

Impartial journalism

HÜRRİYET ANNUAL REPORT 2006



CONTENTS

01 Hürriyet at a Glance...	
04 Financial Highlights	
05 Main Factors Effecting Operational Performance	
06 From the Management...	
Message from the Chairman	
Message from the CEO	
Message from the Editor-in-Chief	
14 Management	
Board of Directors	
Information on the Board of Directors and Management	
Board of Auditors	
Announcement as per CMB Communiqué Series X, No. 16	
Audit Committee	
Executive Committee	
Highlights of 2006	
Executive Board	
Coordination Committee	
25 Doğan Yayın Holding A.Ş.	
26 Core Values	
Mission, Vision and Strategy	
Values	
Editorial Principles of Hürriyet	
32 Review of 2006 Operations	
Ad Revenue and the Ad Industry	
Sales of Publications	
Supplements Addressing a Diverse Audience	
New Investments	
State-of-the-Art Printing Facilities	
Hürriyet in Europe and the World	
Pioneering the Internet	
Hürriyet Employees	
Hürriyet as Part of Social Life	
Environmental Health	
Donations and Aids	
Profitability and Other Financial Data	
Subsidiaries and Affiliates	
Dividend Policy and Proposed Dividend Distribution	
Risk Management and Internal Control	
Board Statement on the Internal Control System	
Stock Price and Stock Performance	
56 General Meeting of Shareholders	
62 2006 Report on Compliance with Corporate Governance Principles	
79 Financial Statements	

A long-established household name in Turkey, Hürriyet now emerges as a global player and joins the league of the world's top corporations in the industry.

HÜRRİYET AT A GLANCE...

Year 1948 was a turning point in the history of the world. Even before the middle of the century, humankind had already agonized through two consecutive world wars and the devastating effects of the atomic bomb, with the loss of countless innocent lives. After the war was over, the world of the twentieth century entered a period of restructuring. Both social values and social systems were restructured and on its path to democracy, the young Turkish Republic switched to the "multi-party system." It was also in 1948, when Western powers agreed on the main principles of NATO, the United Nations Council adopted the Universal Declaration of Human Rights, the Organization for European Economic Cooperation was founded and Britain proposed the establishment of the European Council. In the midst of such historic events, Turkey was facing the deprivation and impoverishment brought about by World War II - although it had remained neutral - and also the inevitable tensions of social change.

A Diary of Turkey...

In such an environment, Hürriyet was introduced to its readers for the first time on May 1, 1948, embarking on the task of keeping the chronicle of Turkey's day to day life. Throughout its 59-year history, Hürriyet was identified by the slogan "every morning a new day begins and the printing press runs." It became the most widely-read newspaper in Turkey and the "mirror" of a diverse society. Today it has become a role model in the industry, without abandoning its guiding principle of providing "impartial, first-hand and accurate reports."

Hürriyet has now become a source of accurate reporting and honest news analysis for all Turkish-speaking people around the world. It is a platform of free speech where diverse views are expressed in keeping with the "Core Values and Editorial Principles" of Doğan Yayın Holding. Today, in addition to the largest staff of reporters and columnists in Turkey, Hürriyet supports this

platform with regional offices in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon. It has a news network comprised of 52 offices and 600 reporters in Turkey and abroad, all affiliated with Doğan News Agency.

Hürriyet is printed at Doğan Printing Centers located in six cities in Turkey and in Frankfurt, Germany. Doğan Dağıtım, a leading distribution company in Turkey specializing in printed material, is responsible for the domestic distribution of the newspaper.

Hürriyet has a daily readership of more than two million, 60% of these are regular readers. Of these, more than 65% have graduate degrees and belong to the high-income segment of the population.

TME: A turning point in the global journey of Hürriyet

Keeping abreast of developments in the industry and the emergence of new preferences, Hürriyet extended the scope of its activities beyond its core business of journalism, to cover other fields such as printing, distribution, online services, book publishing, classified ads, TV broadcasting and marketing. Today the Company is engaged in these activities both at home and overseas. As a further step forward, Hürriyet acquired a 67.3% interest in Trader Media East (TME), a leading ad publishing company in Eastern Europe and Russia, by a voluntary call at the London Stock Exchange in April 2007. This transaction has turned Hürriyet into a regional player for advertisement in nine countries including Russia. This major investment was also remarkable in the sense that it was the first time that a Turkish company acquired an international corporation that was already a leader in its field. As a result, TME joined the Hürriyet family, with operations in EU countries, Poland, Hungary, Lithuania, Russia, the Ukraine, Croatia, Belarus and Kazakhstan. This investment was in all senses of the word a turning point in the global journey of Hürriyet.

Bold steps to high-quality journalism...

With an average daily circulation of 547,000 during 2006, Hürriyet leads the industry in Turkey in terms of both daily average net sales and ad revenue. According to 2006 figures, Hürriyet enjoyed a 14.1% share in total ad revenue in Turkey and had a 41.9% share in overall newspaper ad 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. On April 3, 2007, the international credit rating agency Fitch Ratings gave Hürriyet a long-term foreign currency credit score of BB (stable outlook) and a long-term local currency credit score of AA-(Tur) (stable outlook).

After going public in 1992, Hürriyet's shares remained one of the few high-return shares traded on the Istanbul Stock Exchange (ISE). Despite the volatility experienced in the markets in 2006, Hürriyet's ability to generate cash and liquid financial structure secured a strong performance during the year. According to 2006 year-end closing prices of Hürriyet stocks on the ISE, the market value of the Company was \$1.1 billion.

As of December 31, 2006, Hürriyet's revenue was YTL 632 million, with a net income of YTL 104 million and a paid-in capital of YTL 416.7 million.

Hürriyet has successfully turned what began on a spring day 59 years ago into permanent success. A long-established household name in Turkey, Hürriyet now emerges as a global player and joins the league of the world's top corporations in the industry. Supported by the standards and corporate governance philosophy it has adopted, Hürriyet will always be committed to contemporary and high-quality journalism, without compromise.

ECONOMY

Hürri

Hürriyet is
democratic...



Conscious of the role a free press plays in strengthening democracy, Hürriyet supports the expression of political preferences in free elections subject to democratic principles and the manifestation of these preferences in government.



For Hürriyet, 2006 has been a year of remarkable success in terms of both higher sales and higher ad revenue. With its daily circulation increasing to 547,000 (5.3%), Hürriyet's market share was 10.6% in 2006. The Company remained the leader in this field, enjoying a 14.1% share in total ad revenue, with a 41.9% share in total newspaper ad revenue.

FINANCIAL HIGHLIGHTS (YTL)

	December 31, 2006	December 31, 2005
Total current assets	406,886,019	428,317,543
Total fixed assets	562,478,799	507,279,805
Total assets	969,364,818	935,597,348
Total short-term liabilities	105,594,260	157,959,553
Total long-term liabilities	160,979,232	104,339,768
Minority interest	111,140	3,451,810
Shareholders' equity	702,680,186	669,846,217
Net sales	632,372,547	585,174,934
Operating income	86,978,572	103,609,653
Pre-tax income	113,984,316	121,923,523
NET INCOME	104,157,463	87,008,178

MAIN FACTORS EFFECTING OPERATIONAL PERFORMANCE

	2006	2005
Average daily net sales (<i>units</i>)	547,000	519,000
Average number of pages (<i>pages</i>)	83.6	80.4
Paper used (<i>tons</i>)	105,535	95,535
Average paper price (<i>US\$/ton</i>)	747	684
12-month CPI inflation (%)	9.6	8.2
Annual GNP growth (%)	6.0	7.6
YTL/US\$ rate (<i>annual average</i>)	1.4294	1.3410
YTL/US\$ rate (<i>year-end</i>)	1.4056	1.3418
Change in YTL/US\$ rate (<i>based on annual averages</i>) (%)	6.6	(5.7)

Market share leader in 2006

In 2006, the Turkish economy grew 6% in real terms, corresponding to a 10.8% growth on a US dollar basis, reaching US\$ 400 billion. Annual per capita income hit a record high with an annual average of US\$ 5,477. Leading drivers of growth in the private sector were building and housing construction with a growth rate of 26.4%, followed by machinery and equipment at 13.9%, industrial production at 7.4% and commerce at 5.9%. Main drivers of economic growth were the uninterrupted growth in the housing industry, which persisted despite the rise in loan rates after the financial problems of May, as well as the positive developments in white goods and automotive exports. Fiscal policies were successfully implemented although there were setbacks in the

EU accession process and inflation was higher than expected. With privatization and mergers in the banking industry gaining momentum in 2006, the inflow of foreign direct investment reached US\$ 20 billion, another important factor positively affecting monetary balance.

For Hürriyet, 2006 was a very successful year marked by significant growth in both sales and ad revenues. The Company's market share reached 10.6% in 2006, thanks to a net daily average circulation of 547,000, corresponding to a 5.3% growth. With a 14.1% share in the ad market and a 41.9% share in the newspaper ad market, Hürriyet remained a leader in these areas as well.

FROM THE MANAGEMENT...

Hürriyet performed very well in 2006, aware of its responsibilities as a global company, an industry leader and the most widely read newspaper of Turkey.

MESSAGE FROM THE CHAIRMAN

Esteemed Members of the Hürriyet Family, Dear Shareholders,

For the global economy, 2006 has been another year marked by stability and robust growth. Despite the increase in both oil prices and interest rates, the global economy managed to grow 5% on average, with ever-growing movements of international capital from developed economies to emerging markets. Fuelled by these dynamics, developing countries led by China and India, which grew 10% and 8% respectively, considerably increased their foreign exchange reserves, playing a crucial role in global growth. The most successful developed economy has been the Euro zone, which experienced a relative revival at a time when the US and Japanese economies were relatively stagnant.

Although the first half of the year was not at all promising due to rising interest rates and the financial fluctuations of May, the Turkish economy managed to maintain the uninterrupted uptrend it has been following since 2002, growing 6% in 2006. Market disturbances caused inflation to rise 9.65%, far beyond the estimated level; to make it worse, there have been problems in the EU accession process. However these setbacks did not reverse the upward trend in other economic indicators, such as an increased inflow of foreign direct investment, which reached US\$ 20 billion. An uncompromising privatization policy and mergers in the banking industry were the main factors behind this success. Optimism was also promoted by other positive macroeconomic developments such as the considerable fall in budget deficit and the public borrowing requirement and improved terms in public debt.

A critical and dynamic process

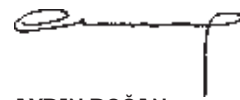
In order for this trend to continue, it is crucial that the elections in the spring and autumn of 2007 not disrupt expectations of stability, that policies which could adversely affect financial balances are avoided and the economic program is pursued with strict fiscal discipline. There should be no compromise on the government's EU membership policy, no matter what difficulties might be faced in the accession process. At this point, all economic players must assume their responsibilities and duties imposed by this critical period that will shape Turkey's future.

Solid and reliable...

Hürriyet performed very well in 2006, aware of its responsibilities as a global company, an industry leader and the most widely read newspaper in Turkey. Increasing its net daily average circulation 5.3%, the Company has expanded its share in the overall newspaper ad market from 40% to 41.9% in one year. Hürriyet's strong performance makes it one of the public companies providing the highest yield for investors, with more than 90% of its publicly-held shares owned by international investors. Hürriyet creates great value for its shareholders as a profitable investment tool that has been growing on solid and reliable grounds for the last 59 years. The April 2007 acquisition of a 67.3% interest in Trader Media East (TME), the leading ad publisher of Russia and Europe, was both a source of pride for Hürriyet and Turkey and also a concrete evidence of Hürriyet's ability to increase its value substantially in the near future.

This achievement would not have been possible without the efforts of all Hürriyet employees. I would like to thank all of them for their work and also our esteemed shareholders for the value they add to our Company. I am sure that 2007 will be a year full of achievements for all of us.

Yours truly,



AYDIN DOĞAN
Chairman of the Board



FROM THE MANAGEMENT...

Becoming a regional player in nine countries with the purchase of the leading Russian advertiser, Trader Media East (TME), Hürriyet has now joined the ranks of multinational corporations.

MESSAGE FROM THE CEO

Dear Shareholders and Colleagues,

Despite problems in the EU accession process and the financial problems of May, 2006 has been another successful year for the Turkish economy. With its ever-increasing profitability and solid financials, Hürriyet has successfully faced the economic disturbance, delivering an excellent performance in all fields. Becoming a regional player in nine countries by purchasing leading Russian advertiser Trader Media East (TME) for US\$ 336.5 million, Hürriyet has now joined the ranks of multinational corporations. This great leap forward marks the beginning of a new era where people living in a region that is home to 350 million people speaking ten different languages will meet in the corridors of Hürriyet.

Another successful year...

In 2006, the net sales revenue of Hürriyet rose 8%, to YTL 632 million, with net income increasing 19%, to YTL 104.2 million. Net daily average circulation went up 5.3%, to 547,000, bringing the Company's market share to 10.6%, while ad revenue grew 5.9%. Hürriyet improved its share in overall newspaper ad revenue by 1.1 percentage points, to reach 41.9% in 2006, further strengthening its leadership in the industry. This unparalleled success has attracted both domestic and international investors and despite all the negative developments in financial markets, the newspaper has offered one of the highest returns on the Istanbul Stock Exchange (ISE). Hürriyet's market capitalization was US\$ 1.1 billion, calculated at the year-end closing price of its shares on the ISE.

Reaching approximately two million people daily, Hürriyet confirmed its position as the best-selling newspaper in Turkey. The Hürriyet family is fully aware of the social responsibilities this successful performance brings with it. Revising its corporate structure in accordance with the concept of continuous improvement, Hürriyet is cognizant of its role in shaping Turkey's future as the strongest media organization in the country.

Taking safe and determined steps

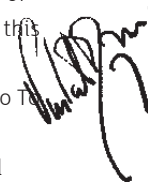
In addition to new investments worth US\$ 81 million in 2006, the Company has taken major steps toward backing its organizational structure with a strong audit system. In this way it was ensured that Hürriyet, on the way to becoming a global player, is monitored and protected by a risk management system that is efficient and strong, yet also capable of creating flexible solutions.

In 2006, Hürriyet strengthened its operational structure and continued activities in the field of social responsibility, which it regards as one of the most important elements of social life. In this regard, the Company began to get highly satisfactory and concrete results from the "No To Domestic Violence!" campaign, which it has implemented since 2004 in both Turkey and Europe. The campaign reached wider audiences this year and Hürriyet received the Special Award from the International Public Relations Association (IPRA), known as the "Oscars of public relations" in November 2006. The Company is determined to continue its efforts in this field at full pace, to raise awareness of different sections of society on this crucial problem.

Hürriyet: A multinational and multicultural company

The fact that the newspaper has become a multinational and multicultural company is a promising development, not just for the Hürriyet family but also for the Turkish economy which is making considerable progress toward globalization. This process will have a positive impact on Hürriyet's balance sheet as well, since with Trader Media East joining the group, 35% of total revenue will be coming from overseas sources and the confidence that our investors have always had in our Company will be justified.

The greatest value behind the increasing influence and success of Hürriyet is without any doubt the efforts of our talented and skillful employees, who are the best in this industry. I would like to take this opportunity to thank all my colleagues and express my gratitude to our esteemed shareholders and readers whose confidence has been the source of Hürriyet's value.



VUSLAT DOĞAN SABANCI
CEO



FROM THE MANAGEMENT...

A recent brand survey by the research company Nielsen concluded that Hürriyet was the leading brand in the newspaper industry, confirming the brand's strength in Turkey.

MESSAGE FROM THE EDITOR-IN-CHIEF

Last April 28, I was invited to a gala night at the London Hilton. It was an award ceremony organized jointly by several organizations in the newspaper publishing and printing industries. It was mainly about awards given to British newspapers, but one of the categories was the "Best Newspapers outside Britain." Six newspapers had made it to the finals in this category and Hürriyet was chosen one of the three best newspapers in the world, with the other two being "Marka" and "El Mundo" both from Spain.

It was indeed a very good year for Hürriyet, not only in terms of financial performance, but also in terms of circulation and reporting performance. Several colleagues have received prestigious journalism awards such as the "Journalists' Association Award," the "Sedat Simavi Award" and the "Abdi İpekçi Award." Hürriyet's stories continued to set the agenda in Turkey and its journalists have consolidated their position as the most influential writers in Turkey. Hürriyet also sustained the highest rate of circulation of the last two years. Last year, our average weekday circulation exceeded 500,000 without promotional campaigns. This figure reaches 600,000 when the newspaper's Germany edition is included. Hürriyet has also strengthened its "single newspaper" title during weekends. There have been times when the circulation of the Saturday and Sunday editions exceeded one million.

A recent brand survey by research company Nielsen concluded that Hürriyet was the leading brand in the newspaper industry, confirming the brand's strength in Turkey. Another survey by the Millward Brown research company asked the question "Which newspaper comes to mind first?" to which 92% of participants responded "Hürriyet." This survey also provided a list of all newspapers in the market and then asked participants "Which one of these comes to mind first?" This time, 97% responded "Hürriyet." These results prove that the Hürriyet brand has grown even stronger in recent years.

Another achievement of Hürriyet has been its intensive online journalism. The number of daily visitors to its website reached one million this year, up from around 650,000 last year.

Putting it all together, I can conclude that - Hürriyet is the only newspaper in Turkey that has truly entered the 21st century while most other newspapers have remained within the boundaries of traditional journalism. Competitors who think that journalism merely means circulation and headlines are likely to experience negative effects from this limited view.



ERTUĞRUL ÖZKÖK
Editor-in-Chief



WORLD

Hürri

Hürriyet is an
advocate of
freedom...

Opposing racism and all forms of discrimination while supporting free expression and the publication of all views that do not involve a call to violence. Hürriyet strongly opposes any restriction of these basic freedoms.



MANAGEMENT

BOARD OF DIRECTORS



Aydın Doğan
Chairman of the Board

Born in 1936 in Kelkit, Aydın 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 and established his first industrial enterprise in 1974. In the years that followed, he was first a member of the Istanbul Chamber of Commerce (ITO) Assembly, where he later served as a Board Member and subsequently a Board Member of the Turkish Union of Chambers and Commodity Exchanges (TOBB). Doğan entered the publishing business in 1979 when he took over Milliyet newspaper; today he is the most experienced national

newspaper owner in Turkey. He served as the Chairman of the Turkish Union of Newspaper Owners between 1986 and 1996. In 1998, at the meeting of the World Association of Newspapers (WAN) held in Tokyo, Doğan was elected to the association's board, becoming the first Turkish citizen to serve in this capacity. In 1999, he was awarded the Outstanding Service Medal of the Republic of Turkey. Doğan has received honorary doctorates from Girne American University in 1999, Aegean University in 2000, Baku State University in 2001 and Marmara University in 2005.



Mehmet Ali Yalçındağ
Deputy Chairman

Born in Istanbul in 1964, Mehmet Ali Yalçındağ graduated with honors from the American College in London in 1989. He first joined the Doğan Group in 1990 as the Assistant General Manager of Doğan Dış Ticaret, responsible for the international purchases of the entire group. The following year, he became a Member of the Executive Committee of Doğan Holding and in 1992, was appointed Assistant General Manager of Milliyet. Yalçındağ established the Simga Group and launched five new publications.

In 1996, when the media companies of Doğan Group consolidated into Doğan Yayın Holding, he was appointed Vice President of this

new organization and in 1999 he became Chairman of the Executive Committee. In 1998, Yalçındağ assumed a role in the public offering of the holding, coordinating the introduction of the group at several meetings around the country. He played a leading role in the creation of the corporate identities of all affiliated companies and also helped group companies to establish partnerships with foreign corporations.

Yalçındağ also serves as Chairman of the International Advertising Association (IAA).



Vuslat Doğan Sabancı
Board Member,
Chief Executive Officer

Born in 1971, Vuslat Doğan Sabancı graduated from the Department of Economics of Bilkent University. She continued her education at Columbia University in New York, where she received an MA in International Media and Communications. Doğan Sabancı worked at the editorial department of The New York Times for a year. She then joined The Wall Street Journal, where she helped in the formation of the Asian Business World News Channel and the Latin American Edition of WSJ. In 1996, she joined Hürriyet newspaper

as Vice President in charge of advertising. Three years later, she was promoted to Group President for Marketing Operations, where her responsibilities included marketing, sales, human resources and IT operations. Doğan Sabancı, who currently serves as Hürriyet's CEO and Board Member, is also responsible for the newspaper's administrative operations, in addition to strategic planning and business development. Doğan Sabancı is also a Board Member of the International Press Institute (IPI).



İmre Barmanbek
Board Member

Born in 1942 in Istanbul, İmre Barmanbek graduated from Ankara University's Faculty of Political Sciences 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 was promoted to tax specialist at the Ministry of Finance, where she also served as a member of the Tax Appeal Commission.

Following her successful career as a public official, Barmanbek joined the private sector. She first worked at Doğu Akü, a joint enterprise of the Koç and Doğan Groups, as Treasurer and was later promoted to General Manager. She continued her career as Financial Coordinator of the Doğan Group, culminating in her appointment as Chief Financial Officer in 1998. Barmanbek served as General Coordinator and Chief Executive Officer between 1999 and 2002.



Ertuğrul Özkök
Board Member

Born in 1947 in İzmir, Ertuğrul Özkök graduated from İzmir Namık Kemal High School and entered the College of Journalism and Broadcasting at the Ankara Faculty of Political Sciences. Following his graduation in 1969, he worked as a reporter at TRT for a year and later continued his studies in France, where he earned a Ph.D in communication science. Upon his return to Turkey, Özkök began working as a lecturer at Hacettepe University. In 1986, he became an associate professor and left the university to join the Hürriyet

newspaper, where he served as the Ankara and Moscow representative. He currently serves as Editor-in-Chief and Vice President of Doğan Yayın Holding and as a daily political commentator. Özkök began his writing career in 1982 with the publication of his first book entitled "Art, Communication and Power," followed by "The Unraveling of the Masses" in 1984, "Farewell Rebellion" in 1987 and "Stalin Baroque" in 1989.



Soner Gedik
Board Member

Born in 1958 in Eskişehir, Soner Gedik earned his BA in Economics and Public Finance at Ankara University. Passing the entrance examination in 1981, he became a tax specialist at the Ministry of Finance in 1985 where he finished first in his class. Gedik enhanced his experience in financial issues in the six months he spent inspecting Turkey's leading private and government institutions as a civil 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 Board Member of Hürriyet, as well as Head of Finance for the organization. Currently, 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
Board Member
(Independent Member)

Cem M. Kozlu lectured in International Marketing and Export Management at Boğaziçi University between 1978 and 1981. He then became a visiting professor at the Economics Department of Denison University in 1985. Kozlu has also held executive positions at various national and international companies. He served the Turkish public sector as Chairman of Turkish Airlines until 2003 and as a Member of Parliament following the 1991 general elections.

Beginning in 1996, Kozlu worked in various positions at Coca-Cola, until his retirement in 2006 as Group Chief for the Central Europe,

Eurasia and Middle East divisions. He still serves as a consultant for Coca-Cola in the Northern Asia, Eurasia and Middle East Groups. Kozlu has published several books; "International Marketing," "Seeking a Vision for Turkish Miracle and Asian Models," "Organizational Culture," "Sogo-Shosha (A Japanese Lesson on Eliminating Borders)" and "From Anger to Solution." Kozlu has published numerous articles and writes columns for daily newspapers.



Kai Diekmann
Board Member
(Independent Member)

Following his graduation from high school and completion of his military service in 1985, Kai Diekmann began working as an intern at Axel-Springer Publishing. In a short time, he became the Bonn representative for this company and then went on to work as News Editor at Bunte Magazine between 1989 and 1991. He transferred to Bild in 1992 after working briefly at Berliner Zeitung. Making a big career leap in 1998, Diekmann became 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. In 2004 he became Bild's publisher and presently serves as the publisher of Bild am Sonntag. After his appointment, Bild newspaper became one of the best-selling, most efficient and most profitable publishing organizations in Europe. In 2004, Diekmann wrote the biography of Helmut Kohl, a close friend.



Ertunç Soğançioğlu
Board Member

After graduating from the Economics and Public Finance Department at Ankara University's Faculty of Social Sciences in 1980, Ertunç Soğançioğlu started his career at Türkiye Emlak ve Kredi Bankası as Assistant Inspector. Between 1988-1991, he was Manager of the İzmir Bornova Branch of the same bank, where he later held positions as Credit Management Director, Credit Evaluation Manager, Credits Department Director and Commercial Loans Coordinator. He also represented the bank at affiliates, serving on the Board of Auditors of Ataköy Otelcilik A.Ş. and Ataköy Turizm A.Ş. and on the Board of Directors of Ataköy Otelcilik A.Ş.,

Emlak Pazarlama A.Ş. and Arap Türk Bankası. Soğançioğlu left Türkiye Emlak ve Kredi Bankası in 1996 and joined Atlas Factoring Hizmetleri A.Ş. as CEO and Deputy Chairman of the Board. He also served as a Board Member for HMB Finansal Kiralama A.Ş.

Soğançioğlu is currently a Member of the Executive Board of both the Beşiktaş Sports Club and Beşiktaş Futbol Yatırımları A.Ş. Since 2001, he has served as CEO and Board Member of Doğan Factoring Hizmetleri A.Ş.

MANAGEMENT

Information on the Board of Directors and Management

1. Board of Directors

- a. In 2006, no commercial and/or non-commercial transactions took place between the Company and other companies in which it owns a 5% interest or more, or companies which, regardless of the aforesaid ownership, are controlled by Members of the Board of Directors, executives and/or shareholders who directly or indirectly own a 5% interest or more.
- b. Members of the Board of Directors and executives do not own an interest in the Company.
- c. Members of the Board of Directors and executives do not own any securities of the Company.
- d. External duties of board members did not violate the relevant rules of the Company.
- e. Cem M. Kozlu and Kai Diekmann are assigned as independent board members, in accordance with the Capital Markets Board's (CMB) Corporate Governance Principles. Cem M. Kozlu and Kai Diekmann have submitted their independence statements to the Chairman of the Board of Directors of the Company.
- f. Members of the Board of Directors did not receive any financial benefits other than the attendance fees determined by the General Meeting of Shareholders.
- g. No lawsuits were brought against the Members of the Board of Directors with regard to the Company's activities.
- h. Members of the Board of Directors did not receive any cash benefits such as salary, premium, other regular and occasional payments, or non-cash benefits such as shares, share-based derivatives, stock options or housing and guesthouse benefits.

2. Duties and responsibilities of Board Members and executives

The duties and responsibilities of Board Members and executives are stipulated in Article 14 of the Company's Articles of Association.

According to this, the Board of Directors is obliged to perform the duties specified in the Turkish Commercial Code, the Capital Markets Law and the Articles of Association. The Board of Directors performs all actions that do not require a decision of the General Meeting of Shareholders pursuant to the law or the Articles of Association.

In order to be valid and binding on the Company, all transactions, documents, contracts, general powers of attorney, sureties and debentures must be signed by two authorized first-degree signatories of the Company. However from these transactions, those related to a purchase or sale of property, the sale and transfer of the Company's concessions, broadcasting rights and all kinds of patents, brands, licenses and other intellectual property rights and the establishment of encumbrances thereon, mortgages, accessory contracts and liens on real estate and securities that belong to the Company, the purchase or sale of an interest in another company, the issuing of shares, bills and bonds require a resolution by the Board of Directors, taken with the affirmative vote of the Chairman or the Deputy Chairman of the Board of Directors.

The term of office for Board Members and the authorization terms of executives who have been granted first and second-degree signature rights by the Board of Directors is one fiscal year and these terms continue until the date of the next Ordinary General Meeting of Shareholders.

3. Legislative changes during the reporting period

- a. In light of the CMB's Corporate Governance Principles and in order to achieve compliance with CMB legislation, the Company's Board of Directors decided to make the following amendments to its Articles of Association, which were ratified by shareholders at the Ordinary General Meeting of Shareholders on May 1, 2006: Amendments to 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, addition of a Provisional Article 1, annulment of Articles 43, 44, 45, 46, 47, 48, 49, 50, 51, 52 and 54 and changing the number of Article 53 to 42.
- b. The Company did not face any penalties due to acts contrary to legislation.

4. Capital and dividends of the partnership and the distribution of issued capital among shareholders

- a. The authorized capital of the Company was raised from YTL 500 million to YTL 800 million.
- b. There was no change in the partnership structure of the Company in 2006.

5. Assessment of the credit rating agency

On April 3, 2007, international credit rating agency Fitch Ratings graded Hürriyet with a long-term foreign currency credit score of "BB" (stable outlook), a long-term local currency credit score of "BB" (stable outlook) and a long-term national credit score of "AA-(Tur)" (stable outlook).

6. Lawsuits against the Company

Other than the ordinary lawsuits specified in the footnotes to the financial statements (Note 31), no material lawsuits were brought against the Company. The Company did not receive any warning or administrative fines from public authorities.

7. Conflicts of interest

The Company did not have any conflict of interest with institutions providing investment consulting, investment analysis and credit rating services.

8. Administrative matters

Changes in management:

In accordance with the resolution of the Board of Directors of the Company, numbered 2006/21, dated May 5, 2006:

- Aydın Doğan was elected Chairman of the Board of Directors and Mehmet Ali Yalçındağ was elected Deputy Chairman; Vuslat Doğan Sabancı was appointed CEO and Ertuğrul Özkök was appointed Board Member in charge of Editorial Issues;
- Board Members İmre Barmanbek and Soner Gedik were reelected Members of the Audit Committee and this Committee was authorized to perform the duties set forth in the Capital Markets Board's Communiqué Series X, No. 16;
- Independent Board Member Cem Kozlu was reelected Chairman of the Corporate Governance Committee, with committee members being Murat Doğu, Capital Markets Corporate Governance Coordinator of Doğan Yayın Holding A.Ş., Ahmet Özer, Business Development and Investor Relations Coordinator of the Company and İnci Şencan, Financial Control and Investment Relations Manager.

Changes in organizational structure: None.

Board of Auditors

According to the Turkish Commercial Code, it is the duty of the Audit Committee to audit and inspect the transactions, accounts, books, treasury and dividend 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 quarterly and submits its Auditors' Report. It is also responsible for deciding if the balance sheet and profit-and-loss statement require approval and if the Board of Directors should be released from liability and for presenting these decisions to the General Meeting of Shareholders for approval. At the Ordinary General Meeting of Shareholders held on May 1, 2006 in accordance with the Turkish Commercial Code, Mehmet Yörük and Fuat Arslan were elected auditors. They are not shareholders of the Company and do not serve on the Executive Board.

Announcement as per CMB 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 and according to Communiqué Series XI, No. 25 on Accounting Standards in Capital Markets, which was issued by the Capital Markets Board for the period January 1-December 31, 2006. These statements and reports were audited by Soner Gedik (Board Member), Ahmet Toksoy (Head of Financial Affairs) and Halil Özkan (Financial Affairs Manager).

The above-mentioned persons announced that, to the best of their knowledge, the information contained in the report was, as of the relevant date, in full compliance with the facts and did not omit anything likely to result in any misleading information.

Furthermore, to the best of their knowledge, the auditors observed that the financial statements and other information contained in the report accurately reflected the financial position of the Company, as well as the operational results, for the period covered by the report. The above-mentioned persons signed the report on April 6, 2007. A copy of this statement is attached hereto.

In its resolution of April 6, 2007, the Board of Directors approved the Company's financial statements and notes to the financial statements as of December 31, 2006.

Audit Committee

İmre Barmanbek, Chairman

Soner Gedik, Member

The Board of Directors has elected Board Members İmre Barmanbek and Soner Gedik as Committee Members in Charge of Auditing, authorizing them to perform the duties set forth in the Capital Markets Board's Communiqué Series X, No. 16.

Chairman of the Audit Committee İmre Barmanbek and Member of the Audit Committee Soner Gedik are both non-executive Board Members.

The Audit Committee works regularly in compliance with capital markets legislation and in light of the CMB's Corporate Governance Principles. In 2006, the Company's financial statements and their notes as well as the independent audit report of the previous year were reviewed prior to their public disclosure and meetings were held with the Independent Audit Firm. The firm's independent audit contract was revised.

On April 4, 2007, the Audit Committee submitted its resolution to the Board of Directors, stating that the financial statements, notes and independent audit reports for the period January 1-December 31, 2006 fairly and accurately reflected the operational results of the Company in accordance with the Company's accounting principles, the IFRS and CMB standards.

Executive Committee

The Executive Committee has been established accordance with Article 19 of the Articles of Association, which reads as follows:

"The Board of Directors shall form and appoint an Executive Committee comprised of a sufficient number of members in order to ensure that the Company's activities and transactions are performed in accordance with the work program and budget it has determined. The appointment decision shall specify in detail the authorities of the Executive Committee and their limits.

The Chairman of the Executive Committee shall be authorized to manage and direct the activities of the Executive Committee and the Company and shall be elected from among the directors. However, the Chairman of the Board of Directors may not be elected Chairman of the Executive Committee at the same time. In electing the members of the Executive Committee, the Board of Directors shall take into account the suggestions and proposals of the Chairman of the Executive Committee.

The Executive Committee shall meet upon the invitation of its Chairman at intervals required by the Company's business. Company executives and third parties approved by the Executive Committee Chairman may also attend the meetings.

All activities of the Executive Committee shall be put into writing and in each meeting of the Board of Directors, the Chairman of the Executive Committee shall provide information about the work of the committee."

The Board of Directors has resolved to appoint Vuslat Doğan Sabancı, who was reelected to the Board of Directors at the Ordinary General Meeting of Shareholders on May 1, 2006, as Committee Member in charge of Executive Affairs and Ertuğrul Özkök as Committee Member in charge of Editorial Affairs.

The Executive Committee, which is composed of executive Board Members and group heads, meets at least once a month.

HIGHLIGHTS OF 2006

WHAT A YEAR FOR TURKEY!..

- 1. WHO IS MY SON'S FATHER,
YOUR HONOR?**
- 2. PASSING GIRLS ACROSS
THE STREAM**
- 3. AHMET HODJA WITHOUT
THE GOWN**

WHO IS MY SON'S FATHER, YOUR HONOR?

December 3, 2006

As a reporter I have been involved in court news for many years. I realized that the reports I write, which have both tragic and ludicrous aspects, often come up in informal contexts. Similar things happen in the corridors of courthouses so often that they are nothing but daily routine for the people who are a part of these stories, such as judges, prosecutors and lawyers. In informal contexts these are then retold to other people as “witty cases.”

One day I was having dinner with two lawyers and two judges. As the talk progressed my friend, who was a judge said to his colleague “We had a paternity case. As we moved on with the case, we realized that the woman had actually filed two suits at two different courts against two different persons. Still she couldn't find the father and we found out that the person she brought before us was not the father either” and jokingly asked his friend: “Could you be the father?” First I thought that it was just a joke, but when I realized that it was not, I began to imagine how this story would look like on the page. I asked my judge friend about the truth behind the story. He said: “This was told by the woman's lawyer. I don't know whether it is true or not, but we know each other very well and he didn't seem to be lying.”

I begged him to tell me the name of the lawyer and finally he did. It was someone I knew as well, but he was extremely tight-lipped. The first thing next morning, I found the lawyer's phone number from the directory of the Ankara Bar Council. I got an appointment and went to his office. I told him about the story I heard and he said that it was true. However, he had to protect the confidentiality of his client. When I insisted, he said that she was a civil servant, but there was no way he would give me her name. At least I had found out that the story was true. I rushed to the courthouse, found my judge friend and told him that I would like to have a look at the records of the case he was involved in. First he refused, but I promised that his name and workplace would remain anonymous. I just wanted to know what her name was and where she was working. Having persuaded him to give me this information, I could put together the story. It made headlines. It was well worth my efforts, because the next day everybody was talking about my story.

YILIN DERBİSİ SON EMİRLER

Tüm Türkiye'nin nefesi tutarak beklediği Fenerbahçe-Galatasaray derbisi saat 19.30'da başlayacak.

Özet ve Analiz Bu hafta Zico, "Saha ismiyle" anılacak. Bu yabancının 1 puan kazanması çok önemli. Kazanarak sezonun en iyi yabancı oyuncusu Özet ve Analiz için birinci. Özet ve Analiz için birinci.

Derbi'nin vakti Zico'nun vakti. Zico'nun vakti. Zico'nun vakti.

Derbi'nin vakti Zico'nun vakti. Zico'nun vakti. Zico'nun vakti.

Fatih'in 7 göbek torunu 'Papalık Prensi' oldu

Papa'nın gelip, sebebini anlatan ve bu sebebini anlatan. Papa'nın gelip, sebebini anlatan ve bu sebebini anlatan.

BOYMACI BELGİ Cene Zico'nun, Zico'nun. Cene Zico'nun, Zico'nun.

0 yatağı hemen kaldırın

Yeni bir yatağı, yeni bir yatağı. Yeni bir yatağı, yeni bir yatağı.

Hürriyet

3 Aralık 2006 Pazartesi Kuruluş: Sedat Simavi 1899-1953 Fiyatı 50 YTL 15 TL

Oğlum kimden hâkim bey

Ankara'da inanılmaz bir babalık davası

Boşanırken 8 yaşındaki oğlunun kocasından olduğunu itiraf eden kadın, 3 kişiye babalık davası açtı. Ankara hiçbir çocuğun babası çıkmadı.

YARGITAY KARARI

Gazeteci haklıysa küçük düşürülebilir

Yargıtay 4. Hukuk Dairesi, basın özgürlüğüne göre gazetecilerin ismini ve fotoğrafını kullanmalarına karar vermiştir.

Kontrollü tecavüzcü

İstanbul'da 17 yaşındaki bir kızın kendisine tecavüz ettiği iddiasıyla açtığı davaya İstanbul 1. Asliye Ceza Mahkemesi karar vermiştir.

Öğünün en aptakası...

İHAAT'ın en aptakası. İHAAT'ın en aptakası. İHAAT'ın en aptakası.

RESİMLİ ÇOCUK ANSİKLOPEDİSİ

Çocukların en sevdiği kitap. Çocukların en sevdiği kitap. Çocukların en sevdiği kitap.

Kadın profesörün mobbing davası

Manisa Üniversitesi Eczacılık Fakültesi'nde öğretim üyesi olan Prof. Dr. Dilek Aktepe, üniversite yönetiminin kendisine mobbing yaptığı iddiasıyla dava açmıştır.

PKK'nın kızını devlet okutacak

İstanbul'da yaşayan PKK lideri F.Ö.L.A., "Nalan Özalp" adında bir kızını devlet okutacağını duyurmuştur.

Bebeklerin taşıyıcısı değiştirildi

Yeni bir taşıyıcı. Yeni bir taşıyıcı. Yeni bir taşıyıcı.

Şofbene son kurban Damla

Şofbenin son kurbanı. Şofbenin son kurbanı. Şofbenin son kurbanı.

2.

GIRLS CROSSING THE STREAM

September 17, 2006

A source close to the Justice and Development Party AKP reported that Adnan Şahin, the General Manager of BELBİM A.Ş., an affiliate of Istanbul Metropolitan Municipality with an annual budget of US\$ 600 million, married with two children, was having an affair with a married woman. We heard that General Manager Adnan Şahin, whose wife wears an Islamic headscarf, opened a kindergarten for his lover, who does not wear a headscarf and offered all the resources of the municipality to her. We even found out that Şahin had presented his lover as his "wife" on several occasions. However, we were not able to find any concrete evidence that would prove the affair. A former Şahin colleague, who heard that we were working on this, came to visit us on September 16, 2006 Saturday with pictures clearly proving the affair. After examining the pictures with Intelligence Director Celal Korkut, his Assistant Bülent Ovacık and Metropolitan Chief Ayda Kayar, I talked to Adnan Şahin by phone. First he said that he was being defamed. When we reminded him that we had pictures showing them very close to each other, he got furious and said to me: "This is none of your business. She is also my wife and there is nothing to talk about." Şahin's spouse, N.Ş. had told us that she had only recently heard about the allegations and she already had problems with her husband. We had in our hands numerous allegations about BELBİM's General Manager Adnan Şahin. However, the same day the story was published, he held a press conference where he was joined by his wife and lover and explained that he has been slandered and the person who is said to be his lover is actually none other than a family friend. Nobody believed what he said. As we moved to publish the stories we had prepared one after the other, Mayor Kadir Topbaş had to remove Şahin from office on the third day, following the instructions of Prime Minister Tayyip Erdoğan. When the serial was over, "crossing the stream" became the phrase of the day.



October 10, 2006

Following the September 3, 2006 murder of Bayram Ali Öztürk, at the İsmailağa Mosque, I focused my investigation on this community in Istanbul's Fatih Çarşamba district. Ahmet Mahmut Ünlü is one of the leaders of this community, known for its strict lodge discipline that requires its disciples to wear a beard, jilbab, turban and gown. My story about the lifestyle of this man was published in Hürriyet on Sunday September 10, 2006, with the headline "This is Where He Lives." In this story I explained that Ünlü, also known as 'Gowned Ahmet Hodja' was living in a two-million-dollar mansion at Acarkent, complete with a private pool. When I came to the news center the next Monday, I found a message waiting for me. I called the number indicated and the person who answered told me that everything I had written was true. The Hodja, who forced strict rules and imposed a life deprived of worldly pleasures on his community, was frequently having luxurious holidays overseas, swimming and riding a jet-ski at beaches where men and women spend time together. I told that person that I wanted to have a look at the documents he had and listen to what he had to say. He became anxious and refused me kindly, saying "maybe later." This was the beginning of a marathon that would last for one month. From September 11 onward, I tried to convince him, calling him twice and sometimes even three times a day. I made a final attempt on the morning of October 9, 2006, Monday and told him "I do not believe that you have these kinds of documents. There is no point in wasting each other's time." Eventually he told me that he would send me the documents in the afternoon. Indeed, the documents I received through some intermediaries arrived at my office later the same day. These materials, which were stored in a laptop, consisted of digital pictures and video records, showing even more interesting things than my source had told me before. After verifying the authenticity of this material, the only thing that was left to do was to listen to the news source. Since he was not living in the city, I interviewed him by phone and tried to confirm what he said the same day.

The interview went on for several hours, with interruptions. As I completed the news story later in the evening, I saw that my story was being advertised on Kanal D with rolling subtitles. On Tuesday, October 10, 2006, my story was introduced in Hürriyet as "Ahmet Hodja without the Gown", accompanied by pictures of the Hodja taken in Malta during a jet-ski ride. Even the introduction of the story had great repercussions and not only the readers, but other media organizations were trying to get a glimpse of the story which was yet to be published. I spent the rest of the day conducting a face-to-face interview with my source in order to obtain documents and information we needed for the follow-up of the story. The next day the story and the pictures were published with the headline "Mountain air in the Alps, the joys of swimming in Malta" and with the title "Shocking confessions from a secret world," immediately dominated the agenda in Turkey. The interview appeared in Hürriyet as a serial for the whole week, making headlines for the first three days. After that one week, the Gowned Ahmet Hodja said: "I was wrong. I failed to follow abstinence."

Aslı Sözbilir



Sometimes extremely worried, sometimes aggrieved, yet sometimes also very funny, that's how we have been...

One day we felt ashamed of those honor killings, another day we were full of hope as donations poured in to provide education for all.

Our dreams were shattered when the EU accession talks were suspended in eight chapters, but at the same time we enjoyed the pride of receiving the greatest literature award in the world, not just in Europe...

Sometimes we were impulsive, sometimes rather shy on our way to becoming a more modern, more humane and more democratic society.

We lived as we wanted to live-our way...

There have been days full of laughter and days filled with anger. We found ourselves in the midst of great embarrassment and felt as if it was our own shame. Then came the pleasure of our successes and we lifted up our eyes and looked again at the world.

In reality, our situation was no different than elsewhere; we are just like everybody else.

This was 2006...

What remained was life itself.

What remained were the words in our headlines.

Words representing life were hidden on the pages of Hürriyet...

MANAGEMENT

EXECUTIVE BOARD



From left to
right:

Sinan Köksal
Chief Marketing Officer

Ahmet Toksoy
Chief Financial Officer

Vuslat Doğan Sabancı
Chief Executive Officer

Ertuğrul Özkök
Editor-in-Chief

Ayşe Sözeri Cemal
Chief Advertising 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

Ahmet Özer Business Development and Investor Relations Coordinator

Temuçin Tüzecan Corporate Communications Coordinator

Sancak Basa Human Resources Director

The Coordination Committee, which reports to the Executive Board, holds regular weekly meetings.

Publishing newspapers, including Hürriyet, has traditionally been the core business of Doğan Yayın Holding.

DOĞAN YAYIN HOLDİNG A.Ş.

Doğan Yayın Holding A.Ş. (DYH) is a leading conglomerate in the Turkish media and entertainment industries, involved in newspaper, magazine and book publishing, TV and radio broadcasting, printing, news media operations and commercial productions. Publishing newspapers, including Hürriyet, has traditionally been the core business of DYH. At the end of 2006, DYH was publishing eight newspapers daily, including Hürriyet, Milliyet, Radikal, Posta, Fanatik, Referans, Gözcü and Turkey's leading English newspaper Turkish Daily News. Through DMG International, DYH is active in newspaper publishing in Europe as well.

DYH publishes 24 magazines through Doğan Burda (DB), which also imports and locally distributes major newspapers and magazines from around the world. Doğan Egmont, a joint venture of DYH and Egmont Publishing of Denmark, producing magazines for children and teenagers and DB Popüler, publishing women's magazines, are both part of DYH.

Synergies created by joining forces

In 2006, sixteen TV channels and three radio stations were operating under DYH. These include Kanal D, Star TV, as well as CNN Turk and Dream TV in the thematic channel segment and Euro D and Euro Star broadcasting in Europe. Kanal D is one of the most widely-watched TV channels of Turkey. Another channel, CNN Turk, is a joint venture between DYH and AOL Time Warner. The group's radio stations are Radyo D, CNN Turk and Slow Türk.

With a 20% share of the bestseller book market, Doğan Kitapçılık is one the most dynamic book publishers in the industry.

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

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

The Holding prioritizes Internet and cable TV investments, creating strong synergies with its present operations. With the steps taken in this direction, Doğan Online has brought together a comprehensive group of portals, thereby becoming Turkey's largest Internet company. The D&R music and bookstore chain uses various marketing platforms at centrally-located stores and online stores to sell multimedia products.

CORE VALUES

Playing an active role in Turkey's modernization, Hürriyet stands out for its high-quality publishing, employee focus and social responsibility.

MISSION, VISION, STRATEGY

Mission

Hürriyet's mission is to provide accurate news and information, as well as honest analyses and assessments to all Turkish-speaking people around the globe. To accomplish this objective, the main task of the directors of Hürriyet and its affiliates is to maintain the independence of both the Company and the newspaper and to manage the Company in a way that will provide maximum value to shareholders.

Vision

Playing an active role in Turkey's modernization, Hürriyet stands out with its high-quality publishing, employee focus and social responsibility. Hürriyet has always been and will continue to be guided by its commitment to serving the public good and maintaining its role as a pioneer.

Strategic Objectives

Hürriyet's strategy involves providing customer-focused service, developing reader-oriented specialty products, producing content for traditional brands, keeping abreast of advances in technology and innovatively diversifying and expanding content distribution channels. The Company's strategy also involves tailoring information and educational products and tools to individuals, diversifying and expanding its sales and distribution channels in cooperation with the world's leading media enterprises.

The Board of Directors and the management continuously review Hürriyet's position in line with its strategic objectives. At regular and frequent board meetings, the Company reviews its position in the market and devises new targets and strategies responding to changing conditions.

Hürriyet offers itself as a solution provider to help overcome social problems. It supports all efforts to improve quality particularly in the field of newspaper journalism.

VALUES

Hürriyet...

is democratic: Conscious of the role a free press plays in strengthening democracy, Hürriyet supports the expression of political preferences in free elections subject to democratic principles and the manifestation of these preferences in government.

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 restriction of these basic freedoms.

is secular: Hürriyet is opposed to basing social, economic, political or legal systems on religious principles.

respects differences: Hürriyet does not discriminate against any group based on language, faith, nationality, race or gender. It respects people who speak different languages or identify themselves differently, so long as these freedoms do not promote discriminatory political views.

complies with media ethics: Hürriyet is committed to the universal principles of journalism as defined in the 'Editorial Principles' released by the Doğan Editorial Council and the 'Hürriyet Journalism Handbook.'

is committed to carrying out its social responsibility: Hürriyet offers itself as a solution provider to help overcome social problems. It supports all efforts to improve quality particularly in the field of newspaper journalism.

CORE VALUES

The primary 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.

EDITORIAL PRINCIPLES OF HÜRRİYET

1. The primary 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. A journalist shall not allow his/her profession to be influenced by any other interests or forces. As such, a journalist cannot play an active role in any political party.

Employees who work at divisions that prepare economic or financial reports shall not own stocks and shall not directly or indirectly deal in stock markets.
3. A journalist must avoid methods and attitudes that might cast doubt on the respectability of his or her title.

DYH employees cannot accept travel invitations from and cannot travel with, third parties without the consent of their division heads.
4. Employees shall not accept gifts or benefits that are not compatible with the ethics and traditions of the profession from persons or organizations that are actual or potential subjects of publications.
5. Publications shall not disparage or condemn anyone on the basis of race, gender, social status, religious belief, physical handicap or age.
6. Publications that limit freedom of expression or freedom of conscience, or threaten the general tenets of morality, religious sentiments and 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.

Writers shall personally pay 20% of any damages arising from verbal attacks or false accusations in their columns.
8. No one shall be depicted as guilty unless convicted by the judicial system.
9. News whose content can reasonably be investigated shall only be published after conducting and announcing the results of such investigation and/or verifying the accuracy of the story.

Any journalist at a Doğan Yayın Holding company who provides misleading information or publishes an inaccurate story shall be subject to sanctions ranging from a warning to dismissal.
10. No one shall be accused of criminal actions unless credible and reasonable grounds are presented.
11. The private lives of individuals shall not be covered in news reports, except for cases where the lifestyle of the individual in question constitutes an express or implied consent and except where the publication would serve the public good.

- 12.** Unless they serve the public good, 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 shall not be made public unless they are themselves involved or their exposure is necessary for accurate reporting.
- 14.** Unless this would serve the public good materially, information obtained subject to a confidentiality condition shall not be disclosed.
- 15.** All news sources shall be kept strictly confidential, except where the source intends to deceive the public.
- 16.** News stories must at all times be investigated, prepared and published in a balanced, accurate and objective manner:
- a)** The views of the accused party must be included in the story. It must also be specified when the relevant party has not responded or could not be reached,
 - b)** quotations cannot be summarized and/or changed in a way that would result in the source being portrayed as incomprehensible or preposterous. The source and date must be clearly specified in published quotations,
 - c)** all public surveys must specify the name of the surveying agency, the party ordering the survey, funding sources, survey dates, the number of people surveyed and the survey method.
- 17.** Reports that encourage or incite violence and the use of force, that influence children negatively or incite hatred and enmity between persons, communities and nations shall be avoided.
- 18.** Announcements and advertorials must be explicitly identified as such.
- 19.** Embargo dates and times shall be observed.
- 20.** The right to respond to and refute inaccurate publications shall be respected and necessary steps shall be taken accordingly.

Doğan Yayın Holding companies have in place regular intervention mechanisms to correct mistakes.

SOCIETY

Hürri

Hürriyet is
secular...

It is opposed to basing social, economic, political or legal systems on religious principles.



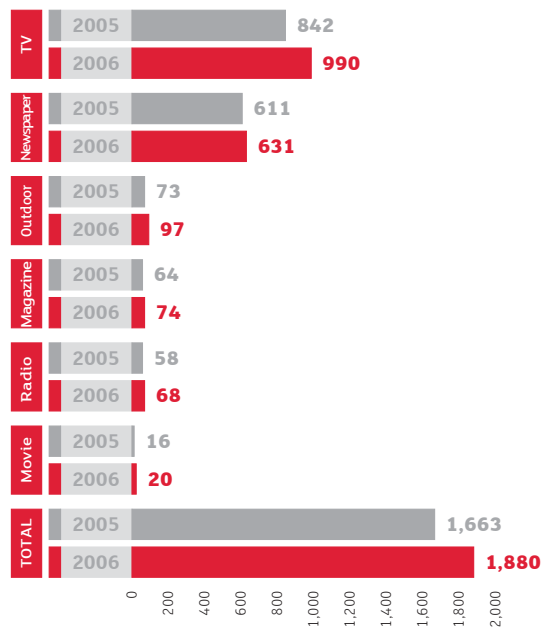
REVIEW OF 2006 OPERATIONS

Hürriyet maintained its leadership in job listings and classifieds in 2006, a year when the growth in ad spending was mainly driven by the construction, tourism, retail, furniture and home textile industries and social ads.

Ad Revenue and the Ad Industry

In 2006, the Turkish ad market grew 13% over the previous year, with the total size of the market reaching approximately US\$ 1,880 million. Outdoor, cinema and television ads were the main drivers in this growth. While the share of TV commercials in the ad market increased 2.1% up to 52.7%, the share of newspaper advertising declined 3.2%, down to 33.6%. Its share of the total spending for ads decreased, total revenue for newspaper ads rose from US\$ 611 million to US\$ 631 million.

TOTAL AD REVENUE, 2005-2006
(US\$ million)



The total number of color pages printed at all DPCs increased 5% in 2006. This increase was achieved through the addition of new printing units to existing printing machinery. All machinery investments have been aimed at achieving the production targets for 2007 and beyond.



AD REVENUE BY INDUSTRY (US\$ thousand)

Industry	2005	2006	Change (%)
Food	129,542	185,945	44
Finance	169,402	184,228	9
Automotive, transport vehicles	164,855	157,528	(4)
Telecommunications	146,982	149,239	2
Cosmetics and personal care	74,515	102,765	38
Construction and decoration	72,958	99,493	36
Electronic products	74,643	87,145	17
Furniture, home textile	69,846	84,641	21
Beverages	68,163	71,504	5
Retail trade	63,175	69,710	100
Others	540,594	630,525	17
TOTAL	1,574,675	1,822,723	16

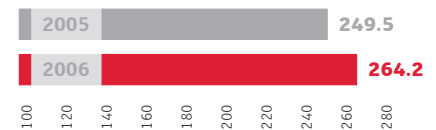
Ad investments in various industries

In 2006, food, cosmetics and construction industries increased their ad spending.

In parallel to economic growth, total ad spending is estimated to grow by around 15% this year. This growth is expected to be mainly driven by finance, construction, telecommunication, tourism, air transport, retail trade and healthcare industries.

AD REVENUE OF HÜRRİYET

(US\$ million)



REVIEW OF 2006 OPERATIONS

Among media companies, Hürriyet had the largest share of the ad market in 2006, maintaining its leadership in this field.

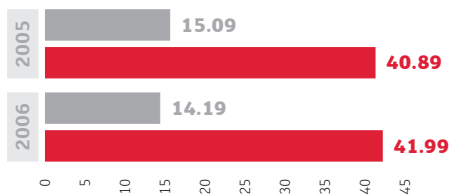
Clear leader in job listings and classified ads

Hürriyet ended 2006 with a 5.9% growth in newspaper ad revenue. Hürriyet maintained its leadership in job listings and classifieds in 2006, a year when growth for ad spending was mainly driven by the construction, tourism, retail, furniture and home textile industries and social ads.

905 ads from 120 advertising agencies applied for the fourth annual "Kırmızı, Basında En İyi Reklam Ödülleri" ("Red, Best Press Ads Awards"), ad competition which was concluded in January 2007. Targeted growth in Hürriyet's ad revenue for 2007 is 13%.

MARKET SHARE IN THE AD INDUSTRY (%)

■ Hürriyet's share in the overall market
■ Hürriyet's share in the newspaper ads market



Among media companies, Hürriyet had the largest share in the ad market in 2006, maintaining its leadership in this field. Its share was 14.1% in the overall advertising market and 41.9% in the newspaper ads market.

Hürriyet Daily in 2007

Hürriyet's Classified Ad supplement targets new revenue sources from small and medium-size advertisers. But 2007 must be considered a year of investment as far as the Classified Ads supplement is concerned.

Ten special supplements, including four issues of Hürriyet İK Stil (HR Style), two issues of Hürriyet Kanyon, one issue of Hürriyet Evlilik (Marriage), one issue of Hürriyet 23 April, one issue of Hürriyet Formula One and one issue of Hürriyet Kitap (Book), are planned for 2007. New plans for regional inserts are underway; an independent organization will be established for regional sales. Other activities planned for 2007 include cooperative projects between TV channels, websites and newspapers. Furthermore, several new "box ad" concepts have been designed and launched for social announcements. The Pazar Keyif (Sunday Pleasure) supplement will switch from a tabloid format to a broad-sheet format, to make more space available for ads.

905 ads from 120 ad agencies applied for the fourth annual ad competition named “Kırmızı, Basında En İyi Reklam Ödülleri” (“Red, Best Press Ads Awards”), which was concluded in January 2007.



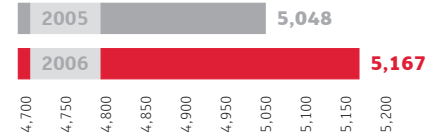
Sales of Publications

Based on data released by the Press Announcements Agency, daily average newspaper sales in Turkey increased 2.4%, from 5,048,000 in 2005 to 5,167,000 in 2006.

Maintaining both its readership and its leading position in the market, Hürriyet did not adopt a competitive pricing policy and still achieved a circulation of 547,000, marking an annual growth rate of 5.3%, thus reaching an overall market share of 10.6%.

In 2006, Hürriyet increased its weekend prices in Istanbul, Ankara and Izmir, from YTL 0.35 to YTL 0.40 for the Saturday edition and from YTL 0.40 to YTL 0.50 for the Sunday edition. While Hürriyet reached its readers in 81 provinces, districts and other locations around Turkey through 23,400 sales points in 2005, this number increased to 23,929 in 2006. Turkey's three largest cities, Istanbul, Ankara and Izmir account for 65% of Hürriyet's total sales volume. In comparison to the circulation of its weekday editions, Hürriyet sells 90,000 additional copies on Saturdays and 270,000 additional copies on Sundays.

AVERAGE DAILY CIRCULATION OF NEWSPAPERS (thousand copies)



NET AVERAGE DAILY CIRCULATION OF HÜRRİYET (thousand copies)



REVIEW OF 2006 OPERATIONS

In 2006, Hürriyet continued to publish supplements and regional issues that address diverse audiences and preferences and offer new opportunities to advertisers.

Supplements Addressing a Diverse Audience

Believing that it is crucial for the publishing business to embrace life in all its fullness, Hürriyet continued to prepare supplements and regional issues that add value to the lives of its readers and provide new opportunities for advertisers.

These supplements are important factors that distinguish Hürriyet from its competitors in the Turkish media industry.

Hürriyet Cuma (Friday) is the first ever Friday supplement to be published by a newspaper in Turkey and is designed in a way that addresses the lifestyles of readers. The "Best of Turkey" lists prepared by juries composed of ten experts are a unique feature of Hürriyet Cuma that has already become a tradition.

Hürriyet İK (HR) is the most effective source of business communication in Turkey and a leader in the field for the last eleven years. Addressing the needs of professionals seeking to change their lives for the better and companies that are looking for employees, this supplement has succeeded in becoming a major advertising medium. With rich content pages, special activities, projects and conferences, Hürriyet İK brings together those who aim for the best in business life.

With its emphasis on rich content, Hürriyet Pazar (Sunday) plays a crucial role in maintaining the newspaper's industry leadership on Sundays.

In 2006, Hürriyet broke new ground and introduced the daily Bodrum supplement, distributed around Bodrum, Milas and Didim in July.

In 2007, Hürriyet will continue to offer its readers brand-new supplements and novel solutions in different fields.

Work is progressing that will transform the classified ads section into a separate supplement.



Istanbul DPC is equipped to flawlessly handle the automatic plating of 4,800 templates daily, making it No. 1 in the world in terms of the number of CTP templates produced in a single location.



New Investments

In 2006, two MAN towers were added to the existing MAN printing presses at Istanbul DPC facilities, increasing overall printing capacity to 72 pages and from 40 pages to 48 color pages. Overall insert capacity was improved by adding three new insert systems to existing machinery.

At the Ankara DPC, existing printing presses were supported with 28 new printing units and six coil stands in 2006, increasing overall printing capacity to 44 pages and from 16 pages to 24 color pages. Ankara DPC saw a 9% increase in the number of stages, 4% in the total number of pages printed and 10% in the total number of color pages printed; growth in template consumption was 5.5%.

In 2006, Izmir DPC moved to its new facilities in Sarnıç. In addition to the construction of new facilities, Izmir DPC was further strengthened with the addition of 36 new printing units to the existing printing presses. Overall printing capacity increased to 40 pages and from 16 pages to 24 color pages.

The new Müller Martini insert investment that started in Ankara and Izmir in 2006 is becoming operational. This investment is comprised of three insert lines at each location and will enable the supplements of Hürriyet and subcontracted newspapers to be inserted into the newspaper and will increase insert capacity.

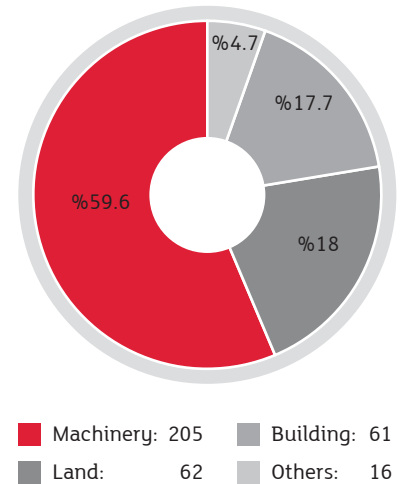
New investments were made at the Adana, Antalya and Trabzon DPC facilities as well. Twelve new printing units were added to the existing printing presses at Adana DPC, eight at Antalya DPC and four at Trabzon DPC.

Two-line systems similar to the CTP system used at Istanbul DPC were installed at the facilities in Ankara, Izmir, Antalya and Adana, resulting in increased speed of the template process and improvement in printing quality.

The total number of color pages printed at all DPCs increased 5% in 2006. This increase was achieved through the addition of new printing units to existing printing machinery. All these machinery investments aim at achieving the production targets for 2007 and beyond.

With the new printing unit investments to be completed by 2007, the Ankara and Izmir facilities will be able to print 44-page newspapers with 32 color pages and the Antalya, Adana and Trabzon facilities will be able to print 40-page newspapers with 32 color pages.

INVESTMENT EXPENDITURES, 1997-2006
(US\$ million)



Total: 344 million US\$

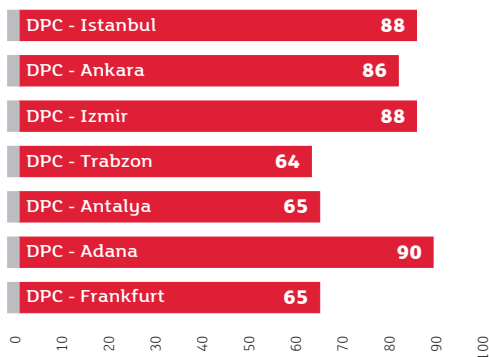
REVIEW OF 2006 OPERATIONS

Hürriyet is printed at DPC facilities at Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon in Turkey and in Frankfurt, Germany.

State-of-the-Art Printing Facilities

Doğan Printing Centers (DPC) create operational synergy between the newspapers of Doğan Yayın Holding, play an important role in cutting costs thanks to their ability to purchase paper in bulk and provide storage for all the group's newspapers. Hürriyet is printed at DPC facilities in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon in Turkey and in Frankfurt, Germany. In addition to Hürriyet and its supplements, these printing facilities provide services to other companies both inside and outside the group, thus contributing to the revenue and profitability of the Company.

CAPACITY UTILIZATION AT PRINTING CENTERS (%)



These calculations assume a 16-hour-per-day printing capacity for the printing presses.

With their stable growth and flexible, high-quality and productive work principles - DPCs lead the Turkish market. They consume 240,000 tons of paper annually and are among the most advanced facilities in the global newspaper industry.

Total number of color pages printed at all DPCs increased by around 5% in 2006. This growth was achieved by adding new printing units to existing printing machinery.

The main driver of the 8.7% growth in newspaper printing volume last year was the increase in both the circulation and the number of pages of Hürriyet and its supplements.

Istanbul DPC, which is the largest printing center in Turkey and the second largest printing center in Europe, operates within a covered area of 17,000 square meters. The facility is equipped with two MAN Colorman printing presses that can print 85,000 copies per hour, each having 72 pages, 48 of them in color. Istanbul DPC also owns three Goss HT-70 printing presses. The MAN printing presses also are linked to the latest technology Müller Martini insert system. Up to six inserts or supplements can be inserted into the newspaper, either during or after printing; 200 tons of printed matter can be stored on the facility's 350 rolls.

In 2006, overall insert capacity was improved by adding three new insert systems to existing machinery. This enabled the supplements of Hürriyet and subcontracted newspapers to be inserted into the newspaper. In 2006, the number of inserts placed inside the main newspaper or supplements increased 11% at Istanbul DPC. Furthermore, total number of copies printed went up 4% and the number of stages 3%. Due to the increase in the number of color pages, Istanbul DPC increased its total template consumption 4.4%, to 384,000 square meters.

The facility is also equipped with a Computer-to-Plate (CTP) system, an innovative technology that allows for the direct plating of the pages as received from the editors. Istanbul DPC is the first printing center to use this system in Turkey. Two-line systems similar to the CTP system used at Istanbul DPC were installed at the facilities in Ankara, Izmir, Antalya and Adana as well; the speed of the template process increased and printing quality improved. Istanbul DPC is equipped to flawlessly handle the automatic plating of 4,800 templates daily, making it No. 1 globally in terms of the number of CTP templates produced in a single location.

Type of Product	Total Pages in 2006	Total Pages in 2005	Increase (%)
Newspaper	21,369,178,438	19,651,966,660	8.74
Contract printing	23,802,082,294	25,091,740,909	(5.14)
Total	45,171,260,732	44,743,707,569	0.96

Meeting the news and commentary needs of Turks living in Europe for the past 41 years, Hürriyet is also an important source of news for regional events, thanks to its strong network of reporters in these countries.



Hürriyet in Europe and the World

As Turkey's only newspaper with global access, Hürriyet operates in Europe through its editorial office and printing facility in Mörfelden Walldorf, near Frankfurt, Germany. Meeting the news and commentary needs of Turks living in Europe for the past 41 years, Hürriyet is also an important source of news for regional events, thanks to its strong network of reporters in these countries.

Making significant contributions to the creation of a positive public opinion in Europe, Hürriyet plays an important role in expressing the problems of Turkish citizens in areas where they are densely populated, improving the dialogue with the politicians of those countries and taking steps towards harmonization and Turkey's full accession to the EU.

With its high daily circulation, Hürriyet is not only the best-selling Turkish-language newspaper in Europe, but also one of the best-selling foreign newspapers in the entire continent. In 2006, the ad revenues of the European edition of Hürriyet exceeded euro 6.5 million.

Distributed in 20,000 sales locations in Germany and 30,000 across Europe ranging from Britain to Romania and from the Scandinavian countries down to Italy through the Axel-Springer distribution network, Hürriyet reaches 23 countries including Canada. Beyond Europe, Hürriyet is also published in New York and is sold in certain US states.

Hürriyet manages its international operations under the umbrella of DMG International, which was founded in 1999 to function as Doğan Yayın Holding's gateway to Europe. The company

manages most of DYH's publications and broadcasts targeting Turks living in Europe and plays an important role in enhancing DYH's relations and communication with Europe's leading media companies. With a gross daily circulation of 150,000 newspapers (Hürriyet, Milliyet and Fanatik) across Europe, it extends DYH's market-leadership position in Turkey to Europe.

In addition to publishing activities, printing facilities that operate under the title Hürriyet Zweigniederlassung Deutschland produce 26 publications from four continents in seven languages. These publications include the group's newspapers Hürriyet, Milliyet and Fanatik, the weekly magazine Haftasonu, international financial newspapers such as The Wall Street Journal Europe and The Financial Times and other daily publications such as the American newspaper Stars and Stripes, German sports newspapers Sportzeitung and Sportwelt, Egyptian newspaper Al-Ahram and Saudi Arabian newspaper Al-Sharq Al-Awsat. Weekly publications printed at these facilities include the Polish newspaper Info&Tips, Rhein Hunsrück from the North-Rhine Westphalia province of Germany, as well as Cumhuriyet Hafta. Total number of newspapers printed at this center daily exceeds 300,000.

Hürriyet acquires Trader Media East

Hürriyet's purchase of a 67.3% interest in Trader Media East (TME) for \$ 336.5 million in April 2007 was a huge step forward for the Company in the global arena. This investment was also remarkable

in the sense that it was the first time that a Turkish company purchased an international corporation that was already a leader in its field. As the largest ad publisher in its region, TME has 182 local magazines and newspapers published in eight countries under 23 brands, reaching five million people every week. These publications include, among others, Avto, Aviso, Business Region, Nedvzhimost, Golf Digest, Iz Ruk v Ruki, Rabota Segodnya and Optovik in Russia; Autobit, Autobiznes, Nieruchomosci and Truck Biznes in Poland; Expressz, Kepes Auto, Kepes Auto 1,5 Alatt, Kepes Haszonjarmu, Kepes Ingatlan, Kepes Motor, Mai Hirdetes and Szuperinfo in Hungary; Oglasnik, Oglasnik Nekretnine and Oglasnik Automoto in Croatia.

TME's thirteen websites attracting 4.5 million visitors monthly include general content kupsprzedaj.pl, real estate site domiporta.pl and automobile site autotrader.pl in Poland; general content irr.ru, real-estate site realty-photo.ru, social networking site i2i.ru (i2ipersonals.ru), automobile site auto-photo.ru and human resources site job.ru in Russia; general content oglasnik.hr, automobile site auti.hr, real estate site nekretnine.net and human resources site posao.hr in Croatia.

REVIEW OF 2006 OPERATIONS

Launching its website at hurriyet.com.tr in 1997, Hürriyet was one of the first newspapers in Turkey to go online. With the number of hits steadily growing, hurriyet.com.tr is currently a leading website in Turkey and among the most popular in Europe.

Pioneering the Internet

(hurriyet.com.tr)

One of the business goals of Hürriyet is to continue its leadership in printed media with a strong presence in online news coverage. With this goal in mind, Hürriyet launched its website (hurriyet.com.tr) on January 1, 1997, becoming one of the first newspapers in Turkey to go online. With the number of hits steadily growing and 6,000 users sending their comments to the site every day, the website is one of the most interactive platforms on the Internet, a leader in Turkey and among the most popular websites in Europe. At present, 8.5 million visitors view the site monthly, surfing over 400 million pages. Every day, 200,000 people receive daily bulletins and 55,000 people use the daily news alerts. The website's total ad revenue was YTL 2.8 million in 2006.

To build upon its success so far, hurriyet.com.tr plans to develop and implement innovative and creative systems in online publishing by revamping its content management infrastructure, restructuring the site and developing interactive web tools to make it more appealing to readers.

In 2006, the content of the site was enhanced with several new additions and some existing sections were given additional depth and dimension:

- The Movie-TV Guide, the supplement "Kelebek" and the "Top Ten" channels were launched.
- Piyasanet was renewed and enjoyed a fourfold increase in the number of visitors.

- A video channel was launched in line with the current trend of visually-enhanced online publishing.
- The E-Bulletin system, which ensures increased communication with users, was renewed and a more comprehensive e-survey system was launched.
- A new website at www.sendeyolla.com, that aims to turn users into news reporters, was developed and launched.
- Another new project was "BENİMSAYFAM" (My Page), an interactive web page in which users can save their comments and share them with other users. This web page is the first of its kind.
- The interactive classified ads section of the newspaper was renewed.
- The most comprehensive and fastest search engine in Turkey was developed and launched.
- The e-newspaper was turned into a subscription-based service and made more effective with new capabilities.
- Parallel to the changes in the membership system, infrastructure changes included a reorganization and development of the archives. These changes and new additions seek to more effectively meet the demand for the website's services.

By acquiring Trader Media East (TME) in 2007, Hürriyet has gone global in its online activities as well.

With the productivity project entitled “getting familiar with business processes and improvement opportunities” undertaken in 2006, the newspaper's workforce and workload were reviewed at discussion sessions attended by all Hürriyet employees. The outcome was a comprehensive assessment of opportunities for organizational improvement and a restructuring of the Company's workforce and workload.



Hürriyet Employees

As part of its unending quest for improved systems, Hürriyet Human Resources continued efforts in 2006 to sustain the skill level of employees in line with the Company's changing structure.

The reorganization undertaken in 2006 was formulated in response to the increasing use of the Internet. In this context, the 'Hürriyet Auto' website was established, anneyiz.biz was acquired and its staff added to the Hürriyet team. All job descriptions, goals and competencies were reviewed and updated and performance was compared against 2006 goals and competency targets and work goals were formulated for 2007. The results of 2006 performance assessments were duly reflected in 2007 salaries and although the Company had announced an average pay raise of 7.5%, 433 employees received raises between 7.5% and 15% depending on their performance evaluations. In this way, individual achievement was recognized at the level of salaries. As part of reporter grading efforts, nine reporters were promoted under the “Reporters' Career Path” project.

New steps in human resources management

With the productivity project called “getting familiar with business processes and improvement opportunities” undertaken in 2006, the newspaper's workforce and workload were reviewed at discussion sessions attended by all Hürriyet employees. The outcome was a comprehensive assessment of opportunities for organizational improvement and a restructuring of the Company's workforce and workload.

Professional and personal training programs and management training sessions, planned to meet the needs of employees, continued in 2006 and 327 employees received 896 hours of training in 29 categories.

In addition to apprenticeship opportunities offered to university students and students of the Aydın Doğan Vocational School for Communication in 2006, five foreign students registered at the European Journalism Students Forum were included in this program.

Content provision activities were revised and contracts were signed with 353 persons who provide external content.

Advances paid for domestic and international travel expenses were placed under the supervision of the Human Resources Department.

Labor relations

The total number of Hürriyet employees increased from 2,420 in 2005 to 2,500 in 2006. Employees were given one salary raise during the year, resulting in a 9.2% net increase in salaries in January 2006.

A severance pay obligation of YTL 8.5 million was calculated in relation to employees who are subject to Law No. 1475 and Law No. 5953 (212), taking gross salaries as a basis in accordance with CMB Communiqué Series XI, No. 25.

CLOSE UP

Hürri

Hürriyet
respects
differences.

Hürriyet does not discriminate against any group based on language, faith, nationality, race or gender. It respects people who speak different languages or identify themselves differently, so long as these freedoms do not promote discriminatory political views.



REVIEW OF 2006 OPERATIONS

In cooperation with the Contemporary Education Foundation and the Istanbul Governorship, Hürriyet seeks to rally people from all walks of life around the call to “No To Domestic Violence,” a cause it has supported since October 2004 with a campaign that continues to grow stronger.



Hürriyet as Part of Social Life

History of social responsibility efforts

Aware of its social responsibilities with regard to Turkey's efforts to become a modern society, Hürriyet has always adopted the principle of addressing social problems. Hürriyet's history is full of examples of campaigns launched in this context. After the 1983 explosion at the Kozlu, Zonguldak mine, a campaign was initiated for the families of the 96 miners who died in this incident. A campaign called “Contribute a Brick” launched to heal the wounds of the victims of the August 17, 1999 earthquake proved to be the most comprehensive aid campaign ever undertaken in Turkey up to that time.

“No To Domestic Violence!”

One out of every four women and one out of every six men in the world are victims of domestic violence. In Turkey, a country where one out of every three families experiences physical violence and one out of every two families experiences verbal abuse, women and children unfortunately are the victims of the most dangerous acts of violence. Since violence is regarded as a “family matter,” frequently the problem does not come out into the open and thus escapes any kind of questioning. Research shows that 39% of married women in Turkey and 63% of women between the ages 15-19 believe that “a husband has the right to beat his wife under certain circumstances.” This finding confirms the need to educate both women and men about this burning issue.

Responding to this serious problem, Hürriyet initiated a campaign entitled “No To Domestic Violence” in the last months of 2004 in cooperation with the Contemporary Education Foundation (Çağdaş Yaşamı Destekleme Derneği) and the Istanbul Governorship. The campaign continued into 2006 as well. Its aim is to demonstrate the destructive and permanent effects of domestic violence on all members of the family, particularly women and children. Activities under the campaign seek to teach families solve problems without resorting to violence, to provide information to individuals about their legal rights in cases where violence could not be avoided and to promote the efforts of voluntary support organizations, inviting all sections of the society to “No To Domestic Violence!”

Referring to the “No To Domestic Violence!” campaign in two progress reports about Turkey's full membership, the European Union regarded it as an indication of the improvement in women's rights in Turkey. The campaign, meanwhile, was introduced to the European Parliament in Brussels on May 31, 2006. Hürriyet CEO Vuslat Doğan Sabancı received the support of the parliamentary session, attended by the European Free Alliance in the European Parliament, Greens Member Heide Rühle, Socialist Group Member Emine Bozkurt, Liberal Group Member Karin Resetarits and Member of the European United Left, Feleknaş Uca, all of whom congratulated Hürriyet for the success of the campaign.

In November 2006, the “No To Domestic Violence!” campaign received a United Nations Special Prize, considered the “Oscar of public relations,” from the International Public Relations Association (IPRA). Organized by the United Nations since 1990, the award is known as the most prestigious of the 22 awards granted by IPRA, which is celebrating its 52nd anniversary this year.



Training bus programs

As part of this campaign, a bus traveling around Istanbul offered training to both women and men on the prevention of domestic violence. The “Spouse Support Program” was attended by school counselors, police officers and municipal officials concerned with the issue. By the end of 2006, it had reached 17,000 people in 600 sessions in twenty districts of the city. Responding to enthusiastic requests of schools, foundations and associations to expand the program, the “Spouse Support Program” moved to Anatolia in 2006 and 300 sessions were held in the provinces of Ankara, Izmir, Erzurum, Şanlıurfa, Kars, Nevşehir, Trabzon and Van, where 6,000 people attended the event.

Volunteer program

The second stage of the campaign involved a 'Volunteer Program' which aimed to prevent domestic violence by raising individual and group awareness through a call for volunteers to support the program. In 2006, 75 volunteers from various NGOs joined the “No To Domestic Violence!” campaign to call public attention to the extent and consequences of domestic violence and make a call for more volunteers. Volunteers' efforts have been indispensable in providing support for the training sessions around Anatolia and in raising public awareness of the problem.

The “No To Domestic Violence!” campaign in Europe

Hürriyet's “No To Domestic Violence!” campaign was also launched in Frankfurt in May 2005 to address Turks living in Germany. The campaign was expanded in 2006 to include other large cities in Europe such as Frankfurt, Munich, Hamburg, Köln, Brussels and Berlin and comprehensive promotional meetings were held under the direction of the social ministers of the relevant states. Headlines in German and Dutch newspapers referred to the campaign as “an exemplary program from Turkey” and at the public meetings, psychologists and security officials talked about the causes of domestic violence, its consequences and prevention methods. Distribution of information booklets further supported the campaign.

The hotline launched in May 2005, responding to calls for eleven hours on three days of the week, continued to be popular in 2006. Over the year, the psychologists of the hotline provided support to close to 200 people. The hotline received calls from all states of Germany, from Austria, Turkey and often several times by the same persons. Those calling from Turkey included Turks of Bulgarian origin.

The “No To Domestic Violence!” campaign was also supported in 2006 through the interactive training seminars of various associations. The thirty volunteers working on the campaign in Germany were trained by specialists and contributed to the program by reaching associations, institutions and enterprises in their own cities, promoting the campaign and providing logistic support.

International conferences

The first international conference entitled “No To Domestic Violence! 2005: Examples from Around the World” was held in November 2005 in cooperation with the United Nations Population Fund. A second conference followed in November 2006 which brought together government representatives both from Turkey and abroad, local administrators and private sector representatives. This second conference focused on sharing experiences on exemplary projects that were successful in fighting domestic violence in Turkey and reached 47,391,502 persons through the press.

Planned to become a traditional event, the conference aims to contribute to the creation and development of preventive and protective policies and programs on domestic violence, sharing the results of efforts made in Turkey and abroad. By raising public awareness, the campaign aims to encourage NGOs, the private sector, government agencies and politicians to take action in this regard.

Campaign awards

In November 2006, the “No To Domestic Violence!” campaign received a United Nations Special Prize, considered the “Oscar of public relations,” from the International Public Relations Association (IPRA). Organized since 1990 by the United Nations, the award is known as the most prestigious of the 22 awards granted by IPRA, currently celebrating its 52nd anniversary. In addition, the Izmir Karşıyaka Municipality, Turkey's only municipality to grant a human rights award, chose to award the “No To Domestic Violence!” campaign in 2006.

REVIEW OF 2006 OPERATIONS

Recycled paper accounts for 21% of the paper consumed at Hürriyet facilities. Approximately 40,000 tons of recycled paper is used in newspaper printing.

Environmental Health

Environmental health and protection at the printing facilities

Paper consumption: Recycled paper accounts for 21% of the paper consumed at Hürriyet facilities. Approximately 40,000 tons of recycled paper is used in newspaper printing.

Chemical treatment: Liquid chemical wastes from the production facilities are collected at the wastewater plant and sent to the chemical treatment plant. Chemically-treated wastewater is then sent for biological treatment.

Biological treatment: Household wastewater produced by the facilities and chemically-treated wastewater are biologically treated and sent to wastewater collection channels, whose standards are determined by the relevant public bodies.

The operation of the Company's treatment plants is under the supervision of specialized companies

that analyze water samples taken from the facilities every day. In addition, every month, the treatment plants are inspected by official authorities.

Waste paper: Paper waste is collected in special areas and sent to recycling.

Aluminum molds: The aluminum molds used in printing are collected in special areas after production and sent to recycling.

Plastic bins and metal barrels: Bins and barrels used to store tank water, solvents, oils and chemicals are collected in special areas and sent to recycling.

Lubricant waste: Used lubricants are not dumped into plumbing installations but collected in barrels to be sent away as waste.

Gas emissions: Hürriyet's newspaper printers run on electricity and therefore no gas is released into the atmosphere.

Paper waste is collected in special areas and sent to recycling.



Plant cleaning: All plant facilities are regularly cleaned by a contracted cleaning company.

Care of green areas and trees: All green areas of the facilities have undergone landscaping. Gardens are cared for regularly by professional firms.

Environmental health in administrative buildings

Industrial wastewater produced at the Company's headquarters (Hürriyet Media Towers) is regularly sent to a professional firm for treatment.

Cooling equipment at the Company's headquarters was renewed four years ago. New-generation cooling equipment currently runs on an environment-friendly gas known as R 134a. All newly-acquired coolers and equipment using coolers have been specifically chosen in view of their environment-friendly gas content.

The halon fire-extinguishers previously used in the buildings were removed and replaced by environmentally friendly and health-safety systems containing FM 200 gas; all are in compliance with EU standards.

Donations and Aids

The Company made the following social donations to various foundations and associations in 2006 (in YTL):

Construction of Girls' Dormitories in Erzincan, Erzurum and Gümüşhane	1,989,555
Ministry of Education	400,124
Aydın Doğan Foundation	35,952
Other	574,929
TOTAL	3,000,560

REVIEW OF 2006 OPERATIONS

As of December 31, 2006, the authorized capital of Hürriyet Gazetecilik ve Matbaacılık A.Ş. stood at YTL 800 million and its issued capital at YTL 416,742,560.

Profitability and Other Financial Data

Profitability and financial structure

Financial ratios of the Company in the last two years were as follows (in accordance with CMB Communiqué Series XI, No. 25):

	2006	2005
Current ratio (current assets / short-term liabilities)	3.85	2.71
Asset turnover ratio (net sales revenue / total assets)	0.65	0.63
Liabilities / shareholder's equity	0.38	0.40
Financing expenses / total assets	0.013	0.010
Operating profit / total assets	0.12	0.13
Operating profit / net sales	0.18	0.21
Net Operating profit / net sales revenue	0.14	0.18
Gross profit margin	0.33	0.36

Sureties, commitments and mortgages

Assets excluded from the consolidated financial statements prepared in accordance with IFRS and the Capital Market Board's Communiqué Series XI, No 25:

	2006	2005
Sureties and commitments made	15,876,809	44,266,614
Mortgages extended	0	12,500
Letters of guarantee extended	9,627,090	16,146,842
Additional bills issued	202,223	202,223
Security bonds issued	1,714	1,714
TOTAL	25,707,836	60,629,893
Insurance value of assets	286,600,644	251,012,768
Letters of guarantee received	12,916,990	13,351,119
TOTAL	299,517,634	264,363,887

Capital

As of December 31, 2006, the authorized capital of the Company was YTL 800 million and its issued capital stood at YTL 416,742,560.

40% percent of Hürriyet Gazetecilik ve Matbaacılık A.Ş. shares are publicly traded and 60% are held by Doğan Yayın Holding A.Ş.

Initially offered to the public in 1992, Hürriyet shares are now one of the highest-yielding stocks in Turkey. With its cash-generation capacity and highly liquid financial structure, the Company resisted the financial fluctuation of 2006 very well. With a market capitalization of US\$ 1.1 billion at ISE year-end prices, Hürriyet is a public company whose shares are quite popular among international investors.

Except for Hürriyet Zweigniederlassung and Doğan Media companies in Germany and Hürriyet Invest BV in the Netherlands, all subsidiaries and affiliates are registered in Turkey.



Subsidiaries and Affiliates

Subsidiaries are companies:

- a) in which Hürriyet owns more than a 50% voting right through a direct and/or indirect shareholding, or
- b) in which Hürriyet does not own more than a 50% voting right, but possesses the authority or power to control financial and administrative affairs.

Affiliates are companies in which Hürriyet owns a 20% to 50% voting right or material influence, but are not controlled by Hürriyet. The equity method is used to consolidate subsidiaries into financial statements.

1. Activities of subsidiaries and affiliates:

Except for Hürriyet Zweigniederlassung and Doğan Media companies in Germany and Hürriyet Invest BV in the Netherlands, all subsidiaries and affiliates are registered in Turkey.

Subsidiaries	Activity
Hürriyet Medya Basım ve Dağıtım İşleri A.Ş. (<i>Hürriyet Media</i>)	Administrative and printing services
Doğan Haber Ajansı A.Ş. (<i>Doğan News</i>)	News agency
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. (<i>Doğan Offset</i>)	Magazine and book printing
Hür Medya İlanlık ve Reklamcılık Tic. A.Ş. (<i>Hür Media</i>)	Administrative services
Doğan Daily News Gazetecilik ve Matbaacılık A.Ş. (<i>Doğan Daily News</i>)	Newspaper publishing
Yenibiriş İnsan Kaynakları Hiz. ve Danışmanlık ve Yay. A.Ş. (<i>Yenibiriş</i>)	Human resources consulting
Emlaksimum Elektronik Yayıncılık ve Tic. A.Ş. (<i>Emlaksimum</i>)	Online services
Hürriyet Zweigniederlassung GmbH. (<i>Hürriyet Zweigniederlassung</i>)	Newspaper printing (Europe)
Hürriyet Invest BV. (<i>Hürriyet Invest</i>)	Investment (Europe)
Affiliates	
Doğan Media International (Doğan Media)	Publishing and advertising (Europe)
Yaysat Yayın Pazarlama ve Dağıtım A.Ş. (Yaysat)	Distribution
DYG İlan ve Reklam Hizmetleri A.Ş. (DYG Advertisement)	Advertising
Sosyal Hizmetler A.Ş. (Hür Service)	Administrative services

REVIEW OF 2006 OPERATIONS

The number of employees working at Hürriyet and its affiliates increased 3.3% in 2006, reaching 2,500.

2. Shareholding in subsidiaries and affiliates:

Shares directly or indirectly owned by Hürriyet in subsidiaries and affiliates (as of December 31, 2006):

Subsidiaries	Direct and Indirect Share (%)
Hürriyet Zweigniederlassung	100.00
Yenibiriş	100.00
Hür Media	100.00
Hürriyet Media Printing	99.99
Doğan Offset	99.89
Doğan News	50.01
Doğan Daily News	94.25
Emlaksimum	98.41
Hürriyet Invest	100.00
Affiliates	Direct and Indirect Share (%)
Doğan Media	43.93
Yaysat	25.00
DYG Advertisement	20.00
Hür Services	19.00

3. Number of personnel and severance pay obligations:

The number of personnel and the severance pay obligations of the Company and its affiliates as of December 31, 2006 are shown below:

Company Name	Number of Personnel	Severance Pay Obligation (YTL)
Main Company	564	3,902,274
Doğan Offset	227	285,957
Hürriyet Media	1,181	2,499,980
Hürriyet Zweigniederlassung	50	-
Yenibiriş	102	9,405
Doğan News	334	1,731,994
Doğan Daily News	42	40,737
TOTAL	2,500	8,470,347

40% of Hürriyet Gazetecilik ve Matbaacılık A.Ş. shares are publicly traded and 60% are owned by Doğan Yayın Holding A.Ş.



4. Loans and trade payables risks of affiliates:

Below is the breakdown of short and long-term bank and supplier loan and trade payable risk from the main company and its affiliates, as indicated in the consolidated balance sheet as of December 31, 2006:

	Footnotes to Financial Statements*	YTL	Share (%)
Short-term financial liabilities	(footnote 6)	7,087,065	100.00
Main Company		864,558	12.20
Doğan Offset		3,984,375	56.22
Hürriyet Zweigniederlassung		2,238,132	31.58
Long-term financial liabilities	(footnote 6)	39,026,920	100.00
Main Company		9,568,892	24.52
Doğan Offset		7,321,208	18.76
Hürriyet Zweigniederlassung		22,136,820	56.72
Short-term trade payables	(footnote 7)	49,090,780	100.0
Main Company		37,771,792	76.94
• Investment (supplier) loans		16,146,891	
• Payable to suppliers (due to forward transactions)		21,624,901	
Doğan Offset		2,530,133	5.15
• Payable to suppliers (due to forward transactions)		2,530,133	
Hürriyet Zweigniederlassung		5,081,102	10.35
Other amounts payable to suppliers		3,707,753	7.55

* For footnotes to financial statements, see the section entitled 'Consolidated Financial Statements and Footnotes' (pp. 98-99).

REVIEW OF 2006 OPERATIONS

Hürriyet's consolidated net income was YTL 104 million in 2006.

Dividend Policy and Proposed Dividend Distribution

The Company distributes dividends in accordance with the relevant provisions of the Turkish Commercial Code (TCC), the Capital Markets Law, regulations of the Capital Markets Board (CMB), Corporate Tax Law, Income Tax Law, other applicable legislation and its dividend policy as announced in the relevant article of the Articles of Association.

According to financial statements prepared as per International Financial Reporting Standards and the Capital Market Board's Communiqué Series XI, No. 25, consolidated net income was YTL 104,157,463, taking into consideration such items as "corporate tax payable", "provision for deferred taxes" and "income from affiliates". On the other hand, net distributable income was YTL 100,797,513, calculated by deducting it from consolidated net income; YTL 4,052,451 as a primary legal reserve as per Article 466/1 of the TCC and YTL 2,308,059 for the net income of subsidiaries and affiliates and by adding YTL 3,000,560 for donations. Since 20% of this amount is less than 5% of the Company's issued capital, distribution of a dividend is not required and the income for the period can be retained in accordance with related CMB legislation.

"Net income for the period" on the Company's non-consolidated financial statements is YTL 81,049,020. After deducting a primary legal reserve as per Article 466/1 of the Turkish Commercial Code, the remainder is calculated to be YTL 76,996,569.

Moreover, as has been previously announced, the Company has recently completed a material acquisition (US\$ 336,490,910), purchasing Trader Media East Limited.

In light of the above and in accordance with CMB legislation on dividend distribution and considering the additional financial burden of the new acquisition, the Board of Directors decided to retain the 2006 net income, to add the remainder to contingency reserves after setting aside the necessary primary legal reserve and to submit these decisions to the Ordinary General Meeting of Shareholders for approval.

The main driver of the 8.7% growth in newspaper printing volume last year was the increase in both the circulation and the number of pages of Hürriyet and its supplements.



Risk Management and Internal Control

In 2006, efforts were made to review the Company's existing practices and determine points of internal control. In this context, authorizations and limits concerning these points of control were specified on an "authorization chart" and various internal regulations and instructions were formulated. These were procurement and travel expense regulations, procurement instructions for the purchase of goods and services, cash count instructions, stock count regulations and internal control regulations. All of the regulations were reviewed periodically to ensure compliance.

Controls on and reliability of monthly financial statements were tested.

Physical inventory counts were taken at the end of the accounting period and the results were reported.

Doğan Yayın Holding Internal Control Department performed an audit covering all regions and an action plan was prepared on the basis of the resulting audit report. Necessary action was taken without delay.

Audits were performed in the various regions and implementation was monitored in accordance with the resulting reports.

A "Personnel Productivity Analysis" was carried out for all departments.

A 'Competition Analysis' was made and higher management was provided with information on current market shares and on competitive conditions in newly-developing markets on a macro and micro basis.

Valuations and risk analyses were made for existing companies and potential investments. Some projects approved by management were initialized (Anneyiz.Biz) or as in the case of 'Hürriyet Real Estate' and 'Hürriyet Auto' new investments were made to enter into new activities.

Changes in legislation were monitored and agreements binding the Company were reviewed in an attempt to reduce risk.

The following internal control goals have been determined for 2007:

- Using appropriate methods such as observation, information-gathering, communication, control work and risk assessment to establish effective controls in existing and new processes and supporting the organization with a strong control system;
- preparing regulations and instructions that present powerful and flexible solutions and reviewing efforts regularly in order to minimize all potential risk that may jeopardize the achievement of the Company's goals;
- protecting the organization against the possible consequences of lack of control (e.g. legal obligations, loss of share value, financial losses, lost business opportunities, loss of customer satisfaction);
- determining points of control for new investments and making recommendations to management for improving margins.

REVIEW OF 2006 OPERATIONS

Statement of the Board of Directors Regarding the Proper Operation of the Internal Control System

Decision No. 2007/20 of the Board of Directors, dated April 16, 2007:

In light of the 'Principles and Standards of Corporate Governance', an Internal Control Unit was established in 2006 to assess the effectiveness and efficiency of internal control systems. Based on the work performed by this Internal Control Unit and the reports it has submitted, we observe that the organization is being managed in accordance with the Company's objectives and that operations are performed in conformity with the financial statements and applicable legislation. The Board of Directors has unanimously decided to announce that the Company has in place an effective and properly-functioning internal control system, considering that, in 2006, the main risks of the Company were compatible with its objectives, that they were continuously monitored and minimized and that existing internal control activities were frequently and continuously evaluated.

Initially offered to the public in 1992, Hürriyet shares are now one of the highest-yielding stocks of Turkey.

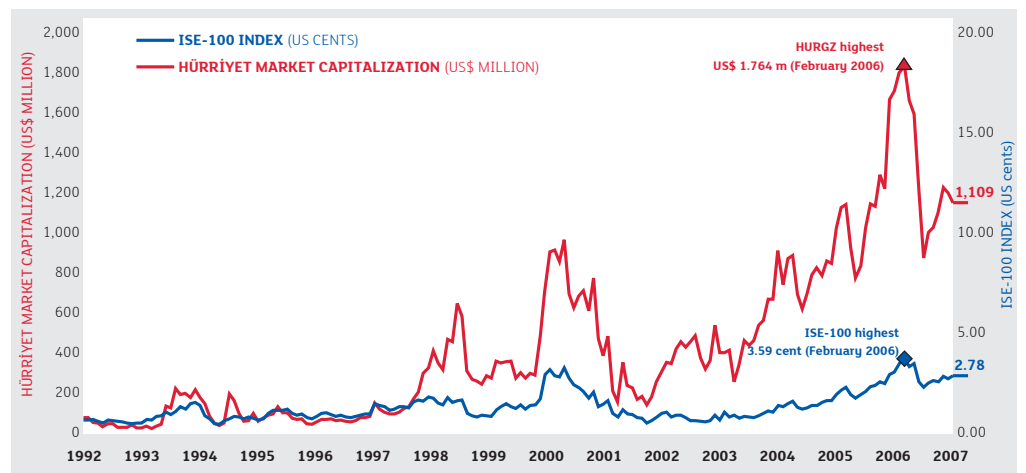


Stock Price and Stock Performance

Ever since they were offered to the public in 1992, Hürriyet shares have performed better than the ISE-100 index. This performance has made Hürriyet shares quite popular with foreign investors.

Forty percent of Hürriyet shares are publicly traded. Shares that are not publicly traded (60%) are held by Doğan Yayın Holding A.Ş.

HÜRRİYET MARKET CAPITALIZATION (US\$ MILLION) / ISE-100 INDEX
(US CENTS) FEBRUARY 1992 - DECEMBER 2006 (MONTHLY CLOSINGS)



GENERAL MEETING OF SHAREHOLDERS

1. Invitation to the General Meeting of Shareholders:

The Board of Directors invites shareholders to the annual ordinary meeting at the Company's headquarters at Hürriyet Medya Towers, Güneşli, Istanbul at 10:30 a.m. on May 10, 2007, Thursday to discuss the following agenda:

Shareholders are kindly requested to receive their entrance cards at the Company by the end of working hours two business days prior to the scheduled date of the General Meeting of Shareholders, in accordance with the established practices of the Central Registry Agency and to attend the General Meeting of Shareholders personally or by proxy.

According to the resolution of the Capital Markets Board dated March 10, 2005, shareholders whose shares are not in circulation will not be allowed to receive a blocking certificate from brokerage houses. Accordingly, the following principles will apply to the delivery of entrance cards:

- i- In the case of share certificates that are / are not in circulation at the Istanbul Stock Exchange, but have not yet been dematerialized, entrance cards will be issued and delivered to shareholders who submit, to the Company's headquarters or to any bank, a blocking certificate evidencing that the share certificates have been submitted and indicating their total number and serial numbers.
- ii- In the case of shares that are registered with the Central Registry Agency, entrance cards will be issued and delivered to shareholders who have registered in the "General Meeting of Shareholders Blocking List" in accordance with the General Meeting Blocking Procedure of the Central Registry Agency.

Unless otherwise decided by the General Meeting of Shareholders, shareholders who have not received an entrance card will not be allowed to exercise their rights to speak and vote at the meeting.

Shareholders who will not be able to attend the meeting personally are required to issue powers of attorney in the attached form, to complete the other formalities set forth in the Capital Markets Board Communiqué, Serial IV, No. 8 published in Official Journal No. 21872 of March 9, 1994 and to submit the power of attorney after having it notarized.

Financial statements and footnotes for the accounting period January 1 - December 31, 2006, the Report of the Board of Directors and its proposal for Dividend Distribution and the reports of the Audit Committee and the Independent External Auditor will be available at the Company headquarters for inspection by shareholders starting on April 18, 2007. These documents, together with the documents entitled "Information on the General Meeting" and "Procedure for Participation in the General Meeting" and a form of power of attorney will be available on the Company's website at www.hurriyetkurumsal.com starting on the date mentioned above.

Yours truly,

Hürriyet Gazetecilik ve Matbaacılık A.Ş.

Chairman of the Board of Directors

Attachment 1: Agenda

Attachment 2: Form of Power of Attorney

Attachment 1: AGENDA

1. Election of the Meeting Board.
2. Authorization of the Meeting Board to sign the minutes of the meeting.
3. Reading, discussion and approval of the Board of Directors' Report, the Annual Report, the Board of Auditors' Report, the Independent Auditor's Report, the Financial Statements and Footnotes for the accounting period January 1 - December 31, 2006.
4. Release of the Board of Directors and the Board of Auditors from liability in connection with the activities, transactions and accounts of 2006.
5. Discussing and deciding the Board of Directors' proposal for distribution of the 2006 profit.
6. Election of members of the Board of Directors for the 2007 accounting period.
7. Election of members of the Board of Auditors for the 2007 accounting period.
8. Determination of the remuneration and fees to be paid to the members of the Board of Directors and the Board of Auditors for the 2007 accounting period.
9. Decision on approval of the Independent Audit Firm determined by the Board of Directors in accordance with capital markets legislation and the regulations of the Capital Markets Board.
10. Authorization of members of the Board of Directors for the transactions specified in Article 14 of the Articles of Association and Articles 334 and 335 of the Turkish Commercial Code.
11. Decision on authorization of the Board of Directors to issue certificates of indebtedness and to determine their terms and conditions, up to the maximum amount permitted by Article 12 of the Company's Articles of Association, upon the permission of the Capital Markets Board and in accordance with the relevant provisions of the Turkish Commercial Code, the Capital Markets Law and other applicable laws and regulations.
12. Decision on the authorization of the Board of Directors to distribute an advance dividend as per Article 38 of the Company's Articles of Association and Article 15 of the Capital Markets Law and other applicable regulations of the Capital Markets Board.
13. Presentation of the Company's dividend policy to the General Meeting of Shareholders for information.
14. Providing information to shareholders about the purchase and acquisition of Trader Media East Ltd. through an optional call at the London Stock Exchange.
15. Providing information to the General Meeting of Shareholders about the charitable donations and grants made and paid by the Company to foundations, associations and public entities during the accounting period. Providing information to the General Meeting of Shareholders about the charitable donations and grants made and paid by the Company to foundations, associations and public entities during the accounting period January 1 - December 31, 2006.
16. Suggestions.

GENERAL MEETING OF SHAREHOLDERS

Attachment 2: FORM OF POWER OF ATTORNEY

TO: HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

BOARD OF DIRECTORS

I hereby appoint as my proxy fully authorized to represent me, exercise my voting rights, submit motions and sign all necessary documents, in each case in accordance with my instructions, at the Ordinary General Meeting of Shareholders of Hürriyet Gazetecilik ve Matbaacılık A.Ş. for the accounting period January 1 - December 31, 2006. Providing information to the General Meeting of Shareholders about the charitable donations and grants made and paid by the Company to foundations, associations and public entities during the accounting period January 1 - December 31, 2006 to be held at Evren Mahallesi, Gülbahar Caddesi, Hürriyet Medya Towers, Güneşli, İstanbul at 10:30 a.m. on May 10, 2007.

(A) AUTHORITIES OF THE PROXY:

(a) The proxy shall be fully authorized to vote at his/her sole discretion and option on all agenda items.

(b) The proxy shall be authorized to vote only in accordance with the following instructions on any agenda item:

Instructions: (Insert special instructions)

(c) The proxy shall be authorized to vote only in accordance with the proposals and suggestions of the Company's management on any agenda item.

(d) On other motions that may be discussed at the meeting, the proxy shall be authorized to vote only in accordance with the following instructions (in the absence of any instructions, the proxy shall vote freely and at his/her sole discretion.)

Instructions: (Insert special instructions)

(B) SHARE CERTIFICATES HELD BY THE SHAREHOLDER:

(a) Class and series:

(b) Numbers:

(c) Total number - nominal value:

(d) Preferential voting rights (yes/no):

(e) Registered shares or bearer shares:

SHAREHOLDER'S NAME, SIGNATURE AND TITLE:

SIGNATURE:

ADDRESS:

Note: In Section A, only one of the paragraphs (a), (b) or (c) should be chosen. Explanations are required for paragraphs (b) and (d).

2. Documents related to the General Meeting of Shareholders: Documents related to the General Meeting of Shareholders have been made available for the inspection of shareholders on the date of the invitation to the General Meeting of Shareholders. These documents can be obtained from the Company's headquarters and are available on the Company's website.

3. The Company's issued and fully paid-in capital is YTL 416,742,560, divided into 416,742,560 registered shares each with a nominal value of YTL 1.

4. Functioning of the General Meeting of Shareholders:

a. At the General Meeting of Shareholders, all shareholders shall be entitled to one vote for each share.

b. Shareholders of the Company shall meet at a General Meeting of Shareholders at least once a year. When convened in accordance with applicable laws and the Articles of Association, the General Meeting of Shareholders shall represent all shareholders. Decisions taken by the General Meeting of Shareholders shall be binding also upon those who oppose such decisions and upon shareholders not present at the meeting.

The General Meeting of Shareholders shall hold ordinary and extraordinary meetings and take the necessary decisions. General Meetings shall be attended also by directors, candidates for board membership and internal auditors, as well as Company officials who are in charge of and are required to make explanations about agenda items. If any Company official who has been invited to a meeting cannot attend the meeting, the reasons of non-attendance shall be announced by the Chairman of the General Meeting of Shareholders.

With regard to persons who are nominated to the Board of Directors for the first time, the following information must be submitted to the General Meeting of Shareholders: Personal data, educational level, duties and jobs in the last five years, extent and nature of their relationship with the Company, past experience as a board member, past duties and jobs as a civil servant, financial situation, declaration of assets as a civil servant, whether they are independent or not and other information that may affect the Company's business.

Unless otherwise decided by the General Meeting of Shareholders, all General Meetings shall be open to media members and interested parties, provided however that, other than the shareholders or their proxies, none of the participants in a General Meeting of Shareholders shall be entitled to speak and vote at the General Meeting of Shareholders.

5. Shareholders' Rights at General Meetings:

- a. At General Meetings of Shareholders, shareholders may exercise their voting rights through a proxy. There are no limitations with regard to the number of votes shareholders can cast at the General Meeting of Shareholders. Forms for exercising voting rights by proxy are available at the Company's headquarters and at www.hurriyetkurumsal.com/tr/genel_kurul.asp.
- b. Shareholders representing at least one-twentieth of the Company's capital can apply to the auditors to call for a General Meeting of Shareholders, provided that they also specify the agenda of the meeting (Article 24).
- c. Unless otherwise decided by the General Meeting of Shareholders, all General Meetings shall be open to media members and interested parties, provided however that, other than the shareholders or their proxies, none of the participants in a General Meeting of Shareholders shall be entitled to speak and vote at the General Meeting of Shareholders (Article 27).
- d. Unless otherwise decided by the General Meeting of Shareholders, a decision of the General Meeting of Shareholders shall be required for changes in shares, the acquisition and/or sale of assets in excess of 10% of total assets of the Company in one transaction, the leasing or renting of such assets, grants and donations made in one accounting period subject to the conditions specified in Article 3 of the Articles of Association in excess of 1% of total assets of the Company, mortgages, pledges, guarantees, sureties and similar guarantees established or given in favor of third parties in one accounting period in excess of 25% of the total assets contained in the last publicly-disclosed balance sheet (50% in the case of non-cash credits of banks). If the business of the Company requires, the General Meeting of Shareholders may authorize the Board of Directors in relation to such issues in advance, by increasing the aforementioned percentages (Article 30).
- e. Representation of 5% of the capital shall be sufficient for the exercise of minority shareholders' rights specified in applicable legislation and the Articles of Association (Article 32).
- f. At General Meetings of Shareholders, voting shall take place by a show of hands, provided however that voting shall take place by balloting upon the request of at least 5% of the shareholders present at the meeting (Article 33).
- g. Each share duly represented in person or by proxy at an ordinary or extraordinary General Meeting of Shareholders shall be entitled to one vote (Article 33).

SPORTS

Hürri

Hürriyet is
committed
to media
ethics.

Hürriyet is committed to the universal principles of journalism as defined in the 'Editorial Principles' released by the Doğan Editorial Council and the 'Hürriyet Journalism Handbook.'



2006 REPORT ON COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

1. Statement of Compliance with Corporate Governance Principles

The Company is committed to ensuring full compliance with the Corporate Governance Principles which were published by the Capital Markets Board (CMB) in July 2003 and reissued after a limited revision in February 2005 and will continue to conduct its business in accordance with these principles.

The Company believes that the 'Corporate Governance Principles' published by the Capital Markets Board in July 2003 is an important document that guides the Company in its operations. Accordingly, major steps were taken in 2003 to comply with all corporate governance principles mentioned in that document.

The Company has taken the following action in 2006 to ensure compliance with the CMB's corporate governance principles:

- In light of the CMB's Corporate Governance Principles and in order to achieve compliance with CMB legislation, the Company's Board of Directors decided to make the following amendments to its Articles of Association, which were ratified by shareholders at the Ordinary General Meeting of Shareholders on May 1, 2006: Amendments to 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, addition of a Provisional Article 1, annulment of Articles 43, 44, 45, 46, 47, 48, 49, 50, 51, 52 and 54 and changing the number of Article 53 to 42. The draft for amending the Articles of Association was approved by the CMB in its letter dated April 4, 2006, numbered B.02.1.SPK.0.13-609/5049.

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

- The authorized capital of the Company was raised from YTL 500 million to YTL 800 million.
- The nominal value of shares was changed from TL 1,000 to YTL 1.
- Shares representing the capital were dematerialized.
- At least one third of Board Members should be independent members who possess the qualifications specified in CMB's Corporate Governance Principles.
- A Board Secretariat, an Executive Committee, an Audit Committee and a Corporate Governance Committee directly reporting to the Board of Directors shall be set up and their members shall possess the qualifications specified in the CMB's Corporate Governance Principles.
- Representation of 5%, rather than 10%, of the capital shall be sufficient for the exercise of minority shareholders' rights.
- The Company's management should fully comply with the CMB's Corporate Governance Principles and any failure to do so should be duly explained in the annual report, also specifying the reasons and consequences of such failure.
- The Company shall publicly announce its operational results on a quarterly basis. Following this announcement, the Investor Relations Unit shall meet with investors, answer any questions and provide the necessary explanations.
- The Company has redesigned its website at www.hurriyetkurumsal.com to ensure that stakeholders can get detailed, regular and continuous information on the activities of the Company and can access any data concerning the Company. The purpose is to meet all the responsibilities of a publicly-held company in terms of providing full public disclosure and transparency. The website is being designed to improve investor relations and meet future requirements.
- A 'Corporate Governance Committee' has been established under the Board of Directors.
- Three-fourths of the vote shall be required at the General Meeting of Shareholders for authorizing board members to deal and compete with the Company.
- Approval of the General Meeting of Shareholders shall be required for the purchase, sale, lease, renting out and donation of assets whose value exceeds a certain limit and for the grant of sureties or guarantees in favor of third parties above a certain limit.

Those CMB principles with which full compliance could not be achieved have been specified in the compliance report in detail and it is believed that these deficiencies will not lead to any conflicts of interest.

SECTION I-SHAREHOLDERS

2. Investor Relations Unit

2.1. All provisions of applicable legislation, the Articles of Association and other Company policies regarding the exercise of shareholders' rights are being complied with and every precaution is being taken to ensure the exercise of these rights.

2.1.1. In accordance with the provisions of the Company's Articles of Association, an "Investors Relations Unit" was established under the Corporate Governance Committee and under the supervision of the chairman of that committee, to manage relationships between the Company and its shareholders and to ensure that shareholders can fully exercise their right to information. Main duties of this unit are:

- to ensure that shareholder records are accurate, safe and up-to-date,
- to respond to written requests for information by all shareholders in accordance with applicable legislation,
- to observe that General Meetings of Shareholders are held in compliance with relevant procedures,
- to prepare the documents to be submitted to shareholders at General Meetings of Shareholders,
- to take the necessary precautions to ensure that the minutes of the meetings are kept properly,
- to ensure that all public disclosures are made properly.

The Investor Relations Unit makes its best efforts to use electronic means of communication and the Company's website in all its activities.

2.1.2. The Company's Investor Relations Unit is comprised of the following persons: Business Development and Investor Relations Coordinator Ahmet Özer, Corporate Governance and Investor Relations Manager İnci 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 Manager Halil Özkan and their subordinates. Contact information for the Investor Relations Unit is as follows:

Hürriyet Gazetecilik ve Matbaacılık A.Ş. (Headquarters)

Hürriyet Medya Towers
34212 Güneşli, İstanbul
Phone: +90 212 677 00 00
Fax: +90 212 677 01 82
<http://www.hurriyetkurumsal.com.tr>

Investor Relations Unit

Ahmet Özer
Business Development and Investor Relations Coordinator
Phone: +90 212 677 08 50
Fax: +90 212 677 01 93
e-mail: yatirimciiliskileri@hurriyet.com.tr
İnci Şencan
Financial Control and Investor Relations Manager
Phone: +90 212 449 65 54
Fax: +90 212 677 08 92
e-mail: yatirimciiliskileri@hurriyet.com.tr

2.1.3. 40% of the Company's shares are traded on the ISE, approximately 91% of the shares are held by foreign investors. The Company is one of the ISE's leaders in terms of foreign ownership. Consequently, the Company is frequently invited to meetings hosted by foreign institutional investors.

2.1.4. In 2006, all of Hürriyet shares were included in the Central Registry Agency system. Formalities related to the Central Registry Agency are managed by the Company internally.

2.1.5. Maximum care is taken to reply to inquiries in accordance with applicable legislation and the Articles of Association. To the best of the Company's knowledge, no written or verbal complaints concerning the exercise of shareholders' rights were received in 2006, nor were there any official investigations launched against the Company.

2006 REPORT ON COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

3. Exercise of Shareholders' Right to Information

3.1. The Company does not discriminate against different groups of shareholders in terms of their rights to information.

3.1.1. All necessary information and documents to ensure the proper exercise of shareholders' rights are available on the Company's website at www.hurriyetkurumsal.com.

3.1.2. Several written and verbal requests for information were received from shareholders in 2006. These requests were responded to without delay, under the supervision of the Investor Relations Unit and in accordance with capital markets legislation.

3.1.3. The Articles of Association do not yet provide for an individual's right to appoint a special auditor. However, this right might be included in the Articles of Association in the near future, depending on changes in relevant legislation. No special auditors were appointed during the reporting period.

3.2. In order to improve the shareholders' right to obtain information, any information that might affect the exercise of these rights is made available to shareholders electronically and without delay.

4. Information on General Meetings of Shareholders

4.1. All of the Company's shares are registered shares. The transfer and reissue of these shares is subject to Article 9 of the Articles of Association.

4.2. The Articles of Association do not specify a timeframe for entering shareholders into the stock ledger, with a view to ensuring the participation of holders of registered shares in General Meetings.

4.3. In accordance with the relevant amendment to the Articles of Association, a document containing agenda items is prepared and announced to the public prior to the General Meeting of Shareholders.

4.3.1. In accordance with applicable legislation, the General Meeting of Shareholders is announced at www.hurriyetkurumsal.com.tr at least 21 days in advance and advertisements are published in Hürriyet and Referans, to ensure maximum participation by shareholders.

4.3.2. All announcements comply with the CMB principles.

4.3.3. Following the announcement of the General Meeting of Shareholders, the following documents are made available to all shareholders at the Company's headquarters, branches and websites: The annual report, financial statements and reports, dividend distribution proposals, the agenda of the General Meeting of Shareholders, any documents supporting the agenda and the most recent version of the Articles of Association, any amendments and their reasons.

4.3.4. No important changes occurred in the Company's management or operational organization during the accounting period and no changes are expected in the near future. Any such changes will be disclosed to the public in accordance with applicable legislation.

4.3.5. Prior to the General Meeting of Shareholders, forms of proxy statements are made available on the website for those desiring to be represented by proxy.

4.3.6. Prior to the General Meeting of Shareholders, the voting procedure is announced to shareholders on the website and through announcements in newspapers.

4.3.7. In 2006, shareholders did not request any additions to the agenda.

4.4. The meeting procedure for the General Meeting of Shareholders ensures maximum participation of shareholders.

4.4.1. General Meetings of Shareholders are designed to prevent any inequalities among shareholders and are held in the most economical and least complicated manner possible.

4.4.2. General Meetings of Shareholders are held at the Company's headquarters. An amendment to the Articles of Association allows for meetings to be held at another location in the city where most of the shareholders are residing. Any future requests in this regard will be duly considered.

4.4.3. The venue of General Meetings of Shareholders facilitate maximum participation of shareholders.

4.4.4. Ordinary General Meetings of Shareholders are held within the statutory timeframes following their announcement. The Ordinary General Meeting of Shareholders to discuss the activities of the year 2005 was held on May 1, 2006, within the statutory timeframe. Financial statements were announced at the end of the 13th week following the end of the accounting period. The Ordinary General Meeting of Shareholders to discuss 2006 operations is scheduled for May 10, 2007. In other words, the meeting will be held in full compliance with applicable capital markets legislation and the spirit of the principles.

4.4.5. Unless otherwise decided by the General Meeting of Shareholders, all General Meetings are open to media members and interested parties. However shareholders or proxies who attend a General Meeting of Shareholders without an entrance card are not entitled to speak and vote at the meeting.

4.5. At the General Meeting of Shareholders, agenda items are explained in an unbiased, detailed and clear manner and shareholders are allowed to explain their views, ask questions and discuss related issues in a democratic environment.

4.5.1. Minutes of General Meetings of Shareholders are made available at www.hurriyetkurumsal.com.tr.

4.5.2. Only one General Meeting of Shareholders was held in 2006. At the Ordinary General Meeting of Shareholders of May 1, 2006 where 2005 operations were discussed, 60.01% or 250,067.356 shares out of the 416,742,560 shares of the Company were present. No new suggestions or questions on agenda items were raised by shareholders or their proxies.

4.6. According to the Articles of Association, a decision of the General Meeting of Shareholders is required for changes in shares, the acquisition and/or sale of assets in excess of 10% of total assets of the Company, the leasing or renting of such assets, grants and donations made as per Article 3 of the Articles of Association, sureties and similar guarantees issued in favor of third parties. The General Meeting of Shareholders may authorize the Board of Directors for such actions in advance, provided that it specifies an upper limit.

5. Voting Rights and Minority Rights

5.1. The Company avoids any act that might compromise the exercise of voting rights. All shareholders are allowed to exercise their voting rights in the easiest and most convenient way.

5.2. The Company does not have any preferential shares or classes of shares.

5.3. Each share is entitled to one vote.

5.4. There exist no provisions that postpone voting rights until a specific date following the acquisition of a share.

5.5. The Articles of Association do not contain any provisions that prevent a non-shareholder to vote as a proxy.

5.6. In the event the beneficial interests and rights of disposal of a share belong to different persons, they may have them represented as they deem fit, upon mutual agreement. However, if they fail to agree, the right to participate in and vote at the General Meeting of Shareholders shall be given to the beneficial owner.

5.7. The Company's capital does not involve any cross-shareholding.

5.8. Minority rights are granted to shareholders who own at least 5% of the capital (Article 32 of the Articles of Association).

5.8.1. Utmost care is taken in relation to the exercise of minority rights. No criticisms or complaints were voiced in this regard in 2006.

5.9. The Articles of Association do not provide for cumulative voting. The advantages and disadvantages of this practice are assessed in view of changes in relevant legislation.

6. Dividend Policy and the Timing of Distributions

6.1. The Company's dividend policy has been designed in accordance with the relevant capital markets legislation and the provisions of the Articles of Association.

6.2. Dividends are distributed within the timeframe prescribed by the legislation and as soon as possible after the General Meeting of Shareholders.

6.2.1. The Ordinary General Meeting of Shareholders on May 1, 2006 decided to distribute a cash dividend of YTL 41,730,232, which corresponds to 50% of distributable net income for the period. Distribution of the cash dividend commenced on May 29, 2006.

6.3. According to the Company's Articles of Association, the Board of Directors is entitled to distribute dividends in advance, provided that it is authorized by the General Meeting of Shareholders in this regard and further provided that this complies with Article 15 of the Capital Markets Law and the regulations issued by the Capital Markets Board. The authorization granted by the General Meeting of Shareholders to the Board of Directors to distribute dividends in advance is restricted to the corresponding year of the Board's authorization. Until the advance dividend payments of the previous year are fully settled, further advance payments cannot be made and decisions to distribute dividends cannot be made.

6.4. The Company decides to pay dividends in accordance with the Turkish Commercial Code, the Capital Markets Law, the regulations and decisions of the Capital Markets Board, legislation on income taxes and corporate taxes, the Articles of Association and the dividend policy of its majority shareholder Doğan Yayın Holding A.Ş. according to this:

- a long-term cash dividend policy is targeted,
- at least 50% of distributable net profit shall be distributed, calculated in accordance with the Capital Markets Law and the International Financial Reporting Standards,
- the dividend policy shall be adhered to unless there are extraordinary economic developments,

2006 REPORT ON COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

- if 50 to 100% of distributable profit is planned to be distributed, the ratio of the profit to be distributed shall be determined in line with the financial structure and budget of the Company,
- net distributable profit for the period shall be determined in accordance with provisions for taxes payable, if any and the financial position of affiliates,
- proposed dividend shall be announced to the public within the timeframe specified in relevant legislation and as soon as practicable after the completion of the general meetings of subsidiaries and affiliates that are included in the consolidated financial statements,
- if the general meetings of affiliates included in the consolidated financial statements do not decide to distribute a dividend, or decide for a partial dividend distribution, profits that have been retained shall be ignored in calculating net distributable profit for the period,
- if the net distributable profit calculated in accordance with the Company's statutory records (non-consolidated financial statements) is lower than the net distributable profit calculated in accordance with IFRS financial statements, the former shall be taken into account and fully distributed. If higher, the ratio of the profit to be distributed shall be determined in accordance with the financial structure and budget of the Company,
- if there is no net distributable profit in the Company's statutory records (non-consolidated financial statements), no dividend shall be distributed even if there exists a net distributable profit in the financial statements prepared in accordance with the Capital Markets Law and the International Financial Reporting Standards.
- if distributable profit is lower than 10% of issued capital, no dividends shall be paid.

At its April 17, 2007 meeting, the Board of Directors decided to propose that no dividend be distributed out of the net income of 2006 and that the amount that remains after setting aside a primary legal reserve be added to contingency reserves. This proposal was submitted to the approval of the General Meeting of Shareholders at its ordinary meeting on May 10, 2007.

6.5. In accordance with the January 27, 2006 decision of the CMB, the dividend policy of the Company was revised for 2006 and onwards. The General Meeting of Shareholders was informed of this policy, which was also publicly announced.

6.6. The Company's dividend policy is stated in its annual report and publicly announced on its website.

7. Transfer of Shares

The Articles of Association do not contain any provisions that restrict the free transfer of shares by shareholders.

PART II-PUBLIC DISCLOSURE AND TRANSPARENCY

8. Disclosure Policy of the Company

8.1. A disclosure policy to provide necessary information to the public was prepared and announced on the Company's website. This policy is available at www.hurriyetkurumsal.com.tr.

8.2. The disclosure policy was approved by the Board of Directors and presented to the General Meeting of Shareholders. The Board of Directors is in charge of monitoring, revising and improving the disclosure policy. The Corporate Governance Committee informs the Board of Directors, the Executive Board, the Audit Committee and the Financial Affairs Director on issues related to the disclosure policy and makes suggestions.

8.3. A "Capital Markets and Corporate Governance Unit" was set up to monitor and supervise all issues related to public disclosures. Questions of third parties are responded to by the CEO, the CFO, the Business Development and Investor Relations Coordinator or the Investor Relations Director, depending on the content of the question.

In responding to questions, utmost care is taken to avoid any violation of the equal rights of stakeholders to obtain information.

8.4. Except where applicable legislation requires otherwise, data distribution companies and the website of the Company are used effectively for public disclosures.

8.5 The Company's disclosure policy contains guidelines for the disclosure of forward-looking information. This information is disclosed together with all relevant statistical data and evidence regarding the Company's financial position and its operational results. Only the CEO and the CFO are authorized to make such disclosures.

8.6. Board members, executives and shareholders who directly or indirectly own 5% of the Company's capital are required to disclose all their dealings in the Company's securities, in accordance with applicable capital markets legislation.

8.6.1. There were no transactions or material disclosures in 2006 regarding this issue.

8.6.2. Since all material disclosures are available on the website, those regarding this issue automatically become available there as well.

8.6.3. The Company does not have any stock-based derivatives.

8.7. In 2006, no commercial and/or non-commercial transactions took place between

- i. Hürriyet and other companies in which Board Members, executives or shareholders who directly or indirectly own 5% or more of Hürriyet's capital,
- ii. Hürriyet and other companies in which Hürriyet, its Board members, executives or shareholders who have management control with more than 5% or irrespective of the amount of share owned in this company.

8.8. The financial statements and footnotes of 2006 were prepared on a consolidated basis in accordance with International Financial Reporting Standards, audited by independent auditors pursuant to the International Auditing Standards and were publicly disclosed.

8.9. The 2006 Annual Report was prepared in accordance the Capital Markets Law, CMB regulations and CMB principles.

9. Material Disclosures

9.1. The Company complies with the Capital Markets Law, regulations of CMB and the stock exchange and CMB principles.

9.1.1. In 2006, there were a total of 24 material disclosures. The Capital Markets Board and the Stock Exchange did not issue any notifications, amendments or requests for additional material disclosures regarding the public disclosures the Company made in 2006.

9.1.2. All material disclosures sent to the stock exchange were signed by the CFO and the Financial Affairs Manager. Public disclosures are prepared in close cooperation with the Audit Committee and the Corporate Governance Committee.

9.2. Since the Company's securities are not traded on international stock exchanges, no additional disclosures were required.

10. The Website and its Contents

10.1. In accordance with the CMB Principles, the Company's website at www.hurriyetkurumsal.com.tr is actively used for public disclosures.

10.1.1. The content and layout of the Turkish and English pages of the website were redesigned in accordance with CMB principles.

10.1.2. The website is being continuously improved.

10.1.3. The address of the website is clearly indicated on the Company's letterhead.

10.1.4 Guidelines related to the management of the website are included in the disclosure policy.

11. Ultimate Controlling Individual Shareholders

11.1. Changes in the Company's capital structure and/or management are disclosed to the public in accordance with capital markets legislation and CMB regulations.

11.2. Ultimate controlling individual shareholders and the shares they own are shown below, after eliminating any indirect shareholdings:

Shareholder	Number of Shares	Amount of Shares	(%)
Doğan Yayın Holding A.Ş.	250,045,536	250,045,536	60
Publicly-traded	166,697,024	166,697,024	40
Total	416,742,560	416,742,560	100

11.3. To the best of the Company's knowledge, shareholders did not enter into any voting agreements in 2006 for increasing their role in the management of the Company.

2006 REPORT ON COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

12. Persons with Access to Insider Information

All necessary measures and precautions are being taken to prevent insider trading. A list of executives who have access to information that might affect the price of the Company's securities, as well as a list of all other persons and institutions that provide services for the Company are publicly disclosed at www.hurriyetkurumsal.com.tr. The names and positions of individuals who have access to trade secrets are as follows:

Aydın Doğan	Chairman of the Board
Mehmet Ali Yalçındağ	Deputy Chairman of the Board
Vuslat Doğan Sabancı	Board Member / CEO
Ertuğrul Özkök	Board Member / Member of the Executive Board
İmre Barmanbek	Board Member / Chairman of the Audit Committee
Soner Gedik	Board Member / Member of the Audit Committee
Cem Kozlu	Board Member (Independent)
Kai Diekmann	Board Member (Independent)
Ertunç Soğançioğlu	Board Member
Ahmet Toksoy	CFO / Member of the Executive Board
Ayşe Sözeri Cemal	Chief Advertising Officer / Member of the Executive Board
Sinan Köksal	Chief Marketing Officer / Member of the Executive Board
Murat Doğu	Member of the Corporate Governance Committee
Alpay Güler	DYH Investor Relations Coordinator and Financial Advisor
Ahmet Özer	Business Development 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 and Investor Relations Manager
Korhan Kurtoğlu	Assistant to CFO
S. Serdar Giral	Internal Control Manager
Fuat Arslan	Member of the Audit Board
Mehmet Yörük	Member of the Audit Board
Levent Ateşli	Financial Control
Cansen Başaran Symes	Independent Auditor
Gökhan Yüksel	Independent Auditor
Elif Özmet	Independent Auditor
Mustafa Aydemir	Independent Auditor
Zeynep Kara	Independent Auditor
Sabire Dağlı	Independent Auditor
Ege Ersoy	Independent Auditor
Çiğdem Kazanç	Independent Auditor
Savaş Bekar	Certified Public Accountant
Özer Koçak	Certified Public Accountant
Hüseyin Küçük	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. Disclosures to Stakeholders

Disclosures to stakeholders and investors are made in accordance with the Capital Markets Law and the regulations and principles of the CMB, using tools that are determined in advance. Management is encouraged to join NGOs formed by stakeholders. Participation in such endeavors together with advertisers helps the Company understand their needs and ensures sustainable growth and financial strength.

14. Participation of Stakeholders in Management

Hürriyet is in constant contact with the stakeholders mentioned above. Feedback received from stakeholders is evaluated and submitted to senior management, to assist the development of solutions and policies.

15. Human Resources Policy

15.1. The human resources policy of the Company has been defined in writing. According to this policy, the Company recruits individuals with superior knowledge and skills, easily adaptable to the corporate culture, possessing a highly developed sense of business ethics, honesty, coherence and openness, knowing how to unite the Company's future with their own.

15.2. The human resources policy requires the Company to provide equal recruitment and career planning opportunities to individuals with similar backgrounds.

15.2.1. All recruitment criteria have been specified in writing and are efficiently implemented.

15.2.2. All employees are treated equally with regard to education and promotion. Training is designed to enhance the knowledge and skill of each employee.

15.3. Decisions or developments within the Company that may affect employees are shared through the internal website set up to promote communication.

15.4. Efforts regarding job descriptions, performance and reward criteria are nearing completion.

15.5. Working conditions at the Company are designed to meet the highest safety standards and maximize efficiency.

15.6. Employee relations are managed by the Human Resources Coordinator. There are no trade union members at the Company.

15.7. The Company does not discriminate against any employee group and all employees are treated equally. No complaints have been made to the Board of Directors and/or the Management Committees in this regard.

16. Customer and Supplier Relations

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

The Company's most important raw material is newsprint. This paper is supplied by Doğan Dış Ticaret ve Mümessillik A.Ş., a subsidiary of Doğan Holding and Işıl İthalat İhracat Mümessillik A.Ş.

The newspapers and their supplements are printed at company-owned Doğan Printing Centers in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon. The printing of supplements on offset paper is subcontracted to Doğan Ofset A.Ş., another subsidiary of the group.

The newspapers are distributed by Doğan Dağıtım A.Ş. nationwide. A substantial portion of revenue comes from advertisement. The Company makes its best efforts to ensure the satisfaction of advertisers. Advertisements that are not published in accordance with the customer's requests are compensated for in the shortest possible time.

17. Social Responsibility

As an integral part of its role in Turkey's modernization, Hürriyet believes that it should do its best to help solve social problems. Hürriyet's social responsibility efforts are described in detail in the section entitled "Social Responsibility, Environment and Donations."

In 2006, no lawsuits were brought against the Company in relation to harming the environment.

Environmental Protection at the Printing Facilities

Paper consumption:

Recycled paper accounts for 21% of the paper consumed at Hürriyet facilities. Approximately 40,000 tons of recycled paper is used in newspaper printing.

2006 REPORT ON COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Chemical treatment:

Liquid chemical wastes of the production facilities are collected at the wastewater plant and sent to the chemical treatment plant. Chemically-treated wastewater is then sent to biological treatment.

Biological treatment:

Household wastewater produced by the facilities and chemically-treated wastewater are biologically treated and sent to wastewater collection channels, whose standards are determined by the relevant public bodies.

The operation of the Company's treatment plants is under the supervision of specialized companies that analyze water samples taken from the facilities every day. In addition, every month, the treatment plants are inspected by the relevant official authorities.

Waste paper:

Paper waste is collected in special areas and sent to recycling.

Aluminum mold waste:

The aluminum molds used in printing are collected in special areas after production and sent to recycling.

Plastic bins and metal barrels:

Bins and barrels used to store tank water, solvents, oils and chemicals are collected in special areas and sent to recycling.

Lubricant waste:

Used lubricants are not spilled into plumbing installations but collected in barrels to be sent away later as waste.

Gas emissions:

Hürriyet's newspaper printers run on electricity and therefore no gas is released into the atmosphere.

Plant cleaning:

All plants are regularly cleaned by a cleaning company.

Care of green areas and trees:

All green areas of the facilities have undergone landscaping. Gardens are cared for regularly by professional firms.

Environmental health and protection:

Industrial wastewater produced at the Company's headquarters (Hürriyet Media Towers) is regularly sent to a professional firm for treatment.

Cooling equipment at the Company's headquarters was renewed four years ago. New-generation cooling equipment that are currently in use run on an environment-friendly gas known as R 134a. All newly-acquired coolers and equipment using coolers have been specifically chosen in view of their environment-friendly gas contents.

The halon fire-extinguishers previously used in the buildings were removed and replaced by environment- and health-friendly systems containing FM 200 gas in compliance with EU standards.

SECTION IV-BOARD OF DIRECTORS

18. Structure and Formation of the Board of Directors and Independent Members

18.1. The composition and election of the Board of Directors are subject to the Turkish Commercial Code and related provisions are set forth in the Articles of Association. Some arrangements have been made to comply with the CMB principles.

18.1.1. The Company is managed and represented by a Board of Directors that consists of nine members elected from among the shareholders at the General Meeting of Shareholders.

18.1.2. At least one third of the Board Members must be independent members who meet the qualifications specified in the CMB's Corporate Governance Principles. Individuals who have served on the Board for seven years cannot be elected independent members.

18.1.3 The number of executive directors cannot exceed half of the Board of Directors and this point is taken into consideration especially when defining the duties of Board Members.

18.2. Members of the Board of Directors and their status:

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

18.2.1. One fourth of the directors are independent members. Even though there are two independent members, this is below the required one-third ratio specified in the Principles. Work is in progress to raise the number of independent members to three.

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

18.2.3. Of the directors, 78% are non-executive members.

18.2.4. Cem Kozlu, who was appointed Independent Board Member, is a consultant for the North Asia, Eurasia and the Middle East Group of the Coca-Cola Company. Before joining Coca-Cola, 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.

The second independent member, Kai Diekmann, served as News Editor at Bunte Magazine and as Editor-in-Chief of the Welt am Sonntag newspaper. In 2001, he was appointed Editor-in-Chief of Bild, the best-selling newspaper of Germany and became Bild's publisher in 2004. Presently he serves as the publisher of Bild am Sonntag. After his appointment, Diekmann turned the Bild newspaper into one of the best-selling, most efficient and most profitable publishing organizations in Europe. In 2004, he wrote the biography of former German Chancellor Helmut Kohl, who is a close friend.

18.2.5. There are no rules and/or restrictions regarding the employment of Board Members outside the Company.

18.3. Since it is clear to the Board of Directors that the independent members meet the criteria specified in the CMB Principles, no further written statements regarding their independence were requested. As of the date of this report, there existed no circumstances that would cause any Board Member to lose his/her independent status.

19. Qualifications of Board Members

19.1. The Board of Directors is constituted to ensure maximum efficiency and effectiveness. CMB Principles are complied with in this regard and relevant guidelines are specified in the Articles of Association:

19.1.1. Members of the Board of Directors shall be elected from among individuals who have basic knowledge of the legal environment in the Company's line of business, are professional and experienced in management, can review financial statements and preferably hold relevant university degrees.

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

19.1.3. The compliance program shall be led by the Corporate Governance Committee and implemented under the responsibility of the CEO. Every new member joining the Board of Directors receives an information folder prepared by the Secretariat of the Board of Directors and attends meetings organized by the Secretariat, obtaining information on such issues as the Company's operations, the situation of the industry as a whole, the competitive environment and reader profiles.

19.2. Resumes of Board Members are available in the annual report and at www.hurriyetkurumsal.com.tr.

20. Mission, Vision, Strategic Objectives

20.1. Mission: Hürriyet's mission is to provide accurate news and information, as well as honest analyses and assessments to all Turkish-speaking people around the globe. To accomplish this objective, the main task of the directors of Hürriyet and its subsidiaries is to maintain the independence of both the Company and the newspaper and to manage the Company in a way that will provide maximum value to shareholders.

20.2. Vision: Playing an active role in Turkey's modernization, Hürriyet stands out with its high-quality publishing, employee focus and social responsibility. Hürriyet has always been and will continue to be guided by its commitment to serving the public good and maintaining its role as a pioneer.

2006 REPORT ON COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

20.3. Strategic Objectives: Hürriyet's strategy involves providing customer-focused service, developing reader-oriented specialty products, producing content for traditional brands, keeping abreast of advances in technology and innovatively diversifying and expanding content distribution channels. The Company's strategy also involves tailoring information and educational products and tools to individuals, diversifying and expanding its sales and distribution channels in cooperation with the world's leading media enterprises.

The Board of Directors and the management continuously review Hürriyet's position in line with its strategic objectives. At regular and frequent board meetings, the Company reviews its position in the market and devises new targets and strategies responding to changing conditions. The strategic targets defined by executives are implemented following the approval of the Board of Directors. The Chairman of the Executive Board reports on progress in achieving the targets and past performance to the Board of Directors.

21. Risk Management, Risk Factors and Internal Control

The Finance, Accounting, Budget and Internal Control Departments manage financial risk under the authority and responsibility of the CFO. Along with financial risk, the identification and reporting of operational risk of the affiliates is the CFO's responsibility as well.

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, in order to enable the Company to reach its goals. The Internal Control Department, in accordance with applicable legislation, prepares 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 existing internal control mechanisms, creating an effective internal control mechanism and informing management on related activities.

The Audit Committee reports any problems it identifies concerning risk management and internal control.

In 2006, efforts were made to review the Company's existing practices and determine points of internal control. In this context, authorizations and limits concerning these points of control were specified on an "authorization chart" and various internal regulations and instructions were formulated. These were procurement regulations, travel expense regulations, procurement instructions for the purchase of goods and services, cash count instructions, stock count regulations and internal control regulations. All of the regulations were reviewed periodically to ensure compliance.

Controls on and reliability of monthly financial statements were tested.

Physical inventory counts were taken at the end of the accounting period and the results were reported.

Doğan Yayın Holding Internal Control Department performed an audit covering all regions and an action plan was prepared on the basis of the resulting audit report. Necessary action was taken without delay.

Audits were performed in the various regions and implementation was monitored in accordance with the resulting reports.

A "Personnel Productivity Analysis" was carried out for all departments.

A 'Competition Analysis' was made and higher management was provided with information on current market shares and on competitive conditions in newly-developing markets on a macro and micro basis.

Valuations and risk analyses were made for existing companies and potential investments. Some projects approved by management began to be implemented (Anneyiz.Biz) or, as in the case of 'Hürriyet Real Estate' and 'Hürriyet Auto', new investments were made to enter into new activities.

Changes in legislation were monitored and agreements binding the Company were reviewed in an attempt to reduce risks.

The following internal control goals have been determined for 2007:

- Using appropriate methods such as observation, information-gathering, communication, control work and risk assessment to establish effective controls in existing and new processes and supporting the organization with a strong control system;
- preparing regulations and instructions that present powerful and flexible solutions and reviewing efforts regularly in order to minimize all potential risks that may jeopardize the achievement of the Company's goals;
- protecting the organization against the possible consequences of lack of control (e.g. legal obligations, loss of share value, financial losses, lost business opportunities, loss of customer satisfaction);
- determining points of control for new investments and making recommendations to management for improving margins.

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

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

21.3. Loan risk: Possession of financial assets creates the risk of the other party's failing to meet its obligations. These risks are kept under control by limiting loan amount per borrower. The high number of borrowers and the variety of their fields of activity diversifies loan risk.

21.4. Exchange-rate risk: Hürriyet and its subsidiaries may be exposed to exchange rate risk as a result of fluctuations in exchange rates used to convert foreign-currency loans into Turkish lira. This risk is monitored through currency position analyses (2006 Consolidated Financial Statements, Note 29).

22. Authorities and Responsibilities of Board Members and Executives

22.1. The duties and responsibilities of Board Members and executives are stated in the Company's Articles of Association, in a manner that is consistent with their functions and clearly defined and separated from the duties and responsibilities of the General Meeting of Shareholders.

22.2. The agenda of the Board of the Directors meeting prepared by the CEO is submitted by the Secretariat of the Board of Directors to all Board Members at least one week before the date of the meeting and is revised in accordance with the suggestions of Board Members. As a rule, the Board of Directors convenes upon the invitation of either the Chairman or the Deputy Chairman. The Board of Directors must also be invited to a meeting upon the joint request of at least three members.

Any internal auditor or minority shareholder may invite the Board to a meeting, by determining its agenda in advance. In this case, the Chairman of the Board of Directors evaluates the emergency of the matter specified in the request. Eventually, the Chairman may either call for a meeting immediately or decide to postpone the discussion of the matter until the next ordinary meeting of the Board of Directors, assuming the responsibility of this decision and explaining its reasons.

Except for situations that require emergency meetings, meeting calls must be made at least seven days before the meeting date and shall also include the agenda of the meeting and all documents and information on agenda items.

22.3. If there are dissenting opinions and negative votes, the reasons of the negative votes are entered into the minutes of the meeting. In 2006, no material disclosures were made due to the absence of dissenting opinions and negative votes.

22.4. Personal presence of all members at board meetings is ensured for decisions on matters that require personal presence as per the Corporate Governance Principles of the Capital Markets Board.

23. Activities of the Board of Directors

23.1. Members of the Board of Directors are promptly provided all information they may need to adequately perform their duties.

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

23.3. Meetings of the Board of Directors are organized by the Chairman, the Deputy Chairman or the CEO, who is also a Board Member. Communication between Board Members is facilitated by the Secretariat of the Board of Directors, which is responsible for keeping all documents regarding the meetings of the Board of Directors. The duties and responsibilities of the Secretariat of the Board of Directors, which directly reports to the Chairman of the Board, are stated in the Articles of Association.

23.4. In 2006, the Board of Directors held 57 meetings and approved all resolutions unanimously, without any opposing votes.

23.5. Meetings of the Board of Directors are planned effectively and efficiently. As stated in the Articles of Association:

23.5.1. The Board of Directors meets whenever required by the business of the Company and at least once every month.

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 Board Member. The meeting date may be decided by the Board of Directors as well. 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. Any internal auditor may call for a Board meeting, by determining its agenda in advance.

23.5.3. Meeting calls are made at least seven days before the meeting date and include the agenda and all documents and information related to agenda items.

23.5.4. As a rule, meetings of the Board of Directors take place at the Company's headquarters. However, upon a decision of the Board of Directors, meetings can be held in a different location in the same city or in another city.

23.5.5. Members of the Board of Directors primarily attend meetings in person. However, it is also possible to use technology that provides remote access. Written opinions of members who cannot attend the meetings in person are conveyed to the other members.

23.5.6. Discussions at meetings of the Board of Directors must be entered into minutes and signed by the members present at the meeting. Opponents to a decision must also sign the minutes, declaring their dissenting opinion and its reasons. The minutes, other related documents and all relevant correspondence must be duly filed by the Secretariat of the Board of Directors. Detailed opinions and the reasons of opposition of dissenting independent members are also disclosed to the public.

2006 REPORT ON COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

23.5.7. Board of Directors meetings require the presence of at least one more than half of the full number of members and decisions require a simple majority of members present at the meeting. In case of equality of votes, the subject matter is added to the agenda of the next Board meeting and if it cannot be approved and decided upon by a majority of the votes at the next Board meeting, the relevant motion is deemed to have been disapproved. Each member is entitled to one vote, irrespective of its position and duties in the Board of Directors.

23.5.8. Pursuant to the second paragraph of Article 330 of the Turkish Commercial Code, Board decisions may be taken by receiving the written consent and approval of other members for a written proposal of any member. However, this method does not apply to decisions on matters that require personal presence at the meeting pursuant to the Corporate Governance Principles of the Capital Markets Board. The following agenda items can only be approved by Board Members attending the meeting in person:

- a- Determination of the business areas in which the Company will operate and approval of business and finance plans,
- b- calling for an ordinary/extraordinary General Meeting of Shareholders and issues related to the organization of the meeting,
- c- finalization of the annual report to be presented to the General Meeting of Shareholders,
- d- election of the Chairman of the Board and the Deputy Chairman; appointment of new members,
- e- establishment or decommissioning of administrative units.
- f- appointment and dismissal of the CEO,
- g- establishment of committees,
- h- mergers, spin-offs, restructuring, sale of the Company as a whole, sale of 10% or more of fixed assets, investments in excess of 10% of total assets, expenses in excess of 10% of total assets,
- i- determination of the Company's dividend policy and the amount of dividend to be distributed.
- j- capital increase or decrease.

23.6. Meetings and travel expenses of the Board of Directors, special studies it may request in relation to its duties and related expenses are paid out of the general budget without any restriction.

23.7. According to the Articles of Association, members of the Board of Directors do not have weighted voting and/or veto rights.

24. Restrictions on Dealing and Competing with the Company

According to the Articles of Association, Members of the Board of Directors are not allowed to deal or compete with the Company. An exception can be granted at the General Meeting of Shareholders upon the affirmative vote of shareholders who represent at least three-fourths of the capital.

In 2006, no Board Member, executive or controlling shareholder, including those who may have access to insider information, conducted business in the Company's line of business on behalf of themselves.

25. Ethical Rules

Hürriyet adheres to the "Values" it has announced in its website and annual report, as well as the "Editorial Principles" announced to the public by Doğan Yayın Holding. In addition to these rules, the Company has also adopted the Code of Conduct of Doğan Yayın Holding, with which all Doğan Media Group personnel should comply. Doğan Holding Editorial Principles and the Code of Conduct are available on Doğan Yayın Holding's website at www.dyh.com.tr.

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

26.1. In line with the Company's current position and needs, an Audit Committee, a Corporate Governance Committee, an Executive Committee and a Coordination Board have been established to ensure that the Board of Directors properly fulfils its duties and responsibilities.

26.2. The charters of the Audit Committee and the Corporate Governance Committee have been approved by the Board of Directors and are available at www.hurriyetkurumsal.com.tr. These charters have been carefully designed in light of the Capital Markets Law, CMB Regulations, the Principles, the Articles of Association as well as practices in other countries; both committees meet on a monthly basis.

26.3. Information on the Audit Committee established by the Articles of Association:

26.3.1. The Audit Committee consists of the following members:

Name	Title	Note
İmre Barmanbek	Chairman	Board Member / Non-executive
Soner Gedik	Member	Board Member / Non-executive

According to Section IV/5-4 of the Principles, individuals who are not Board Members but are considered experts in their fields can be appointed to the committee.

26.3.2 The Chairman of the Audit Committee is not an Independent Board Member. However, her position complies with CMB regulations because she is a non-executive member.

26.3.3. The Board of Directors held a meeting on May 5, 2006 and decided that İmre Barmanbek and Soner Gedik, Board Members who are concurrently Committee Members Responsible for Auditing, be reelected and authorized to perform the duties specified in the Capital Markets Board Communiqué Series X, No. 16.

26.3.4. All members of the Audit Committee are non-executive Board Members.

26.3.5. The Audit Committee makes regular efforts in compliance with capital markets legislation and in light of the CMB's Corporate Governance Principles. In this regard, in 2006:

- the Company's financial statements and their footnotes, as well as the independent audit report of the previous year were reviewed prior to their public disclosure and meetings were held with the Independent Audit Firm,
- the Company's independent audit contract was revised,
- results of the internal controls performed by the Internal Control Department and the measures taken have been reviewed,
- efforts were made regarding the establishment of a central dematerialized system.

26.4. Information on the Corporate Governance Committee established by the Articles of Association:

26.4.1. According to Board Decision No. 2006/34 dated May 5, 2006, the Corporate Governance Committee shall consist of the following chairperson and members:

Name	Title	Note
Cem Kozlu	Chairman	Independent Board Member / Non-executive
Murat Doğu	Member	Non-executive
Ahmet Özer	Member	Business Dev. and Investor Rel. Coord. / Non-Executive
İnci Şencan	Member	Finan. Control and Investor Rel. Manager / Non-executive

26.4.2. Corporate Governance Committee Member Murat Doğu is also a Member of DYH Corporate Governance Committee.

26.4.3. More than half of the committee members are non-executive.

26.4.4 Since its inception, the Committee has been continuing its activities in a regular manner. In this regard:

- corporate governance compliance reports prepared by the Company were reviewed,
- annual reports prepared by the Company were reviewed,
- it was ensured that the Ordinary General Meeting of Shareholders, where the activities of 2005 were discussed, was held in compliance with related legislation and principles,
- it was ensured that relations with shareholders and investors are pursued in compliance with related legislation and principles,
- public disclosures of the Company were reviewed,
- the website was regularly updated and improved.

26.5. The committees act in accordance with their authorities and responsibilities and make suggestions to the Board of Directors. The final decision always belongs to the Board of Directors.

26.5.1. All activities of the committees are documented in writing.

26.5.2. The committees present their annual reports to the Board of Directors in writing.

27. Remuneration of the Board of Directors

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

Whether the chairmen and members of the committees are to be paid any fees and the amounts and conditions of such fees, if any, are decided by the Board of Directors together with the resolution regarding the establishment of the particular committee. If the chairman and members of a committee are at the same time the chairman and members of the Board of Directors, it is the duty of the General Meeting of Shareholders to decide whether they are to be paid any fees and the amounts and conditions of such fees, if any.

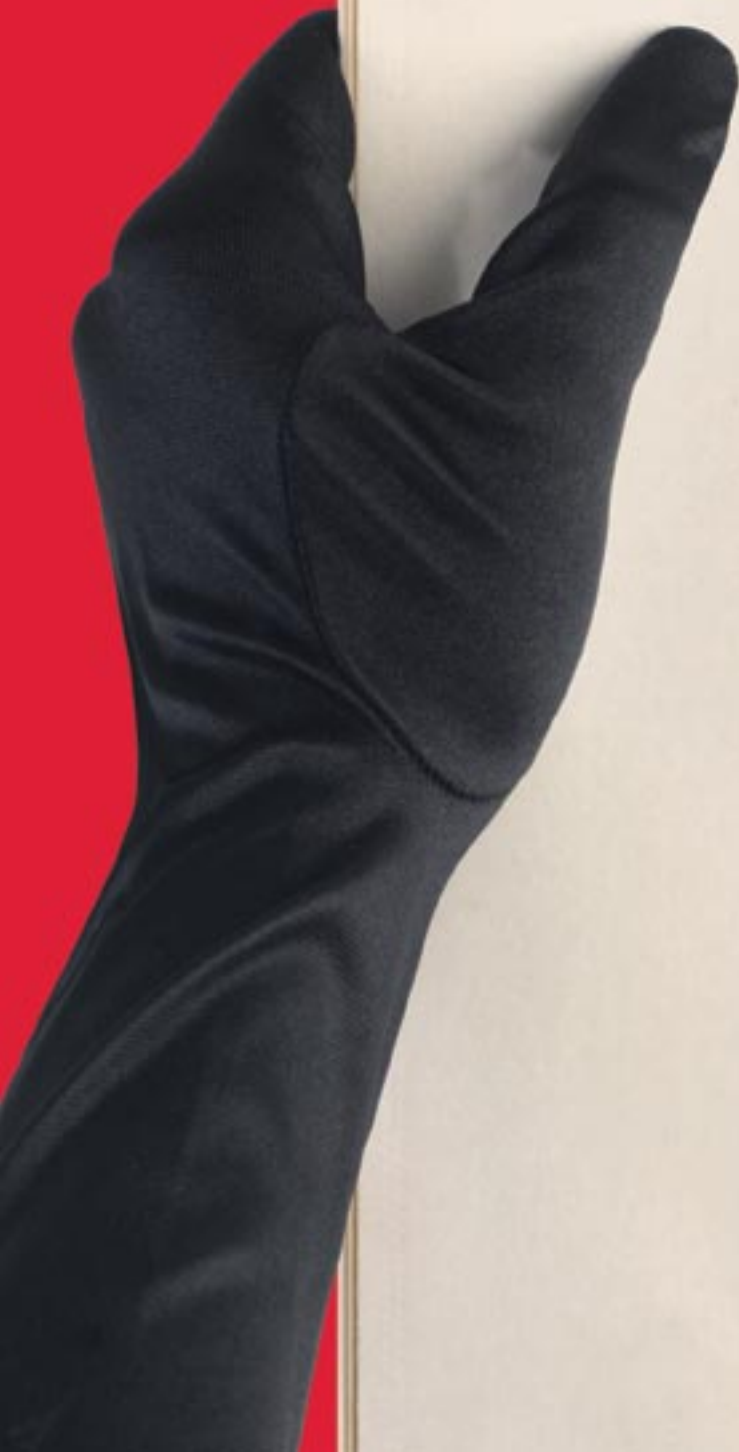
27.2. At the Ordinary General Meeting of Shareholders on May 1, 2006, it was unanimously decided that the Chairman of the Board of Directors be paid a monthly fee of YTL 6,000, the Deputy Chairman a monthly fee of YTL 5,000 and Members of the Board YTL 4,000 each. Furthermore, it was decided that Independent Members Cem M. Kozlu and Kai Georg Diekmann each be paid a monthly fee equal to the YTL equivalent of US\$ 5,000. There exists no bonus mechanism based on performance for members of the Board of Directors.

No loans or credits are extended by the Company to any Board Members or executives, either directly or indirectly.

AGENDA

Hürn

Commitment
to social
responsibility...



Hürriyet offers itself as a solution provider to help overcome social problems. It supports all efforts to improve quality, particularly in the field of newspaper publishing.



HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006
TOGETHER WITH AUDITORS' REPORT**

CONTENTS**PAGE**

CONSOLIDATED BALANCE SHEETS	82-83
CONSOLIDATED STATEMENTS OF INCOME	84
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY	85
CONSOLIDATED STATEMENTS OF CASH FLOWS	86
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	87-123
NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS	87-88
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	88-90
NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	91-96
NOTE 4 CASH AND CASH EQUIVALENTS	96-97
NOTE 5 MARKETABLE SECURITIES	97
NOTE 6 BORROWINGS	98
NOTE 7 TRADE RECEIVABLES AND PAYABLES	99-100
NOTE 8 LEASING RECEIVABLES AND PAYABLES	100
NOTE 9 TRANSACTIONS AND BALANCES WITH RELATED PARTIES	101-104
NOTE 10 OTHER RECEIVABLES AND PAYABLES	105
NOTE 11 BIOLOGICAL ASSETS	105
NOTE 12 INVENTORIES	105
NOTE 13 CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING	105
NOTE 14 DEFERRED TAX ASSETS AND LIABILITIES	106
NOTE 15 OTHER CURRENT / NON CURRENT ASSETS	107
NOTE 16 FINANCIAL ASSETS	107
NOTE 17 GOODWILL / NEGATIVE GOODWILL	108
NOTE 18 INVESTMENT PROPERTY	108
NOTE 19 PROPERTY, PLANT AND EQUIPMENT	109-110
NOTE 20 INTANGIBLE ASSETS	111
NOTE 21 ADVANCES RECEIVED	111
NOTE 22 RETIREMENT PLANS	111
NOTE 23 PROVISIONS	112-113
NOTE 24 MINORITY INTERESTS	114
NOTE 25 CAPITAL/ ADJUSTMENT TO SHARE CAPITAL	114
NOTE 26 CAPITAL RESERVES	115
NOTE 27 PROFIT RESERVES	115
NOTE 28 RETAINED EARNINGS	115-116
NOTE 29 FOREIGN CURRENCY POSITION	116-117
NOTE 30 GOVERNMENT GRANTS	117
NOTE 31 PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES	117-118
NOTE 32 BUSINESS COMBINATIONS	118
NOTE 33 SEGMENT INFORMATION	118
NOTE 34 SUBSEQUENT EVENTS	118
NOTE 35 DISCONTINUED OPERATIONS	118
NOTE 36 OPERATING INCOME	118
NOTE 37 OPERATING EXPENSES	119
NOTE 38 OTHER INCOME/EXPENSES AND PROFIT/LOSSES	119-120
NOTE 39 FINANCIAL EXPENSES	120
NOTE 40 NET MONETARY POSITION GAIN/LOSSES	120
NOTE 41 TAXES ON INCOME	120-122
NOTE 42 EARNINGS PER SHARE	123
NOTE 43 STATEMENTS OF CASH FLOWS	123
NOTE 44 OTHER EVENTS	123

**Başaran Nas Bağımsız Denetim
ve Serbest Muhasebeci Mali
Müşavirlik A.Ş.**
a member of
PricewaterhouseCoopers
BJK Plaza, Süleyman Seba Caddesi
No:48 B Blok Kat 9 Akaretler
Beşiktaş 34357 İstanbul-Turkey
www.pwc.com/tr
Telephone +90 (212) 326 6060
Facsimile +90 (212) 326 6050

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Hürriyet Gazetecilik ve Matbaacılık A.Ş.

1. We have audited the accompanying consolidated financial statements of Hürriyet Gazetecilik ve Matbaacılık A.Ş and its subsidiaries ("the Group") which comprise the consolidated balance sheet as of 31 December 2006 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

2. The Group management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with financial reporting standards issued by the Turkish Capital Market Board ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our independent audit. We conducted our independent audit in accordance with the independent auditing standards issued by the CMB. Those standards require that we comply with ethical requirements and plan and perform the independent audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Hürriyet Gazetecilik ve Matbaacılık A.Ş. as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting standards issued by the CMB (Note 2).

Additional paragraph for convenience translation into English

5. As of 31 December 2006, the accounting principles described in Note 2 (defined as 'CMB Accounting Standards') to the accompanying consolidated interim financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting and presentation of the basic financial statements and the notes to them. Accordingly, the accompanying consolidated interim financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers



Cansen Başaran Symes, SMMM
İstanbul, 6 April 2007

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2006 AND 2005**

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

	Notes	2006	2005
ASSETS			
Current assets		406.886.019	428.317.543
Cash and cash equivalents	4	141.823.172	152.561.372
Marketable securities (net)	5	23.056.445	17.725.328
Trade receivables (net)	7	155.918.910	147.183.664
Leasing receivables (net)	8	-	-
Due from related parties (net)	9	38.566.006	55.324.338
Other receivables (net)	10	24.440.185	33.943.988
Biological assets (net)	11	-	-
Inventories (net)	12	18.002.865	17.845.041
Construction contract receivables (net)	13	-	-
Deferred tax assets	14	-	-
Other current assets	15	5.078.436	3.733.812
Non-current assets		562.478.799	507.279.805
Trade receivables (net)	7	334.638	222.212
Leasing receivables (net)	8	-	-
Due from related parties (net)	9	-	-
Other receivables (net)	10	-	-
Financial assets (net)	16	10.762.570	12.039.390
Goodwill / negative goodwill (net)	17	11.332.183	11.332.183
Investment properties (net)	18	15.219.729	18.229.060
Property, plant and equipment (net)	19	518.267.349	461.726.595
Intangible assets (net)	20	1.179.670	833.237
Deferred tax assets	14	5.382.660	2.897.128
Other non-current assets	15	-	-
TOTAL ASSETS		969.364.818	935.597.348

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2006 AND 2005

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

	Notes	2006	2005
LIABILITIES			
Current liabilities		105.594.260	157.959.553
Short-term bank borrowings (net)	6	1.473.835	6.908.856
Short-term portion of long-term bank borrowings (net)	6	5.613.230	39.979.946
Leasing payables (net)	8	4.620.935	1.791.072
Other financial liabilities (net)	10	-	-
Trade payables (net)	7	49.090.780	39.214.161
Due to related parties (net)	9	2.887.857	8.462.423
Advances received	21	1.080.121	960.188
Construction progress billings (net)	13	-	-
Provisions	23	26.610.246	48.198.232
Deferred tax liabilities	14	-	-
Other liabilities (net)	10	14.217.256	12.444.675
Non-current liabilities		160.979.232	104.339.768
Long-term bank borrowings (net)	6	39.026.920	26.578.620
Leasing payables (net)	8	8.066.629	3.724.463
Other financial liabilities (net)	10	-	-
Trade payables (net)	7	78.001.254	30.747.373
Due to related parties (net)	9	-	-
Advances received	21	-	-
Provisions	23	8.470.347	8.133.033
Deferred tax liabilities	14	27.224.327	35.061.371
Other liabilities (net)	10	189.755	94.908
MINORITY INTEREST	24	111.140	3.451.810
SHAREHOLDERS' EQUITY		702.680.186	669.846.217
Share capital	25	416.742.560	416.742.560
Treasury shares	25	-	-
Capital reserves	26	81.270.970	81.270.970
Share premium		-	-
Share cancellation gains		-	-
Revaluation fund		-	-
Financial assets fair value reserve		-	-
Inflation adjustment to shareholders' equity		81.270.970	81.270.970
Profit reserves	27	71.894.841	38.430.112
Legal reserves	28	18.679.778	13.322.675
Statutory reserves		-	-
Extraordinary reserves	28	52.713.095	26.317.495
Special reserves		-	-
Investment and property sales income to be added to the capital	-	-	-
Translation reserve	2,28	501.968	(1.210.058)
Current year profit	28	104.157.463	87.008.178
Retained earnings	28	28.614.352	46.394.397
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		969.364.818	935.597.348
Commitments and contingent liabilities	31		

These consolidated financial statements as at and for the year ended at 31 December 2006 have been approved by the Board of Directors on 6 April 2007.

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS
ENDED 31 DECEMBER 2006 AND 2005**

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

	Notes	2006	2005
OPERATING REVENUES			
Net sales	36	632.372.547	585.174.934
Cost of sales (-)	36	(423.205.484)	(375.570.681)
Income from services (net)	36	-	-
Income from other operating activities (net)	36	-	-
GROSS OPERATING PROFIT		209.167.063	209.604.253
Operating expenses (-)	37	(122.188.491)	(105.994.600)
NET OPERATING PROFIT		86.978.572	103.609.653
Other income and profits	38	77.724.474	60.248.455
Other expenses and losses (-)	38	(39.297.200)	(32.243.343)
Financial expenses (-)	39	(12.720.228)	(9.465.284)
OPERATING PROFIT		112.685.618	122.149.481
Monetary gain/ (loss)	40	-	-
MINORITY INTEREST	24	1.298.698	(225.958)
INCOME BEFORE TAX		113.984.316	121.923.523
Taxes on income	41	(9.826.853)	(34.915.345)
NET INCOME		104.157.463	87.008.178
EARNINGS PER SHARE	42	0,250	0,209

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

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

	Capital Reserves		Profit Reserves			Retained Earnings		
	Share capital	Inflation adjustment to shareholders' equity	Legal reserve	Extraordinary reserve	Translation Reserve	Retained earnings	Net income for the period	Total shareholders' equity
Balances at 1 January 2005	416.742.560	81.270.970	11.170.063	2.108.245	(354.811)	44.880.754	27.200.087	583.017.868
Change in effective rates of the subsidiaries	-	-	-	-	-	13.165.961	-	13.165.961
Balances at 1 January 2005 as restated	416.742.560	81.270.970	11.170.063	2.108.245	(354.811)	58.046.715	27.200.087	596.183.829
Currency translation differences	-	-	-	-	(855.247)	-	-	(855.247)
Transfers	-	-	2.152.612	24.209.250	-	838.225	(27.200.087)	-
Dividends	-	-	-	-	-	(12.490.543)	-	(12.490.543)
Net income for the period	-	-	-	-	-	-	87.008.178	87.008.178
Balances at 31 December 2005	416.742.560	81.270.970	13.322.675	26.317.495	(1.210.058)	46.394.397	87.008.178	669.846.217
Balances at 1 January 2006	416.742.560	81.270.970	13.322.675	26.317.495	(1.210.058)	33.228.436	87.580.389	657.252.467
Change in effective rates of the subsidiaries	-	-	-	-	-	13.165.961	(572.211)	12.593.750
Balances at 1 January 2006 as restated	416.742.560	81.270.970	13.322.675	26.317.495	(1.210.058)	46.394.397	87.008.178	669.846.217
Currency translation differences	-	-	-	-	1.712.026	-	-	1.712.026
Transfers	-	-	5.357.103	26.395.600	-	55.255.475	(87.008.178)	-
Dividends	-	-	-	-	-	(41.730.232)	-	(41.730.232)
Change in effective rates of the subsidiaries	-	-	-	-	-	(31.305.288)	-	(31.305.288)
Net income for the period	-	-	-	-	-	-	104.157.463	104.157.463
Balances at 31 December 2006	416.742.560	81.270.970	18.679.778	52.713.095	501.968	28.614.352	104.157.463	702.680.186

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**STATEMENTS OF CONSOLIDATED CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005**

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

	Notes	2006	2005
Net profit for the period		104.157.463	87.008.178
Adjustments:			
Depreciation	18,19	48.840.139	46.217.491
Amortisation	20	649.611	1.109.479
Net profit/ (loss) on disposal of property, plant and equipment, intangible assets and investment property	18,19	1.920.832	(5.496.037)
Minority interest	24	(1.298.698)	225.958
Taxation	41	9.826.853	34.915.345
Provision for employment termination benefits	23	2.134.079	1.247.443
Income from disposal of subsidiaries'	38	(7.898.504)	(589.833)
Interest income	38	(22.629.994)	(18.431.161)
Interest expenses	39	8.455.820	6.217.237
Impairment/ (Reversal of) loss of investment property	18	1.806.438	(2.815.320)
Currency translation differences		(4.551.178)	4.008.473
Reversal of provisions	23	(764.268)	-
Provision expenses		2.452.792	10.009.309
Cash flows from operating activities before changes in operating assets and liabilities		143.101.385	163.626.562
Changes in operating assets and liabilities-net	43	7.116.435	(23.833.532)
Income taxes paid		(25.105.406)	(25.144.440)
Employment termination benefits paid	23	(1.615.032)	(168.758)
Net cash provided by operating activities		123.497.382	114.479.832
Cash flows from investing activities:			
Purchases of investment property	18	(3.098.811)	(2.066.250)
Purchases of plant, property and equipment	19	(119.759.912)	(56.841.669)
Purchases of intangible assets	20	(1.259.318)	(855.602)
Proceeds from sales of plant, property and equipment intangible assets and investment properties		11.389.149	39.082.845
Interests received		23.714.305	17.607.429
Proceeds from disposal of subsidiaries	16	15.779.159	3.288.281
Acquisition of subsidiaries, net paid		(34.067.756)	-
Changes in available-for-sale financial assets		(1.248.515)	62.128
Net cash used in investing activities		(108.551.699)	277.162
Cash used in financing activities:			
Dividends paid		(41.730.232)	(12.490.543)
Change in borrowings		(21.000.611)	(8.847.644)
Change in long term trade payables		47.253.881	(7.522.655)
Interests paid		(9.122.610)	(6.164.472)
Net cash used in financing activities		(24.599.572)	(35.025.314)
Change in cash and cash equivalents		(9.653.889)	79.731.680
Change in blocked deposits		(49.269.590)	223.751
Cash and cash equivalents at the beginning of the period		148.965.460	69.010.029
Cash and cash equivalents at the end of the year		90.041.981	148.965.460

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

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

The address of the registered office is as follows:

Hürriyet Medya Towers
34212 Güneşli, Istanbul
Turkey

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

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

Company name	Country of incorporation	2006	2005	Nature of business
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. ("Hürriyet Medya Basım") (9)	Turkey	Subsidiary	Subsidiary	Publishing and administrative services
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	Turkey	Subsidiary	Subsidiary	Magazine and book publishing
Hürriyet Zweigniederlassung GmbH. ("Hürriyet Zweigniederlassung")	Germany	Subsidiary	Subsidiary	Newspaper publishing
DS Servis İdari Hizmetler ve Tic. A.Ş. ("DS Servis") (1)	Turkey	Subsidiary	Subsidiary	Administrative service
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. ("Yenibir") (2)	Turkey	Subsidiary	Subsidiary	Internet services
Egeser Servis İdari Hizmetleri ve Tic A.Ş. ("Egeser Servis") (1)	Turkey	Subsidiary	Subsidiary	Administrative service
Hür Servis Sosyal Hizmetler ve Tic A.Ş. ("Hür Servis") (3)	Turkey	Subsidiary	Subsidiary	Administrative service
Hür Medya İlançılık ve Reklamcılık Tic A.Ş. ("Hür Medya")	Turkey	Subsidiary	Subsidiary	Advertising
Hürriyet Ticari ve Sınai Ürünleri Pazarlama A.Ş. ("Hürriyet Pazarlama") (4)	Turkey	Subsidiary	Subsidiary	Marketing
Doğan Haber Ajansı A.Ş. ("Doğan Haber")	Turkey	Subsidiary	Subsidiary	News agency
Orta Anadolu Otomotiv Ticaret ve Sanayi A.Ş. ("Orta Anadolu Oto") (4)	Turkey	Subsidiary	Subsidiary	Automotive
Doğan Daily News Gazetecilik ve Matbaacılık A.Ş. ("Doğan Daily News") (5)	Turkey	Subsidiary	-	Newspaper publishing
Emlaksimum Elektronik Yayıncılık ve Ticaret A.Ş. ("Emlaksimum") (6)	Turkey	Subsidiary	-	Internet services
Hürriyet Invest B.V. ("Hürriyet Invest") (7)	Netherlands	Subsidiary	-	Investment
Doğan Kitapçılık A.Ş. ("Doğan Kitapçılık") (8)	Turkey	-	Associate	Book publishing
Doğan Media International ("Doğan Media")	Germany	Associate	Associate	Publishing and advertising
Yaysat Yayın Pazarlama ve Dağıtım A.Ş. ("Yaysat")	Turkey	Associate	Associate	Distribution
DYG İlan ve Reklam Hizmetleri A.Ş. ("DYG İlan")	Turkey	Associate	Associate	Advertising

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

The Company and its Subsidiaries ("Group") operates predominantly in one industry segment, media, and as the sales and the assets of the Group are located mainly in Turkey, no segmental information is considered necessary.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

- (1) The Group has sold all the shares in DS Servis and Egeser of which the Group has affiliated 99,99% of their capital and they are inactive, 60% to Doğan Yayın and the remaining part to Doğan Family individuals from their carrying values in advance cash. Gain amounting to YTL 3.587 has been reclassified under "Other income" after the disposal.
- (2) The trade register name of Yenibir İnsan Kaynakları ve Danışmanlık Hizmetleri A.Ş. changed as Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. at 31 August 2006.
- (3) The Group has sold 81% of the shares in Hür Servis of which the Group has affiliated 99,99% of its capital to Doğan Müzik Kitap Mağazacılık Pazarlama A.Ş. ("DMK") amounting to YTL 615.600. Hür Servis has been reclassified as available-for-sale investment after disposal. Loss amounting to YTL 105.576 has been reclassified under "Other expense" after the disposal.
- (4) The Group sold all the shares in Hürriyet Pazarlama and Orta Anadolu Oto amounting to YTL 17.137.352 equivalent of USD 12.081.320 to Doğan Holding at 18 May 2006. Gain amounting to YTL 9.051.890 has been reclassified under "Other income" after the disposal.
- (5) The Group acquired 94,25% of the shares in Doğan Daily News amounting to YTL 2.941.135 equivalent of USD 2.073.412 from Doğan Yayın at 18 May 2006. Loss amounting to YTL 1.960.360 has been reclassified under "Other expense" after the acquisition.
- (6) Emlaksimum was established at 14 February 2006 by the Group.
- (7) The Group has established Hürriyet Invest based in Netherlands. The Group has paid 20% of the capital amounting to Euro 18.000.
- (8) The Group sold all the shares in Doğan Kitapçılık which the Group has affiliated 48,90% of the shares amounting to YTL 3.596.889 equivalent of USD 2.454.780 to Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") at 23 November 2006. Gain amounting to YTL 908.964 has been reclassified under "Other income" after the disposal.
- (9) The trade register name of Doğan Basım ve Dağıtım İşleri A.Ş. changed as Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. at 18 September 2006.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**2.1 Accounting standards****Preparation of the financial statements**

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

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

These consolidated financial statements and the related notes have been presented in accordance with the formats required by the CMB.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2006

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

2.2 Financial statements of foreign Subsidiaries and Associates

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

2.3 Consolidation principles

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

(a) Subsidiaries

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

The table below sets out all consolidated Subsidiaries and shows their shareholding structure at 31 December 2006 and 2005:

Name	2006 Direct and indirect control by the Company and its Subsidiaries (%)	2005 Direct and indirect control by the Company and its Subsidiaries (%)
Hürriyet Medya Basım	99,99	99,99
Doğan Ofset (*)	99,89	54,85
Hürriyet Zweigniederlassung	100,00	100,00
DS Servis	-	99,99
Yenibir	100,00	100,00
Egeser Servis	-	100,00
Hür Servis	19,00	99,99
Hür Medya	100,00	100,00
Hürriyet Pazarlama	-	97,43
Doğan Haber	50,01	50,01
Orta Anadolu Oto	-	81,36
Doğan Daily News	94,25	-
Emlaksimum	98,41	-
Hürriyet Invest	100,00	-

(*) The Group acquired 45,04% of Doğan Ofset shares YTL 31.305.288 equivalent of USD 22.069.290 USD from Doğan Yayın at 18 May 2006.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

(b) Investments in associated undertakings

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

The table below sets out the Associates and shows the proportion of ownership interests at 31 December 2006 and 2005.

Name	2006	2005
	Direct and indirect control by the Company and its Subsidiaries (%)	Direct and indirect control by the Company and its Subsidiaries (%)
Doğan Media	43,93	43,93
Yaysat	25,00	25,00
DYG İlan	20,00	20,00
Doğan Kitapçılık (*)	-	48,90

(*) The Group sold all the shares in Doğan Kitapçılık which the Group has affiliated 48,90% of the shares amounting to YTL 3.596.889 equivalent of USD 2.454.780 to Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. at 23 November 2006.

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

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

(d) Minority interest

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

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

(e) Accounting policy for business combinations under Common Control

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

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

As of 31 December 2006, the accounting principles described in Note 2.1 (defined as CMB Accounting Standards) differ from IFRS issued by the International Accounting Standards Board with respect to the application of inflation accounting, presentation of the basic financial statements and the notes to them. Accordingly, these financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2006

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Related parties

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

3.2 Financial assets at fair value through profit and loss

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

As stated in the revised IAS 39, when applying the revised IAS 39 for the first time, the Group classified assets held for trading in the previous periods, other than investments in shares that had no market values quoted in the stock exchange or whose fair values could not be reliably measured, as "financial assets at fair value through profit and loss" (Note 16). Since the changes in the fair values of the relevant financial assets were accounted at profit and loss until 31 December 2005, the related comparative amounts disclosed at previous periods are not revised. The Group has accounted for the changes in the fair values of the relevant assets in the current period in the statement of income.

3.3 Trade receivables and provision for doubtful receivables

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

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

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

3.4 Inventories

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

3.5 Investment properties and depreciation

Buildings and land held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as investment property. Items which are acquired before 1 January 2006, are carried at cost and restated to the equivalent purchasing power at 31 December 2006 less accumulated depreciation (except land) and impairment. Items which are acquired in 2006 are carried at cost less accumulated depreciation (except land) and impairment. Depreciation is provided using a straight-line basis. The depreciation periods for investment property, which approximate the economic useful lives of such assets, are 50 years (Note 18).

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2006

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

3.6 Property, plant, and equipment and depreciation

Property, plant and equipment acquired before 1 January 2006 are carried at cost and restated to the equivalent purchasing power at 31 December 2006 less accumulated depreciation. Items which are acquired in 2006 are carried at cost less accumulated depreciation (Note 19). Depreciation is provided using the straight-line method based on the estimated useful lives of the assets. The estimated useful lives are as follows:

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

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

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

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

3.7 Financial leases

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

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

3.8 Goodwill / negative goodwill and amortization

A business combination is the bringing together of separate entities or businesses into one reporting entity. Business combinations are accounted for using the purchase method.

The cost of a business combination is allocated by recognizing the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill has been recognized as an asset and has initially been measured as the excess of the cost of the combination over the acquiree's assets, liabilities and contingent liabilities. In business combinations the acquirer recognises identifiable assets (such as deferred tax), intangible assets (such as trademarks) and/or contingent liabilities separately from goodwill at their fair values in the consolidated financial statements. The goodwill previously recognized in the financial statements of the acquiree is not considered as an identifiable asset.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2006

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

3.9 Intangible assets and amortization

Intangible assets comprise acquired intellectual property, trademarks and other identified rights. Items acquired before 1 January 2005 are carried at cost and restated to the equivalent purchasing power at 31 December 2005, items acquired in 2005 are carried at cost. Assets are amortised using the straight-line method over their estimated useful lives for a period not exceeding 5 years from the date of acquisition. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount (Note 20).

3.10 Significant accounting estimates and decisions

The preparation of the financial statements requires the use of assumptions and estimates which might affect the amounts of assets and liabilities, explanation of commitments and contingent liabilities which were reported as of the balance sheet date and the revenues and expenses which were reported throughout the period. Eventhough, these assumptions and estimates rely on the best estimates of the Company management; the actual results might differ from them.

3.11 Taxes on income

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

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

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

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

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

3.12 Bank borrowings

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

3.13 Employment termination benefits

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

3.14 Provisions

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

3.15 Share capital and dividends

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

3.16 Foreign currency transactions and translation

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

3.17 Revenue recognition

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

Interest income:

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

Rental income:

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

Other income:

Other income is recognized on an accrual basis.

3.18 Barter agreements

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

3.19 Earnings per share

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

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

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

3.20 Cash and cash equivalents

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2006

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

3.21 Offsetting

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

3.22 Comparatives

To conform to changes in presentation of the financial statements as of 31 December 2006, comparative consolidated balance sheet as of 31 December 2005 and consolidated statements of income and consolidated statements of cash flows as of 31 December 2005 have been reclassified.

3.23 Financial instruments and financial risk management

Interest rate risk

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

Funding risk

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

Credit risk

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

Foreign currency risk

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

Fair value of financial instruments

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

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

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

Monetary Assets

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

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

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

Monetary Liabilities

Trading liabilities have been estimated at their fair values.

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

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

3.24 Reporting of cash flows

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

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

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

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

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

3.25 Subsequent Events

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

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

NOTE 4 - CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 31 December 2006 and 2005 are as follows:

	2006	2005
Cash in hand	430.374	547.574
Cash at banks		
- demand deposits	961.578	4.439.820
- time deposits	89.396.513	145.808.861
- blocked deposits	51.034.707	1.765.117
	141.823.172	152.561.372

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2006

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

Cash and cash equivalents included in the consolidated statements of cash flows are as follows:

	2006	2005	2004
Cash and banks	141.823.172	152.561.372	72.005.960
Blocked deposits	(51.034.707)	(1.765.117)	(1.988.868)
Less: Interest accruals	(746.484)	(1.830.795)	(1.007.063)
	90.041.981	148.965.460	69.010.029

Regarding to the bank borrowings which will be used in acquisition of subsidiary of the Group described in Note 34, cash and cash equivalents amounting to YTL 51.034.707 (2005: YTL1.765.117) were blocked and not available for use at 31 December 2006.

Period remaining to maturity for time deposits are as below:

	2006	2005
0-1 month	74.043.035	65.091.364
1-3 months	15.353.478	68.423.985
3-6 months	51.034.707	14.058.629
6-12 months	-	-
	140.431.220	147.573.978

At 31 December 2006, the weighted average interest rate for local currency time deposits is 20,0% (2005: 17,9%) and weighted average interest rate for foreign currency time deposits is 4,9% (2005: 3.9%).

NOTE 5 - MARKETABLE SECURITIES

The analysis of financial assets at fair value through profit and loss at 31 December 2006 and 2005 are as follows:

	2006	2005
Treasury bills and government bonds	23.056.445	7.725.32
	23.056.445	17.725.328

The highest price of the pending current orders as of the second session of 29 December 2006 has been used when determining the fair value of treasury bills and government bonds as of 31 December 2006. At 31 December 2006, treasury bills and government bonds weighted average interest rate is 19,8% (2005: 14,50%).

Maturity analysis for the financial assets at fair value through profit and loss as of 31 December 2006 and 2005 are as follows:

	2006	2005
31-90 days	-	16.951.754
91-180 days	15.623.355	517.125
181- 365 days	7.433.090	256.449
Over 365 days	-	-
	23.056.445	17.725.328

At 31 December 2006 and 2005, there are no pledged financial assets at fair value through profit and loss.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

NOTE 6 - BORROWINGS

Details of borrowings at 31 December 2006 and 2005 are as follows:

	Weighted average effective interest rate (%)		Original currency		YTL	
	2006	2005	2006	2005	2006	2005
Short-term bank borrowings						
- USD	6,8	6,0	1.048.544	509.127	1.473.835	683.147
- Euro	-	4,7	-	3.884.318	-	6.166.355
- YTL	-	-	-	59.354	-	59.354
Total					1.473.835	6.908.856
Short-term portion of long term bank borrowings						
- Euro	5,8	6,3	2.303.982	2.143.214	4.265.823	3.402.353
- USD	8,3	7,7	615.081	26.940.301	864.558	36.148.496
- Diğer	5,0	4,0	419.760	421.179	482.849	429.097
Total					5.613.230	39.979.946
Long-term bank borrowings						
- Euro	4,6	5	11.594.235	13.067.925	21.466.727	20.745.331
- USD	7,6	5,6	11.700.023	3.313.131	16.445.553	4.445.559
- Other	5,0	4,0	969.000	1.356.600	1.114.640	1.382.104
- YTL	-	-	-	5.626	-	5.626
Total long-term bank borrowings					39.026.920	26.578.620

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

Year	2006	2005
2007	-	5.974.308
2008	10.409.261	5.640.906
2009	15.437.951	6.588.541
2010	4.899.532	1.777.813
2011	7.631.437	1.144.436
2012 and after	648.739	5.452.616
Total	39.026.920	26.578.620

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

Trade receivables net of unearned credit finance income at 31 December 2006 and 2005 are as follows:

	2006	2005
Trade receivables	143.681.111	138.266.941
Cheques and notes received	27.040.392	21.555.165
Receivables from credit cards	147.877	72.253
	170.869.380	159.894.359
Unearned credit finance income	(2.048.613)	(2.094.040)
	168.820.767	157.800.319
Less: Provision for doubtful receivables	(12.901.857)	(10.616.655)
Trade receivables	155.918.910	147.183.664

In accordance with the factoring agreement signed between the Group and Doğan Faktoring Hizmetleri A.Ş. ("Doğan Faktoring"), trade receivables amounting to YTL 105.564.252 (2005: YTL 101.384.480). The unearned credit finance income related with the receivables followed by Doğan Faktoring is YTL 2.048.613 (2005: YTL 2.094.040) and effective interest rate is 17% (2005:19%)

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

	2006	2005
1 January	10.616.655	6.229.530
Provisions provided during the year (Note 38)	2.839.659	4.586.026
Collections during the year	(386.867)	(198.901)
Acquisition of subsidiaries	(167.590)	-
31 December	12.901.857	10.616.655

Long-term trade receivables at 31 December 2006 and 2005 are as follows:

	2006	2005
Deposits and guarantees given	334.638	222.212
	334.638	222.212

Trade payables at 31 December 2006 and 2005 are as follows:

	2006	2005
Short-term trade payables	40.980.909	38.537.093
Notes payable	8.109.871	677.068
	49.090.780	39.214.161

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

	2006	2005
Long-term payables to suppliers	78.001.254	30.747.373

Long-term payables to suppliers resulted from to the purchase of machinery and equipment. The weighted average interest rates of long term trade payables are for USD 5,2%, for Euro 4,1% and for CHF is 2,7% (2005: USD: 4,4%, Euro:3,3%), (CHF:4,0%)

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

Year	2006	2005
2007	-	11.072.872
2008	15.020.381	10.008.851
2009	15.410.227	5.683.074
2010	10.818.150	3.982.576
2011	10.408.457	-
2012	26.344.039	-
	78.001.254	30.747.373

NOTE 8 - LEASING RECEIVABLES AND PAYABLES

Leasing payables at 31 December 2006 and 2005 are as follows:

	2006	2005
Short-term leasing payables	4.620.935	1.791.072
Long-term leasing payables	8.066.629	3.724.463
	12.687.564	5.515.535

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

Year	2006	2005
2007	-	1.863.233
2008	2.593.785	1.036.556
2009	2.520.474	356.903
2010	2.283.778	291.509
2011 and after	668.592	176.262
	8.066.629	3.724.463

The weighted average interest rate for long term leasing payable is 6,5% for USD and 5% for Euro (31 December 2005: Euro :6%).

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

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

Short Term:

	2006	2005
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik")	7.476.577	6.647.801
İşıl İthalat İhracat Mümessillik A.Ş. ("İşıl İthalat")	5.951.581	269
Doğan Media	3.594.097	1.934.083
Milliyet Verlags und Handels GmbH ("Milliyet Verlags")	2.876.395	2.573.517
Doğan Müzik Kitapçılık A.Ş. ("DMK") (*)	2.617.516	1.378.094
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	2.479.688	669.527
Doğan Burda Dergi		
Yayıncılık ve Pazarlama A.Ş. ("DB")	1.730.095	2.082.015
Eko TV Televizyon Yayıncılık A.Ş. ("Eko TV")	1.525.463	289.687
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	1.223.151	1.723.542
Medyanet İletişim Reklam Pazarlama ve Turizm A.Ş. ("Medyanet A.Ş.")	1.175.485	-
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım")	1.081.093	5.891.252
Süper Kanal Televizyon Video Radyo Basın Yapım		
Yayın Tanıtım ve Haber Hizmetleri A.Ş. ("Süper Kanal") (**)	1.002.370	1.271.350
Milliyet Haber Ajansı A.Ş. ("Milha")	831.116	826.659
Doğan Dış Ticaret A.Ş. ("Doğan Dış Ticaret")	644.151	3.419.226
Hürriyet Ticari ve Sınai Pazarlama A.Ş. ("Hürriyet Pazarlama") (***)	605.598	-
Hür Servis	405.142	-
Doğan Elektronik Turizm Satış Pazarlama		
Hizmetleri ve Yayıncılık A.Ş. ("Doğan Elektronik Turizm")	379.175	2.636
D Market Ticaret A.Ş. ("D Market")	349.751	295.168
Dergi Pazarlama Planlama A.Ş.	318.256	425.471
Aydın Doğan Vakfı	310.149	262.572
Doğan Egmont	293.208	88.096
Doğan Kitapçılık	233.238	198.998
Doğan Factoring	192.391	544.483
Katalog Yayın ve Tanıtım Hizmetleri A.Ş.	40.608	1.623.940
Doğan Yayın (****)	-	20.801.108
Doğan TV	-	1.691.312
Other	1.229.712	683.532
	38.566.006	55.324.338

(*) The receivable balance of the Group from DMK consists of YTL 615.600 related with the share sales of Hür Servis

(**) Receivable of the Group from Süper Kanal has arisen from sales of Digital Hizmetler shares to Pluton Televizyon ve Yayıncılık A.Ş. and receivable has undertaken by Süper Kanal.

(***) The related company was disposed from the scope of consolidation since the Group sold all the shares of Hürriyet Pazarlama to Doğan Holding at 18 May 2006.

(****) The group has obtained credit from Barclays Bank PLC at 27 January 2004 amounting to USD\$15.000.000, with the interest rate of 7.63 % and maturity date of 27 January 2006. The Group has transferred the credit to Doğan Yayın with the same terms (Note 6). The borrowing was paid at 27 January 2006.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006

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

b) Short-term due to related companies:

	2006	2005
Doğan İletişim	792.070	238.836
Milta Turizm	742.178	127.736
Doğa Televizyon ve Yayıncılık A.Ş. ("Doğa TV")	177.637	-
Hürbim Görsel Yayıncılık A.Ş. ("Hürbim")	176.748	371.517
Doğan İnternet Yatırımları Ticaret A.Ş.	168.037	168.037
Doğan Yayın	119.044	3.055.567
Doğan Platform Yatırımları A.Ş.	97.478	-
Petrol Ofisi	83.881	50.410
Doğan TV	71.260	-
Born Investment Holding Company S.A. ("Born Investment") (**)	-	1.355.441
D-Yapı İnşaat Sanayi Ticaret A.Ş. (*)	-	1.328.584
Doğan Daily News (***)	-	358.446
Işıl Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Işıl TV")	-	324.293
Other	459.524	1.083.556
	2.887.857	8.462.423

(*) The balance comprized of contract progress invoices for the Group's printing house construction in Izmir.

(**) The due balance to Born Investment of the Group is a financial liability.

(***) Group included Doğan Daily News to the scope of consolidation after purchasing 94,25% of all the shares from Doğan Yayın at 18 May 2006.

ii) Significant transactions with related parties:

a) Service and product sales:

	2006	2005
Doğan Dağıtım	80.285.922	71.373.062
Doğan Gazetecilik	27.077.352	26.483.403
Doğan Media	15.086.538	14.685.174
DB	10.865.555	8.387.089
Kanal D	5.172.658	5.868.598
Eko TV	4.028.356	2.255.839
Milliyet Verlags	2.410.708	2.414.116
Doğan Yayın	2.340.830	1.633.691
Medyanet A.Ş.	2.182.672	577.735
Petrol Ofisi	1.960.343	1.480.938
Işıl TV	1.687.567	4.779
DMK	1.339.072	379.490
Doğan Egmont	1.122.967	990.016
Other	6.308.020	3.964.287
	161.868.560	140.498.217

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

b) Service and product purchases:

	2006	2005
Işıl İthalat (*)	80.648.864	-
Doğan Dış Ticaret (*)	71.508.784	120.828.957
Doğan Dağıtım (**)	20.378.465	15.415.750
Doğan Yayın	13.031.481	9.708.690
Kanal D	9.180.791	7.739.609
Milta Seyahat Acentası İşletmeciliği A.Ş. ("Milta")	6.224.364	1.600.662
Işıl TV	3.902.411	279.620
Doğan İletişim Telekomünikasyon Elektronik Servis Hizmetleri Turizm ve Yayıncılık A.Ş. ("Doğan Online")	3.374.202	2.346.706
DB	2.427.481	652.448
Petrol Ofisi	1.580.971	845.443
Doğa TV	1.459.824	-
D Yapım Yayın ve Reklamcılık A.Ş.	1.320.279	2.110.807
Doğan Media	1.215.119	942.730
Eko TV	1.117.425	1.872.864
DMK	1.030.847	787.017
Hürbim	155.758	6.315.007
DMC	-	1.146.912
Other	6.212.518	5.277.699
	224.769.584	177.870.921

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

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

c) Other transactions with related parties:

	2006	2005
Doğan Dış Ticaret	923.747	1.665.476
Doğan Dağıtım	801.983	744.401
Işıl İthalat	679.710	38.061
DB	525.587	463.892
Doğan Media	346.484	94.942
DMK	92.383	168.516
Doğan İletişim	80.224	149.952
Doğan Yayın	79.250	62.855
Katalog Yayın	73.273	224.470
Doğan Gazetecilik	38.607	296.355
Hürbim	28.459	25.844
Eko TV	770	468.536
Dışbank (*)	-	2.537.935
Other	356.532	875.661
	4.027.009	7.816.896

(*) The company was disposed from the scope of related party company definition since the shares were transferred to Fortis Bank Nv-Sa as of 4 July 2005 in accordance with the share purchase and sale agreement signed by Doğan Holding, at 11 April 2005. The name of Dışbank has changed as Fortis Bank A.Ş. after transfer.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

	2006	2005
Other expenses:		
Doğan Faktoring	1.077.855	1.010.912
Doğan Dış Ticaret	140.067	35.082
Doğan Egmont	94.018	-
Other	60.085	51.834
	1.372.025	1.097.828

	2006	2005
Sales of plant, property and equipment:		
Çamtepe İnşaat Yatırım Ticaret A.Ş. ("Çamtepe") (*)	-	26.000.000
Other		29.617
	-	26.029.617

(*) The Company sold its 23.373 m² land in Şişli-Istanbul, estimated expertise value of which is amounting to YTL 22.000.000, to a related party Çamtepe İnşaat Yatırım Ticaret A.Ş. amount of YTL 26.000.000.

	2006	2005
Purchase of property, plant and equipment:		
D-Yapı İnşaat Sanayi ve Ticaret A.Ş. (*)	12.905.349	3.320.604
D-Market Elektronik Hizmet Ticaret A.Ş.	530.637	185.744
Milta Turizm	81.324	-
Doğan Online	46.211	-
Doğan Kitapçılık	45.103	-
Doğan Gazetecilik	44.136	1.000
Other	2.500	169.429
	13.655.260	3.676.777

(*) The purchases comprized of contract progress invoices for the Group's printing house construction in Izmir.

	2006	2005
Remunerations paid to Board member and key management personnel	4.637.358	3.176.884
	4.637.358	3.176.884

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other current receivables at 31 December 2006 and 2005 are as follows:

	2006	2005
Prepaid taxes and funds (Note 41)	19.230.600	27.818.852
Advances given to personnel	3.330.671	2.968.780
Job advances	1.256.820	1.424.800
Value Added Tax ("VAT") receivable	442.857	478.605
Other current assets	179.237	1.252.951
	24.440.185	33.943.988

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2006

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

Other current payables at 31 December 2006 and 2005 are as follows:

	2006	2005
Taxes and funds payable	10.822.667	10.066.117
Deferred income	1.962.603	759.823
Expense accruals	633.254	147.725
Due to personnel	283.427	1.088.896
Other	515.305	382.114
	14.217.256	12.444.675

NOTE 11 - BIOLOGICAL ASSETS

None (2005: None).

NOTE 12 - INVENTORIES

	2006	2005
Promotion stocks	3.880.348	1.782.370
Impairment for promotion stocks	(223.665)	(132.939)
Promotion stocks, net	3.656.683	1.649.431
Raw materials and supplies	12.130.464	9.610.672
Finished goods and merchandise	1.593.437	4.010.044
Semi-finished goods	268.504	483.049
Order advances for raw material purchases	353.777	2.091.845
	18.002.865	17.845.041

Promotion stocks include promotion materials such books and cds

NOTE 13 - CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING

None (2005: None).

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

NOTE 14 - DEFERRED TAX ASSETS AND LIABILITIES

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

The rate for the temporary differences for the year 2006 is 20% (2005: 30%).

The temporary differences giving rise to deferred income tax assets and deferred tax liabilities as of 31 December 2006 and 2005 are as follows:

	Total Temporary differences		Deferred tax assets/ (liabilities)	
	2006	2005	2006	2005
Provision for employment termination benefits	8.470.347	8.133.033	1.694.069	2.439.910
Difference between tax base and carrying value of trade receivables and due from related parties	1.463.176	1.498.918	292.636	449.675
Deferred income	1.374.906	-	274.981	-
Difference between tax base and carrying value of leasing payables and due from related parties	12.621.514	5.515.534	4.876.953	2.059.501
Other, net	2.556.109	543.190	511.222	162.957
Deferred tax assets	26.486.052	15.690.675	7.649.861	5.112.043
Difference between tax base and carrying value of property, plant and equipment and intangibles	(127.127.279)	(120.922.579)	(28.077.084)	(36.857.871)
Other, net	(5.250.828)	(1.155.543)	(1.414.444)	(418.415)
Deferred tax liabilities	(132.378.107)	(122.078.122)	(29.491.528)	(37.276.286)
Deferred tax liabilities, net	(105.892.055)	(106.387.447)	(21.841.667)	(32.164.243)

The movements of deferred tax balances during the years ended at 31 December 2006 and 2005 are as follows:

	2006	2005
Deferred tax liabilities - net, at 1 January	32.164.243	30.942.556
Deferred tax (income)/loss at the consolidated financial statements	(10.858.060)	1.221.687
Currency translation adjustment	232.051	-
Disposal of Subsidiaries	313.276	-
Acquisitions	(9.843)	-
Deferred tax liabilities, net	21.841.667	32.164.243

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

NOTE 15 - OTHER CURRENT/ NON CURRENT ASSETS

Other current assets at 31 December 2006 and 2005 are as follows:

	2006	2005
Prepaid expenses	3.580.423	3.427.557
Income accruals	1.498.013	306.255
	5.078.436	3.733.812

NOTE 16 - FINANCIAL ASSETS

Financial assets at 31 December 2006 and 2005 are as follows:

	2006	2005
Available-for-sale investments	6.079.239	4.362.682
Associates	4.683.331	7.676.708
	10.762.570	12.039.390

Details of available-for-sale investments at 31 December 2006 and 2005 are as follows:

	%	2006	%	2005
Doğan Havacılık Sanayi ve Ticaret A.Ş. ("Doğan Havacılık")	9,00	4.513.093	9,00	2.893.093
Doğan Factoring	5,00	736.422	5,00	736.422
Doğan Dış Ticaret A.Ş.	1,75	346.040	1,75	346.040
Coats İplik Sanayi A.Ş.	0,50	257.849	0,50	257.849
Hür Servis	19,00	169.166	-	-
Other	-	56.669		129.278
		6.079.239		4.362.682

Details of associates at 31 December 2006 and 2005 are as follows:

	%	2006	%	2005
Doğan Media	43,93	3.714.273	43,93	3.714.273
Yaysat	25,00	879.207	25,00	1.354.272
DYG İlan	20,00	89.851	20,00	122.019
Doğan Kitapçılık	-	-	48,90	2.486.144
		4.683.331		7.676.708

Movements of associates during the year ended 31 December 2006 and 2005 are as follows:

	2006	2005
1 January	7.676.708	11.100.831
Loss from associates (Note 38)	(505.276)	(493.370)
Income from associates	201.890	-
Disposal of associates	(2.689.991)	(2.930.753)
31 December	4.683.331	7.676.708

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

NOTE 17 - GOODWILL/NEGATIVE GOODWILL

There has not been any movement of positive goodwill in the year ended 31 December 2006. Goodwill is amounted YTL 11.332.183 as of 31 December 2006 (2005: YTL 11.332.183). The Group tests and assesses if there is any impairment for the goodwill annually, at the date when the goodwill occurred and reflects it to the financial statements if there is any impairment.

Since 1 January 2005, in accordance with IFRS 3- "Business Combinations", amortisation accounting is not applied for goodwill and as mentioned above it is decided to test if there is any impairment for the goodwill.

NOTE 18 - INVESTMENT PROPERTY

Movements of investment property and related accumulated depreciation during the year ended 31 December 2006 are as follows:

	1 January 2006	Additions	Disposals	Transfers	Impairment provision	31 December 2006
Cost:						
Land and land improvements	5.468.941	-	-	4.096.554	-	9.565.495
Buildings	13.445.412	3.098.811	(8.838.699)	-	(1.806.438)	5.899.086
Total	18.914.353	3.098.811	(8.838.699)	4.096.554	(1.806.438)	15.464.581
Accumulated depreciation:						
Buildings	685.293	163.991	(604.432)	-	-	244.852
Total	685.293	163.991	(604.432)	-	-	244.852
Net book value	18.229.060					15.219.729

The depreciation charge for the year ended at 31 December 2006 amounting to YTL 163.991 has been included to cost of sales.

Movements of investment property and related accumulated depreciation during the year ended 31 December 2005 are as follows:

	1 January 2005	Additions	Disposals	Reversal of impairment provision	31 December 2005
Cost:					
Land and land improvements	26.500.000	-	(22.000.000)	968.941	5.468.941
Buildings	14.220.015	2.066.250	(4.687.232)	1.846.379	13.445.412
Total	40.720.015	2.066.250	(26.687.232)	2.815.320	18.914.353
Accumulated depreciation:					
Buildings	536.842	234.638	(86.187)	-	685.293
Total	536.842	234.638	(86.187)	-	685.293
Net book value	40.183.173				18.229.060

The depreciation charge for the year ended at 31 December 2005 amounting to YTL 234.638 has been included to cost of sales.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

NOTE 19 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment and related accumulated depreciation during the year ended 31 December 2006 are as follows:

	1 January 2006	Currency translation differences	Additions	Disposals	Transfers	Affiliates Additions	Disposals	31 December 2006
Cost								
Land and land improvements	53.289.072	527.432	1.494.120	(609.160)	(4.096.554)	-	-	50.604.910
Buildings	233.192.530	1.993.920	163.834	(9.945)	22.140.976	-	(12.505.409)	244.975.906
Machinery and equipments	516.569.101	5.602.825	2.192.433	(9.917.371)	82.712.147	411.537	(84.274)	597.486.398
Motor vehicles	7.743.419	-	208.794	(780.611)	-	-	(460.861)	6.710.741
Furniture and fixtures	72.489.899	122.710	2.682.549	(166.090)	987.281	703.916	(719.553)	76.100.712
Leasehold improvements	22.241.708	-	1.807.367	-	-	-	-	24.049.075
Advances given	2.207.570	-	14.096.369	-	(8.299.013)	-	-	8.004.926
	907.733.299	8.246.887	22.645.466	(11.483.177)	93.444.837	1.115.453	(13.770.097)	1.007.932.668
Construction in progress	4.208.378	-	97.114.446	(20.668)	(97.541.391)	-	-	3.760.765
	911.941.677	8.246.887	119.759.912	(11.503.845)	(4.096.554)	1.115.453	(13.770.097)	1.011.693.433
Accumulated Depreciation								
Land and land improvements	243.508	-	34.931	-	-	-	-	278.439
Buildings	41.922.240	305.147	5.092.958	-	-	-	(1.083.727)	46.236.618
Machinery and equipments	325.769.800	1.611.984	37.150.376	(6.073.880)	-	209.876	(21.697)	358.646.459
Motor vehicles	2.454.957	-	1.177.051	(230.686)	-	-	(107.723)	3.293.599
Furniture and fixtures	60.344.314	66.552	3.169.312	(133.050)	-	399.621	(407.563)	63.439.186
Leasehold improvements	19.480.263	-	2.051.520	-	-	-	-	21.531.783
	450.215.082	1.983.683	48.676.148	(6.437.616)	-	609.497	(1.620.710)	493.426.084
Net book value	461.726.595							518.267.349

As of 31 December 2006 property, plant and equipment in machinery and equipment group obtained via financial leasing is amounting to YTL 16.458.488 (2005: YTL 7.907.561).

At 31 December 2006 there is no mortgage and liens on property, plant and equipment (31 December 2005: YTL 12.500).

The depreciation charge for the year ended at 31 December 2006 amounting to YTL 40.862.339 YTL has been included to cost of sales, YTL 7.813.809 has been included to operating expenses.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

Movements of property, plant and equipment and related accumulated depreciation during the year ended 31 December 2005 are as follows:

	1 January 2005	Currency translation difference	Additions	Disposals	Transfers	31 December 2005
Cost						
Land and land improvements	45.034.400	(411.171)	4.250.315	(1.118.932)	5.534.460	53.289.072
Buildings	232.868.347	(1.508.620)	1.826.791	(934.285)	940.297	233.192.530
Machinery and equipment	490.890.410	(4.815.869)	16.120.241	(4.076.011)	18.450.330	516.569.101
Motor vehicles	5.384.686	-	590.312	(417.168)	2.185.589	7.743.419
Furniture and fixtures	69.022.818	(149.257)	1.635.373	(691.514)	2.672.479	72.489.899
Leasehold improvements	21.660.728	-	639.393	(71.491)	13.078	22.241.708
Advances given	59.708	-	4.793.896	(2.646.034)	-	2.207.570
	864.921.097	(6.884.917)	29.856.321	(9.955.435)	29.796.233	907.733.299
Construction in progress	7.502.201	(242.015)	26.985.348	-	(30.037.156)	4.208.378
	872.423.298	(7.126.932)	56.841.669	(9.955.435)	(240.923)	911.941.677
Accumulated depreciation						
Land and land improvements	213.387	-	30.121	-	-	243.508
Buildings	36.778.832	(6.515)	5.156.252	(6.329)	-	41.922.240
Machinery and equipment	294.766.084	(2.010.371)	35.394.658	(2.380.571)	-	325.769.800
Motor vehicles	2.191.374	-	653.707	(390.124)	-	2.454.957
Furniture and fixtures	58.248.736	(246.326)	2.623.093	(281.189)	-	60.344.314
Leasehold improvements	17.395.174	-	2.125.022	(39.933)	-	19.480.263
	409.593.587	(2.263.212)	45.982.853	(3.098.146)	-	450.215.082
Net book value	462.829.711					461.726.595

As of 31 December 2005 property, plant and equipment in machine and equipment group obtained via financial leasing is amounting to YTL7.907.561 (2005: YTL 7.820.768).

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

The depreciation charge for the year ended at 31 December 2005 amounting to YTL 36.757.037 has been included to cost of sales, YTL 9.225.899 has been included to operating expenses.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

NOT 20 - INTANGIBLE ASSETS

Movements of intangible assets and related accumulated amortisation for the years ended 31 December 2006 and 2005 are as follows:

	1 January 2006	Additions	Disposals	Transfers	Additions	Subsidiaries Disposals	31 December 2006
Cost							
Rights	9.786.515	200.970	-	-	626.578	(11.044)	10.603.019
Other intangible assets	3.811.917	1.058.348	(12.027)	-	-	(406.360)	4.451.878
	13.598.432	1.259.318	(12.027)	-	626.578	(417.404)	15.054.897
Accumulated amortisation							
Rights	9.192.399	218.789	-	-	622.488	(10.878)	10.022.798
Other intangible assets	3.572.796	430.822	(2.542)	-	-	(148.647)	3.852.429
	12.765.195	649.611	(2.542)	-	622.488	(159.525)	13.875.227
Net book value	833.237						1.179.670

	1 January 2006	Additions	Disposals	Transfers	Additions	Subsidiaries Disposals	31 December 2006
Cost							
Rights	9.484.504	245.269	-	56.742	-	-	9.786.515
Other intangible assets	3.286.958	610.333	(269.555)	184.181	-	-	3.811.917
	12.771.462	855.602	(269.555)	240.923	-	-	13.598.432
Accumulated amortisation							
Rights	8.724.276	468.123	-	-	-	-	9.192.399
Other intangible assets	3.072.521	641.356	(141.081)	-	-	-	3.572.796
	11.796.797	1.109.479	(141.081)	-	-	-	12.765.195
Net book value	974.665						833.237

The amortisation charge for the year ended at 31 December 2006 amounting to YTL 649.611 (2005: YTL 1.109.479).has been included to operating expenses.

NOTE 21 - ADVANCES RECEIVED

	2006	2005
Short term advances received	1.080.121	960.188
	1.080.121	960.188

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

NOTE 22 - RETIREMENT PLANS

None (31 December 2005: None).

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

NOT 23 - PROVISIONS

Short-term provisions at 31 December 2006 and 2005 are as follows:

	2006	2005
Provisions for lawsuits	6.240.306	14.504.574
Income tax provision (Note 41)	20.369.940	33.693.658
	26.610.246	48.198.232

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

	2006	2005
At 1 January	14.504.574	8.807.489
Charge for the period	9.697	5.697.085
Reversal of the provisions	(764.268)	-
Payments related with provisions	(7.500.000)	-
Disposals of the subsidiaries	(9.697)	-
31 December	6.240.306	14.504.574

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

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

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

On the other hand, with respect to the lawsuit returned to the local court, and for which decision of the court is awaited, refund claim right that may arise later being reserved, the Group paid YTL 852.871 corporate tax, YTL 85.287 fund contribution, YTL 196.868 fault penalty, and YTL 6.099.796 late payment interest, without waiting for the final decision of the court, considering that prolonging the dispute has no public benefit. All of the payments were covered by the provisions made for this lawsuit.

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2006

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

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

In relation to these two lawsuits, the management of the Company, in line with the Company's legal advisor's view, accounted for a provision of YTL 2.529.000 as of 31 December 2006.

Long-term provisions at 31 December 2006 and 2005 are as follows:

	2006	2005
Provision for employment termination benefits	8.470.347	8.133.033
	8.470.347	8.133.033

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

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and who achieves the retirement age (58 for women and 60 for men) and whose employment is terminated without due cause, is called up for military service, or dies. At 31 December 2006 the amount payable consists of one month's salary limited to a maximum of YTL 1.857,44 (2005: YTL 1.727,15) for each year of service.

In addition, according to press sector regulations, companies should make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due cause. The maximum payable amount is 30 days' salary for each year of service. The monthly salary figure is calculated by adding all cash and non-cash payments received during the year and dividing by twelve.

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

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

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

	2006	2005
Discount rate (%)	5,71	5,49
Turnover rate to estimate the probability of retirement (%)	90	90

The principal assumption is that the maximum liability of YTL 1.857,44 (2005: YTL 1.727,15) for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of YTL 1.960,69 (1 January 2006: YTL 1.770,62), which is effective from 1 January 2007, has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

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

	2006	2005
1 January	8.133.033	7.054.348
Increase during the year	2.134.079	1.247.443
Additions due to acquisitions	49.219	-
Payments and reversal of provisions during the year	(1.615.032)	(168.758)
Disposal of subsidiaries	(230.952)	-
31 December	8.470.347	8.133.033

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

NOTE 24 - MINORITY INTEREST

Changes in minority interest during the years are as follows:

	2006	2005
1 January	3.451.810	3.225.852
Net income / (loss) attributable to minority interest	(1.298.698)	225.958
Acquisition of subsidiaries	31.667	-
Disposal of subsidiaries	(2.073.639)	-
31 December	111.140	3.451.810

NOT 25 - CAPITAL/ADJUSTMENT TO SHARE CAPITAL

The Company adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of TL 1.000. There are no privileged shares. The Company's historical authorized and paid-in share capital at 31 December 2006 and 2005 are as follows:

	2006	2005
Limit on registered share capital (historical)	800.000.000	500.000.000
Historical authorized and paid-in share capital	416.742.560	416.742.560

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

The shareholding structure of the Company is as follows:

	2006	Share (%)	2005	Share (%)
Doğan Yayın Holding A.Ş.	250.045.536	60	250.045.536	60
Publicly owned	166.697.024	40	166.697.024	40
	416.742.560		416.742.560	
Adjustment to share capital	77.198.813		77.198.813	
Total share capital	493.941.373		493.941.373	

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

NOT 26 - CAPITAL RESERVES

Details of the inflation adjustment to shareholders' equity stated under capital reserves at 31 December 2006 and 2005 are as follows:

	2006			2005		
	Historical amounts	Restated amounts	Inflation adjustment to shareholders equity	Historical amounts	Restated amounts	Inflation adjustment to shareholders equity
Share capital	416.742.560	493.941.373	77.198.813	416.742.560	493.941.373	77.198.813
Legal reserves	18.679.778	22.581.010	3.901.232	13.322.675	17.223.907	3.901.232
Extraordinary reserves	52.713.095	52.884.020	170.925	26.317.495	26.488.420	170.925
Total	488.135.433	569.406.403	81.270.970	456.382.730	537.653.700	81.270.970

NOT 27 - PROFIT RESERVES

Details of profit reserves at 31 December 2006 and 2005 are as follows:

	2006	2005
Legal reserves	18.679.778	13.322.675
Extraordinary reserves	52.713.095	26.317.495
Translation reserve	501.968	(1.210.058)
	71.894.841	38.430.112

NOTE 28 - RETAINED EARNINGS

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

Public companies distribute dividends according to CMB regulations as follows:

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

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

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

In accordance with the Communiqué No: XI-25, at 31 December 2006 and 2005, the shareholders' equity schedule, is as below:

	2006	2005
Share capital	416.742.560	416.742.560
Legal reserves	18.679.778	13.322.675
Extraordinary reserves	52.713.095	26.317.495
Inflation adjustment to shareholders' equity	81.270.970	81.270.970
Translation reserve	501.968	(1.210.058)
Net income for the period	104.157.463	87.008.178
Retained earnings	28.614.352	46.394.397
Total Equity	702.680.186	669.846.217

NOTE 29 - FOREIGN CURRENCY POSITION

Turkish lira equivalents of assets and liabilities denominated in foreign and local currency at 31 December 2006 and 2005 are as follows:

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****AT 31 DECEMBER 2006**

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

	2005			Total foreign currency
	USD	Euro	Other	
Assets				
Cash and cash equivalents	34.422.464	12.248.843	487.326	47.158.633
Trade receivables and due from related parties	22.078.249	7.342.433	81.798	29.502.480
Other current assets	172	130	-	302
Total	56.500.885	19.591.406	569.124	76.661.415
Liabilities				
Short term bank borrowings	31.520.776	8.149.375	429.097	40.099.248
Short-term trade payables and due to related parties	7.046.339	16.028.311	2.517.097	25.591.747
Taxes payable and other current liabilities	-	115.073	-	115.073
Other liabilities	158.332	7.303	-	165.635
Long term bank borrowings	4.445.559	27.475.219	1.382.104	33.302.882
Long term trade payables and due to related parties	20.466.713	9.319.100	961.560	30.747.373
Total	63.637.719	61.094.381	5.289.858	130.021.958
Net foreign currency position	(7.136.834)	(41.502.975)	(4.720.734)	(53.360.543)

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 December 2006; YTL 1,4056=USD1 and YTL1,8515=Euro 1 (31 December 2005: YTL1,3418 = USD1 and YTL1,5875=Euro1).

NOTE 30 - GOVERNMENT GRANTS

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

NOTE 31 - PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES

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

	Currency	Original amount	2006	Original amount	2005
a) Guarantees given:					
Letters of guarantee	YTL	9.627.090	9.627.090	16.043.766	16.043.766
	USD			76.819	103.076
Financial notes	YTL	202.223	202.223	202.223	202.223
Guarantee notes	YTL	1.714	1.714	1.714	1.714
Other	USD	5.500.000	7.730.800	5.500.000	7.379.900
	Euro	-	-	16.529.578	26.240.705
	YTL	8.146.009	8.146.009	10.646.009	10.646.009
			25.707.836		60.617.393

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

b) Commitments given:

The Group has blocked time deposits amounting to YTL 51.034.707 (2005: YTL 1.765.117) related to the bank borrowings which will be used in the acquisition of subsidiaries described in Note 34 (Note4).

There is no mortgage on property plant and equipment (2005: YTL 12.500) (Note 19).

c) Barter agreements:

The Company, as is common practice in the media sector, has entered into barter agreements. These agreements involve the exchange of goods or services without cash collections or payments. Advertising amounting to USD 550.619 (2005: USD1.292.094) is issued and USD 794.526(2005: USD1.166.635) of various types of services has been used in connection with the barter agreements as of 31 December 2006.

d) Legal cases:

The legal cases commenced against the Company are amounting to YTL 62.527.244 (2005: YTL 59.953.100). The Group sets a provision amounting to YTL 3.711.306 for these legal cases at 31 December 2006 (2005: YTL 9.311.002). Additionally, as disclosed in detail in Note 23, the provision accounted for the tax law cases is YTL 2.529.000(2005: YTL5.193.752) and as of 31 December 2006 total provision for court cases amounts to YTL 6.240.306 (2005: YTL 14.504.574).

NOTE 32 - BUSINESS COMBINATIONS

There are no business combinations within the Group in years 2006 and 2005.

NOTE 33 - SEGMENT INFORMATION

None (2005: None)

NOTE 34 - SUBSEQUENT EVENTS

With the intermediary of its subsidiary Hürriyet Invest BV resident in the Netherlands, the Group, purchased 33.649.091 shares, which is equal to 67.30% of 50.000.000 shares with USD Cent 16 nominal value each, representing the capital of Trader Media East Limited ("TME") Company, whose shares are listed as Global Depository Receipt, in London stock exchange, using voluntary tender offer, and paying USD 10 for each share on 29 March 2007. The Group paid USD 336.490.910, corresponding to 67.30% shares, as of 30 March 2007.

TME Group publishes sectoral classified advertisements especially for real estate, automotive and human resources, via its daily and weekly newspapers, magazines and internet sites, and it operates in various Eastern European countries, and Russia. These countries are Poland, Hungary, Croatia, Ukraine, Kazakhstan, Belarus, and Lithuania.

Doğan Yayın, parent company of the Group bought Company shares at the rate of 0.21% from the stock exchange between 28 February 2007 and 30 March 2007.

NOTE 35 - DISCONTINUED OPERATIONS

None (2005: None).

NOTE 36 - OPERATING INCOME

Details of operating income are as follows:

	2006	2005
Domestic sales	599.697.605	557.527.756
Foreign sales	32.674.942	27.647.178
Gross sales	632.372.547	585.174.934
Cost of sales	(423.205.484)	(375.570.681)
Gross operating profit	209.167.063	209.604.253

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

NOTE 37 - OPERATING EXPENSES

Details of operating expenses for the year ended 31 December 2006 and 2005 are as follows:

	2006	2005
Advertisement expenses	32.674.404	27.186.885
Transportation, storage and travel	24.086.000	18.639.162
Personnel expenses	15.139.165	14.308.926
Consulting expenses	13.013.770	11.711.607
Depreciation and amortization	8.463.420	10.335.379
Promotion expenses	7.801.005	5.073.439
Revenue premium	3.123.905	3.411.592
Repair and maintenance expenses	3.536.859	3.339.756
Rent expenses	2.613.933	2.621.430
Communication expenses	2.575.302	2.567.713
Taxes and other fees	2.153.971	1.762.690
Other	7.006.757	5.036.021
	122.188.491	105.994.600

The allocation of personnel expenses for the years ended at 31 December 2006 and 2005 is as follows:

	2006	2005
Cost of sales	96.014.890	72.761.195
Operating expenses (Note 37)	15.139.165	14.308.926
	111.154.055	87.070.121

NOTE 38 - OTHER INCOME/EXPENSES AND PROFIT/LOSSES

The other income and expenses for the year ended 31 December 2006 and 2005 are as follows:

	2006	2005
Foreign exchange gains	25.027.121	14.445.542
Interest income on bank deposits	18.987.146	12.842.962
Due date charges on credit sales	10.329.961	10.164.609
Income from disposal of subsidiaries	9.964.443	589.833
Rent and service income	3.909.884	3.748.621
Interest income on financial assets at fair value through profit and loss, net	3.642.848	5.588.199
Overdue charges on credit sales	2.477.490	2.425.989
Reversal of provisions	1.582.187	2.815.320
Income from sales of plant, property and equipment	501.356	6.541.492
Other	1.302.038	1.085.888
	77.724.474	60.248.455

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006**

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

The other expenses and losses for the year ended 31 December 2006 and 2005 are as follows:

	2006	2005
Foreign exchange losses	21.224.988	7.370.290
Donations and aids	3.000.560	5.322.231
Doubtful receivable provisions expense	2.839.659	4.586.026
Plant property and equipment sales loss	2.422.188	1.045.455
Losses from the disposal of subsidiaries	2.065.939	-
Banking and commissions expenses	1.385.832	2.007.619
Fines and compensations paid	859.571	1.335.855
Losses from associates	505.276	493.370
Provisions for lawsuits	9.697	5.697.085
Other	4.983.490	4.385.412
	39.297.200	32.243.343

Details of donations for the year ended at 31 December 2006 and 2005 are as follows:

	2006	2005
Dormitory building in Erzurum and Erzincan	1.989.555	1.500.000
Milli Eğitim Bakanlığı	400.124	-
Aydın Doğan Vakfı	35.952	2.794.665
Pakistan disaster relief center	-	682.200
Other	574.929	345.366
	3.000.560	5.322.231

NOTE 39 - FINANCIAL EXPENSES

The financial income and expenses for the periods ended 31 December 2006 and 2005 are as follows:

	2006	2005
Interest expenses	8.455.820	6.217.237
Foreign currency losses	4.264.408	3.248.047
	12.720.228	9.465.284

NOTE 40 - NET MONETARY POSITION GAIN/LOSSES

None (2005: None).

NOTE 41 - TAXES ON INCOME

	2006	2005
Corporation and income taxes (Note 23)	20.369.940	33.693.658
Less: prepaid tax (Note 10)	(19.230.600)	(27.818.852)
Taxes payable, net	1.139.340	5.874.806
Deferred tax liabilities	29.491.528	38.289.226
Deferred tax assets	(7.649.861)	(6.124.983)
Deferred tax liability, net	21.841.667	32.164.243

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2006

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

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

Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006. Most of the articles of this new Law No. 5520 have come into force effective from 1 January 2006. Corporation tax rate of the fiscal year 2006 is 20% (2005: 30%). Corporation tax is payable at a rate of 30% on the total income of the companies after adjusting for certain disallowable expenses, corporate income tax exemptions (gain from associates' exemption, investment allowances etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19,8% on the investment incentive allowance utilized within the scope of the Income Tax Law Transitional Article 61).

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

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

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

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

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

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

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

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

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

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006

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

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

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

- a) In the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6th articles prior to the abrogation of Income Tax Law No. 193, with Law No. 4842.
- b) In the scope of the abolished 19th article of Income Tax Law No: 193, the investment allowance amounts to be calculated in accordance with the legislation in force at 31 December 2005 for investments which were started before 1 January 2006 and which display an economic and technical integrity.

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

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

The taxes on income for the years ended 31 December 2006 and 2005 is summarized as follows:

	2006	2005
Current	20.684.913	33.693.658
Deferred	(10.858.060)	1.221.687
	9.826.853	34.915.345

The reconciliation of the income tax expenses in the consolidated profit and loss statements and taxation expense calculated through consolidated income before minority and taxes with the enacted tax rate for the year ended at 31 December 2006 is as follows:

Income before minority and tax	112.685.618
Current tax expense through 20% enacted tax rate	22.537.124
Differences due to application of different tax rates in different countries	430.619
Expenses not deductible for tax purposes	2.389.148
Income not subject to tax	(4.658.764)
Effect of change in enacted tax rate	(10.310.624)
Other	(560.650)
Taxation expense	9.826.853

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2006

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

NOTE 42 - EARNINGS PER SHARE

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

	2006	2005
Net income	104.157.463	87.008.178
Weighted average number of ordinary shares in issue (Each of 1 YTL)	416.742.560	416.742.560
Earnings per share	0,250	0,209

NOTE 43 - CASH FLOWS

The details of changes in operating assets and liabilities at consolidated cash flows for the years ended at 31 December 2006 and 2005 are as follows:

	2006	2005
Change in trade receivables	(19.299.830)	(31.079.526)
Change in due from related parties	9.939.228	(433.064)
Change in marketable securities	(5.350.784)	16.092.477
Change in inventories	(6.581.584)	(1.074.544)
Change in other assets	(789.456)	(10.288.356)
Change in trade payables	22.453.307	(2.831.271)
Change in due to related parties	4.347.555	2.872.018
Change in other current liabilities	2.397.999	2.908.734
	7.116.435	(23.833.532)

NOTE 44 - OTHER EVENTS

None (2005: None).

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

THE BOARD OF DIRECTORS' DECISION REGARDING THE APPROVAL OF THE FINANCIAL STATEMENTS

DATE: 06 APRIL 2007

NO: 2007/17

THE DECLARATION OF APPROVAL REGARDING THE FINANCIAL STATEMENTS AND NOTES FOR THE ACCOUNTING PERIOD

1 JANUARY 2006-31 DECEMBER 2006

(IN ACCORDANCE WITH THE CAPITAL MARKETS BOARD'S COMMUNIQUÉ, SERIES: X, NO: 22, PART 2, ARTICLE 26)

The independently audited consolidated financial statements and notes of Hürriyet Gazetecilik ve Matbaacılık A.Ş. for the accounting period 01 January 2006-31 December 2006; prepared in accordance with the CMB's Communiqué, Series: XI, No: 25 and IFRS; based on presentation criteria prescribed by the CMB's Decision No: 1604, dated 10 December 2004, has been audited and we thereby declare that:

- Based on our review nothing has come to our attention that causes us to believe that the consolidated financial statements have not been properly prepared in all material respects,
- Based on our review, the consolidated financial statements and other information in the report reflect properly the financial status and the consolidated results of the operations of the partnership.

SONER GEDİK
Board Member

AHMET TOKSOY
Finance Group Manager

HALİL ÖZKAN
Finance Manager

Contact Information

Hürriyet Gazetecilik ve Matbaacılık A.Ş.

Hürriyet Medya Towers
34212 Güneşli, İstanbul
Phone: +90 212 677 00 00
Fax: +90 212 677 01 82
<http://www.hurriyetkurumsal.com.tr>

Hürriyet Investor Relations

Ahmet Özer

Business Development and Investor Relations
Coordinator
Phone: +90 212 677 08 50
Fax: +90 212 677 01 93
e-mail: yatirimciiliskileri@hurriyet.com.tr

İnci Şencan

Financial Control and Investor Relations Manager
Phone: +90 212 498 23 18
Fax: +90 212 677 08 92
e-mail: yatirimciiliskileri@hurriyet.com.tr

Contact Information of Subsidiaries and Affiliates

Yenibiriş Human Resources

İnönü Cad., No. 76-78
Gümüşsuyu, İstanbul
Phone: +90 212 251 85 70
www.yenibiris.com

Doğan News Agency

Hürriyet Medya Towers
34212 Güneşli, İstanbul
Phone: +90 212 677 03 65
www.dha.com.tr

Doğan Offset

Doğan Medya Tesisleri
Hoşdere Yolu Üzeri 34580
Esenyurt, İstanbul
Phone: +90 212 622 19 00
www.doganoffset.com.tr

Doğan Media International GmbH

An der Brücke 20-22, D-64546
Mörfelden-Waldorf
Germany
Phone: +49 610 532 71 30
www.hurriyet.de

Hürriyet Invest B.V.

Locatellikade 1, 1076AZ
Amsterdam
The Netherlands
Phone: +31 020 5408989

Hürriyet Gazetecilik ve Matbaacılık A.Ş.
Hürriyet Medya Towers, 34212 Güneşli, İstanbul
Phone: +90 212 677 00 00 Fax: +90 212 677 03 27
www.hurriyet.com.tr www.hurriyetkurumsal.com.tr