

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2005**

HÜRRİYET GAZETECİLİK VE MATBAACILIK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 AT 31 MARCH 2005

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CONSOLIDATED BALANCE SHEETS PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 AT 31 MARCH 2005 AND 31 DECEMBER 2004

(Amounts expressed in New Turkish lira unless otherwise indicated. Amounts related to 31 March 2005 period are expressed in current values and amounts related to 31 March 2004 and 31 December 2004 periods which are disclosed for comparative purposes are expressed in terms of the purchasing power of the New Turkish lira at 31 December 2004.)

**CONSOLIDATED BALANCE SHEETS
(YTL)**

ASSETS	Notes	UNAUDITED	AUDITED
		31 March 2005	31 December 2004
Current Assets		325.811.725	287.983.436
Cash and cash equivalents	4	81.645.826	72.338.864
Trading securities (net)	5	32.981.461	33.817.805
Trade receivables (net)	7	115.593.679	120.098.297
Receivables due to financial leases (net)	8	-	-
Due from related parties (net)	9	64.879.330	34.214.303
Other receivables (net)	10	6.311.508	5.393.395
Biological assets (net)	11	-	-
Inventories (net)	12	18.217.650	19.220.696
Construction contracts (net)	13	-	-
Deferred tax assets	14	-	-
Other current assets	15	6.182.271	2.900.076
Non-current assets		536.083.999	555.132.342
Trade receivables (net)	7	-	-
Receivables due to financial leases (net)	8	-	-
Due from related parties (net)	9	-	20.676.971
Other receivables (net)	10	-	-
Available for sale equity investments (net)	16	11.621.699	14.799.967
Goodwill (net)	17	11.332.183	11.332.183
Investment properties (net)	18	37.692.679	37.732.974
Property, plant and equipment (net)	19	467.728.068	462.829.711
Intangible assets (net)	20	892.993	974.665
Deferred tax assets	14	6.571.023	6.503.597
Other non-current assets	15	245.354	282.274
TOTAL ASSETS		861.895.724	843.115.778

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

CONSOLIDATED BALANCE SHEETS PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 AT 31 MARCH 2005 AND 31 DECEMBER 2004

(Amounts expressed in New Turkish lira unless otherwise indicated. Amounts related to 31 March 2005 period are expressed in current values and amounts related to 31 March 2004 and 31 December 2004 periods which are disclosed for comparative purposes are expressed in terms of the purchasing power of the New Turkish lira at 31 December 2004.)

CONSOLIDATED BALANCE SHEETS (YTL)		UNAUDITED	AUDITED
		31 March	31 December
LIABILITIES	Notes	2005	2004
Current liabilities		107.888.521	98.667.019
Bank borrowings (net)	6	11.520.201	14.288.330
Short-term portion of long-term bank borrowings (net)	6	9.343.833	6.845.370
Financial lease obligations (net)	8	-	-
Other financial obligations (net)	10	-	-
Trade payables (net)	7	53.860.278	46.807.457
Due to related parties (net)	9	3.502.215	4.450.457
Advances received	21	2.013.884	1.713.698
Construction contracts (net)	13	-	-
Provisions	23	5.639.210	5.807.066
Deferred tax liabilities	14	-	-
Other current liabilities (net)	10	22.008.900	18.754.641
Non-current liabilities		142.973.476	145.039.078
Bank borrowings (net)	6	67.376.686	61.128.601
Financial lease obligations (net)	8	-	-
Other financial obligations (net)	10	-	-
Trade payables (net)	7	32.080.205	38.270.028
Due to related parties (net)	9	1.139.950	1.139.948
Advances received	21	-	-
Allowances for payables	23,41	6.807.888	7.054.348
Deferred tax liabilities	14	35.561.747	37.446.153
Other non-current liabilities (net)	10	7.000	-
MINORITY INTERESTS	24	16.546.574	16.391.813
SHAREHOLDERS' EQUITY		594.487.153	583.017.868
Share Capital	25	416.742.560	416.742.560
Treasury Share		-	-
Capital Reserves	26	81.270.970	81.270.970
Share premium		-	-
Reserves from cancelled shares		-	-
Revaluation fund		-	-
Revaluation reserves for financial assets		-	-
Inflation adjustment to shareholders' equity	26	81.270.970	81.270.970
Profit Reserves	27	11.457.492	12.923.497
Legal reserves	27	11.170.063	11.170.063
Status reserves		-	-
Extraordinary reserves	27	2.108.245	2.108.245
Special funds		-	-
Capital reserves		-	-
Translation reserve		(1.820.816)	(354.811)
Net income/(loss) for the period		13.236.951	27.200.087
Prior year profits/(losses)	28	71.779.180	44.880.754
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		861.895.724	843.115.778

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

CONSOLIDATED STATEMENTS OF INCOME PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Amounts expressed in New Turkish lira unless otherwise indicated. Amounts related to 31 March 2005 period are expressed in current values and amounts related to 31 March 2004 and 31 December 2004 periods which are disclosed for comparative purposes are expressed in terms of the purchasing power of the New Turkish lira at 31 December 2004.)

**CONSOLIDATED STATEMENTS OF INCOME
(YTL)**

	Notes	UNAUDITED 31 March 2005	AUDITED 31 March 2004
Sales (net)	36	121.516.210	98.398.886
Cost of sales (-)	36	(85.625.414)	(63.914.314)
Other operational income/interest, dividend, rent (net)	36	-	-
GROSS OPERATIONAL PROFIT		35.890.796	34.484.572
Operating expenses (-)	37	(21.777.830)	(23.446.296)
NET OPERATING PROFIT		14.112.966	11.038.276
Other operating income	38	15.065.694	21.395.867
Other operating expenses (-)	38	(6.743.651)	(1.803.952)
Financial expenses(-)	39	(5.580.961)	(9.218.974)
OPERATING PROFIT		16.854.048	21.411.217
Loss on net monetary position	40	-	(8.439.230)
MINORITY INTERESTS	24	(128.023)	(178.008)
INCOME BEFORE TAXATION ON INCOME		16.726.025	12.793.979
Taxation on income	41	(3.489.074)	(7.525.653)
NET INCOME FOR THE PERIOD		13.236.951	5.268.326
Earnings per share (YTL)	42	0,03	0,01

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

CONSOLIDATED STATEMENTS OF CASH FLOW PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Amounts expressed in New Turkish lira unless otherwise indicated. Amounts related to 31 March 2005 period are expressed in current values and amounts related to 31 March 2004 and 31 December 2004 periods which are disclosed for comparative purposes are expressed in terms of the purchasing power of the New Turkish lira at 31 December 2004.)

CONSOLIDATED STATEMENT OF CASH FLOWS (YTL)

	Notes	31 March 2005	31 March 2004
Net income		13.236.950	5.268.326
Cash flows from operating activities	43	12.630.429	11.264.275
Taxes paid		(5.807.066)	(5.405.771)
Net cash inflow from operating activities		20.060.313	11.126.830
Cash flows from investing activities:			
Purchase of property, plant and equipment	19	(17.405.674)	(5.541.899)
Purchase of intangible assets	20	(181.075)	(66.089)
Proceeds from sale of property, plant and equipment		41.931	(13.137)
Purchase of other property, plant and equipment		214.035	466.923
Increase in due from related parties		-	(21.211.005)
Proceeds from sales of investments in associated companies	16	-	-
Interest received		10.356.916	10.232.157
Inflation effect on investment activities		-	(1.229.585)
Reversal of impairment losses on investment property		(28.309)	-
Net cash provided by investing activities		(7.002.176)	(17.362.635)
Cash flows from financing activities:			
Increase in bank borrowings		6.733.134	6.249.194
Decrease in long-term trade payables		(6.189.823)	(10.662.072)
Interest paid		(3.992.453)	(2.480.624)
Inflation effects on financing activities		-	8.087.254
Net cash inflow from financing activities		(3.449.142)	1.193.752
Net increase/(decrease) in cash and cash equivalents		9.608.995	(5.042.053)
Inflation effect on cash and cash equivalents		-	(7.149.043)
Cash and cash equivalents at the beginning of the year	5	71.331.801	118.639.843
Cash and cash equivalents at the end of the period	5	80.940.796	106.448.747

Cash and cash equivalents amounting to YTL4.969.732 (31 December 2004: YTL1.988.868) and trading securities amounting to YTL32.981.461 (31 December 2004: YTL33.817.805) are unavailable for use at 31 March 2005 (Note 4 and Note 5).

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2005 AND FOR THE YEAR ENDED 31 DECEMBER 2004

(Amounts expressed in New Turkish lira unless otherwise indicated. Amounts related to 31 March 2005 period are expressed in current values and amounts related to 31 March 2004 and 31 December 2004 periods which are disclosed for comparative purposes are expressed in terms of the purchasing power of the New Turkish lira at 31 December 2004.)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY(YTL)

	Share capital	Adjustment to share capital	Paid-in capital	Share premium	Translation reserve	Retained earnings	Total shareholders' equity
Balance at 31 December 2003	245.142.682	193.251.720	438.394.402	-	(803.537)	143.309.728	580.900.593
Current period currency translation differences	-	-	-	-	448.726	-	448.726
Dividend payments	-	-	-	-	-	(25.531.538)	(25.531.538)
Increase in share capital	171.599.878	(116.052.907)	55.546.971	-	-	(55.546.971)	-
Current period net profit	-	-	-	-	-	27.200.087	27.200.087
Balance at 31 December 2004	416.742.560	77.198.813	493.941.373	-	(354.811)	89.431.306	583.017.868
Current period currency translation differences	-	-	-	-	(1.466.005)	-	(1.466.005)
Disposal of associates	-	-	-	-	-	(301.661)	(301.661)
Current period net profit	-	-	-	-	-	13.236.950	13.236.950
Balance at 31 March 2005	416.742.560	77.198.813	493.941.373	-	(1.820.816)	102.366.595	594.487.152

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 AT 31 MARCH 2005

(Amounts expressed in New Turkish lira unless otherwise indicated. Amounts related to 31 March 2005 period are expressed in current values and amounts related to 31 March 2004 and 31 December 2004 periods which are disclosed for comparative purposes are expressed in terms of the purchasing power of the New Turkish lira at 31 December 2004.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

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

The address of the registered office is as follows:

Hürriyet Medya Towers
34212 Güneşli, Istanbul
Turkey

The Company is registered with the Capital Market Board (“CMB”) and its shares have been quoted on the Istanbul Stock Exchange (“ISE”) since 1992.

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

Company name	Country incorporation	2005	2004	Nature of business
Doğan Basım ve Dağıtım İşleri A.Ş. (“Doğan Basım”)	Turkey	Subsidiary	Subsidiary	Publishing and Administrative Services
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. (“Doğan Ofset”)	Turkey	Subsidiary	Subsidiary	Magazine and book publish
Hürriyet Zweigniederlassung GmbH. (“Hürriyet Zweigniederlassung”)	Germany	Subsidiary	Subsidiary	Newspaper publishing
DS Servis İdari Hizmetler ve Tic. A.Ş. (“DS Servis”)	Turkey	Subsidiary	Subsidiary	Administrative services
Hürriyet İnternet Hizmetleri ve Tic. A.Ş. (“Hürriyet İnternet”)	Turkey	Subsidiary	Subsidiary	Internet services
Egeser Servis İdari Hizmetleri ve Tic. A.Ş. (“Egeser Servis”)	Turkey	Subsidiary	Subsidiary	Administrative services
Hür Servis Sosyal Hizmetler ve Tic. A.Ş. (“Hür Servis”)	Turkey	Subsidiary	Subsidiary	Administrative services
Hür Medya İlançılık ve Reklamcılık Tic. A.Ş. (“Hür Medya”)	Turkey	Subsidiary	Subsidiary	Advertising
Hürriyet Ticari ve Sınai Ürünleri Pazarlama A.Ş. (“Hürriyet Pazarlama”)	Turkey	Subsidiary	Subsidiary	Marketing
Doğan Haber Ajansı A.Ş. (“Doğan Haber”)	Turkey	Subsidiary	Associate	News agency
Orta Anadolu Otomotiv Ticaret ve Sanayi A.Ş. (“Orta Anadolu Oto”)	Turkey	Subsidiary	-	Automotive
Hürriyet TV Film Production A.Ş. (“Hür TV”)	Turkey	-	Subsidiary	Broadcasting
Doğan Kitapçılık A.Ş. (“Doğan Kitapçılık”)	Turkey	Associate	Associate	Book publishing
Doğan Prodüksiyon ve Tic. A.Ş. (“Doğan Prodüksiyon”)	Turkey	-	Associate	TV programme production
Doğan Media International (“Doğan Media”)	Germany	Associate	Associate	Distribution and advertising
Yaysat Yayın Pazarlama ve Dağıtım A.Ş. (“Yaysat”)	Turkey	Associate	Associate	Distribution
DYG İlan ve Reklam Hizmetleri A.Ş. (“DYG İlan”)	Turkey	Associate	Associate	Advertising
Digital Hizmetler A.Ş. (“Digital Hizmetler”)	Turkey	Associate	Associate	Telecommunication
Doğan Telekomünikasyon Hizmetleri Satış ve Pazarlama A.Ş.	Turkey	Associate	-	Telecommunication

All Subsidiaries and Associates are registered in Turkey, except Hürriyet Zweigniederlassung and Doğan Media, which are registered in Germany.

The total number of employees of the Company and its Subsidiaries at 31 March 2005 is 2.325 (31 December 2004: 2.428).

The Company operates predominantly in one industry segment, media, and as the sales and the purchases of the Company are made and the assets of the Company are located mainly in Turkey, no segmental information is considered necessary.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 AT 31 MARCH 2005

(Amounts expressed in New Turkish lira unless otherwise indicated. Amounts related to 31 March 2005 period are expressed in current values and amounts related to 31 March 2004 and 31 December 2004 periods which are disclosed for comparative purposes are expressed in terms of the purchasing power of the New Turkish lira at 31 December 2004.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**Applied accounting standards**

The Company prepared the financial statements in accordance with the accounting and reporting principles issued by the Capital Markets Board (CMB) (CMB Accounting Standards). The CMB issued a comprehensive set of accounting principles on 15 November 2003 Serial XI, No.25 entitled "Communiqué on Capital Markets Accounting Standards". In the Communiqué it was envisaged that if accounting standards issued by the International Accounting Standards Board (IASB) are complied with then CMB Accounting Standards will have been considered to be have been complied with too. The CMB, with the decision announced on 17 March 2005, declared that for companies operating in Turkey and preparing financial statements in accordance with CMB Accounting Standards, the inflation accounting application will not be obligatory, effective from 1 January 2005. The consolidated financial statements have been prepared in accordance with the alternative above-mentioned application and were not subjected to inflation accounting. Financial statements and footnotes are presented in accordance with the presentation principles required by the CMB Communiqué dated 13 December 2004 numbered MSD-10/868-44357.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standards ("IAS") and Interpretations issued by the International Accounting Standards Board ("IASB"). The Company and its Turkish Subsidiaries and Associates maintain their books of account and prepare their statutory financial statements in Turkish lira in accordance with the requirements of Capital Market Board of Turkey ("CMB"), the Turkish Commercial Code, tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign Subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries where they are registered.

The restatement for the changes in the general purchasing power of the Turkish lira as of 31 December 2004 is based on IAS 29 ("Financial Reporting in Hyperinflationary Economies"). IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and that corresponding figures for prior periods be restated in the same terms. Hyperinflation is indicated by characteristics of the economic environment of a country which include the following: the general population prefers to keep its wealth in non-monetary assets or in a relatively stable currency; sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period even if the period is short; interest rates, wages and prices are linked to a price index and cumulative three-year inflation rate approaching or exceeding 100%. The restatement was calculated by means of conversion factors derived from the Turkish nationwide wholesale price index ("WPI") published by the State Institute of Statistics ("SIS").

In view of the CMB decision dated 17 March 2005, Communiqué No.B.02.1.SPK.0.17/152-7642 dated 18 March 2005 and current objective criteria, the inflation adjustment of financial statements for 2005 has been ceased, as the hyperinflationary period has ended and other indications regarding the continuation of a hyperinflation period have disappeared. Accordingly, the Company did not apply inflation adjustments to consolidated financial statements as of 31 December 2004.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 AT 31 MARCH 2005

(Amounts expressed in New Turkish lira unless otherwise indicated. Amounts related to 31 March 2005 period are expressed in current values and amounts related to 31 March 2004 and 31 December 2004 periods which are disclosed for comparative purposes are expressed in terms of the purchasing power of the New Turkish lira at 31 December 2004.)

Restatement of the Financial Statements in Hyperinflationary Periods

Indices and conversion factors used to restate the financial statements at 31 December 2004 and 2003 are given below:

Dates	Index	Conversion factors	Cumulative three-year inflation rates (%)
31 December 2004	8.403,8	1,000	69,7%
31 December 2003	7.382,1	1,138	181,1%

The main procedures for the aforementioned restatement and the effects of the termination of restatement procedures are as follows:

- Since the hyperinflationary period has ended, current year financial statements are no longer restated and the amounts of the previous reporting periods are restated by applying general inflation indices to the currency purchasing power at the latest balance sheet date which was reported according to the restatement application.
- Non-monetary assets and liabilities and equity items which are not stated in current purchasing power as at the balance sheet date in the hyperinflationary periods, were adjusted using the related monthly adjustment factors. Following the ending of hyperinflationary period their values, stated in the purchasing power as at the balance sheet date subject to inflation adjustment, have been considered as the opening values of the relevant asset, liability and equity items as at 1 January 2005.
- Comparative financial statements are restated by applying general inflation indices to the currency purchasing power at the latest balance sheet date which was reported according to the restatement application.
- The effect of inflation on the net monetary position of the Company in high-inflationary periods is included in the statement of income as gain on net monetary position.

Restatement of the Financial Statements in Hyperinflationary Periods

Through the enactment of the Law numbered 5083 concerning the "Currency of the Republic of Turkey" in the Official Gazette dated 30 January 2004, New Turkish lira ("YTL") and the New Kuruş ("YKr") have been introduced as the new currencies of the Republic of Turkey, effective from 1 January 2005. The hundredth part of the YTL is the YKr. (1 YTL=100YKr) When the prior currency, Turkish lira ("TL"), values are converted into the YTL, one million TL (1,000,000 TL) is equivalent to one YTL (1 YTL). Accordingly, currency of the Republic of Turkey is simplified by removing 6 zeroes from the TL.

All references made to Turkish lira or Lira in laws, other legislation, administrative transactions, court decisions, legal transactions, negotiable instruments and other documents that produce legal effects as well as payment and exchange instruments shall be considered to have been made to YTL at the conversion rate indicated as above. Consequently, effective from 1 January 2005, the YTL replaces the TL as a unit of account in keeping and presenting the books, accounts and financial statements

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 AT 31 MARCH 2005

(Amounts expressed in New Turkish lira unless otherwise indicated. Amounts related to 31 March 2005 period are expressed in current values and amounts related to 31 March 2004 and 31 December 2004 periods which are disclosed for comparative purposes are expressed in terms of the purchasing power of the New Turkish lira at 31 December 2004.)

As stated in the announcement of Capital Markets Board dated 30 November 2004, financial statements of the period ending 31 December 2004, including the prior period financial data will be used for comparison purposes, are demonstrated in YTL, and prior period financial statements are presented in YTL currency for only comparative purposes.

Translation of financial statements of foreign Subsidiaries and Associates

The assets and liabilities of foreign Subsidiaries and Associates are translated into Turkish lira using the relevant foreign exchange rates prevailing at the period-end. The results of the foreign Subsidiaries and Associates are translated into Turkish lira using average exchange rate for the period. Exchange differences arising on retranslation of the opening net assets of foreign Subsidiaries and Associates and arising from using period-end and average exchange rates are included in the shareholders' equity as translation reserve

Basis of consolidation process

1. The consolidated financial statements include the accounts of the parent company, Hürriyet Gazetecilik ve Matbaacılık A.Ş., its Subsidiaries, and its Associates (altogether referred as the "Group") on the basis set out in sections (2) to (5) below. The financial statements of the companies included in the consolidation are based on the statutory records, with adjustments and reclassifications including restatement for changes in the general purchasing power of the Turkish lira, for the purpose of fair presentation in accordance with IFRS and applying uniform presentation.
2. 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 table below sets out all consolidated Subsidiaries and shows their shareholding structure at 31 March 2005 and 31 December 2004.

Name	31 March 2005	31 December 2004
	Direct and indirect control by the Company and its Subsidiaries (%)	Direct and indirect control by the Company and its Subsidiaries (%)
Hürriyet Zweigniederlassung	100,00	100,00
DS Servis	100,00	100,00
Egeser Servis	100,00	100,00
Hürriyet İnternet	100,00	100,00
Hür Servis	100,00	100,00
Hür Medya	100,00	100,00
Doğan Basım	99,99	99,99
Hürriyet Pazarlama	95,71	95,71
Orta Anadolu Oto	81,36	81,36
Doğan Ofset	54,85	54,85
Doğan Haber	50,01	50,01

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 AT 31 MARCH 2005

(Amounts expressed in New Turkish lira unless otherwise indicated. Amounts related to 31 March 2005 period are expressed in current values and amounts related to 31 March 2004 and 31 December 2004 periods which are disclosed for comparative purposes are expressed in terms of the purchasing power of the New Turkish lira at 31 December 2004.)

3. 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 their shareholding structure at 31 March 2005 and 31 December 2004.

Name	31 March 2005 Direct and indirect control by the Company and its Subsidiaries (%)	31 December 2004 Direct and indirect control by the Company and its Subsidiaries (%)
Doğan Kitapçılık	48,90	48,90
Doğan Media	43,93	43,93
Doğan Prodüksiyon (*)	-	40,55
Yaysat	25,00	25,00
Digital Hizmetler	22,74	22,74
DYG İlan	20,00	20,00

(*) All of the Doğan Prodüksiyon shares held by the Group were transferred to Doğan Tv-Radyo Yayıncılık A.Ş. for YTL1.998.000 on 7 February 2005.

4. Available for sale-equity investments 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 and restated to the equivalent purchasing power at 31 March 2005 less any provision for diminution in value (Note 11).
5. The results of Subsidiaries are included or excluded from their effective dates of acquisition and disposal, respectively.

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

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

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NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Index to accounting policies

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A. Related parties

For the purposes of these consolidated financial statements, Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding") and Doğan Yayın Holding A.Ş. ("Doğan Yayın"), shareholders, key management personnel and Board members, in each case together with their families and companies controlled or affiliated with them, and associates are considered and referred to as related parties. A number of transactions are entered into with related parties in the normal course of business. Transactions with related parties were priced at market rates (Note 9).

B. Trading securities

Trading securities are securities which were 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. Trading securities are initially recognised at cost and subsequently re-measured at fair value based on quoted bid prices. All related realised and unrealised gains and losses are included in the consolidated income statement as financial income (Note 5).

C. 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).

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A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

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

D. Inventories

Inventories are valued at the lower of cost or net realizable value restated to the equivalent purchasing power at 31 March 2005. 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. Net realizable value is the estimated selling price in the ordinary course of business, less costs of completion and selling expenses (Note 12).

E. 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. Investment properties are carried at cost less accumulated depreciation (except land) under the cost method (Note 18). Depreciation is provided on the restated amounts for investment property on a straight-line basis. The depreciation periods for investment property, which approximate the economic useful lives of such assets, are 50 years.

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.

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F. Property, plant, and equipment and depreciation

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

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

Property, plant and equipment is 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 related income and expense accounts, as appropriate.

G. 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.

H. Goodwill / negative goodwill and amortization

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

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I. Intangible assets and amortization

Intangible assets comprise acquired intellectual property, trademarks and other identified rights. They are recorded at their acquisition cost and amortised using the straight-line method over their estimated useful lives for a period not exceeding 5 years from the date of acquisition. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount (Note 20).

J. Deferred taxes

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 in the consolidated financial statements. 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 IFRS 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.

K. Bank borrowings

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

L. Employment termination benefits

Under the Turkish Labour Law, the Company, is required to pay termination benefits to each employee who has completed one year of service and achieves the retirement age (58 for women and 60 for men), whose employment is terminated without due cause, is called up for military service, or dies. Employment termination benefit represents the present value of the estimated total reserve of the future probable obligation of the Company arising from the retirement of the employees calculated in accordance with the Turkish Labour and Press Labour Laws (Note 22 and Note 23).

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M. 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.

N. 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.

O. Foreign currency transactions and translation

Income and expenses arising in foreign currencies have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into Turkish lira 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.

P. Revenue recognition

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

Interest income:

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

Rental income:

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

Service income:

Service income consisting of building contribution shares, electricity, and heating is recognized on an accrual basis.

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R. 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).

S. Earnings per share

Earnings per share disclosed in these statements of income are determined by dividing net profit by the weighted average number of shares that have been outstanding during the year 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 42). 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.

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue.

	2005	2004
Net income	13.236.951	5.268.326
Weighted average number of ordinary shares in issue	416.742.560	416.742.560
Earnings per share (expressed in full YTL per share)	0,03	0,01

There was no difference between basic and diluted earnings per share for any class of shares for any of the periods.

T. Cash and cash equivalents

Cash and cash equivalents include cash and amounts due from banks, and trading securities with maturity periods of less than three months (Note 4).

U. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

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V. Comparatives

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year so that the reclassification will result in a more appropriate presentation of events or transactions.

Y. Financial instruments***Interest rate risk***

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

Funding risk

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

Credit risk

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

Foreign currency risk

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

Fair value of financial instruments

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

The estimated fair values of financial instruments have been determined by the Company 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 Company and its Subsidiaries could realize in a current market exchange.

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

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Monetary Assets

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

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

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

Monetary Liabilities

Trading liabilities have been estimated at their fair values.

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

NOTE 4 - CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 31 March 2005 and 31 December 2004 is as follows:

	2005	2004
Cash in hand	877.799	640.282
Banks		
- demand deposits	1.076.362	1.564.668
- time deposits	74.413.859	67.812.142
- blocked time deposits	4.969.732	1.988.868
Other liquid assets	308.074	332.904
	81.645.826	72.338.864

Cash and cash equivalents included in the consolidated statements of cash flows for the period ended 31 March 2005 and for the year ended 31 December 2004 is as follows:

	2005	2004
Cash and banks	81.645.826	72.338.864
Less: Interest accruals	(705.030)	(1.007.063)
	80.940.796	71.331.801

As of 31 March 2005, cash and cash equivalents amounting to YTL4.969.732 (31 December 2004: YTL1.988.868) are not available for use.

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Period remaining to maturity for time deposits are as follows:

0-1 months	37.889.278	23.708.162
1-3 months	14.618.387	40.060.947
3-6 months	27.415.926	-
6-12 months	2.956.541	6.031.901
12+ months	-	-
	79.383.591	69.801.010

At 31 March 2005, interest rates for local currency time deposits are between 14% and 21% (31 December 2004: 19% and 24,80%) and interest rates for foreign currency time deposits are between 1% and 4% (31 December 2004: 1% and 6%).

NOTE 5 - TRADING SECURITIES

	2005	2004
Treasury bills and government bonds	32.981.461	31.047.857
Eurobond	-	2.769.948
Equity stocks - listed	-	-
	32.981.461	33.817.805

At 31 March 2005, treasury bills and government bonds have interest rates between 18,16% and 25,95% (31 December 2004: 20,46% and 22,7%). At 31 December 2004, Eurobond has an interest rate of 11%.

Maturity analysis for trading securities as of 31 March 2005 and 31 December 2004 is as follows:

	2005	2004
1-30 days	-	-
31-90 days	-	-
91-180 days	-	-
180-365 days	10.211.324	4.417.258
Over 365 days	22.770.137	29.400.547
	32.981.461	33.817.805

At 31 March 2005 there are no pledged trading securities (31 December 2004: N/A).

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NOTE 6 - BANK BORROWINGS

	Effective interest rate per annum(%)		Original foreign currency		YTL	
	2005	2004	2005	2004	2005	2004
Short-term bank borrowings:						
- Euro	4-7	7,11-9	1.569.121	3.524.400	2.514.793	6.438.373
- CHF	3-4	6-12	1.186.633	-	1.355.134	-
- TL	-	-	2.769.582	3.257.384	2.769.582	3.257.384
- USD	5-7	4-12	3.421.930	3.421.930	4.880.692	4.592.573
Total					11.520.201	14.288.330
Short-term portion of long-term bank borrowings						
- USD	5-7	6-12	5.100.491	5.100.491	6.682.844	6.845.370
- Euro	4-7	-	1.241.526	-	2.204.579	-
- CHF	3-4	-	399.659	-	456.410	-
Total					9.343.833	6.845.370
Total short-term bank borrowings					20.864.034	21.133.700
Long-term bank borrowings:						
- USD	5-7	4-12,75	26.395.388	22.489.639	36.177.519	30.183.345
- Euro	4-7	5-7,11	16.572.963	16.939.597	29.428.610	30.945.256
- CHF	3-4	-	1.550.400	-	1.770.557	-
Total long-term bank borrowings					67.376.686	61.128.601

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The redemption schedule of long-term bank borrowings is summarized below:

Year	2005	2004
2006	45.282.759	37.291.876
2007	3.864.692	9.558.337
2008 and after	18.229.235	14.278.388
Total	67.376.686	61.128.601

NOTE 7 - TRADE RECEIVABLES AND PAYABLES**Trade Receivables, net**

	2005	2004
Trade receivables - net of unearned credit finance income	102.446.380	106.780.778
Cheques and notes receivable - net of unearned credit finance income	19.445.222	19.547.049
	121.891.602	126.327.827
Less: Provision for doubtful receivables	(6.297.923)	(6.229.530)
Trade receivables - net	115.593.679	120.098.297

In accordance with the factoring agreement signed between the Company and Doğan Factoring, trade receivables amounting to YTL71.667.218 of the Company (31 December 2004: YTL78.760.164) relating to advertisements and printed materials are followed by Doğan Factoring.

The movement of provision for doubtful receivables during the periods is as follows:

	2005	2004
1 January	6.229.530	6.945.809
Provisions provided during the period	96.040	441.422
Collections	(27.647)	(301.872)
Monetary gain	-	(855.829)
	6.297.923	6.229.530

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Trade Payables, net

	2005	2004
Short-term trade payables	53.626.302	46.396.436
Notes payable	233.976	411.021
	53.860.278	46.807.457

	2005	2004
Long-term payables to suppliers	32.080.205	38.270.028

Long-term payables to suppliers relate to the purchase of machinery and equipment.

The redemption schedule of long-term payables is summarized below:

Year	2005	2004
2006	1.365.895	14.196.784
2007	2.614.112	10.441.112
2008 and after	28.100.198	13.632.132
	32.080.205	38.270.028

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NOTE 8 - FINANCIAL LEASE RECEIVABLES AND PAYABLES

N/A.

NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES**i) Balances with related parties:****a) Due from related companies:****Short-term:**

	31 March 2005	31 December 2004
Doğan Yayın (*)	20.802.738	-
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik")	9.738.646	6.324.422
Doğan Dış Ticaret	7.709.570	7.667.928
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım")	6.692.468	6.147.502
Eko TV Televizyon Yayıncılık A.Ş. ("Eko Televizyon")	3.371.767	2.632.143
Milliyet Verlags und Handels GmbH ("Milliyet Verlags")	3.284.806	4.007.578
Doğan Media	3.081.711	2.313.938
DTV Haber ve Görsel Yayıncılık A.Ş. ("DTV Haber")	2.161.529	8.276
Doğan Burda Rizzoli Dergi Yayıncılık ve Pazarlama A.Ş. ("DBR")	1.814.255	1.484.206
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	1.636.701	1.161.307
Doğan Müzik Kitapçılık A.Ş. ("DMK")	819.854	677.793
Milliyet Haber Ajansı A.Ş. ("Milha")	398.259	392.352
Doğan Kitapçılık	350.777	210.636
D Market	335.690	203.646
Doğan Otomobilcilik A.Ş. ("Doğan Oto")	110.336	81.026
Other	2.570.223	901.550
	64.879.330	34.214.303

(*) The group has obtained credit from Barclays Bank PLC at 27 January 2004 amounting to USD\$15.000.000 (YTL20.559.000), with the interest rate of 4,92 % and maturity date of 27 January 2006. The group has transferred the credit to Doğan Yayın with the same terms (Note 6). As of 31 March 2005 the interest accrual of the credit is YTL243.738. This amount is transferred to short-term receivables from long-term receivables.

Long-term:

	31 March 2005	31 December 2004
Doğan Yayın (*)	-	20.676.971

(*) As of 31 March 2005 receivables from Doğan Yayın are transferred to short-term receivables from long-term receivables.

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b) Due to related companies:

Short-term:

	31 March 2005	31 December 2004
Doğan Yayın	1.506.615	2.044.914
Milta Turizm	326.442	362.648
Doğan Holding	288.922	1.809
Doğan Dış Ticaret	225.915	246.986
Petrol Ofisi	149.530	23.903
Milliyet Pazarlama	142.015	-
Doğan Faktoring	65.447	928.241
Hürbim Bilgisayar ve Teknik Hizmetler A.Ş. ("Hürbim")	54.847	400.083
Other	742.482	441.873
	3.502.215	4.450.457

Long-term:

Doğan Dağıtım	1.139.950	1.139.948
	1.139.950	1.139.948

Non-current payables to Doğan Dağıtım represent deposits taken for the distribution of newspapers.

c) Bank accounts:

	31 March 2005	31 December 2004
Türk Dış Ticaret Bankası A.Ş. ("Dışbank")	5.666.077	1.542.553
Dışbank Malta Limited	32.311.141	23.070.284
	37.977.218	24.612.837

ii) **Transactions with related parties:**

a) Service and product sales:

	31 March 2005	31 March 2004
Doğan Dağıtım	14.614.060	14.559.368
Doğan Gazetecilik	6.335.589	4.857.906
DBR	1.717.684	164.384
Other	4.587.551	844.300
	27.254.884	20.425.958

Newspapers are sold through Doğan Dağıtım. The transactions with the Doğan Dağıtım are presented with the net value.

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b) Service and product purchases:

	31 March 2005	31 March 2004
Doğan Dış Ticaret	27.174.358	16.553.482
Doğan Yayın	1.863.024	1.265.703
Hürbim	1.658.444	1.303.868
DTV Haber	1.591.956	924.269
ANS Uluslararası Yapım Yayın Reklamcılık A.Ş. ("ANS")	547.339	764.844
Other	2.883.122	2.031.027
	35.718.243	22.842.807

The Company purchases essential raw materials from Doğan Dış Ticaret.

Doğan Dağıtım provides newspaper distribution services to the Company. The amount of services and goods purchased from Doğan Dağıtım includes newspaper returns, distribution and transportation expenses.

c) Purchases of property, plant and equipment and intangible assets: N/A (31 March 2004: N/A).

d) Other transactions with related parties:

	31 March 2005	31 March 2004
Other income, net		
Other income:		
Doğan Dış Ticaret	1.408.449	-
Doğan Dağıtım	387.520	341.624
Doğan Burda	206.367	-
Other	1.033.704	511.866
	3.036.040	853.490
	2005	2004
Other expenses:		
Doğan Dağıtım	88.430	27.773
Doğan Medya	-	51.773
Other	6.102	1.183
	94.532	80.729
Other income/net	2.941.508	772.761

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e) Other financial transactions with related parties:

	31 March 2005	31 March 2004
Financial income, net		
Financial income:		
Dışbank	878.538	1.903.252
Other	315.944	304.212
	1.194.482	2.207.464
Financial expenses:		
Doğan Yayın	243.738	186.765
Doğan Factoring	162.874	90.822
	406.612	277.587
Financial income, net	787.870	1.929.877

	31 Mart 2005	31 Mart 2004
f) Payments made to members of the Board and key management personnel	384.122	273.013

NOTE 10 - OTHER RECEIVABLES AND PAYABLES**Other receivables, net- short term**

	2005	2004
Advances given to personnel	3.244.682	1.704.897
Job advances	1.502.178	1.161.353
Value Added Tax ("VAT") recoverable	624.719	619.178
Receivables from tax office	27.811	738.924
Other current assets	912.118	1.169.043
	6.311.508	5.393.395

Other current liabilities, net- short term

	2005	2004
Provisions for lawsuits	14.449.228	8.807.489
Taxes and funds payable	5.221.642	7.417.974
Deferred income	860.984	861.098
Payables to personnel	103.017	439.531
Other	1.374.029	1.228.549
	22.008.900	18.754.641

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The movement schedule of provisions for lawsuits during the period is as follows:

	2005	2004
At 1 January	8.807.489	4.533.348
Charge for the period	5.641.739	8.563.876
Reversal of provisions	-	(3.982.202)
Monetary gain	-	(307.533)
	14.449.228	8.807.489

In line with the Company's legal consultant's view, the lawsuits filed against the Company are listed below:

	2005	2004
Legal lawsuits	1.167.775	1.165.275
Commercial lawsuits	7.830.918	4.696.860
Labor lawsuits	256.783	137.354
Tax lawsuits	5.193.752	2.808.00
	14.449.228	8.807.489

The Company filed two lawsuits regarding the tax and penalties declared by the Presidency of Tax Administration ("Tax Administration") on 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. The company received a notification at 16 February 2005 and notified that the decision evaluation demand was refused which was against the Company with a majority of votes at 30 December 2004. Thereafter the case will be held by the local court and the local court can agree to the decision of the Council of State as of 6 May 2005. The Company will appeal the case to a higher court in legitimate periods.

In reference to this lawsuit, considering that the Corporate Tax and Fund had already been paid, the tax base (stamp and additional taxes) is YTL71.589. The interest amount estimated by the Company at 31 March 2005 is YTL5.122.163.

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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 management appealed to the Council of State against this decision of the tax court and demand suspension of the execution at 10 September 2004. The Council of State accepted a partial cancellation in the amount of YTL2.122.283, 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 which had already been paid, from the taxes subject to dispute, the tax base subject to dispute is YTL6.541.530, and the fine amount is YTL7.210.655 at 29 December 2004.

Additionally, the aforementioned demand of the Company is still being reviewed at the date of this report. In the case that in future the law suits are finalised in favour of the Company, the aforementioned provisions accounted for in these 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 YTL5.193.752 for the tax base and penalties in the consolidated financial statements at 31 March 2005.

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NOTE 11 -BIOLOGICAL ASSETS

N/A (2004: N/A).

NOTE 12- INVENTORIES

	2005	2004
Promotion stocks	7.305.547	9.756.272
Impairment for promotion stocks	(1.724.670)	(4.409.490)
Promotion stocks, net	5.580.877	5.346.782
Raw materials and supplies	8.152.356	7.927.872
Finished goods and merchandise	3.173.534	3.430.586
Semi-finished goods	593.164	951.085
Order advances for raw material purchases	717.719	1.553.077
Other inventories	-	11.294
	18.217.650	19.220.696

Promotion stocks include promotion goods and properties.

The movement of impairment for promotion stocks during the period is as follows:

	2005	2004
1 January	4.409.490	4.656.292
Transfer to tangible fixed assets	(2.078.195)	-
Movements during the period	(606.625)	(246.802)
	1.724.670	4.409.490

NOTE 13- CONSTRUCTION CONTRACTS

N/A.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 AT 31 MARCH 2005

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

The Company calculates deferred tax assets and liabilities based on the temporary differences between the IFRS financials 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 IFRS and tax legislation.

Deferred income taxes are calculated on temporary differences that are expected to be realised or settled based on the taxable income in fiscal year 2005 under the liability method using a principal tax rate of 30% at 31 March 2005 (31 December 2004: %33). The rate for other temporary differences is 30% (31 December 2004: 30%).

The movement of net deferred taxes as of 31 March 2005 and 31 December 2004 is as follows:

	2005	2004
Deferred tax liabilities - net at 1 January	30.942.556	18.094.145
Deferred taxation income on consolidated statements of income	(1.951.832)	13.302.851
Disposal of subsidiary	-	21.573
Deferred tax asset raised due to acquisition of new subsidiary	-	(476.013)
Deferred tax liabilities - net	28.990.724	30.942.556

Opening balances of Doğan Haber, which has become a subsidiary as a result of an increase in the Group's control rate, and Orta Anadolu Oto which has been purchased as a subsidiary have been classified under "acquisitions" in the above movement. The Companies which have become an affiliate as a result of a decrease in the Group's control rate have been classified under "disposals" in the above movement.

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The temporary differences giving rise to deferred income tax assets and deferred tax liabilities as of 31 March 2005 and 31 December 2004 are as follows:

	Cumulative temporary differences		Deferred tax assets/ (liabilities)	
	2005	2004	2005	2004
Provision for employment termination benefits	6.807.882	6.693.880	2.042.363	2.008.164
Difference between tax base and carrying value of trade receivables and due from related parties	853.499	1.717.422	256.051	521.878
Impairment on promotion stocks	3.611.182	4.098.062	1.083.356	1.229.418
Difference between tax base and carrying value of trade payables and due from related parties	10.630.844	8.951.827	3.189.253	2.685.548
Other, net	-	195.297	-	58.589
Deferred tax assets	21.903.407	21.656.488	6.571.023	6.503.597
Difference between tax base and carrying value of property, plant and equipment	(114.126.651)	(124.695.225)	(34.883.943)	(37.408.569)
Difference between tax base and carrying value of time deposits	-	-	-	-
Other, net	(1.815.219)	(118.384)	(677.804)	(37.584)
Deferred tax liabilities	(115.941.870)	(124.814.059)	(35.561.747)	(37.446.153)
Deferred tax liabilities-net			(28.990.724)	(30.942.556)

NOTE 15-OTHER CURRENT/NON-CURRENT ASSETS AND LIABILITIES

Other current assets consist of prepaid expenses

Prepaid expenses

	2005	2004
Personnel expenses	2.090.850	1.351.437
Promotion expenses	1.196.030	328.361
Insurance expenses	1.127.736	143.539
Property taxes	510.962	-
Transportation and travel expenses	207.267	233.097
Rent expenses	271.935	172.788
Other	777.491	670.854
	6.182.271	2.900.076

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Other non current assets

	2005	2004
Deposits and guarantees given	114.061	118.149
Other	131.293	164.125
	245.354	282.274

NOTE 16- AVAILABLE FOR SALE INVESTMENTS

	%	2005	%	2004
Doğan Media	43,93	3.983.712	43,93	4.497.354
Doğan Havacılık San. ve Tic. A.Ş. ("Doğan Havacılık")	9,00	2.353.093	9,00	2.240.593
Doğan Kitapçılık	48,90	2.348.841	48,90	2.145.962
Doğan Raks	3,00	1.575.193	3,00	1.575.193
Yaysat	25,00	1.202.899	25,00	1.398.269
Doğan Faktoring	5,00	724.502	5,00	724.502
Doğan Dış Ticaret	1,75	346.040	1,75	346.040
Coats İplik Sanayi A.Ş.	0,50	257.849	0,50	257.849
Doğan Prodüksiyon (*)	-	-	40,55	2.459.775
Digital Hizmetler	22,74	133.860	22,74	352.975
DYG İlan	20,00	128.572	20,00	128.493
Doğan Telekom	28,71	118.002	28,71	118.003
Other	-	24.328	-	130.152
		13.196.891		16.375.160
Impairment (**)		(1.575.193)		(1.575.193)
		11.621.399		14.799.967

(*) The Company has sold existing shares of Doğan Prodüksiyon ve Ticaret A.Ş. to Doğan TV Radyo Yayıncılık A.Ş. as of 2005.

(**) At 31 December 2003 the Company has identified impairment for the available-for-sale investment; Doğan Raks, and accounted for a provision of YTL1.575.193.

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NOTE 17 - POSITIVE/ NEGATIVE GOODWILL

						Provision for	
	1 January 2005	Acquisitions	Additions	Disposals	Impairment	31 March 2005	
Goodwill	14.955.977	-	-	-	-	14.955.977	
Accumulated amortisation	3.623.794	-	-	-	-	3.812.665	
Net book value	11.332.183	-	-	-	-	11.143.312	
						Provision for	
	1 Ocak 2004	Acquisitions	Additions	Disposal	Impairment	31 March 2004	
Goodwill	14.955.977	-	-	-	-	14.955.977	
Accumulated amortisation	2.868.316	-	188.870	-	-	3.057.186	
Net book value	12.087.661	-	188.870	-	-	11.898.791	

The Goodwill of the Company is derived from Doğan Ofset, an acquisition in the previous years. In line with the accounting principle in Note 3 - H item, amortisation has not been provided for the three month period ending as of 31 March 2005.

Hürriyet and subsidiaries do not implement an acquisition within interim period ending as of 31 March 2005. Net assets and resulting goodwill from Orta Anadolu Oto acquisition of 79% during the period ended 31 December 2004 are as follows: :

Total cash consideration	11.666.789
Less: Net assets acquired at fair value	(10.801.186)
Goodwill	865.603
Cash and due from banks	1.848.662
Current assets	3.610.691
Non-current assets	10.570.673
Current liabilities	(5.171.442)
Non-current liabilities	(57.398)
Fair value of net assets	10.801.186
Total cash consideration	11.666.789
Less: cash and cash equivalents in subsidiaries acquired	(1.848.662)
Cash outflow on acquisition	9.818.127

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NOTE 18- INVESTMENT PROPERTIES

	1 January 2005	Additions	Impairment	31 March 2005
Cost:				
Land and land improvements	26.500.000	-	-	26.500.000
Buildings	11.769.815	-	28.309	11.798.124
Total	38.269.815	-	28.309	38.298.124
Accumulated depreciation:				
Buildings	536.841	68.604	-	605.445
Total	536.841	68.604	-	605.445
Net book value	37.732.974			37.692.679

	1 January 2005	Additions	Impairment	31 March 2005
Cost:				
Land and land improvements	20.206.642	-	-	20.206.642
Buildings	12.708.388	-	-	12.708.388
Total	32.915.030	-	-	32.915.030
Accumulated depreciation:				
Buildings	262.426	68.604	-	331.030
Total	262.426	68.604	-	331.030
Net book value	32.652.604			32.584.000

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NOTE 19- PROPERTY, PLANT AND EQUIPMENT

	1 January 2005	Currency translation difference	Acquisitions	Subsidiary disposals	Additions	Disposals	Transfers	31 March 2005
Cost:								
Land and land improvements	45.034.400	(80.190)	-	-	2.043.637	-	-	46.997.847
Buildings	232.868.347	(339.692)	-	-	2.619	-	-	232.531.274
Machinery and equipment	490.890.408	(812.804)	-	-	21.761	(182.092)	9.827.877	499.745.150
Motor vehicles	5.384.686	-	-	-	-	-	-	5.384.686
Furniture and fixtures	69.022.818	(24.291)	-	-	4.668	-	-	69.003.195
Leasehold improvements	21.660.728	-	-	-	-	-	-	21.660.728
Advances given	59.708	-	-	-	304.878	-	(59.709)	304.877
Total	864.921.095	(1.256.977)	-	-	2.377.563	(182.092)	9.768.168	875.627.757
Construction in progress	7.502.201	(54.475)	-	-	15.028.114	-	(9.768.168)	12.707.672
Total	872.423.296	(1.311.452)	-	-	17.405.677	(182.092)	-	888.335.429
Accumulated Depreciation:								
Land and land improvements	213.387	-	-	-	7.479	-	-	220.866
Buildings	36.778.832	(32.224)	-	-	1.283.646	-	-	38.030.254
Machinery and equipment	294.766.083	(204.032)	-	-	8.809.314	(140.161)	-	303.231.204
Motor vehicles	2.191.374	-	-	-	124.960	-	-	2.316.334
Furniture and fixtures	58.248.735	(14.389)	-	-	633.900	-	-	58.868.246
Leasehold improvements	17.395.174	-	-	-	545.283	-	-	17.940.457
Total	409.593.585	(250.645)	-	-	11.404.582	(140.161)	-	420.607.361
Net book value	462.829.711							467.728.068

Finance leased assets, which are classified under machinery and equipment, amounts to YTL 19.968.681 as of 31 March 2005 (31 December 2004: YTL 19.968.681). These assets have been fully depreciated as of 31 December 2003.

At 31 March 2005 there are mortgages on property, plant and equipment amounting to YTL 12.500 (2004: 43.012.500 YTL).

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	1 January 2004	Currency translation difference	Acquisitions	Subsidiary disposals	Additions	Disposals	Transfers	31 March 2004
Cost								
Land and land improvements	40.569.964	-	-	-	438.598	-	-	46.997.847
Buildings	219.639.955	(1.783.188)	-	-	98.755	(472.859)	-	232.531.274
Machinery and equipment	473.689.795	(6.904.662)	-	-	2.480.170	(2.344.293)	139.516	499.745.150
Motor vehicles	3.052.680	-	-	-	55.555	-	-	5.384.686
Furniture and fixtures	63.921.329	(282.710)	-	-	482.131	(74.968)	-	69.003.195
Leasehold improvements	21.656.290	-	-	-	-	-	-	21.660.728
Advances given	-	-	-	-	1.961.855	-	-	1.961.855
Total	822.530.013	(8.970.560)	-	-	5.517.064	(2.892.120)	139.516	816.323.911
Construction in progress	676.591	(526.124)	-	-	15.028.114	-	(9.768.168)	12.707.672
Total	823.206.605	(9.496.684)	-	-	5.541.898	(2.892.120)	-	816.359.698
Accumulated Depreciation:								
Land and land improvements	183.560	-	-	-	7.439	-	-	190.999
Buildings	31.751.799	(736.847)	-	-	1.177.555	-	-	32.192.507
Machinery and equipment	263.207.544	(2.921.048)	-	-	8.253.913	(2.327.350)	-	266.213.059
Motor vehicles	2.343.751	-	-	-	54.142	-	-	2.397.893
Furniture and fixtures	55.747.955	(334.225)	-	-	673.452	(74.968)	-	56.012.214
Leasehold improvements	15.304.745	-	-	-	535.374	-	-	15.840.119
Total	368.539.355	(3.992.119)	-	-	10.701.874	(2.402.318)	-	372.846.792
Net book value	454.667.250							443.512.906

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 AT 31 MARCH 2005

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NOTE 21- ADVANCES RECEIVED

YTL2.013.884 (31 December 2004: YTL1.713.698).

NOTE 22-RETIREMENT PLANS

There are no agreements for pension commitments other than the legal requirement stated in detail in Note 23.

NOTE 23- PROVISIONS

The short term provisions for payables comprised of current tax provisions. As of 31 March 2005 the tax provision is YTL5.639.210 (31 December 2004: YTL5.807.066).

The long term provisions for payables comprised of Employment Termination Benefits.

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and who achieves the retirement age (58 for women and 60 for men) and whose employment is terminated without due cause, is called up for military service, or dies. Since the legislation was changed on 8 September 1999 there are certain transitional provisions relating to length of service prior to retirement. At 31 March 2004 the amount payable consists of one month's salary limited to a maximum of YTL 1.648,90 (31 December 2004: YTL 1.574,74) 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. 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 Company arising from the retirement of the employees.

International Accounting Standards 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:

	2005	2004
Discount rate	5,45%	5,45%
Retention rate to estimate the probability of retirement	90,00%	92,00%

The principal assumption is that the maximum liability of YTL 1.648,90 (31 December 2004: YTL 1.574,74) for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of YTL 1.648,90 (1 January 2004: YTL 1.485,43), which is effective from 1 January 2005, has been taken into consideration in calculating the reserve for employment termination benefit of the Company.

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

	2005	2004
1 January	7.054.348	4.138.451
Acquisitions	-	1.154.064
Charge for the period	(246.460)	2.049.926
Monetary gain	-	(288.093)
	6.807.888	7.054.348

Acquisitions represent the opening balances of the companies which became subsidiaries as a result of an increase in the Group's control rate.

NOTE 24- MINORITY INTERESTS

	Control Rate	Minority Interest	Current period profit/ loss	1 January 2005			31 March 2005	
				Minority Interest	Minority profit/loss	Increase in Share Capital Other changes	Minority Interest	
Doğan Ofset	54,85%	45,15%	643.514	13.199.143	288.501	-	13.487.644	
Hürpa	95,71%	4,29%	(717.421)	72.449	(35.093)	55.165	92.521	
DHA	50,01%	49,99%	(169.414)	1.127.640	(84.684)	(28.421)	1.014.535	
Orta Anadolu	81,36%	18,64%	(218.308)	1.992.581	(40.701)	-	1.951.880	
				16.391.813	128.023	26.744	16.546.580	

	Control Rate	Minority Interest	Current period profit/ loss	1 January 2004			31 March 2004	
				Minority Interest	Minority profit/loss	Increase in Share Capital Other	Minority Interest	
Doğan Ofset	54,85%	45,15%	643.514	14.585.215	178.012	-	14.763.227	
				14.585.215	178.012	-	14.763.227	

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 AT 31 MARCH 2005

(Amounts expressed in New Turkish lira unless otherwise indicated. Amounts related to 31 March 2005 period are expressed in current values and amounts related to 31 March 2004 and 31 December 2004 periods which are disclosed for comparative purposes are expressed in terms of the purchasing power of the New Turkish lira at 31 December 2004.)

NOTE 25- SHARE CAPITAL/TREASURY SHARE

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 TL1.000. There are no privileged shares. The Company's historical authorised and paid-in share capital at 31 March 2005 and 31 December 2004 were as follows:

	2005	2004
Limit on registered share capital (historical)	500.000.000	500.000.000
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:

	2005	Share (%)	2004	Share (%)
Doğan Yayın Holding A.Ş.	250.045.536	60	250.045.536	60
Public quotation	166.697.024	40	166.697.024	40
	416.742.560	100	416.742.560	100
Adjustment to share capital	77.198.813		77.198.813	
Total share capital	493.941.373		493.941.373	

NOTE 26-27-28 RETAINED EARNINGS AND LEGAL RESERVES

Public companies distribute dividends according to CMB regulations as follows:

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:

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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 30% of their distributable profit arising from 2003 activity, which is calculated based on the financial statements prepared in accordance with IFRS. Based on the decision of the General Assembly, the distribution of a minimum of 30% 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.

Profits of the subsidiaries, joint ventures and associate companies of the Company will not be taken into consideration in the calculation of dividend since their general assemblies have not been held.

Company's shareholders' equity structure, in accordance with communiqué XI no: 25, is as follows:

	31 March 2005	31 December 2004
Share capital	416.742.560	416.742.560
Legal reserves	11.170.063	11.170.063
Extraordinary reserves	2.108.245	2.108.245
Restatement difference	81.270.970	81.270.970
Translation reserves	(1.820.816)	(354.811)
Net income for the period	13.048.080	27.200.087
Retained earnings	71.779.180	44.880.754
Total Shareholders' Equity	594.298.282	583.017.868

The differences between the historical and restated figures are as follows:

	<u>31 March 2005</u>			<u>31 December 2004</u>		
	Historical figures	Restated figures	Restatement difference	Historical figures	Restated figures	Restatement difference
Share capital	416.742.560	493.941.373	77.198.813	416.742.560	493.941.373	77.198.813
Legal reserves	11.170.063	15.071.295	3.901.232	11.170.063	15.071.295	3.901.232
Extraordinary reserves	2.108.245	2.279.170	170.925	2.108.245	2.279.170	170.925
Total	430.020.868	511.291.838	81.270.970	430.020.868	511.291.838	81.270.970

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NOTE 29- FOREIGN CURRENCY POSITION

YTL equivalents of assets and liabilities denominated in foreign and local currency at 31 December 2004 and 31 March 2005 are as follows:

	2005			Total FC
	US\$	Euro	Other	
Assets				
Cash and cash equivalents	14.726.652	5.801.573	10.280	20.538.505
Trading securities	-	-	-	-
Trade receivables and due from related parties	22.486.872	9.955.133	-	32.442.005
Inventories	-	1.383.966	-	1.383.966
Non-current assets	-	48.214.990	-	48.214.990
Total	37.213.524	65.355.662	10.280	102.579.466
Liabilities				
Short term bank borrowings	11.563.535	5.724.505	567.516	17.855.556
Trade payables and due to related parties	-	14.628.894	-	14.628.894
Taxes payable and other current liabilities	-	48.496	-	48.496
Long term bank borrowings	30.517.948	26.075.332	-	56.593.280
Long term trade payables and due to related parties	20.331.231	4.527.082	11.026.149	35.884.462
Other non-current liabilities	-	3.963.871	-	3.963.871
Total	62.412.714	54.968.180	11.593.665	128.974.559
Net foreign currency position	(25.199.190)	10.387.482	(11.583.385)	(26.395.093)

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	2004			Total FC
	US\$	Euro	Other	
Assets				
Cash and cash equivalents	22.201.018	3.434.410	16.213	25.651.641
Trading securities	-	2.769.948	-	2.769.948
Trade receivables and due from related parties	10.820.340	10.024.267	19.077	20.863.684
Inventories	-	1.127.919	-	1.127.919
Other current assets	-	37.230.984	-	37.230.984
Long-term due from related parties	26.903.246	-	-	26.903.246
Total	59.924.604	54.587.528	35.290	114.547.422
Liabilities				
Short term bank borrowings	12.110.509	6.437.336	-	18.547.845
Trade payables and due to related parties	11.270.335	16.894.446	3.545.459	31.710.240
Taxes payable and other current liabilities	-	96.475	-	96.475
Long term bank borrowings	30.183.345	30.894.259	-	61.077.604
Long term trade payables and due to related parties	16.739.015	15.849.286	3.711.919	36.300.220
Other non-current liabilities	91.263	1.530.128	-	1.621.391
Total	70.394.467	71.701.930	7.257.378	149.353.775
Net foreign currency position	(10.469.863)	(17.114.402)	(7.222.088)	(34.806.353)

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 March 2005; 1,3706 YTL=US\$ 1 and 1,7757 YTL=Euro 1 (31 December 2004: 1,3421 YTL= ABD\$ 1 and 1,8268 YTL=Euro 1).

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NOTE 30 – GOVERNMENT GRANTS AND INCENTIVES

The Company has received investment incentive numbered 76844 amount to US\$12.587.494 for imported vehicles and YTL322.123 for domestic vehicles as of 9 September 2004. The completion date of investment is 26 August 2006. The machinery import is not subject to customs Duty, VAT and Collective Housing Fund.

Capital expenditures, with some exceptions, over YTL10.000 (2004: YTL6.000) are eligible for investment incentive allowance of 40%, which is deductible from taxable income prior to the calculation of the corporate income tax, without the requirement of an investment incentive certificate; the amount of allowance is not subject to withholding tax.

The Company has received YTL496.594 investment deduction in the temporary tax declaration for the investment amount to YTL2.241.486 implemented as of 1 January 2005 – 31 March 2005. The Company has been planning to benefit from the 40% investment deduction from the investment amount to YTL23.638.083 until the end of 2005.

NOTE 31- 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	2005	Original amount	2004
a) Guarantees given:					
Letters of guarantee	TL	13.965.638	13.965.638	1.722.611	1.722.611
	US \$	183.819	251.942	143.819	193.019
	Euro	180.210	320.000	-	-
Financial notes	TL	-	-	202.223	202.223
Guarantee notes	TL	-	-	1.714	1.714
Other	US\$	74.400.000	101.972.640	77.940.381	104.603.786
	Euro	26.075.785	46.302.771	15.803.724	28.870.243
	TL	25.350	25.350	14.173.644	14.173.644
	CHF	1.182.435	1.350.341	-	-
			164.188.682	149.767.240	

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 AT 31 MARCH 2005

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b) Commitments given:

Related with the bank credits used by subsidiaries restricted financial assets and time deposits amounting to YTL4.969.732 (31 December 2004: YTL1.998.868) and commitments amounting to YTL21.772.996 (31 December 2004: YTL23.178.394) has been given.

As of 31 December 2004, Group companies have, in respect of their bank borrowings, mortgages amounting to YTL12.500 (31 December 2004: YTL43.012.500).

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 US\$1.920.192 is issued and US\$862.599 of various types of services has been used in connection with the barter agreements as of 31 March 2005.

d) Court cases:

Law cases against the Company amount to YTL56.223.171 (2004: YTL45.049.317). The amount of provision for these law cases is YTL14.449.228 at 31 March 2005 (2004: YTL8.807.489)

	2005	2004
Legal lawsuits	1.167.775	1.165.275
Commercial lawsuits	7.830.918	4.696.860
Labor lawsuits	256.783	137.354
Tax lawsuits	5.193.752	2.808.00
	14.449.228	8.807.489

As stated in Note 10, the Company filed two lawsuits regarding the tax and penalties declared by the Presidency of Tax Administration ("Tax Administration") on 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. The company received a notification at 16 February 2005 and notified that the decision evaluation demand was refused which was against the Company with a majority of votes at 30 December 2004. Thereafter the case will be held by the local

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court and the local court can agree to the decision of the Council of State as of 6 May 2005. Company will appeal the case to a higher court in legitimate periods.

In reference to this lawsuit, considering that the Corporate Tax and Fund had already been paid, the tax base (stamp and additional taxes) is YTL71.589. The interest amount estimated by the Company at 31 March 2005 is YTL5.122.163.

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 management appealed to the Council of State against this decision of the tax court and demand suspension of the execution at 10 September 2004. The Council of State accepted a partial cancellation in the amount of YTL2.122.283, 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 which had already been paid, from the taxes subject to dispute, the tax base subject to dispute is YTL6.541.530. The fine amount is YTL7.210.655 at 29 December 2004.

Additionally, the aforementioned demand of the Company is still being reviewed at the date of this report. In the case that in future the law suits are finalised in favour of the Company, the aforementioned provisions accounted for in these 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 YTL5.193.752 for the tax base and penalties in the consolidated financial statements at 31 March 2005.

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NOTE 32- BUSINESS COMBINATIONS

N/A (2004: N/A).

NOTE 33- SEGMENTAL INFORMATION

Since the Company operates majorly in media sector and the sales and assets of the Company are present in Turkey, financials are not reported in segments.

NOTE 34 - SUBSEQUENT EVENTS

In the regular meeting held on 11 April 2005, the Company decided to distribute a dividend, 50 % of the net profit of 2004, amounted to YTL12.490.542 on 2 May 2005.

In accordance with the decision of the Board of Directors on 15 April 2004, the Company paid dividends, 2,9972% of the capital amounted YTL416.742.560 between 2 May 2005 and 16 May 2005. The nominal value of each share is YTL1 and the shares were transferred for YTL0,029972.

NOTE 35 – DISCONTINUED OPERATIONS

N/A (2004: N/A).

NOTE 36 – OPERATING INCOME

	31 March 2005	31 March 2004
Domestic Sales	116.018.043	92.864.304
Exports	5.498.167	5.534.582
Sales, net	121.516.210	98.398.886
Cost of sales	(85.625.414)	(63.914.314)
Other	-	-
Operating Income	35.890.796	34.484.572

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NOTE 37 - OPERATING EXPENSES

	31 March 2005	31 December 2004
Advertisement	5.414.018	4.690.875
Depreciation and amortization	2.881.642	2.586.172
Consulting	2.308.534	1.707.211
Transportation, storage and travel	2.247.283	1.623.031
Promotion	2.026.853	3.207.781
Payroll	1.963.945	1.462.428
Services outsourced	1.681.535	4.466.953
Communication	588.409	512.899
Repair and maintenance	439.262	738.805
Other	2.226.349	2.450.141
	21.777.830	23.446.296

NOTE 38 - OTHER OPERATING INCOME/(EXPENSES)

	31 March 2005	31 December 2004
Other operating income:		
Foreign exchange gain	3.659.223	8.052.174
Interest on bank deposits	2.694.491	3.528.477
Amortised cost valuation income	2.601.559	3.911.260
Interest income on trading securities	2.299.447	1.506.421
Service income	1.107.914	2.908.432
Rent income	971.385	673.598
Overdue charges on credit sales	963.684	390.202
Reversal of provisions	606.625	67.906
Income from associates	161.456	283.547
Other	-	73.850
	15.065.694	21.395.867
Other operating expense:		
Provision for lawsuits (Note 10)	5.641.739	-
Provision for doubtful receivables	96.040	-
Provision for promotion stocks	-	1.134.940
Amortisation of goodwill	-	188.870
Other	1.005.822	480.142
	6.743.651	1.803.952
Other operating income, net	8.322.043	19.591.915

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NOTE 39 - FINANCIAL EXPENSES

	31 March 2005	31 December 2004
Financial expenses:		
Foreign exchange loss	2.576.364	5.494.703
Interest on bank deposits	2.538.949	2.766.251
Other	465.648	958.020
	5.580.961	9.218.974

NOTE 40 - NET MONETARY GAIN/LOSS

Inflation is reflected to the Company's profit and loss account as net monetary loss.

Capital Markets Board abolished inflation accounting in the act number 152-7642 dated 18 March 2005, therefore no net monetary gain/loss booked in 2005.

	31 March 2005	31 March 2004
Net Monetary Loss	-	(8.439.230)

NOTE 41 - TAXATION ON INCOME

	2005	2004
Corporation and income taxes payable	5.639.210	24.903.039
Less: prepaid tax	-	(19.095.973)
Taxes on income, net	5.639.210	5.807.066
Deferred tax liabilities	35.561.747	37.446.153
Deferred tax assets	(6.571.023)	(6.503.597)
Deferred tax liability, net	28.990.724	30.942.556
Total taxes	34.629.934	36.749.623

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

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Corporation tax is payable at a rate of 30% on the total income of the Company after adjusting for certain disallowable expenses, exempt income and investment and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations having 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 11% (10% effective from 1 January 2004). 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 30% on their corporate income. Advance tax 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 set off against other liabilities to the government.

Capital expenditures, with some exceptions, over YTL10.000 (YTL6.000 for 2004) are eligible for investment incentive allowance of 40%, which is deductible from taxable income prior to calculation of the corporate income tax, without the requirement of an investment incentive certificate, and the amount of allowance is not subject to withholding tax. When the revenue of the Company is not sufficient enough, deduction is postponed to the next years.

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months 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.

Taxes on income for the periods ended 31 March are summarised as follows:

	2005	2004
- Current	5.440.906	3.851.342
- Deferred	(1.951.832)	3.674.311
Taxation on income	3.489.074	7.525.653

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NOTE 42 - EARNINGS PER SHARE

	31 March 2005	31 March 2004
Net income	13.236.951	5.268.326
Weighted average number of shares with face value of YTL1 each	416.742.560	416.742.560
Earnings per share (YTL)	0,03	0,01

NOTE 43 - STATEMENT OF CASH FLOWS

Cash flow statements for the periods ended 31 March 2005 and 31 March 2004 are presented comparatively as complementary components to the financial statements. Cash generated from business operations are as follows:

	Notes	2005	2004
Adjustments:			
Depreciation	18,19	11.473.183	10.794.123
Amortisation	20	262.748	458.316
Minority interests		128.023	178.008
Taxation	41	3.489.074	7.525.653
Increase in reserve for employment termination benefits		(246.461)	344.682
Income from associates		(161.457)	(283.547)
Interest income, net		(6.020.234)	(6.570.109)
Impairment provision for promotion stocks	12	(2.684.820)	910.773
Other provisions, net		5.710.132	(263.419)
Foreign exchange gain on financing activities		108.444	4.293.765
Inflation effect on non-operating activities		-	5.944.270
		12.058.632	23.332.515
Changes in assets and liabilities:			
Decrease in trade receivables		4.436.225	22.379.545
(Increase)/decrease in due from related parties		(11.357.988)	2.033.577
Changes in marketable securities		836.344	(15.946.315)
Decrease in inventories		3.687.866	2.991.976
Increase in financial assets		(112.470)	(812.724)
Increase in other assets		(1.515.490)	(4.096.540)
Changes in accounts payables		7.625.843	(13.209.236)
(Decrease)/increase in due to related parties		(948.240)	2.337.549
Decrease in other current liabilities		(2.080.293)	(1.844.734)
Inflation effect on operating activities		-	(5.901.340)
Cash flow from operational activities		12.630.429	11.264.275

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH COMMUNIQUE XI/25 AT 31 MARCH 2005

(Amounts expressed in New Turkish lira unless otherwise indicated. Amounts related to 31 March 2005 period are expressed in current values and amounts related to 31 March 2004 and 31 December 2004 periods which are disclosed for comparative purposes are expressed in terms of the purchasing power of the New Turkish lira at 31 December 2004.)

NOTE 44 - OTHER SIGNIFICANT MATTERS WHICH MAY HAVE A MATERIAL EFFECT ON THE FINANCIAL STATEMENTS

N/A.