

hürriyet
freedom
liberte
vrijdom
liberta
freiheit
azadlıq
...



HÜRRİYET 2005 ANNUAL REPORT

Hürriyet

in istanbul...

CONTENTS

- 01 Hürriyet in Brief**
- 02 Financial Highlights**
- 03 Main Factors Affecting Operational Performance**
- 04 From the Management**
- 06** Message from the Chairman of the Board
- 08** Message from the Chief Executive Officer
- 10** Message from the Editor-in-Chief
- 12 Management**
- 14** The Board of Directors
- 16** Duties and Responsibilities of the Board of Directors and Executives
- 16** The Audit Committee
- 16** Elucidation Made Pursuant to the Capital Markets Board's Communiqué Series X, No. 16
- 16** The Audit Committee
- 17** Executive Board
- 17** Coordination Committee
- 18 Core Values**
- 20** Mission, Vision, and Strategy
- 21** Values
- 22** Editorial Principles of Hürriyet
- 24 Doğan Yayın Holding A.Ş.**
- 25 Doğan Şirketler Grubu Holding A.Ş.**
- 26 2005 Highlights from the Editor-in-Chief**
- 32 Review of Operations in 2005**
 - Advertisement Sector
 - Hürriyet's Advertisement Income
 - Advertisement Market Share
 - Publication Sales
 - Supplements Addressing a Diverse Audience
 - Investments
 - Printing (Production)
 - Global Access: Operations in Europe
 - Web Services
 - Human Resources
 - Personnel and Worker Movements
 - Social Responsibility, the Environment, and Donations
 - "Stop Domestic Violence" Campaign
 - Environmental Health
 - Donations and Aids
 - Financial Ratios and Profitability
 - Information about Capital Structure
 - Contingencies, Commitments, and Mortgages
 - Subsidiaries and Participations
 - Profit Distribution Policy and Profit Distribution Proposal for 2005
 - Internal Control and Risk Management
 - Hürriyet Stock Prices and Performance
- 54 Corporate Governance Principles Compliance Report for 2005**
- 73 Financial Statements**
 - Contact Information

Hürriyet in Brief

Among the newspapers published in Turkey, Hürriyet has the strongest financial structure and is the first and only media company in the country to receive a credit rating from an international rating agency.

The year 1948 saw critical and monumental changes in the world of the 20th century. Both social values and social systems were restructured and the Turkish Republic was transformed into a "multi-party system." Before the middle of the century arrived, two world wars had been fought, millions of people had died, and the power of the atomic bomb had become a part of our fears. Also in 1948, Western powers agreed upon the main principles of NATO, the United Nations Council adopted the Declaration of Human Rights, the Organization for European Economic Cooperation was founded, and Britain made a proposition regarding the establishment of the "European Council." In the midst of such historical events, there was also a struggle for social change in Turkey due to the deprivation and impoverishment brought about by World War II, and this despite the distance this country kept from the fray. At the same time, Turkey was also striving to reinvigorate her closed economy.

In such an ambience, Hürriyet met its readers for the first time on May 11, 1948 and thus began writing the history of Turkey. Since that day, as well as for the following 57 years, Hürriyet has gone to press without losing the true spirit in which it was founded. Over the years, Hürriyet has become an institution that lives by the slogan "every morning a new day begins and the printing presses turn." In becoming most widely read newspaper in Turkey, Hürriyet mirrors a diverse society. Without abandoning its guiding principle of providing "impartial, first-hand, correct reporting," the publication moves towards the future as a role model in the media sector.

Today, Hürriyet has become the source of accurate reporting and honest news analysis for all Turkish-speaking people around the world. It is a free speech platform where diverse views are expressed in keeping with Core Values and Publishing

Principles of Doğan Yayın Holding. Currently, Hürriyet has the largest staff of reporters and writers in Turkey and is supported by a wide news-gathering web via its regional agencies located in Istanbul, Ankara, Izmir, Adana, Antalya, and Trabzon. This journalistic network is comprised of 52 offices and 600 reporters located in Turkey and abroad, all affiliated with the Doğan News Agency, which works with the newspapers and TV stations owned by Doğan Yayın Holding.

Founded within the Doğan Yayın Holding conglomerate, Hürriyet's main enterprise is journalism. However, through its affiliated firms and partnerships both inside and outside of Turkey, Hürriyet is also active in other areas such as printing, distribution, Internet services, book publishing, advertising, TV production, and marketing.

Hürriyet is printed in six cities in Turkey, as well as in the Doğan Printing Center in Frankfurt, Germany. Doğan Dağıtım, a leading distribution company in Turkey specializing in printed material, is responsible for the inland distribution of the newspaper. With a current readership reaching more than 1.9 million persons a day, 60% of Hürriyet's audience is comprised of regular readers. Of these readers, more than 65% of them have completed higher education and belong to the high-income segment of the population.

In 2005, Hürriyet's average daily circulation was 519,000. In terms of both daily average net sales and advertising revenue, Hürriyet was the sector leader in Turkey. According to year 2005 figures, Hürriyet commanded a 15% share of the total advertising revenues in Turkey and had a 40.8% share of the total newspaper advertising revenue.

Among the newspapers published in Turkey, Hürriyet has the strongest financial structure and is the first and only media company in the country

to receive a credit rating from an international rating agency. With a credit scores of BB- (positive outlook) in long-term foreign currency, BB (stable outlook) in long-term domestic currency, and AA- (Tur) as determined by FitchRatings (December 6, 2005), Hürriyet has emerged as one of Turkey's most successful businesses in terms of creditworthiness.

After going public in 1992, Hürriyet's shares were one of only a few high-return shares in the period between December of 2001 and December of 2004. With its ability to produce cash funds and its liquid financial structure, Hürriyet has shown remarkable strength withstanding fluctuations in the financial markets. According to 2005 year-end closing prices of Hürriyet stocks on the Istanbul Stock Exchange (ISE), its market value increased by 66.8% in terms of US dollars over the year. This has gained worldwide attention for Hürriyet among international investors. Consequently, 92.4% of Hürriyet's publicly held shares (37% of its total shares) were held by international investors as of April 5, 2006, making it one of the most preferred companies listed on the IMKB, or Istanbul Stock Exchange (ISE), by international investors. As of December 31, 2005, Hürriyet's turnover was over YTL 585 million, with a net profit approaching YTL 88 million and a paid-in capital of YTL 416.7 million.

Having successfully turned what began on a simple spring day in 1948 into a huge success story, Hürriyet's overarching goal in the coming years is to become one of the top 20 most reputable businesses in Turkey. Consequently, Hürriyet aims to remain true to its principles of corporate governance and excellence in journalism by establishing and maintaining the highest standards. Hürriyet aspires to distinguish itself further in the eyes of its readership, to become more accessible to the general public, and to focus on increasing the quality and efficiency of its workforce.

Financial highlights

(YTL)

The independently audited financial highlights of the Company according to the consolidated balance sheet and P/L statements dated December 31, 2005; denominated in YTL over the current purchasing power of Turkish Liras as of December 31, 2005 (2004 has been independently audited and denominated in YTL over the current purchasing power as of December 31, 2004) are as follows:

	31.12.2005	31.12.2004
Total Current Assets	428,317,543	304,870,611
Total Fixed Assets	507,279,805	552,341,303
Total Assets	935,597,348	857,211,914
Total Short-term Liabilities	157,959,553	114,450,972
Total Long-term Liabilities	104,339,768	143,351,261
Total Shareholders' Equity	657,252,467	583,017,868
Net Sales	585,174,934	473,549,359
Operating Profit	103,609,653	77,894,826
Pretax Profit	122,495,734	65,647,379
Net Profit	87,580,389	27,200,087

Main factors affecting operational performance

	Year 2005	Year 2004
Average Daily Net Sales (units)	519,000	495,000
Average number of pages (pages)	80.4	72.2
Paper used (tons)	95,535	81,689
Average paper price (US\$/ton)	687	563
Inflation (Consumer Price Index % of change over the last 12 months)	8.2	8.6
Growth rate /GNP annual growth rate)	7.6	9.9
YTL/US\$ parity (annual average)	1.3403	1.4221
YTL/US\$ parity (year-end closing)	1.3418	1.3421
YTL/US\$ parity (annual average)	(5.8)%	(4.9)%

In 2005, the Turkish economy's real growth exceeded expectations and reached 7.6%, corresponding to a 20% growth on a US\$ basis, reaching US\$ 361 billion. The annual income per capita hit a record high with an annual average of US\$ 5,000. The leading growth segments in the private sector were building and housing construction (up 29.9%), durable consumer goods (15%), and machinery-equipment (21.4%). Over the same period, growth in the industrial sector was 6.5%, while the commercial sector growth stood at 7.4%. At the end of 2005, the boom in housing loans brought unparalleled

growth to the construction sector, due primarily to the decline of the Consumer Price Index (TÜFE) to 7.7% and the decrease in long-term interest rates to an annual rate of 14%. Among the main factors positively affecting the economy were the European Union (EU) membership process, the successful implementation of the monetary policy, financial discipline, and a record high foreign capital influx of US\$ 10 billion.

This economic scenario has fostered new hope, elevated expectations, and much optimism in Turkish economic markets.

Under these circumstances, Hürriyet experienced a very successful year in terms of both sales and advertisement revenues. Hürriyet's market share grew to 10.4%, thanks to its net daily average circulation of 519,000, an increase of 4.9% for the year 2005. With a 15% share of the whole advertisement market and a 40.8% share of the newspaper advertisement market, Hürriyet also sustained its leading position in the advertising sector.

FROM THE MANAGEMENT

freedom*

in New York

Beyond Europe, Hürriyet is also published in New York, and is sold in certain significant states in the USA.

* Hürriyet in English



From the Management

Message from the Chairman of the Board

*Due to its stable and profitable growth,
coupled with its strong financial structure,
Hürriyet creates great value for its shareholders.*

*Dear Shareholders and esteemed
members of the Hürriyet family,*

We have just completed a year filled with significant events in Turkey. With the continued decrease in the inflation rate in 2005 and appreciation of the New Turkish Lira (YTL) against foreign currencies, the Turkish economy embarked on a stabilization trend, following successive economic crises in the last few years. Turkey, which adhered strictly to IMF policies with determination and discipline, grew by more than 7% in 2005.

The main events that characterized the global economy in 2005 were the record increase in oil prices (reaching US\$ 70 per barrel), the interest rate increases by European and American central banks, and global imbalances caused by the rapid growth of emerging markets like China.

While such developments were taking place in the global arena, Turkey officially began full accession talks with the European Union (EU) on October 3, 2005. This helped bring about further economic stability, helping the country take important steps towards its future. The ongoing competitive environment, as well as successful privatization tenders and increased productivity are among the key factors that served to attract an ever-increasing international capital due to heightened interest by foreign investors. In the near future, we expect the government to adhere to the current monetary policies, continuing its work towards decreasing public debts and maintaining financial stability.

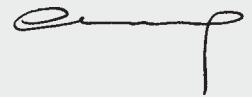
As Turkey moves towards membership in the European Union, the swift introduction and implementation of legal and social reforms is just as important as the economic changes. If our country correctly navigates these difficult waters, then Turkey will take significant steps towards its target of attaining prosperity.

As the most widely read newspaper in the nation, Hürriyet maintained its position in 2005 as the leading newspaper in the Turkish press sector. With 92.4% of its publicly held shares owned by international investors and its successful performance on the IMKB (Istanbul Stock Exchange), Hürriyet increased its daily circulation by 4.9% and its overall share in the newspaper sector by 40.8%, maintaining its leadership position in this market. Due to its stable and profitable growth, coupled with its strong financial structure, Hürriyet creates great value for its shareholders.

I would like to thank our employees and shareholders, who have contributed significantly towards this unparalleled success. It is my sincere wish that 2006 will bring even greater exploits for all of us.

Best Regards,

AYDIN DOĞAN
Chairman





From the Management

Message from the Chief Executive Officer

Hürriyet has once again confirmed its leading position in the sector; its 40.8% share in aggregate newspaper advertisement revenues, as well as its continually increasing circulation, merely affirms this.

Dear Shareholders and Valuable Colleagues,

The year 2005 was a successful one for Turkey, filled with numerous positive developments in both the political and economic arenas. Conscious of its responsibilities to its shareholders and society, our newspaper continued its uninterrupted and profitable growth throughout the year, maintaining its position as the leader in the Turkish press sector.

With the strongest financial structure among newspapers published in Turkey, Hürriyet realized a turnover of YTL 585 million and a net term profit of YTL 88 million in 2005. In all, the newspaper achieved a 36% growth in advertisement revenues last year. Our average net daily circulation grew to 519,000, reflecting a 4.9% increase, and our overall market share increased to 10.4%.

In reaching approximately 2 million people on a daily basis, Hürriyet has once again confirmed its leading position in the sector; its 40.8% share in aggregate newspaper advertisement revenues, as well as its continually increasing circulation, merely affirms this. In 2005, the market value of Hürriyet's shares increased by 66.8% (on a US\$ basis), demonstrating that the newspaper continues to be a profitable investment instrument.

Our over-arching strategy aims at providing customer-oriented service, producing content via traditional brands, and closely following the latest changes in technology. Furthermore, Hürriyet's blue print calls for developing reader-oriented specialty products and preparing information and educational products and tools tailored to each individual reader. Beyond this, the plan also targets using creative methods to diversify and enlarge our content distribution channels, diversifying and increasing the number of sales and distribution channels, and cooperating with the world's leading media enterprises.

The many "firsts" Hürriyet has introduced to the press sector, along with its social responsibility awareness, innovative vision, and emphasis on technology have all combined to help the newspaper maintain its high corporate reputation and firm corporate governance applications. With this in mind, Hürriyet has resolved to amend its Articles of Association in line with its Corporate Governance Principles and appoint a third independent member to the Board of Directors.

Hürriyet continues its activities in the field of social responsibility through the campaigns and sponsorship activities it organizes. In this regard, the newspaper continued to carry out the "Stop Domestic Violence!" campaign in 2005 in order to address the destructive and permanent effects of domestic violence on all members of the family, primarily women and children, and create public awareness concerning this issue.

We consider our activities concerning corporate and social responsibility, together with our strong financial structure, as important investments towards building a better future for Turkey and a sustainable development vision for Hürriyet.

These important elements that helped Hürriyet become what it is today, namely our innovative vision, our young and dynamic human resources, and our understanding of publishing morals, are what guarantee our future success. In light of this, I want to thank my colleagues, as well as all esteemed shareholders and readers, for the important role they have played in contributing to our success.

Warmest regards,

VUSLAT DOĞAN SABANCI
Chief Executive Officer





From the Management

Message from the Editor-in-Chief

In 2005, we demonstrated both our financial and professional strength. Just as they had done the previous year, Hürriyet journalists won important awards in two major journalism competitions in Turkey.

The Top Four Newspapers in Turkey are Directed by Hürriyet Alumni

For many years, we have emphasized the importance of the concept known as "Hürriyet journalism." If you were to ask me to demonstrate a perfect example of "Hürriyet journalism," I would reply as follows: Today, the persons directing the top four newspapers in Turkey are journalists who are alumni of Hürriyet. Furthermore, journalists trained at Hürriyet either direct or work in influential positions in some of the other major newspapers. All of this points to the fact that Hürriyet is the role model for the Turkish press.

In 2005, we further demonstrated both our financial and professional strength. Just as they did the year before, Hürriyet journalists won important awards in two major journalism competitions in Turkey. Beyond this, the power of our headlines to introduce new issues to Turkey's attention has increased and our journalists have succeeded in broaching new and controversial subjects for the country's agenda.

The major novelty in 2005 was the development of a new concept in reporting. Through our in-house training, we developed a new career map for reporters. This career line begins with the intern reporter stage and ultimately reaches the expert reporter status. Of course, our real objective is to provide on-the-job training for all reporters, paving the way for their promotion to senior executive levels at the newspaper.

While newspaper circulation figures took a dive last year in many parts of the world, Hürriyet sustained the rise in circulation that began some time ago. Furthermore, Hürriyet managed this at a time when its competitors reduced their prices to take the competitiveness between newspapers to new heights.

In 2005, Hürriyet attained another achievement in the field of regional journalism. Following the successful debut of our Bursa supplement, we started publishing a supplement for Ankara. Hürriyet produces all its supplements with an understanding of dynamic journalism and each of them are as successful as the newspaper itself in introducing new topics for the national agenda.

What can we look forward to in the days ahead?

"Hürriyet Journalism" will continue to be a positive role model for the Turkish media sector, even increasing its position of influence. Today, Hürriyet ranks among the strongest newspapers in the world because of its impacting journalism, strong performance, successful management, and outstanding financial results.

This is the story of its escalating success.

ERTUĞRUL ÖZKÖK
Editor-in-Chief





MANAGEMENT

liberte*

à Paris

DMG International extended to Europe the market-leading position of DYH newspapers it commands in Turkey, with an average daily circulation of 165,000 across Europe.

* Hürriyet in French



Management

The Board of Directors



Aydın Doğan
Chairman of the Board

Born in 1936 in Kelkit, Mr. Doğan completed his primary education there and his secondary education in Erzincan. From 1956 to 1960, he attended the Academy of Economics and Commerce in Istanbul. He founded his first industrial enterprise in 1974. In the following years, he was first as a member of the Istanbul Chamber of Commerce (ITO) Assembly, where he later served as a member of the Board of Directors. Subsequently, Mr. Doğan was a member of the Board of Directors of Turkey's Union of Chambers and Exchanges (TOBB). He also served as head of the Turkish Union of Newspaper Owners between 1986 and 1996. In 1998, at the meeting of the World Association of Newspapers (WAN) in Tokyo, he was elected to the Board of Directors, the first citizen of Turkey to serve in this capacity. In 1999, he was awarded the Outstanding Service Medal of the Republic of Turkey. In addition, Mr. Doğan has received honorary doctorates from Girne American University (1999), Aegean University (2000), Baku State University (2001), and Marmara University (2005). Today, he is the most senior member among all national newspaper owners in Turkey.



Mehmet Ali Yalçındağ
Vice Chairman

Born in Istanbul in 1964, Mr Yalçındağ has graduated with honors in 1989 from the American College in London. Yalçındağ first joined the Doğan Group in 1990 as the Assistant General Manager of Doğan Dış Ticaret. In 1991, became a member of the Executive Committee of Doğan Holding. Then, in 1992, he was appointed Assistant General Manager of Milliyet. In 1994, he assumed several responsibilities during the establishment of the Simga Group and began publishing four new newspapers including Posta, Fanatik and Radikal. When the media companies of Doğan Group merged under DYH in 1996, he was appointed Vice-President of DYH's Executive Committee. Yalçındağ has contributed to the generation of synergies for all publishers who are part of DYH. These include the establishment of Doğan Ofset DPC and Doğan Factoring By founding DHA, he put all news departments under the control of a single administrative body. The publication of children's books was integrated in a single unit, which resulted in the creation of a partnership with the Egmont Group. Magazines published by Hürriyet and Milliyet were merged with the formation of a partnership with Burda Media Group. He also formed a partnership with Time Warner, enabling the establishment of a common news channel. With Star TV's joining the group in 2005, all TV and radio broadcasting companies became a part of the Doğan TV network. Yalçındağ has been President of the Executive Committee of Doğan Yayın Holding since 1999 and The Vice Chairman of Hürriyet Board of Directors. Yalçındağ is also the Turkish Chairman of the IAA, Chairman of the Turkish Advertising Council, a member of TÜSİAD, the Galatasaray Sports Club, and WEF Media Governors.



Vuslat Doğan Sabancı
Member
Chief Executive Officer

Born in 1971, Vuslat Doğan Sabancı graduated from Bilkent University with a degree in Economics. She continued her education at Columbia University in New York, where she received an MA in International Media and Communications. Ms. Doğan Sabancı worked in the editorial management department of The New York Times for a year. She then worked at The Wall Street Journal, where she helped in the formation of the Asian Business World News Channel and the Latin American Edition of the Journal. In 1996, Ms. Doğan Sabancı joined the Hürriyet Newspaper as Vice President in charge of advertising. Three years later, she rose to the rank of Group President for Marketing Operations, where her responsibilities included marketing, sales, human resources, and IT operations. Today she continues to serve as Hürriyet's CEO and as a member of the Board of Directors. In addition to strategic planning and business development, she is also responsible for the newspaper's administrative operations. Ms. Doğan Sabancı is also a member of the International Press Institute's Board of Directors.



İmre Barmanbek
Member

Born in 1942 in Istanbul, İmre Barmanbek graduated from Ankara University's Faculty of Political Science with a degree in Economics and Finance. From 1969 to 1970, she worked as a planning specialist in Incentive Implementation at the State Planning Organization. Subsequently, she promoted to the position of tax specialist at the Ministry of Finance. During the same period, she served as a member of the Tax Appeal Commission. Following her successful career at the Ministry of Finance, Ms. Barmanbek began working in the private sector. She joined Doğu Akü, a joint enterprise between the Koç and Doğan Groups, as Treasurer and was later promoted to the position of General Manager. She continued her career as the Financial Coordinator for the Doğan Group, culminating in her appointment as the Chief Financial Officer in 1998. She served as General Coordinator and Chief Executive Officer between 1999 and 2002.



Ertuğrul Özkök
Member

Born in 1947 in Izmir, Ertuğrul Özkök finished secondary school at the Izmir Namık Kemal High School and entered the College of Journalism and Broadcasting at the Ankara Political Science Faculty. Following his graduation in 1969, he worked as a reporter at TRT for a year. He later continued his studies in France and earned a doctorate in Communication Sciences. Upon his return to Turkey, Mr. Özkök began working as a lecturer at Hacettepe University. In 1986, he earned the title of Associate Professor and left the university to begin working for the Hürriyet Newspaper, where he served as the Ankara and Moscow representative. He currently serves as the Editor-in-Chief, as Vice President of Doğan Yayın Holding, and as a daily political commentator. Mr. Özkök launched his writing career in 1982 with the publication of his first book, entitled Art, Communication, and Power. This was followed by the publication The Unraveling of the Masses in 1984, Farewell Rebellion in 1987, and Stalin Baroque in 1989.



Soner Gedik
Member

Born in 1958 in Eskisehir, Soner Gedik earned his Bachelor's Degree in Economics and Public Finance from Ankara University. Following his successful completion of the entrance exam in 1981, he joined the staff of tax specialists at the Ministry of Finance in 1985 after finishing first in his class. Mr. Gedik enhanced his experience in financial matters in the six months he spent inspecting Turkey's leading private and government institutions as a public servant. He later joined the Finance Department of Hürriyet Holding A.Ş. to work as a financial advisor under the Group's CEO. In 1989, he was appointed Vice President of the Executive Board and subsequently served as a member of Hürriyet's Board of Directors as well as Head of Financing for the organization. Currently, Mr. Gedik is Doğan Yayın Holding's Vice President in charge of financial affairs and a member of the Board of Directors of several DYH companies.



Cem M. Kozlu
Member
(Independent Member)

Cem Kozlu lectured in International Marketing and Exporting Management at Bosphorous University between 1978 and 1981. He went on to become a guest professor in the Economics Department at Denison University in 1985. Mr. Kozlu has also served in executive positions at various national and international companies. He also served in the Turkish public sector as the Chairman of Turkish Airlines until 2003 and as a Member of Parliament following the 1991 general elections. Beginning in 1996, Mr. Kozlu worked in various positions at Coca-Cola, until his retirement in 2006 from his post as the Group Chief for the Central Europe, Eurasia, and Middle East divisions. He still works as a Consultant for Coca Cola in the Northern Asia, Eurasia, and Middle East Groups. Mr. Kozlu has published several books, among which are International Marketing, Seeking Vision for Turkish Miracle and Asian Models, Organizational Culture, Sogo-SoSa (A Japanese Lesson on Transcending Borders), and From Anger to Solution. Additionally, he has had numerous articles and commentaries published in daily newspapers.



Kai Diekmann
Member
(Independent Member)

Following his graduation from high school and completion of his military service in 1985, Kai Diekmann began working as an apprentice at Axel-Springer Publishing. In a short time, he became their Bonn representative. Mr. Diekmann went on to work as News Editor at Bunte Magazine between 1989 and 1991. He transferred to Bild in 1992 after working for a short time at Berliner Zeitung. Making a big career move in 1998, Mr. Diekmann became the Editor-in-Chief of the Welt am Sonntag newspaper. In 2001, he was appointed Editor-in-Chief of Bild, the best selling newspaper in Germany; and in 2004 became Bild's publisher. Presently, he is serving as publisher of Bild am Sonntag. After his appointment, the Bild newspaper became one of the best selling, most efficient, and most profitable publishing organizations in Europe. In 2004, Mr. Diekmann wrote the biography of Helmut Kohl, his close friend.

Management

Duties and Responsibilities of the Board of Directors and Executives

All kinds of transactions, including documents, agreements, general power of attorneys, surety bonds, and debit notes, which are binding for and involving a commitment in the name of Hürriyet Gazetecilik ve Matbaacılık A.Ş. must be undersigned by two first-degree signatory authorities. However, other kinds of transactions require the approval of the Chairman or the Vice Chairman of the Board of Directors and the resolution of the Board of Directors. These involve the trading of real estate, the sale or transfer of rights regarding privileges and copyrights, as well as every kind of patent, trademark, license, and other intellectual property rights, including the establishment of any restrictive rights thereon. In addition, the latter includes the establishment of mortgages, pledges, and other in-kind restrictive rights on movable and immovable properties of the Company, and participating in or selling participation shares of another company, as well as issuing stocks, bonds, and financial bonds.

The term of duty of the Members of the Board of Directors and directors who are granted first and second degree signatory authority by the Board of Directors is one fiscal year. The deadline for this term of authority is the date of the first Ordinary General Assembly Meeting.

The Audit Committee

Pursuant to the Turkish Commercial Code, it is the duty of the Audit Committee to audit and inspect the transactions, accounts, books, treasury, and profit distribution proposals of the Company to ensure their compliance with all applicable laws and the Articles of Association.

The Audit Committee audits the books and documents of the Company at quarterly intervals and submits its Auditor's Report. It is also responsible for deciding whether the balance sheet and P/L statement require approval and if the Board of Directors should be acquitted to the approval of the General Assembly. At the Ordinary General Assembly Meeting held on April 11, 2005, in accordance with the Turkish Commercial Code, Mehmet Yörük and Fuat Arslan were elected as Company Auditors; they are not shareholders in the Company and do not work on the Executive Board.

Elucidation Made Pursuant to the Capital Markets Board's Communiqué Series X, No. 16

The annual/consolidated financial statements and reports of Hürriyet Gazetecilik ve Matbaacılık A.Ş. were prepared pursuant to the International Financial Reporting Standards, according to the Communiqué Series XI, No. 25 Pertaining to Accounting Standards in the Capital Markets and issued by the Capital Markets Board for the January 1-December 31, 2005 period. Soner Gedik (Member of the Board of Directors), Ahmet Toksoy, (Head of Financial Affairs), and Halil Özkan (Finance Manager) audited them.

To the best of our knowledge within their duties and responsibilities, the information contained in the report is in complete accordance with the facts and does not omit anything that is likely to result in any misleading information.

Furthermore, to the best of their knowledge, the auditors have observed that the financial statements and other information in the report

reflect the financial position of the Company, as well as the operational results, for the corresponding period covered by the report. The persons mentioned above signed the report on April 7, 2005. A copy of this statement is herewith enclosed.

In its resolution of April 7, 2006, the Board of Directors approved the Company's financial statements and notes to the financial statements dated December 31, 2005.

The Audit Committee

Information regarding the Audit Committee members is as follows:

İmre Barmanbek
Chief

Member of the Board/Non-executive

Soner Gedik
Member

Member of the Board/Non-executive

The Board of Directors of the Company convened on April 14, 2005 and resolved to reelect İmre Barmanbek and Soner Gedik, Members of the Board who are concurrently the Committee Members Responsible for Auditing, authorizing them to fulfill the duties stipulated in the Capital Markets Board Communiqué Series X, No. 16.

On March 28, 2006, the Audit Committee submitted its resolution to the Board of Directors, stating that the financial statements, notes, and independent audit reports for the January 1-December 31, 2005 period fairly reflect the operational results of the Company and are correct and in accordance with the Company's accounting principles and IFRS and CMB standards.

Management

Executive Board



Seated Left to Right:

Ertuğrul Özkök Member of the Executive Board/Editor-in-Chief, **Vuslat Doğan Sabancı** Chief Executive Officer, **Ayşe Sözeri Cemal** Member of Executive Board/Chief Advertising Officer

Standing Left to Right:

Sinan Köksal Member of Executive Board/Chief Marketing Officer, **Ahmet Toksoy** Member of Executive Board/Chief Financial Officer

Coordination Committee

Vuslat Doğan Sabancı Chief Executive Officer

Ertuğrul Özkök Editor-in-Chief

Ahmet Toksoy Chief Financial Officer

Ayşe Sözeri Cemal Chief Advertising Officer

Sinan Köksal Chief Marketing Officer

Fikret Ercan Publishing Coordinator

Enis Berberoğlu News Coordinator

Temuçin Tüzecan Corporate Communications Coordinator

Sancak Basa Human Resources Director

CORE VALUES

vrijdom*

aan Amsterdam

With an average daily circulation of 130,000-140,000, Hürriyet is the best-selling Turkish newspaper printed in Europe. Hürriyet also ranks among the best-selling foreign newspaper on the Continent.

* Hürriyet in *Flemish*



Core Values

Mission, Vision, and Strategy

The primary aim of Hürriyet Newspaper is to provide accurate news and information, as well as honest analyses and assessments, to all Turkish-speaking people around the globe.

Primary aim

The primary aim of Hürriyet Newspaper is to provide accurate news and information, as well as honest analyses and assessments to all Turkish-speaking people around the globe. In order to accomplish this objective, the main task of the directors of Hürriyet and its subsidiaries is to manage the Company in such a way that both the Company and the Newspaper maintain their independence, which constitutes a basic corporate principle, plus leading the Company to provide the highest possible value to its shareholders.

Future goal

Hürriyet's goal for the coming days is to maintain its position of support for Turkey's modernization efforts through high-quality publishing, employee appreciation, and the awareness and fulfillment of its public responsibilities. As it has proven in the past, Hürriyet's position of support for the public will continue to drive its goals in the future.

Strategic objectives

Hürriyet's strategy involves providing high quality customer service, developing reader-oriented specialty products, producing content via traditional brands, closely following changes in technology, and diversifying and enlarging content distribution channels by using creative methods. In addition to this, the Company's strategy includes tailoring information and educational products and tools to individuals, diversifying and enlarging its sales and distribution channels, and cooperating with the world's leading media enterprises.

The Board of Directors and the Management are constantly reviewing Hürriyet's position in line with its strategic objectives. In regular and frequent Board meetings, the Company reviews its market position and devises new targets and strategies.

Core Values

Values

Hürriyet fully embraces democratic, liberal, and secular values. As a newspaper, it is eminently aware of its social responsibilities, as well as respectful of different views among people and the ethical values adopted by the press sector.

Hürriyet ...

... is **Democratic**: Conscious of the role of the free press in strengthening democracy, Hürriyet supports the expression of varying political preferences in free elections under democratic principles and the manifestation of this expression in the governing authorities.

... is **an Advocate of Freedom**: Hürriyet opposes racism and all forms of discrimination.

It supports the free expression and publication of all views that do not involve a call to violence and opposes any curtailment of these basic freedoms.

...is **Secular**: Hürriyet is opposed to basing social, economic, political, or legal systems of the State on religious principles.

... is **Respectful of Differences**: Hürriyet does not discriminate with respect to language, faith, nationality, race, or gender. It respectfully acknowledges the existence of people who speak different languages and/or identify themselves differently, so long as these freedoms do not promote discriminatory political stances.

... is **Respectful of Press Ethics**: Hürriyet subscribes to universal journalistic guidelines, which are listed in both the Publication Principles released by the Doğan Editorial Council and in the Hürriyet Journalism Handbook. Without exception, strict adherence to these values is compulsory.

...is **Responsible to the Public**: Hürriyet offers itself as a solution provider to help overcome social problems. Particularly in its specialized field, it supports all efforts to improve the quality of newspaper journalism.

Core Values

Editorial Principles of Hürriyet

All Hürriyet employees are responsible for compliance with the Editorial Principles, which are determined to ensure press ethics and public welfare.

1. The main function of journalism is to convey to the public the most complete information available in the shortest possible time without any distortion of the truth, exaggeration, or any kind of external pressure.

2. The journalist keeps his or her profession impervious to all other interests or forces. As such, he or she does not actively participate in any political party.

Employees who work in the divisions of Doğan Yayın Holding that prepare reports dealing with the “economy” or “finance” cannot own stocks and/or trade directly or indirectly in stock markets.

3. The journalist must avoid methods and attitudes that might debase the respectability of his or her title.

DYH employees cannot accept travel invitations from or travel with third parties, without the consent of their division heads.

4. Employees cannot accept gifts or privileges opposed to the ethics and traditions of the occupation from persons or organizations who are the subjects or possible subjects of publications.

5. No one can be disparaged or condemned on the basis of race, gender, social status, religious beliefs, physical handicaps, or age.

6. Publications which limit freedom of thought, conscience, and expression, or which threaten the general tenets of morality, religious feelings, and the institution of the family are unacceptable.

7. Epithets and expressions that mock, disparage, or falsely accuse persons or organizations beyond the limits of legitimate criticism are unacceptable.

The writers themselves must pay twenty percent of any indemnity case arising from verbal injuries and/or false accusations in the columns.

8. No one can be depicted as “guilty” unless convicted by the judicial system.

9. News, the content of which is within the boundaries of investigative journalism, cannot be covered without prior investigation, or the reporting of the results of said investigation, or confidence in the accuracy of those results.

Any journalist working at Doğan Yayın Holding press agencies who provides misleading information and/or publishes inaccurate news stories is subject to sanctions ranging from a “warning” to “removal from office.”

10. No one can be accused of criminal actions unless credible and reasonable grounds are presented.

11. The private lives of individuals cannot be made the subject of news reporting except for cases dealing with lifestyle or with requirements of public interest, which presuppose implicit or explicit consent on the part of the persons concerned.

12. With the exception of cases of public interest, methods of investigation that violate civil liberties, such as the use of hidden cameras and secret audio recordings, as well as unauthorized entry into private property, are unacceptable.

13. The identities of relatives or acquaintances of persons convicted or charged with a crime will not be made public unless they are themselves involved or their exposure is necessary for accurate reporting.

14. Unless it is a prerequisite in the public interest, information acquired under the condition of secrecy cannot be revealed.

15. Except in cases of the intentional deception of the public, the confidentiality of any news source will be honored with utmost respect and care.

16. It is imperative that the investigation, preparation, and publication of news always be carried out in a balanced, accurate, and impartial manner.

a) The perspective of the accused party must be included in the published news. It must also be specified when the relevant party has not responded or could not be contacted.

b) Quotations cannot be summarized and/or changed when there is any danger of portraying the source as incomprehensible or preposterous. The source and date must be clearly identified for all published quotations.

c) All public polls must be reported with the name of the polling agency, the identity of the petitioner and the financial source, the date and number of people surveyed, as well as the method of investigation.

17. Reporting that inspires or incites violence and usurpation, that influences children negatively and which inflames hatred and enmity between persons, communities, and nations is avoided.

18. Announcements and advertorials are explicitly identified as such.

19. The time limit set for publication is observed.

20. The right to reply to and disclaim inaccurate publications is respected and necessary steps are taken accordingly.

To correct its mistakes, Hürriyet has instituted intervention mechanisms that operate in an organized manner.

Doğan Yayın Holding A.Ş.

DYH companies, whose operational guidelines involve the merging of their resources, create a strong synergy with their alliance. DYH acts in line with the power of this synergy.

Doğan Yayın Holding A.Ş. (DYH) is a conglomerate of leading media companies and firms in related fields of activity in Turkey. The main operational sector of DYH is newspaper publishing, with Hürriyet being only one among several. Besides this segment, DYH's 29 companies also operate in a wide range of related areas including magazine and book publishing, distribution and printing, news media and TV broadcasting, music and movie production, multimedia product sales, plus several commercial and theme-based television stations. DYH also runs three radio stations. These enterprises, whose operational guidelines involve the merging of their resources, create a strong synergy with their alliance. DYH acts in line with the power of this synergy.

DYH publishes Hürriyet, Milliyet, Radikal, Posta, Fanatik, and Finansal Forum, as well as Turkey's foremost English newspaper, the Turkish Daily News. These newspapers form the backbone of the printed press in Turkey.

Kanal D is one of the most popular TV channels in Turkey. Another television channel under DYH's umbrella is CNN Türk, a joint venture between DYH and AOL Time Warner. At the end of year 2005, the first private television channel in Turkey, namely Star TV, joined the DYH conglomerate.

Doğan Burda (DB), which currently publishes a total of 24 magazines, also imports and locally distributes the world's major newspapers and magazines. Thus, since Burda is among the leading media entities in Germany, DB also represents another one of DYH's international joint ventures.

In the category of best-selling books, Doğan Books has a 20% market share in Turkey and is one of the most dynamic publishers of book series. Doğan Egmont, a joint venture between DYH and Egmont Publishing in Denmark, targets children in the 3-14 age range in Turkey. Doğan Egmont also publishes monthly children's magazines.

Doğan Music Company has signed a license agreement with Bertelsmann Music International Service GmbH, a subsidiary of Bertelsmann AG, one of the world's largest media companies. Consequently, Doğan Music Company entered the international music industry with the support of BMG and also launched and advertised its own artists globally.

Doğan Ofset, the leading printing company in Turkey, and Doğan Dağıtım, Turkey's most extensive printed materials distribution network, are also subsidiaries of DYH.

Furthermore, DYH gives priority to Internet and cable television investments, which also create a strong synergy with their present operations. With the steps taken in this direction, Doğan Online has assembled a comprehensive portal group and has thereby become the largest Internet Service Provider in Turkey. The D&R music and bookstore chain, besides using various marketing platforms at stores in central locations and via online shopping, also sells multimedia products.

Doğan Şirketler Grubu Holding A.Ş.

With a strong vision for the future, Doğan Şirketler Grubu Holding A.Ş. is one of the five largest conglomerates in Turkey, operating in a wide array of sectors, from media to energy, plus industry, tourism, and telecommunications.

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Founded in 1950 by Aydın Doğan, the current Chairman of the Board of Directors, Doğan Şirketler Grubu Holding A.Ş. embarked on its journey primarily as a trading company. While also focusing on non-media enterprises, the Holding generally operates in the media sector and its related fields through its subsidiary Doğan Yayın Holding A.Ş., which, excluding the small portion that was offered to the public, it owns in full.

Doğan Şirketler Grubu Holding A.Ş. is known for its focus on consumer relations, its novel ideas, and its success in implementing long-term business strategies that contribute to the development of the Turkish economy. Ever faithful to its tradition of successful management of change and the creation of innovative services,

which readily reach customers within its wide operational network, the conglomerate constantly upholds the principles of robust management, honesty, and commitment to the highest ethical standards.

Doğan Şirketler Grubu Holding A.Ş. has defined as its most important goal for the next five years the development and implementation of its principles of corporate governance.

Eleven of the companies operating under the umbrella of Doğan Şirketler Grubu Holding A.Ş. are publicly offered. The Holding employs 13,500 people and its total annual turnover amounts to US\$ 3.5 billion.

Petrol Ofisi is one of the strongest domestic companies operating in the country's energy sector. Its target is to become an energy source with various services, covering many regions, which will reach a large consumer base and simultaneously take advantage of opportunities for the development of retail operations.

Çelik Halat and Ditaş are the industrial ventures of the conglomerate.

In the tourism sector, the Holding, through Milta Turizm, operates Milta Kemer, Club Milta holiday resorts, and Milta Bodrum Marina.

Milpa, Hürriyet Pazarlama, and Doğan Dış Ticaret run commerce and marketing operations. Among Turkey's leading companies, Doğan Otomotiv, Ortadoğu Otomotiv, and Anadolu Otomotiv, carry out the sale of automotive products through a network of dealerships.

2005 HIGHLIGHTS FROM THE EDITOR-IN-CHIEF

Turkey has always discussed Hürriyet's terrific headlines, behind which is Hürriyet's corporate power. However, behind this corporate strength lies Hürriyet's employees and their professional success, initiative, skills, intellectual capacity, and passion to become better journalists, plus perhaps, a little luck.

Each headline has its own unique story. They are all very interesting and entertaining, but more importantly, very humane. As you read these headlines, you will understand that we who work at Hürriyet are people who take life very seriously, but at the same time make fun of it. Nevertheless, you will see that our best skill is perhaps our ability to distinguish the serious things from those that should be mocked. In fact, we do not complain because of these legendary stories. On the contrary, if we were to be honest we secretly cherish these legends and even feel flattered by them.

Because we work in this great Company, under the trademark of Hürriyet, we do not need any legend other than the name of Hürriyet and our trust in ourselves. Therefore, we have extremely beautiful stories to tell you.

ERTUĞRUL ÖZKÖK

The sad loneliness of the
minister's wife

Why did the famous author
Adalet Ağaoğlu resign from the
Human Rights Association?

Is Nurse N.T. the victim of the
aggressor, or the Police
Department and the media?

1. The sad loneliness of the minister's wife

November 28, 2005

The Minister of Transport Binali Yıldırım had arrived in Samsun accompanied by his wife, Semiha Yıldırım, one day before the startling photograph was taken. I was the only reporter who went with them to the restaurant located in the Kavak district. Upon entering the restaurant, Minister Yıldırım and those who were with him took their seats at the VIP table. Meanwhile, I was sitting at a table facing the VIP table, writing about Minister Yıldırım's visits and the funeral and watching those around me.

Approximately five minutes after the Minister arrived, his wife, Semiha Yildirim, entered the restaurant. Mrs. Yildirim went to sit at a table for one person that has been prepared by the waiters only two meters away from the VIP table. She sat right in front of me without talking to anyone. I was quite surprised with what I saw. I stopped writing and started watching Semiha Yildirim, surprised because the Minister's wife was not sitting at the VIP table with her husband. Then, I began thinking of ways I could take a photograph of her without anyone seeing it. It was not easy because the security people were also aware of the strange situation and were closely watching me, since I was the only reporter in the restaurant. My hesitation lasted for about five minutes and then I picked up the camera that was on the table. I started inspecting my camera as if something was wrong with it. Turning my back, I roughly measured the distance between Mrs. Yildirim and myself and focused on the nearest point of my objective. Suddenly, I turned around and lifted the camera and pressed the shutter release button in mere splits of a second, not even looking through the viewfinder. I had taken two photographs. Meanwhile, the bodyguards were glaring at me. However, they were unable to understand what I had done because I resumed inspecting the camera and cried out so the bodyguards could hear, "What happened to this camera?" I quickly removed the flash card from my camera, put it in a secret pocket in my photographer's vest, and installed another flash card in its place.



2. Why did the famous author Adalet Ağaoğlu resign from the Human Rights Association?

July 30, 2005

In fact, Adalet Ağaoğlu had been voicing her discomfort for quite a while. She not only voiced her opinion when we met in the evenings over drinks, but also in various meetings she attended. After some time, The Human Rights Association (İHD), which she had helped to establish, had somehow lost the meaning of the term "human rights." Frankly, it had moved beyond just "losing the meaning of the term;" rather, it became something quite different, akin to adopting a "nationalist" identity and completely ignoring human rights violations against another "nationality." The famous author was in fact specifically stating a date for this change: the day that Emîl Galip Sandalcı was removed from the Presidency of the Istanbul Human Rights Association. I knew she felt uneasy about this since we have been friends for a long time and had discussed all these events in detail. The murder by the PKK of Mr. Hikmet Fidan, a former deputy leader of HADEP, and the İHD's silence in the face of this crime was the last straw. She called me on the phone and said, "I've decided to resign from the İHD. Since you are a journalist, I wanted to share this news with you first." Then she faxed me her resignation letter. Obviously, this headline in Hürriyet fell like a bombshell. Certain groups immediately started attacking Adalet Ağaoğlu. Indeed, the manner of their assaults revealed that their idea of respect for labor and human rights, which they have been defending for years, was very shallow. This was not the only thing their actions revealed: What they did, in fact, completely justified Adalet Ağaoğlu's thoughts and misgivings. The rest was up to those who were risking everything concerning human rights.



3. Is Nurse N.T. the victim of the aggressor, or the Police Department and the media?

14 January 2005

Nurse N.T. was beaten and raped in the street. She was wounded and in hospital. However, she had "identified" the assailant at the police station only two days after the incidence and had him arrested. We had even seen photographs of the assailant in newspapers. When I met her, she was lying in one of the beds of the hospital where she works. She did not look like the rape victims we are used to seeing; she did not look humiliated, tearful or scared. To the contrary, she was angry. I was surprised by the way she expressed what she had lived through with clarity and very precise sentences. She said, "I have become a victim of not only the assailant but also of the security forces and the media." There have been rape victims for centuries; however, being a victim of the media is a new, contemporary condition. She told the attack in great detail. She was covered with blood when she went to the hospital. However, now she was not dealing with those wounds. She was angry with the fact that someone she herself had not identified was supposedly identified as the assailant and that the real assailant had not been caught. She thought that the police were putting pressure on her to make them look as if they had solved the case. "I said, 'You have his DNA and his fingerprints. Look into it.' They put a document in front of me and said, 'Sign this so that we can look into it in greater detail.' It turned out to be a document stating that I had identified the assailant. But I hadn't." When her statements made the headlines of Hurriyet, the security forces were quite hurt. Authorities told other newspapers that 'Everybody should mind his own business.' However, the person who had been shown to the newspapers as Nevin's assailant was released since his DNA did not match that of the assailant. She was determined to speak up. In the following days, Nevin and I met frequently. Often she called me since she was determined to follow this case through.



Hürriyet
Türkiye
Türkleri için

30 Temmuz 2008-Cumartesi Kurucuları: Sedat Bimael 1996 - 1998 Fiyatı: 35 YK (350-lira TL)

**Rus kızları
Türk erkeğini
romantik
buluyormuş**

20 yıl önce "Nihari Helge, Ruslarla ne buldu?" sorusuna cevap vermişti. Şimdi her yıl Rusya'da internet sitesine "Nihari Helge" (Nihari Helge) girip Ruslarla ilgili detaylı bilgileri bulabiliyor. Rus kızları Türk erkeklerini romantik buluyor. Nihari Helge'nin Ruslarla ilgili bilgileri...

Bunlar PKK'cı dedi ayrıldı



Ünlü yazar Adalet Ağaoğlu, kurucuları arasında



Melih Kibar'ın vasiyet konseri



Kızlay, Aşık'ta yeni sarıyor

Endonezya depremini ü. Türk ara. tıracacak

...Günay Aşık'ta yeni sarıyor. Endonezya depremini ü. Türk ara. tıracacak. ...Günay Aşık'ta yeni sarıyor. Endonezya depremini ü. Türk ara. tıracacak.

Tecavüz de yok teşhis de

Hürriyet, 'İstanbul'un göbeğinde dehşet'i yaşayan hemşire N.T.'ye ulaştı ve ortaya bu **ŞOK RÖPORTAJ** çıktı.



Gece hastane, gündüz okul. 20 yaşında bir kadın. Okuyor. Okul hayatlarını geçiştiriyor. O bir hemşire. Kadın hastanaya te-
...Günay Aşık'ta yeni sarıyor. Endonezya depremini ü. Türk ara. tıracacak.



Bakan, vali ve vekiller

ÜST KİMLİK ALT KİMLİK

Samsun'da, Bakan lokantada erkek protokolü ile otururken, eşi yemekini yan masada tek başına yedi.



Ve Bakan eşi yan masada tek başına



PROTOKOL MASASINDA 20 KİŞİ

REVIEW OF OPERATIONS IN 2005

liberta*

a Roma

For the past 40 years, Hürriyet has been fulfilling the need for news and commentary of Turkish people living in Europe. Owing to its strong network of reporters in these countries, it is also an important source of news for regional events.

* Hürriyet in *Italian*



Kovayla rüşvet muamması



NBA'den Ülker ve Efe's'e süper teklif



Okurlarımızın seçtiği güzel

Hürriyet

10 Numara'da sıcak sohbet



Alina Justino havada karışık

İngiltere Başbakanı Tony Blair 4. defasında 'Hürriyet'i' Downing Street'te okudu



Müdürlere emeklilik için tavşanlı baskı

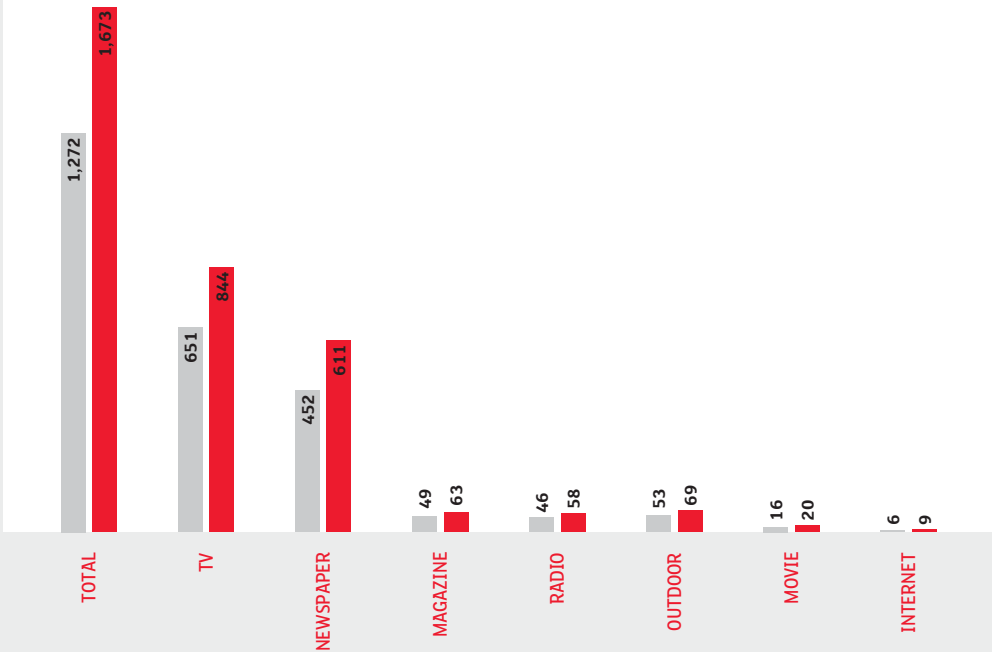
Review of Operations in 2005

In 2005, the overall revenues in the newspaper advertising market rose from US\$ 452 million to US\$ 611 million. Hürriyet ended 2005 with a 36% growth in newspaper advertising income.

Advertisement sector

In 2005, the total advertising market in Turkey had reached approximately US\$ 1,673 million, a 1.5% increase over the previous year's figure. While the share of television commercials in the advertising market decreased to 50.4%, the share of newspaper advertising grew by 1%, to 36.5%. Nonetheless, over the past year, the overall revenues in the newspaper advertising market rose from US\$ 452 million to US\$ 611 million. Parallel to the general growth in the country's economy, total advertising investments are expected to grow by 20% in 2006.

2004-2005 TOTAL ADVERTISEMENT INCOME
(US\$ Million)



The total number of applications for the third annual advertisement competition named "Kırmızı, Basında En İyiler Reklam Ödülleri" ("Red, Advertisement Awards for the Best in Press") conducted in January of 2006 totaled 886, representing 89 advertisement agencies.

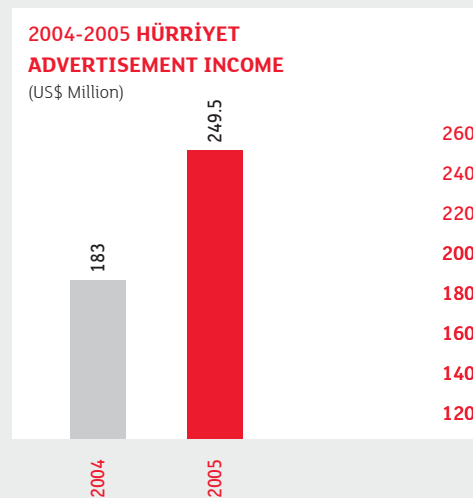


Hürriyet's advertisement income

Hürriyet ended 2005 with a 36% growth in newspaper advertising income.

This increase in the 2005 advertisement investments came primarily from the construction, automotive, finance, tourism, retail, furniture, and home textiles sectors. In addition, this year Hürriyet maintained its number one position in Human Resources advertising and the Classified Ads.

The total number of applications for the third annual advertisement competition named "Kırmızı, Basında En İyiler Reklam Ödülleri" ("Red, Advertisement Awards for the Best in Press") conducted in January of 2006 totaled 886, representing 89 advertisement agencies.



Advertisement market share

As it has done in the past, Hürriyet was the media organization with the largest share of the advertising market share in 2005, maintaining its leadership in the sector by a large margin.

Hürriyet's share in the total advertising market rose to 14.91%, an increase of 0.53% points and its share in the newspaper advertising sector grew to 40.84%, up by 0.35% points.

HÜRRİYET'S SHARE IN THE ADVERTISEMENT MARKET

■ Hürriyet's share in the total market
■ Hürriyet's share in newspaper advertisement market



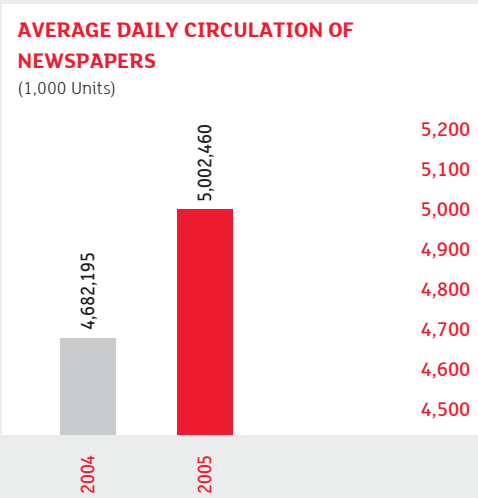
Review of Operations in 2005

Whereas Hürriyet was reaching its readers in 81 provinces, districts, and other locations all over Turkey through 23,400 sales points in 2004, this number grew to 23,929 in 2005.

Publication sales

Based on the data provided by the Press Announcement Agency, the daily average of newspaper sales reached 5,002,460 in 2005, an increase of 6.8% over the 2004 figure of 4,682,195.

Hürriyet aims to retain its reader profile and to maintain its leading position in the market. Therefore, it always holds to its price level and does not employ a competitive pricing policy to raise its circulation. Despite the limitations placed upon the marketing and promotional activities of newspapers by the legal regulations passed in mid-2003, Hürriyet achieved a circulation of 519,000, marking an annual increase of 4.9%, thus garnering an overall market share of 10.4%.

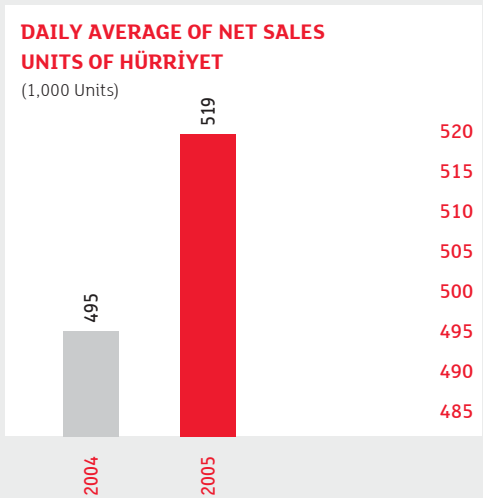


In 2005, Hürriyet did not increase the prices of its weekdays and/or weekend newspapers.

Whereas Hürriyet was reaching its readers in 81 provinces, districts, and other locations all over Turkey through 23,400 sales points in 2004, this number grew to 23,929 in 2005. In all, 65% of Hürriyet's total sales occur in Turkey's three largest cities, namely Istanbul, Ankara, and Izmir. In comparison to the circulation of its editions on weekdays, sales of Hürriyet go up by 80,000 on Saturdays and 260,000 on Sundays.

Hürriyet's goal is to maintain its status as the best-selling newspaper in Turkey and to continue to be the daily providing the highest value. To ensure the accomplishment of this goal, the following measures will be taken:

- Maintaining the continuity of a profitable selling price
- Implementing the practice of a special weekend price
- Putting out new supplements that increase sales turnover without creating loss
- Undertaking product differentiation to contribute to an increase in the turnover
- Increasing interaction with the reader in order to develop a more comprehensive database



Hürriyet prepares supplements and regional newspapers with a warm and personal ambience, creating added value for its readers as well as providing new opportunities for its advertisers.



Supplements addressing a diverse audience

With the belief that it is indispensable for the publishing business to embrace life in all its dimensions, Hürriyet prepares supplements and regional newspapers that add value to the lives of its readers and provide new opportunities for its advertisers.

These supplements are important factors that distinguish Hürriyet from others in the Turkish media.

“Kelebek,” which was re-published in 2004, is one of Hürriyet’s most important trademark supplements. With its re-emergence into the market in March of 2004, “Kelebek” has filled an important gap and has made a significant contribution to Hürriyet’s circulation, which is up by about 40,000 additional sales units as of year-end 2005.

Hürriyet’s supplement “İK” has reinforced Hürriyet’s leadership in the field of human resources. It not only addresses the needs of professionals seeking to expand their lives, but it also impacts institutions. Moreover, it has also succeeded in becoming an important advertising medium.

With an emphasis on rich content, Hürriyet Sunday has been developed to maintain the Newspaper’s leading position in the sector on Sundays. The importance of its role in this regard is evident from the fact that based on Sunday sales Hürriyet is by far the best-selling newspaper in Turkey.

In 2005, Hürriyet continued publishing supplements that address different types of readers and diverse interests. For example, realizing the gap in the growing real estate sector, Hürriyet launched the “Emlakyaşam” (“Real Estate & Life”) supplement for its readers in the Istanbul Region. “Emlakyaşam” keeps a finger on the pulse of the real estate market and acts as an important resource and guide in the real estate field to those living in Istanbul.

In 2006, Hürriyet aims to continue publishing supplements that will increase turnover and not create any loss. It also plans to overcome the diversification problem in the sector by providing new choices in different fields for its readers.

Review of Operations in 2005

Hürriyet undertook total investments worth US\$ 33,057,028 in 2005 in its printing facilities, primarily in Adana, Istanbul, Ankara, Izmir, Antalya, Trabzon, and Frankfurt.

Investments

Ongoing Hürriyet investment projects are designed to increase productivity. In 2003, the Istanbul printing facilities were thoroughly equipped through investments made in template-typesetting, automatic stapling, and folding systems. At the same time, due to the increase in the number of printed newspaper pages, film preparation machines were purchased.

The construction of the Esenyurt Printing Facilities, which began in 1999 in order to facilitate modern, fast and flow production and to meet the demands of advertisers for colored advertisements, was completed in 2000. In the following two years, its two units of MAN Colorman printing presses began operations. These technologically advanced printing presses are able to print a 64-page newspaper with 40 colored pages and are now being used by newspapers with high circulation. With the folding apparatus attached, it is possible to print two different newspapers simultaneously, each totaling 64 pages. With the anticipated addition of two MAN towers to the Istanbul DPC in 2006, the color page printing capacity will be increased from 40 pages to 48 pages.

In an effort to increase the quality of production through modernization, Hürriyet continues with its investments at the same pace as in previous years. It continues to obtain investment incentive certificates for future investments. The total amount of investments undertaken in 2005, primarily for the Adana, Istanbul, Ankara, Izmir, Antalya, Trabzon, and Frankfurt printing facilities amounted to US\$ 33,057,028. The investment incentive certificate obtained in September of 2004 has been used to fund these investments, involving imported machinery worth US\$ 34,801,252.

As a consequence of the printing machinery investment realized in 2005, the color printing capacity at the Ankara DPC was increased by 43%. Through these printing machinery investments, the printing capacity of the plants in Antalya, Adana, and Trabzon increased in 2005. The new printing facility building construction and printing machine investment, which commenced in 2005 in Izmir, will be completed by June of 2006.

1997-2005 INVESTMENT EXPENSES
(US\$ Million)



TOTAL:	259
■ Machinery:	146
■ Land:	55
■ Building:	44
■ Others*:	14

* Furniture, fixtures and fittings, computer, software, and transportation vehicles.

Operating under the umbrella of the Doğan Printing Center (DPC), Hürriyet is printed by the printing facilities in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon, and Frankfurt.



Printing (Production)

The DPCs, which create operational synergy between the newspapers of Doğan Yayın Holding, also play an important role in cutting expenses through their ability to actualize common paper purchases and provide storage for all the Group’s newspapers.

Operating under the umbrella of the Doğan Printing Center (DPC), Hürriyet is printed by the printing facilities in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon, and Frankfurt. Doğan Yayın Holding, with its growing printing capability, combined the separate printing centers of the Hürriyet and Milliyet newspapers in order to attain maximum efficiency and low-cost production and printing. In 1996, the printing facilities of Hürriyet and Milliyet in Trabzon were combined and renamed as the Doğan Printing Center. The same process was repeated in Ankara, Izmir, Antalya, Adana, and finally Istanbul, thereby uniting all printing operations under the DPC umbrella.

In addition to Hürriyet and its supplements, these printing facilities provide services to other companies both inside and outside the Group. Therefore, they contribute to the turnover and profitability of the Company. In 2005, the DPCs’ total revenue from sales and printing work amounted to YTL 106.4 million, as compared to YTL 102.2 million in 2004.

CAPACITY UTILIZATION RATIO OF PRINTING CENTERS (%)

<u>DPC - Istanbul</u>	<u>86</u>
<u>DPC - Ankara</u>	<u>84</u>
<u>DPC - Izmir</u>	<u>90</u>
<u>DPC - Trabzon</u>	<u>62</u>
<u>DPC - Antalya</u>	<u>58</u>
<u>DPC - Adana</u>	<u>93</u>
<u>DPC - Frankfurt</u>	<u>65</u>

These calculations are made on the basis of a 16-hour per day printing capacity for the printing presses.

The DPCs provide innovative leadership in Turkey because of their stable growth and flexible, high quality, and productive work principles. They use 240,000 tons of paper annually and are among the most renowned facilities in the international newspaper industry.

Review of Operations in 2005

The Istanbul DPC, which is the largest printing center in Turkey and second largest printing center in Europe, operates its services in a covered area of 17,000 m².

The most important reason for the 13% rise in DPC production figures in the past year was the increase in the circulation and number of pages of Hürriyet and the other newspapers owned by the Group.

The Istanbul DPC, which is the largest printing center in Turkey and second largest printing center in Europe, operates its services in a covered area of 17,000 m². The facility features two MAN Colorman printing presses, possessing the capacity to print 85,000 copies per hour, each totaling 64 pages, including 40 pages in color. The Istanbul DPC also has three Goss HT-70 printing presses. The MAN printing presses also are linked to the state-of-the-art Müller Martini "insert" system technology. Thus, up to six inserts or supplements can be placed inside the newspaper, either during printing or after completion of the printing of the newspaper.

The facility is also furnished with the Computer-to-Plate (CTP) system, an innovative technological method that allows for the direct plating of the pages received from the editors. The Istanbul DPC is the first to use this system in Turkey. This plant is equipped to handle the flawless, automatic plating of 4,800 templates per day, making the Istanbul DPC number one in the world in terms of the number of CTP templates produced at a single location.

Also at the Istanbul DPC, printed paper or commercial inserts can be placed in newspapers during or after printing by the existing insert system. Up to six inserts can be simultaneously placed into the copies. A total of 200 tons of printed matter can be stored on the facility's 350 rolls.

Due to the modernization of the Company's printing centers, waste stood at a minimal average of 5.51% in 2005, as compared 5.22% in 2004.

In 2006, the color page printing capacity will be increased by approximately 20% when the towers and units are added to the printing machines in Istanbul, Ankara, Izmir, Adana, Trabzon, and Antalya. With the two MAN towers added to the Istanbul DPC facilities, the color page printing capacity will be increased from 40 pages to 48 pages.

Furthermore, when the new Müller Martini "insert" system is installed at the Ankara and Izmir plants and the additional "insert" system is installed at the Istanbul facility in 2006, the overall inserting capacity will be increased.

<u>Type of Production</u>	<u>Year 2005</u>	<u>Year 2004</u>	<u>Increase %</u>
	<u>Total Number of Pages</u>	<u>Total Number of Pages</u>	
Newspaper	19,651,966,660	17,332,157,094	13.38
Subcontracted printing	25,091,740,909	22,396,593,956	12.00
Total	44,743,707,569	39,728,751.050	12.62

Hürriyet is distributed from 20,000 sales locations in Germany and another 30,000 locations across Europe through the Axel-Springer distribution network.



Global access: Operations in Europe

As Turkey's only paper with global access, Hürriyet operates in Europe through its office in Mörfelden Walldorf, a town near Frankfurt, Germany and its huge printing facility there, which is a branch of the DPC. For the past 40 years, Hürriyet has been fulfilling the need for news and commentary of Turkish people living in Europe. Owing to its strong network of reporters in these countries, it is also an important source of news for regional events. Over the years, the Newspaper has significantly contributed to the creation of a positive public opinion in Europe. It also plays an important role in seeking of solutions by expressing the problems of our citizens in areas where they are densely populated, improving dialogue with the politicians of those countries, and taking steps towards harmonization and Turkey's full accession into the EU.

With its average daily circulation of 130,000-140,000, Hürriyet is the best-selling newspaper printed in Turkish in Europe. Moreover, Hürriyet is the best-selling foreign newspaper on the continent. In order to provide a more extensive coverage of local news, Hürriyet issues its much sought after weekly supplements for the three regions of Berlin and Southern and Northern Germany via its membership in the circulation supervisory agency IVW in Germany. The supplement, printed in German and published on Fridays, targets teenagers and is popular because of its rich content enhanced by comments from famous politicians, businesspersons, and artists.

In addition to its distribution from 20,000 sales locations in Germany, Hürriyet reaches another 23 countries, including Canada, through the Axel-Springer distribution network, which includes 23 countries in Europe via 30,000 locations across the Continent, ranging from the UK to Romania and from the Scandinavian countries down to Italy. Beyond Europe, Hürriyet is also published in New York, and is sold in certain significant states in the USA. In 2005, the advertising revenue of Hürriyet Europe totaled 6.5 million Euros.

Not only a pioneer because of its reporting quality, Hürriyet also has the power to generate public opinion through its information sharing and educating functions, particularly with its social campaigns in Europe. The "Stop Domestic Violence!" campaign that was originally launched in Turkey has also been carried out in Germany for nearly a year. Hürriyet aims to guide and help victims of domestic violence via special publications and by mobilizing volunteers and organizing information meetings in Frankfurt, Munich, Hamburg, and Cologne. One such example is the setting up of the first and only Turkish hotline for this purpose. In the coming year, Hürriyet plans to engage the services of psychologists and volunteering trainers and carry out the campaign through meetings in large enterprises, associations, and foundations which are densely populated with Turkish citizens.

Hürriyet manages its operations abroad under the umbrella of DMG International, which was founded in 1999 to function as Doğan Yayın Holding's gateway to Europe. The Company oversees most of DYH's publications and broadcasts targeting Turkish people living in Europe. DMG International also plays an important role in enhancing DYH's relationship and communication with Europe's leading media companies. With an average daily circulation of 165,000 across Europe, it extends its market-leadership position of DYH newspapers in Turkey to Europe.

The printing facilities operate under the title Hürriyet-Zweigniederlassung Deutschland. Besides printing the Group newspapers Hürriyet, Milliyet, Fanatik, and the weekly magazine Haftasonu, this plant is also responsible for printing international finance papers, such as The Wall Street Journal Europe and The Financial Times, for the mid-Europe region. It also produces the American newspaper Stars and Stripes, the German sports newspaper Sportwelt, Blic of Serbia, Al Ahram of Egypt, and Al Awsat of Saudi Arabia on a daily basis. Among the newspapers that are printed by these facilities at weekly and monthly intervals, or even on a longer basis, include Cumhuriyet Hafta, local Hunsrück and Mittelrhein, Info&Tips from Poland, Travel&Trade, and Chinesische Handelszeitung, which targets Chinese people living in Germany. The total number of newspapers produced at this printing center exceeds 300,000 daily.

Review of Operations in 2005

Based on its fast changing and constantly evolving organizational structure, and new formations Hürriyet updated its job descriptions, related objectives, and competencies.

Web services

As a part of its Web-related strategies, Hürriyet changed its web address from hurriyetim.com.tr to hurriyet.com.tr in October of 2005. Meanwhile, it renovated its infrastructure to meet new technological standards and now has nearly six million visitors and 150 million hits on a monthly basis.

The website has managed to keep itself updated regarding Web services, especially with its new services such as E-gazete (E-newspaper), Seri İlanlar (Classified Ads), Haber Alarmı (News Alert), e-Anket (e-Survey), and Bülten (Bulletin). Parallel to the increased use of mobile devices such as mobile phones and PDAs, a new version of hurriyet.com.tr that is compliant with these devices has been developed. Thus, by making the transition from computer screens to mobile phone and PDA screens, Hürriyet has increased the number of people it can reach.

Because Hürriyet places much importance on feedback about its news, it has enabled a great number of people to express their views and reactions to current events via its website. Thus, Hürriyet's web pages have become an interactive media platform where ideas are expressed and shared, rather than merely a newspaper that is

read. In the days to follow, Hürriyet will create a new platform where Internet users can make themselves heard directly as reporters and writers, as well as commentators, taking the online newspaper concept into a new dimension.

Hürriyet has already moved into new territory through its unique Kelebek magazine website (at kelebek.hurriyet.com.tr). It will continue to provide Internet users with certain content categories such as Sports and Teens allowing the user their own designs and interfaces. Thus, readers will be able to reach more easily the wide variety of content Hürriyet offers.

The advertisement income of hurriyet.com.tr, which stood at US\$ 1,150 million in 2005 and consisted mostly of banner ads, will increase in 2006 through a comprehensive series of projects reaching as far as the SMEs. Furthermore, important projects designed to carry the power of classified ads to Internet media will be implemented. As the first step towards the materialization of these projects, the Hürriyet Emlak (Real Estate) Portal will be launched in the first half of 2006, followed thereafter by the Automotive Portal.

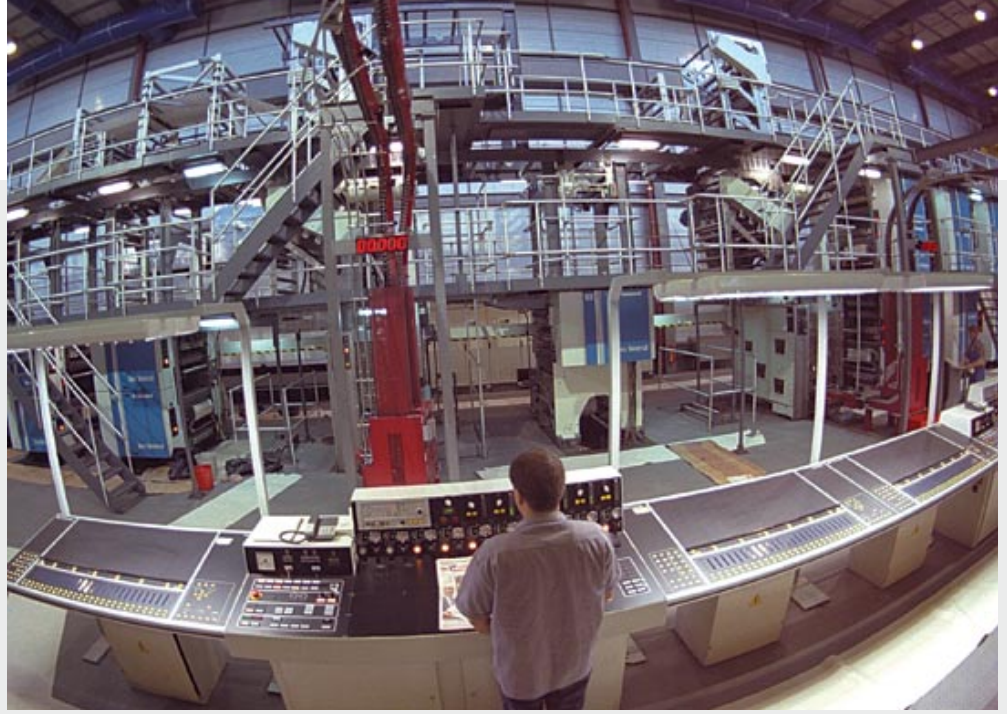
Human resources

In 2005, based on its fast changing and constantly evolving organizational structure, and new formations Hürriyet updated its job descriptions, related objectives, and competencies. The performance and competency of all personnel vis-à-vis the 2005 objectives was evaluated, from which 2006 goals were determined. The results of the 2005 performance analyses is reflected in 2006 wages and the average increase ratio of 5% has varied between 7% and 10% for 521 of our employees, based on their performance analyses.

In productivity studies in 2003, reporter levels were determined and regulations were stipulated for setting a career path for reporters. In 2005, a new project was undertaken to correlate the reporter levels with wages, which was implemented in the 2006 wage structure. This work involved aligning wages with titles, independent from the increase ratio determined for 2006. In this regard, with the promotions given, the wages of 83 reporters were increased.

In an innovative project conducted with the full support and participation of all our employees, the Human Resources Editorship was formed, which is charged with carrying out all the human resources applications of the Media Group. A representative from the Media Group will execute all the responsibilities of this program. HR Editorship was set up to supervise the human resources implementations such as recruitment processes, performance analyses, training

The total number of employees for the year 2005 stood at 2,420, roughly about the same as the 2004 figure of 2,428.



Personnel and worker movements

programs, and career development of the Media Group and all matters pertaining to personnel. Within this scope, HR Editorship accomplished many positive things in 2005.

The DYH Human Resources Coordination Committee initiated a series of training programs consisting of personal growth and leadership and professional training for all the Group companies. Eighty-one people, from units under the purview of the Hürriyet Newspaper Human Resources Management, attended the first part of these training programs in the Fall of 2005. Moreover, based on the employees' needs, ongoing professional training programs are being planned and organized on an annual basis.

In 2005, restructuring at the organizational level was conducted and, accordingly, new establishments and groups were formed.

- Emlak Portalı (the Real Estate Portal) was set up as a new group and staffed.
- Within the framework of the strategic plans for Hürriyet Newspaper, new establishments were founded and staffed, among which are:
 - Commercial Marketing
 - Business Improvement and Investor Relations
 - Financial Control and Advertisement Research (reporting to the Finance Group)
 - Production Planning (reporting to the Marketing Group)
 - E-Yaşam (reporting to the Publication Group)

The press cards of 470 employees working under Law No. 5953 (212) were controlled; of these, 256 were renewed.

In order to gather them under the umbrella of Hürriyet Gazetecilik ve Matbaacılık A.Ş., 245 security personnel were transferred to the new Company. Furthermore, as dictated by circumstances, 86 workers changed companies.

On the basis of all companies, additional copyright payments were transferred to the personnel system (www.mydmg.com) and tracked under this system.

Integration between Human Resources and Accounting was established regarding receivables from personnel and the required adjustments were introduced in the personnel system.

Cost Centers were streamlined within the organizational structure, on the basis of all companies.

The Human Resources Reporting System was renewed. Accordingly, the Human Resources Management Report consisting of information under the main titles of staff and costs gained increased efficiency with its updated and automated technical infrastructure.

The total number of employees for the year 2005 stood at 2,420, roughly about the same as the 2004 figure of 2,428. The net wages of employees were increased twice a year, in January and July of 2005, namely 4% and 3%, respectively.

The amount of seniority payment liabilities of the Company, calculated on the basis of the gross wages plus fringe benefits of its staff employed, subject to the Laws No. 1475 and 5953 (212) and in accordance with the CMB Communiqué Series XI, No: 25, was YTL 8,133,033.

Review of Operations in 2005

The objective of the “Stop Domestic Violence!” campaign that we initiated at the end of 2004 in collaboration with the Contemporary Education Foundation and the Istanbul Governorship is to unmask the destructive and permanent effects of domestic violence, especially on women and children, and create public awareness concerning this issue.



Hürriyet

Social responsibility, the environment, and donations

As an integral aspect of its role in Turkey's modernization process, Hürriyet believes it should do its part in alleviating social problems on a regular basis. Hürriyet's illustrious history is replete with examples of campaigns that support this position. In 1983, a fund raising campaign was conducted to help the families of the 96 miners who died in the explosion disaster at Kozlu, Zonguldak. Likewise, the “You add a brick, too” campaign was organized in 1999 to help in the aftermath of the devastating August 17 earthquake, becoming the largest aid operation ever organized in Turkey.

The “Stop Domestic Violence!” campaign

Worldwide, one out of every four women and one out of every six men are victims of domestic violence. By comparison, one out every three families in Turkey experience physical violence and one out of two families experiences verbal violence. As is the case all over the world, the victims of the most dangerous types of violence are women and children. However, most of the time family violence is kept a secret and viewed as “a family matter,” and perhaps even considered natural. Research reveals that 39% of married Turkish women and 63% of women between the ages of 15 and 19 think “in certain cases the husband is entitled to beat up his wife.” These results reveal once again the necessity to increase women's awareness regarding their relations with men and to educate them concerning family violence.

Hürriyet initiated the campaign entitled “Stop Domestic Violence!” in the last quarter of 2004 in cooperation with the Çağdaş Eğitim Vakfı (Contemporary Education Foundation) and the Istanbul Governorship. Its aim is to unmask the destructive and permanent effects of domestic violence, especially on women and children who more frequently become the victims of such violence. Beyond this, the campaign is designed to contribute in creating violence-free households by offering training programs that teach non-violent problem-solving skills and to inform victims of their legal rights when violence cannot be prevented. Moreover, it plans to introduce volunteer support groups and invite all segments of the society to agree to “Stop Domestic Violence!”

Mobile training

The “Assistance Program for Marital Relations” carried out within the scope of the campaign offers training sessions for participants, male and female, in a redesigned bus that serves as a classroom to prevent domestic violence. By the end of 2005, approximately 7,000 people from 14 districts in Istanbul had been trained; and these programs are still ongoing in 2006. Members of professional groups closely related with the subject matter, such as counselors, social workers, police officers, and municipality officials, take part in the education sessions. In addition, requests from foundations, associations, and schools both within and outside of Istanbul are received for the extension of this education program. As a part of the scheme, a booklet entitled “Domestic Violence – Erroneous Beliefs” and a related website have been prepared.

The “Assistance Program for Marital Relations” carried out within the scope of the campaign offers training sessions for participants, male and female, in a redesigned bus that serves as a classroom to prevent domestic violence.



Volunteer program

In the second stage of the campaign, a Volunteer Program was launched, inviting people with the required sensitivity to participate in the work to prevent domestic violence, increase awareness within their social groups, and support the campaign. A TV spot, press announcements, and Volunteer Handbook were devised to take the "Stop Domestic Violence!" campaign to the public, as well as to increase awareness of the extent and effects of domestic violence and mobilize volunteers into action.

The Volunteer Program has enlisted hundreds of helpers all across Turkey via the campaign phone and website. After interviews with many of these, 80 Volunteer Leaders were selected by the campaign experts and trained for 20 hours. Similar training programs are also provided to other volunteers who wish to undergo such equipping or are especially chosen for this program. Following the training, the campaign team monitors the awareness and guidance work carried out by the volunteers in their own regions and the volunteers share their work with other participants via an e-mail group that has already been established. This special volunteer program aims to reach 8,000 people.

The “Stop Domestic Violence!” campaign in Europe

The German version of the "Stop Domestic Violence!" campaign initiated by Hürriyet was launched in May of 2005 in Frankfurt and aimed at reaching the Turkish people living there. By the end of 2005, public information meetings held in all the major cities of Germany led by expert psychologists and police authorities served to explain various aspects of domestic violence, such as the causes, the effects on the family, and practical steps towards its elimination. In each place where they have been held, the local Family and Social Work authorities have sponsored the meetings. The campaign was well received and referred to as “An Exemplary Program from Turkey” in the Dutch and German press. The program has set up a special telephone hotline and victims of domestic violence who are unable to attend the meetings can call the Hürriyet Hotline and consult expert psychologists.

Furthermore, volunteers working for the campaign are ready to help in major five cities. The campaign experts from Turkey, coupled with the volunteer emissaries trained in Germany by these professionals, tirelessly promote Turkey’s “Stop Domestic Violence!” campaign in associations, groups, and institutions in the cities where they reside and provide logistic support.

International conference

In a joint cooperative effort between Hürriyet and United Nations Population Fund, the special “Stop Domestic Violence!” Conference 2005, under the theme “Examples from All over the World”, was hosted in Turkey on November 11-12, 2005. This new phase of the campaign was the first international event organized in Turkey on this important subject. The Conference brought together all the programs, projects, and persons who have been successful in fighting domestic violence both in Turkey and around the world. These included non-governmental organizations (NGOs), local administrations, and representatives from the private sector, as well as local and foreign government officials.

The objectives of the conference involved increasing the awareness of the domestic violence issue among NGOs, the private sector, governmental organizations, and politicians, as well as helping to plan and develop preventive and protective policies and programs in Turkey on this matter. Beyond this, the conference’s aim was to share practical solutions and motivate the related bodies to action by sharing groundbreaking examples from Turkey and abroad. The Campaign organizers are planning to make this Conference a regular event.

By bringing domestic violence cases to the forefront, this historical international conference greatly contributed to increasing the awareness of the public and the sensitivity of the media on this matter. The total number of people accessed via the media was 38,478,545.

Another important achievement for the “Stop Domestic Violence!” campaign was its citation as being among the “Best Practices in the World” by the UN Population Fund, with regard to both the manner of implementation of the campaign and the emphasis on participation by the private sector in the battle against domestic violence.

Review of Operations in 2005

Hürriyet is sensitive to and aware of its responsibilities regarding environmental health and safeguarding the environment both in its printing facilities and in administrative buildings.

Environmental health

Environmental health and safeguarding the environment at printing facilities:

Paper use: Of the overall paper consumption in its printing facilities, 21% is covered by recycled paper. Nearly 40 thousand tons of recycled printing paper is used in the facilities annually.

Chemical purification: The liquid chemical waste generated during production in the facilities is collected through a special wastewater system and sent for chemical purification. The wastewaters treated through a chemical purification process are then sent for biological treatment.

Biological treatment: The household wastewaters and wastewaters that are treated through chemical purification are sent to wastewater collection canals in accordance with the standards stipulated by official departments.

Expert firms operate the water treatment facilities. The water is tested by samples and undergoes required controls on a daily basis. Furthermore, the treatment facilities are inspected by the related official departments on a monthly basis.

Wastepaper: The wastepaper generated by production processes is collected in special areas and submitted to scrap paper recycling.

Waste aluminum plates: The waste aluminum plates generated by production processes are collected at special areas and submitted to scrap paper recycling.

Waste plastic drums and metal barrels: Drums and barrels of chemicals used in production such as reservoir water, solvents, and oils are stored in waste collection areas and disposed as scrap for recycling purposes.

Used mineral oil: Mineral oils requiring replacement in machines are not discharged to the sewage system but kept in barrels as used oil and later sold to used oil buyers.

Gas emissions: Newspaper printing machines work with electricity and do not emit gas to the atmosphere during production.

Environmental cleaning: The environmental cleaning of the premises is carried out daily by a professional cleaning company.

Maintenance of green areas and the planting of trees: Landscaping work has been carried out on sections set aside as green areas at all facilities and expert firms carry out regular maintenance work on these areas.

Environmental health and safeguarding the environment in administrative buildings:

The industrial wastewaters generated at the Company Headquarters (Hürriyet Medya Towers) are sent to an outside wastewater treatment company on a regular basis.

The air-conditioning systems in the Company headquarters were renewed four years ago and equipped with R 134, which is an environmentally friendly cooling gas used in the new generation air-conditioning equipment. Hürriyet takes extra care to use air conditioners and equipment with cooling devices that use environmentally friendly gases.

The Halon fire extinguishers used in the building's fire extinguishing system were removed and replaced by a system that uses FM 200 gas, which is environmentally friendly, healthier, and compliant with EU standards.

During this period, no lawsuits were brought against the Company with regard to causing environmental damage.

Donations and aid

The following table presents the Company's 2005 donations to several foundations and associations in its effort to contribute to public welfare (YTL):

<u>Aydın Doğan Foundation</u>	<u>2,794,665</u>
<u>Student Hostels to be built in Erzurum and Erzincan</u>	<u>1,500,000</u>
<u>Pakistan Disaster Aid Center</u>	<u>682,200</u>
<u>Others</u>	<u>345,366</u>
<u>TOTAL</u>	<u>5,322,231</u>

Hürriyet, which exceeds the expectations of the Turkish people as a daily paper, also provides profitable advertisement space for the advertising sector.



Financial ratios and profitability

Pursuant to CMB Communiqué Series XI, No. 25, the ratios regarding the financial structure and profitability of the Company are as follows:

	<u>Year 2005</u>	<u>Year 2004</u>
<u>Current Rate (Liquid assets / CT liabilities)</u>	<u>2.71</u>	<u>2.66</u>
<u>Asset Turnover Rate (Net sales income / Total assets)</u>	<u>0.63</u>	<u>0.55</u>
<u>Foreign Assets / Shareholders' Equity</u>	<u>0.40</u>	<u>0.44</u>
<u>Financial Expenses / Total Assets</u>	<u>0.006</u>	<u>0.011</u>
<u>Business Profits / Total Assets</u>	<u>0.13</u>	<u>0.10</u>
<u>Business Profits / Net Sales Income</u>	<u>0.21</u>	<u>0.17</u>
<u>Operating Profits / Net Sales Income</u>	<u>0.18</u>	<u>0.16</u>
<u>Gross Profit Margin</u>	<u>0.36</u>	<u>0.35</u>

Information about capital structure

The registered capital ceiling of the Company as of December 31, 2005 was YTL 500,000,000. Its paid-in capital was YTL 416,742,560.

Of the total shares of Hürriyet Gazetecilik ve Matbaacılık, 40% are publicly held and the remaining 60% are held by Doğan Yayın Holding A.Ş.

After going public in 1992, Hürriyet's shares were one of only a few high-return shares. With its ability to produce cash funds and its liquid financial structure, Hürriyet has shown remarkable strength withstanding fluctuations in the financial markets. According to 2005 year-end closing prices of Hürriyet stocks on the Istanbul Stock Exchange (ISE), its market value increased by 66.8% in terms of US dollars over the year. This has gained worldwide attention for Hürriyet among international investors. Consequently, 92.4% of Hürriyet's publicly held shares (37% of its total shares) were held by international investors as of April 5, 2006, making it one of the most preferred companies listed on the IMKB, or Istanbul Stock Exchange (ISE), by international investors.

Contingencies, commitments, and mortgages

The assets excluded from the consolidated financial statements of the Company, according to the CMB Communiqué Series XI, No: 25 and IFRS, are indicated as on the left:

	<u>Year 2005</u>	<u>Year 2004</u>
<u>Contingencies and commitments given</u>	<u>44,266,614</u>	<u>147,647,673</u>
<u>Mortgages given</u>	<u>12,500</u>	<u>43,012,500</u>
<u>Letters of guarantee given</u>	<u>16,146,842</u>	<u>1,915,630</u>
<u>Additional notes</u>	<u>202,223</u>	<u>202,223</u>
<u>Security bonds given</u>	<u>1,714</u>	<u>1,714</u>
<u>TOTAL</u>	<u>60,629,893</u>	<u>192,779,740</u>
<u>Insurance value of assets</u>	<u>251,012,768</u>	<u>217,539,452</u>
<u>Letters of guarantee received</u>	<u>13,351,119</u>	<u>10,822,362</u>
<u>TOTAL</u>	<u>264,363,887</u>	<u>228,361,814</u>

Review of Operations in 2005

Participations are companies in which DYH has a voting right ranging from between 20% to 50% or significant influence, but which are not controlled by DYH. Participations are consolidated through the shareholders' equity method in the financial statements.

Subsidiaries and associates

Subsidiaries refer to companies as defined below:

a) Companies that Hürriyet has control over through the authority to use more than 50% of the voting right as a consequence of the direct and/or indirect possession of the stocks of said company.

b) Companies that Hürriyet has the authority and power to have control over by exercising the power over the financial and business policies in line with the interests of the Company, although the Company does not hold more than 50% of the voting right in the related company.

Associates are companies in which Hürriyet has a voting right ranging from between 20% to 50% or significant influence, but which are not controlled by the Company. Associates are consolidated through the shareholders' equity method in the financial statements.

1. The main scope of activity of subsidiaries and associates:

The main scopes of activity of subsidiaries and associate are shown in the table on the right:

All Subsidiaries and Associates other than Hürriyet Zweigniederlassung and Doğan Media, both incorporated in Germany, are registered in Turkey.

Subsidiaries

Subsidiaries	Scope of activity
<u>Doğan Basım ve Dağıtım İşleri A.Ş. ("Doğan Basım")</u>	<u>Administrative and printing services</u>
<u>Doğan Haber Ajansı A.Ş. (Doğan Haber)</u>	<u>News agency</u>
<u>Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. (Doğan Ofset)</u>	<u>Magazine and book publishing</u>
<u>DS Servis İdari Hizmetler ve Tic. A.Ş. (DS Servis)</u>	<u>Administrative services</u>
<u>Egeser Servis İdari Hizmetleri ve Tic. A.Ş. (Egeser Servis)</u>	<u>Administrative services</u>
<u>Hür Medya İlançılık ve Reklamcılık Tic. A.Ş. (Hür Medya)</u>	<u>Administrative services</u>
<u>Hür Servis Sosyal Hizmetler ve Tic. A.Ş. (Hür Servis)</u>	<u>Administrative services</u>
<u>Yenibir İnsan Kaynakları Hiz. ve Danışmanlık A.Ş. (Yenibir)</u>	<u>HR Consulting</u>
<u>Hürriyet Ticari ve Sınai Ürünleri Pazarlama A.Ş. (Hürriyet Pazarlama)</u>	<u>Marketing</u>
<u>Hürriyet Zweigniederlassung GmbH. (Hürriyet Zweigniederlassung)</u>	<u>Newspaper publishing (Europe)</u>
<u>Orta Anadolu Otomotiv Ticaret ve Sanayi A.Ş. (Orta Anadolu Oto)</u>	<u>Automotive (repair, maintenance, and sales)</u>

Associates

<u>Doğan Kitapçılık A.Ş. (Doğan Kitapçılık)</u>	<u>Book publishing</u>
<u>Doğan Media International (Doğan Media)</u>	<u>Publishing and advertisement (Europe)</u>
<u>Yaysat Yayın Pazarlama ve Dağıtım A.Ş. (Yaysat)</u>	<u>Distribution</u>
<u>DYG İlan ve Reklam Hizmetleri A.Ş. (DYG İlan)</u>	<u>Advertisement</u>

As a part of its Web-related strategies, Hürriyet changed its web address from hurriyetim.com.tr to hurriyet.com.tr in October of 2005.



2. Subsidiaries and associates ratios:

The direct and indirect share interests held by the Company and its subsidiaries in the participations were as follows as of December 31, 2005:

<u>Subsidiaries</u>	<u>Direct and indirect control by the Company (%)</u>
<u>Hürriyet Zweigniederlassung</u>	<u>100.00</u>
<u>DS Servis</u>	<u>100.00</u>
<u>Egeser Servis</u>	<u>100.00</u>
<u>Yenibir İnsan Kaynakları</u>	<u>100.00</u>
<u>Hür Servis</u>	<u>100.00</u>
<u>Hür Medya</u>	<u>100.00</u>
<u>Doğan Basım</u>	<u>99.99</u>
<u>Hürriyet Pazarlama</u>	<u>97.43</u>
<u>Orta Anadolu Oto</u>	<u>81.36</u>
<u>Doğan Ofset</u>	<u>54.85</u>
<u>Doğan Haber</u>	<u>50.01</u>
<u>Associates</u>	
<u>Doğan Kitapçılık</u>	<u>48.90</u>
<u>Doğan Media</u>	<u>43.93</u>
<u>Yaysat</u>	<u>25.00</u>
<u>DYG İlan</u>	<u>20.00</u>

Review of Operations in 2005

The total number of personnel working at Hürriyet and its participations in 2005 was 2,420.

3. Number of personnel and reserve for employment termination benefits:

The number of personnel and reserve for employment termination benefits of the Company and its participations as of December 31, 2005 are shown in the table below:

<u>Name of Subsidiary</u>	<u>Number of personnel</u>	<u>Reserve for employment termination benefits (YTL)</u>
<u>Parent Firm</u>	<u>542</u>	<u>3,764,107</u>
<u>Doğan Ofset</u>	<u>227</u>	<u>286,903</u>
<u>Doğan Basım</u>	<u>131</u>	<u>262,592</u>
<u>(Hürriyet Zweigniederlassung)</u>	<u>50</u>	<u>-</u>
<u>Hürriyet Pazarlama</u>	<u>19</u>	<u>97,041</u>
<u>Hür Servis</u>	<u>395</u>	<u>1,108,481</u>
<u>Egeser Servis</u>	<u>53</u>	<u>29,926</u>
<u>Yenibir</u>	<u>71</u>	<u>6,691</u>
<u>DS Servis</u>	<u>41</u>	<u>36,002</u>
<u>Hür Medya</u>	<u>456</u>	<u>965,290</u>
<u>Doğan Haber</u>	<u>376</u>	<u>1,442,088</u>
<u>Orta Anadolu Oto</u>	<u>59</u>	<u>133,912</u>
<u>Total</u>	<u>2,420</u>	<u>8,133,033</u>

The DPCs, with their high quality production and efficiency capabilities, are considered among the best facilities in the newspaper industry throughout the world.



4. Bank borrowings and trade payables of subsidiaries:

The share ratios of the parent company and its subsidiaries regarding short/long term bank and supplier loans and trade payable exposure as stated in the consolidated balance sheet of the Company as of December 31, 2005 are indicated in the table on the right:

	<u>Notes to Financial Statements*</u>	<u>(YTL)</u>	<u>Share (%)</u>
Short-term borrowings (short-term borrowings and short-term portions of long-term borrowings)	Note 6	46,888,902	100
<u>Parent Firm</u>		<u>31,064,539</u>	<u>66.25%</u>
<u>Doğan Ofset</u>		<u>2,534,891</u>	<u>5.41%</u>
<u>Hürriyet Zweigniederlassung</u>		<u>8,140,865</u>	<u>17.36%</u>
<u>Hürriyet Pazarlama</u>		<u>4,111,075</u>	<u>8.77%</u>
<u>Orta Anadolu Oto</u>		<u>706,409</u>	<u>1.51%</u>
<u>Doğan Haber</u>		<u>331,123</u>	<u>0.7%</u>
Long-term financial borrowings	Note 6	26,578,620	100.0
<u>Parent firm</u>		<u>3,715,753</u>	<u>13.98%</u>
<u>Doğan Ofset</u>		<u>8,311,711</u>	<u>31.27%</u>
<u>Hürriyet Zweigniederlassung</u>		<u>11,545,209</u>	<u>43.44%</u>
<u>Hürriyet Pazarlama</u>		<u>1,396,555</u>	<u>5.25%</u>
<u>Doğan Haber</u>		<u>1,609,392</u>	<u>6.06%</u>
Short-term trade payables	Note 7	39,214,161	100.0%
<u>Parent firm</u>		<u>23,601,664</u>	<u>60.19%</u>
<u>• Vendor loans</u>		<u>12,102,744</u>	
<u>• Trade payable (from deferred purchases)</u>		<u>11,498,920</u>	
<u>Doğan Ofset</u>		<u>4,441,436</u>	<u>11.33%</u>
<u>• Vendor loans</u>		<u>873,460</u>	
<u>• Trade payable (from time purchases)</u>		<u>3,567,976</u>	
<u>Hürriyet Zweigniederlassung</u>		<u>4,690,474</u>	<u>11.96%</u>
<u>• Vendor loans</u>		<u>0</u>	
<u>• Trade payable (from deferred purchases)</u>		<u>4,690,474</u>	
<u>Other Trade Payable</u>		<u>6,480,586</u>	<u>16.52%</u>

* Please refer to the Consolidated Financial Statements and Notes of the annual report (pages 89-90) for financial statement notes.

Review of Operations in 2005

Since Hürriyet stocks were offered to the public in 1992, they have generated a value over ISE-100 for their investors.

Profit Distribution Policy and Profit Distribution Proposal for 2005

The Board of Directors is entitled to distribute dividends in advance, provided the Board of Directors is authorized by the General Assembly in this regard and that it complies with Article 15 of the Capital Market Law and the regulations issued by the Capital Markets Board. The authorization granted by the General Assembly to the Board of Directors to distribute dividends in advance is restricted to the corresponding year it was authorized by the Board. Until dividends paid in advance from the previous year are fully settled, further dividends in advance cannot be granted nor can dividend distribution decisions be made.

The Company decided to propose that the General Assembly distribute 50% of the net distributable profit for 2005. This was in full compliance with the Turkish Commercial Code, Capital Market Legislation, CMB regulations, and Corporate Tax, Income Tax, and other related legislation. This action was also in keeping with the relevant article from the Articles of Association relating to profit distribution and the profit distribution policy for the subsidiaries where the majority shareholder is Doğan Yayın Holding, as announced on September 29, 2003.

Allowing for corporate tax payables, deferred tax provisions, and minority profits and in accordance with the CMB Communiqué Series XI, No: 25 and the IFRS (International Financial Reporting Standards), the "Consolidated Net Period Profit" was YTL 87,580,389 in the 2005 consolidated financial statements. Net distributable profit for 2005 was YTL 83,460,464, established after first legal reserves amounting to YTL 3,674,147 was deducted in accordance with Article 446/1 of the Turkish Commercial Code. An additional amount of YTL

445,778 was also deducted in the consolidated financial statements, which represents the profits of the subsidiaries that have not yet concluded their General Assemblies regarding profit distribution.

The "net period profit" in the legal books was YTL 73,482,935 and the balance after setting aside the "First Legal Reserves" pursuant to article 466/1 of the Turkish Commercial Code was calculated as YTL 69,808,788.

In accordance with the CMB Resolution and related legislation, the following was decided: that at the Ordinary General Assembly a suggestion will be made to distribute as a "cash dividend" 50% of the "net distributable period profit" worth YTL 83,460,464, amounting to YTL 41,730,232. In addition to this, the remaining YTL 40,047,276, after deduction of the "Second Legal Reserve" worth YTL 1,682,956, will be set aside as "extraordinary reserves."

The cash dividend to be distributed over the paid-in capital worth YTL 416,742,560 corresponds to 10.0134% of the capital. It will be distributed as follows per share with a nominal value of YTL 1:

Net YTL 0.100134 for full-fledged taxpayers

Gross YTL 0.100134 and net YTL 0.090121 for real persons and establishments exempt from taxes

Gross YTL 0.100134 and net YTL 0.090121 for limited liability real persons and limited liability establishments

These amounts, presented here only for demonstration purposes, to be paid per share of YTL 1 nominal value, will be rounded off to whole numbers as NKR during profit distribution.

Hürriyet operates in Europe through its office in Mörfelden Walldorf, a town near Frankfurt, Germany and its huge printing facility there, which is a branch of the DPC.



Internal control and risk management

The Financial Affairs, Accounting, Budget, and Internal Control Departments manage financial risk under the authority and responsibility of the Group's Financial Presidency. Along with the financial risk, the observation and reporting of the operational risks in the affiliated companies is under the management of the Group's Financial Presidency.

The Internal Control Department aims to introduce a systematic approach to improve the efficiency of existing risk management, as well as control and corporate governance functions, based on a thorough evaluation, to enable the Company to reach its goals. The Internal Control Department carries out its activities regularly in accordance with the relevant legislation. The main duties of the Internal Control Department are to prepare independent reports on the efficiency and effectiveness of operations, the reliability of financial statements, and compliance with the by-laws and rules approved by the management. Its duties also include reviewing current internal control mechanisms, creating an effective internal control mechanism, and informing the management of the related activities.

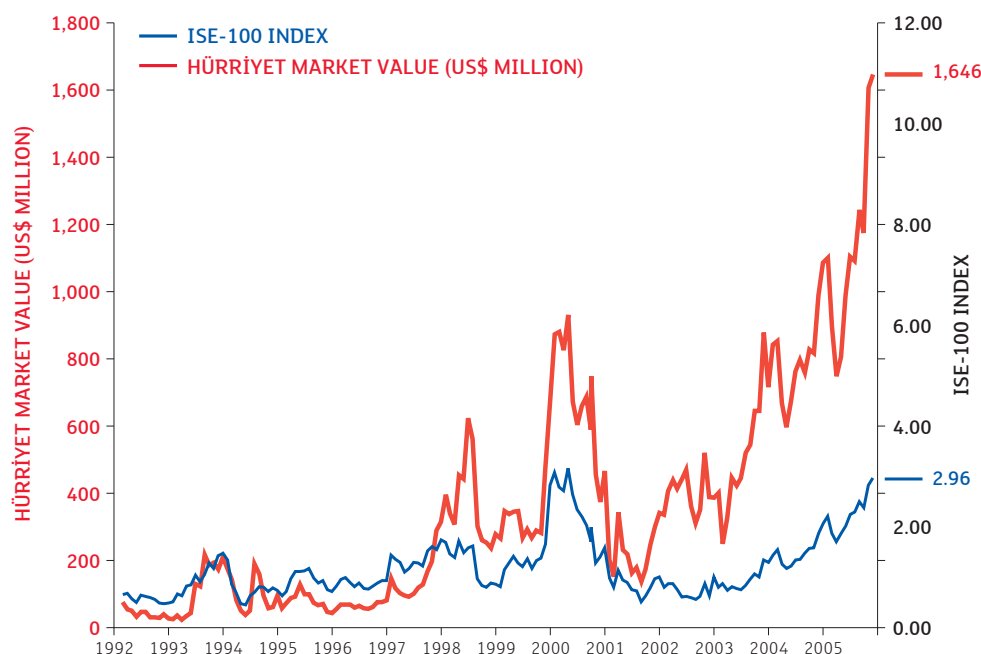
The Audit Committee also reports its observations of any problems concerning the risk management and internal control mechanism.

Hürriyet stock prices and performance

Since Hürriyet stocks were offered to the public in 1992, they have generated a value over ISE-100 for their investors. Thus, Hürriyet is one of the most-preferred stocks by foreign investors.

Of all Hürriyet stocks, 40% are publicly held. As of April 5, 2006, foreign investors hold 92.4% of these shares. Non-publicly traded stocks (60%) belong to Doğan Yayın Holding A.Ş.

**HÜRRİYET MARKET VALUE (US\$ MILLION)/ ISE-100 INDEX
FEBRUARY 1992- DECEMBER 2005 (MONTHLY CLOSING)**



CORPORATE GOVERNANCE

freiheit*

in Berlin

In order to provide a more extensive coverage of local news, Hürriyet issues its much sought after weekly supplements for the three regions of Berlin and Southern and Northern Germany.

* Hürriyet in German



WILHELM
VON
HUMBOLDT



Corporate Governance

Corporate Governance Principles Compliance Report for 2005

1. Declaration of Compliance to Corporate Governance Principles

Hürriyet is focusing on the full adoption of the Corporate Governance Principles first published by the Capital Markets Board in July of 2003 and revised in 2005, and will continue to conduct business in conformity with these principles in the future.

The Company considers the document entitled "Corporate Governance Principles," published by Capital Markets Board in July of 2003 to be a set of rules that should be followed in full. Thus, important steps were initiated in 2003 to comply with all the Corporate Governance Principles mentioned within the document.

The Company's main achievements regarding corporate governance, in line with the CMB document, during 2005 were as follows:

- In light of the CMB Corporate Governance Principles and the relevant CMB legislation, on December 12, 2005, the Company Board of Directors decided to make the following changes to its Articles of Association. It amended Articles 3, 4, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41 and 42. It decided to include an Interim Article 1 in the same document, as well as abolish Articles 43, 44, 45, 46, 47, 48, 49, 50, 51, 52 and 54. Furthermore, it decided to change the number of Article 53 to become Article 42. Beyond this, it decided to submit these issues for approval at the first General Assembly. The draft for amending the Articles of Association was approved by the CMB through its letter No. B.02.1.SPK.0.13-609/5049 dated April 4, 2006.

The major changes introduced by these amendments to the Articles of Association are as follows:

- The maximum amount of registered capital of the Company was raised from YTL 500 million to YTL 800 million.
- The nominal value of stocks was changed from TL 1,000 to YTL 1. The total number of shares has changed consequent to this amendment and it was decided that for each 1,000 shares each having a nominal value of TL 1,000, one share having a nominal value of YTL 1 will be given.
- The shares representing the capital were registered and monitored.
- At least 1/3 of the members should be independent members, who possess the qualifications stated under the Corporate Governance Principles by the Capital Market Board.
- A Board Secretariat, Executive Board, Audit Committee, and Corporate Governance Committee should be constituted which report to the Board of Directors, the members of which should possess the qualifications stated under the Corporate Governance Principles.
- To exercise minority rights, it is sufficient to represent 5% of the capital, rather than 10%.
- The Company management should fully comply with the CMB Corporate Governance Principles, any failure of which should be explained in the Annual Report citing the reasons for and consequences of such failures.
- Every three months, the Company will announce its operational results to the public. Following this announcement, the Investor Relations Unit will meet with investors, answer any questions, and provide all necessary explanation and information.
- The Company has redesigned its corporate website at www.hurriyetkurumsal.com to ensure that stakeholders are able to get detailed, regular, and continuous information on the activities of the Company and be able to access any data concerning the Company. The goal is to fulfill all the responsibilities of a publicly held company in providing full public disclosure and achieving transparency. The website is being designed to improve investor relations in order to meet future requirements.
- The Corporate Governance Committee, which will work under the Board of Directors, has been constituted.

The CMB Principles that could not be completely accomplished have been stated in the Compliance Report in full detail and it is believed that this will not lead to any conflict of interest.

Deputy Chairman of the Board of Directors
Mehmet Ali Yalçındağ



Member of the Board of Directors
Vuslat Doğan Sabancı



SECTION I - SHAREHOLDERS

2. Investor Relations Unit

2.1. All the provisions of the relevant legislation, the Articles of Association, and other Company policies related to the use of shareholders' right are being followed, and every precaution is being taken to ensure the free exercise of these rights.

2.1.1. With regard to efforts to harmonize with the Corporate Governance Principles, an "Investors Relations Unit" was established under the control of the CEO to observe all relationships between the Company and its shareholders. It also serves to guarantee the shareholders' information rights. The main duties of this Unit are as follows:

- To ensure that shareholder records are secure, properly kept, and updated
- To meet the written information requests by all shareholders, within the scope of relevant legislation
- To observe that the Board of Directors' meetings are held in full accordance with all the relevant procedures
- To prepare documents which are submitted to the shareholders at the General Shareholder Meetings
- To take the necessary precautions to ensure that the minutes of the meetings are kept properly
- To observe and ensure that all matters concerning public disclosures take place pursuant to all legal provisions. (The Investor Relations Unit pays particular attention to utilizing electronic communication means, as well as the Company's website, for this process.)

2.1.2. Under the umbrella of the Company's "Investor Relations Unit", the following will cooperate closely to achieve the best results:

- Corporate Governance – Investor Relations Director Inci Şencan
- Doğan Yayın Holding A.Ş. Capital Markets and Corporate Governance Coordinator Murat Doğu
- Doğan Yayın Holding A.Ş. Legal Coordinator Erem Yücel
- Doğan Yayın Holding A.Ş. Investor Relations Coordinator Alpay Güler
- Financial Affairs Director Halil Özkan and his personnel

2.1.3. Of the Company's stock, 40% is listed and traded on the Istanbul Stock Exchange (ISE), 92% of which is owned by foreign investors. The Company is among the leaders in the stock market with regard to foreign ownership. Because of this position, the Company is frequently invited to participate in meetings hosted by foreign corporate investors.

2.1.4. In the year 2005, the Company replied in a timely manner to more than 100 shareholder inquiries, in complete conformity with legislation by the Capital Markets Board.

2.1.5. In 2005, the Company met requests concerning old stocks and coupons without delay.

Corporate Governance

Corporate Governance Principles

Compliance Report for 2005

2.1.6. Maximum attention is given to replying to inquiries while abiding by all relevant legislation, as well as the Articles of Association. To the best of the Company's knowledge, no written or verbal complaints concerning the exercise of shareholder rights were received during 2005, nor were there any official investigations against the Company.

3. Utilization of the Information Rights of Shareholders

3.1. There is no discrimination against the shareholders in the use of their rights to obtain and examine information.

3.1.1. All the necessary information and documents to ensure the proper use of shareholders' rights is supplied impartially via the corporate website at www.hurriyetkurumsal.com for the use of shareholders.

3.1.2. The Articles of Association do not contain any provision concerning an individual's right to appoint a "special auditor."

3.2. In order to increase the rights of shareholders to obtain information, any data that might possibly affect the use of these rights is submitted to shareholders instantly via the electronic media.

4. Information regarding General Assembly Meetings

4.1. All Company stocks are registered. The transfer and change of these stocks is subject to Item 14 of the Articles of Association.

4.2. In the Articles of Association, no particular period is specified for the recording of the Registered Shareholders in the stock ledger with regard to their participation in the General Assembly Meeting.

4.3. Prior to the General Assembly Meeting, an information document citing the agenda is prepared and announced to the public.

4.3.1. Along with legislative provisions, an announcement is given about the General Assembly Meeting at least three weeks in advance via the website and newspapers to achieve the maximum participation by the shareholders.

4.3.2. In all announcements, CMB Principles are closely followed.

4.3.3. Following the announcement of the General Assembly Meeting, the following documents are made accessible for all shareholders at the Company's Head Office, as well as at the branches: The Annual Report, financial statements and reports, dividend distribution proposals, the agenda of the General Assembly Meeting, any documents supporting the agenda, and the recent version of the Articles of Association, plus any amendment texts and their rationale.

4.3.4. No important changes in the Company's management or operational organization were made in the previous accounting period, nor are any changes foreseen for the upcoming period. In the event of any such change, a proper announcement will be made to the public pursuant to all legislative provisions.

4.3.5. Prior to the General Assembly Meeting, proxy statement forms are made available to those wishing to be represented by proxy.

4.3.6. Prior to the General Assembly Meeting, the voting procedure is announced to shareholders via the website and newspapers.

4.3.7. In 2005, there were no requests from shareholders to append an agenda item.

4.4. The meeting procedures for the General Assembly Meeting ensure the maximum participation of the shareholders.

4.4.1. General Assembly Meetings are held in such a manner as to prevent any inequalities among the shareholders, as well as in a manner most economical to them.

4.4.2. General Assembly Meetings may be held at the Company's Head Office or, subject to prior announcement, in another location in Istanbul as specified by the Board of Directors.

4.4.3. The venue where the General Assembly Meeting is to be held will be in proper condition so as to ensure the fullest participation of all shareholders.

4.4.4. Ordinary General Assembly Meetings are to be held within the legal time limits following their announcement. The Ordinary General Assembly Meeting to discuss the year 2004 activities was held on April 11, 2005, within the legal time frame after the announcement. For this fiscal year, financial statements were announced at the end of the 14th week following the end of the accounting period. The Ordinary General Assembly Meeting to discuss 2005 activities is scheduled for May 1, 2006. In this regard, this is being implemented in full accordance with the relevant Capital Markets legislation, hence with the Corporate Governance Principles.

4.5. In the General Assembly meeting the issues included on the agenda are conveyed in an unbiased, detailed, clear, and legible manner, and the shareholders are given the opportunity to explain their ideas, ask questions, and discuss related issues in a healthy environment.

4.5.1. The Minutes of the General Assembly are available on the website (www.hurriyetkurumsal.com).

4.5.2. One General Assembly Meeting was held in 2005. In the Ordinary General Assembly Meeting dated April 11, 2005 where 2004 operations were discussed, out of a total of 416,742,560,099 Company shares, 60.03% or 250,193,126,533 shares were represented. During the meeting, no new suggestions or questions on agenda items were raised by the shareholders.

4.6. The Articles of Association do not contain any provisions concerning the adoption of resolutions by the General Assembly regarding such important issues as the split-off or the sale, purchase, or leasing of substantial amounts of corporate assets yet. However, on resolutions regarding the sale or purchase of substantial amounts of corporate assets, the resolution of the Board of Directors, as well as the signature of the Chairperson, is required. The approval of the CMB has been obtained for the amendments of the Articles of Association and the amendments have been submitted for approval by the Ordinary General Assembly meeting to be held on May 1, 2006.

5. Voting Rights and Minority Rights

5.1. Within the Company, any and all actions that may compromise the use of voting rights are strictly avoided. Each shareholder is provided with the opportunity to exercise his or her voting right in the most appropriate and convenient way.

5.2. Neither privileged shares, nor group differentiation, exist within the Company.

5.3. Within the Company, each share is granted one voting right.

5.4. Within the Company, no provisions have been adopted which would postpone the right to vote for a given period following the acquisition of a share.

5.5. Within the Articles of Association, there is no provision preventing voting by proxy by a non-shareholder.

5.6. No cross shareholdings exist within the Company's capital structure.

5.7. Minority rights have been granted to shareholders who hold 5% of the capital.

5.8. Utmost care is given to exercising minority rights within the Company. There was no criticism or complaint expressed to the Company in this regard during 2005.

5.9. The practice of cumulative voting has not been adopted in the Articles of Association.

6. The Profit Distribution Policy and the Time of Profit Distribution

6.1. The Company's dividend distribution policy has been constituted in accordance with all relevant Capital Markets legislation and the provisions of the Articles of Association.

Corporate Governance

Corporate Governance Principles

Compliance Report for 2005

6.2. Distribution of dividends should be performed within the period prescribed by the legislation and as soon as possible after each General Assembly Meeting.

6.3. According to the Company's Articles of Association, the Board of Directors is entitled to distribute dividends in advance, provided that the Board of Directors is authorized by the General Assembly in this regard and that it complies with Article 15 of the Capital Market Law and the regulations issued by the Capital Markets Board. The authorization granted by the General Assembly to the Board of Directors to distribute dividends in advance is restricted to the corresponding year of the Board's authorization. Until dividends paid in advance from the previous year are fully settled, further dividends in advance cannot be granted nor can dividend distribution decisions be made.

6.4. With a special event announcement on September 29, 2003, the Company's main shareholder, Doğan Yayın Holding A.Ş., announced to the public the dividend distribution policy of its affiliates, whose shares are traded on the ISE. Accordingly:

A long-term cash dividend distribution policy is targeted

At least 50% of the distributable net profit of the corresponding accounting period shall be subject to distribution

The dividend distribution quotient is determined in accordance with the financial positions of the affiliates

This dividend distribution policy shall be maintained if no extraordinary developments take place in the economy

6.5. The Company's dividend distribution policy is stated in its Annual Report and is announced to the public through its website.

7. Transfer of Shares

The Articles of Association does not contain any provisions to impede the free transfer of shares by the shareholders.

PART II – PUBLIC DISCLOSURE AND TRANSPARENCY

8. Disclosure Policy of the Company

8.1. A "disclosure policy" has been prepared for providing necessary information to the public and announced on the Company's web site. Anyone may access the "Public Disclosure Policy" from the Company's website at www.hurriyetkurumsal.com.

8.2. "The Corporate Governance – Investor Relations Unit" has been set up to monitor and supervise all issues pertaining to public disclosure. Questions originating from outside the Company are answered by the CEO, the CFO (depending on the content of question), or by the "Business Improvement and Investor Relations Coordinator" and/or the "Investor Relations Director," acting within their knowledge and limits of authorization. When answering queries, the utmost care is taken to avoid any violation of the rules of equal rights to obtain information.

8.3. Apart from those specified by the relevant legislation, data distribution companies and the website are utilized in making public disclosures.

8.4. Forward looking information is disclosed together with all the relevant underlying statistical data and evidence associated with the Company's financial position and its operational results. Only the CEO and CFO of the Company may make such disclosures.

8.5. In accordance with the relevant Capital Markets legislation, members of the Board of Directors, executives, and shareholders who directly or indirectly own 5% of the Company's capital are required to disclose all transactions they have performed regarding the Company's capital market instruments.

8.5.1. Within the scope of this issue, the Company announced no transactions or special events in 2005.

8.5.2. In addition to a public announcement being made in case of this eventuality, such information will also be made available to the public via the Company website.

8.5.3. The Company does not have any derivative instruments based on its stock.

8.6. The members of the Board of Directors, executives, and shareholders who directly or indirectly own at least 5% of the Company's capital must immediately disclose information about the purchase and/or sale of capital market instruments of other Group Companies or any other company with whom they maintain a material commercial relationship.

8.7. In 2005, there were no commercial and/or non-commercial transactions taking place between the Company and other companies in which 5% or more of their capital was owned by, or which (without taking into consideration the aforementioned amount) was controlled by, or in which the management was affected by, the members of the Board of Directors, the executives, and/or the shareholders who directly or indirectly own 5% of the capital.

8.8. The 2005 financial statements and notes to the financial statements were prepared on a consolidated basis and in accordance with International Financial Reporting Standards (IFRS), audited by independent auditors pursuant to International Auditing Standards (IAS), and disclosed to the public.

8.9. The 2005 Annual Report is prepared in accordance with all relevant capital market legislation, and provisions and principles thereof.

9. Special Event Announcements

9.1. The Company abides by all the relevant Capital Markets legislation, provisions, and principles thereof in making public disclosures.

9.1.1. In 2005, a total of 20 event announcements were made. Regarding public disclosures in 2005, the Capital Markets Board and/or the Stock Exchange Administration raised no notifications, amendments, or requests for additional special event announcements.

9.1.2. All special event announcements made to the Stock Exchange are signed by the Chief Financial Manager and the Chief Financial Officer. Announcements to the public are prepared in close cooperation with the Audit Committee.

9.2. Since the Company's capital market instruments are not listed and/or traded on foreign exchanges, no additional disclosures are required.

10. Company Website and Website Content

10.1. In accordance with the CMB Principles, the Company's website (www.hurriyetkurumsal.com) is actively used as a means of public disclosure.

10.1.1. The content and layout of the website have been designed in Turkish in accordance with CMB Principles. The English version will be created as soon as possible.

10.1.2. Developments on the website are ongoing.

11. Public Disclosure of Ultimate Controlling Individual Shareholder/Shareholders

11.1. Changes in the Company's capital structure and/or management control are disclosed to the public in accordance with all relevant Capital Market legislation and Capital Markets Board regulations.

11.2. The names of the ultimate controlling individual shareholder/shareholders are disclosed to the public in a table format on the website and in the Annual Report in an effort to allow them to be listed independent of indirect shareholding relationships.

11.3. According to the information available, shareholders have not entered into any agreements to have a controlling vote regarding the management of the Company.

Corporate Governance

Corporate Governance Principles

Compliance Report for 2005

12. Public Announcement of People Who Can Access Insider Information

In order to deter insider trading, all the necessary measures and precautions have been taken. The list of executives who potentially possessed price-sensitive information within the year 2005 was prepared and submitted to the CMB. The names and positions of individuals with access to information of a sensitive nature regarding trade secrets are stated below:

Aydın Doğan	Chairman of the Board
Mehmet Ali Yalçındağ	Vice-Chairman of the Board
Vuslat Doğan Sabancı	Member of Board of Directors/Chief Executive Officer
Ertuğrul Özkök	Member of Board of Directors/Member of Executive Board
İmre Barmanbek	Member of Board of Directors/Chief Auditing Officer
Soner Gedik	Member of Board of Directors/Member of Audit Committee
Cem Kozlu	Member of Board (Independent)
Kai Diekmann	Member of Board (Independent)
Ahmet Toksoy	Chief Financial Officer/Member of Executive Board
Ayşe Sözeri Cemal	Chief Advertising Officer/Member of Executive Board
Sinan Köksal	Chief Marketing Officer/Member of Executive Board
Murat Doğu	Member of Corporate Governance Committee
Alpay Güler	DYH Investor Relations Coordinator and Financial Consultant
Ahmet Özer	Business Improvement and Investor Relations Coordinator
Halil Özkan	Financial Affairs Manager
Cem Baykara	Finance Manager
Şükran Yiğit	Budget Manager
H. Sancak Basa	Human Resources Manager
İnci Şencan	Financial Control/Investor Relations Manager
Korhan Kurtoglu	Chief Financial Officer Assistant
S. Serdar Giral	Internal Audit Manager
Fuat Arslan	Member of Audit Board
Mehmet Yörük	Member of Audit Board
Cansen Başaran Symes	Independent Auditor
Gökhan Yüksel	Independent Auditor
Mustafa Aydemir	Independent Auditor
Çiğdem Havalı	Independent Auditor
Cansel Ekmekçi	Independent Auditor
Sabire Dağlı	Independent Auditor
Affan Yıldırım	Independent Auditor
Savaş Bekar	Certified Public Accountant
Özer Koçak	Certified Public Accountant
Hüseyin Küçük	Independent Public Accountant
Ertan Ayhan	Circulation Control
Erdem Tecer	Circulation Control
Emre Beşli	Circulation Control
Tolga Kirelli	Circulation Control
Selim Güvenç	Circulation Control
Fevzi Keçeci	Circulation Control
Uğur Sağlam	Circulation Control
Alper Çelik	Circulation Control
Güzide Aslı Köylü	Circulation Control

SECTION III - STAKEHOLDERS

13. Disclosure to Stakeholders

Disclosure to stakeholders and investors is made in accordance with the Capital Markets Law, CMB Regulations, and corporate governance principles via tools that are predetermined. The management is encouraged to join different social organizations formed by the shareholders. Effective participation in such endeavors, together with the advertisers, helps to understand their needs and to ensure sustainable growth and financial strength.

14. Participation of Stakeholders in the Management

The Board of Directors, the Management Committees, and the Executive Board at their periodic meetings evaluate any information received from the above-mentioned shareholders and proposals and policies for solutions are continuously developed.

15. Human Resources Policy

15.1. Within the Company, the human resources policy has been carefully documented in written format. Employees of the Company are knowledgeable and competent and easily learn the Company's culture. Furthermore, they also possess a highly developed sense of business ethics, honesty, coherence, and openness to change. They know how to integrate the Company's future with their own.

15.2. In accordance with the human resource policies, the principle of providing equal opportunity employment to individuals of similar backgrounds and conditions is considered during recruitment and career planning.

15.2.1. All recruitment criteria are documented in written format and are applied in practice.

15.2.2. Each employee is treated on equal grounds with regard to education and promotion. Training is designed to enhance the knowledge, skills and attitude of each employee.

15.3. Decisions or developments within the Company that may affect employees are shared in electronic format through the "Intranet" to enhance communications.

15.4. Studies regarding job descriptions and definitions of performance and reward criteria are ongoing. The initial phase of these studies has been completed.

15.5. Working conditions within the Company have been designed to meet the highest safety and security standards, as well as to ensure the highest possible efficiency.

15.6. There are no trade union personnel within the Company.

15.7. There is no discrimination among the employees and all are treated on an equal basis. In this area, no complaints have been made to the Board of Directors and/or the Management Committees.

15.8. Employee relations within the Company are managed by the Human Resources Director, Sancak Basa.

16. Customer and Supplier Relations

Hürriyet, a pioneer in the field of print media, believes that satisfying readers and advertisers is of great importance. For this reason, quality publishing and social responsibilities are taken very seriously. With this objective in mind, Doğan Yayın Holding's Core Principles and Hürriyet's Editorial Principles are clearly stated on the website and are enforced at the highest level.

The Company's most important raw material used during production is printing paper. The paper is provided by Doğan Dış Ticaret ve Mümesillik A.Ş., a subsidiary of Doğan Holding.

The newspapers and their supplements are printed at the Company-owned Doğan Printing Centers located in Istanbul, Ankara, Izmir, Adana, Antalya, and Trabzon.

Corporate Governance

Corporate Governance Principles Compliance Report for 2005

The printing of supplements on first quality pulp paper is subcontracted to Doğan Ofset A.Ş., also a subsidiary of the Group.

Doğan Dağıtım A.Ş. facilitates the nationwide distribution of newspapers in Turkey.

An important part of the Company's income comes from advertisement revenue. Every effort is made to guarantee advertiser satisfaction. Advertisements that are not published according to the customer's complete satisfaction, for any reason, are compensated for as soon as possible.

17. Social Responsibility

As an integral part of its role in Turkey's modernization process, Hürriyet believes it should do its part in helping alleviate social problems.

Hürriyet's social responsibility work is described in detail in the section of the Annual Report entitled, "Social Responsibility, the Environment, and Donations."

During 2005, no lawsuits were brought against the Company with regard to harming the environment.

Environmental Health and Safeguarding Environment

Hürriyet is sensitive to and aware of its responsibilities regarding environmental health and safeguarding the environment, both at its printing facilities and administrative buildings.

Hürriyet's work in this area is described in detail in the section of the Annual Report entitled, "Social Responsibility, the Environment, and Donations."

SECTION IV – BOARD OF DIRECTORS

18. The Structure, Formation of the Board, and Independent Members

18.1. The composition and election of the Board of Directors are subject to the Turkish Commercial Code and relevant provisions stated in the Articles of Association. In order to comply with the principles of the Capital Markets Board:

18.1.1. The Company is governed and represented by the Board of Directors, which consists of eight members elected from among the shareholders at the General Assembly Meeting.

18.1.2. There are two Independent Members on the Board of Directors and more than half of the members of the Board of Directors have no executive powers in the Company.

18.2. The members of the Board of Directors and their positions are stated below:

Aydın Doğan	Chairman of the Board	Non-Executive
Mehmet Ali Yalçındağ	Vice-Chairman of the Board	Non-Executive
Vuslat Doğan Sabancı	Member	Executive
Ertuğrul Özkök	Member	Executive
Soner Gedik	Member	Non-Executive
Imre Barmanbek	Member	Non-Executive
Cem M. Kozlu	Member	Independent Member
Kai Diekmann	Member	Independent Member

18.2.1. Twenty-five percent of the Board of Directors is comprised of Independent Members. Even though there are two independent members, this number is below the required one-third ratio specified by the Principles. Efforts are continuing to raise the number of Independent Members to three.

18.2.2. The Chairman and the Chief Executive Officer of the Company are different individuals.

18.2.3. Seventy-five percent of the Board of Directors consists of non-executive persons.

18.2.4. Cem Kozlu, who has been appointed as one of the Independent Members of the Board of Directors works as a Consultant in the Northern Asia, Eurasia, and Middle East Group of the Coca Cola Company. Prior to joining the Coca Cola Company, Mr. Kozlu served as a Member of Parliament for four years and as the Chairman of Turkish Airlines. He has written four books on economics and business, one of which is a university textbook on International Marketing.

18.2.5. Regarding the employment of the Board Members outside the Company, there are no set rules and/or restrictions.

18.3. Since it is clear to the Board of Directors that the Independent Members fulfill the criteria outlined in the Principles of the Capital Markets Board, no further written statements have been requested. As of the date of this report, no conditions have occurred which would cause any of the Members of the Board of Directors to lose their independent status.

19. The Qualifications of the Members of the Board

19.1. The Board of Directors is composed in a manner to ensure effectiveness at the highest level. The qualifications for the Members of the Board of Directors have been determined in the draft for amending the Articles of Association, which was approved by the CMB through its letter No. B.02.1.SPK.0.13-609/5049 dated April 4, 2006.

Accordingly, in principle:

19.1.1. The Members of the Board of Directors shall be elected from those individuals having basic knowledge of the legal environment regarding operations and transactions of the Company's line of business, who are professional and experienced in management, and have the ability to review the financial statements, preferably possessing appropriate university degrees.

19.1.2. In order to meet its obligations and duties every year, the Board of Directors may designate members responsible for financial, monetary, and legal issues. It may simultaneously delegate part of its duties by assigning executive directors who shall oversee the implementation of the Board's resolutions.

20. Mission and Vision of the Company and Strategic Objectives

20.1. Primary aim: The primary aim of Hürriyet Newspaper is to provide accurate news and information, as well as honest analyses and assessments to all Turkish-speaking people around the globe. In order to accomplish this objective, the main task of the directors of Hürriyet and its subsidiaries is to manage the Company in such a way that both the Company and the Newspaper maintain their independence, which constitutes a basic corporate principle, plus leading the Company to provide the highest possible value to its shareholders.

20.2. Future goal: Hürriyet's goal for the future is to maintain its market leadership position and support for Turkey's efforts toward modernization through high-quality publishing, employee appreciation, and awareness and fulfillment of its public responsibilities. As it has proven in the past, its position of supporting the public will continue to drive its goals in the future.

Corporate Governance

Corporate Governance Principles

Compliance Report for 2005

20.3. Strategic objectives: Hürriyet's strategy involves providing high quality customer service, developing reader-oriented specialty products, producing content via traditional brands, closely following changes in technology, and diversifying and enlarging content distribution channels by using creative methods. In addition to this, the Company's strategy includes tailoring information and educational products and tools to individuals, diversifying and enlarging its sales and distribution channels, and cooperating with the world's leading media enterprises.

The Board of Directors and the Management are constantly reviewing Hürriyet's position in line with its strategic objectives. In regular and frequent Board meetings, the Company reviews its market position and devises new targets and strategies.

21. Risk Management, Risk Factors, and Internal Control

The Financial Affairs, Accounting, Budget, and Internal Control Departments manage financial risk under the authority and responsibility of the Group's Financial Presidency. Along with the financial risk, the observation and reporting of the operational risks in the affiliated companies is under the management of the Group's Financial Presidency.

The Internal Control Department aims to introduce a systematic approach to improve the efficiency of existing risk management, as well as control and corporate governance functions, based on a thorough evaluation, to enable the Company to reach its goals. The Internal Control Department carries out its activities regularly in accordance with the relevant legislation. The main duties of the Internal Control Department are to prepare independent reports on the efficiency and effectiveness of operations, the reliability of financial statements, and compliance with the by-laws and rules approved by the management. Its duties also include reviewing current internal control mechanisms, creating an effective internal control mechanism, and informing the management of the related activities.

The Audit Committee also reports its observations of any problems concerning the risk management and internal control mechanism.

21.1. Interest rate risk: Hürriyet and its subsidiaries have interest rate exposure due to the interest sensitivity of some of its assets and payables. These risks are managed by balancing the interest-sensitive assets and payables with each other.

21.2. Funding risk: The current and future borrowing requirements are covered through sufficient funding commitments from lending institutions with high quality lending capacities.

21.3. Loan risk: The possession of financial assets brings along the risk of the other party's failure to fulfill the agreement conditions. These risks are kept in check by limiting the loan amount per borrower. The high number of borrowers and the variety of their fields of activity diversifies the loan risk.

21.4. Exchange rate risk: Hürriyet and its subsidiaries are prone to exchange rate risk due to fluctuations in the exchange rates used in the conversion of FX borrowings into Turkish currency. This risk is monitored through foreign currency position analysis (Notes to 2005 Consolidated Financial Statements, Note 29).

22. The Members of the Board of Directors and the Authorities and Responsibilities of Management

The duties and responsibilities of the Members of the Board of Directors and the Executives are explicitly separate and distinct. These have been listed in the Annual Report and are announced to the general public.

23. The Principles of Operation for the Board of Directors

23.1. In order for the Members of the Board of Directors to fulfill their duties, they are provided with the right information at the right time.

23.2. The Board of Directors makes separate decisions for the approval of the financial statements and notes to financial statements, the Independent Audit Report, the Corporate Governance Compliance Report, and the Annual Report.

23.3. Board meetings are organized by the Chairman, the Deputy Chairman, and the Chief Executive Officer, who is also a member of the Board. Communication among Board Members is facilitated by the Board of Directors' Secretariat.

23.4. In 2005, there were 12 meetings of the Board of Directors and resolutions were approved unanimously.

23.5. The meetings of the Board of Directors are planned and facilitated effectively and efficiently. Accordingly,

23.5.1. The Board of Directors meets at least once every month, as well as when a requirement arises.

23.5.2. As a rule, the Board of Directors meets when requested by the Chairman, the Deputy Chairman, or the CEO, who is also a member of the Board of Directors. The Board of Directors decides upon the meeting date. In case the Chairman or Deputy Chairman does not call for a meeting upon the request of one of the Board Members, then the Members shall have the right to call for a Board meeting.

23.5.3. Calls for meetings include the agenda and all relevant information and documents.

23.5.4. As a rule, the meetings of the Board of Directors take place at the Corporate Headquarters. However, upon a decision by the Board of Directors, the meetings can be held in a different location.

23.5.5. Generally, Members of the Board are required to meet in person; however, it is also possible to participate via remote access. Written opinions of the Members who cannot attend the meetings in person are conveyed to other Members.

23.6. A Board of Directors' Secretariat reporting to the Chairman has been established to serve all Members of the Board, as well as to document the Board meetings properly.

23.7. The meeting and travel expenses of the Board of Directors, special study requests concerning duties, and related expenses are covered by the general budget without any restriction.

23.8. According to the Articles of Association, the Members of the Board of Directors do not hold weighted voting and/or veto rights.

24. Restrictions on Conducting Business and Competing with the Company

In the Ordinary General Assembly Meeting in 2005, the Members of the Board of Directors were delegated with the authority to conduct business with and compete against the Company.

In 2005, no Board Member, Executive, or controlling shareholder including those who may have access to insider information, conducted business on behalf of their own names in the Company's line of business.

Corporate Governance

Corporate Governance Principles

Compliance Report for 2005

25. Ethical Rules

The “Values” announced on the website comply with the Annual Report and the “Publishing Principles” determined and announced to the public.

In addition to these rules, Doğan Yayın Holding determined, adopted, and announced to the public “The Rules of Behavioral Conduct,” according to which all Doğan Media Group personnel should comply. The “Doğan Holding Publication Rules” and “The Rules of Behavioral Conduct” can be accessed at the Doğan Yayın Holding website (www.dmg.com.tr).

26. The Number, Structure, and Independence of the Committees Constituted by the Board of Directors

26.1. In line with the Company's current position and requirements, an Audit Committee and a Corporate Governance Committee were established to ensure that the Board of Directors properly fulfills its duties and responsibilities.

26.2. Information regarding the Audit Committee is stated below:

26.2.1. The Audit Committee consists of the following members:

Name	Title	Explanation
Imre Barmanbek	Chairperson	Board Member / Non-Executive
Soner Gedik	Member	Board Member / Non-Executive

26.2.2. The Chairperson of the Audit Committee is not an Independent Member of the Board of Directors. However, her position complies with Capital Markets Board Regulations because she is a Non-Executive Member.

26.2.3. The Board of Directors of the Company convened on April 14, 2005 and resolved that Imre Barmanbek and Soner Gedik, Members of the Board who are concurrently the Committee Members Responsible for Auditing, would be reelected and authorized to fulfill the duties stipulated in the Capital Markets Board Communiqué Series X, No. 16.

26.2.4. All members of the Audit Committee are Non-Executive Members of the Board of Directors.

26.2.5. In its actions, the Audit Committee follows the provisions stipulated in the Capital Markets Board regulations and as stated by the Corporate Governance Principles. In this regard, in 2005:

The Company's financial statements and their notes as well as the independent audit report for the past year were reviewed prior to their public disclosure and a meeting was held with the Independent Audit Company.

The Company's independent audit contract was revised.

26.3. Information regarding the Corporate Governance Committee are stated below:

26.3.1. Through the decision of the Board of Directors No. 2005/18 dated April 14, 2005, it was resolved that the Corporate Governance Committee shall consist of a chairperson and members whose names are indicated below.

Name	Title	Explanation
Cem Kozlu	Chairperson	Board Member / Non-Executive
Murat Doğu	Member	Non-Executive
Ahmet Özer	Member	Business Development and Investor Relations Director / Non-Executive
İnci Şencan	Member	Financial Control and Investor Relations Director / Non-Executive

26.3.2. Murat Doğu, Member of the Corporate Governance Committee, is also the Chairman of the DYH Corporate Governance Committee.

27. Financial Rights Granted to the Board of Directors

27.1. The Chairman, the Deputy Chairman, and the Members of the Board of Directors are granted remuneration as decided upon by the General Assembly. The decision regarding this remuneration, including the CEO's salary, is based on the time Board Members spend in the meetings, as well as the time involved in pre and post-meeting preparations and duties assumed. Moreover, the attendance fee to be paid to the Board Members for each meeting is also decided upon by the General Assembly.

27.2. In the Ordinary General Assembly Meeting for 2005 dated April 11, 2005 it was unanimously decided that the Chairman of the Board of Directors shall be paid a monthly fee of YTL 6,000, the Deputy Chairman shall be paid a monthly fee of YTL 5,000, and Members of the Board shall be paid YTL 4,000 each. Furthermore, it was decided that Independent Members Cem M. Kozlu and Kai Georg Diekmann shall each be paid a monthly fee in the YTL amount corresponding to US\$ 5,000. There is no bonus mechanism based on performance for the Members of the Board of Directors.

In 2005, no loans or credits were granted by the Company to any of the Board Members or Executives, whether directly or indirectly.

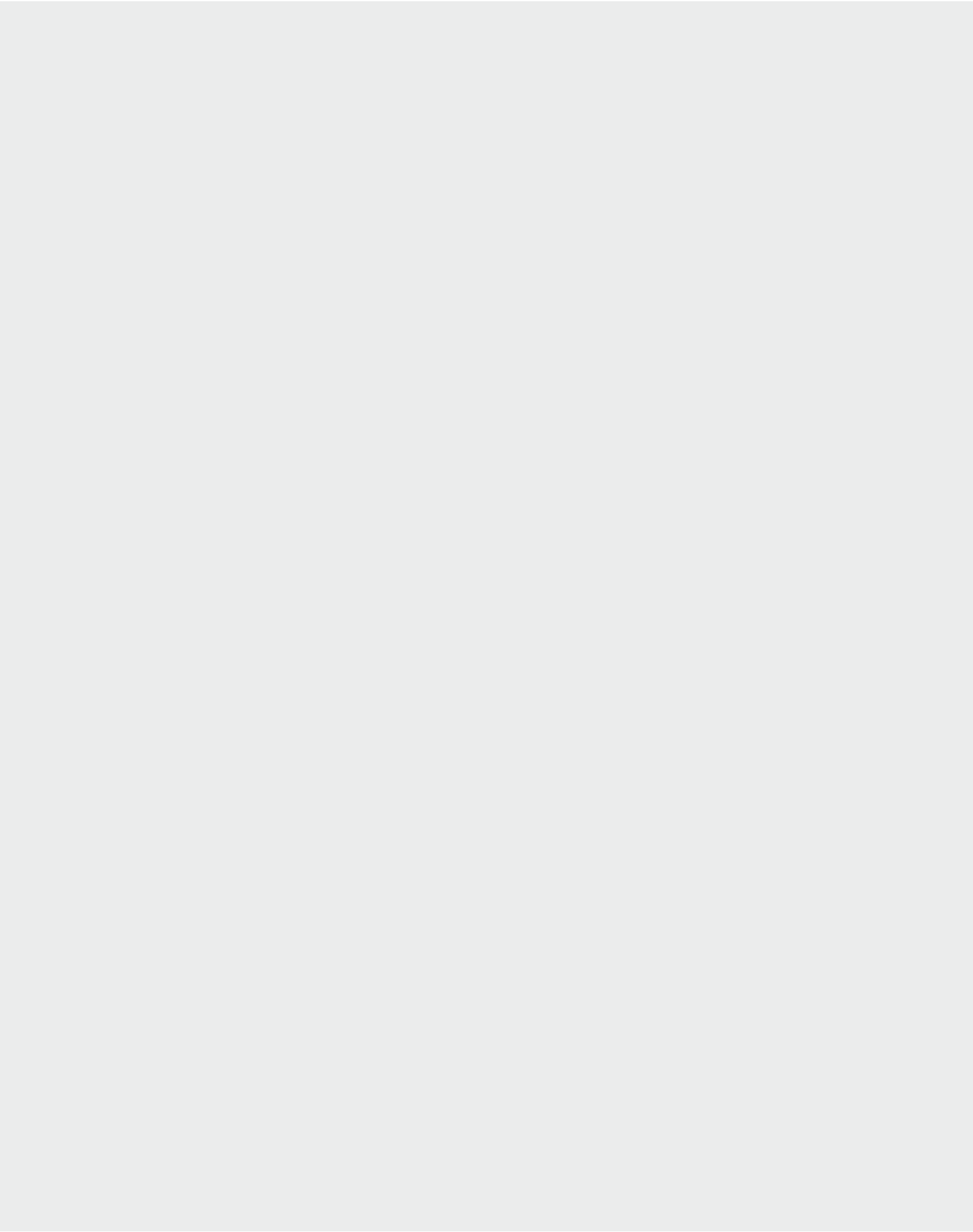
FINANCIAL STATEMENTS

Bakı'da azadlıq*

Besides those in Europe and North America, Hürriyet also reaches its readers in the Turkic Republics.

* Hürriyet in Azerbaijani





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