işıl İthalat (*)	67.035.574	19.432.138	55.966.193	22.456.334
Doğan Dış Ticaret (*)	60.375.705	24.200.421	54.620.044	19.037.209
Doğan Dağıtım (**)	18.114.206	5.979.141	14.567.252	5.166.224
Doğan Yayın	8.752.397	2.771.359	8.114.918	2.608.521
Kanal D	8.170.280	3.127.235	7.900.315	658.328
Milta Seyahat Acentası İşletmeciliği A.Ş. ("Milta")	5.888.577	1.664.086	4.559.162	2.541.814
Işıl TV	4.760.383	1.745.973	3.347.026	272.820
D Yapım Reklamcılık ve Dağıtım A.Ş.	1.612.080	675.075	1.176.750	134.191
Doğa TV	1.356.400	488.702	932.609	688.017
Doğan İletişim Telekomünikasyon Elektronik Servis Hizmetleri Turizm ve Yayıncılık A.Ş. ("Doğan Online")	1.346.514	396.208	2.613.873	1.035.525
Petrol Ofisi	1.186.858	414.657	1.129.296	457.345
DB	1.141.801	714.509	2.059.944	142.178
Doğan Media	923.640	293.329	581.480	210.474
Diğer	2.603.282	134.053	7.427.895	1.795.563
	<b>183.267.697</b>	<b>62.036.886</b>	<b>164.996.757</b>	<b>57.204.543</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:

	<u>2007</u>		<u>2006</u>	
	<u>1 January - 30 September</u>	<u>1 July - 30 September</u>	<u>1 January - 30 September</u>	<u>1 April - 30 September</u>
Işıl İthalat	881.834	206.222	469.507	214.512
Doğan Dış Ticaret	630.831	201.053	711.807	414.277
Doğan Dağıtım	467.604	148.466	381.185	192.014
DB	375.605	143.715	375.116	259.312
Doğan Media	232.591	232.132	36.825	-
Other	643.208	184.502	454.833	155.987
	<b>3.231.673</b>	<b>1.116.090</b>	<b>2.429.273</b>	<b>1.236.102</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

c) Other significant transactions with related parties (continued):

	2007		2006	
	1 January- 30 September	1 July- 30 September	1 January- 30 September	1 July- 30 September
<b>Other expenses:</b>				
Doğan Faktoring	860.132	274.132	750.941	245.686
Doğan Gazetecilik	89.500	-	-	-
Other	109.536	15.212	154.574	145.086
	<b>1.059.168</b>	<b>289.344</b>	<b>905.515</b>	<b>390.772</b>

	2007		2006	
	1 January- 30 September	1 July- 30 September	1 January- 30 September	1 July- 30 September

d) Purchase of property, plant and equipment:

D Yapı	1.611.107	1.611.107	8.280.574	6.000
Medyanet A.Ş.	746.693	-	-	-
D-Market Elektronik Hizmet Ticaret A.Ş.	214.644	19.277	391.526	187.588
Doğan Gazetecilik	6.356	6.356	44.136	-
Other	39.775	-	14.011	8.011
	<b>2.618.575</b>	<b>1.636.740</b>	<b>8.730.247</b>	<b>201.599</b>

	2007		2006	
	1 January- 30 September	1 July- 30 September	1 January- 30 September	1 July- 30 September
Payments to Board members and key management personnel	1.832.401	691.522	1.359.676	484.456
	<b>1.832.401</b>	<b>691.522</b>	<b>1.359.676</b>	<b>484.456</b>

#### NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other current receivables at 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007	31 December 2006
Prepaid taxes and funds (Note 41)	9.354.312	19.230.600
Advances given to personnel	4.599.509	3.330.671
Job advances	3.301.091	1.256.820
Value Added Tax ("VAT") receivable	2.940.180	442.857
Receivable from tax authorities	1.531.301	-
Other	4.625.667	179.237
	<b>26.352.060</b>	<b>24.440.185</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

Other current payables at 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007	31 December 2006
Taxes and funds payable	12.097.377	10.822.667
Deferred income	11.751.540	1.962.603
Due to personnel	5.313.458	283.427
VAT payable	3.826.671	-
Provision for sales premiums	3.187.500	-
Expense accruals	-	633.254
Other	2.140.072	515.305
	<b>38.316.618</b>	<b>14.217.256</b>

The long-term financial liabilities as of 30 September 2007 and 31 December 2007 are as follows:

	30 September 2007	31 December 2006
Put-option commitment (Note 31)	21.700.858	-
	<b>21.700.858</b>	<b>-</b>

#### NOTE 11 - BIOLOGICAL ASSETS

None (2006: None).

#### NOTE 12 - INVENTORIES

	30 September 2007	31 December 2006
Promotion stocks	4.782.374	3.880.348
Impairment for promotion stocks	(223.665)	(223.665)
<b>Promotion stocks, net (*)</b>	<b>4.558.709</b>	<b>3.656.683</b>
Raw materials and supplies	17.395.865	12.130.464
Order advances for raw material purchases	830.176	353.777
Finished goods and merchandise	656.317	1.593.437
Semi-finished goods	631.293	268.504
	<b>24.072.360</b>	<b>18.002.865</b>

(\*) Promotion stocks include promotion materials such as books and CDs.

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### 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%). However, certain subsidiaries of the Group which are operating in Turkey have selected to apply the tax rate of 30% for 2006, 2007 and 2008, following the amendment to tax law explained in Note 41. Accordingly, deferred tax is calculated at 30% for all the temporary differences of these subsidiaries until the period ended 31 December 2008. Deferred tax is calculated at 20% for all other temporary differences that are expected to be realised subsequent to 31 December 2008.

The tax rates (%) used considering each country's tax legislations as of 30 September 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 30 September 2007 and 31 December 2006 are as follows:

	Temporary differences		Deferred tax assets/ (liabilities)	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Difference between tax base and carrying value of leasing payables	8.487.290	12.621.514	3.279.489	4.876.953
Provision for employment termination benefits	10.904.850	8.470.347	2.180.969	1.694.069
Difference between tax base and carrying value of trade receivables and due from related parties	4.305.265	1.463.176	861.053	292.636
Accumulated losses not utilised	3.094.971	1.330.418	618.994	266.084
Deferred income	1.620.105	1.374.906	324.021	274.981
Other, net	25.080.726	1.225.691	4.381.508	245.138
<b>Deferred tax assets</b>	<b>53.493.207</b>	<b>26.486.052</b>	<b>11.646.034</b>	<b>7.649.861</b>
Difference between tax bases and carrying value of property, plant and equipment and intangibles	(284.621.782)	(127.127.279)	(59.465.365)	(28.077.084)
Difference between fair and carrying value of borrowings	(3.772.834)	-	754.567	-
Other, net	(30.869.243)	(5.250.828)	(5.095.740)	(1.414.444)
<b>Deferred tax liabilities</b>	<b>(319.263.859)</b>	<b>(132.378.107)</b>	<b>(63.806.538)</b>	<b>(29.491.528)</b>
<b>Deferred tax liabilities, net</b>	<b>(265.770.652)</b>	<b>(105.892.055)</b>	<b>(52.160.504)</b>	<b>(21.841.667)</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

The movements of deferred tax balances during the nine-months period ended at 30 September 2007 and 2006 are as follows:

	2007	2006
<b>1 January</b>	<b>21.841.667</b>	<b>32.164.243</b>
Deferred tax income at the consolidated statements of income (Note 41)	(1.444.837)	(12.616.672)
Foreign currency translation differences	(3.297.767)	-
Acquisition of subsidiaries	35.061.441	-
Disposal of subsidiaries	-	321.154
<b>Deferred tax liabilities, net</b>	<b>52.160.504</b>	<b>19.868.725</b>

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

Other current assets at 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007	30 December 2006
Prepaid expenses	7.882.262	3.580.423
Income accruals	1.141.075	1.498.013
	<b>9.023.337</b>	<b>5.078.436</b>

#### NOTE 16 - FINANCIAL ASSETS

Financial assets at 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007	31 December 2006
Available for sale investments	6.187.642	6.079.239
Associates	929.563	4.683.331
	<b>7.117.205</b>	<b>10.762.570</b>

Details of available-for-sale investments at 30 September 2007 and 31 December 2006 are as follows:

	%	30 September 2007	%	31 December 2006
Doğan Havacılık San ve Tic. A.Ş. ("Doğan Havacılık")	9,00	4.513.093	9,00	4.513.09
Doğan Faktoring	5,00	736.422	5,00	736.422
Doğan Dış Ticaret	1,75	346.038	1,75	346.038
Coats İplik Sanayi A.Ş.	0,50	257.850	0,50	257.850
Hür Servis	19,00	169.166	19,00	169.166
Other	-	165.073	-	56.670
		<b>6.187.642</b>		<b>6.079.239</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

Details of investment in associates at 30 September 2007 and 31 December 2006 are as follows:

	%	30 September 2007	%	31 December 2006
Doğan Media	41,33	-	43,93	3.714.273
Yaysat	25,00	851.096	25,00	879.207
DYG İlan	20,00	78.467	20,00	89.851
		<b>929.563</b>		<b>4.683.331</b>

Since the Group's share of losses of Dogan Media exceeds its interest in Dogan Media, the Group discontinues recognising its share in further losses. Accordingly, the carrying amount for Dogan Media is zero at 30 September 2007.

The summary financial information of Associates' is as follows:

	<u>30 September 2007</u>		<u>31 December 2006</u>	
	Total assets	Total liabilities	Total assets	Total liabilities
Doğan Media	61.013.183	70.062.804	30.394.758	24.674.346
Yaysat	3.993.022	588.636	4.050.596	533.769
DYG İlan	442.075	49.741	554.511	105.256
	<b>65.448.280</b>	<b>70.701.181</b>	<b>34.999.865</b>	<b>25.313.371</b>

Movements of associates for the period ended 30 September 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)	(10.791.681)	(203.598)
Capital increase of associates	7.850.467	-
Currency translation differences	(812.554)	-
<b>30 September</b>	<b>929.563</b>	<b>7.473.110</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 17 - GOODWILL / NEGATIVE GOODWILL

The movements in goodwill during the nine-month periods ended 30 September 2007 and 2006 are as follows:

	2007	2006
<b>1 January</b>	<b>11.332.183</b>	<b>11.332.183</b>
Additions (Note 32)	517.487.860	-
Currency translation differences	(65.710.493)	-
Other (*)	10.993.864	-
<b>30 September</b>	<b>474.103.414</b>	<b>11.332.183</b>

(\*) The amount states the change in the fair value of the put options (Note: 3.26).

The Group has recorded the difference between the purchase price and the attributable share of the Group in the provisional value of the underlying net assets of TME as goodwill. According to the principles of IFRS 3 - "Business Combinations", the Group shall recognise any adjustment to those provisional values as a result of completing the initial accounting within 12 months of the acquisition date, any amount which is not allocated to the fair value of assets will be recognised as goodwill.

The Group tests and reviews the carrying value of goodwill for impairment annually at the date goodwill has been recognized and the impairment if any has been adjusted accordingly.

Starting from 1 January 2005, within the framework of IFRS 3 "Business Combinations", goodwill is not amortized and the carrying value of goodwill is reviewed, any impairment has been adjusted as mentioned above.

#### NOTE 18 - INVESTMENT PROPERTY

The movement of investment property and related accumulated depreciation for the nine-month period ended at 30 September 2007 are as follows:

	1 January 2007	Additions	Disposals	Reversal of provision on impairment	30 September 2007
<b>Cost:</b>					
Land and land improvements	9.565.494	-	-	-	9.565.494
Buildings	5.899.087	-	(2.630.156)	510.921	3.779.852
<b>Total</b>	<b>15.464.581</b>	<b>-</b>	<b>(2.630.156)</b>	<b>510.921</b>	<b>13.345.346</b>
<b>Accumulated depreciation:</b>					
Buildings	244.852	55.092	-	-	299.944
<b>Total</b>	<b>244.852</b>	<b>55.092</b>	<b>-</b>	<b>-</b>	<b>299.944</b>
<b>Net book value</b>	<b>15.219.729</b>				<b>13.045.402</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 18 - INVESTMENT PROPERTY (Continued)

The depreciation charge for the nine- month period ended at 30 September 2007 amounting to YTL 55.092 has been included in the cost of sales.

The movement of investment property and related accumulated depreciation for the nine-month period ended at 30 September 2006 are as follows:

	1 January 2006	Additions	Disposals	Transfers	30 September 2006
<b>Cost:</b>					
Land and land improvements	5.468.941	-	-	4.096.553	9.565.494
Buildings	13.445.413	-	(8.838.699)	-	4.606.714
<b>Total</b>	<b>18.914.354</b>	<b>-</b>	<b>(8.838.699)</b>	<b>4.096.553</b>	<b>14.172.208</b>
<b>Accumulated depreciation:</b>					
Buildings	685.294	145.627	(604.432)	-	226.489
<b>Total</b>	<b>685.294</b>	<b>145.627</b>	<b>(604.432)</b>	<b>-</b>	<b>226.489</b>
<b>Net book value</b>	<b>18.229.060</b>				<b>13.945.719</b>

The depreciation charge for the nine-month period ended at 30 September 2006 amounting to YTL 145.627 has been included in the cost of sales.

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

The movement of property, plant and equipment and related accumulated depreciation for the nine-month period ended at 30 September 2007 are as follows:

	1 January 2007	Currency translation differences	Additions	Disposals	Transfers	Acquisitions	30 September 2007
<b>Cost</b>							
Land and land improvements	50.605.457	(406.891)	45.922	-	-	191.834	50.436.322
Buildings	244.840.858	(1.571.878)	571.934	-	-	5.334.087	249.175.001
Machinery and equipments	598.259.252	(5.785.411)	3.786.748	(11.847.505)	38.286.204	27.256.163	649.955.451
Motor vehicles	7.169.886	(1.559.513)	353.935	(145.511)	-	1.559.513	7.378.310
Furniture and fixtures	76.322.539	(480.950)	4.664.797	(1.088.044)	-	21.636.044	101.054.386
Leasehold improvements	24.252.211	(41.992)	53.543	-	-	520.298	24.784.060
Advances given	8.004.928	-	12.360.744	(500.870)	(18.321.204)	-	1.543.598
Construction in progress	3.947.833	(163.380)	24.724.047	-	(19.965.000)	1.883.837	10.427.337
	<b>1.013.402.964</b>	<b>(10.010.015)</b>	<b>46.561.670</b>	<b>(13.581.930)</b>	<b>-</b>	<b>58.381.776</b>	<b>1.094.754.465</b>
<b>Accumulated Depreciation</b>							
Land and land improvements	278.438	-	35.240	-	-	-	313.678
Buildings	46.027.032	(278.345)	3.968.469	-	-	615.525	50.332.681
Machinery and equipments	359.518.379	(2.254.400)	30.294.531	(8.264.686)	-	10.168.577	389.462.401
Motor vehicles	3.875.679	-	766.326	(145.511)	-	-	4.496.494
Furniture and fixtures	63.735.700	(1.444.797)	3.617.694	(940.812)	-	15.195.301	80.163.086
Leasehold improvements	21.700.387	(17.003)	389.625	-	-	204.255	22.277.264
	<b>495.135.615</b>	<b>(3.994.545)</b>	<b>39.071.885</b>	<b>(9.351.009)</b>	<b>-</b>	<b>26.183.658</b>	<b>547.045.604</b>
<b>Net book value</b>	<b>518.267.349</b>						<b>547.708.861</b>

Net book value of the property, plant and equipment in machinery and equipment group obtained via financial leasing is amounting to YTL 13.632.017 at 30 September 2007 (31 December 2006: YTL 16.458.488). At 30 September 2007, there are mortgages amounting to YTL 7.000.000 and liens amounting to YTL 12.814.500 on property plant and equipment (Note 31) (31 December 2006: None).

The depreciation charge for the period ended at 30 September 2007 amounting to YTL 29.010.875 has been included in cost of sales, YTL 10.061.010 has been included in operating expenses.

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

The movement of property, plant and equipment and related accumulated depreciation for the nine-month periods ended at 30 September 2006 are as follows:

	1 January 2006	Currency translation differences	Additions	Disposals	Transfers(*)	Acquisitions	Disposal of associates	30 September 2006
<b>Cost</b>								
Land and land improvements	53.289.072	617.135	1.494.516	(609.160)	(4.096.553)	-	-	50.695.010
Buildings	233.192.530	2.333.037	453.414	-	18.173.275	-	(12.505.409)	241.646.847
Machinery and equipment	516.569.101	6.666.335	5.051.389	(5.270.011)	13.372.807	411.537	(84.274)	536.716.884
Motor vehicles	7.743.419	-	78.215	(469.952)	-	-	(460.861)	6.890.821
Furniture and fixtures	72.489.899	150.879	1.655.097	(107.437)	955.828	703.621	(438.881)	75.409.006
Leasehold improvements	22.241.708	-	1.331.393	-	-	-	-	23.573.101
Advances given	2.207.570	-	13.595.495	-	-	-	-	15.803.065
Construction in progress	4.208.378	-	37.414.852	(80.070)	(32.501.910)	-	-	9.041.250
	<b>911.941.677</b>	<b>9.767.386</b>	<b>61.074.371</b>	<b>(6.536.630)</b>	<b>(4.096.553)</b>	<b>1.115.158</b>	<b>(13.489.425)</b>	<b>959.775.984</b>
<b>Accumulated depreciation</b>								
Land and land improvements	243.508	-	25.509	-	-	-	-	269.017
Buildings	41.922.240	365.677	3.809.061	-	-	-	(1.083.727)	45.013.251
Machinery and equipment	325.769.800	1.982.828	27.746.637	(3.730.873)	-	209.876	(21.697)	351.956.571
Motor vehicles	2.454.957	-	569.413	(230.686)	-	-	(107.723)	2.685.961
Furniture and fixtures	60.344.314	87.174	1.923.132	(91.024)	-	399.624	(346.625)	62.316.595
Leasehold improvements	19.480.263	-	1.633.592	-	-	-	-	21.113.855
	<b>450.215.082</b>	<b>2.435.679</b>	<b>35.707.344</b>	<b>(4.052.583)</b>	<b>-</b>	<b>609.500</b>	<b>(1.559.772)</b>	<b>483.355.250</b>
<b>Net book value</b>	<b>461.726.595</b>							<b>476.420.734</b>

Net book value of the property, plant and equipment in machinery and equipment group obtained via financial leasing is amounting to YTL 8.402.660 at 30 September 2006 (31 December 2005: YTL 7.907.561).

There are no mortgages and liens on property, plant and equipment on 30 September 2006 (31 December 2005: YTL 12.500).

(\*) The amounts represent transfers from construction in progress.

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 20 - INTANGIBLE ASSETS

Movements of intangible assets and related accumulated amortisation for the nine- month periods ended at 30 September 2007 and 2006 are as follows:

	1 January 2007	Additions	Disposals	Foreign currency translation differences	Acquisitions	30 September 2007
<b>Cost</b>						
Trademarks and licences	-	2.614	-	(6.766.570)	146.924.066	140.160.110
Customer lists	-	-	-	(564.643)	18.827.324	18.262.681
Software programs	-	5.570.624	-	(441.781)	12.365.479	17.494.322
Rights	10.603.019	195.681	(231.620)	(7.441.634)	-	3.125.446
Other intangible assets	4.451.878	729.336	-	(302.518)	3.530.689	8.409.385
	<b>15.054.897</b>	<b>6.498.255</b>	<b>(231.620)</b>	<b>(15.517.146)</b>	<b>181.647.558</b>	<b>187.451.944</b>
<b>Accumulated depreciation</b>						
Trademarks and licences	-	386.885	-	818.210	17.178.105	18.383.200
Customer lists	-	355.516	-	440.474	9.587.555	10.383.545
Software programs	-	2.156.624	-	524.125	9.678.641	12.359.390
Rights	10.022.798	207.418	(231.620)	(4.995.388)	-	5.003.208
Other intangible assets	3.852.429	908.999	-	(239.495)	2.658.248	7.180.181
	<b>13.875.227</b>	<b>4.015.442</b>	<b>(231.620)</b>	<b>(3.452.074)</b>	<b>39.102.549</b>	<b>53.309.524</b>
<b>Net book value</b>	<b>1.179.670</b>					<b>134.142.420</b>
	1 January 2006	Additions	Disposals	Foreign currency translation differences	Acquisitions	30 September 2006
<b>Cost</b>						
Rights	9.786.515	96.664	-	624.710	-	10.507.889
Other intangible assets	3.811.917	636.459	(12.027)	988.484	(130.667)	5.294.166
	<b>13.598.432</b>	<b>733.123</b>	<b>(12.027)</b>	<b>1.613.194</b>	<b>(130.667)</b>	<b>15.802.055</b>
<b>Accumulated depreciation</b>						
Rights	9.192.399	165.488	-	621.413	-	9.979.300
Other intangible assets	3.572.796	308.981	(2.506)	988.484	(92.215)	4.775.540
	<b>12.765.195</b>	<b>474.469</b>	<b>(2.506)</b>	<b>1.609.897</b>	<b>(92.215)</b>	<b>14.754.840</b>
<b>Net book value</b>	<b>833.237</b>					<b>1.047.215</b>

The amortisation charge for the period ended at 30 September 2007 amounting to YTL 4.015.442 (30 September 2006: YTL 474.469) has been included in operating expenses.

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 21 - ADVANCES RECEIVED

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

#### NOTE 22 - RETIREMENT PLANS

None (31 December 2006: None).

#### NOTE 23 - PROVISIONS

Short-term provisions at 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007	31 December 2006
Provisions for lawsuits	6.781.820	6.240.306
Income tax provision (Note 41)	18.908.142	20.369.940
	<b>25.689.962</b>	<b>26.610.246</b>

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

	30 September 2007	31 December 2006
<b>At 1 January</b>	<b>6.240.306</b>	<b>14.504.574</b>
Additions during the period (Note 38)	655.264	-
Reversal of the provisions	(113.750)	(1.796.261)
<b>30 September</b>	<b>6.781.820</b>	<b>12.708.313</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.

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 23 - PROVISIONS (Continued)

However, application of the Group for correction of decision was rejected by a majority of votes. On 6 May 2006 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 2006. 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 30 September 2007 (31 December 2006: YTL 2.529.000).

Long-term provisions at 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007	31 December 2006
Provision for employment termination benefits	9.728.964	8.470.347
Provision for unused vacation of employees	1.189.881	-
	<b>10.918.845</b>	<b>8.470.347</b>

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

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### 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 At 30 September 2007 the amount payable consists of one month's salary limited to a maximum of YTL 2.030,19 (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:

	30 September 2007	31 December 2006
Discount rate (%)	5,71	5,71
Turnover rate to estimate the probability of retirement (%)	92	90

The principal assumption is that the maximum liability of YTL 2.030,19 (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 2.030,19 (1 July 2006: YTL 1.857,44), which is effective from 1 July 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 for the nine-months period ended 30 September are as follows:

	2007	2006
<b>1 January</b>	<b>8.470.347</b>	<b>8.133.033</b>
Charge for the period	3.232.222	2.264.528
Acquisition of subsidiaries	8.281	49.215
Payments during the year and provisions terminated	(1.981.886)	(2.058.444)
Disposal of subsidiaries	-	(230.953)
<b>30 September</b>	<b>9.728.964</b>	<b>8.157.379</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 24 - MINORITY INTEREST

Changes in minority interest during the nine- month period ended at 30 September 2007 and 2006 are as follows:

	2007	2006
<b>1 January</b>	<b>111.140</b>	<b>3.442.439</b>
Net income / (loss) attributable to minority interest	4.578.900	(1.257.036)
Acquisition of subsidiaries	2.812.646	61.835
Capital increase	1.593.295	-
Dividends payments	(4.281.618)	-
Disposal of subsidiaries	-	(2.073.639)
<b>30 September</b>	<b>4.814.363</b>	<b>173.599</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 authorised and paid-in share capital at 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007	31 December 2006
Limit on registered share capital (historical)	800.000.000	800.000.000
Historical authorised 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:

	30 September 2007	Share (%)	31 December 2006	Share (%)
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.

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 26 - CAPITAL RESERVES

Details of the inflation adjustment to shareholders' equity stated under capital reserves at 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007			31 December 2006		
	Historical amount	Restated amount	Inflation adjustment to shareholders' equity	Historical amount	Restated amount	Inflation adjustment to shareholders' equity
Share capital	416.742.560	493.941.373	77.198.813	416.742.560	493.941.373	77.198.813
Legal reserves	22.732.229	26.633.461	3.901.232	18.679.778	22.581.010	3.901.232
Extraordinary reserves	129.709.663	129.880.588	170.925	52.713.095	52.884.020	170.925
<b>Total</b>	<b>569.184.452</b>	<b>650.455.422</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 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007	31 December 2006
Legal reserves	22.732.229	18.679.778
Extraordinary reserves	129.709.663	52.713.095
Translation reserve	(59.654.914)	501.968
	<b>92.786.978</b>	<b>71.894.841</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### 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 30 September 2007 and 31 December 2006, the shareholders' equity schedule, is as below:

	30 September 2007	31 December 2006
Share capital	416.742.560	416.742.560
Legal reserves	22.732.229	18.679.778
Extraordinary reserves	129.709.663	52.713.095
Inflation adjustment to shareholders' equity	81.270.970	81.270.970
Translation reserve	(59.654.914)	501.968
Net income for the period	85.048.678	104.157.463
Retained earnings	51.722.796	28.614.352
<b>Total shareholders' equity</b>	<b>727.571.982</b>	<b>702.680.186</b>

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 29 - FOREIGN CURRENCY POSITION

YTL equivalents of assets and liabilities denominated in foreign currency at 30 September 2007 and 31 December 2006 are as follows:

	30 September 2007			Total foreign currency
	USD	Euro	Other	
<b>Assets</b>				
Cash and cash equivalents	50.868.520	13.259.564	33.768.813	97.896.897
Trade receivables and due from related parties	501.916	7.419.773	17.646.562	25.568.251
<b>Total</b>	<b>51.370.436</b>	<b>20.679.337</b>	<b>51.415.375</b>	<b>123.465.148</b>
<b>Liabilities</b>				
Short term bank borrowings and leasing payables	20.409.202	7.374.393	2.723.405	30.507.000
Short-term trade payables and due to related parties	13.602.276	13.572.573	14.609.967	41.784.816
Other current liabilities	93.974	1.018.364	21.067.133	22.179.471
Long term bank borrowings and Leasing payables	521.941.898	22.330.292	6.873.572	551.145.762
Long term trade payables and due to related parties	19.166.390	23.104.551	44.364.781	86.635.722
Other financial and non-current liabilities	6.157.733	116.866	16.223.837	22.498.436
<b>Total</b>	<b>581.371.473</b>	<b>67.517.039</b>	<b>105.862.695</b>	<b>754.751.207</b>
<b>Net foreign currency position</b>	<b>(530.001.037)</b>	<b>(46.837.702)</b>	<b>(54.447.320)</b>	<b>(631.286.059)</b>
	31 December 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
<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 and leasing payables	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
Long term bank borrowings and leasing payables	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 30 September 2007; YTL 1,2048=USD1 and YTL1,7086=Euro 1 (31 December 2006: YTL1,4056 = USD1 and YTL1,8515=Euro1).

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 29 - FOREIGN CURRENCY POSITION (Continued)

The Group is exposed to foreign currency risk mainly in Euro and US Dollars.

At 30 September 2007, had the YTL weakened/strengthened by 5% against USD, with all other variables held constant, net income for the period would have been YTL 26.500.052 lower/higher (30 September 2006: YTL 1.023.586), as a result of foreign exchange gains/losses on translation of USD denominated financial assets and liabilities. Net income is more sensitive to movement in YTL/USD exchange rates in current period compared to year 2006 due to increase in USD denominated bank borrowings.

At 30 September 2007, had the YTL weakened/strengthened by 5% against USD, with all other variables held constant net income for the period would have been YTL 2.341.885 lower/higher (30 September 2006: YTL 1.799.470), mainly as a result of foreign exchange gains/losses on translation of Euro denominated financial assets and liabilities.

### 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 summarised below:

	Currency	Original amount	30 September 2007	Original amount	31 December 2006
<b>a) Guarantees given:</b>					
Letters of guarantee	YTL	11.111.262	11.111.262	9.627.090	9.627.090
	HUF	58.700.000	398.280	-	-
Financial notes	YTL	202.223	202.223	202.223	202.223
Guarantee notes	YTL	1.714	1.714	1.714	1.714
Other	YTL	5.008.529	5.008.529	8.146.009	8.146.009
	Euro	25.000	42.715	-	-
	USD	-	-	5.500.000	7.730.800
			<b>16.764.723</b>	<b>25.707.836</b>	

### b) Commitments given:

The Group has no blocked financial assets or time deposits (31 December 2006: 51.034.707). The group has mortgage amounting to YTL 7.000.000 related to the machinery (31 December 2006: YTL 1.765.117).

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

There are liens amounting of YTL 12.814.500 on property plant and equipment as of 30 September 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 3.215.874 (31 December 2006: USD 550.619) has been issued and USD 1.612.345 (31 December 2006: USD 794.526) of various types of services has been used in connection with the barter agreements as of 30 September 2007.

##### d) Legal cases:

The legal cases against the Company amount to YTL 52.609.096 (31 December 2006: YTL 62.527.244). The Group sets a provision amounting to YTL 3.670.777 for these legal cases at 30 September 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 30 September 2007, the total provision for court cases amounts to YTL 6.781.820 (31 December 2006: YTL 6.240.306).

##### e) Derivative financial instruments:

The Group entered into two collar agreements which are outstanding as of 30 September 2007, to hedge the interest rate risk arising from borrowings amounting to USD 37.000.000. The collar agreements have fixed floor and ceiling rates. Accordingly, at the dates defined in agreements, if the LIBOR rate is below the floor rate the Group compensates for the difference between the floor rate and the actual rate to the counter bank. Similarly, if the LIBOR rate is above the ceiling rate, the counter bank compensates the difference to the Group.

The details of two collar agreements, which are valid as of 30 September 2007, are as follows:

<b>Agreement</b>	<b>LIBOR Floor rate</b>	<b>LIBOR Ceiling rate</b>	<b>Amount USD</b>	<b>Due date</b>
BNP Paribas	4,77%	5,50%	20.000.000	17 November 2009
ABN Amro Bank NV	2,80%	5,50%	17.000.000	17 November 2009

The amount expensed relating to these agreements is YTL 330.481 for the period ended 30 September 2007 (30 September 2006: None)

<b>Forward agreement</b>	<b>FX rate</b>	<b>Maturity date</b>	<b>Original currency</b>	<b>Amount</b>	<b>Income/ (loss)</b>
Collar	182,9-210	29 October 2007	Hungary Forint	200.000.000	(48.303)

The Group has forward agreements amounting to USD/Hungarian Forint 200.000.000 at 30 September 2007. The amount expensed relating to these agreements is YTL 48.303 for the period ended 30 September 2007 (30 September 2006: None)

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

##### f) Put options:

In January 2007, Pronto-Moscow, a Subsidiary of the Group, finalised the acquisition of Impress Media Marketing BVI. Accordingly, Pronto-Moscow has granted to its minority shareholders owning 31,46% of the shares until and subject to the occurrence of certain events, a put option amounting to YTL 4.711.973.

The Group, during the acquisition of 70% of the shares of its Subsidiary Oglasnik d.o.o. located in Croatia, has granted to its minority shareholders owning 30% of the shares subject to the occurrence of certain events a put option with a fair value amounting to YTL 10.834.767. The Group has granted to the selling shareholders a put option on the remainder of the shares exercisable until July 2009.

In June 2007, the Group acquired a 55% interest in Moje Delo d.o.o. in Slovenia. The Group determined an earn-out subject to a maximum of EUR 1 million and a payable (if any) by no later than 30 June 2008. The Group has granted to the selling shareholders a put option on the remainder of the shares exercisable from January 2009 to January 2012 and has a call option exercisable from January 2011 to January 2014. Exercise price shall be calculated based on EBITDA and the net financial debt of the company. The fair value of the put option as of 30 September 2007 is YTL 6.154.118.

Put options have been classified under “other financial liabilities” in the consolidated balance sheet.

#### NOTE 32 - BUSINESS COMBINATIONS

Significant acquisitions of Subsidiaries during the nine-month period ended 30 September 2007 (1 January-30 September 2006: None):

##### TME:

The Group has acquired 67,3% shares of TME with a purchase consideration of YTL 479.333.941. The entire amount of YTL 506.417.024, the difference between the purchase consideration and share of the Group in the net assets of TME, has been recognised as positive goodwill as of 30 September 2007.

Since the acquisition of Trader Media East Ltd occurred at 29 March 2007, the income statement is included in the consolidated financial statements starting from 31 March 2007 for the three-month period.

##### Moje Delo:

In June 2007, the Group acquired a 55% interest in Moje Delo d.o.o. in Slovenia for a nominal amount of EUR 2 million plus an earn-out to be determined on the basis of 2007 financial results, subject to a maximum of EUR 1 million and a payable (if any) by no later than 30 June 2008: Moje Delo is a leading provider of recruiting services in Slovenia both online and offline. Moje Delo has two fully owned subsidiaries in Bosnia and Serbia (Bolji Posao Bosnia and Bolji Posao Serbia), which have no activity as of today and will be operational in the following months.

The Group has granted to the selling shareholders a put option on the remainder of the shares exercisable from January 2009 to January 2012 and has a call option exercisable from January 2011 to January 2014. Exercise price shall be calculated based on EBITDA and the net financial debt of the company. The purchase price allocation for this acquisition is currently being assessed and the total excess of the purchase price as of 30 September, 2007 has been allocated to the goodwill (Note 31).

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

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

	TME	Moje Delo
Total purchase amount	479.333.941	11.266.506
Net assets acquired at provisional value	27.083.083	(195.670)
<b>Goodwill (Note 17)</b>	<b>506.417.024</b>	<b>11.070.836</b>

The Group has initiated external valuation studies for the fair values of identifiable assets, liabilities and contingent liabilities acquired and the allocation of purchase prices relating to these business combinations. However, the studies have not been finalised at the interim financial statements as of 30 September 2007 due to the complexity of TME's assets and the variety of their locations. Accordingly, identifiable assets, liabilities and contingent liabilities acquired are recognised at their provisional value in the consolidated interim financial statements. The Group will complete the final purchase price allocation relating to these business combinations within the twelve month period following the acquisition dates.

The provisional fair values of identifiable assets, liabilities and contingent liabilities acquired and the cost of acquisition are as follows:

	TME	Moje Delo
Cash and cash equivalents	43.949.284	191.056
Marketable securities	4.068.535	-
Trade receivables	17.572.814	624.500
Inventory	4.820.689	-
Other receivables	24.303.561	95.773
Disposal group asset	4.381.818	-
Financial assets	168.372	-
Property, plant and equipment	32.174.271	23.847
Intangible assets	142.545.009	-
Deferred tax assets	8.018.381	-
Other non-current assets	466.474	-
Borrowings	(180.953.191)	-
Trade payables	(28.039.492)	(157.439)
Provisions	(1.747.208)	(70.677)
Liabilities held for sale	(821.160)	-
Other financial liabilities	(14.123.943)	-
Other liabilities	(38.134.923)	(351.296)
Deferred tax liabilities	(43.079.822)	-
Minority interest	(2.652.552)	(160.094)
<b>Fair value of net assets</b>	<b>(27.083.083)</b>	<b>195.670</b>
<b>Goodwill (Not 17)</b>	<b>506.417.024</b>	<b>11.070.836</b>
Total purchase amount	479.333.941	11.266.506
Less: Cash and cash equivalents in subsidiaries acquired	(43.949.284)	(191.056)
<b>Net assets acquired</b>	<b>435.384.657</b>	<b>11.075.450</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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

Details of total acquisition costs regarding the acquired subsidiaries are as follows:

	TME	Moje Delo
- Cash paid	466.410.050	5.217.076
- Direct costs relating to the acquisition	12.923.891	-
- Put option liability at fair value	-	6.049.430
<b>Total</b>	<b>479.333.941</b>	<b>11.266.506</b>

The acquired businesses contributed revenues of YTL 187.593.583 and net income of YTL 15.127.736 to the Group for the period from 1 April 2007 to 30 September 2007. If the acquisition had occurred on 1 January 2007, Group revenue would have been YTL 738.457.759 and net income before allocations would have been YTL 76.902.096.

#### NOTE 33 - SEGMENT REPORTING

##### a) Segmental analysis for the period between 1 January and 30 September 2007:

	Turkey	Russia and EE	Europe	Total
Net sales	449.518.193	148.071.376	61.802.649	659.392.218
Cost of sales	(295.722.349)	(46.215.004)	(30.659.315)	(372.596.668)
<b>Gross profit</b>	<b>153.795.844</b>	<b>101.856.372</b>	<b>31.143.334</b>	<b>286.795.550</b>
Operating expenses	(91.542.375)	(26.289.210)	(15.438.190)	(133.269.775)
Other expenses, net	(10.791.681)	-	-	(10.791.681)
<b>Net segmental income</b>				<b>142.734.094</b>
Unallocated operating expenses				(68.590.096)
Unallocated other income, net				16.344.832
Financial expenses				34.312.299
<b>Net operating income</b>				<b>124.801.129</b>
<b>Minority interest</b>				<b>(4.578.900)</b>
<b>Income before taxation</b>				<b>120.222.229</b>
Taxation				(34.438.992)
<b>Net income from continuing activities</b>				<b>85.783.237</b>
Net loss of the disposal group				(734.559)
<b>Net income for the period</b>				<b>85.048.678</b>

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 33 - SEGMENT REPORTING (Continued)

#### b) Segmental analysis for the period between 1 July and 30 September 2007:

	Turkey	Russia and EE	Europe	Total
Net sales	153.376.512	72.359.358	27.950.539	253.686.409
Cost of sales	(98.789.265)	(21.766.787)	(12.334.279)	(132.890.331)
<b>Gross profit</b>	<b>54.587.247</b>	<b>50.592.571</b>	<b>15.616.260</b>	<b>120.796.078</b>
Operating expenses	(26.491.120)	(12.880.757)	(12.729.989)	(52.101.866)
Other expenses, net	(1.654.116)	-	-	(1.654.116)
<b>Net segmental income</b>				<b>67.040.096</b>
Unallocated operating expenses				(29.606.823)
Unallocated other income, net				10.760.644
Financial expenses				17.900.375
<b>Net operating income</b>				<b>66.094.292</b>
<b>Minority interest</b>				<b>(2.223.707)</b>
<b>Income before taxation</b>				<b>63.870.585</b>
Taxation				(18.968.510)
<b>Net income from continuing activities</b>				<b>44.902.075</b>
Net loss of the disposal group				(470.437)
<b>Net income for the period</b>				<b>44.431.638</b>

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 33 - SEGMENT REPORTING (Continued)

#### c) Segmental analysis for the period between 1 January and 30 September 2006:

	Turkey	Russia and EE	Europe	Total
Net sales	451.464.522	-	22.558.448	474.022.970
Cost of sales	(289.979.657)	-	(19.493.101)	(309.472.758)
<b>Gross profit</b>	<b>161.484.865</b>	<b>-</b>	<b>3.065.347</b>	<b>164.550.212</b>
Operating expenses	(56.714.027)	-	-	(56.714.027)
Other expenses, net	(442.808)	-	-	(442.808)
<b>Net segmental income</b>				<b>107.393.377</b>
Unallocated operating expenses				(34.814.660)
Unallocated other income, net				35.958.018
Financial expenses				(14.207.208)
<b>Net operating income</b>				<b>94.329.527</b>
<b>Minority interest</b>				<b>1.257.036</b>
<b>Income before taxation</b>				<b>95.586.563</b>
Taxation				(5.367.636)
<b>Net income for the period</b>				<b>90.218.927</b>

#### d) Segmental analysis for the period between 1 July and 30 September 2006:

	Turkey	Russia and EE	Europe	Total
Net sales	142.864.299	-	7.873.265	150.737.564
Cost of sales	(97.916.688)	-	(7.020.046)	(104.936.734)
<b>Gross profit</b>	<b>44.947.611</b>	<b>-</b>	<b>853.219</b>	<b>45.800.830</b>
Operating expenses	(13.422.646)			(13.422.646)
Other expenses - net	(239.210)			(239.210)
<b>Net segmental income</b>				<b>32.138.974</b>
Unallocated operating expenses				(11.563.067)
Unallocated other income, net				8.736.783
Financial expenses				528.471
<b>Net operating income</b>				<b>29.841.161</b>
<b>Minority interest</b>				<b>(55.015)</b>
<b>Income before taxation</b>				<b>29.786.146</b>
Taxation				(5.122.790)
<b>Net income for the period</b>				<b>24.663.356</b>

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 33 - SEGMENT REPORTING (Continued)

#### e) Segment assets and liabilities

	30 September 2007	31 December 2006
<b><u>Total assets:</u></b>		
Turkey	1.284.877.033	879.992.828
Russia & EE	106.992.671	-
Europe	210.060.205	58.679.491
	<b>1.601.929.909</b>	<b>938.672.319</b>
Unallocated assets	20.078.703	24.613.260
Financial assets	6.187.642	6.079.239
Disposals group assets	3.177.058	-
<b>Total assets in consolidated financial statements</b>	<b>1.631.373.312</b>	<b>969.364.818</b>
<b><u>Total Liabilities:</u></b>		
Turkey	147.734.649	126.428.035
Russia & EE	56.936.129	-
Europe	12.955.827	19.038.988
	<b>217.626.605</b>	<b>145.467.023</b>
Unallocated liabilities	681.155.546	121.106.469
Liabilities held for sale	204.816	-
<b>Total liability in consolidated financial statements</b>	<b>898.986.967</b>	<b>266.573.492</b>

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 33 - SEGMENT REPORTING (Continued)

#### f) Depreciation and amortisation charge and capital expenditures:

##### Capital expenditures:

	2007		2006	
	1 January 30 September	1 July- 30 September	1 January- 30 September	1 July- 30 September
Turkey	45.061.300	569.097	67.572.626	36.182.041
Russia and EE	2.743.235	1.211.089	-	-
Europe	5.204.736	1.113.054	2.856.846	1.081.814
	<b>53.009.272</b>	<b>2.893.241</b>	<b>70.429.472</b>	<b>37.263.855</b>

##### Depreciation and amortization charges:

	2007		2006	
	1 January 30 September	1 July- 30 September	1 January- 30 September	1 July- 30 September
Turkey	36.513.014	14.310.722	32.855.749	10.843.837
Russia ve EE	2.553.671	1.782.080	-	-
Europe	4.075.734	2.546.313	3.381.691	1.210.419
	<b>43.142.419</b>	<b>18.639.115</b>	<b>36.237.440</b>	<b>12.054.256</b>

#### g) Non cash other expenses:

	30 September 2007			
	Turkey	Russia and EE	Europe	Total
Provision for employment termination benefits	3.232.222	-	-	3.232.222
Provision for doubtful receivables	1.148.476	-	554.493	1.702.969
Provision for lawsuits	655.264	-	-	655.264
	<b>5.035.962</b>	<b>-</b>	<b>554.493</b>	<b>5.590.455</b>

  

	30 September 2006			
	Turkey	Russia and EE	Europe	Total
Provision for employment termination benefits	2.264.528	-	-	2.264.528
Provision for doubtful receivable	1.764.983	-	-	1.764.983
	<b>4.029.511</b>	<b>-</b>	<b>-</b>	<b>4.029.511</b>

### NOTE 34 - SUBSEQUENT EVENTS

The Board of Directors of the Group decided to increase the paid in share capital from YTL 416.742.560 to YTL 421.000.000 by transferring YTL 4,257,440 from retained earnings, within the YTL 800.000.000 registered share capital limit, at its meeting at 7 November 2007. The transfer to share capital amounting to YTL 3.554.973 is from profit on disposal of property plant and equipment, YTL 462.495 is from profit on disposal of associates and YTL 239.972 is from extraordinary reserves.

The Group paid tax penalty amounting to a total of YTL 5.542.132 at 9 November 2007, before the final decision of Authorised Tax Court. The Group had reserved a provision amounting to YTL 2.538.000 regarding this claim at financial statements as of and for the period ended 30 June 2007. "

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 35 - DISCONTINUED OPERATIONS

Kisokos Directory Kereskedelmi es Szolgáltato Kft. (“Kisokos”), which is located in Hungary and was acquired indirectly with the acquisition of 67,3% shares of Trader Media East Ltd., is a Subsidiary of the Group and classified as discontinued operations (31 December 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, the intangible assets of the company will be transferred to the acquirer by December 2008 at the latest. The acquirer will manage the company from 16 April 2007 to the actual transfer date of the intangible assets and will be responsible for 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 30 September 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 amounting to Hungarian forint (“HUF”) 120 million (YTL 888.619) and this amount is considered as the fair value of Kisokos’ trademark. The discounted value of the trademark is disclosed in intangible assets in the balance sheet below.

As of 30 September 2007, the Group classified Kisokos as discontinued operations in consideration of criteria stated in IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”.

As of 30 September 2007, the assets and liabilities of the discontinued operations are classified in the “Assets held for sale” and “Liabilities held for sale” lines in the consolidated balance sheet the details of which are stated below:

	<b>30 September 2007</b>
<b>Current assets</b>	
Accounts receivable	1.195.162
Inventories	10.843
Other current assets	281.923
<b>Total current assets</b>	<b>1.487.928</b>
<b>Non-current assets</b>	
Intangible assets, net	420.475
Deferred tax assets	1.268.655
<b>Total non-current assets</b>	<b>1.689.130</b>
<b>Assets held for sale</b>	<b>3.177.058</b>
<b>Current liabilities</b>	
Trade payables	97.589
Other current liabilities	107.227
<b>Total current liabilities</b>	<b>204.816</b>
<b>Liabilities held for sale</b>	<b>204.816</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 36 - OPERATING INCOME

The details of sales for the nine- month periods ended at 30 September 2007 and 2006 are as follows:

	2007		2006	
	1 January- 30 September	1 July- 30 September	1 January- 30 September	1 July- 30 September
Turkey	449.518.193	153.376.512	451.464.522	142.864.299
Russia and EE	148.071.376	72.359.358	-	-
Europe	61.802.649	27.950.539	22.558.448	7.873.265
<b>Gross sales</b>	<b>659.392.218</b>	<b>253.686.409</b>	<b>474.022.970</b>	<b>150.737.564</b>
Cost of sales	(372.596.668)	(132.890.331)	(309.472.758)	(104.936.734)
<b>Gross operating profit</b>	<b>286.795.550</b>	<b>120.796.078</b>	<b>164.550.212</b>	<b>45.800.830</b>

#### NOTE 37 - OPERATING EXPENSES

The details of operating expenses for the nine- month periods ended at 30 September 2007 and 2006 are as follows:

	2007		2006	
	1 January- 30 September	1 July- 30 September	1 January- 30 September	1 July- 30 September
Personnel expenses	43.787.055	20.155.445	8.612.228	2.316.100
Advertisement expenses	35.608.451	13.705.736	19.890.839	3.723.665
Transportation, storage and travel	23.216.370	8.159.221	17.713.031	6.478.615
Sales premium expenses	22.169.794	10.855.124	2.325.000	775.000
Consulting expenses	15.237.902	5.336.674	10.792.054	4.129.200
Promotion expenses	10.199.195	2.214.983	8.257.924	811.292
Depreciation and amortisation	11.109.316	4.400.315	7.537.491	2.108.478
Services outsourced	7.770.206	3.983.946	3.445.518	1.082.845
Sponsorship expenses	4.035.716	543.111	2.666.788	565.205
Rent expenses	6.213.907	2.806.061	2.079.828	641.627
Repair and maintenance expenses	3.854.445	1.276.002	2.781.726	1.368.226
Communication expenses	2.578.490	1.130.127	1.690.289	604.999
Taxation	1.059.133	373.046	1.197.891	281.528
Other	15.019.891	6.768.898	2.538.080	98.933
	<b>201.859.871</b>	<b>81.708.689</b>	<b>91.528.687</b>	<b>24.985.713</b>

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

### NOTE 37 - OPERATING EXPENSES (Continued)

The allocation of personnel expenses for the nine- month periods ended at 30 September 2007 and 2006 are as follows:

	2007		2006	
	1 January- 30 September	1 July- 30 September	1 January- 30 September	1 July- 30 September
Cost of sales	89.421.472	33.515.731	65.869.795	22.834.419
Operating expenses (Note 37)	43.787.055	20.155.445	8.612.228	2.316.100
	<b>133.208.527</b>	<b>53.671.176</b>	<b>74.482.023</b>	<b>25.150.519</b>

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

Other income and expenses for the nine- month periods ended at 30 September 2007 and 2006 are as follows:

	2007		2006	
	1 January- 30 September	1 July- 30 September	1 January- 30 September	1 July- 30 September
Foreign exchange gains	15.407.109	11.263.332	19.530.859	2.964.314
Interest on bank deposits	9.532.532	3.323.273	16.417.011	6.152.562
Rent and service income	3.054.496	1.091.430	2.893.101	904.451
Due date difference on credit purchases	2.356.730	673.435	2.145.787	1.049.846
Due date difference on credit sales	9.288.826	3.156.950	7.947.301	3.562.628
Interest income on financial assets at fair value through profit and loss, net	1.506.807	611.634	-	-
Provisions no longer required	368.528	37.256	2.326.108	1.180.352
Gains from disposal of subsidiary	-	-	7.091.529	-
Other	5.392.337	4.387.616	1.519.475	180.679
	<b>46.907.365</b>	<b>24.544.926</b>	<b>59.871.171</b>	<b>15.994.832</b>

The other expenses and losses for the nine- month periods ended at 30 September 2007 and 2006 are as follows:

	2007		2006	
	1 January- 30 September	1 July- 30 September	1 January- 30 September	1 July- 30 September
Foreign exchange losses	18.342.343	9.549.900	14.012.054	3.158.884
Losses from associates (Note 16)	10.791.681	1.654.116	203.598	-
Provision for doubtful receivables	1.702.969	396.285	1.764.983	658.728
Loss on sale of property, plant and equipment, net	1.544.960	113.542	520.612	465.730
Bank commission and factoring expenses	1.178.513	385.107	1.085.986	456.137
Provision for lawsuits	655.264	-	-	-
Fines and compensations paid	516.053	195.581	572.817	171.216
Donations	278.505	41.434	2.477.499	1.956.454
Other	6.343.926	3.102.433	3.718.412	630.110
	<b>41.354.214</b>	<b>15.438.398</b>	<b>24.355.961</b>	<b>7.497.259</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 39 - FINANCIAL EXPENSES

The financial income and expenses for the nine-months periods ended at 30 September 2007 and 2006 are as follows:

	2007		2006	
	1 January- 30 September	1 July- 30 September	1 January- 30 September	1 July- 30 September
Foreign exchange losses				
on bank borrowings	65.977.621	33.943.654	(6.961.268)	(2.807.953)
Interest expense	(31.665.322)	(16.043.279)	(7.245.940)	3.336.424
	<b>34.312.299</b>	<b>17.900.375</b>	<b>(14.207.208)</b>	<b>528.471</b>

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

None (31 December 2006: None).

#### NOTE 41 - TAXES ON INCOME

	30 September 2007	31 December 2006
Corporation and income taxes (Note 23)	18.908.142	20.369.940
Less: prepaid tax (Note 10)	(9.354.312)	(19.230.600)
<b>Taxes payable, net</b>	<b>9.553.830</b>	<b>1.139.340</b>
Deferred tax liabilities	63.806.538	29.491.528
Deferred tax assets	(11.646.034)	(7.649.861)
<b>Deferred tax liability, net</b>	<b>52.160.504</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 utilised 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% (31 December 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.

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

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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 2006.

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).

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### 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 realised.

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 2006 gains which were present as of 2006, in accordance with the legislation (including the provisions related to tax rates) in force as of 2006:

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 6th 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 2006, 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 nine- month periods ended at 30 September 2007 and 2006 are summarised as follows:

	2007		2006	
	1 January- 30 September	1 July- 30 September	1 January- 30 September	1 July- 30 September
Current	35.883.829	19.180.636	18.870.643	6.009.126
Deferred	(1.444.837)	(212.126)	(13.503.007)	(886.336)
	<b>34.438.992</b>	<b>18.968.510</b>	<b>5.367.636</b>	<b>5.122.790</b>

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### 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 nine-month period ended at 30 September 2007 is as follows:

Income before minority and tax	124.801.129
Current tax expense through 20% enacted tax rate	24.960.226
Differences due to application of different tax rates in different countries	(782.199)
Expenses not deductible for tax purposes	4.373.166
Income not subject to tax	(2.215.024)
Carry forward losses utilised	(1.923.036)
Current period tax losses	233.008
Withholding tax for dividend payment	4.572.617
Other	5.220.234
<b>Taxation expense for the period</b>	<b>34.438.992</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:

	2007		2006	
	1 January- 30 September	1 July- 30 September	1 January- 30 September	1 July- 30 September
Net income for the period	85.048.678	44.431.638	90.218.927	24.663.356
Weighted average number of ordinary shares in issue	416.742.560	416.742.560	416.742.560	416.742.560
<b>Earnings per share</b>	<b>0,204</b>	<b>0,107</b>	<b>0,216</b>	<b>0,060</b>
-continuing operations	0,206	0,108	0,216	0,060
-disposal group	0,002	0,001	-	-

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2007

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

#### NOTE 43 - CASH FLOWS

The details of changes in operating assets and liabilities at consolidated cash flows for the nine-month periods ended at 30 September 2007 and 2006 are as follows:

	<b>30 September 2007</b>	<b>30 September 2006</b>
Change in restricted cash	51.034.707	1.765.117
Change in trade receivables	(15.044.533)	(6.936.016)
Change in due from related parties	6.745.053	9.473.934
Change in marketable securities	19.841.340	(12.273.527)
Change in inventories	(1.248.806)	(3.379.632)
Change in other assets	9.556.714	(2.563.058)
Changes in other financial obligations	7.576.914	-
Change in trade payables	(15.948.581)	1.478.634
Change in due to related parties	4.447.792	2.514.384
Change in other current liabilities	(41.047.146)	2.344.999
Change in assets and liabilities held for sale	588.416	-
	<b>26.501.870</b>	<b>(7.575.165)</b>

#### NOTE 44 - OTHER EVENTS

None (31 December 2006: None).

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