Hürriyet

HÜRRİYET ANNUAL REPORT 2010

CONTENTS

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 as to provide **maximum value** to shareholders.

Hürriyet, basing its actions on this mission, primarily aims to carry forward its **honest and scrupulous journalism,** built up over years' worth of **knowledge and experience**. Secondly, Hürriyet seeks to reach more readers at each moment of life by integrating **daily technological developments** in the area of telecommunications.

Field of Activity, Organization and Contact Details

Hürriyet Gazetecilik is registered with the Capital Markets Board (CMB) and has been listed on the Istanbul Stock Exchange (ISE) since 1992.

Hürriyet Gazetecilik ve Matbaacılık A.Ş. was founded and registered in Turkey in 1960. Operating in the fields of journalism, printing, advertising, publicity and online publishing, the Company has seven printing centers located in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon and Germany. The majority shares of Hürriyet are owned by Doğan Yayın Holding A.Ş. (Doğan Yayın), founded under Doğan Şirketler Grubu Holding A.Ş. On March 29, 2007, it acquired a 67.3% equity stake in Trader Media East Limited (TME) through its subsidiary, Hürriyet Invest B.V., based in the Netherlands. TME is a classified advertising publisher, focused primarily on the real estate, automotive and recruitment segments, operating mainly in Russia and Eastern European countries by publishing various daily and weekly classified newspapers, magazines and websites.

The address of the registered offices (Headquarters) is as stated below:
Hürriyet Medya Towers
34212 Güneşli, Istanbul/Turkey

Hürriyet Gazetecilik is registered with the Capital Markets Board (CMB) and has been listed on the Istanbul Stock Exchange (ISE) since 1992. Of the Company's total capital, 40% is floated on the ISE, whereas 25.02% of TME stocks are traded on the London Stock Exchange as GDR.

Contact Details
Hürriyet Gazetecilik ve Matbaacılık A.Ş. (Headquarters)
Hürriyet Medya Towers 34212 Güneşli, Istanbul/Turkey
Tel: +90 212 677 00 00
Fax: +90 212 677 01 82
http://www.hurriyetkurumsal.com

Investor Relations Unit
Suzi Apalaçi Dayan
Investor Relations Coordinator
Tel: +90 212 449 60 30
e-mail: sapalaci@hurriyet.com.tr

İnci Tarı
Financial Control and Investor Relations Manager
Tel: +90 212 449 65 54
Fax: +90 212 449 60 46
e-mail: yatirimciiliskileri@hurriyet.com.tr

2010 was a year of recovery from the adverse effects of the global economic crisis for Hürriyet Gazetecilik ve Matbaacılık A.Ş., the leader of the Turkish media sector, as it has been the case for many companies around the world.

Main Financial Highlights

Condensed Balance Sheet (TL thousand)		
	December 31, 10	December 31, 09
Total Current Assets	347,622	539,009
Total Fixed Assets	1,231,304	1,314,995
Total Assets	1,578,926	1,854,004
Total Short-Term Liabilities	390,538	462,224
Total Long-Term Liabilities	415,355	474,134
Shareholders' Equity	684,850	797,896

Condensed Income Statement (TL thousand)		
	2010	2009
Net Sales	794,226	784,133
Gross Profit	306,517	285,100
EBITDA *	141,726	145,701
Net Profit/ Loss (attributable to equity holders)	-40,079	-35,079

EBITDA * : Earnings before interest, tax, depreciation and amortisation
Note: A one-time effect of TL 4.5 million, resulting from a change of assumption in the employee termination benefits calculation method, has been added to EBITDA.

	2010	2009
Gross Profit Margin (%)	38.6	36.4
EBITDA Margin (%)	17.8	18.6
Net Profit Margin (%)	-5.0	-4.5

Despite a certain decline in the current assets, 2010 has been a year of growth for Hürriyet Group in general, especially in domestic operations.

Besides the dividend payment in the amount of TL 55.2 million from retained earnings, the Company made TL 302.6 million of loan, supplier credit and interest payment in 2010, while obtaining new loans in the amount of of TL 135.3 million. Despite these payments of considerable amounts, the Company managed to keep its cash and cash equivalent assets at the level of TL 123.8 million.

2010 was a year of recovery from the adverse effects of the global economic crisis for Hürriyet Gazetecilik ve Matbaacılık A.Ş., Turkey's leader in the media sector, as it has been the case for many other companies. Net sales of Hürriyet Group grew from TL 784.1 million in 2009 to TL 794.2 million in 2010, with an increase of 1.3%.

In 2010, Hürriyet Group succeeded in recording a significant growth especially in domestic operations. The Company's foreign operations, however, did not reach the desired level of growth due to slow economic recovery in Russia and East European countries, the main operating geography of Trader Media East Ltd. (TME), the subsidiary of the Company. In 2011, a more positive outlook is expected in these countries.

Main Financial Highlights

According to IFRS, Hürriyet Group increased its advertising revenue from TL 499.1 million to TL 525.5 million.

Growth recorded in the Turkish advertising market in 2010 brought an increase in the advertising revenue of the sector leader, Hürriyet. Advertising revenue from Hürriyet Group's domestic operations amounted to TL 355 million, with an increase of 13%. Despite the decline in the average daily circulation of newspapers, net circulation revenue of Hurriyet from domestic operations increased to TL 91.3 million in 2010, from TL 89.9 million in 2009. Merger of the newspapers Referans and Radikal with a new journalism and design concept under the roof of Radikal positively contributed to Hürriyet Gazetecilik's circulation revenue increase. This contribution is expected to continue in 2011.

When Hürriyet Group's revenues are examined under main categories, it is seen that income obtained from internet operations showed a considerable increase in both domestic and foreign operations. Hürriyet Gazetecilik, as a Group which understands importance of internet and the growth potential in this area both in Turkey and in the world, continues its projects in the area of internet without slowing down.

Revenues (TL thousand)

	2009	Share (%)	2010	Share (%)	Change (%)
Turkey	515,664	65.8	553,537	69.7	7.3
Russia and Eastern Europe	199,772	25.5	191,206	24.1	-4.3
Europe	68,697	8.8	49,482	6.2	-28.0
Total Revenues	784,133		794,226		1.3

Revenues (TL thousand)

	2009	Share (%)	2010	Share (%)	Change (%)
Advertising Revenues (Print)	456,761	58.3	472,340	59.5	3.4
Advertising Revenues (Online)	42,348	5.4	53,168	6.7	25.5
Circulation Revenues	117,668	15.0	114,041	14.4	-3.1
Printing Revenues	121,137	15.4	111,559	14.0	-7.9
Other Revenues	46,219	5.9	43,118	5.4	-6.7
Total Revenues	784,133		794,226		1.3

Gross Profit (TL thousand)					
	2009	Share (%)	2010	Share (%)	Change (%)
Turkey	162,860	57.1	197,518	64.4	21.3
Gross Profit Margin	31.6%		35.7%		
Russia and Eastern Europe	102,700	36.0	96,452	31.5	-6.1
Gross Profit Margin	51.4%		50.4%		
Europe	19,541	6.9	12,548	4.1	-35.8
Gross Profit Margin	28.4%		25.4%		
TOTAL GROSS PROFIT	285,100		306,517		7.5
Gross Profit Margin	36.4%		38.6%		

In consideration of the 1.3% raise in its revenues, Hürriyet Gazetecilik succeeded in increasing its gross profit by 7.5% in 2010. Reduction in paper costs in terms of US Dollars, an important component of production costs, and optimum utilization of resources are the foremost reasons for this positive development. In this respect, the gross profit margins on a regional basis is summarized in the adjacent table.

The EBITDA of Hürriyet Gazetecilik decreased to TL 141.7 million in 2010, from TL 145.7 million in 2009, which is closely related to the new projects realized in the Company within the last quarter of the year. The launch of a new publication, Radikal, starting from October 17, 2010, and the Nartek initiative, developed in parallel with the deal site, yakala.co which are expected to become major income sources in the long run, negatively affected the Company's short-term profitability as new initiatives.

Main Factors Affecting Operational Performance

Hürriyet, the leader in newspaper advertising market, increased its advertising revenue by 12.3% in 2010.

- **GDP annual growth rate:** Following a contraction of 4.7% in 2009, Turkey's GDP registered a growth rate of 8.9% in 2010.
- **Inflation:** The 12-month average CPI inflation, was 6.4% in 2010, with little change from the previous year's 6.5%.
- **TL / US Dollars exchange rate:** TL / US Dollars exchange rate, as of the year-ends, increased from 1.5057 in 2009 to 1.5460 in 2010, with a raise of 2.7%. When the annual averages are taken into account, the TL / US Dollars rate decreased from 1.5466 in 2009 to 1.4992 in 2010.
- **Turkish advertising market:** DYH Advertising Platform estimates that the Turkey's advertising market registered a growth rate of 30% in 2010; reaching a size of TL 3.9 billion, compared to TL 3.0 billion in 2009.
- **Newspaper advertising market:** According to DYH Advertising Platform, Turkey's newspaper advertising market, which amounted to TL 811 million in 2009, is estimated to have reached TL 920 million in 2010, with a growth rate of 13.5%.
- **Turkey's newspaper circulation:** According to the data of Doğan Dağıtım (Doğan Distribution), the average national newspaper circulation, which was 4.8 million in 2009; declined by 4% in 2010 to the 4.6 million level.
- **Daily Average Net Sales (Hürriyet):** The approximate number of copies sold in 2009 was 474 thousand; whereas, 449 thousand copies were sold in 2010.
- **Average number of pages (Hürriyet):** The average number of pages of Hürriyet newspaper increased to 81.3 pages in 2010 from 74.1 in 2009.
- **Amount of paper used (ton):** Amount of paper used for Hürriyet newspaper was 82 thousand tons in 2010, compared to 77 thousand tons in 2009.
- **Average paper price (USD/ton):** The average paper price, on US Dollars basis, declined approximately 14% in 2010, to an avergae of 631 USD/ton versus 737 USD/ ton in 2009.

The year 2010 was one which saw efforts around the world to eliminate the effects of the global economic crisis. During the year, the central banks of those countries with the leading economies tried to pave the way for economic growth by making record-breaking low interest rates while ensuring that countries that are indebted will have lower interest rates and costs. Meanwhile, the Turkish economy, together with BRIC Countries (Brazil, Russia, India, China) maintained a growth rate well above the global average, and stood apart from the rest of the world in a positive manner. In 2010, Turkey's GDP growth was 8.9%.

However, fast economic growth caused a rapid increase in foreign deficit and, consequently, the current account deficit, in Turkey. During 2010, exports showed an increase of 12% compared to the previous year and reached USD 114 billion; whereas, imports showed an increase of 32% and reached USD 186 billion. In the meantime, the foreign deficit reached USD 72 billion, by increasing 85%.

The current account deficit amounted to USD 49 billion, increasing more than threefold when compared to the previous year. The increase was mostly fueled by high energy prices and the boost in the domestic demand; which creats some risk signals.

The decline in the interest rates caused a boost of more than 30% in consumer credits in 2010, which caused high growth rates in the most important advertiser sectors such as, first and foremost, housing, finance, telecommunications, automotive and electronic house appliances.

With the driving force of factors such as economic growth, increasing consumer credits due to declining interest rates and a boost in the demand, the Turkish advertising market, which had a size of approximately TL 3 billion in 2009, surged to TL 3.9 billion in 2010, with a growth of 30.3%. As it has been the case in previous years, the TV segment had the biggest share in the advertising market in 2010. A revenue increase of approximately 40.4% was recorded in this particular segment. Other than this, growth rates of outdoors and internet segments can be regarded as significant.

The growth observed in the newspaper advertising market was 13.5%. The increase in the print advertising revenue of Hürriyet, which maintained its leadership position in the sector, was 12.3% throughout 2010. When internet advertising revenue is also taken under consideration, the increase in advertising revenue was 13.2%.

It is estimated that, around 9.2% of all advertising revenue in Turkey and 36% of all newspaper advertising revenue was generated by Hürriyet Group in 2010.

When the market is examined as a whole, it is seen that food, telecommunications, finance, construction and decoration and automotive sectors has taken the lead in the advertising expenditures in 2010. Meanwhile, the leading sectors for the newspaper advertising market can be listed as construction and decoration, retail, automotive, finance and publishing, respectively. The most important advertisers of Hürriyet have been construction and decoration, classified ads (including human resources), automotive, retail and finance.

In parallel with the general decline in the newspaper circulation within the recent years, net sales of Hürriyet decreased to 449 thousand from 474 thousand in 2010, when compared to the previous year.

As a result, Hürriyet Group continued to appear at the forefront among other publishing groups in Turkey with its strong financial structure, applications that comply with the corporate governance principles and exemplary social responsibility projects throughout 2010.

Additionally, the Company maintained its position as the only media company to have received a credit rating from an international credit rating agency. The international credit rating agency Fitch Ratings (Fitch), with an announcement on January 10, 2011, subsequent to its reporting period, confirmed the Company's local and foreign currency credit ratings as "B+" and its outlook as negative. Further, the national long term credit rating was confirmed as "A(tur)," and its outlook as negative.

Message from the Chairwoman Vuslat Doğan Sabancı

Significant organizational changes were made in Hürriyet throughout 2010 to further strenghten the newspaper's position as the sector leader, to realize its assertive strategies and to ensure their sustainability.

Esteemed Members of the Hürriyet Family,
Distinguished Shareholders,

The year 2010 was an important year when positive financial indicators started to become dominant in the global markets. With the economic recovery on a global scale, actors of the market shifted their focus from crisis management policies to future-oriented growth and investment targets. The global financial crisis, which caused serious damage to the global economic system in 2009 and was compared to the Great Depression of 1929 in terms of its depth and context, gave way to economic recovery thanks to the economic packages that the world's leading economies began to implement in a coordinated fashion. According to IMF data, the global economy marked a growth of 4.8% in 2010 and it is expected that it will grow 4.2% in the next year. The global economic growth process made the changing balance of power, which had been observed in the global economy for a period, more visible. During the course of the year, developing countries, led by emerging economies defined as BRIC Countries (Brazil, Russia, India, China) became the driving force of the economic growth process. At the same time, the USA and European economies, which stood at the center of the crisis, continued to deal with their relatively slow recovery processes and problems like the sustainability of public debts.

Having recorded a growth of 8.9% in 2010, which was well above the expectations of the global economic circles, Turkey has started to be evaluated as a country nominated to be included under the category of BRIC. Thanks to the economic stability packages that implemented after the financial crisis of 2001, Turkey, which introduced solid legal regulations into its banking system, and reduced interest and inflation rates to single digits, successfully managed the recent global crisis, showing domestic and foreign investors that it was a trustworthy economy. Though problems like the current deficit and unemployment carry some risks for our country, Turkey has several advantages with its youthful demographic structure, its dynamic economy which is specialized in maintaining the competitive advantage and export-oriented production. These factors encourage us in carrying forward the companies that we manage.

In parallel with the recovery observed in Turkey's economy, the advertising sector showed a growth of 30% in 2010 and reached a size of TL 3.86 billion. Having registered a contraction of 14% in 2009, the sector showed strong recovery in all segments, especially newspaper and television advertisements within the year. Total net newspaper sales, which, in the recent years, indicated a decrease on the global scale, also dropped in Turkey during 2010. Average daily net newspaper sales in Turkey marked a decrease of 3.6% when compared to the previous year to approximately 4,646 copies per day.

Being one of the most-established corporations of the Turkish media, Hürriyet's advertising revenue from its domestic activities increased by 13.2% when compared to the previous year to TL 355 million level, in parallel with the Turkey's economic recovery. As the newspaper that has for a long time received the biggest share from the advertising market, Hürriyet has succeeded to maintain the sector leadership this year as well. Average daily sales of Hürriyet dropped by 5.3% in 2010 when compared to the previous year and was recorded as 449 thousand copies. Our market share within the sector was calculated as 9.7%. The decline in our circulation should be regarded as a natural result of the fact that internet-oriented journalism has become prominent both in the world and in Turkey. All newspapers in the sector are affected by this process in the same way. Hürriyet, by continuously investing in hurriyet.com.tr., the leading internet journalism location in Turkey, in terms of technological infrastructure and editorially, has proven that it is ready for such a transformation in media.

Significant organizational changes were made in Hürriyet throughout 2010 to further strengthen the newspaper's position as the sector leader, to realize its assertive strategies, and to ensure their sustainability. Besides my assuming the duty as the Chairwoman of the Board of Directors, the appointment of Mr. Hakkı Hasan Yılmaz as the CEO, Mr. Enis Berberoğlu's undertaking such an important responsibility as the Editor-In-Chief of Hürriyet; many important changes were also made in our Company's top organization. Other than these, as a result of the merger of Referans and Radikal newspapers, a brand new, effective and modern organization was created and Mr. Eyüp Can Sağlık was appointed as the Editor-In-Chief. Furthermore, Information Technologies and Internet Groups were united and the Marketing Group was restructured.

As a Company with a long-established corporate culture, Hürriyet Gazetecilik's corporate governance practices are being evaluated by ISS Corporate Services Inc. (RiskMetrics Group), one of the world's leading corporate governance rating companies, by taking more than 530 criteria into account. ISS revised our Company's corporate governance rating on September 23, 2010 and confirmed it as 8.5 (84.69%) out of 10. ISS appraised Hürriyet's practices under the subcategory of "Public Disclosure and Transparency" with a high rating of 9.16 over 10. I am happy and proud to share these ratings that Hürriyet obtained as a result of an objective evaluation, as one of the pioneers of establishing the concept of corporate governance in the private sector.

Our newspaper manifests its social awareness not only with its understanding of responsible journalism but also through its social responsibility projects. "No to Domestic Violence!" campaign, which we have carried out with excitement and enthusiasm for the last seven years, is a good example of this approach. This project, initiated with the aim of increasing the social awareness towards domestic violence, was first implemented by means of conferences and trainings participated by specialists in this area, publications and some focus group activities. In 2007, Hürriyet broke new ground by establishing an Emergency Hotline under the scope of this project, that provides 24/7 services to women who are victims of domestic violence. At the end of three years, thanks to this hotline which recorded almost 25 thousand calls, more than 750 lives have been saved. We believe that obtaining better results in the struggle against domestic violence toward women in Turkey can only be possible by developing the awareness of men on this topic. In this respect, Güldünya Concerts were organized for the second time in 2010 - the concerts were held for the first time in 2009 - under the title of "Men Singing for Women". The concert, to which famous singers like Kenan Doğulu, Teoman, Yüksek Sadakat, Yalın, Enbe Orkestrası, Mustafa Ceceli, Cihan Okan, Ferhat Göçer, Mirkelam and Kargo participated without demanding any payment, had a broad repercussion in the eyes of the public. The income generated by this concert was transferred to the Emergency Hotline financing.

Our newspaper, continuously acting as the representative of the freedom of the press and quality journalism in Turkey, led way to practices that can be regarded as brand new in the sector in 2010. I would like to thank our employees, shareholders and readers who have brought undeniable participation in our success and express my wish that the next year will be a productive year for our stakeholders.

Vuslat Doğan Sabancı
Chairwoman

Message from the CEO
Hakkı Hasan Yılmaz

Hürriyet Group considerably increased its revenue from domestic operations and raised its consolidated income from TL 784.1 million in 2009 to TL 794.2 million in 2010.

Distinguished Shareholders,
Dear Colleagues,

2010 has been a year in which almost all developed and developing countries began to recover from the damages of the global economic crisis of 2009. Turkey, in particular, attained a growth rate, which was well above the global average, just like China, India, Brazil and Indonesia. Turkey's economy marked a real growth rate of 8.9%, exceeding all expectations. Therefore, the country accomplished a serious economic recovery after a contraction of 4.8% in 2009.

Hürriyet Gazetecilik ve Matbaacılık A.Ş., via the acquisition of the majority shares of Trader Media East in 2007, went beyond the borders of Turkey and became a major regional player. With the technological investments made and leading internet sites in their own areas, the Company gained a multinational and a multi-axial structure.

As a matter of fact, our Company considerably increased its revenue from domestic operations and raised its consolidated income from TL 784.1 million in 2009 to TL 794.2 million in 2010. Whilst Hürriyet's domestic operations benefited from the real economic growth in Turkey, the same economic growth could not be observed in countries where our subsidiaries, constituting approximately 30% of revenue, operate. The result was that total growth was limited. However, Russian and Central European economies, giving signals of recovery as of the second half of 2010, will be able to present important opportunities to our subsidiaries in these regions.

Total newspaper sales of the Turkish media market, which was above 4.8 million in 2009, dropped to 4.6 million copies in 2010. At this juncture, despite the presence of new rivals entering the market with significant investments, our newspaper continued to maintain its position as the leader of the sector with a market share of 9.7% in 2010. Our daily average net sales, which was 474 thousand copies in 2009, declined 449 thousand copies in 2010. Inspite of the decrease in number of copies sold, circulation revenue increased to TL 91.3 million in 2010, from TL 89.9 million in 2009.

In parallel with decreasing interest rates and a 30% increase in consumer credits, significant growth rates were achieved in sectors such as, first and foremost, housing, furniture and home textile, automotive and telecommunications, which are the main advertising sectors. As a result of these developments, total ad market showed a growth rate of almost 30%, when compared to the previous year.

Whilst the highest growth rates in terms of advertising expenditures were observed in TV, outdoor and internet segments, newspaper advertising market grew approximately 13%. Receiving 36% of the newspaper advertising market, Hürriyet maintained its position as the leader of the market throughout 2010. Furthermore, our newspaper had its share of high growth in the internet market with its enterprises and innovations in this area.

With the sense of responsibility that comes from a long time as sector leader, Hürriyet developed new products and services on a wide range from supplementary publications, regional supplements and various projects aimed at different sectors to new websites and mobile telecommunication applications throughout 2010. Thus it strengthened its ties with its readers. Hürriyet, which always gave emphasis on regional publications, added the Eskişehir Regional Supplement to its already existing regional supplements of Ankara, Aegean, İzmir, Bursa, Mediterreanean, Çukurova and the Southeastern Anatolia publications.

Also, in 2010, our newspaper continued to develop new products and services to increase the number of its readers and its reach, as well as reducing and the average age of readership. The Hürriyet Children's Club, aiming to make children pick up the habit of reading newspapers at a young age, and Hürriyet Campus, set out to rejuvenate Hürriyet and strengthen its ties with young people, are our reference publications in this area.

Our newspaper focused on field sales operations in 2010, renovated its subscription system by opening new distribution and sales channels and applied different field and branding activities.

Hürriyet Gazetecilik added Radikal into its organization to reach out to a different target audience, and presented a new Radikal to its readers with a brand new design and journalism concept. We estimate that Radikal will provide considerable value-added to our Company in the years to come.

Our Company's performance in internet area was also remarkable with various new projects brought to life in 2010. With yakala.co, launched in October 2010, we broke new ground by providing Turkish consumers with the opportunity to buy goods and services at discount prices. Concurrently, Hürriyet Emlak (Real Estate), Hürriyet Oto (Auto), Yenibiriş (Recruitment), Hürriyet Aile (Family), Hürriyet Kıyasla, Tipeez websites, already operating under our Company for a long time, continued to grow. In the same year, hurriyet.com.tr continued its groundbreaking activities that were initiated with the development of subchannels at the end of 2009 throughout 2010 with renewing its interactive services, as well as development and launch of various new products in the area of mobile telecommunication. In this respect, we are focused on creating a perception of hurriyet.com.tr as a multi-dimensional internet tool by emphasising marketing and social media activities.

As one of our Company's most important assets, hurriyet.com.tr, with 23 million monthly unique visitors, 1.0 billion page views at the end of 2010, was listed as number one in its own category according to Alexa, Gemius and Comscore; seventh among all other websites according to Alexa, fifth according to IAB Turkey Gemius results and tenth according to Comscore. Having recently renewed its membership system, accelerated its social media efforts and launched new mobile applications, hurriyet.com.tr increased its revenue by 36% in 2010 and the number of subscribers to 1 million 450 thousand. The website is accessed by 23 million unique visitors each month and has recently raised its monthly individual usage via mobile services from 175 thousand to 800 thousand.

According to the Brands 2010 survey of Nielsen, Hürriyet stands apart as the best-known newspaper brand in all socio-economic segments, age and gender groups and regions. Hence, Hürriyet, in its 62nd year, remains as the "most powerful" in its sector. In the listing of most known brands without mentioning any newspaper brand name to the subjects, three out of four readers name "Hürriyet." Our newspaper is the favourite of AB socio-economic segment and 35+ age categories with its characteristics such as "leader," "long-established," "innovative," "of high quality," "imitated," "rich in content" and "agenda setter."

Becoming increasingly more prominent with its approach of corporate citizenship in the recent years, Hürriyet has continued to lead in the area of social responsibility projects. With the "No to Domestic Violence!" campaign and Emergency Hotline, that are being carried out since 2004, our Company continues to increasingly participate in social transformation.

In the days to come, we will carry on our efforts directed to provide solutions to social problems with the same determination and enthusiasm.

Hürriyet, with the main newspaper, supplements with rich contents and internet websites, will not be content to merely ensure that its readers receive accurate news and information; as well as honest analyses and assessments. It will also continue to add value to the lives of its readers, relying on the fact that the concept of modern publishing should embrace life with all of its dimensions and will continue to create new insights for advertisers.

Every one of our employees, who have adapted to this rapid changing process in the best possible manner and significantly participated in our Company's success with their beliefs, knowledge and experience and devoted efforts, have more than deserved our gratitude and commendation. I would also like to take this opportunity to thank our shareholders for their support and our readers and social stakeholders for their trust and loyalty.

Hakkı Hasan Yılmaz
CEO

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.

Based on this principle, Hürriyet has maintained its role as the reliable newspaper of masses since its foundation with its accurate and truthful journalism.


ACTION ENGLISH
İNGİLİZCE EĞİTİM SETİ
SON NOKTA
ATEŞ ALTINDA
Bin Ali'nin akrabası öldürüldü
Hürriyet
Lübnan krizi için 3'lü zirve
Aşk sorusuna YORUM YOK
KARŞILIĞI BU OLMAMALIYDI
CHP Lideri bir kamera kazasıdır
Duble yolla övünürken ülkeyi böldü

Board of Directors

According to the Board of Directors' decision Number 2010/27, taken on June 4, 2010, the distribution of responsibilities between members of the Board is as follows:

Name	Title	Explanation
Vuslat Doğan Sabancı	Chairwoman	Non-executive
Hanzade Doğan Boyner	Deputy Chairwoman	Non-executive
Hakkı Hasan Yılmaz	Board Member	Executive
Enis Berberoğlu	Board Member	Executive
Soner Gedik	Board Member	Non-executive
Ahmet Toksoy	Board Member	Non-executive
Leonid Makaron	Board Member	Non-executive
Kai Diekmann	Board Member	Independent Member
Ahmet Burak	Board Member	Independent Member

Detailed curriculum vitaes of the Board Members are included on corporate website.

Vuslat Doğan Sabancı
Chairwoman

Born in 1971, Vuslat Doğan Sabancı graduated from the Department of Economics at Bilkent University. She continued her education at Columbia University in New York, where she received an MA in International Media and Communications. Sabancı worked at the editorial department of the New York Times for a year, 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 the Journal. In 1996, she joined Hürriyet newspaper as Advertising Group Vice President. Three years later, she was promoted to the Head of Marketing Group, where her responsibilities included marketing, sales, human resources and IT operations. After serving as CEO and Board Member until May 2010, Vuslat Doğan Sabancı became the Chairwoman of Hürriyet. She is also a Board member of International Press Institute (IPI).

Hanzade Vasfiye Doğan Boyner
Deputy Chairwoman of the Board

After graduating from the London School of Economics with a Bachelor's Degree in Economics, Hanzade Doğan Boyner, started her career as a financial analyst in the Communications, Media and Technology Group at Goldman Sachs International in London.

She received her MBA from Columbia University in 1999 and returned to Turkey the same year and established Turkey's largest internet holding, Doğan On-Line.

Boyner took active part in forming strategic partnership with the leading oil and gas company in Central Europe, OMV, in 2006 for oil refinery, exploration and production purposes through Doğan Holding subsidiary Petrol Ofisi. She assumed the duty of Board Member from 2006 to 2010 and she has become Chairwoman of Petrol Ofisi as of February 2010, Hanzade Doğan Boyner, has managed the sales of Doğan Holding stake at Petrol Ofisi to OMV and following the completion of this process, she has resigned from her duty as Chairwoman in December 2010.

Hanzade Doğan Boyner, whilst closely involved in the other energy investments of the Group, continues to serve as the Chairwoman of the Board of Directors of Doğan Gazetecilik, which has Milliyet, Posta, Vatan and Fanatik in its portfolio, and she is also a Board Member of Doğan Holding.

Hanzade Doğan Boyner is currently the Deputy Chairwoman of the Board of Directors of World Association of Newspapers (WAN), Founding Member of the Global Relations Forum and a member of Brookings Institution's Advisory Council (IAC), Turkish Industry and Business Association, Foreign Economic Relations Board, Young Presidents' Organization (YPO) and Women Entreprenuers Association of Turkey.

Boyner also runs the "Daddy, Send Me to School" campaign which has proven to be the business world's most successful social responsibility project to date. Under the scope of this project, which aims to eliminate obstacles impeding the education of girls, scholarships were provided to 10 thousand female students and 32 dormitories were built for girls.

Boyner has acted as the president of the jury with seven members in the competition held by Ernst and Young in Monte Carlo, to determine the "Entrepreneur of the Year" among 32 companies from 32 countries. In 2007, Fortune Magazine chose Hanzade Doğan Boyner as one of the two most successful Turkish businesswomen recognized worldwide.

Hanzade Doğan Boyner is married and the mother of one child.

Board of Directors

Hakkı Hasan Yılmaz
Board Member (Chairman of the Executive Committee)

Born in 1957 in Ankara, Hakkı Hasan Yılmaz has received his BSc in industrial engineering from Middle Eastern Technical University in 1979, following his high school education at TED Ankara College. He started his career as an engineer in Presiz Metal İmalat Sanayi, a company manufacturing durable goods. Between 1981 and 1984, he worked as a Market Analyst in TAKSAN Takım Tezgahları A.Ş. in Ankara, then as a Capital Goods Specialist in the State Planning Organization. In 1984, he joined Unilever as an Assistant Trainee of the Product Manager. Subsequently, he rapidly advanced in his business career in Unilever - Turkey. After serving as the İzmit Regional Sales Manager in 1986, Detergents Marketing Manager in 1987 and Sales Director in 1988, in 1991, he was appointed Chairman and CEO of the Lever and Elida Cosmetic business. At the end of a three-year period, during which the companies excelled in their performance and the market share and profitability of the Company doubled despite the entrance of P&G into the Turkish market, he was appointed to the London Headquarters of Unilever as the Regional Leader for Unilever's East Asia detergent business. This region included countries such as China, Korea, Japan, Vietnam, Taiwan, Indonesia, Malasia, Australia. Following his return to Turkey in 1995, Yılmaz was assigned as Chairman-CEO of Uzay Gıda, a subsidiary of Pepsi-Co/FritoLay. In 1996, he was called to duty by Unilever as Chairman and CEO of all nine legal entities in Turkey with a majority Unilever shareholding. It took four years to restructure the companies and to attain the set growth and profitability targets.

In 2000, Yılmaz resigned from this post due to his wish to work in a different area and started to teach Strategy and Leadership to MBA and E-MBA students and Competitive Business Strategies to senior classes at Koç University. Yılmaz joined Koç Holding as President - Food, Retailing and Tourism in 2002 and served as Chairman and Vice Chairman of 21 companies under the Koç Holding umbrella. During this period, Yılmaz assumed responsibility for 20% of the activities of Koç Group with 12,000 employees and a turnover of USD 3 billion. Since 2005, he has worked as Adj. Prof/ Distinguished Executive in Residence and taught various classes at Koç University and contributes to the MBA and EMBA programs.

Kadri Enis Berberoğlu
Board Member

Enis Berberoğlu was born in 1956 in Istanbul. He graduated from Austrian High School in Istanbul and received an Economics degree from Bogazici University in 1980. He also has a Master's degree from Istanbul Universitesi in Econometrics. Berberoğlu, who is currently the Editor-in-Chief of Hürriyet, started his journalism career at Dünya Gazetesi in 1980. He has worked as correspondent at Hürriyet, Cumhuriyet, Güneş, Radikal newspapers; CNN-Turk news channel; in Istanbul, Ankara and Bonn, Ankara manager, Bonn representative, Baghdad War Correspondent, as Economy Service Manager and columnist respectively.

He has been married to a journalist like himself for 18 years and is the father of one child.

Mr. Berberoglu speaks English and German and is the author of three books: "20 Yıllık Domino Oyunu," "Susurluk," and "Yüksekova ve Obur Türkler."

Soner Gedik
Board Member

Born in 1958 in Eskişehir, Soner Gedik completed his BA in Economics and Public Finance at Ankara University. Mr Gedik joined Tax Inspectors Board (HUK) of Ministry of Finance in 1981, following the completion of required examinations with the highest grade of his class, he became a tax inspector in 1985. 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 a Board member of Hürriyet, as well as Head of Finance for the organization. Currently, Gedik is Board member and Vice President in charge of financial affairs at Doğan Yayın Holding, as well as a Board member of many DYH subsidiaries.

Ahmet Toksoy
Board Member

Born in 1959 in Istanbul, Ahmet Toksoy graduated from the Finance Department of Istanbul University in 1981. Having worked as a Tax Inspector for the Ministry of Finance between 1984 and 1989, he joined Hürriyet Holding as a member of the Supervisory Board in 1989. He worked as Assistant Finance Manager between 1990 and 1991 and as Finance Manager between 1991 and 1995 for the Hürriyet Newspaper. Following three years at Aktif Denetim Yeminli Mali Müşavirlik as a Certified Public Accountant between 1995 and 1998, he worked as Executive Board member and Head of Financial Affairs Group at Hürriyet Newspaper from February 1, 1998 to February 28, 2010. He has been working as Audit and Risk Management Group Manager at Doğan Şirketler Grubu Holding A.Ş, since March 1, 2010.

Leonid Makaron
Board Member

Mr. Makaron is the founder of Russian Pronto Moscow business. He has served in the armed forces of the Former Soviet Union prior to the establishment of Russian business in 1991. Mr. Makaron is a graduate of Harvard Business School (OPM 30), has a PhD degree from the Moscow Institute of Culture and chairs the faculty of advertising of the Moscow State University of Publication. From 2004 to 2006 he headed the biggest union of Russian publishers - Russian Publishers' Guild (organizer of 59th Congress of International Newspaper Association - WAN).

Board of Directors

Ahmet Burak
Board Member (Independent)

Born in 1954 in Istanbul, Ahmet Burak, has graduated from the School of Business Administration of Middle Eastern Technical University, University of Denver BSBA, and then the University of Denver MBA, Finance Departments, following his graduation from FMV Işık High School. After working at the Istanbul and London offices of Arthur Andersen, he began work as the Manager of Financial and Administrative Affairs for Coca-Cola in 1986. He assumed the duties of General Manager of Bottling Operations in Turkey in 1991 and Assistant to Chairman of the Executive Committee of Coca-Cola Canada in 1992. He returned to Turkey in 1993 to initiate Coca-Cola operations in Middle Asia and Caucasia, where no Coca-Cola products had been sold up to that time. During this period, Coca-Cola established factories in eight countries thus becoming the biggest soft drink company in the region. After serving as General Manager for eight years, he became the President of Coca-Cola Turkey in 2001. Turkey Region reached the highest profitability and market share in its history within eight years and the Company placed 13th among 200 countries. Burak retired from the Coca-Cola Company in 2009 and is currently acting as Member of the Board of Trustees of Coca-Cola Life Plus Foundation, of which he is one of the founders.

Kai Diekmann
Board Member (Independent)

Born in 1964 in Germany, Kai Diekmann, started to work as a trainee in Axel-Springer Publishing in 1985, after completing his high school education and military service. Within a short time period, he became the Company's Bonn representative. He worked as the News Director of Bunte Magazine between 1989-1991. After working in Berliner Zeitung for a period, he joined Bild in 1992. The next step in his carreer occurred in 1998 and Diekmann became the Editor-in-Chief of Welt am Sonntag. He assumed the duties of the Editor-in-Chief of Bild, the best selling newspaper of Germany, in 2001 and the publisher of of the same newspaper in 2004. Diekmann also acts as the publisher of Bild am Sonntag. After assuming this position, he turned Bild into one of the best selling, most influential and most profitable publishing companies of Europe. Kai Diekmann wrote the biography of Helmut Kohl, his friend and one of Germany's former prime ministers in 2004.

INFORMATION ON BOARD OF DIRECTORS AND MANAGEMENT

a. In 2010, 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. Board Members and executives do not own an interest in the Company.
c. Board Members and executives do not own any securities of the Company.
d. External duties of Board Members have not violated the relevant rules of the Company.
e. Ahmet Burak and Kai Diekmann are assigned as Independent Board Members, in accordance with the Capital Markets Board's (CMB) Corporate Governance Principles. All of these members have submitted their independence statements.
f. Members of the Board of Directors have not received any financial benefits, cash or non-cash, other than their monthly salaries.
g. No lawsuits were brought against the members of the Board of Directors with regard to the Company's activities.

DUTIES AND RESPONSIBILITIES OF BOARD MEMBERS AND EXECUTIVES

The duties and responsibilities of Board members 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. All actions that do not require a decision of the General Meeting of Shareholders are taken by the Board of Directors, according to both the law and the Articles of Association.

All transactions, documents, contracts, general powers of attorney, sureties and debentures must be signed by two authorized first-degree signatories of the Company in order to be valid and binding for the Company. However, within 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.

CHANGES DURING THE REPORTING PERIOD

The Board of Directors of the Company, by a decision adopted on March 22, 2010, submitted the amendments to Articles of 9, 10, 13, 20, 21, 26, 29 and Interim Article 1 of the Articles of Association of the Company to ensure compliance with the current changes made in the Capital Markets Legislation, subsequently to be deemed appropriate by the Capital Markets Board with a letter dated April 16, 2010 with no. 3940, and accepted by the permission granted by the Ministry of Industry and Commerce, General Directorate of Domestic Trade dated April 19, 2010 with no. 2264, to the shareholders for their approval in the Ordinary General Meeting of Shareholders held on May 26, 2010. The same was accepted by the shareholders at the said meeting.

It was brought to the attention of the shareholders that according to the consolidated financial statements of the 2009 accounting period, prepared pursuant to the CMB Communiqué Series: XI, No. 29 and in accordance with the International Financial Reporting Standards, there was a TL 35,079,806 "consolidated net loss for the period." Further, it was also brought to the

Board of Directors

Sub-categories	Weighting	2010 Rating Obtained	2010 Rating Assigned	2009 Rating Obtained	2009 Rating Assigned
Shareholders	0.25	8.51	8.50	8.32	8.50
Public Disclosure and Transparency	0.35	9.16	9.00	9.13	9.00
Stakeholders	0.15	8.32	8.50	8.32	8.50
Board of Directors	0.25	7.56	7.50	7.63	7.50
Total	1.00	8.47	8.50	8.43	8.50

attention of the shareholders at the Ordinary General Meeting of Shareholders held on May 26, 2010 that, according to financial records kept in accordance with Turkish Commercial Code and Tax Procedure Law, the "net profit for the period" was determined as TL 53,815,037, that after TL 1,084,189 was deducted out of this amount as the First Legal Reserve pursuant to Article 466/I of the Turkish Commercial Code and TL 32,131,261 was deducted as the "loss of the previous year," the "net distributable profit for the period" would be determined as TL 20,599,588, after TL 37,360,412, which was retained as the "extraordinary reserve", was added to the "net distributable profit for the period" and TL 2,760,000 was set aside as the II Legal Reserve pursuant to Article 466 of the Turkish Commercial Code, dividend in cash in the amount of TL 55,200,000, which corresponded to 10% of our issued capital, should be distributed. This issue was accepted at the General Assembly.

To ensure launching of more productive business models with Referans Gazetesi, being published by Hürriyet Gazetecilik, and establishment of a publication including economic policy news, all brands and trade names belonging to Radikal, along with the website names, was purchased for TL 5,095,000, excluding VAT, from Doğan Gazetecilik A.Ş. based on the "Valuation Report". The relevant amount was paid in cash on June 30, 2010.

The Board of Directors, with the decision made on August 23, 2010, decided to become a founding partner of Nartek Bilişim Pazarlama Hizmetleri Ticaret Anonim Şirketi, registered as located in Istanbul with a capital TL 2,000,000 on the same date, in return of 1,199,999, corresponding to 1,199,999 shares with a nominal value of TL 1 each (60%). Nartek Bilişim Pazarlama Hizmetleri Ticaret A.Ş. will be engaged in publicity and marketing of campaigns and promotions providing a price advantage to groups over the internet.

OTHER IMPORTANT SUBSEQUENT EVENTS

The visual design of hurriyet.com.tr was changed to strengthen the image and leading position of the website.

The Rightful Women Platform, in which, among many other important non-governmental organizations, "No to Domestic Violence!" campaign participated institutionally and Vuslat Doğan Sabancı, Chairwoman of the Board of Directors of our Company, is one of the founders with many business women, was established in January 2011. Its purpose is to organize a series of events and to motivate politicians to take action to ensure

- Equal representation of women in the parliament;
- Protection of women against all kinds of violence;
- Precautions to be taken to provide gender equality in our society;
- Women take the part they have well deserved in business life as soon as possible, and necessary laws are adopted to protect women against discrimination.

INFORMATION ON THE CAPITAL STRUCTURE OF SHAREHOLDERS AND CHANGES

a. The registered capital ceiling of the Company is TL 800 million.
b. The Company's issued capital was TL 552,000,000 in 2010 and total amount has been paid.

CORPORATE GOVERNANCE RATING SCORE

The International rating institution ISS Corporate Services Inc. (RiskMetrics Group), holding the permission of activity to perform rating in accordance with the Corporate Management Principles of the Capital Markets Board (CMB) in Turkey, has revized Hürriyet's corporate management rating score and has confirmed it as 8.5 on a basis of 10 (84,69%) [2009 : 8.5 on a basis of 10 (84.31%) on September 23,2010. In the framework of the Principle Resolution of the CMB related to the subject, the final rating score is determined by the different weighting of four sub-categories. In this scope, the distribution of the corporate management rating score as per the sub-categories is as follows:

Hürriyet is committed to the CMB guidelines since its publication in 2003. Already in that year, Hürriyet reviewed its practices and implemented pertinent Corporate Governance mechanisms to comply with the principles. Hürriyet was among the pioneering companies who made their Articles of Associations compatible with the CMB Corporate Governance Principles.

At that stage, Hürriyet, with an inherent, well-established corporate culture, decided to have its management practices assessed by independent entities as well. The world's leading corporate governance rating company, ISS, assessed the corporate governance practices of Hürriyet based on more than 530 criteria and assigned a national rating of 8.5 out of 10. ISS assigned a very high rating, 9.16 out of 10 to Hürriyet Gazetecilik's practices in the public disclosure and transparency subcategory.

There is general widespread belief that media companies fall short of expectations in their corporate governance practices and that they ignore developments in this area. Having been assigned a good corporate governance rating in contrast to this general belief, Hürriyet became the first print media company in the world to announce its national corporate governance rating assigned by an internationally-acclaimed and respected rating agency.

LAWSUITS AGAINST THE COMPANY

Due to the inspections carried out on the accounts of Hürriyet Gazetecilik ve Matbaacılık A.Ş. concerning the fiscal periods of 2004, 2005 and 2006, notices of tax/ penalty in the total amount of TL 30,895,000 were served to the Company. As a result of the lawsuits commenced to ensure cancellation of such notices:

- A decision was made against the Company for the tax/ penalty fine of TL 6,906,000; therefore, the said amount was paid together with the default interest accrued (TL 4,533,000 TL), after the payment date, Council of State decided that a stay of execution should be resolved on the amount TL 6,906,000. The Council of State continues to hear the merits of the case.
- A decision was made in favour of the Company for the tax/ penalty fine of TL 11,278,000; the Council of State continues to hear the merits of the case.
- The court related to the tax/ penalty fine of TL 12,711,000 has not been held yet. The parties are still waiting for the hearing date to be determined by the Tax Court.

Hürriyet has accounted a provision amounting to TL 7.294.000 related to the tax principal and tax loss penalty at tax inspection reports including estimated late payment interests in the consolidated financial statements as at 31 December 2010.

CONFLICTS OF INTEREST

The Company had no conflict of interest with institutions providing investment consulting, investment analysis and rating services.

ADMINISTRATIVE MATTERS AND CHANGES IN MANAGEMENT STRUCTURE

In accordance with the Resolution No. 2010 /27 of the Board of Directors of the Company, dated June 4, 2010;

- Vuslat Doğan Sabancı was appointed as Chairwoman of the Board of Directors and Hanzade Vasfiye Doğan Boyner was appointed as Deputy Chairwoman;
- Hakkı Hasan Yılmaz was appointed as Chairman of Executive Board (Executive Committee), Kadri Enis Berberoğlu was appointed as Executive Committee Member in charge of Editorial Affairs, Ayşe Sözeri Cemal was appointed as Executive Committee Member in charge of the Advertising Group, Dursun Ali Yılmaz was appointed as Executive Committee Member in charge of Financial Affairs, Ayçin Bayraktaroğlu was appointed as Executive Committee Member in charge of Marketing, Ahmet Nafi Dalman was appointed as Executive Committee Member in charge of Information Technologies, Ahmet Özer was appointed as Executive Committee Member in charge of Internet Operations and Creating of New Business Areas, our Corporate Governance Committee Members Ahmet Toksoy and Soner Gedik were elected as Members of the Audit Committee and this Committee was authorized to perform the duties set forth in the provisions of the Capital Markets Board's Communiqué Series X, No. 22;
- Ahmet Burak, one of our Independent Members of the Board of Directors, was elected as the Chairman of the Corporate Governance Committee and Member of the Board of Directors, Ahmet Aksoy and Murat Doğu who is the Capital Markets Group President of Doğan Şirketler Grubu Holding A.Ş. were elected as committee members.

Board of Directors

EXECUTIVE COMMITTEE (EXECUTIVE BOARD)

Name	Title
Hakkı Hasan Yılmaz	CEO
Kadri Enis Berberoğlu	Executive Committee Member / Editor-in-Chief
Ayşe Sözeri Cemal	Executive Committee Member / Head of Advertising Group
Dursun Ali Yılmaz	Executive Committee Member / Head of Finance Group
Tijen Mergen	Executive Committee Member / Head of Marketing Group
Ahmet N. Dalman	Executive Committee Member / Head of Internet and Information Technology Group

The Executive Committee has been established in accordance with Article 19 of the Articles of Association.

"The Board of Directors shall form and appoint an Executive Committee comprised of a sufficient number of members 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 as 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."

Accordingly, following their reelection to the Board of Directors at the Ordinary General Meeting of Shareholders on May 26, 2010, the Board of Directors decided to appoint Hakkı Hasan Yılmaz as Chairman of the Executive Committee (Executive Board), Kadri Enis Berberoğlu as Executive Committee Member in charge of Editorial Affairs, Ayşe Cemal Sözeri as Executive Committee Member in charge of the Advertising Group, Dursun Ali Yılmaz as Executive Committee Member in charge of Financial Affairs, Ayçin Bayraktaroğlu as Executive Committee Member in charge of Marketing, Ahmet N. Dalman as Executive Committee Member in charge of Information Technologies, Ahmet Özer as Executive Committee Member in charge of the management, development and creation of new business areas of Internet operations.

The Executive Committee, comprising executive Board Members and Group heads, meets at least once a month.

The Company's Executive Committee (Executive Board) member in charge of Marketing, Ayçin Bayraktaroğlu resigned from this position as of September 30, 2010. This position is executed by Tijen Mergen.

The Company's Executive Committee member in charge of Internet operations, Ahmet Özer resigned from this position as of June 30, 2010. Internet Group is restructured as Internet and Information Technologies, Ahmet Nafi Dalman was appointed as the head of this new group.

AUDIT COMMITTEE

With the Resolution No. 2010/27, dated June 4, 2010, the Board of Directors of the Company agreed to appoint Independent Board Members Soner Gedik and Ahmet Toksoy as members of the Audit Committee and to authorize the said Committee to perform the duties set forth in the provisions of Capital Markets Board's Communiqué Series X, No. 22.

The details on duties and essential work practices of the Audit Committee can be found on the corporate website of Hürriyet Gazetecilik (www.hurriyetkurumsal.com).

Chairman of the Audit Committee, Soner Gedik and Committee Member, Ahmet Toksoy are both Non-executive Board Members.

The Audit Committee carries out its activities regularly in compliance with Capital Markets Legislation and pursuant to CMB's Corporate Governance Principles. In 2010, the Company's financial statements and their notes as well as the independent audit report of the interim period were reviewed prior to their public disclosure, meetings were held with the Independent Audit Firm and the independent audit contract was revised.

On March 25, 2010, the Audit Committee submitted its Resolution to the Board of Directors, stating that the consolidated financial statements, notes and independent audit reports for the period between January 1 and December 31, 2010 fairly and accurately reflected the operational results of the Company in accordance with the Company's accounting principles and the IFRS and CMB standards.

ANNOUNCEMENT AS PER CMB COMMUNIQUÉ SERIES XI, NO. 29

The annual consolidated financial statements and reports of Hürriyet Gazetecilik ve Matbaacılık A.Ş. for the period January 1, 2010 - December 31, 2010, prepared pursuant to the International Financial Reporting Standards and according to Communiqué Series XI, No. 29 of the Capital Markets Board and audited by independent auditors, were examined by Board Member Soner Gedik, Board member and Head of Finance Group Dursun Ali Yılmaz and Financial Affairs Manager Halil Özkan.

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 March 28, 2011. A copy of this statement is attached hereto.

In its Resolution of March 28, 2011, the Board of Directors approved the Company's financial statements and notes to the financial statements as of December 31, 2010.

CORPORATE GOVERNANCE COMMITTEE

Through the Resolution No. 2010/27 of June 4, 2010, the Board of Directors agreed to establish the Corporate Governance Committee comprised of the Chairman and members as shown below.

Member of the Corporate Governance Committee, Murat Doğu, also serves as the Corporate Governance Committee member of Doğan Yayın Holding A.Ş.

Name	Title	Explanation
Ahmet Burak	Chairman	Independent Board Member/ Non-executive
Ahmet Toksoy	Member	Board Member/ Non-executive
Murat Doğu	Member	Non-executive

The details on duties and essential work practices of the Corporate Governance Committee can be seen at the corporate website of Hürriyet Gazetecilik (www.hurriyetkurumsal.com).

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 26, 2010 in accordance with the Turkish Commercial Code, Mehmet Yörük and Fuat Arslan were appointed as auditors. They are not shareholders of the Company and do not serve on the Executive Board.

Hürriyet's Editorial Principles

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

Mission

The fundamental mission of the Hürriyet is to provide accurate news and information, as well as honest analyses and assessments to all Turkish-speaking people around the world. 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, tailoring information and educational products and tools to individuals, diversifying and expanding its sales and distribution channels and cooperating with the world's leading media enterprises.

The Board of Directors and 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.

Is an Advocate of Freedom
Complies with Media Ethics Is Democratic
Is Committed to Carrying Out
Its Social Responsibility
Respects Differences Secular

Values

Hürriyet supports the expression of political preferences in free elections subject to democratic principles and the manifestation of these preferences in government.

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; it is against the obstruction of these freedoms.

IS SECULAR
Hürriyet is opposed to social, economic, political or legal systems to be based 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, as 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

Hürriyet's Editorial Principles

All of Hürriyet Media Group's publications are obliged to follow an editorial line within the framework of Hürriyet's Editorial Principals.

Hürriyet's Editorial Principles

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 of Doğan Yayın Holding (DYH) 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 or physical handicap.

6. Publications that limit freedom of expression or freedom of conscience, or threaten the general tenets of morality, religious sentiments and family values 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. (No such damages have been paid by columnists in line with this principle).

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. Everyone has the right to freedom of opinion and expression.

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. Information obtained subject to a confidentiality condition shall not be disclosed, unless it would seriously serve the public good.

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 for publishing news shall be complied with.

20. The right to respond to and refute inaccurate publications shall be respected and necessary steps shall be taken accordingly.

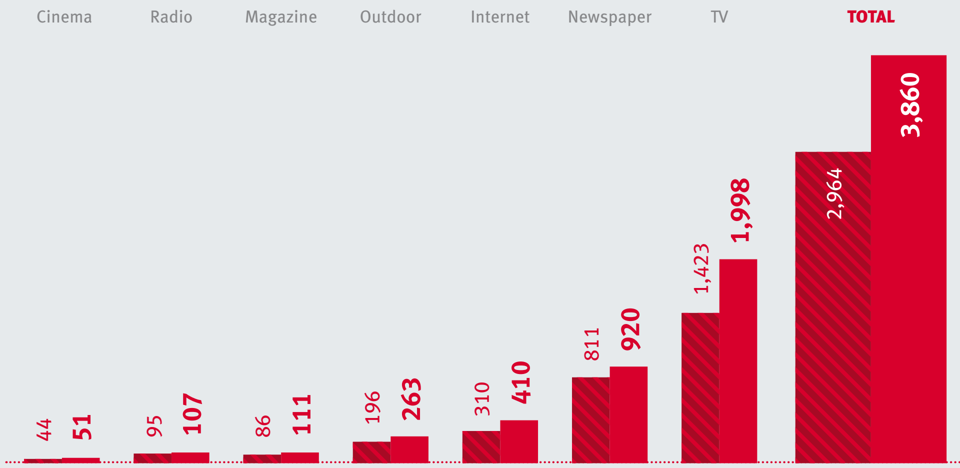
Doğan Yayın Holding companies have in place regular intervention mechanisms to correct mistakes.

To act in a balanced, objective and veracious manner in inquiring, preparing and issuing of news is an essentiality.

In order to establish a consistent and high quality journalism concept based on this principle, Hürriyet has employed journalists who are committed to universal journalistic-ethical principles and those specialized in certain areas.


"Yalnız Kurt" döndü

Review of 2010 Operations



Total Advertising Revenue (TL Million) for 2009-2010 TOTAL

Source: DYH Advertising Research Unit

ADVERTISING SECTOR AND ADVERTISING REVENUES IN TURKEY

After contracting by 14% in 2009 as a result of the negative effects of the global economic crisis, the Turkish advertising sector marked a growth of 30%; thus reaching a size of TL 3.9 billion in 2010.

In 2010, the most preferred advertising segments were, as in previous years, newspapers and television. Advertisers channeled 76% of their ad spending to these two segments.

The fastest growing segments in the advertising sector were television, outdoor, internet and magazines. It is estimated that newspaper advertising revenues, which stood at TL 811 million in 2009, were TL 920 million in 2010, an increase of 14%.

Meanwhile, it is estimated that the internet advertising expenditures amounted to TL 420 million in 2010,with an increase of 33% when compared to the prior year.

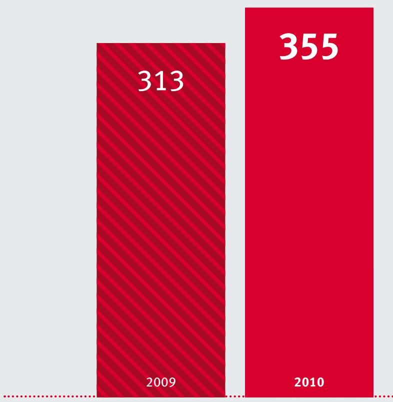
Internet figures comprise the estimated figures of banner, classified ads, mobile advertising and search engine ads, but do not include tourism and shopping websites.

ADVERTISING REVENUE BY SECTORS (TL MILLION)

In 2010, the sectors with the highest advertising expenditure were food, telecommunications and finance. Among the top ten industries, the highest increase in advertising was in the construction and decoration sector, with ratio of 65%.

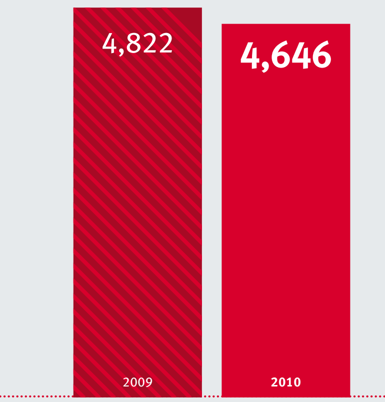
Sector	2009	2010	Change (%)
Food	280	367	31
Communication	262	364	39
Finance	248	336	35
Construction and Decoration	138	227	65
Automotive, Transport Vehicles	155	224	44
Publishing	170	204	20
Cosmetics and Personal Care	148	178	20
Retail	142	167	18
Furniture and home textile	91	149	64
Beverages	110	135	22
Other	908	1,099	21
Total	2,654	3,450	30

Source: DYH Advertisement Research Unit (Doğan Media Group Ad Research) - Internet ads excluded.

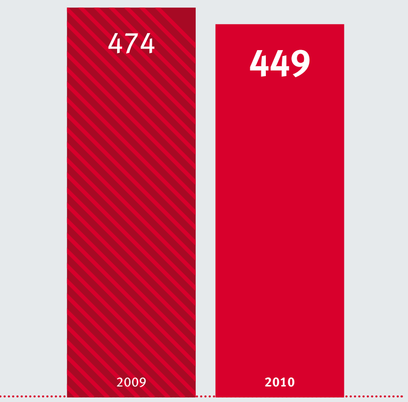


2009-2010 Hürriyet Domestic Advertising* Revenues (TL Million)

(*) Newspaper and internet



Average Daily Newspaper Circulation in Turkey (Thousand Copies)



Average Daily Circulation of Hürriyet (Thousand Copies)

TOTAL ADVERTISING REVENUE OF HÜRRİYET

Hürriyet Group's total advertising revenue increased by 5% in 2010 compared to the previous year, and amounted to TL 526 million.

Hürriyet's total domestic newspaper and internet advertising revenue for 2010 increased by 13%, when compared to the previous year, and reached an amount of TL 354.6 million. Out of these revenues, TL 330 million comprised print ad revenues; whereas, TL 25 million consisted of internet revenues. When compared to the previous year, it is seen that print ad revenues increased by 12.3% and internet revenues increased by 25.6%; both considerably high growth ratios.

In 2010, Hürriyet maintained its leadership position among other newspapers in terms of its revenues.

Hürriyet continued to be the favorite newspaper for advertisers in numerous fields such as construction, automotive, retail, finance, tourism, classified ads, social ads, human resources, education, entertainment, culture and arts, etc.

Hürriyet's competitive edge in various areas and regions was also reinforced with its periodic and regional supplements.

TME's advertising revenues decreased by 8% in 2010 when compared to the previous year, from TL 185.8 million to TL 170.9 million.

SALES OF PUBLICATIONS

According to Doğan Dağıtım and Turkuvaz Dağıtım data, nationwide daily average net newspaper sales dropped by 3.6% to 4,646 thousand in 2010 from 4,782 thousand in 2009.

In 2009, Hürriyet's daily average net sales was 474 thousand, corresponding to a market share of 9.9%. In 2010, net sales contracted by 5.3% to 449 thousand. The market share stood at 9.7%.

Sales prices did not change in 2010.

TME's circulation revenues decreased by 18% in 2010 when compared to the previous year, from TL 27.8 million to TL 22.8 million.

Review of 2010 Operations

The Hürriyet Advertising Group will continue to create a difference in the sector by implementing solutions and projects with high added values throughout 2011.

HÜRRİYET'S OBJECTIVES FOR 2011

Hürriyet Group aims to achieve maximum growth in 2011 in both domestic and foreign operations. The Turkish advertising market will continue to grow in 2011 as in the previous year. Hürriyet, with the positive contribution of Radikal, which joined the Group with a different format at the last quarter of 2010, is focused to grow at least as much as the newspaper market. In Trader Media East Ltd., the subsidiary of Hürriyet Group located abroad, the objective is to make the recovery more visible in 2011 and to reverse the declining trend that was experienced in the last two years.

Hürriyet Group will continue to strengthen its internet business and develop new applications and ventures in both domestic and foreign operations, to be a pioneer and to create the maximum value from internet.

Hürriyet Advertising Group, always focused to create solutions tailored to the needs of its customers, will continue to create a difference in the sector by running solutions and projects with high added values throughout 2011. In this respect, the Group announced its new tariff on February 1, 2011. Each item in the tariff has been evaluated pursuant to the demand-supply balance and the relevant market conditions. As a result of this evaluation, price increases have been made in many of the publications and pages.

Competitive policies and fieldwork on regional basis, performed throughout 2010, will also continue in 2011. The Group gained 1900 new small and medium-scale advertisers during the year and conducted approximately 16,000 interviews with customers in 2010. The close contact and communication with advertisers will continue in 2011.

According to surveys carried out by the independent research company, BİAK (Basın İzleme ve Araştırma Kurulu) (Press Monitoring and Research Agency), Hürriyet is the newspaper with the highest reach among people over 25 years of age, belonging to the AB socioeconomic segment and having a high propensity to consume. Its readership profile differentiates Hürriyet from other newspapers, because it yields significant outcomes for advertisers' images and sales campaigns and maintains its leadership in ad efficiency. In 2011, Hürriyet will be on the forefront with the power of advertising and new customer-oriented researches.

HÜRRİYET'S SUPPLEMENTS

Reaching 2.1 million people each day, Hürriyet, in addition to catering its readers' need for accurate news and trustworthy comments, also publishes supplements to create added value for its readers' lives, led by the conviction that contemporary publishing should embrace all aspects of life. These supplements are a major factor that sets Hürriyet apart from its competitors in the Turkish media. Another significant aspect of these supplements is the creation of new openings for ad clients.

Kelebek

Reaching Hürriyet readers for 34 years, despite some interruptions, Kelebek (Butterfly), one of the largest brands under Hürriyet, joined readers once again as a Hürriyet supplement on March 15, 2004. Hürriyet Kelebek, with 2.3 million readers, maintains the position of leadership among the daily newspaper supplements in Turkey. With its extensive content and distinctive columnists, Kelebek seeks to present a snapshot of all aspects of life and aims to embrace the whole readership of Hürriyet. The latest fashion trends, issues of interest for women, social trends and health are among the leading topics of Kelebek.

Hürriyet İK

Ever since its first issue in October 1995, Hürriyet İK (Hürriyet HR) is the most effective medium to bring prospective employers and job seekers together. A small ad in Hürriyet İK can lead to the start of a robust career.

Reaching approximately 833 thousand readers with each issue for 16 years, Hürriyet İK has undertaken a very significant role to establish professional human resource management in Turkey. In this respect, the supplement has been a pioneer in establishing the concept of “human resources” in the private sector and contributed to the development of a qualified workforce.

Hürriyet Cuma

Hürriyet Cuma (Hürriyet Friday), after its first issue on November 8, 2002, discontinued its publication on December 26, 2008. The supplement met with its readers again on October 8, 2010. As one of the important supplements of the newspaper, Hürriyet Cuma is a weekend entertainment and shopping guide. In this respect, the news content of the supplement comprises shopping, entertainment, travel, events and “the best” in terms of “places to go.” Current information on shopping, entertainment, books and music is presented in the pages of “Before This Week Ends.” Another section adding value to the supplement is the “Hurray Today is Friday” page prepared by Yeşim Çobankent. Entertainment, event, party news are provided on this entertaining page.

Hürriyet Cumartesi

Published since 1994, Hürriyet Cumartesi (Hürriyet Saturday) reaches approximately 2 million readers every week. With a predominantly lifestyle-oriented content, Hürriyet Cumartesi presents news stories, interviews and comments on fashion, music, books, pets, relationships between mother and child, women, sex, features on people and venues. Sections that are accepted as the standard in the Turkish media in terms of editorial content such as columns of celebrities like Doğan Hızlan, Ayşe Arman, Kanat Atkaya and Figen Batur and the style pages by Sibel Arna are presented to the readers in Hürriyet Cumartesi each Saturday.

Hürriyet Pazar

Published since 1994, Hürriyet Pazar (Hürriyet Sunday) is an unrivalled supplement in its field. It is followed by 2 million readers every week and acts as the standard for the Sunday supplements of other newspapers. After Hürriyet Pazar was popularly acknowledged, other newspapers started to publish Sunday supplements. Designed entirely as a current affairs publication, Hürriyet Pazar is designed with the joint aim of reflecting on the week’s news while creating its own agenda. Presenting a rich and limitless content of Turkish and international news, interviews, people features, special files and debates, Hürriyet Pazar is also remarkable for its photographs, notable for their and the detailed production that they sometimes require. Ayşe Arman with her interviews, Uğur Cebeci with his pieces on aviation, Prof. Osman Müftüoğlu with his health page, Rindler’s Kitchen/ Civan Er food and cuisine section, Yorgo Kırbaki and Tolga Tanış, with their dispatches and opinion pieces from Athens and New York respectively, have become trademarks of Hürriyet Pazar. Latif Demirci’s cartoon character Press Bey (Mr. Press) presents the humorous side of Hürriyet Pazar.

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Seyahat

Hürriyet's travel supplement, Seyahat, was launched on June 26, 2003. Published on Thursdays until March 1, 2004, Seyahat has since been offered to readers on Mondays. Featuring domestic and overseas travel and holiday alternatives with articles and photographs, Hürriyet Seyahat also offers readers relevant tips and information about their destinations. The supplement provides Hürriyet readers guidance on travelling with a wide range of issues from local cuisine to travelling with children, or from the latest in the tourism sector to budget holiday options. Seyahat features a selected destination in Turkey or abroad on each issue's cover. Acclaimed travel writer Mehmet Yaşin's dispatches have appeared in this supplement since 2008. Each issue of Hürriyet Seyahat is followed by 1 million readers.

Oto Yaşam

Since October 8, 2003, Hürriyet Otoyaşam has been a monthly free supplement published with Hürriyet on Wednesdays. Hürriyet Otoyaşam offers extensive content from innovations in the automotive industry to motor sports and from financial services to technology updates. Each month 673 thousand readers follow Hürriyet Oto Yaşam.

Hürriyet Keyif Cumartesi/ Hürriyet Keyif Pazar

Predominantly featuring pieces on cinema, culture and the arts, the Saturday and Sunday editions of Keyif (Leisure) are published in tabloid format in Istanbul. Both supplements contain reviews on newly released books and albums, as well as news about exhibitions, theater plays, concerts and new films. Exclusive interviews with acclaimed figures dominating the arts and culture scene during that week also appear in these supplements. Both supplements are being followed by approximately 1.3 million readers.

Trendy

Published as the supplement for youth in Hürriyet since December 23, 2002, Trendy offers a gateway to a range of issues from interviews with celebrities, fashion and beauty tips, the latest in culture and the arts, to real-life stories from readers. Trendy is a paid supplement published every Monday and is available the entire week.

Emlak Yaşam Seri İlanlar

With its finger firmly on the pulse of Istanbul's real estate market since March 24, 2005, Emlak Yaşam is published every Thursday. Re-branded as Emlak Yaşam Seri İlanlar in June 2008, this publication includes classified ads for real estate. It aims to be a reference point for anyone looking to purchase, sell or rent a place to live in Istanbul. It is published in Istanbul and read by 280 thousand people.

During 1997-2010 period, investment in the amount of USD 276 million was made to DPC facilities, which are publishing Hürriyet Group newspapers.

INVESTMENTS

In Istanbul DPC, capacity increase, revision and renewal of some parts of the printing machine Gosss HT-70 (Goss-2) were carried out. The two 2 Hi unit (two double mono units) were turned into a 4 Hi unit. Unit numbers of the Goss Ht-70 printing machine were increased. As part of the scope of the capacity increase efforts, configuration of the machine was turned from a 3-tower unit to a 5-tower unit. In addition, to optimize paper tension in the Goss-Ht-70 printing machines (because the machine was turned into a 5-tower structure) new mechanical parts, like shaftless nip groups and RTF, were added to the machines. Further, outfeed additions were made to tow towers in the Goss Ht-70 printing machine. Eccentric bearings were changed to increase quality. A Tabloid slitter system was added. Additionally, under the scope of revision and renewal works, A Quadtech automatic color and register system was also added.

In Ankara DPC, the industrial waste water facility was commissioned in 2010.

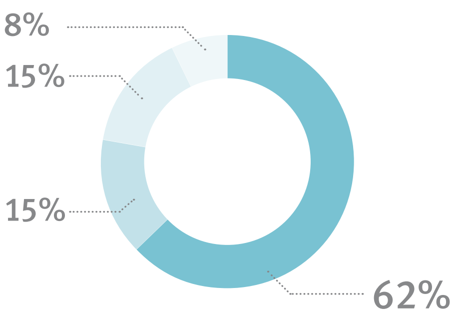
In Izmir DPC, a new Agfa CTP plate outlet line was added to the already existing line and mould outlet was increased by 50%.

In Adana DPC, installation of Chemical Waste Facility was completed in 2010.

In Antalya DPC, with a third Agfa CTP plate outlet line, construction of which was started in 2009 and which was commissioned in January 2010, plate outlet capacity was increased by 50%. In April 2010, waste water facility was commissioned. Further, due to the need for cooling-ventilation in the printing hall, a “Roof Top Space RPF 1100 V” type cooling system was added to the already existing system in September 2010.

In Trabzon DPC, in 2010, 2 Agfa CTP mould outlet lines were established. The result was ensuring that all moulds could be obtained from the CTP outlet. In 2011, it is planned to renovate the cylinders of the printing machine units and to switch from double plate to single plate.

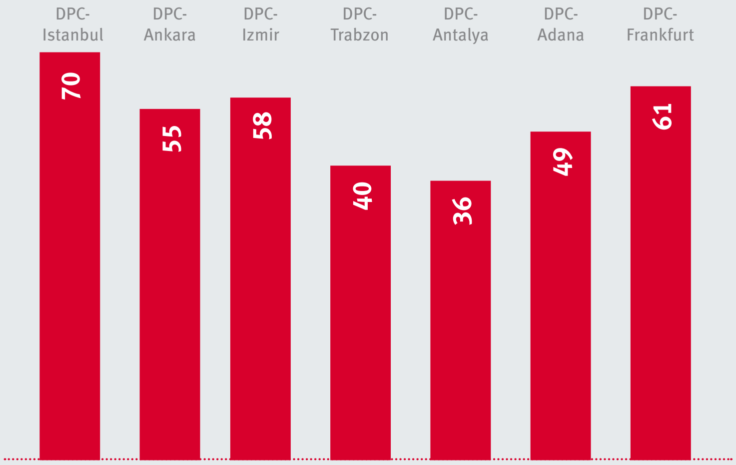
INVESTMENT SPENDING 1997-2010 (%)



- **Machinery:** US$ 276 million
- **Land:** US$ 67 million
- **Building:** US$ 64 million
- **Other:** US$ 35 million (Furniture, fixtures, computers, software and vehicles)

TOTAL: US$ 442 million

Review of 2010 Operations



CAPACITY UTILIZATION RATE * (%)

* These calculations assume printing presses would operate an average 16 hours per day.

PRINTING OPERATIONS AND PRINTING CENTERS (DPC)

Doğan Printing Centers (DPC) refers to the newspaper production facilities printing all newspapers under Doğan Medya Group. Operating under Hürriyet, Doğan Printing Centers are located in six cities in Turkey, with one other facility in Germany.

Hürriyet is printed at DPC facilities in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon and Frankfurt. In addition to Hürriyet and its supplements, these printing facilities also provide services to other companies regardless of whether they are part of the group.

Furthermore, Doğan Printing Centers also print weekly and monthly periodicals and other newspapers and supplements of non-group companies on a contractual basis. As the unparalleled leader in the field in Turkey, Doğan Printing Center facilities also rank among the leading organizations in the worldwide newspaper industry in terms of technology, production techniques, equipment pools and production volumes.

DPC İstanbul

With a covered space of 18,000 square meters and a storage area of 15,000 square meters, Istanbul DPC is the largest newspaper printing center in Turkey. In terms of the equipment pool and capacity, DPC İstanbul also ranks among the three largest printing centers in Europe. The installed transformer capacity is 10,000 KVA and the existing generator capacity is 11,000 KVA. Daily paper consumption at the facility is between 280 and 380 tons; monthly ink consumption ranges between 160 and 180 tons. DPC İstanbul accounts for 49% of the total printing output.

DPC Ankara

With the second largest area after DPC Istanbul, the DPC Ankara Facility extends over an area of approximately 58,000 square meters - including 16,000 square meters of covered space - located by the Esenboğa Airport Road. The facility is of steel construction; the installed transformer capacity is 4,500 KVA and existing generator capacity is 4,500 KVA. DPC Ankara Facility accounts for 17% of the total printing output.

DPC Izmir

DPC Izmir Facility moved into its new premises in January 2007. The new facility is 20 kilometers from Izmir city center and two kilometers from Izmir Adnan Menderes Airport. The facilities extend over an area of approximately 35,000 square meters, with a covered area of approximately 16,000 square meters and 12,000 square meters of green space. The total installed power capacity of the facility is five MVA. There are two 2,500 KVA transformers and two power generators of 2,000 KVA and 2,500 KVA. DPC Izmir Facility accounts for 15% of the total printing output.

DPC Adana

As a result of the upgrade and renovation at Hürriyet's Adana Facility, DPC Adana started print production in a total covered area of 5,800 square meters, established on a plot of approximately 11,000 square meters. The installed transformer capacity of the facility is 2,000 KVA and existing generator capacity is 1,600 KVA. DPC Adana Facility accounts for 9% of the total printing output.

DPC Antalya

DPC Antalya Facility consists of a total covered area of 4,900 square meters on a plot of approximately 11,000 square meters. The transformer capacity of the facility is 2,000 KVA, with existing generator capacity of 1,600 KVA. DPC Antalya Facility accounts for 6% of the total printing output.

DPC Trabzon

The first facility to be founded during the organization of Doğan Printing Centers, the DPC Trabzon Facility is situated on a plot of approximately 24,000 square meters, with 3,500 square meters of covered area. The installed transformer capacity of the facility is 1,000 KVA and existing generator capacity is 1,054 KVA. DPC Trabzon Facility accounts for 4% of the total printing output.

Printing Operations

Total Pages in 2010	Total Pages in 2009	Change (%)
37,902,016,896	36,372,643,312	0.04

The advertising revenue of Hürriyet Avrupa newspaper was € 5.2 million for the year 2010.

HÜRRIYET IN EUROPE AND AROUND THE WORLD

As the only Turkish newspaper with global access, Hürriyet is a pioneer in Europe not only with regard to journalism, but also social campaigning.

Operating in Europe from its editorial office and printing center in Mörfelden Walldorf, near Frankfurt, Germany, Hürriyet is the only Turkish newspaper with global access.

Hürriyet reached its first readers in Europe in 1960's with the start of Turkish labor migration to Europe. At present, Hürriyet is the Turkish newspaper to have served Turkish citizens living in Europe and people of Turkish origin for the longest amount of time. Printed in its modern printing center located in Mörfelden Walldorf, near Frankfurt, Hürriyet has been leading the pack in the Turkish newspaper market in Europe for many years. In addition, Hürriyet is the only Turkish publication to be a member of IVW, an official circulation measurement company that monitors newspaper circulation and sales. Hürriyet's European circulation is audited by this agency. Hürriyet is also the best known Turkish newspaper brand in Europe.

Distributed to almost 20,000 sales points in Germany and 30,000 sales points across Europe through the Axel-Springer distribution network, Hürriyet is also printed in New York and marketed in prominent US states. It is dispatched to remote regions via subscription.

Hürriyet carries out operations beyond Turkey's borders under the umbrella of Doğan Media International GmbH, founded in 1999 as Doğan Yayın Holding's (DYH) gateway to Europe. Doğan Media International manages most DYH publications and broadcasts targeting Turks living in Europe. It plays an important role in enhancing DYH's relations and dialogue with the leading media companies in their respective countries, thereby extending DYH's market leader position in Turkey towards Europe.

Supremacy in journalism

For almost half a century, Hürriyet has been the indispensable news source of the Turkish community in Europe. It has its finger on the pulse of current events with numerous news bureaus, representatives and correspondents across Europe. Whenever an event occurs in Europe concerning people of Turkish origin, Hürriyet is there to offer the news and photos to its readership in great detail the following day. In addition to successful journalism, Hürriyet offers people of Turkish origin living abroad, particularly in Germany, information on updates in daily life, legislation and retirement practices in the relevant countries and provides them consultancy services via experts. Moreover, it ardently supports Turkish immigrants' integration with the host country and their participation in social, cultural and political life with various campaigns and events.

Leader in advertising

Hürriyet is a leading pioneer in Europe in terms of both publishing and advertising. Hürriyet established a network of advertisers via advertising agencies and representative offices located in major cities in Germany and Europe and it plays a crucial role in facilitating the promotion of Turkish companies, as well as their access to Europe. Aside from Turkish companies, Hürriyet is also the most important channel of access for German companies to consumers of Turkish origin. A special advertising service serves numerous well-known foreign brands. The advertising revenue of Hürriyet Avrupa newspaper was € 5.2 million for the year 2010.

Bilingual publication in German and Turkish

Hürriyet launched a German supplement, Hürriyet Europa, in 2001, thereby becoming the first Turkish newspaper with a regular German language publication in Germany. This supplement was renamed "Young Hürriyet" in 2007. Distributed together with Hürriyet on Thursdays, Young Hürriyet has become an indispensable source for youth of Turkish origin, especially in Germany.

Distributed as a complimentary copy with Hürriyet for many years, the cuisine supplement, "Ziyafet", has been published bilingually in Turkish and German since the beginning of 2009 under the name Türk Mutfağı - Türkische Küche; in 2010, it was renamed Lezzet Dünyası - Kulinarische Genüsse by diversifying its concept with

Review of 2010 Operations

Hürriyet has carried the “No to Violence!” campaign, being conducted in Turkey, to Europe.

practical cooking insights and various recipes prepared by chefs from famous European restaurants. The bilingual quality of the cuisine supplement is a contribution to intergenerational communication, as well as to harmonizing with German relatives, friends and neighbors.

From time to time Hürriyet also prepares special supplements for tourism, book fairs or other important events.

Another bilingual publication in German and Turkish is the www.anneyizbiz.de website. Published under the Hürriyet umbrella in Turkey, the website opened its window on Europe in May 2008. Serving Turkish mothers and prospective mothers in Europe, especially in Germany, the website arouses ample interest. This bilingual publication by Hürriyet is a breakthrough in Germany and points at Hürriyet’s diligent approach towards integration.

Internet journalism

Serving people of Turkish origin in Europe since the 1960’s, Hürriyet is the first brand to adapt itself to new technology and launch regular Internet journalism in Europe. Inaugurated in 2004, www.hurriyet.de appeals to European Turks of all age categories. At www.hurriyet.de, readers can obtain news and events of the Turkish community living in Europe and write down their comments and share them with society at large. It is possible to subscribe to Hürriyet and e-newspaper versions via the website. In addition, classified ads published in Hürriyet can be monitored online. Companies in Europe can access consumers of Turkish origin via classified ads in Hürriyet and on www.hurriyet.de.

Subscription and e-newspaper

Readers can buy Hürriyet at newsstands and sales points or via subscription. They can also have the newspaper delivered to their homes by mail. European publications also reach the readership via e-newspaper subscription. This allows readers residing in places where the newspaper is not distributed to read the European publications in an e-newspaper format.

“No to Domestic Violence!” campaign

Hürriyet extended the “No to Domestic Violence!” campaign that it organized in Turkey to Europe. Launched in Europe on May 22, 2005, the campaign reached thousands of people via events organized with the cooperation of Turkish-German healthcare donations. This led to the establishment of the first Turkish language emergency hotline in Germany, which aims to help and provide counseling to victims of violence. The campaign was organized under the auspices of Maria Böhmer, Minister of State in the Federal Chancellery and Federal Government Commissioner for Migration, Refugees and Integration.

Hürriyet Yanınızda and HürDanış

In addition, Hürriyet lends an ear to the problems of people of Turkish origin with assemblies titled, Hürriyet Yanınızda (Hürriyet is on Your Side) and with the column HürDanış; Hürriyet makes these issues public via its publications and contributes to their solution. In Europe, in centers with significant populations of Turkish origin, meetings are organized with the participation of hundreds of people. HürDanış on the other hand, provides guidance and answers to various questions on issues such as retirement via Hürriyet’s print and online versions. Columnists based in various European cities pen regular articles exclusively for Hürriyet Avrupa. Hürriyet’s famous Güzin Abla (Agony Aunt) who seeks solutions to emotional matters reserves her column in the European editions exclusively for European readers.

Support for social campaigns

Via its publications, Hürriyet provides support not only to its own social campaigns, but also to social campaigns organized by various German or Turkish associations in Germany. Dual citizenship, Turkish courses, family reunions and integration are some of the issues taken up at these events. In addition, foundations such as the Türk-Alman Sağlık Vakfı (Turkish-German Healthcare Foundation), Tema and Lösev (Foundation for Children with Leukemia) are supported via film festivals, April 23 Children’s Day and theatre festivals organized in various cities. The Company also supports Turkish, German

The European structure of DYH not only acts as a publisher but also a printer. In the printing house, working under the title of Hürriyet Zweigniederlassung Deutschland, 21 publications are printed from four continents and in seven languages.

or bilingual campaigns against violence, organized by ministries of federal and state governments, municipalities and various private associations; campaigns for the promotion of the German vocational education system to parents and youth, or for drawing the attention of Turkish youngsters to professions such as police; campaigns for prompting healthy nutrition, environmental protection or heat conservation; campaigns for informing parents and children against children's addiction to modern media such as TV, Internet, mobile phones or computer games.

Charta der Vielfalt/ Diversity as a Chance Charter and Campaign
Doğan Media International signed the Charta der Vielfalt charter under the auspices of Chancellor Angela D. Merkel in 2008. Based on the concept of Diversity as a Chance, the Charter aims to support women in the workplace, safeguard diversity in businesses, encourage people of foreign origin in working life, provide employment opportunities for disabled people to enable cohesion and improve efficiency. Hürriyet also participates in the Integration Summit convened for the last four years by Chancellor Merkel. In this summit, seeking ways of living together, Hürriyet serves as the voice of people of Turkish origin.

The Company also provides ample support to the activities of Foundation for Integration (Uyum Vakfı) founded in Germany in 2009.

Hürriyet Printing Facility
DYH's European branch operates in the printing segment, as well as publishing. The printing facility that operates under the name, Hürriyet Zweigniederlassung Deutschland, produces 21 publications from four continents in seven languages.

Located in Mörfelden-Walldorf, near Frankfurt, the Doğan Printing Center is one of the largest Turkish investments in Europe. The facility has 5,282 square meters of covered space and all its printing, pre-press and insert machines are state-of-the-art.

In the pre-press section, two Agfa Polaris XTV machines that can produce 100 plates per hour and a Nela VCP 2002 that can place data sent in PDF format from anywhere in the world onto a plate ready for print, without the use of film.

The facility counts three GOSS Universal printing presses, able to print 45,000 newspapers per hour (a total of 135,000 newspapers per hour). The machines possess a state-of-the-art in-feed system, remote ink control function, motorized compensator system, automatic registry, automatic lateral calibration and spray bar system. The folding process is carried out by Müller Martini Newsgrip conveyance and insert machines. Six different products can be placed as inserts inside a printed newspaper.

Aside from providing standard customer services, the printing facilities can apply perfumed ink, print on half cover pages or transparent paper and also stick CDs, DVDs, business cards or flyers to cover pages, albeit at a slower pace.

Newspapers printed
Endowed with the latest technology, the printing facilities can print the Group's newspapers Hürriyet, Milliyet and Fanatik as well as international financial newspapers such as The Wall Street Journal and The Financial Times, the American daily Stars & Stripes, the German sports newspaper Sportwelt and Arabic newspapers Al-Ahram and Asharq Al-Awsat. Other periodicals include the Polish newspaper Info & Tips, Rhein Hunsrück from the Rheinland-Pfalz province, along with The German Times, The Asia Pacific Times and New Europe, seen as significant sources for opinion makers. Together with these publications, the total number of newspaper copies printed daily at this facility approach 300,000.

Published in 25 different facilities around the world and designated the "World's Best Economics Newspaper" in successive years, The Financial Times described Hürriyet's Printing Center facilities as the most successful printing house in 2007, 2008 and 2009.

News stories must at all times be investigated, prepared and published in a balanced, accurate and objective manner.

Hürriyet, based on this principle, is accessed by an ever-increasing number of readers via new telecommunication means such as internet, iPad, iPhone as well as printed media.

Review of 2010 Operations

www.hurriyet.com.tr

INTERNET SERVICES

www.hurriyet.com.tr

One of Hürriyet's main business goals is to expand its leading position in print media to online media. With this goal in mind, hurriyet.com.tr was launched on January 1, 1997, becoming one of the earliest instances of an online newspaper in Turkey. Moving beyond just being the online version of Hürriyet newspaper, the website grew into a full-fledged news portal offering a continuous stream of the latest news, 24-hours a day, as of October 2000. The website continued its groundbreaking activities initiated with the development of subchannels at the end of 2009, which also continued throughout 2010. These activities cover renewing the interactive services, and the development and launching of various new mobile applications. In this respect, the company focused on creating a perception of hurriyet.com.tr as a multi-dimensional online media by emphasising marketing and social media activities. At the end of 2010, hurriyet.com.tr reached 23 million individual users each month, 1.0 billion page views, and was number one in its own category according to Alexa, Gemius, Comscore, seventh among all other websites according to Alexa, fifth according to IAB Turkey Gemius results and tenth according to Comscore.

Hurriyet.com.tr's 2010 activities can be listed below:

- Membership system was renewed.
- The "Her Yerde" Project (hurriyet.com.tr is everywhere) aiming to gather all channels from which users can access hurriyet.com.tr to a single point to carry out different communication and marketing activities, was completed.
- Social media operations were made to ensure that hurriyet.com.tr and columnists are followed more widely.
- Facebook and Twitter accounts were created for hurriyet.com.tr, its subchannels and popular columnists, to share Hurriyet's content through these accounts.
- BBC Turkish content is automatically included on Planet and Ekonet sections to increase content variety.
- The Chance Games application was launched.
- iPhone v2.0 application was launched
- Android application was developed and launched.
- Yazarkafe iPad application was developed and launched.
- Nokia application was developed.
- An agreement was made with Google's mobile advertisement network, Admob, to monetize free ad inventory.
- Hurriyetmobil.com was renewed.
- Bumerang Network v2.0 was prepared and launched. (Bumerang is a network project for bloggers and amateur publishers based on a "Win-Win" philosophy.)
- Yazarkafe v2.0 was launched. (Yazarkafe is a website enabling content providers who are members of Bumerang, to publish their contents' spots, if the reader wants to read the rest of the content, they are directed to the original website, which increases the publishers' traffic.)

Comparing 2009 and 2010 performances of hurriyet.com.tr:

- Revenues increased by 36%.
- The number of registered members increased from 1 million 324 thousand to 1 million 453 thousand.
- Unique monthly visitors increased by 8% compared to previous year. Hurriyet.com.tr maintained its leading position in online journalism.
- Unique monthly visitors of mobile services increased from 175 thousand to 800 thousand.

2011 targets of hurriyet.com.tr are listed below:

- To change the design, to strengthen the image and leading position of hurriyet.com.tr
- To change designs and increase marketing activities of strong sub-channels to reinforce the visibility
- To gather similar contents under a single roof to standardize the website's content in accordance with the journalism principles
- To increase content cooperations with the newspaper
- To enrich website content with non-news content
- To focus on operations that will boost mobile revenues
- To launch alternative business models (E-mail marketing-Bumerang Network)

www.hurriyetemlak.com.tr

2010 was a year that hurriyetemlak.com strengthened its position and increased customer satisfaction and loyalty with value-added services, which was the case in the previous year.

www.hurriyetemlak.com.tr

With economic recovery and low loan interests, the construction sector grew by 18% in the first nine months of 2010. Around 550-600,000 construction license applications were made in 2010. Whilst there is an increase of 10% in second hand market, it is observed that house prices stayed at the same level. In 2010 hurriyetemlak.com continued to strengthen its leading position by maintaining customer satisfaction and loyalty with value-added services.

2010 operations of hurriyetemlak.com can be listed as below:

- The Company focused on value-added services for its users and corporations and a virtual real estate fair was organized for the first time in Turkey.
- As a first step for the mobile strategy, mobile version of the site was launched which is compatible with all mobile phones
- Under the scope of the project to provide attractive opportunities for the real estate offices, corporate campaign packages were diversified. (notebook, holiday, etc.)
- The Company continued to put the same level of emphasis on the “Clean Ads” projectaiming to present clean and up-to-date ads to the users.

Comparing 2009 and 2010 performances of hurriyetemlak.com:

- Revenues increased by 10%.
- The total number of users subscribed to the website increased from 335 thousand to 437 thousand.
- The total number of corporate members increased from 7,367 to 8,137.
- UMV figures escalated from 1.3 million to 1.8 million, pageviews reached 80 million in consideration of 25 million monthly searches in the website.

2011 targets of hurriyetemlak.com are listed below:

- To bring its expertise on the real estate sector to the attention of its users
- To increase focus on the mobile strategy and develop different applications and features which consumers are interested in.
- To develop new applications meeting customers needs

Review of 2010 Operations

www.yenibiris.com

www.yenibiris.com

Yenibiris.com's goal is to become the landingpage for both job seekers and employers for Turkey's business world. Its mission is to provide added value by applying its innovative ideas via up-to-date technologies through shaping the labor market. Yenibiris.com constitutes an interactive platform among employers and job seekers, which facilitates recruiting. Yenibiris.com functions as an intermediary for corporations to aid them in their candidacy search and to develop related HR consultancy and evaluation strategies.

The major 2010 operations of yenibiris.com are listed below:

- Visual improvements were made in the job seekers page.
- The employer's page interface was renewed.
- Tools such as target-oriented newsletters developed to increase the application visits
- A Facebook fan page launched
- Mainly focused on new sales channels. Cooperative projects that will create new sales channels were initiated with regions, various business sectors and SME's.

Performance comparison of yenibiris.com between 2009 and 2010:

- Revenues increased by 43%.
- Total number of CVs increased from 10 million 300 thousand (as of December 2009) to 11 million 500 thousand (as of December 2010).

The 2011 targets of yenibiris.com are as follows:

- To continue product developments especially on the job seeker's page
- To develop and apply innovative products.
- To run campaigns, increase popularity within number of job seekers
- To focus on per-person productivity.

www.hurriyetoto.com

In 2010, the number of registered users of hurriyetoto.com increased to 147 thousand from 108 thousand.

www.hurriyetoto.com

The Turkish automobile sales in January-December 2010 period augmented by 37% to 784 thousand, compared to the previous year of 509 thousand. Furthermore, sales of vehicles increased by 34%. One of the leading websites in Turkish vehcile sector, hurriyetoto.com, launched various innovations in 2010.

The major 2010 operations of hurriyetoto.com can be listed as follows,

- hurriyetoto.com was renewed in August 2010. The guide for brand new vehichles was launched, by giving the car owners a chance to share their comments on the vehicles. The new user-friendly interface facilitate Hurriyetoto users to post ads on the website quicker and easier; as an outcome, the ad searching experience was enriched.
- Within the context of ad quality assurance, Hürriyetoto ran a campaign to increase the number of ads with photos.
- Hürriyetoto started using social media channels to attract more users.

When 2009 and 2010 performances of hurriyetoto.com are compared:

- The number of website users increased from 108 thousand to 147 thousand.

The 2011 targets of hurriyetoto.com are shown below:

- To develop the ads search engine and website's functionalities.
- To increase the number of individual and corporate ad postings.
- Presence in the social media and usage of mobile devices

Review of 2010 Operations

www.hurriyetkiyasla.com

www.hurriyetkiyasla.com

Hurriyetkiyasla.com, online business model widely used by Western European and American consumers for a long time, was launched in December 2009. Its mission is to compare financial instruments. Comparison of financial instruments such as consumer credits, credit cards, deposits, gsm and internet tariffs, etc. are presented to users. In this respect, thanks to the website's highly-developed technological infrastructure, consumers can compare those prices and tariffs that they have difficulty in calculating objectively and make an online application to the product that is the most financially favorable. The website also includes a forum where experts can comment and answer questions on consumer financing.

2010 operations of hurriyetkiyasla.com are listed as follows:

Having increased the number of business partnerships during 2010, hurriyetkiyasla.com strengthen its place in the market. Some corporations that we are in cooperation are:

- Garanti Bank, Garanti Mortgage, Yapı Kredi Bank, Denizbank, DD Mortgage, Finansbank, TEB, Şekerbank, Türkiye Finans, Citibank
- Türknet, Biri and Smile ADSL.

With the new interface completed in December 2010, the website has better functionality that highlights visual quality to its users and business partners. Furthermore, it has a module showing credit cards and shopping brands all up-to-date campaigns in Turkey.

The 2011 targets of hurriyetkiyasla.com are listed below:

The website aims to provide comparison in new categories, especially airline tickets in its travel section in 2011. With this new module, consumers will be able to see domestic and foreign airlines together and choose the desired date and hour for their destinations and return. Efforts for comparison and sales of online insurance products are also included in 2011 plans. The goal is to provide sufficient information to the consumers while buying an insurance policy, to present them the alternatives available in the market and to participate into online insurance market in Turkey. Hurriyetkiyasla.com will continue to exhibit its consumer-friendly attitude and specialized expertise in 2011 with new popular categories.

www.hurriyetaile.com

Social network site, named "Hepimiz" (All of us) for women which is under the Hürriyet Aile (Family) (www.hurriyetaile.com) brand umbrella reached almost 1 million women members enabling them to communicate with each other.

www.hurriyetaile.com

- Turkey's richest community platform for women, babies and children anneyiz.biz, which was launched in 2002, became a member of the Hürriyet family in 2006.
- In 2010, its name was changed to Hürriyet Aile and its scope were broadened to include all familial issues. Embracing all family members, whether married, single, with or without children, mother, father. Hürriyet Aile is visited by more than 1 million readers every day.
- Supported by two monthly women's magazines of which Yeni Anne (New Mother) and Yeni Hamile (Newly Pregnant), with different contents. Hürriyet Aile is the most important reference guide for Turkish families with tens of thousands members.
- "Hepimiz", a social networking site for women that can be accessed under Hürriyet Aile (www.hurriyetaile.com), almost 1 million women members can communicate with each other.
- Hürriyet Aile reaches thousands of families nationwide with its magazines and social media.

Social Responsibility Projects

- In 2007, under the scope of the social responsibility project entitled "Mothers' Faces in the Eyes of the Fathers," Hürriyet Aile team organized a nationwide tour. Fathers from different occupations such as lawyers or farmers took photos of their wives.
- Hürriyet Aile was one of the sponsors of the Futurists' Summit 2008. We participated in the education seminars held for mothers with future aspirations to become entreprenuers, start their own businesses and realize their dreams.
- In 2009, a Mothers' Day Feast that lasted for three days was organized to emphasize the family union with participation of mothers, fathers and children.
- In 2010, the Cerrahpaşa School of Medicine, Department of Gynaecology and Obstetrics was renovated from top to bottom with the help of Hürriyet Aile team and sponsors.
- The social responsibility project named www.annemiistiyorum.com was completed in January 2011. Meetings were held with the Ministry of Health and Ministry of Labor and Social Security. With the help of the project, a legal amendment was made concerning the lost maternity leaves of mothers who give birth to premature babies.
- Subsequent to completion of this project, the website was awarded with the Corporate Social Responsibility Project of the Year Award by Richard Howitt, Euopean Parliament Corporate Social Responsibility Spokesperson.

Future Projects:

- The Hürriyet Aile team will go to Palestine with Recep Akdağ, Minister of Health for a project to minimize the deaths of women during childbirth. The Ministry of Health plans to support these types of social responsibility projects in the years to come.

Other Projects:

Hürriyet Aile periodically organizes writer & reader meetings, mother & child festivals, gatherings, seminars and conferences.

Review of 2010 Operations


www.tipeez.com

www.tipeez.com

After its launch in December 2010, tipeez.com successfully realized its aim of becoming the entrance to secure internet for the youth and children within its first year of activity.

The 2010 operations of tipeez.com are as follows:

- It pursued a strategy to obtain membership and become popular and carried out marketing activities for this purpose.
- It acquired 552 thousand members.
- It reached to almost 1 million UMV and 7 million page views.
- Tipeez.com was listed number one in the youth category in Comscore and became the biggest and the most reliable online youth and children platform.
- Advertisement sales activities were initiated. Advertisement agreements were signed with Ülker, Tetra Pak, Nesquick, Kraft, Danone, Sütaş, Unilever (Algida) and UNİ Wogi and innovative digital projects were begun.
- The People's Choice Award was received in the Golden Spider Awards 2009 Social Communication/Society.
- First and third prize were received in TBD (Turkish Information Technologies Foundation) in the categories of e-communication and e-youth.

The 2011 targets of tipeez.com are as follows:

- To ensure brand popularity and to maximize brand loyalty
- To become an indispensable part of the daily routines of children
- To position tipeez.com as "kids' experts"
- To become the first name in brands' digital projects aiming to reach out to children
- To maximize high quality traffic
- To perpetuate organic growth
- To increase the number of members to 2 million

www.yakala.co

As a candidate for being a pioneer of the deal sites, yakala.co has become a closely-followed portal in this field although it was launched in late 2010.

www.yakala.co

As a candidate of being a pioneer of the deal sites, yakala.co has become a closely-followed portal in this field despite of the fact that it was launched in late 2010.

The 2010 operations of yakala.co are as follows:

- It was launched in October.
- Izmir and Ankara city deals were initiated in December.

2011 targets of yakala.co are as follows:

- To enter into agreements aimed at gaining memberships
- To extend to other cities as quickly as possible
- To create an event that will increase the brand’s popularity and ensure distinction.
- To build a sector-oriented sales staff (tourism, product, etc.).

Review of 2010 Operations

Hürriyet Human Resources Coordination Unit believes that working with select, talented youth will make a significant contribution to the Company and, therefore, tries to contact such youth on career days and during internship periods.

HUMAN RESOURCES

Hürriyet Human Resources Coordination Unit has adopted the approach of offering modern and transparent HR practices to all employees and constantly improving these practices.

Accordingly, the following are the targets of the Human Resources Coordination Unit:

- Ensuring that all employees engage in an open and loyal communication with the Company and work with contentment,
- Contributing to the continuous development of employees and ensuring that the Company can train its own managers,
- Monitoring and rewarding success, creativity and diversity,
- Becoming the company of choice for highly qualified employees,

Recruitment

Hürriyet Human Resources Coordination Unit believes that working with select, talented youth will make a significant contribution to the Company and, therefore, tries to contact such youth on career days and during internship periods.

In 2010, numerous promotional activities were organized on university campuses, especially in Anatolian universities. The reason for the prioritization of universities in Anatolia was providing human resources to the Company's branches in different locations.

As is the case every year, in 2010 Hürriyet newspaper provided internship opportunities in various fields for university undergraduates, students of Aydın Doğan Vocational School for Communication and winners of the Aydın Doğan Young Communicators Award. Selected students who completed their internship successfully, distinguished themselves with their talent, creativity and achievements will be offered job opportunities in the Company at the end of their internship.

In 2010, executive, managerial and specialist recruitments were made as required for the various units of Hürriyet.

The Corporate Communications Department of Hürriyet has carried out the "No to Domestic Violence!" campaign for seven years. The department has organized this campaign with the methods of a non-governmental organization, in compliance with the principles of corporate citizenship and with devotion to scientific and legal criteria.

Training
Personal and professional development training sessions were devised in accordance with the needs of the employees through meetings with line managers. Employees receive external training and foreign language training in addition to the in-house training. In this regard, a total of 337 employees received in house training in the 27 distinct professional areas. Moreover, in the aftermath of determination of foreign language training needs of employees, the language courses were offered.

In 2010, the training courses concerning with the first aid and adaptation to the regulations of private competition law were also introduced to the employees.

All newly recruited employees join an orientation program involving an orientation presentation and introductory tours for the executives.

Organization
All functions in the organization were reviewed and duties were updated accordingly.

The structure and content of all job descriptions were revised.

During the review of the organizational structure, job groups and the position of all duties under the structure were studied. Work is ongoing concerning job groups and career paths.

Performance Evaluation System
In order to increase the efficiency of Company and employees, the 360 Degree performance evaluation system was maintained in 2010 as well.

Rewarding Performance
In 2010, Hürriyet revised its monthly award program, "The Best", meant to ensure the recognition of the work and pieces created by the publishing group. In this regard, the winners are selected by an evaluation committee and rewarded in categories comprising the best page, the best photograph and the best interview. The names of the award winners are announced to all employees of Hürriyet.

LABOR RELATIONS

The number of consolidated Hürriyet employees went from 8,199 in 2009 to 7,986 in 2010.

A severance pay obligation of TL 21.7 million (2009: TL14.2 million) in 2010 was calculated in relation to employees 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.

Review of 2010 Operations

Under the scope of the “No to Domestic Violence!” campaign, Turkey’s most famous male singers met on the stage to say no to domestic violence during the week of the March 8th, the International Women’s Day.

SOCIAL RESPONSIBILITY

Social Responsibility Projects

The Corporate Communications Department of Hürriyet Newspaper carried the “No to Domestic Violence!” campaign to its seventh year in 2010. The department has been organizing this campaign with the methods of a non-governmental organization, in compliance with the principles of corporate citizenship and with devotion to scientific and legal criteria. One of the best examples of corporate social responsibility projects organized in Turkey up to now, the “No to Domestic Violence!” campaign went far beyond those campaigns that serve to strengthen brand image and are limited to promotional activities. For over six years, the Campaign used its media power to raise awareness of the domestic violence issue, put into practice sustainable projects and contributed to the exposure and discussion of this issue, as well as the establishment of the fact that domestic violence is not a “family affair” but a social crime - via publications, international conferences, training activities and other events. The Campaign continued to mobilize public agencies toward preventive and protective action in 2010.

Men who Say No to Domestic Violence Sang for Women

Güldünya Songs Concert 2

Güldünya Songs Concert was the first major event of the “No to Domestic Violence!” campaign in 2010 which was held during the week of the March 8th, International Women’s Day.

The Campaign, which released the Güldünya Songs Album that gathered 13 prominent female Turkish singers, this time brought together the most important Turkish male vocalists to say no to domestic violence on the same stage.

Kenan Doğulu, Teoman, Yüksek Sadakat, Yalın, Enbe Orkestrası, Mustafa Ceceli, Cihan Okan, Ferhat Göçer, Mirkelam and Kargo participated into the 2nd Güldünya Concert, organized under the title of “Men who Say No to Domestic Violence Sing for Women” without seeking any payment. All revenue earned from this concert was donated to the Domestic Violence Emergency Hotline. Therefore, financial support that will sustain the hotline for months was obtained.

aileicisiddeteson.com

“No to Domestic Violence!” Conference 4 How to Move Forward?

The 4th of the “No to Domestic Violence!” conferences, made a tradition by Hürriyet, was held on the March 8th, the International Women’s Day, the same day of the Güldünya Concert. The conference, which held the title of “How to Move Forward?” focused on what was done and what was still to be done in the struggle against domestic violence in both Turkey and Western countries. These include precautions to be taken to enforce the laws enacted to protect the women and families from domestic violence and filling the need in Turkey for women’s shelters. Further, what needed to be done to solve the problem was discussed at length.

The main speaker of the conference, opened by Vuslat Doğan Sabancı, Chairwoman of the Board of Directors of Hürriyet, was Selma Aliye Kavaf, Minister of State in charge of Women and Family. Representatives of pioneer associations making efforts to bring a solution to this problem in Turkey, such as authorized persons from the United Nations Population Fund, Mor Çatı (Purple Roof), General Directorate of Social Services and “No to Domestic Violence!” campaign were also among the speakers.

A CD, A DVD All for the Emergency Hotline

Yet another musical project was added to those from of Hürriyet’s Corporate Communication Department in November. CDs and DVDs, including visual and audio records of the concert held in March, were released on November 25th, End Violence Against Women day. Sales revenue of the albums is transferred to the Emergency Hotline.

More and More People Call the Emergency Hotline

One of the most important pillars of Hürriyet’s “No to Domestic Violence!” campaign, the Emergency Hotline was established on October 15, 2007 with the support of the Istanbul Governorship. It constitutes Turkey’s only 24/7 emergency hotline. The Emergency Hotline expanded its area of influence and the number of calls received in 2009. At the end of three years, the Emergency Hotline had received approximately 25 thousand calls in total, 5 thousand 132 of them were received in 2010. Of the calls made, 2 thousand 138 people were offered information and support. Out of this total, 1,337 were victims, relatives or acquaintances of victims. The hotline was established at first for the victims of domestic violence living in Istanbul. However, in 2010, it received calls from 78 of the Turkey’s 81 provinces and from 12 different countries, as proof of its increased recognition among women. Ever since the establishment of the hotline, 391 cases were found to need immediate response action. More than 750 lives have been saved by the hotline. Workers of the hotline continue to receive counselling at regular intervals due to the violence and trauma they are indirectly subjected to.

Domestic Violence Emergency Hotline now has a book: “Alo Orada Mısınız?” (Hello, Are You There?).

What has occurred and the experience gathered between 2007, when the Domestic Violence Emergency Hotline was first established, and 2010 have been turned into a book by Emel Armutçu, Hürriyet’s Corporate Communication Coordinator. In this book, which was offered for sale nationwide, many details are presented from the establishment of the hotline to statistics and cases dealt with immediately.

A New Website www. aileicisiddeteson.com

Revision works of the corporate communication website of “No to Domestic Violence!”, www.aileicisiddeteson.com, were completed in 2010. The website, infrastructure and interface which have been altered completely, was launched in the spring 2010.

Review of 2010 Operations

Hürriyet's traditional Altın Kelebek (Golden Butterfly) TV Stars Competition, organized for the 37th time this year, is recognized by the public as the "Turkey's Oscars."

Continuing the Companies' Alliance

We reached 6 million women with Penti

The efforts paid by Hürriyet with Penti Çorapları for the last two years increased considerably in 2010. Penti, within the scope of the support it provided without any payment, used the Domestic Violence Emergency Hotline's logo in the packaging and paperboard covers of 6 million socks. Further, information was provided concerning the hotline in Penti stores.

Photograph Contest with Domestic Violence Theme

Hürriyet's "No to Domestic Violence!" campaign organized a photograph contest with a domestic violence theme in cooperation with Fotopya, photo sharing site. Thousands of photos from all parts of Turkey were sent to the contest, which was open to all professional and amateur photographers nationwide. In the contest, also supported by the Photographic Arts Federation of Turkey, Emel Karakozak's work entitled, "Violence," was selected as the photo which best visualizes how society perceives domestic violence and was awarded with the first prize. Nevzat Yıldırım received the second prize with his work entitled "Mother and Fear" and Volkan Yıldız won the third prize with his photo entitled "Violence to Woman". Exhibition and award ceremony took place in January 2011.

Explosive Demand for Training

The Emergency Hotline responds to incoming calls exclusively with a staff of trained psychologists and lawyers. During 2010, the hotline continueed to receive collaboration and training invitations from many governorships across Turkey. As a result of the training organized in coordination with governorships, the Ministry of State in charge of Women and Family, as well as the General Directorate of Agency of Social Services and Child Protection functioning under the Ministry, 2010 was a year of important activity pursuant to the Campaign's goals. The most important training activities carried out throughout 2010 under the scope of the campaign were as follows:

- In 2010, intra-agency collaboration training was held in Yozgat, Antalya, Şanlıurfa, Trabzon, Erzincan and Mardin.
- Employees of Antalya and Isparta 112 Emergency Centers were trained for emergency response action. Doctors specializing in forensics were trained for emergency response action during the Forensics Conference of İzmir.
- "No to Domestic Violence!" campaign continued to reach to students during 2010. Domestic violence training was given to senior high school students of İzmit Enka High School and Beşiktaş Anatolian High School.
- "No to Domestic Violence!" campaign personnel attended the Governorship of Istanbul's Domestic Violence Commission meetings that were regularly held every two months. Reports were prepared and submitted to the Governorship.
- The Campaign was promoted during the Women Workshop of the Municipality of Kadıköy and Domestic Violence meeting of the İzmit Directorate of Agency of Social Services and Child Protection.
- The Campaign attended to the National Action Plan Workshop for the Struggle against the Domestic Violence against Women, organized by the General Directorate for the Status of Women, Womanist International Istanbul Women's Meeting and Söke Convention on Women's Shelters.
- Based on the feedback received from the intra-agency collaboration training sessions held in 33 provinces,problems faced by victims with agencies and by the agencies whilst serving victims were discussed. Reports including solutions to the problems were prepared and sent to the relevant agencies.
- Reports were submitted to the Governorship of Istanbul every three months on the Campaign's efforts, summaries of cases dealt with in the Emergency Hotline in cooperation with police and the Agency for the Social Security and Protection of Children and proposals for solutions. Further, case summaries were also sent to the General Directorate of Security of Ankara and Directorate of Public Security of Istanbul.
- The Campaign attended to television programs of STK broadcast by Kanal 9, Muhabbet Kralı, broadcast by Kanal D and Çıkmaz Sokak, broadcast by Kanal Türk Televizyonu and the hotline was promoted.

Violence, Emel Karakozak

- "No to Domestic Violence!" campaign promotion and informational activities were organized in the anneyiz.biz Festival held in Istanbul Bebek Park, Babıali Festival held by the Turkish Journalists' Society and Avon's Struggle against the breast cancer campaign.
- Information on the project and the hotline was given to persons engaged in PhD, post-graduate studies or similar voluntary initiatives on the domestic violence in training and social associations.

Other Organizations

As the department responsible for all Hürriyet events, (New Year's Eve parties, cocktails, conferences etc.) the Corporate Communications Department once again organized the grand celebration that takes place every year in the first week of May since the newspaper's establishment on May 1, 1948. Hürriyet employees and the Doğan Group's top management participated in this traditional event. Once again, successful employees were rewarded and employees having served the company for over ten years received badges and awards. The CEO and the Editor-in-Chief reviewed the accomplishments of the past year, and after that, all employees enjoyed themselves. The same kind of joy was visible at Hürriyet's traditional New Year's Eve Party with the band Manga taking the stage.

Altın Kelebek (Golden Butterfly)

In 2010, the 37th of Hürriyet's traditional Altın Kelebek (Golden Butterfly) TV Stars Competition took place. Artists selected by the voting public received their awards, with the participation of more than 1,000 guests. The event has been carried beyond Hürriyet Medya Towers since 2005 and has assumed the status of Turkey's Oscars. Altın Kelebek 2010 was held at Istanbul Haliç Congress Center and broadcast live on Star TV.

Review of 2010 Operations

Considering environmental sustainability efforts as being of vital importance, Hürriyet employed Ali Efe Dalgılıç, who holds an Environmental Technician Certificate, as Environmental Controller on January 31, 2011.

ENVIRONMENTAL HEALTH

Environmental Health and Protection at the Printing Facilities

Paper Consumption
Recycled paper accounts for 34% of the paper consumed at the Hürriyet facilities. Approximately 64,000 tons of recycled paper was used in newspaper printing in 2010.

Biological Treatment
Production at the Hürriyet facilities creates industrial waste water which is sent to special wastewater collection channels. After physical treatment (coarse grids, oil filters, sand catchers), the industrial waste water is gradually mixed with household waste water produced at the same facilities; later it is treated biologically.

After biological treatment, the treated water is (after being disinfected with chlorine) discharged into appropriate environments from discharge points approved by official agencies.

The treatment facilities are managed by the Company; further, the appropriate official agencies regularly take water samples and make the necessary controls on the treatment procedure.

The waste generated at the treatment facilities is kept in dangerous waste depositories constructed in accordance with the standards set by the Ministry of Environment. It is later sent to licensed firms for disposal.

Waste paper
Waste paper generated during production is stacked at collection points and disposed of as scrap for recycling. In 2011, Ministry of Environment imposed the requirement to obtain licenses for the scrap treating companies.

Waste aluminum plates
Aluminum plates used in printing are stacked at collection points and disposed of as scrap for recycling.

Waste Chemicals
The reservoir water and solvents used in printing are not sent to treatment facilities, but put in drums and kept in dangerous waste depositories constructed in accordance with the standards set by the Ministry of Environment. They are later sent to licensed firms for disposal.

Waste plastic drums and metal barrels
Drums and barrels of chemicals used in production, such as reservoir water, solvents and oils (contaminated wastes) are stored at waste collection points and later sent to licensed firms for recycling purposes.

Used mineral oil
Mineral oils to be replaced are not discharged into the sewage system but are sent for analysis at laboratories licensed by the Ministry of Environment and are given or sold to license firms, according to the reported results.

Used Electronic Equipment
Used PCs and monitors, integrated units, semiconductors, telephones, fax machines, copier machines, DVDs, VRC, printed circuit sensors, cables, medical devices, printer cartridges, etc. are given or sold to recycling firms licensed by the Ministry of Environment.

Used Fluorescent and Mercury Vapor Bulbs
Used fluorescent and mercury vapor bulbs are kept in dangerous waste depositories constructed in accordance with the standards set by the Ministry of Environment. Later they are sent to licensed recycling firms for disposal.

Gas Emissions
The newspaper printing machines run on electricity; there are no gas emissions into the atmosphere during production.

Environmental Cleanup

The cleanup of the environment surrounding the facilities is regularly undertaken by cleaning firms every day. Further, the Company's Environmental Control Unit carries out preventive activities and issues warnings on the soil pollution pursuant to the Soil Pollution Control Regulations in the facilities.

Maintenance of Green Space and Plantation of Trees

The maintenance of the area reserved as green space in all facilities is regularly undertaken by specialist firms in a regular manner.

Environmental Health and Protection of the Environment in Administrative Buildings

The industrial waste water generated at the Company headquarters (Hürriyet Medya Towers) is regularly sent to a waste water treatment firm. Additionally, at the administrative buildings, generator waste oils are collected, analyzed and later sent to licensed recycling firms for disposal.

The cooling facilities at the Company headquarters were renovated four years ago and supplied with a new generation environment-friendly cooling gas, R 134. Special attention is paid to ensure that all newly purchased cooling devices utilize environment-friendly cooling gases. Importation and utilization of cooling gases and making them available for the final user are carried out in accordance with Ministry of Environment regulations. Maintenance of the cooling groups in the Hürriyet facilities are carried out periodically by the authorized technical services based on contracts. The Halon fire extinguishers on the premises' fire fighting system were removed and replaced by a system using the FM 200 gas that is more environment-friendly and complies with EU standards. Leak tests of the fire extinguishers within the Company's buildings are carried out every six months by the authorized technical services based on contracts.

Ali Efe Dalgılıç, who holds an Environmental Technician Certificate, was employed as Environmental Controller within Hürriyet as of January 31, 2011. His task is to evaluate whether the Company's activities that caused or may cause environmental pollution from the time the facilities begin until they cease operations and are subject to inspection based on the regulations as per the Environmental Law meet those regulations. Further, he is to ensure that such precautions taken for the purposes of environmental protection are effectively implemented.

No law suits have been filed against the Company due to environmental damage claims.

DISCLOSURES TO THE SHAREHOLDERS

Charitable Donations and Other Provisions

The composition of the TL 1,902,382 (2009: TL 727,777) of donations made by the Hürriyet Group in 2010 to various foundations and associations working for the public good are as follows (TL);

Aydın Doğan Foundation	1,276,480
Aralık - Assocation for Voluntary Education and Cultural Research	380,281
Turkish Education Foundation	3,216
Advertisers' Foundation	44,784
Egd Economy	1,000
Turkish Red Crescent Society	106,726
Izmir Advertisers	10,000
Others	79,895
Total	1,902,382

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.

Hürriyet, with its journalism concept strictly in harmony with this principle, is greatly respected by the society at large and continues to be on the side of its readers at each moment of life.


INGILIZCE EĞITIM SETI
Yoğun istek üzerine
LEYLA İSYAN
TUNUS DEVLET BAŞKANI KAÇTI
Tunus'ta, First Lady Leyla Trabelsi'nin yolsuzluk belgeleri WikiLeaks'te yayımlanınca isyan çıktı. Devlet Başkanı Zeynel Abidin Bin Ali ülkeyi terk etti.
Hürriyet
www.hurriyet.com.tr
15 Ocak 2011 Cumartesi
Aslan Arena'ya çıkıyor
KİMİN İÇKİSİNE KARIŞTIK
İsteyen aksırıncaya tıksırıncaya kadar içiyor
Polis, 12 Hizbullah firarisini arıyor
Tazmin
ABD m
Erdoğan, hükümetinin 8 yıldır hiçbir özgürlüğü kısıtlamadığını belirterek, "Aksırıncaya, tıksırıncaya kadar içiyorlar" dedi.
Merkel Fransız kaldı
Küçücük bir haber
Konutun
markası
orta sayfada...

Review of 2010 Operations

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

The consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) of TL 145.7 million achieved in 2009, decreased by 2.7% in 2010, dropping to TL 141.7 million. TME accounts for TL 28.7 million of the EBITDA (TL 32.6 million in 2009).

Earnings before Interest, Taxes, Depreciation and Amortization (TL million)

	December 31, 2010	December 31, 2009	Change (%)
NET SALES	794.2	784.1	-1.3
- Advertising Revenue	472.3	456.8	3.4
- Online Revenue	53.2	42.3	-25.7
- Circulation Revenue	114.0	117.7	-7.9
- Printing Revenue	111.6	121.1	1.1
- Other Revenue	43.1	46.2	-6.7
Cost Of Goods Sold	-487.7	-499.0	-2.3
Operational Expenditures	-261.1	-242.7	7.6
Operating Profit*	45.5	42.4	7.2
Other Operational Revenue / Expenditures (NET)	-69.1	-40.6	70.1
Operating Profit**	-23.6	-5.9	-300.1
EBITDA***	141.7	145.7	-2.7
EBITDA Margin (%)	17.84%	18.58%	

(*) Other Operating Profit Before Income-Expense
(**)Other Operating Profit After Income-Expense
(***) Earnings before interest, taxes, depreciation
PS: A one-time effect of TL 4.5 million, resulting from a change of assumption in employee termination benefits calculation method, has been added to EBITDA.

FINANCIAL RATIOS AND PROFITABILITY

Based on data from the last two years and produced in accordance with CMB Communiqué Series XI, No. 25, the financial structure and profitability ratios of the Company are as follows:

Financial Ratios and Profitability		
	2010	2009
Current Ratio (Current assets/Short-term liabilities)	0.89	1.17
Asset Turnover Ratio (Net sales revenue/Total assets)	0.50	0.42
Foreign Assets/Shareholders' Equity	1.04	1.02
Financing Expenses/Total Assets	0.04	0.08
Operating Profit/Total Assets	-0.015	-0.003
Operating Profit/Net Sales Revenue	-0.030	-0,008
Gross Profit Margin	0.39	0.36

INSURANCE VALUE OF SURETIES, COMMITMENTS, MORTGAGES AND ASSETS

Assets excluded from the consolidated financial statements prepared in accordance with IFRS and the Capital Market Board's Communiqué Series XI, No. 25 are as follows (TL):

	2010	2009
Sureties and commitments given	51,228	62,536
Mortgages extended	1,444,281	-
Letters of guarantee given	2,361,497	2,110,269
Collateral bills	202,223	202,223
Surety bonds given	1,714	1,714
Total	4,060,943	2,376,742
Insurance value of current assets	388,794,471	397,104,860
Letters of guarantee taken	15,943,182	13,619,675
Total	404,737,653	410,724,535

Review of 2010 Operations

INFORMATION ON SHAREHOLDER STRUCTURE

The structure of shareholders is detailed below:

	2010	Share (%)	2009	Share (%)
Doğan Yayın Holding A.Ş.	367,416,016	66.56	367,416,016	66.56
Doğan Şirketler Grubu Holding A.Ş.	61,200,274	11.09	61,200,274	11.09
Offered to the public (other)	123,383,710	22.35	123,383,710	22.35
Total	552,000,000	100.00	552,000,000	100.00

Subsidiaries	Country	Field of Operation
Hürriyet Medya Basım Hizmetleri ve Tic. A.Ş. ("Hürriyet Medya Basım")	Turkey	Printing and Administrative Services
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	Turkey	Book and Magazine Printing
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yay.A.Ş. ("Yenibir")	Turkey	Online Publishing
Refeks Dağıtım ve Kurye Hizmetleri A.Ş ("Refeks")	Turkey	Distribution and Courier Services
Doğan Haber Ajansı A.Ş. ("Doğan Haber")	Turkey	Publishing
E Tüketici İnternet ve Danışmanlık Hizmetleri Elektronik Yayıncılık A.Ş. (E Tüketici)	Turkey	Online Publishing
Nartek Bilişim Pazarlama Hizmetleri Ticaret A.Ş. (Nartek)	Turkey	Online Publishing
TME Teknoloji Proje Geliştirme ve Yazılım A.Ş. ("TME Teknoloji")	Turkey	Software Services
Hürriyet Zweigniederlassung GmbH. ("Hürriyet Zweigniederlassung")	Germany	Newspaper Printing
Hürriyet Invest B.V. ("Hürriyet Invest")	Netherlands	Investment
Trader Media East Limited ("TME")	Jersey	Investment

Affiliates		
Doğan Media International GmbH ("Doğan Media")	Germany	Publishing and Classifieds (Europe)

As of December 31, 2010, 66.56% share of the main shareholder Doğan Yayın Holding in total capital (2009:%66.56) and 11.09% share of the ultimate parent company Doğan Holding (2009:11.09%) are publicly floated stocks.

INFORMATION ON SUBSIDIARIES AND AFFILIATES

Subsidiaries are companies in which

a. Hürriyet owns more than 50% of the voting rights through a direct and/or indirect shareholding; or

b. Hürriyet does not own more than 50% of the voting rights, but possesses the authority or power to control financial and administrative policies in line with its interests. Affiliates are companies in which Hürriyet owns 20% to 50% of the voting rights or material influence, but are not controlled by Hürriyet. The equity method is used to consolidate subsidiaries into the Company's financial statements.

Primary Areas of Activity of Subsidiaries and Affiliates

Primary areas of activity of subsidiaries and affiliates are presented in the table below. Hürriyet Medya (Hürriyet Media), Doğan Ofset, Yenibiriş, Refeks, Doğan Haber (Doğan News), Doğan Daily News in liquidation, E Tüketici (E Consumer, formerly known as Emlaksimum), Nartek,TME Technology, Yaysat and DYG İlan (DYG Advertisement) are registered in Turkey, whereas all other affiliates and subsidiaries are registered in Europe.

Shareholding in Subsidiaries and Affiliates

Shares owned directly or indirectly by the Company in subsidiaries and affiliates as of December 31, 2010 are shown below:

Subsidiaries	Country	Rights of the Company and Subsidiaries (%)
Hürriyet Medya Basım	Turkey	99.99
Doğan Ofset	Turkey	99.89
Yenibir	Turkey	100
Refeks	Turkey	100
Doğan Haber	Turkey	50.01
E Tüketici	Turkey	98.41
Nartek	Turkey	59.99
TME Teknoloji	Turkey	100
Hürriyet Zweigniederlassung	Germany	100
Hürriyet Invest	Netherlands	100
TME	Jersey	67.3

Affiliates		
Doğan Media	Germany	42.42

Number of Employees and Severance Pay Obligations

As of December 31, 2010, the Company and its subsidiaries had 7,986 employees; severance pay obligation is calculated at TL 21,660,771.

DIVIDEND POLICY AND PROPOSED DIVIDEND DISTRIBUTION FOR 2010

Dividend Policy

Hürriyet Gazetecilik A.Ş. determines its dividend policy in accordance with the relevant provisions of the Turkish Commercial Code (TCC), the Capital Markets Law, Regulations and Resolutions of the Capital Markets Board (CMB), tax laws, other applicable legislation and its Articles of Association.

Accordingly;

1. In principle, a minimum of 50% of "net distributable profit" based on Financial Statements prepared in line with International Financial Reporting Standards (IFRS) and Capital Market Board Regulations are distributed.
2. In case of an intention to distribute 50% to 100% of the "net distributable profit," the dividend payout ratio is determined considering the financial structure and budget of the Company.
3. The dividend distribution proposal is made public taking into consideration legal time frames and in accordance with Capital Markets Law and Regulations and Resolutions of the Capital Markets Board.
4. In the event that the "net distributable profit" based on financial statements prepared in line with the Turkish Commercial Code and Tax Laws is;
   a) lower than the amount calculated according to Article 1, the amount calculated within the framework of this article (Article 4) is applied and all the distributable amount is distributed,

Review of 2010 Operations

b) higher than the amount calculated according to Article 2, this article is the guideline for the action to be taken.

5. In the case that there is no distributable profit based on financial statements prepared in accordance with the Turkish Commercial Code and Tax Laws, no dividend distribution is made, even if there is a "net distributable profit" based on financial statements prepared in accordance with IFRS and Capital Markets Legislation.
6. In the case that the "net distributable profit" is below 5% of the Company's issued capital, it may be decided not to make any dividend distribution.
7. The dividend distribution is evaluated in the presence of investment plans that require considerable fund outflow, events that may affect the Company's financial structure and uncertainty and adverse developments in the economy and market conditions.

Proposed Dividend Distribution for 2010

The Board of Directors of the Company convened on March 28, 2011, and decided:

- That according to consolidated financial statements of Hürriyet Gazetecilik A.Ş. for the accounting period of January 01, 2010 - December 31, 2010, prepared pursuant to CMB Communiqué Series XI, No. 29 and in accordance with International Financial Reporting Standards, presented in line with the principles set forth in the CMB's decision regarding the issue and audited independently, when tax expenses for the period, deferred tax revenue and minority interest were considered together, there was a resultant TL 40,079,404 consolidated net loss for the period. Therefore, the shareholders were advised that there can be no dividend distribution for the accounting period of 2010 under CMB's relevant regulations of profit distribution and this issue should be submitted to the approval of the General Meeting of Shareholders and,
- That according to financial records kept in accordance with Turkish Commercial Code and Tax Procedure Law, the profit for the period was determined as TL 30,800,152, that after the corporation's tax to be paid was deduced from this amount, the net profit for the period would amount to TL 18,387,447 and after the First Legal Reserve is set aside out of this amount pursuant to Article 466/I of the Turkish Commercial Code, the remaining amount TL 17,468,075 should be set aside as extraordinary reserve and this issue should be brought to the attention of the General Assembly.

RISK MANAGEMENT

Determination and control of risks is vital in Turkey, as well as globally to reach the desired targets. In this respect, it is important that the Senior Management functions of the Company be made periodically and systematically aware of the risks and their grading and be presented with proposals concerning risk management. Having been entrusted with this duty, the Corporate Risk Department continued to communicate the risk management and internal control mechanism, the problems faced in these areas and their solutions with the Board of Directors throughout 2010. Briefings and proposals were prepared concerning investments, decrease of costs in every area, optimal use of available means and preparation of crisis plans and scenarios in short- and medium-term, and operations in this manner were performed.

Financial Risks that the Company is subject to

Interest rate risk: Hürriyet and its subsidiaries are subject to interest rate risk due to their interest-sensitive assets and liabilities. This risk is managed through balancing interest rate-sensitive assets and liabilities. Whenever deemed necessary, interest swaps are made to protect the interest rates from future increases.

Funding risk: Existing and forward-looking borrowing requirements are performed by securing sufficient funding commitments from lending companies with high funding capability and quality.

Credit risk: Financial asset ownership comes with counterparty risk. This risk is managed by limiting credit exposure to each debtor. The Company's credit risk is mitigated to a great extent thanks to the large number of debtors and the fact that they operate in diverse business lines.

Exchange rate risk: Hürriyet and its subsidiaries are subject to exchange rate risk due to changes of the exchange rate used in converting their foreign currency-denominated debt to the Turkish lira. This risk is monitored through foreign currency position analysis. Whenever deemed necessary, protection from exchange rate

risk is ensured via options and/or derivative transactions. Financial institutions with high creditworthiness both in Turkey and abroad are chosen for these types of transactions.

INTERNAL CONTROL

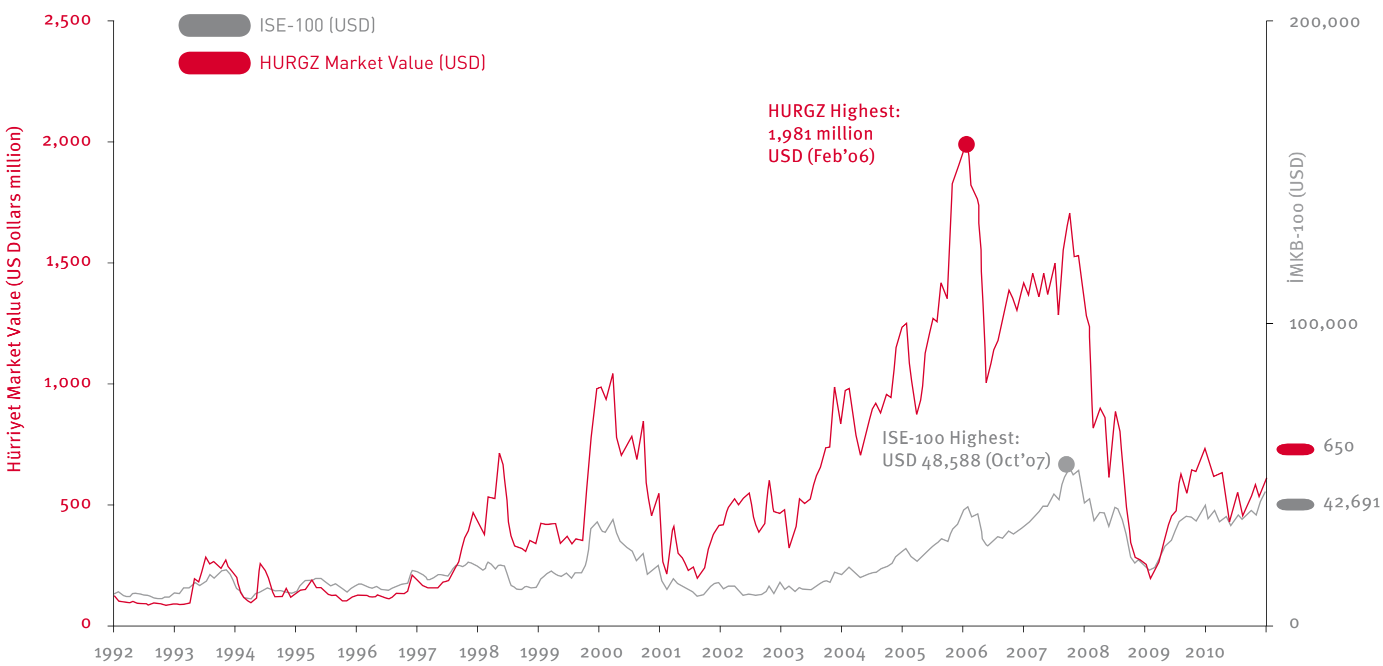
In the activities of the Internal Control Department, a risk-oriented and preventive audit approach is adopted. Hürriyet's activities in 2010 were subject to cost/benefit balance, productivity and efficiency analyses. With periodic and systematic analyses, important contributions were made in expense-reduction activities and saving measures. Further, compliance, stock monitoring and management and purchasing processes were examined. The aim was to minimize the risks and eliminate already existing risks with minimum costs in coordination with the related departments. Joint efforts were paid with the Risk Management Department and operations were monitored. Additionally, periodic monitoring-internal control process analysis efforts in the regions continued and coordination between the regions and the headquarters was increased.

In parallel with the goal to continue the COSO-based internal control and audit activities in 2011, it is foreseen that information sharing, training and sample applications will be carried out to perform the audit processes pursuant to international standards.

HÜRRİYET STOCK PRICES AND PERFORMANCE

During 2010, whereas the ISE-100 index rose by 25%, the value of Hürriyet stock prices decreased by 3%.

HÜRRİYET MARKET VALUE (US Dollars million) / ISE-100 Index (USD) February 1992- December 2010 (Monthly Closings)



General Assembly

Functioning at 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 during 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 make the necessary decisions.

General Meetings shall be attended 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 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.

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.
- **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 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).

Corporate Governance Principles Compliance Report 2010

1. Declaration of Compliance with the Corporate Governance Principles

Following the publication of the CMB Corporate Governance Principles in 2003, Hürriyet continued its efforts to comply with the principles and developed its organization accordingly. Hürriyet is, therefore, among the companies to align their Articles of Association with the CMB Corporate Governance Principles.

In essence, the Amendments in the Articles of Association stipulates:

- For at least one-third of the Board of Directors to be independent members,
- The establishment of Board of Directors Committees, the specification of their duties and responsibilities and their organization,
- The regulation of the principles governing the Executive Committee (Executive Board),
- Board members' transactions with or in competition with the Company be contingent upon a ¾ majority ratification by the General Assembly,
- Specification of minority shares as 5%.

In addition, in order to comply with recent revisions in the Capital Markets Law, the Board of Directors made amendments to the Articles 9, 10, 13, 20, 21, 26, 29 and Provisional Article 1 of the Articles of Association; and following approval by CMB's communiqué dated April 16, 2010 and numbered 3940, and the permission of the General Directorate of Domestic Commerce of the Ministry of Industry and Commerce dated April 19, 2010 and numbered 2,264, the Board submitted the said amendments to shareholders at the Ordinary General Assembly meeting held on May 26, 2010, and the amendments were approved by the meeting.

Hürriyet Gazetecilik has a deep-seated corporate culture, such that an evaluation of managerial practices by independent organizations became the order of the day. The world's leading corporate governance rating company, ISS Corporate Services Inc. (RiskMetrics Group), evaluated Hürriyet's corporate governance practices according to 530 criteria. ISS revised Hürriyet's corporate governance rating on September 23, 2010 and confirmed it as 8.5 out of 10 (84.69%). ISS granted a high rating of 9.16 out of 10 to Hürriyet's practices in the "public disclosure and transparency" subcategory.

In 2010, Hürriyet preserved its place in the Corporate Governance Index of the ISE as well.

Corporate Governance Rating and Corporate Governance Compliance Reports can be accessed via www.hurriyetkurumsal.com.

In the accounting period ending on December 31, 2010, Company management analyzed in detail the issues in which the Company does not comply with the Principles and came to the conclusion that these issues do not lead to a significant conflict of interest.

Vuslat Doğan Sabancı
Chairwoman

Ahmet Toksoy
Board Member

Corporate Governance Principles
Compliance Report 2010

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. An "Investors Relations Unit" has been established in the Company. 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 about the Company in accordance with Capital Markets 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 and
- to ensure that all public disclosures are made properly.

The Investor Relations Unit uses electronic means of communication, as well as the Company's website, in all of its activities.

2.1.2. The Company's Investor Relations Unit is made up of the following individuals: Investor Relations Coordinator Suzi Apalaçi Dayan, Financial Control and Investor Relations Manager İnci Tarı, Doğan Yayın Holding A.Ş. Capital Markets Group Head Murat Doğu, Doğan Yayın Holding A.Ş. Investor Relations Coordinator Alpay Güler, Financial Affairs Manager Halil Özkan. Contact information for the Investor Relations Unit is as follows:

Hürriyet Gazetecilik ve Matbaacılık A.Ş. (Headquarters)
Hürriyet Medya Towers 34212 Güneşli, Istanbul/Turkey
Tel: +90 212 677 00 00
Fax: +90 212 677 01 82
http://www.hurriyetkurumsal.com

Investor Relations Unit
Suzi Apalaçi Dayan
Investor Relations Coordinator
Tel: +90 212 449 60 30
e-mail: sapalaci@hurriyet.com.tr

İnci Tarı
Financial Control and Investor Relations Manager
Tel: +90 212 449 65 54
Fax: +90 212 449 60 46
e-mail: yatirimciiliskileri@hurriyet.com.tr

2.1.3. 40% of the Company's shares are traded on the ISE. 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. All of Hürriyet shares are 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 2010, nor were there any official investigations launched against the Company.

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 2010. These requests were responded to without delay, under the supervision of the Investor Relations Unit and in accordance with the Capital Market Law.

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 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 re-issue 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 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 for scrutiny 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 2010, shareholders did not request the Company to make 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 facilitates 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 2009 was held on May 26, 2010, within the statutory timeframe. 2010 financial statements were announced at the end of the 14th week (March 29, 2011) following the end of the accounting period. In this regard, the meeting will be held in full compliance with applicable capital markets legislation and the spirit of the principles.

The Extraordinary General Meeting of Shareholders held on March 20, 2009, was also compliant to all declaration dates.

Corporate Governance Principles Compliance Report 2010

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.

4.5.2. One General Meeting of Shareholders were held in 2010. At the Ordinary General Meeting of Shareholders of May 26, 2010, where 2009 operations were discussed, 71.81% or 396,390,245 shares out of the 552,000,000 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, unless the General Meeting of Shareholders has adopted a decision stating otherwise, 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 the Company's total assets at one time, leasing or renting such assets, grants and donations made as per Article 3 of the Articles of Association within one accounting period, the total amount of which exceeds 1% of the Company's total assets, and for mortgages, sureties, pledges, warrants and similar guarantees issued in favor of third parties, total amount exceeding 25% (50% for non-cash loans of Banks) of the Company's assets in the last publicly announced balance sheet. In the event that the Company's activities require it, the General Meeting of Shareholders may authorize the Board of Directors for such actions in advance, by increasing the ratios described hereinabove.

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 from voting 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 2010.

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. In the Ordinary General Meeting of Shareholders held on May 26, 2010, the shareholders were informed that according

to the consolidated financial statements of the 2009 accounting period, prepared pursuant to the CMB Communiqué Series: XI, No. 29 and in accordance with the International Financial Reporting Standards, there was a TL 35,079,806 "consolidated net loss for the period." Further, it was decided that according to financial records kept in accordance with Turkish Commercial Code and Tax Procedure Law, the "net profit for the period" was determined as TL 53,815,037, that after TL 1,084,189 was deducted out of this amount as the First Legal Reserve pursuant to Article 466/I of the Turkish Commercial Code and TL 32,131,261 was deducted as the "loss of the previous year," the "net distributable profit for the period" would be determined as TL 20,599,588, after TL 37,360,412, which was retained as the "extraordinary reserve," was added to the "net distributable profit for the period" and TL 2,760,000 was set aside as the II Legal Reserve pursuant to Article 466 of the Turkish Commercial Code, dividend in cash in the amount of TL 55,200,000, which corresponded to 10% of our issued capital, should be distributed, that the dividend distribution proposal for the 2009 accounting period of the Board of Directors, which was also publicly announced at the ISE Daily Bulletin dated April 30, 2010 should be unanimously approved and that dividend distribution should start on May 31, 2010.

A decision for dividend distribution has been adopted because the net distributable profit of the period occurred in accordance with the financial tables prepared pursuant to the Turkish Commercial Code and tax laws, and acting in accordance for the benefit of our stakeholders.

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 determines its dividend policy in accordance with the relevant provisions of the Turkish Commercial Code (TCC), the Capital Markets Law, regulations and Resolutions of the Capital Markets Board (CMB), tax laws, other applicable legislation and its Articles of Association.

Accordingly;

1. In principle, a minimum 50% of net distributable profit based on Financial Statements prepared in line with International Financial Reporting Standards (IFRS) and Capital Market Board Regulations are distributed.
2. In case of an intention to distribute 50% to 100% of the net distributable profit, the dividend payout ratio is determined considering the financial structure and budget of the Company.
3. The dividend distribution proposal is made public taking into consideration legal time frames and in line with Capital Markets Law and CMB Regulations and Resolutions.
4. In the event that the net distributable profit based on financial statements prepared in line with the Turkish Commercial Code and Tax Laws is;
   - Lower than the amount calculated according to Article 1, the amount calculated within the framework of this article (Article 4) is applied and all the distributable amount is distributed,
   - Higher than the amount calculated according to Article 2, this article is the guideline for the action to be taken.
5. In the case that there is no distributable profit based on financial statements prepared in accordance with the Turkish Commercial Code and Tax Laws, no dividend distribution is made even if there is a net distributable profit based on financial statements prepared in accordance with IFRS and Capital Markets Legislation.
6. In the case that the net distributable profit is below 5% of the Company's issued capital, it may be decided not to make any dividend distribution.
7. Dividend distribution is evaluated in the presence of investment plans that require considerable fund outflow, events that may affect the Company's financial structure and uncertainty and adverse developments in the economy and market conditions.

No one shall be accused of criminal actions unless credible and reasonable grounds are presented, and everyone is entitled to express their feelings and exercise freedom of speech.

Having observed this principle in each and every news item it has published, Hürriyet has managed to become the newspaper for all.


TAKSi
ACTION ENGLISH
KENDiMiZE YETERiZ
Hürriyet
FACiASI
EFSANEYE VEDA

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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. Information about this policy was provided at the General Meeting of Shareholders and 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.

SECTION 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.

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 CFO 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 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 Market Law.

8.6.1. There were no transactions or material disclosures in 2010 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 2010, no commercial and/or non-commercial transactions took place between Hürriyet and other companies in which Board Members, executives or shareholders who directly or indirectly own 5% or more of Hürriyet's capital and 5% or more of the other company, Hürriyet and other companies in which Hürriyet, its Board members, executives or shareholders who have management control irrespective of the amount of shares owned in this company.

8.8. The financial statements and footnotes of 2010 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 2010 Annual Report was prepared in accordance with the Capital Market Law, CMB regulations and CMB principles.

9. Material Disclosures

9.1. The Company's material disclosures comply with the Capital Market Law, regulations of CMB and the stock exchange and CMB principles.

9.1.1. In 2010, there were a total of 33 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 2010.

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 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 shareholder/sharholders of Company are Aydın Doğan and Doğan Family.

11.3. To the best of the Company's knowledge, shareholders did not enter into any voting agreements in 2010 for increasing their role in the management of the Company.

12. Persons with Access to Insider Information

All necessary measures are taken to prevent insider trading. A list of executives who had access to information that might affect the price of the Company's securities in 2010, as well as a list of all other persons and institutions that provide services for the Company were publicly disclosed on our corporate website (www.hurriyetkurumsal.com). Investor Relations Coordination Department, Human Resources Coordination Department, Financial Affairs and Internal Audit departments work together in coordination under the Executive Board to avert any possibility of people with access to trade secrets or insider information to use these against the Company or the investors. Criminal sanctions to be applied under such circumstances are clearly stated in the personnel regulations of the Company.

The full names and titles of individuals with access to trade secrets and insider information are as follows:

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Name	Title
Vuslat Doğan Sabancı	Chairwoman of the Board of Directors
Hanzade Vasfiye Doğan Boyner	Deputy Chairwoman of the Board of Directors/CEO
Hakkı Hasan Yılmaz	Board Member/Chairman of Executive Committee
Enis Berberoğlu	Board Member/Executive Committee Member
Soner Gedik	Board Member/Chairman of Audit Committee
Ahmet Toksoy	Board Member/Member of Audit Committee
Leonid Makaron	Board Member
Kai Diekmann	Board Member (Independent)
Ahmet Burak	Board Member (Independent)
Ayşe Sözeri Cemal	Head of Advertising Group/Member of the Executive Committee
Dursun Ali Yılmaz	Head of Financial Affairs Group
Ahmet N. Dalman	Head of Internet and Information Technologies Group/Member of the Executive Committee
Tijen Mergen	Head of Marketing Group/Member of the Executive Committee
Murat Doğu	Member of the Corporate Governance Committee/Chairman of Doğan Holding Financial Market Group
Alpay Güler	DYH Investor Relations Coordinator and Financial Advisor
Suzi Apalaçi Dayan	Investor Relations Coordinator
Halil Özkan	Financial Affairs Manager
İnci Tarı	Financial Control Manager
Cem Baykara	Financing Manager
Fuat Arslan	Member of Audit Committee
Mehmet Yörük	Member of Audit Committee
Hakan Çömlekçioğlu	Accounting Manager
Gülhan Meral	Budget Manager

Aside from the names indicated above the following officers, although their names have not been written out, are considered as insiders;

- Employees of the Independent Audit Firm,
- Certified Public Accountants serving the Company,
- Employees with duties in accounting, financial control and audit processes.

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. The principles and the operation process of the 360 Degrees performance evaluation system were reviewed.To ensure recognition of the works and pieces created by the publishing group, the leading works of employees are regularly selected each month to receive a prize of TL 5,000 by the evaluation committee. The awards are assigned in three categories, including the best page, the best photograph and the best interview. The award winners are announced to all employees of the Company.

15.5. The Company's workplace is designed to ensure the highest level of safety and facilitate maximum efficiency.

15.6. Employee relations are conducted by the Human Resources Coordination Department. There are no trade union members in the Company.

15.7. The Company does not discriminate against any employees and all are treated equally. In order to ensure these conditions, the Human Resources Coordination Department holds regular meetings with all the department heads and employees. A penalty clause concerning the issue is applicable under the Personnel Regulations of the Company. No complaints were brought to the Company management and/or the Committees under the Board of Directors in this regard.

16. Customer and Supplier Relations

As a pioneer in the field of print media, Hürriyet 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. Newsprint 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, Trabzon and Frankfurt.
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 consists of advertisements. 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

Social responsibility activities Hürriyet carried out are given in detail in the Social Responsibility and Environmental Activities portion of the Annual Report.
No lawsuits were brought against the Company in relation to harming the environment in the term.

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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 are as follows:

Name	Title	Note
Vuslat Doğan Sabancı	Chairwoman	Non-executive
Hanzade Vasfiye Doğan Boyner	Deputy Chairwoman of the Board	Non-executive
Hakkı Hasan Yılmaz	Board Member	Executive
Enis Berberoğlu	Board Member	Executive
Soner Gedik	Board Member	Non-executive
Ahmet Toksoy	Board Member	Non-executive
Leonid Makaron	Board Member	Non-executive
Kai Diekmann	Board Member	Independent
Ahmet Burak	Board Member	Independent

18.2.1. The Board of Directors has two independent members. Therefore, the Capital Markets Board's requirement stipulating that at least 1/3 of the Board of Directors Membership should include independent members who meet the qualifications included in the Corporate Governance Principles has been met.

18.2.2. The Chairman of the Board of Directors and the Chairman of the Executive Committee are not the same person.

18.2.3. More than half of the members of the Board of Directors are not executive directors.

18.2.4. Kai Diekmann, who acts as an Independent Member of the Board of Directors was born in 1964, in Germany. After completing his high school education and military service, he started as a trainee in Axel-Springer Publishing in 1985. Within a short time, he became the company's Bonn representative. Between 1989-1991, he worked as the News Director for Bunte Magazine. After working in Berliner Zeitung for a short time, he joined Bild in 1992. The next boost in his career occurred in 1998 when Diekmann became the Editor-in-Chief of Welt am Sonntag. He assumed the duties of the Editor-in-Chief of Bild, the best selling newspaper of Germany, in 2001 and publisher of the same newspaper in 2004. Diekmann also acts as the publisher of Bild am Sonntag. After assuming his position, he turned Bild into one of the best-selling, most influential and most profitable publishing companies of Europe. Kai Diekmann wrote a biography of Helmut Kohl, one of the former prime ministers of Germany and his friend in 2004.

The second Independent Board of Directors Member, Ahmet Burak, was born in 1954 in Istanbul. Following his graduation from FMV Işık High School, he graduated respectively from the School of Business Administration of Middle Eastern Technical University and Finance Departments of the University of Denver BSBA, and University of Denver, MBA. After working at the Istanbul and London offices of Arthur Andersen, he became Manager of Financial and Administrative Affairs at Coca-Cola in 1986. He assumed the duties of General Manager of Bottling Operations in Turkey in 1991 and Assistant to Chairman of the Executive Committee of Coca-Cola Canada in 1992. He returned to Turkey in 1993 to initiate Coca-Cola operations in Middle Asia and Caucasia, where no Coca-Cola products had been sold before. During this period, Coca-Cola established factories in eight countries, thus becoming the region's biggest non-alcoholic beverages company. After serving as the General Manager for eight years, he became the President of Coca-Cola Turkey in 2001. The Region of Turkey reached the highest profitability and market share in its history within eight years and the Company became 13th among 200 countries. Burak retired from the Coca-Cola Company in 2009 and is currently acting as Member of the Board of Trustees of Coca-Cola Life Plus Foundation, of which he is one of the founders.

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

18.3. The independent members of the Board of Directors provide written statements regarding their independence that meet the criteria specified in the CMB Principles. 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. To better perform its obligations and duties, every year the Board of Directors may designate members responsible for financial, monetary and legal issues; also they may delegate part of its duties by assigning executive directors to 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.

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 executives 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.

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, innovatively diversifying and expanding content distribution channels,

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tailoring information and educational products and tools to individuals, diversifying and expanding its sales and distribution channels, as well as cooperating 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 and Internal Control Mechanism

21.1 Risk Management

Risk management, operational and financial risk the Company is exposed to and efforts by the Corporate Risk Management unit are described in detail under the Risk Management section of the Annual Report.

21.2. Internal Control

The Company's internal audit and control system is detailed in the "Internal Control" section of the Annual Report and the Board of Directors announcement on the robust performance of the internal control system is attached to the said report.

22. Authorities and Responsibilities of Board Members and Executives

22.1. The authorities and responsibilities of the Board members and executives are set forth in the Company's Articles of Association, in a manner that is consistent with their functions and is clearly identifiable and distinguishable beyond suspicion from the authority and the responsibilities of the General Meeting of Shareholders.

22.2. The agenda of the Board of the Directors meeting drafted by the CEO is submitted to all Board Members by the Secretariat of the Board of Directors at least one week before the date of the meeting. It 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. It is also mandatory for the Board of Directors to convene upon the joint request of at least three of its 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 for the negative votes are entered into the minutes of the meeting. In 2010, 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. Fundamentals of 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 a separate decision for the approval of the financial statements, their footnotes and 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 2010, the Board of Directors held 59 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 utilize remote access technology. Written opinions of members who cannot attend the meetings in person are conveyed to the other members.

23.5.6. All documents of the meeting are 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.

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 their 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 or approval of other members for a written proposal of a member. However, this method does not apply to decisions on matters that require personal presence at the meeting pursuant to the Principles. When important aspects of the Company's operations are discussed, all Board Members personally attend the meeting.

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 2010, 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.

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25. Ethical Rules

Hürriyet adheres to the "Values" it has announced on 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' 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 and an Executive Committee (Executive 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. 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, on specific days and at specific hours.

26.3. The Audit Committee is a committee established by the Articles of Association and the relevant information is as follows:

26.3.1. The Audit Committee consists of the following members:

Name	Title	Note
Soner Gedik	Chairman	Independent Board Member/Non-executive
Ahmet Toksoy	Member	Board Member/Non-executive

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

26.3.3. The Board of Directors held a meeting on June 4, 2010 and decided that Ahmet Toksoy and Soner Gedik, Board Members, concurrently Committee members responsible for auditing, be re-elected and authorized to perform the duties specified in the Capital Markets Board Communiqué Series X, No. 22.

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 the Capital Market Law and in light of the CMB's Corporate Governance Principles.

In this regard, in 2010:

- 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,
- Emphasis was given to risk management activities.
- The Audit Committee held four meetings during 2010.

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

26.4.1. According to Board Decision No. 2010/27 dated June 4, 2010, the Corporate Governance Committee shall consist of the following chairperson and members:

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

26.4.3. All of the committee members are non-executive. The Chairman and member Ahmet Burak are Independent Board members

Name	Title	Note
Ahmet Burak	Chairman	Independent Board Member/Non-executive
Ahmet Toksoy	Member	Board Member/Non-executive
Murat Doğu	Member	Non-executive

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

Accordingly:
- Corporate governance rating studies were carried out,
- 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 2010 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.
- The Corporate Governance Committee held four meetings during 2010.

26.5. The Executive Committee has been established pursuant to Article 19 of the Articles of Association 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 Company's Board of Directors decided on June 4, 2010, that Hakkı Hasan Yılmaz should be appointed as the Chairman of the Executive Board (Executive Committee), Kadri Enis Berberoğlu as the Executive Committee Member in charge of Editorial Affairs, Ayşe Sözeri Cemal as the Executive Committee Member in charge of the Advertising Group, Dursun Ali Yılmaz as the Executive Committee Member in charge of Financial Affairs, Ayçin Bayraktaroğlu as the Executive Committee Member in charge of Marketing, Ahmet Nafi Dalman as the Executive Committee Member in charge of Information Technologies, Ahmet Özer as the Executive Committee Member in charge of Internet Operations and Development and Creating of New Business Areas.

Ayçin Bayraktaroğlu, who had performed the duties of a Member of the Executive Committee and President of the Marketing Group, resigned from these duties on September 30, 2010. Tijen Mergen replaced her as the Member of the Executive Committee and President of the Marketing Group.

Ahmet Özer, who had performed the duties of the Member of the Executive Committee and President of the Internet Group, resigned from these duties on September 30, 2010. The Internet Group has been turned into the Information Technologies Group with restructuring and is currently chaired by Ahmet Nafi Dalman.

The Executive Board (Executive Committee) convenes once a week, or at least once a month.

The private lives of individuals shall not be covered in news reports, except for cases where the lifestyle of the individual in question constitutes express or implied consent, except where publication would serve the public good.

Being highly distinguished among others by the respect it shows towards individual rights, Hürriyet never compromises -this principle in its operations over the internet.

Haber
Yaşam
İlanlar
İnteraktif
Arşiv
Mobil
E-posta
Rss
Sosyal Medya
Masaüstü
Aranacak Kelime
ARA
07:00
09:00
11:00
Gündemi Kaçırma
Banvit ve Koç'tan sonra
Muhteşem
Yüzyıl
Casper
Erdoğan, Bakan Günay'ın 'heykel için demedi' sözlerini yalanladı.

Corporate Governance Principles Compliance Report 2010

The Executive Board (Executive Committee) convenes once a week, or at least once a month.

Name	Title
Hakkı Hasan Yılmaz	Executive Committee Chairman (CEO)
Kadri Enis Berberoğlu	Executive Committee Member/Editor-in-Chief
Ayşe Sözeri Cemal	Executive Committee Member/Head of the Advertising Group
Dursun Ali Yılmaz	Executive Committee Member/Head of the Finance Group
Tijen Mergen	Executive Committee Member/Head of the Marketing Group
Ahmet N. Dalman	Executive Committee Member/Head of the Internet and Information Technology Group

26.6. The Company's committees act within their authority and responsibility and make recommendations to the Board of Directors. All final decisions are made by the Board of Directors.

26.6.1 All managers of technical and administrative departments in the Company regularly generate workflow reports every month on what was achieved in and planned for in the month to be submitted to their Group Leaders. These reports are then presented to the Executive Board for approval.

26.6.2 Penalties to be applied in cases of losses arising from the failure or underperformance of managers serving in the technical and administrative organization are specified in the Personnel Regulations.

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 Assembly of Shareholders. The decision regarding this remuneration is based on the time Board Members spend for meetings and the time involved in pre and post-meeting preparations and the duties assumed, as well as the CEO's salary. The attendance fee to be paid to Board Members for each meeting is also decided upon by the General Assembly 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 or members of the Board of Directors, it is the duty of the General Assembly of Shareholders to determine whether they are to be paid any fees and the amounts and conditions of such fees, if any.

27.2. At the Ordinary General Assembly Meeting of Shareholders held on May 26, 2010, it was unanimously resolved that the Chairman of the Board of Directors be paid a monthly net fee of TL 7,500, the Deputy Chairman a monthly net fee of TL 6,500 and Members of the Board a monthly net fee of TL 5,000 each. Furthermore, it was resolved that Independent Members Ahmet Burak and Kai Georg Diekmann each be paid a monthly net fee equal to the TL equivalent of US$ 5,000. There exists no additional bonus mechanism based on performance for members of the Board of Directors.

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

Audit Committee Resolution

AUDIT COMMITTEE RESOLUTION OF
HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

DATE : March 25, 2010
SUBJECT : Financial Statements for the Accounting Period between 01/01/2010-12/31/2010

The Company's independently audited consolidated financial statements for the fiscal year January 1, 2010-December 31, 2010, were prepared in comparison with the previous year, in light of the Capital Markets Board (CMB) Communiqué Series XI, No. 29 and in compliance with International Financial Reporting Standards and presented in the form specified by CMB Resolutions, and have been examined, taking into consideration the comments of the executives responsible for the preparation of the Company's financial statements.

Based on the information we have and that has been provided to us, we have transmitted our opinion on the subject matter of the financial statements to the executives who had responsibility in the preparation of the Company's financial statements. Based on this opinion, we have concluded that these financial statements accurately reflect the results of the Company's operations and do not contain any major deficiency that would result in these financial statements being misleading and comply with the CMB regulations.

Soner Gedik	Ahmet Toksoy
Chairman of the Audit Committee	Audit Committee Member

Resolution of the Board of Directors on the Approval of Financial Statements

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
RESOLUTION OF THE BOARD OF DIRECTORS

Date of Meeting : March 28, 2011
Meeting Number : 2011/10
Attending : Vuslat Doğan Sabancı (Chairwoman)
Hanzade V. Doğan Boyner (Deputy Chairwoman)
Hakkı Hasan Yılmaz (Member)
Soner Gedik (Member)
Ahmet Toksoy (Member)
Kadri Enis Berberoğlu (Member)

Convening on the abovementioned date at the Company Headquarters, the Board of Directors of Hürriyet Gazetecilik ve Matbaacılık A.Ş. unanimously resolved;

- To approve and submit for the General Assembly's approval the Company's independently audited consolidated financial statements and the accompanying footnotes for the accounting period of January 1, 2010-December 31, 2010, which were presented to the Board of Directors by the Audit Committee with a compliance opinion along with adjustment recommendations, prepared pursuant to the Capital Markets Board (CMB) Communiqué Series XI, No. 29 and in compliance with the International Financial Reporting Standards, presented as specified by CMB Resolutions.

Vuslat SABANCI **(Chairwoman)**	**Hanzade Vasfiye DOĞAN BOYNER** **(Deputy Chairwoman)**
Hakkı Hasan YILMAZ **(Member)**	**Kadri Enis BERBEROĞLU** **(Member)**
Ahmet TOKSOY **(Member)**	**Soner GEDİK** **(Member)**

Resolution of the Board of Directors on the Approval of the Annual Report and the Corporate Governance Compliance Report

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
RESOLUTION OF THE BOARD OF DIRECTORS

Date of Meeting	:	March 30, 2011
Meeting Number	:	2011/12
Attending	:	Vuslat Sabancı (Chairwoman) Hanzade V. Doğan Boyner (Deputy Chairwoman) Hakkı Hasan Yılmaz (Member) Soner Gedik (Member) Ahmet Toksoy (Member) Kadri Enis Berberoğlu (Member)

Convening on the abovementioned date at the Company Headquarters, the Board of Directors of Hürriyet Gazetecilik ve Matbaacılık A.Ş. unanimously resolved:

- That complying with the opinion of our Audit Committee and in accordance with the provisions of the "Communiqué on the Independent Auditing Standards in the Capital Market" of the Capital Market Board with Serial No: X No: 22 and decisions of the CMB in this manner, DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. should be entrusted with the duty of independent audit company for independent auditing of the Company's accounts pertaining to the interim period of January 01, 2011 - June 30, 2011 and the annual financial tables for the period of January 01, 2011 - December 31, 2011 and that the same should be submitted for shareholder approval at the General Shareholders' Meeting,
- That the 2010 Annual Report attached herewith, presented for the approval of the Board of Directors, in compliance with the opinion of the Executive Committee, should be approved and submitted to the shareholders,
- That the attached "Corporate Governance Compliance Report," prepared in accordance with the decision of the Capital Market Board dated December 10, 2004 with no. 48/1588 and CMB's Corporate Governance Principles, and presented for the approval of the Board of Directors in order to be included in the 2010 Annual Report with the compliance opinion of the Corporate Governance Committee should be approved and submitted to the shareholders.

Vuslat SABANCI
(Chairwoman)

Hanzade Vasfiye DOĞAN BOYNER
(Deputy Chairwoman)

Hakkı Hasan YILMAZ
(Member)

Kadri Enis BERBEROĞLU
(Member)

Ahmet TOKSOY
(Member)

Soner GEDİK
(Member)

Statement of Responsibility for Financial Reports

RESOLUTION OF THE BOARD OF DIRECTORS REGARDING THE APPROVAL OF THE FINANCIAL REPORTS

Resolution date: March 28, 2011
Resolution no: 2011/11

STATEMENT OF RESPONSIBILITY PURSUANT TO CAPITAL MARKET BOARD COMMUNIQUÉ SERIES XI, NO. 29, SECTION THREE, ARTICLE 9

Having examined the independently audited consolidated financial report of Hürriyet Gazetecilik ve Matbaacılık A.Ş. for the January 1, 2010-December 31, 2010 accounting period, prepared in accordance with the CMB Communiqué Series XI, No. 29 and in compliance with the International Financial Reporting Standards comparing it with the previous period, presented in the form specified by CMB Resolutions, within the framework of information available to us in so far as our duties and responsibilities are concerned, we have concluded that:

a. The financial report does not contain any misrepresentation of the facts on major issues or any deficiency that may be construed as misleading as from the date of the disclosure;
b. The financial report, prepared in accordance with the applicable financial reporting standards, fairly reflects the facts on the assets, liabilities, financial condition and profit and loss of the Company along with those in the scope of consolidation.

Hakkı Hasan Yılmaz
Member of the
Board of Directors
CEO

Dursun Ali Yılmaz
Member of the Executive Committee
President of the Financial Affairs Group

Halil Özkan
Financial Affairs Manager

Statutory Auditors' Report

**TO THE HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
GENERAL ASSEMBLY PRESIDENCY**

We hereby present our conclusions regarding the findings of our annual audit of the Company's 2010 fiscal year for your information.

1. We have observed that the books, files and records that are required to be kept based on the nature and the importance of the business were duly kept and that the Company complied with laws, accounting principles, the Articles of Association and the provisions of the Turkish Commercial Code in keeping these books.
2. The values shown in the Inventory, Balance Sheet and Income Statement are consistent with accounting records and the Company complied with the Articles of Association and the provisions of the Turkish Commercial Code in preparing these statements. We have observed that the Balance Sheet and the Income Statement of the Company presented to the General Assembly by the Board of Directors were prepared in accordance with the transparency and accuracy principles stipulated in Article 75 of the Turkish Commercial Code and that they are identical to the official accounting records.
3. All decisions regarding the Company's Management were recorded in the Company's Resolution Book, which was kept in accordance with the laws and regulations.

In conclusion, we hereby recommend that the General Assembly approve the Company's operations summarized in the report prepared by the Board of Directors and the resulting Balance Sheet and Income Statement.

Auditor
Fuat Arslan

Auditor
Mehmet Yörük

Statement of Responsibility for the Annual Report

TITLE OF THE COMPANY: HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

RESOLUTION OF THE BOARD OF DIRECTORS REGARDING THE APPROVAL OF THE ANNUAL REPORT

Resolution date: March 30, 2011
Resolution no: 2011/12

STATEMENT OF RESPONSIBILITY PURSUANT TO CAPITAL MARKETS BOARD COMMUNIQUÉ SERIES XI, NO. 29, SECTION THREE, ARTICLE 9

Having examined the independently audited consolidated financial report of Hürriyet Gazetecilik ve Matbaacılık A.Ş. for the January 1, 2010-December 31, 2010 accounting period; within the framework of information available to us in so far as our duties and responsibilities are concerned, we have concluded that:

a. The Annual Report does not contain any misrepresentation of the facts on major issues or any deficiency that may be construed as misleading as from the date of the disclosure;
b. The Annual Report, issued in accordance with the regulations with regard to preparation of annual reports, fairly reflects the development and performance of the business as well as the financial condition, the significant risk and uncertainty the Company along with those subsidiaries in the scope of consolidation face.

Hakkı Hasan Yılmaz
Member of the
Board of Directors
CEO

Dursun Ali Yılmaz
Member of the Executive Committee
President of the Financial Affairs Group

Halil Özkan
Financial Affairs Manager

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONVENIENCE TRANSLATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT FOR THE PERIOD 1 JANUARY-31 DECEMBER 2010 INTO ENGLISH

(ORIGINALLY ISSUED IN TURKISH)

Deloitte.

DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Sun Plaza
Bilim Sok. No:5
Maslak, Şişli 34398
İstanbul, Türkiye

Tel : (212) 366 6000
Fax: (212) 366 6010
www.deloitte.com.tr

CONVENIENCE TRANSLATION OF THE AUDITOR'S REPORT AND THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.,

Introduction

We have audited the accompanying consolidated balance sheet of Hürriyet Gazetecilik ve Matbaacılık A.Ş. (the "Company"), its subsidiaries and its joint ventures (together the "Group") as at 31 December 2010 and the related consolidated statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2010, and a summary of significant accounting policies and other explanatory notes.

Management Responsibility on the Consolidated Financial Statements

The Group management is responsible for preparation and fair presentation of these consolidated financial statements in accordance with accounting standards published by Capital Markets Board. 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

As explained in Note 19d, the Group has recognized a liability arising from the put option on 3,84% shares of Trader Media East Limited owned by "non-controlling interests", through a protocol signed during the current period by increasing other financial liabilities by TL 38,6 million, increasing translation reserve by TL 0,3 million, increasing loss for the period by TL 0,7 million, decreasing non-controlling interests by TL 12,7 million, and decreasing retained earnings/accumulated losses by TL 25,5 million in the accompanying consolidated financial statements as of and for the year ended 31 December 2010.

However, as determined in the said protocol, such put option liability related to non-controlling interests amends the relevant clauses of the contract which was signed on 28 December 2006 and became effective as of 31 March 2007 as a consequence of the acquisition of Trader Media East Limited's majority shares by the Group and which has not been accounted for by the Group in the accompanying consolidated financial statements until the current period. Therefore, these contracts, which are recorded in the Group's consolidated financial statements for the first time in the current period, should have been recognized as a put option liability of "non-controlling interests" during acquisition of Trader Media East Limited's shares by the Group in 2007, and the accompanying consolidated financial statements should be restated retrospectively.

If the said put option liability of non-controlling interests had been recognized retrospectively in the accompanying consolidated financial statements, equity and other current assets would have been increased by TL 0,7 million and TL 0,7 million respectively and net loss would have been increased by TL 0,6 million in the accompanying consolidated financial statements as of and for the year ended 31 December 2010; goodwill, other financial liabilities and net loss for the period would have been increased by TL 0,5 million, TL 37,6 million and TL 14,7 million, respectively and equity would have been decreased by TL 37,1 million in the accompanying consolidated financial statements as of and for the year ended 31 December 2009; and goodwill, other financial liabilities and net loss for the period would have been increased by TL 14,8 million, TL 37,8 million and TL 10,8 million, respectively and equity would have been decreased by TL 23 million in the accompanying consolidated financial statements as of and for the year ended 31 December 2008.

Qualified Opinion

In our opinion, except for the effects of the matter described in above, the accompanying consolidated financial statement give a true and fair view of consolidated financial position of Hürriyet Gazetecilik ve Matbaacılık A.Ş., its subsidiaries and joint ventures as at 31 December 2010, and their financial performance and cash flows for the year then ended in accordance with the financial reporting standards issued by the Capital Markets Board.

Without qualifying our audit opinion we would like to draw attention to the following matter:

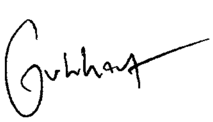
As explained in detail in Note 18, the tax inspection reports regarding the tax reviews of the prior financial periods of the Company imposed payment of an income tax principal of TL 12,3 million, a tax loss penalty of TL 18,4 million and a special irregularity penalty of TL 165 thousand and the Company has filed lawsuits against the related tax reports. The lawsuits amounting to TL 3 million of tax principal and TL 3,9 million of a tax loss penalty were concluded against the Company, lawsuits amounting to TL 4,3 million of tax principal and TL 7 million of tax loss penalty were concluded in favour of the Company, the court hearing of the objections related to the law cases amounting to TL 5 million of tax principal and TL 7,7 million of tax loss penalty has not been made. Income tax principals and tax loss penalties related to law cases resulted against the Company amounting to TL 6.9 million were paid in the year 2010 including the interest amount and the necessary legal objections for appeal have been made. Based on assessments of the legal counsel and tax experts on the tax inspection reports, the Group management has accounted for a provision amounting to TL 7,2 million including the estimated late payment interests. The Company still assesses its legal rights including the facilities provided by Law no 6111 “Restructuring of Certain Receivables and Amendment of Social Insurance and General Health Insurance Law and Other Certain Laws and Decrees”. There is uncertainty about the legal proceedings and the results as of the reporting date.

Other Matter

The audit of the Group’s consolidated financial statements for the year ended 31 December 2009 has been performed by another independent auditor. Previous auditor issued an unqualified opinion in its audit report, dated 7 April 2010, for the consolidated balance sheet as at 31 December 2009 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2009.

Istanbul, 28 March 2011

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU LIMITED



Gökhan Alpman
Partner

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2010 AND 2009
(Amounts expressed in Turkish Lira ["TL"] unless otherwise indicated.)

	Note references	Current Period (Audited) 31 December 2010	Previous Period (Audited) 31 December 2009
ASSETS			
Current assets		347.621.622	539.009.243
Cash and cash equivalents	5	89.534.596	278.383.288
Financial assets	6	18.855.213	18.363.709
Trade receivables		186.504.364	191.192.846
Due from related parties	32	24.729.830	41.087.373
Other trade receivables	9	161.774.534	150.105.473
Other receivables	10	1.841.576	2.606.113
Inventories	11	17.650.386	18.446.122
Other current assets	21	33.235.487	30.017.165
Non-current assets		1.231.304.652	1.314.994.660
Other receivables	10	790.356	666.652
Financial assets	6	4.846.530	4.886.604
Investments accounted for by the equity method	12	6.593.636	1.432.023
Investment property	13	24.477.879	26.595.563
Property, plant and equipment	14	458.941.953	507.257.327
Intangible assets	15	502.672.400	546.245.704
Goodwill	16	206.177.957	222.336.593
Deferred tax assets	30	10.966.263	4.361.353
Other non-current assets	21	15.837.678	1.212.841
Total assets		1.578.926.274	1.854.003.903

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2010 AND 2009
(Amounts expressed in Turkish Lira ["TL"] unless otherwise indicated.)

	Note references	Current Period (Audited) 31 December 2010	Previous Period (Audited) 31 December 2009
LIABILITIES			
Current liabilities		390.538.264	462.224.009
Financial liabilities	7	230.193.446	320.334.615
Other financial liabilities	8	57.082.687	17.037.853
Trade payables		37.424.202	40.556.178
Due to related parties	32	3.429.863	2.267.076
Other trade payables	9	33.994.339	38.289.102
Other payables	10	18.336.488	16.265.351
Current income tax liabilities	30	12.630.692	8.627.512
Provisions	18	10.412.228	17.947.790
Other current liabilities	21	24.458.521	41.454.710
Non-current liabilities		415.354.903	474.133.721
Financial liabilities	7	276.186.985	329.951.107
Other financial liabilities	8	-	742.310
Other payables	10	147.519	188.213
Provision for employment termination benefits	20	21.660.771	14.196.159
Deferred tax liabilities	30	117.314.791	128.977.635
Other non-current liabilities	21	44.837	78.297
EQUITY			
Total Equity		773.033.107	917.646.173
Equity attributable to equity holders of the company		684.850.101	797.896.316
Share capital	22	552.000.000	552.000.000
Inflation adjustment to share capital	22	77.198.813	77.198.813
Share premium	22	76.944	76.944
Translation reserve		(7.405.735)	(15.107.992)
Restricted reserves	22	31.560.725	27.716.536
Retained earnings	22	71.498.758	191.091.821
Net loss for the period		(40.079.404)	(35.079.806)
Non-controlling interests		88.183.006	119.749.857
Total liabilities and equity		1.578.926.274	1.854.003.903

These consolidated financial statement as at and for the year ended 31 December 2010 were approved by the Board of Directors on 28 March 2011.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
AS AT 31 DECEMBER 2010 AND 2009
(Amounts expressed in Turkish Lira ["TL"] unless otherwise indicated.)

	Note references	Current Period (Audited) 1 January- 31 December 2010	Previous Period (Audited) 1 January- 31 December 2009
Sales	23	794.225.971	784.132.862
Cost of sales (-)	23	(487.709.001)	(499.032.419)
Gross profit		**306.516.970**	**285.100.443**
Marketing, selling and distribution expenses (-)	24	(113.669.569)	(85.646.463)
General administrative expenses (-)	24	(147.385.996)	(150.346.020)
Other operating income	26	7.269.306	7.561.155
Other operating expenses (-)	26	(76.329.254)	(62.578.477)
Operating loss		**(23.598.543)**	**(5.909.362)**
Share of loss of investments accounted for by the equity method	12	(8.944.812)	(15.189.329)
Financial income	27	44.787.613	141.939.022
Financial expenses (-)	28	(61.833.608)	(147.863.593)
Loss before tax		**(49.589.350)**	**(27.023.262)**
Taxation			
Current tax for the year	30	(26.644.851)	(18.798.776)
Deferred tax income	30	20.706.815	4.687.042
Net loss for period		**(55.527.386)**	**(41.134.996)**
Other comprehensive income/(expense):			
Change in translation reserves		5.883.437	(15.133.434)
Other comprehensive income/(loss) after tax		**5.883.437**	**(15.133.434)**
Total comprehensive loss		**(49.643.949)**	**(56.268.430)**
Net loss for the year		**(55.527.386)**	**(41.134.996)**
Allocation of net loss for the period			
Attributable to non-controlling interests		(15.447.982)	(6.055.190)
Attributable to equity holders of the company		(40.079.404)	(35.079.806)
Allocation of total comprehensive loss			
Attributable to non-controlling interests		(17.266.802)	(9.030.220)
Attributable to equity holders of the company		**(32.377.147)**	**(47.238.210)**
Earnings/(loss) per share (Kr)	**31**	**(7,26)**	**(7,21)**

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
(Amounts expressed in Turkish Lira [“TL”] unless otherwise indicated.)

	Note References	Share Capital	Inflation adjustment to share capital	Share premiums	Translation reserves	Restricted reserves	Retained earnings	Net profit/ (loss) for the period	Non-controlling interests	Total equity
Balances at 1 January 2009 22		460.000.000	77.198.813	-	(2.949.588)	27.310.182	229.592.042	(38.093.867)	133.141.561	886.199.143
Transfers		-	-	-	-	406.354	(38.500.221)	38.093.867	-	-
Capital increase		92.000.000	-	76.944	-	-	-	-	910.152	92.987.096
Subsidiaries’ dividend payments to non-group companies		-	-	-	-	-	-	-	(4.484.964)	(4.484.964)
Other (*)		-	-	-	-	-	-	-	(786.672)	(786.672)
Total comprehensive loss		-	-	-	(12.158.404)	-	-	(35.079.806)	(9.030.220)	(56.268.430)
Change in translation reserves		-	-	-	(12.158.404)	-	-	-	(2.975.030)	(15.133.434)
Net loss for the period		-	-	-	-	-	-	(35.079.806)	(6.055.190)	(41.134.996)
Balances at 31 December 2009		552.000.000	77.198.813	76.944	(15.107.992)	27.716.536	191.091.821	(35.079.806)	119.749.857	917.646.173
Balances at 1 January 2010	22	552.000.000	77.198.813	76.944	(15.107.992)	27.716.536	191.091.821	(35.079.806)	119.749.857	917.646.173
Transfers		-	-	-	-	3.844.189	(38.923.995)	35.079.806	-	-
Capital increase of subsidiaries		-	-	-	-	-	-	-	1.195.638	1.195.638
Dividend payments		-	-	-	-	-	(55.200.000)	-	-	(55.200.000)
Subsidiaries’ dividend payments to non-group companies		-	-	-	-	-	-	-	(3.732.782)	(3.732.782)
Option adjustment for non-controlling interests	19-d	-	-	-	-	-	(25.469.068)	-	(13.898.432)	(39.367.500)
Other (*)		-	-	-	-	-	-	-	2.135.527	2.135.527
Total comprehensive income		-	-	-	7.702.257	-	-	(40.079.404)	(17.266.802)	(49.643.949)
Change in translation reserves		-	-	-	*7.702.257*	-	-	-	*(1.818.820)*	*5.883.437*
Net loss for the period		-	-	-	-	-	-	*(40.079.404)*	*(15.447.982)*	*(55.527.386)*
Balances at 31 December 2010		552.000.000	77.198.813	76.944	(7.405.735)	31.560.725	71.498.758	(40.079.404)	88.183.006	773.033.107

(*) Represents fair value changes of put option liabilities and acquisition and disposal of shares from non-controlling shareholders.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
(Amounts expressed in Turkish Lira ["TL"] unless otherwise indicated.)

	Note References	Current Period (Audited) 1 January- 31 December 2010	Previous Period (Audited) 1 January- 31 December 2009
Loss for the period		(55.527.386)	(41.134.996)
Adjustments:			
Depreciation	13,14	57.310.147	60.652.549
Amortization	15	27.036.682	26.431.006
Impairment on goodwill and intangible assets		53.301.349	6.690.546
Net loss on disposal of tangible and intangible assets and investment property	26	1.173.147	3.457.179
Tax expense	30	5.938.036	14.111.734
Provision for employment termination benefits and unused vacation rights	20,21	11.700.583	6.830.362
Actuarial loss	20	719.815	4.528.505
Income accruals		(107.687)	8.569.414
Interest income	27	(17.638.141)	(31.117.420)
Interest expenses	28	18.109.609	25.924.295
Unrealized foreign exchange losses from bank borrowings		13.251.692	16.797.387
Provision/(reversal) of the impairment of investment properties	13	(994.104)	3.340.892
Deferred income		74.177	(2.459.296)
Loss from sales of subsidiaries	26	5.996	(3.320.737)
Tax penalties provision expense	18-21	3.179.690	32.754.695
Loss from investments accounted for by the equity method	12	8.944.812	15.189.329
Provision for doubtful receivables	9	8.273.082	11.956.047
Change in other provisions		2.015.324	(280.393)
Reversals of provisions		(1.484.905)	(327.904)
Cash flows from operating activities before changes in operating assets and liabilities		135.281.918	158.593.194
Changes in operating assets and liabilities-net	35	(15.726.864)	(2.972.818)
Tax penalties paid	18-21	(28.414.446)	-
Income taxes paid		(26.774.502)	(5.250.252)
Doubtful receivables collected	9	1.484.905	1.121.392
Employment termination benefits paid	20	(4.129.563)	(4.038.446)
Net cash provided by operating activities		**61.721.448**	**147.453.070**
Cash flow from investing activities:			
Purchases of property, plant and equipment	14	(14.140.786)	(41.723.721)
Purchases of intangible assets	15	(10.877.226)	(5.343.868)
Proceeds from sales of property, plant and equipment, intangible assets and investment properties		12.301.559	12.989.530
Interests received		18.730.945	30.358.375
Changes in financial investments		(491.504)	(18.363.709)
Purchases of subsidiaries		-	(700.895)
Proceeds from sales of subsidiaries		7.633	3.295.324
Change in blocked deposit		(15.460.000)	-
Share capital increase in associates and investments accounted for by the equity method	12	(14.323.105)	(16.723.846)
Net cash used in investing activities		**(24.252.484)**	**(36.212.810)**
Cash used in financing activities:			
Proceeds of issuance of share capital to non-controlling interests		1.195.638	910.152
Dividends paid to non-controlling interests		(3.732.782)	(4.484.964)
Bank borrowings received		135.264.580	
Bank borrowings paid		(258.402.590)	(254.201.254)
Change in financial liabilities to suppliers		(26.125.328)	(11.223.087)
Dividend paid		(55.193.460)	-
Interests paid		(18.117.884)	(24.866.439)
Share premiums		-	76.944
Increase in share capital		-	92.000.000
Net cash used in financing activities		**(225.111.826)**	**(201.788.648)**
Exchange losses on cash and cash equivalents		(413.464)	(696.155)
Change in cash and cash equivalents		(188.056.326)	(91.244.543)
Cash and cash equivalents at the beginning of the period	5	276.974.548	368.219.091
Cash and cash equivalents at the end of the period	5	**88.918.222**	**276.974.548**

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010
(Amounts expressed in Turkish Lira ["TL"] unless otherwise indicated.)

NOTE 1-ORGANISATION AND NATURE OF OPERATIONS

Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet" or the "Company") was established in 1960 and is registered in Turkey. The Company which undertakes journalism, printing and advertising activities, operates six printing plants in Turkey with locations in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon and in Germany. The Company acquired 67,30% shares of Trader Media East Ltd. ("TME") through its Subsidiary Hurriyet Invest B.V. located in the Netherlands on 29 March 2007. TME undertakes classified advertising mainly for real estate, automotive and human resources businesses through daily and weekly newspapers, periodicals, magazines and internet services, primarily in Russia and various Eastern European ("EE") countries. The Company is a member of Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding") through the investment of Doğan Yayın Holding A.Ş. ("Doğan Yayın"), which has a majority ownership in the Company (Note 22).

The address of the registered office is as follows:

Hürriyet Medya Towers
34212 Güneşli, İstanbul
Turkey

The Company is registered to the Capital Markets Board ("CMB") and its shares have been quoted on the Istanbul Stock Exchange ("ISE") since 1992. 40% share capital of the Company is circulated on the ISE. 25, 02% capital of the TME is circulated on London Stock Exchange as Global Depository Receipts ("GDR"). GDR generally means the guaranteeing of a company's shares, the making public of the certificates that can be transferred by negotiation, and their being listed in the stock exchange independent of company shares.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010
(Amounts expressed in Turkish Lira ["TL"] unless otherwise indicated.)

Subsidiaries

The name of the Company's subsidiaries ("Subsidiaries"), the nature of the business and geographic segments are as follows:

Subsidiaries	Registered country	Geographic segment	Nature of business
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. ("Hürriyet Medya Basım")	Turkey	Turkey	Printing and administrative services
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	Turkey	Turkey	Magazine and book publishing
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. ("Yenibir")	Turkey	Turkey	Internet publishing
Refeks Dağıtım ve Kurye Hizmetleri A.Ş ("Refeks")	Turkey	Turkey	Advertisement
Doğan Haber Ajansı A.Ş. ("Doğan Haber")	Turkey	Turkey	News agency
E Tüketici Internet ve Danışmanlık Hizmetleri Elektronik Yayıncılık A.Ş. ("E Tüketici")	Turkey	Turkey	Internet publishing
Nartek Bilişim Pazarlama Hizmetleri Ticaret A.Ş. ("Nartek")	Turkey	Turkey	Internet publishing
TME Teknoloji Proje Geliştirme ve Yazılım A.Ş. ("TME Teknoloji")	Turkey	Turkey	Software development
Hürriyet Zweigniederlassung GmbH. ("Hürriyet Zweigniederlassung")	Germany	Europe	Newspaper publishing
TME	Jersey	Europe	Investment
Publishing House Pennsylvania Inc	USA	Russia and EE	Investment
Pronto Soft	Belarus	Russia and EE	Internet publishing
SP Belpronto OOO	Belarus	Russia and EE	Newspaper and internet publishing
Bolji Posao d.o.o. Bosnia	Bosnia-Herzegovina	Europe	Internet publishing
Oglasnik d.o.o.	Croatia	Europe	Newspaper and internet publishing
TCM Adria d.o.o.	Croatia	Europe	Investment
Internet Posao d.o.o.	Croatia	Europe	Internet publishing
Hürriyet Invest B.V. ("Hürriyet Invest")	Holland	Europe	Investment
Pronto Invest B.V.	Holland	Europe	Investment
Mirabridge International B.V.	Holland	Europe	Investment
OOO Pronto Akmola	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Aktau	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Aktobe	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Atyrau	Kazakhstan	Russia and EE	Newspaper and internet publishing
Pronto Ust Kamenogorsk	Kazakhstan	Russia and EE	Newspaper publishing
ZAO Pronto Akzhol	Kazakhstan	Russia and EE	Newspaper and internet publishing
Expressz Magyarorszag Rt	Hungary	Europe	Newspaper and internet publishing
Impress Media Marketing BVI	Russia	Russia and EE	Publishing
Impress Media Marketing LLC	Russia	Russia and EE	Publishing
OOO Delta-M	Russia	Russia and EE	Newspaper and internet publishing
OOO Novoprint	Russia	Russia and EE	Newspaper and internet publishing
OOO Partner-Soft	Russia	Russia and EE	Internet publishing
OOO Pronto Astrakhan	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Baikal	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto DV	Russia	Russia and EE	Newspaper and internet publishing

Subsidiaries	Registered country	Geographic segment	Nature of business
OOO Pronto Ivanovo	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kaliningrad	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kazan	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kemerovo	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Krasnodar	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Krasnojarsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Moscow	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Neva	Russia	Russia and EE	Internet publishing
OOO Pronto Nizhnij Novgorod	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Novosibirsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Obninsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Oka	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Petersburg	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Rostov	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Samara	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Smolensk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Stavropol	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Tula	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto TV	Russia	Russia and EE	Broadcasting
OOO Pronto UlanUde	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Vladivostok	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Volgograd	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Voronezh	Russia	Russia and EE	Newspaper and internet publishing
OOO Rektcentr	Russia	Russia and EE	Investment
OOO Rosprint	Russia	Russia and EE	Printing services
OOO Rosprint Samara	Russia	Russia and EE	Printing services
OOO Tambov-Info	Russia	Russia and EE	Newspaper and internet publishing
OOO Tambukan	Russia	Russia and EE	Newspaper and internet publishing
OOO Utro Peterburga	Russia	Russia and EE	Newspaper and internet publishing
RU.com OOO	Russia	Russia and EE	İnternet publishing
ZAO Avtotehsnab	Russia	Russia and EE	Newspaper and internet publishing
ZAO NPK	Russia	Russia and EE	Call center
Bolji Posao d.o.o. Serbia	Serbia	Europe	Internet publishing
Mojo Delo spletni marketing d.o.o	Slovenia	Europe	Internet publishing
TOV E-Prostir	Ukraine	Russia and EE	Internet publishing
SP Pronto Kiev	Ukraine	Russia and EE	Newspaper and internet publishing

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
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(Amounts expressed in Turkish Lira ["TL"] unless otherwise indicated.)

Joint Ventures

Joint Ventures of the Company, registered countries, nature of businesses, geographic segments are as follows:

Joint Venture	Registered country	Geographic segment	Nature of business
Tipeez İnternet Hizmetleri A.Ş. ("Tipeez")	Turkey	Turkey	Internet publishing
LLC Autoscout24	Russia	Russia and EE	Internet publishing
ASPM Holding B.V.	Holland	Europe	Investment

NOTE 2-BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial reporting standards

The Capital Markets Board of Turkey ("CMB") regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). This Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes the Communiqué No: XI-25 "The Financial Reporting Standards in the Capital Markets". According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB"), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") issued by the TASB which are in line with the aforementioned standards shall be considered.

With the decision taken on 17 December 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, IAS 29 "Financial Reporting in Hyperinflationary Economies" issued by IASB is not applied in accompanying consolidated financial statements for the accounting periods starting 1 January 2005.

Within the scope of CMB's Communiqué Serial XI, No: 29 and its announcements clarifying this communiqué the consolidated financial statements have been prepared in accordance with the CMB's Financial Reporting Standards which are based on IAS/IFRS, as the differences of IAS/IFRS, adopted by the European Union, from those published by IASB have not yet been announced by Turkish Accounting Standards Board as of the date of these financial statements. The Company maintains its books of account and prepares their statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Finance. Foreign subsidiaries prepare their statutory financial statements in accordance with applicable laws and regulations in force in the countries in which they are registered.

The consolidated financial statements are prepared in accordance with historical cost basis in order to make the presentation CMB Financial Reporting Standards with appropriate adjustments and reclassifications.

2.1.2 Financial statements of Subsidiaries and Associates operating in foreign countries

The financial statements of Subsidiaries and Associates operating in foreign countries are prepared according to the regulations of the countries where they operate and the necessary adjustments and reclassifications have been reflected in order to comply with basis of presentation that are explained in Note 2.1.1. The assets and liabilities of foreign Subsidiaries and Associates are translated into TL using the relevant foreign exchange rates prevailing at the balance sheet date. The results of the foreign Subsidiaries and Associates are translated into TL using average exchange rate for the period. 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 equity as currency translation differences. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the statement of income as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(Amounts expressed in Turkish Lira ["TL"] unless otherwise indicated.)

2.1.3 Consolidation principles

The consolidated financial statements include the accounts of the parent company, Hürriyet, its Subsidiaries, Joint Ventures, and its Associates (collectively referred as the "Group") on the basis set out in sections (a) to (c) below. The financial statements of the companies included in the consolidation are based on historical cost of the statutory records and for the purpose of fair presentation in accordance with the accounting policies described in Note 2.1.1 and application of uniform accounting policies and presentations; adjustments and reclassifications.

(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. Following the transfer of ownership to the Group, subsidiaries are consolidated on the basis of full consolidation. The result of operations of subsidiaries are included or excluded in these consolidated financial statements subsequent to the date of acquisition or the date of disposal respectively.

All business combinations have been accounted for by applying the purchase method by the Group. The cost of a business combination transferred is measured at fair value; and the amount transferred includes, the fair value at the date of exchange of monetary assets given, capital instruments written-down, equity instruments issued, liabilities incurred or assumed by the acquirer in exchange for control of the acquiree and costs directly attributable to the combination. Costs of purchase are recognised as expense at the time it is incurred. Liabilities incurred of identifiable assets purchased are recognised at fair value at the acquisition date.

The Subsidiaries and their effective ownership interests at 31 December 2010 and 31 December 2009 are as follows:

	Proportion of voting power held by Hürriyet and its subsidiaries (%)		Effective ownership interests (%)	
Subsidiaries	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Hürriyet Medya Basım	99,99	99,99	99,99	99,99
Doğan Ofset	99,89	99,89	99,89	99,89
Yenibir	100,00	100,00	100,00	100,00
Refeks	100,00	100,00	100,00	100,00
Doğan Haber	50,01	50,01	50,01	50,01
Doğan Daily News (2)	-	94,25	-	94,25
Nartek (8)	59,99	-	59,99	-
E-Tüketici	98,41	98,41	98,41	98,41
Hürriyet Zweigniederlassung	100,00	100,00	100,00	100,00
Hürriyet Invest	100,00	100,00	100,00	100,00
TME Teknoloji Proje Geliştirme ve Yazılım Anonim Şirketi	100,00	100,00	100,00	100,00
TME(1)	71,14	67,30	71,14	67,30
Oglasnik d.o.o. (1)	100,00	100,00	71,14	67,30

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	Proportion of voting power held by Hürriyet and its subsidiaries (%)		Effective ownership interests (%)	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Oglasnik Nekretnine d.o.o. (6)	-	100,00	-	67,30
TCM Adria d.o.o.	100,00	100,00	71,14	67,30
Internet Posao d.o.o.	100,00	100,00	49,80	47,11
Expressz Magyarorszag Rt	100,00	100,00	71,14	67,30
International Ssuarts Holding B.V. (2)	-	100,00	-	67,30
Mirabridge International B.V.	100,00	100,00	71,14	67,30
Trader Classified Media Croatia Holdings B.V.(3)	-	100,00	-	67,30
Trader East Holdings B.V. (7)	-	100,00	-	67,30
Pronto Invest B.V.	100,00	100,00	71,14	67,30
ZAO Pronto Akzhol	80,00	80,00	56,91	53,84
OOO Pronto Akmola	100,00	100,00	71,14	67,30
OOO Pronto Atyrau	100,00	100,00	56,91	53,84
OOO Pronto Aktobe	80,00	80,00	45,53	43,07
OOO Pronto Aktau	100,00	100,00	56,91	53,84
Informatsia Vilniusa (2)	-	100,00	-	67,30
OOO Pronto Rostov	100,00	100,00	71,14	67,30
ZAO Avtotehsnab	85,00	85,00	60,47	57,21
OOO Novoprint	100,00	100,00	71,14	67,30
ZAO NPK	100,00	100,00	71,14	67,30
OOO Balt-Pronto Kaliningrad (4)	-	100,00	-	67,30
OOO Delta-M	55,00	55,00	39,13	37,02
OOO Pronto Baikal	100,00	100,00	71,14	67,30
OOO Pronto DV	100,00	100,00	71,14	67,30
OOO Pronto Ivanovo	100,00	100,00	71,14	67,30
OOO Pronto Kaliningrad	95,00	95,00	67,58	63,94
OOO Pronto Kazan	72,00	72,00	51,22	48,46
OOO Pronto Krasnodar	80,00	80,00	56,91	53,84
OOO Pronto Krasnojarsk	100,00	100,00	71,14	67,30
OOO Pronto Nizhnij Novgorod	90,00	90,00	64,03	60,57
OOO Pronto Novosibirsk	100,00	100,00	71,14	67,30
OOO Pronto Oka	100,00	100,00	71,14	67,30
OOO Pronto Petersburg	51,00	51,00	36,28	34,32
OOO Pronto Print (2)	-	54,00	-	36,34
OOO Pronto Samara	89,90	89,90	63,95	60,50
OOO Pronto Stavropol	100,00	100,00	71,14	67,30
OOO Pronto UlanUde	90,00	90,00	64,03	60,57
OOO Pronto Vladivostok	90,00	90,00	64,03	60,57
OOO Pronto Volgograd	100,00	100,00	71,14	67,30
OOO Pronto Moscow	100,00	100,00	71,14	67,30
OOO Rosprint	100,00	100,00	71,14	67,30
OOO Rosprint Samara	100,00	100,00	71,14	67,30
OOO Tambukan	85,00	85,00	60,47	57,21
OOO Utro Peterburga	55,00	55,00	39,13	37,02
OOO Partner-Soft	100,00	100,00	71,14	67,30
Pronto Soft	90,00	90,00	64,03	60,57
OOO Pronto Astrakhan	100,00	100,00	71,14	67,30
OOO Pronto Kemerovo	100,00	100,00	71,14	67,30
OOO Pronto Sever (4)	-	90,00	-	60,57
OOO Pronto Smolensk	100,00	100,00	71,14	67,30
OOO Pronto Tula	100,00	100,00	71,14	67,30
OOO Pronto TV	100,00	70,00	71,14	47,11
OOO Pronto Voronezh	100,00	100,00	71,14	67,30

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	Proportion of voting power held by Hürriyet and its subsidiaries (%)		Effective ownership interests (%)	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
SP Belpronto OOO	60,00	60,00	42,68	40,38
OOO Tambov-Info	100,00	100,00	71,14	67,30
Impress Media Marketing LLC (1)	100,00	100,00	71,14	67,30
OOO Pronto Obninsk	100,00	100,00	71,14	67,30
OOO Pronto Komi (4)	-	70,00	-	47,11
OOO Rektcentr	100,00	100,00	71,14	67,30
OOO Pronto Neva (8)	100,00	-	71,14	-
Impress Media Marketing BVI (1)	100,00	100,00	71,14	67,30
SP Pronto Kiev	50,00	50,00	35,57	33,65
E-Prostir	50,00	50,00	35,57	33,65
Publishing House Pennsylvania Inc	100,00	100,00	71,14	67,30
OOO Optoprint (5)	-	100,00	-	67,30
RU.com OOO	100,00	100,00	71,14	67,30
Moje Delo, spletni marketing, d.o.o (1)	100,00	100,00	71,14	67,30
Bolji Posao d.o.o. Serbia	100,00	100,00	39,13	37,02
Bolji Posao d.o.o. Bosnia	100,00	100,00	39,13	37,02
Pronto Ust Kamenogorsk	100,00	90,00	56,91	50,91

(1) Related rates include put-options regarding non-controlling shares explained in Note 19.
(2) The subsidiaries were liquidated in 2010.
(3) The subsidiary was merged with Pronto Invest B.V. in 2010.
(4) The subsidiaries were sold in 2010.
(5)The subsidiary was merged with OOO Pronto Moscow in 2010.
(6) The subsidiary was merged with Oglasnik d.o.o. in 2010.
(7) The subsidiary was merged with Mirabridge International B.V. in 2010.
(8) The subsidiary was founded in 2010.

(b) Joint Ventures

Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Hürriyet and its subsidiaries and one or more other parties. Proportionate consolidation is used for joint ventures; in other words, consolidation has been performed by including the parent company’s asset, liability, income and expense share on the joint venture. Shares and efficiency ratios of Hürriyet and its subsidiaries as of 31 December 2010 and 31 December 2009 are as follows:

Joint Ventures	2010 Direct and indirect share of Hürriyet and its subsidiaries (%)	2009 Direct and indirect share of Hürriyet and its subsidiaries (%)
Tipeez İnternet Hizmetleri A.Ş. (“Tipeez”) (*)	29,99	-
LLC Autoscout24 (**)	36,28	-
ASPM Holding B.V. (***)	36,28	-

(*) Joint venture was founded on 16 April 2010.
(**) Joint venture was founded on 29 April 2010.
(***) Joint venture was acquired on 29 April 2010 by paying 30.500 Euro.

It is not presented in IFRS 3 Business Combinations disclosure due to immateriality (Note 3).

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(c) Investments in associates

Investments in associates are consolidated by using the equity method of accounting. These are undertakings over which the Group has significant influence, but no controlling power. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Net increases or decreases in the net assets of Associates are included in the consolidated financial statements in regards with the Group's share and classified under "Share of loss of investments accounted for by the equity method".

Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate 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 Associates and the proportion of ownership interests at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010 Direct and indirect control by Hürriyet and its Subsidiaries (%)	31 December 2009 Direct and indirect control by Hürriyet and its Subsidiaries (%)
Doğan Media International GmbH ("Doğan Media")	42,42	42,42
Yaysat Yayın Satış Pazarlama ve Dağıtım A.Ş. ("Yaysat") (*)	-	25,00
DYG İlan ve Reklam Hizmetleri A.Ş. ("DYG İlan") (**)	-	20,00

(*) Yaysat was merged with Doğan Dağıtım Satış Pazarlama Matbaacılık Ödeme Aracılık ve Tahsilat Sistemleri A.Ş. ("Doğan Dağıtım") on 1 April 2010 and shares of Yaysat were converted to shares of Doğan Dağıtım. After the merge, the Company's shares in Doğan Dağıtım increased from 0,0029% to 0,8313% (Note 12).
(**) 20% shares of DYG İlan were sold to Milliyet Haber Ajansı A.Ş. as of 3 September 2010.

(d) Non-controlling interests

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

2.1.4 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 recognizing assets after the deduction for impairment, is not regarded as a violation of the rule of non-offsetting.

Income obtained, other than revenue, defined under the title "Proceeds" as a result of the Group's transactions realised within the normal course of business, is accounted for over the net values, provided that they are related to the essence of the transaction or event.

2.1.5 Comparative Information and Restatement of Prior Period Financial Statements

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. In order to maintain consistency, with current year consolidated financial statements, comparative information is reclassified and significant changes are disclosed if necessary. In the current year, the Group has made some reclassifications in the prior year consolidated financial statements in order to maintain consistency, with current year consolidated financial statements. Nature, cause and amounts of classifications are explained below:

• Goodwill impairment amounting to TL 6.690.016 in "General Administrative Expenses" has been included in "Other Operating Expenses".

• Derivative financial liabilities amounting to TL 1.914.602 in "Other Current Liabilities" has been included in "Other Financial Liabilities".

• Unused vacation provision amounting to TL 9.428.016 in "Provisions" has been included in "Other Current Liabilities".

• Cash flows from operating activities before changes in operating assets and liabilities amounting to TL 158.921.097 has been reported as TL 158.593.194, net cash provided by operating activities amounting to TL 151.715.588 has been reported as TL 147.453.070, net cash used in by investing activities amounting to TL (40.475.328) has been reported TL (36.212.810) in the statement of cash flows.

These reclassifications do not have any impact on the statement of comprehensive income.

2.1.6 Amendments and interpretations to existing standards

Standards Affecting Notes and Presentation of Financial Statements

There is no change in standard and interpretations affecting the basis of presentation and notes of financial statements during the period.

New and Revised IFRSs applied as of 31 December 2010 but have no effect on the financial statements:

IFRS 3 (revised) Business Combinations

IFRS 3 (revised), "Business Combinations" and consequential amendments to IAS 27, "Consolidated and separate financial statements", IAS 28, "Investments in associates", and IAS 31, "Interests in joint ventures", are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. Major effects of adoption of the revised standards and changes in applications of existing standards are as follows:

- to allow a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as minority interests) either at fair value or at the non-controlling interests share of the fair value of the identifiable net assets of the acquire.
- to change the recognition and subsequent accounting requirements for contingent consideration.
- to require that acquisition-related costs be accounted for separately from the business combination, generally leading to those costs being recognized as an expense in profit or loss as incurred.
- in step acquisitions, previously held interests are to be remeasured to fair value at the date of the subsequent acquisition with the value included in goodwill calculation. Gain or loss arising from the re-measurement shall be recognized as part of profit or loss.
- IFRS 3 (2008) requires the recognition of a settlement gain or loss when the business combination in effect settles a pre-existing relationship between the Group and the acquiree.

IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss. There has been no impact of IAS 27 and IFRS 3 on the financial statements.

IFRIC 17, "Distributions of non-cash assets to owners", effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it has not made any non-cash distributions.

IFRIC 18, "Transfers of assets from customers", effective for transfer of assets received on or after 1 July 2009. This is not relevant to the Group, as it has not received any assets from customers.

"Additional exemptions for first-time adopters" (Amendment to IFRS 1) was issued in July 2009. The amendments are required to be applied for annual periods beginning on or after 1 January 2010. This is not relevant to the Group, as it is an existing IFRS preparer.

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IFRS 2, "Share-based Payments-Group Cash-settled Share Payment Arrangements" is effective for annual periods beginning on or after 1 January 2010. This is not currently applicable to the Group, as the Group does not have share-based payment plans.

Amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations,* clarify the obligations when the Group is committed to a sale plan of a subsidiary. Non-current Assets Held for Sale and Discontinued Operations clarify that all the assets and liabilities of a subsidiary should be classified as held for sale when the Group is committed to a sale plan involving loss of control of that subsidiary, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Improvements to International Financial Reporting Standards 2009 were issued in April 2009. The improvements cover the following standards/interpretations: IFRS 2 Share-based Payments, IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 8 Operating Segments, IAS 1 Presentation of Financial Statements, IAS 7 "Statement of Cash flows" IAS 17 Leases, IAS 18 Revenue, IAS 36 Impairment of Assets, IAS 38 Intangible Assets, IAS 39 Financial Instruments: Recognition and Measurement, IFRIC 9 Reassessment of Embedded Derivatives, IFRIC 16 Hedges of Net Investment in a Foreign Operation. The effective dates vary standard by standard but most are effective 1 January 2010.

Standards and Interpretations that are not yet effective in December 2010 and have not been early adopted:

IFRS 1 (amendments) First-time Adoption of IFRS-Other exceptional situation

Amendments to IFRS 1 which are effective for annual periods on or after 1 July 2010 provide limited exemption for first time adopters to present comparative IFRS 7 fair value disclosures.

On 20 December, IFRS 1 is amended to provide relief for first-time adopters of IFRSs from having to reconstruct transactions that occurred before their date of transition to IFRSs, provide guidance for entities emerging from severe hyperinflation either to resume presenting IFRS financial statements or to present IFRS financial statements for the first time. The amendment above will be effective for annual periods beginning on or after 1 July 2011.

These amendments are not relevant to the Group, as it is an existing IFRS preparer.

IFRS 7 "Financial Instruments: Disclosures"

In October 2010, IFRS 7 Financial Instruments: Disclosures is amended by IASB as part of its comprehensive review of off balance sheet activities. The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendment will be effective for annual periods beginning on or after 1 July 2011. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IFRS 9 Financial Instruments: Classification and Measurement

In November 2009, the first part of IFRS 9 relating to the classification and measurement of financial assets was issued. IFRS 9 will ultimately replace IAS 39 Financial Instruments: Recognition and Measurement. The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measure the financial assets as either at amortized cost or at fair value. The new standard is mandatory for annual periods beginning on or after 1 January 2013. The Group has not had an opportunity to consider the potential impact of the adoption of this standard.

IAS 12 "Income Taxes"

In December 2010, IAS 12 the standard of "Income Taxes" is amended. IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be, be through sale. The amendment will be effective for annual periods beginning on or after 1 January 2012. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 24 (Revised 2009) "Related Party Disclosures"

In November 2009, IAS 24 Related Party Disclosures was revised. The revision to the standard provides government-related entities with a partial exemption from the disclosure requirements of IAS 24. The revised standard is mandatory for annual periods beginning on or after 1 January 2011. The Group has not yet had an opportunity to consider the potential impact of the adoption of this revised standard.

IAS 32 (Amendments) "Financial Instruments": Presentation and IAS 1 Presentation of Financial Statements

The amendments to IAS 32 and IAS 1 are effective for annual periods beginning on or after 1 February 2010. The amendments address the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously, such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated. The Group has not yet had an opportunity to consider the potential impact of the adoption of this amendment to the standard.

IFRIC 14 (Amendments) "Pre-payment of a Minimum Funding Requirement"

Amendments to IFRIC 14 are effective for annual periods beginning on or after 1 January 2011. The amendments affect entities that are required to make minimum funding contributions to a defined benefit pension plan and choose to pre-pay those contributions. The amendment requires an asset to be recognized for any surplus arising from voluntary pre-payments made. The Group does not expect any impact of the adoption of this amendment on the financial statements.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. IFRIC 19 addresses only the accounting by the entity that issues equity instruments in order to settle, in full or part, a financial liability. The Group has not yet had an opportunity to consider the potential impact of the adoption of this amendment to the standard.

Annual Improvements May 2010

Further to the above amendments and revised standards, the IASB has issued Annual Improvements to IFRSs in May 2010 that cover 7 main standards/interpretations as follow: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 3 Business Combinations; IFRS 7 Financial Instruments: Disclosures; IAS 1 Presentation of Financial Statements, IAS 27 Consolidated and Separate Financial Statements; IAS 34 Interim Financial Reporting and IFRIC 13 Customer Loyalty Programmes.

With the exception of amendments to IFRS 3 and IAS 27 which are effective on or after 1 July 2010, all other amendments are effective on or after 1 January 2011. The Group has not yet had an opportunity to consider the potential impact of the adoption of these amendments to the standards.

2.2 Summary of significant accounting policies

2.2.1 Related parties

For the purposes of these consolidated financial statements, Doğan Holding and Doğan Yayın, shareholders, key management personnel and Board members, in each case together with their families and companies controlled or affiliated with them are considered and referred to as "Related parties" (Note 32).

2.2.2 Financial assets at fair value through profit and loss

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

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2.2.3 Trade receivables and provision for doubtful receivables

Trade receivables resulted from providing goods or services directly to a debtor are carried at amortised cost. Trade receivables, net of unearned financial income, are measured at amortised cost, using the effective interest rate method, less the unearned financial income. Short-term receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant (Note 9).

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 Group also set allowance for the receivables which are overdue for more than one year unless there is no guarantee and collaterals taken or special agreement. The amount of this provision is the difference between the book value of the receivable and the collectible amount. The recoverable amount is 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.

2.2.4 Impairment of assets

IFRS prohibits the amortization of goodwill and intangible assets with indefinite useful lives. Goodwill recognised in a business combination is not amortised; it is tested for impairment annually instead and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. The Group tests goodwill for impairment at year-ends.

The Group reviews all assets except for goodwill at each balance sheet date for any indication of impairment on the stated asset. If there is any indicator of impairment, carrying amount of the stated asset is compared with the net realisable value which is the higher of value in use and fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Impairment exists if the carrying amount of the stated asset or the cash generating unit including the stated asset exceeds its net realisable value. Impairment losses are recognised in consolidated statement of income.

2.2.5 Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make the sale. Cost elements included in inventories are materials, labour and an appropriate amount of production overheads. The cost of inventories is determined on the weighted average basis (Note 11).

Promotion materials

Assessment of impairment on promotion materials and determination of impairment amount is carried out by the group management. Impairment amount is determined by considering the purchase dates and rates identified by management.

2.2.6 Investment properties

Land and buildings that are held to earn rentals and/or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as investment property. Investment properties are carried at cost less accumulated depreciation (except land) under the cost method less impairment charges, if any. Depreciation of investment properties (except land) is provided using a straight-line basis. The depreciation periods for investment property, which approximate the economic useful lives of such assets, are determined as 50 years (Note 13).

Investment properties are reviewed for impairment losses and if there is an indication of impairment on investment properties, recoverable amount is determined. Recoverable amount is considered to be the higher of future net cash flows of the investment property or the fair value less costs to sell. Investment properties are evaluated for any impairment and if carrying value of the investment property is higher than net recoverable amount, provision for impairment is established for the difference between the carrying and recoverable amount. Impairment is accounted to consolidated statement of income of the same year (Notes 16 and 2.2.26).

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2.2.7 Property, plant and equipment and depreciation

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided using the straight-line method based on the estimated useful lives of the assets (Note 14).

The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

Buildings	25-50 years
Machinery and equipment	3-15 years
Furniture and fixtures	3-15 years
Motor vehicles	5 years
Leasehold improvements	2-20 years

Property, plant and equipment are reviewed for impairment losses and if there is an indication of impairment, carrying value of financial asset is determined. Recoverable amount is considered to be the higher of future net cash flows of the investment property or the fair value less costs to sell.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Impairment losses are recognised in the consolidated statement of income of the same year.

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

Repair and maintenance expenses are charged to the consolidated statement of income as they are incurred. Repair and maintenance expenses are capitalised if they result in an enlargement or substantial improvement of the respective assets (Note 14).

2.2.8 Financial leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Minimum lease payments are treated as comprising capital and interest elements.

Principal lease payments are treated as liabilities and reduced on payments. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the estimated useful life of the asset.

2.2.9 Intangible assets and amortisation

Intangible assets excluding goodwill comprise trade names, customer lists, computer software and rights, internet domain names and other intangible assets. All trade names, customer lists and internet domain names have been identified as a result of independent valuations performed for the purchase price allocation related with the business combinations. Useful lives of certain trade names are determined to be indefinite. Assets that have an indefinite useful life are not subject to amortisation and tested annually for impairment as goodwill.

Estimated useful lives of the intangible assets with finite useful lives are as follows:

Trade names	20 years
Customer lists	9 and 18 years
Computer software and rights	5-15 years
Domain names	3-20 years
Other intangible assets	5 years

Computer software and rights and other intangible assets are carried at their acquisition cost and amortised using the straight-line method over their estimated useful lives (Note 15).

Intangible assets with finite useful lives are evaluated for impairment losses and an impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised immediately in the consolidated statement of income.

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Web page development costs

Costs associated with developing web pages are capitalized and are amortized over their estimated useful lives (Note 15). Following the planning phase and operation; all costs are recognized as expense. Maintenance costs of web pages are accounted as operational expenses.

2.2.10 Critical accounting estimates and judgments

Preparation of financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognised as of the balance sheet date, contingent assets and liabilities disclosed and the amount of revenues and expenses reported. Although, these estimates and assumptions rely on the Company management's best knowledge about current events and transactions, actual outcomes may vary from those estimates and assumptions. The critical accounting estimates which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the following financial reporting periods are as follows.

Useful lives of intangible assets

Group estimates the useful lives of some trade names as indefinite. If these intangible assets' useful lives are finite (in case of useful lives of 20 years), their amortisation charge would have increased by TL 11.648.141 (31 December 2009: TL 13.980.752) and income before tax and non-controlling interests would have decreased by TL 11.648.141 (31 December 2009: TL 13.980.752).

Group amortises trade names, customer lists and domain names with definite useful lives over the useful lives specified in Note 2.2.10.

If the useful lives of trade names, customer lists and domain names differ from the management's estimates by 10%, the effects on the financial statements would be as follows:

-Had the useful lives been higher by 10%, amortisation charges would have decreased by TL 1.617.995 and income before tax and non-controlling interests would have increased by TL 1.617.995 (31 December 2009: TL 1.302.968) or

-Had the useful lives been lower by 10%, amortisation charges would have increased by TL 1.977.550 and income before tax and non-controlling interests would have decreased by TL 1.997.550 (31 December 2009: TL 1.592.516).

Impairment of assets

The recoverable amounts of the Cash Generating Units are determined by calculating the amounts to be obtained through sales. These calculations are based on financial budgets covering a five-year period after-tax cash flow estimates and EBITDA (earnings before interest, tax, depreciation and amortization) estimates play an important role in these calculations.

Discount and EBITDA increase rates for projected cash flows following the five year period are as below:

	EBITDA increase rate (%) (*)	Discount rate (%)
Russia and Commonwealth of Independent States	8,52	13,4
Hungary	20,91	13,4
Croatia	8,51	13,5
Slovenia	2,17	12,4
Turkey	7,05	24,0

(*) Weighted average of EBITDA increase rate used to extrapolate projected cash flows following the budget period

Group management set an impairment provision of goodwill and intangible assets amounting to TL 53.301.349 in the consolidated financial statements for the year ended 31 December 2010 (Note 16).

If after-tax discount rate applied to cash flow projections on cash-generating units is 1% more than management's estimates, the Group would account an additional provision amounting to TL 22.732.598 to its financial statements and net loss before tax and non-controlling interests would increase by TL 22.732.598.

Provisions

As explained in detail in Note 18, the Group management has accounted for a provision amounting to TL 3.179.690 in the consolidated financial statements at 31 December 2010 in accordance with the opinions of the legal counsel and tax specialist on the tax inspection reports.

Group management sets a doubtful receivable provision amounting to TL 8.273.082 in the consolidated financial statements for the year ended 31 December 2010 (Note 9).

2.2.11 Taxation on income

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

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

In substance, temporary differences arise from the differences in the periods of the recognition of income and expenses in accordance with the accounting policies described in Note 2.1.1 and tax legislation.

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

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

2.2.12 Borrowings

Bank borrowings are recognised initially at proceeds received, net of transaction costs incurred. Bank borrowings are subsequently stated at amortised cost using the effective yield method in the consolidated financial statements. Any difference between the proceeds (excluding transaction charges) and redemption value is recognised in the consolidated statement of income over the period of the borrowings (Note 7).

2.2.13 Employment termination benefits

The Group is required to pay termination benefits to employees who is retired, whose employment is terminated without due causes in Labour Law, in accordance with the Law related with The Arrangement of the Relationships within the Employees in Press Sector (employees in media sector) and other laws. The provision for employment termination benefits, as required by Turkish Labour Law, is recognised in these financial statements as the benefits are earned. The total provision represents the present value of future probable obligation of the Group arising from the retirement of its employees regarding the actuarial projections (Note 20).

2.2.14 Provisions

Provisions are recognised when the Group has a present legal constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the provision amount decreases upon a change in the current situation, the related amount is recorded to other income in the current period.

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2.2.15 Share capital and dividends

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

2.2.16 Foreign currency transactions and translation

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in Turkish Lira, which is the functional currency of the Group.

Foreign currency transactions and balances

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

Foreign Group Companies

The results of Group undertakings using a measurement currency other than TL are first translated into TL by using the average exchange rate for the period. The assets and liabilities of such Group undertakings are translated into TL by using the closing rate at the balance sheet date. Differences arising on retranslation of the opening net assets of such Group undertakings and differences between the average and period-end rates are included in currency translation reserve as a separate item in the equity.

A significant portion of the Group's foreign operations are performed in Russia, Europe and Eastern Europe countries (Note 4). Foreign currencies and exchange rates at 31 December 2010 and 31 December 2009 are summarized below:

Country	Currency	31 December 2010	31 December 2009
Eurozone	Euro	2,0491	2,1603
Russia	Ruble	0,0507	0,0500
Hungary	Forint	0,0074	0,0079
Croatia	Kuna	0,2776	0,2966
Ukraine	Grivna	0,1942	0,1895
Romania	New Ley	0,4826	0,5090

2.2.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of rebates, returns and commissions after eliminating sales within the Group.

Revenue initially accounted for with respect to the fair value of the amount receivable or received when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. 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 interest rate used in discounting, is the interest rate to discount nominal amount of the receivable to the amortised cost of the related goods or services given.

The difference between the fair value and the nominal amount of the consideration is recognised as interest income.

Revenues from advertisement:

Revenues from advertisement are recognised on an accrual basis based on the time of publishing. Unpublished part of the advertisement is recorded as deferred revenue in balance sheet.

Revenues from newspaper sales:

Revenues from newspaper sales are recognised on an accrual basis at the time of delivery of the newspapers by the distribution company to the vendor at the invoiced values.

Revenues from printing services:

Revenues from printing services arise from printing services given to third parties other than Group companies by using Group's printing facilities. Related income is recognised on an accrual basis at the time of services given.

Newspaper sales returns:

Provision for newspaper sales returns is accounted at the time of delivery based on past experiences and recent information of sales returns.

Interest income:

Interest income is recognised on accruals basis in accordance with effective interest yield method.

Rental income:

Rental income is recognised on an accrual basis.

Other income:

Other income is recognised on an accrual basis.

2.2.18 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. If the fair value of goods or services received cannot be reliably measured, the revenue is measured at the fair value of goods or services given up by the entity, again adjusted for any cash or cash equivalents received or paid (Note 19).

2.2.19 Loss per share

Loss per share disclosed in the consolidated statements of income are determined by dividing net loss for the period 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 22). For the purpose of earnings per share computations, such bonus shares issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by considering the retrospective effects of the issuances of the shares (Note 31).

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

2.2.20 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and easily convertible short-term, highly liquid investments with maturity periods of 3 months or less (Note 5).

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2.2.21 Subsequent events

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

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

2.2.22 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 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 assets 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 3 months or less to maturity (Note 5).

2.2.23 Financial liabilities to non-controlling interests put options

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

As it is highly probable that the Group will fulfill this obligation, IAS 32, "Financial Instruments: Disclosure and Presentation", requires the value of such put option to be presented as a financial liability on the balance sheet for the discounted value of the expected exercise price of this option, notwithstanding the ability of the Company to settle part of these obligations with its own shares rather than cash. Furthermore, the share of non-controlling shareholders in the net asset of the company subject to the put option must be reclassified from "non-controlling interest" to "other financial liabilities" in the consolidated balance sheet. The Group recognises, on initial recognition, the difference between the exercise price of the option and the carrying value of the non-controlling interests as a reduction of non-controlling interest and then as additional goodwill. The subsequent unwinding of the discount is recognised in financial expense while the change in the value of the commitment is recorded through goodwill (Note 16).

2.2.24 Assets held for sale and discontinued operations

Discontinued operations are the part of the Group which either are classified as held-for-sale or have been disposed of and whose activities and cash flows can be treated as separable from the Group's activities and cash flows. Discontinued operations represent separate business or geographical segments, which are part of a plan to sell or dispose, or is a subsidiary acquired for selling. The Group measures discontinued operations, with the lower of the carrying amounts of the related assets and liabilities of the discontinued operations or the fair values less costs to sell (Note 29).

2.2.25 Business combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date (Note 3).

2.2.26 Segment reporting

The chief operating decision-maker of the Group is the Executive Committee. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group has selected the geographical segment as the Group's primary segment reporting format based on the risks and returns in geographical areas reflecting the primary source of the enterprise's risks and returns.

2.2.27 Derivative financial instruments

Derivative financial instruments, predominantly foreign currency interest swap agreements and foreign currency agreements are initially recognised at their historical costs plus the transaction costs. Derivative financial instruments are subsequently remeasured at their fair value. All derivative financial instruments are classified as financial assets carried at fair value through profit or loss. Fair value of derivative financial instruments is measured by using its market value or by applying discounted cash flows method. Derivative financial instruments are classified as assets or liabilities in accordance with their fair values to be positive or negative.

Changes in the fair value of derivatives at fair value through profit or loss are included in the consolidated statement of income.

Certain derivative transactions, while providing effective economic hedges under the risk management position, do not qualify for hedge accounting under the specific rules under IAS 39 and are therefore treated as derivatives at fair value through profit or loss and their fair value gains and losses are included in the consolidated statement of income.

NOTE 3-BUSINESS COMBINATIONS

There are no business combinations as of 31 December 2010 and 31 December 2009.

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NOTE 4-SEGMENT REPORTING

a) Segmental analysis for the period between 1 January-31 December 2010:

	Turkey	Russia and EE	Europe	Total
Sales	553.537.174	191.206.498	49.482.299	794.225.971
Cost of Sales (-)	(356.019.555)	(94.754.770)	(36.934.676)	(487.709.001)
Gross operating profit	197.517.619	96.451.728	12.547.623	306.516.970
Marketing, selling and distribution expenses (-)	(93.051.705)	(16.650.129)	(3.967.735)	(113.669.569)
Losses from investments accounted for by equity method (-)	(8.944.812)	-	-	(8.944.812)
Net segment result	95.521.102	79.801.599	8.579.888	183.902.589
General administrative expenses (-)				(147.385.996)
Other operating income				7.269.306
Other operating expenses (-)				(76.329.254)
Financial income				44.787.613
Financial expense (-)				(61.833.608)
Operating loss before tax				(49.589.350)
Tax expenses for the period (-)				(26.644.851)
Deferred tax income				20.706.815
Net loss for the period				(55.527.386)

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b) Segmental analysis for the period between 1 January-31 December 2009:

	Turkey	Russia and EE	Europe	Total
Sales	515.663.785	199.771.901	68.697.176	784.132.862
Cost of sales (-)	(352.804.154)	(97.072.103)	(49.156.162)	(499.032.419)
Gross operating profit	162.859.631	102.699.798	19.541.014	285.100.443
Marketing, selling and distribution expenses (-)	(66.147.108)	(13.010.205)	(6.489.150)	(85.646.463)
Losses from investments accounted for by equity method (-)	(15.189.329)	-	-	(15.189.329)
Net segment result	81.523.194	89.689.593	13.051.864	184.264.651
General administrative expenses (-)				(150.346.020)
Other operating income				7.561.155
Other operating expense (-)				(62.578.477)
Financial income				141.939.022
Financial expense (-)				(147.863.593)
Operating loss before tax				(27.023.262)
Tax expenses for the period (-)				(18.798.776)
Deferred tax income				4.687.042
Net loss for the period				(41.134.996)

c) Segment assets:

	31 December 2010	31 December 2009
Turkey	701.272.070	914.214.989
Russia and EE	698.935.697	703.837.308
Europe	141.291.184	213.150.768
	1.541.498.951	1.831.203.065
Unallocated assets	30.833.687	21.368.815
Investments accounted for by the equity method	6.593.636	1.432.023
Total assets per consolidated financial statements	1.578.926.274	1.854.003.903

Group's assets other than segment assets include tax receivables, prepaid taxes (Note 21), VAT receivables (Note 21) and deferred tax assets (Note 30).

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d) Segment liabilities

	31 December 2010	31 December 2009
Turkey	79.964.681	35.464.909
Russia and EE	18.557.684	21.024.131
Europe	24.658.364	28.559.419
	123.180.729	85.048.459
Unallocated liabilities	682.712.438	851.309.271
Total liabilities per consolidated financial statements	805.893.167	936.357.730

Group's liabilities other than segment liabilities is composed of short-and long-term borrowings (Note 7), provisions (Note 18), employee termination benefits (Note 18), VAT payable and unused vacation (Note 21), net income and tax liability and deferred tax liabilities (Note 30).

e) Depreciation and amortisation charges and capital expenditures

Capital expenditures (excluding business combinations):

	2010	2009
Turkey	26.779.999	60.985.408
Russia and EE	6.953.966	5.822.162
Europe	976.987	2.886.246
	34.710.952	69.693.816

Depreciation and amortisation charges:

	2010	2009
Turkey	49.095.581	48.296.621
Russia and EE	26.911.342	25.596.637
Europe	8.339.906	13.190.297
	84.346.829	87.083.555

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f) Non-cash expenses:

	1 January 2010-31 December 2010			
	Turkey	Russia and EE	Europe	Total
Provisions and accruals for tax penalties (Note 26)	3.179.690	-	-	3.179.690
Provision for doubtful receivables (Note 9, 21)	7.148.797	559.652	1.124.285	8.832.734
Provision for impairment of goodwill and intangible assets (Notes 15,16)	-	-	53.301.349	53.301.349
Provision for employee termination benefits and unused vacation rights (Notes 20,21)	12.420.398	-	-	12.420.398
Provision for impairment of inventory (Note 11)	456.811	-	-	456.811
Provision for impairment of investment properties (Note 26)	455.118	-	-	455.118
Provision for impairment of available for sale financial assets (Note 6)	273.917	-	-	273.917
Provision for lawsuits (Note 18)	724.944			724.944
	24.659.675	559.652	54.425.634	79.644.961

	1 January 2009-31 December 2009			
	Turkey	Russia and EE	Europe	Total
Provisions and accruals for tax penalties (Note 26)	32.754.695	-	-	32.754.695
Provision for doubtful receivables (Note 9)	7.624.746	1.649.965	2.681.336	11.956.047
Provision for employment termination benefits and unused vacation rights	11.391.635	-	-	11.391.635
Interest expense discount	6.428.778	1.200.192	96.423	7.725.393
Provision for goodwill impairment (Note 16)	-	6.690.546	-	6.690.546
Provision for impairment of investment properties (Note 13)	3.340.892	-	-	3.340.892
Provision for impairment of inventory (Note 11)	331.983	-	-	331.983
Provision for impairment of available for sale financial assets (Note 6)	316.828	-	-	316.828
Provision for lawsuits (Note 18)	220.281	-	-	220.281
	62.409.838	9.540.703	2.777.759	74.728.300

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NOTE 5-CASH AND CASH EQUIVALENTS

The cash and cash equivalents at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Cash	774.972	918.524
Banks		
-demand deposits	19.006.039	16.062.493
-time deposits	69.609.037	261.127.478
-blocked deposits	144.548	274.793
Total	89.534.596	278.383.288

The Group has blocked deposits amounting to TL 144.548 as of 31 December 2010 (31 December 2009: TL 274.793). The blocked deposits consist of demand deposits amounting to TL 10.246 (31 December 2009: TL 48.574).

Cash and cash equivalents included in the consolidated statements of cash flows as of 31 December 2010 and 2009 are as follows:

	31 December 2010	31 December 2009	31 December 2008
Cash and banks	89.534.596	278.383.288	370.325.965
Less: Blocked deposits	(144.548)	(274.793)	(65.451)
Less: Interest accruals	(471.826)	(1.133.947)	(2.041.423)
Total	88.918.222	276.974.548	368.219.091

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

	31 December 2010	31 December 2009
0-1 month	68.379.768	224.751.911
1-3 months	1.363.571	36.601.786
	69.743.339	261.353.697

There are no time deposits with variable interest rates at 31 December 2010 and 31 December 2009. The gross interest rate for TL time deposits is 7,3 % for 31 December 2010 (31 December 2009: 9,6 %). The gross interest rates of foreign currency denominated time deposits are 2,3 % for USD and 2,9 % for Euro as of 31 December 2010 (31 December 2009: USD: 2,6 %, Euro: 2,9 %).

NOTE 6-FINANCIAL ASSETS

The details of financial assets at fair value through profit and loss at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Treasury bills and government bonds	18.855.213	18.363.709
	18.855.213	18.363.709

All treasury bills and government bonds are on USD currency and the effective interest rate is 7,5 % as of 31 December 2010 (31 December 2009: 7,5 %).

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The details of financial assets available for sales as of 31 December 2010 and 31 December 2009 are as presented below:

	Share %	2010	Share %	2009
Doğan Havacılık Sanayi ve Ticaret A.Ş. ("Doğan Havacılık")	9,00	4.513.093	9,00	4.513.096
Doğan Factoring Hizmetleri A.Ş. ("Doğan Factoring")	5,11	1.029.747	5,11	736.422
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	2,00	346.038	2,00	346.038
Coats İplik Sanayi A.Ş.	0,50	257.850	0,50	257.850
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. ("Hürservis")	19,00	169.166	19,00	169.166
Other	-	286.141	-	345.620
		6.602.035		6.368.192
Impairment on Doğan Havacılık		(1.755.505)		(1.481.588)
Total		4.846.530		4.886.604

Financial investments are carried at cost since they are not being transacted in an active market.

The provision movements of impairment for financial assets available for sale are as follows:

	2010	2009
1 January	1.481.588	1.164.760
Provision for impairment	273.917	316.828
31 December	1.755.505	1.481.588

NOTE 7-FINANCIAL LIABILITIES

The details of financial liabilities at 31 December 2010 and 31 December 2009 are as follows:

Short-term financial liabilities and shor term portion of long term financial liabilities:	31 December 2010	31 December 2009
Bank borrowings	202.710.972	291.847.714
Financial liabilities to suppliers	26.562.545	25.786.590
Lease payables	919.929	2.700.311
Total	230.193.446	320.334.615

Long-term financial liabilities:	31 December 2010	31 December 2009
Bank borrowings	221.167.354	250.730.351
Financial liabilities to suppliers	54.991.092	77.615.157
Lease payables	28.539	1.605.599
Total	276.186.985	329.951.107

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Bank borrowings:

The details of bank borrowings at 31 December 2010 and 31 December 2009 are as follows:

	Effective interest rate (%)		Original foreign currency		TL	
	2010	2009	2010	2009	2010	2009
Short-term bank borrowings						
-Euro	1,7	1,7	2.970	3.320	6.086	7.172
Sub-total					6.086	7.172
Short-term portion of long-term bank borrowings						
-USD	3,3	2,8	93.194.435	173.307.371	144.078.596	260.948.911
-Euro	2,8	2,7	27.541.110	12.297.145	56.434.490	26.565.523
-CHF	2,4	2,4	1.333.374	2.985.170	2.191.800	4.326.108
Sub-total					202.704.886	291.840.542
Total short-term bank borrowings					202.710.972	291.847.714
Long-term bank borrowings						
-USD	4,4	2,7	138.664.540	136.161.196	214.375.379	205.017.913
-Euro	2,9	3,2	3.314.614	20.271.373	6.791.975	43.792.248
-CHF	-	2,5	-	1.325.000	-	1.920.190
Total long-term bank borrowings					221.167.354	250.730.351

The redemption schedules of long-term bank borrowings are as follows:

Year	31 December 2010	31 December 2009
2011	-	121.605.367
2012	116.281.690	88.939.474
2013	67.106.537	39.191.773
2014	25.730.549	993.737
2015 and over	12.048.578	-
	221.167.354	250.730.351

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

Year	31 December 2010	31 December 2009
Up to 6 months	423.878.326	540.460.971
6-12 months	-	2.117.094
	423.878.326	542.578.065

Carrying value of the financial liabilities is considered to approximate their fair value since discount effect is not material.

The Group has no obligation to fulfill financial conditions of the bank regarding the long-term bank loans used to purchase shares of TME.

The Group has to maintain a net debt ratio on the basis of EBITDA and equity identified by the bank for the last 12 months consolidated financial statements.

Furthermore, the Group committed that there will be no business combinations or disposals or sales of assets or liabilities in aggregate which may indicate a change in the control or in the major operations in one of the Group's Subsidiary, TME. Other than mergers and acquisitions allowed, buying shares and entering into joint venture agreements are restricted for the Group.

The Group has pledged 33.649.091 unit share certificates which comprise 67,3% of the shares of TME, one of its Subsidiaries, as securities to financial institutions related with the long-term bank borrowings (31 December 2009: 33.649.091 unit).

TME shall repay and cancel the credit facility in case of any change in the control of TME or any illegal acts provided that there are mitigation clauses in the credit facility agreement.

Furthermore, if there are disposals or sells in aggregate in excess of the amount of 10% of the TME's consolidated net assets or if there is an equity movement resulting in 10% change in TME's consolidated net assets, TME shall cancel and repay the credit facility.

In connection with the long-term bank loan used by OOO Pronto Moscow, the Group has some obligations for fulfilling some financial and operational requirements against the bank. Under the same loan agreement, OOO Pronto Moscow has given a royalty pledge in regards to one of its rights namely "IZ RUK V RUKI".

Lease payables:

Lease payables at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Short-term lease payables	919.929	2.700.311
Long-term lease payables	28.539	1.605.599
Total	948.468	4.305.910

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The redemption schedules of long-term lease payables are as follows:

Year	31 December 2010	31 December 2009
2011	-	1.575.913
2012	28.539	29.686
Total	28.539	1.605.599

The effective interest rate for long-term lease payables is 6,5% for USD and 5,3% for Euro (31 December 2009: USD: 6,5%, Euro: 5,0%).

Financial liabilities to suppliers:

Short and long-term financial liabilities to suppliers are related with the purchase of machinery and equipment. The effective interest rates of short-term and long-term financial liabilities to suppliers are 0,8% for USD, 1,6% for Euro and 1,2% for CHF (31 December 2009: USD: 1,3%, Euro: 1,5%, CHF: 1,4%).

The redemption schedules of long-term financial liabilities to suppliers are as follows:

Year	31 December 2010	31 December 2009
2011	-	24.973.355
2012	26.013.161	24.650.174
2013	22.940.320	21.626.371
2014 and after	6.037.611	6.365.257
Total	54.991.092	77.615.157

The Group's long-term financial liabilities to suppliers issued at variable interest rates are amounting to TL 54.991.092 as of 31 December 2010 (31 December 2009: TL 77.615.157).

The exposure of the Group's financial liabilities to suppliers to interest rate changes and the contractual repricing dates are as follows:

Period	31 December 2010	31 December 2009
Up to 6 months	81.420.394	103.120.800
6-12 months	133.243	280.947
Total	81.553.637	103.401.747

The fair values of short-term and long-term financial liabilities to suppliers are considered to approximate their carrying values as the effect of discount is not material.

The Group's borrowings with variable interest amount to TL 499.025.964 at 31 December 2010 (31 December 2009: TL 635.097.710).

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NOTE 8-OTHER FINANCIAL LIABILITIES

Other financial liabilities at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Derivative liabilities	4.602.171	1.914.602
Financial liabilities due to put options	52.480.516	15.865.561
-Short-term (Note 19)	*52.480.516*	*15.123.251*
-Long-term (Note 19)	-	*742.310*
Total	57.082.687	17.780.163

NOTE 9-TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables net of unearned credit finance income at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Trade receivables	207.076.298	189.523.390
Cheques and notes receivable	3.948.580	4.018.704
Receivables from credit cards	1.304.416	672.611
	212.329.294	194.214.705
Unearned credit finance income	(1.298.687)	(868.003)
Less: provision for doubtful receivables	(49.256.073)	(43.241.229)
Short-term trade receivables	161.774.534	150.105.473

Trade receivables resulting from advertisements, amounting to TL 115.496.315 (31 December 2009: TL 110.849.486) are followed up by Doğan Factoring Hizmetleri A.Ş. ("Doğan Factoring"). The due date of the Group's trade receivable followed up by Doğan Factoring is 91 days (31 December 2009: 85 days). The unearned credit finance income related with the receivables followed up by Doğan Factoring is TL 1.298.687 (31 December 2009: TL 800.396) and the effective interest rate is 10% (31 December 2009: 12%).

The movements of provision for doubtful receivables are as follows:

	2010	2009
1 January	43.241.229	32.659.317
Additions during the year (Note 26)	8.273.082	11.956.047
Collections during the period	(1.484.905)	(1.121.392)
Currency translation differences	(773.333)	(252.743)
31 December	49.256.073	43.241.229

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Trade payables at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Short-term trade payables	33.994.339	38.289.102
	33.994.339	38.289.102

NOTE 10-OTHER RECEIVABLES AND PAYABLES

Other receivables at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Receivables from tax authorities (*)	1.445.314	2.240.314
Deposits and guarantees given	396.262	365.799
Total	1.841.576	2.606.113

(*) Receivables from tax authorities of the Group as of 31 December 2010 consist of the tax receivable as a result of tax litigation resulted in favour of OOO Pronto Moscow, a subsidiary of the Group, which should be offset against future tax liabilities.

Other long-term receivables at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Deposits and guarantees given	790.356	666.652
Total	790.356	666.652

Other payables at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Taxes and funds payable	9.362.465	8.336.619
Due to personnel	4.615.369	3.808.965
Social security withholdings payable	3.357.710	2.940.133
Deposits and guarantees received	1.000.944	1.179.634
Total	18.336.488	16.265.351

Other long-term payables at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Deposits and guarantees received	147.519	188.213
Total	147.519	188.213

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NOTE 11-INVENTORIES

	31 December 2010	31 December 2009
Raw materials and supplies	13.113.625	13.005.309
Promotion materials (*)	3.609.190	4.571.959
Semi-finished goods	668.087	398.838
Finished goods and merchandise	1.527.791	1.281.512
	18.918.693	19.257.618
Impairment on promotion materials	(1.268.307)	(811.496)
Total	17.650.386	18.446.122

(*) Promotion materials include promotion materials such as books, CDs and DVDs.

The movement for provision for impairment of promotions are as follows:

	2010	2009
1 January	811.496	479.513
Provision for impairment	456.811	331.983
31 December	1.268.307	811.496

NOTE 12-INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

The investments accounted for by the equity method as of 31 December 2010 and 31 December 2009 are as follows:

	Share %	31 December 2010	Share %	31 December 2009
Doğan Media	42,42	6.593.636	42,42	1.114.319
Yaysat (*)	-	-	25,00	225.906
DYG İlan (**)	-	-	20,00	91.798
		6.593.636		1.432.023

(*) Yaysat was merged with Doğan Dağıtım, in accordance with the relevant legislation, on 1 April 2010. After the merge, the Company's shares in Doğan Dağıtım increased from % 0,0029 to % 0,8313 (Note 6).
(**) 20% share of Doğan İlan was sold to Milliyet Ajansı A.Ş. on 3 September 2010.

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The summary of Group's share of the financial statements of the investments accounted for by the equity method at 31 December 2010 is as follows:

31 December 2010	Total assets	Total liabilities	Net Sales	Net loss for the period
Doğan Media (*)	21.977.900	15.384.264	45.039.790	(8.944.812)
	21.977.900	15.384.264	45.039.790	(8.944.812)

(*) Net loss for the period of Doğan Media mainly stems from the establishment costs of its subsidiary Doğan Media International SA established in Romania. Doğan Media is coordinating the Group's operating over the Europe

The summary of Group's share of the financial statements of the investments accounted for by the equity method at 31 December 2009 is as follows:

31 December 2009	Total assets	Total liabilities	Net Sales	Net (loss)/income for the period
Doğan Media	23.047.312	21.932.993	56.375.629	(15.190.498)
Yaysat	244.245	18.339	122.275	1.175
DYG İlan	91.798	-	19.365	(6)
	23.383.355	21.951.332	56.517.269	(15.189.329)

The movements in associates during the periods ending at 31 December are as follows:

	2010	2009
1 January	1.432.023	316.468
Share capital increase	14.029.780	16.723.846
Loss from associates	(8.944.812)	(15.189.329)
	(317.204)	-
Currency translation differences	393.849	(418.962)
31 December	6.593.636	1.432.023

(Amounts expressed in Turkish Lira [“TL”] unless otherwise indicated.)

NOTE 13-INVESTMENT PROPERTY

The movements in investment property and related accumulated depreciation for the period ended at 31 December 2010 is as follows:

	1 January 2010	Additions	Disposals	Reversal of/ Provision for impairment (net)	31 December 2010
Cost:					
Land	9.565.495	-	-	-	9.565.495
Buildings	17.495.285	9.692.940	(12.669.775)	994.104	15.512.554
	27.060.780	9.692.940	(12.669.775)	994.104	25.078.049
Accumulated depreciation:					
Buildings	465.217	134.953	-	-	600.170
	465.217	134.953	-	-	600.170
Net book value	26.595.563				24.477.879

The fair value of the investment property has been determined approximately as TL 38.276.681at 31 December 2010 (31 December 2009: TL 42.631.610). Fair values of the investment properties as of 31 December 2010 have been arrived by an independent valuation company which is not connected with the Group and has accredication of Capital Market Board.

Amortization expense of TL 134.953 (31 December 2009: TL 73.455) has been charged in general administrative expenses for the year ended 31 December 2010.

The Group does not earn rent revenue from investment properties. Direct operating expenses arising on the investment property in the period amounted to TL 26.821(2009: TL 41.597).

The movements in investment property and related accumulated depreciation for the period 31 December 2009 are as follows:

	1 January 2009	Additions	Disposal	Provision for Impairment	Transfer	31 December 2009
Cost:						
Lands	9.565.495	-	-	-	-	9.565.495
Buildings	12.803.169	22.626.227	(15.704.085)	(3.340.892)	1.110.866	17.495.285
	22.368.664	22.626.227	(15.704.085)	(3.340.892)	1.110.866	27.060.780
Accumulated depreciation:						
Buildings	391.762	73.455	-	-	-	465.217
	391.762	73.455	-	-	-	465.217
Net book value	21.976.902					26.595.563

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NOTE 14-PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment and related accumulated depreciation for the period ended 31 December 2010 are as follows:

	1 January 2010	Currency translation differences	Additions	Disposals	Transfers (*)	31 December 2010
Cost						
Land and land improvements	52.809.179	(270.868)	38.080	-	-	52.576.391
Buildings	264.376.487	(601.660)	329.613	-	710.707	264.815.147
Machinery and equipments	707.146.020	(2.370.548)	1.334.477	(701.508)	2.317.903	707.726.344
Furniture and fixtures	100.253.159	83.408	4.959.029	(3.378.195)	235.350	102.152.751
Leasehold improvements	24.939.931	(8.804)	91.264	-	103.433	25.125.824
Other non-current assets	578.607	(28.475)	12.756	-	-	562.888
Construction in progress	1.433.748	(21.373)	6.357.890	-	(6.145.124)	1.625.141
	1.162.287.427	(3.150.354)	14.140.786	(4.892.464)	(2.777.731)	1.165.607.664
Accumulated depreciation						
Land and land improvements	445.366	-	71.712	-	-	517.078
Buildings	63.276.715	(163.448)	5.796.337	-	-	68.909.604
Machinery and equipments	480.467.476	(1.426.846)	42.624.082	(588.419)	-	521.076.293
Motor vehicles	7.986.843	69.942	832.641	(482.916)	-	8.406.510
Furniture and fixtures	79.814.445	76.865	7.389.325	(3.016.198)	-	84.264.437
Leasehold improvements	22.804.688	(654)	410.397	-	-	23.214.431
Other non-current assets	234.567	(7.909)	50.700	-	-	277.358
	655.030.100	(1.452.050)	57.175.194	(4.087.533)	-	706.665.711
Net book value	507.257.327					458.941.953

At 31 December 2010, net book value of the property, plant and equipment in machinery and equipment group obtained via financial leasing is amounting to TL 8.852.044 (31 December 2009: TL 11.605.840).
At 31 December 2010 there were mortgages amounting to TL 14.763.431 TL (31 December 2009: TL 14.041.950).
At 31 December 2010 pledges has been removed (31 December 2009: 6.619.159 TL).
At 31 December 2010 construction in progress amounting to TL 1.625.141 (31 December 2009: TL 1.433.748) is related to computer programs and internet domain names.
At 31 December 2010 amortization expense amounting TL 44.753.912 (31 December 2010: 47.820.969 TL) was added to cost of sales, and amounting TL 12.421.282 (31 December 2009: 12.524.315 TL) was added to marketing, selling and distribution and general administrative expenses.

(*) The amount TL 2.777.731 in transfer column is transferred to intangible assets.

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The movements in property, plant and equipment and related accumulated depreciation for the period ended 31 December 2009 are as follows:

	1 January 2009	Currency translation differences	Additions	Disposals	Transfers	31 December 2009
Cost						
Land and land improvements	52.609.400	(10.839)	209.360	-	1.258	52.809.179
Buildings	265.032.446	(275.027)	918.371	(157.358)	(1.141.945)	264.376.487
Machinery and equipments	672.717.143	68.072	13.338.997	(317.274)	21.339.082	707.146.020
Motor vehicles	11.312.260	(43.374)	61.110	(579.700)	-	10.750.296
Furniture and fixtures	97.252.560	(1.038.275)	5.060.290	(1.707.960)	686.544	100.253.159
Leasehold improvements	25.036.022	(13.308)	371.841	(454.624)	-	24.939.931
Other non-current assets	408.167	(3.872)	174.312	-	-	578.607
Construction in progress	2.593.055	15.003	21.589.440	-	(22.763.750)	1.433.748
Total	1.126.961.053	(1.301.620)	41.723.721	(3.216.916)	(1.878.811)	1.162.287.427
Accumulated depreciation						
Land and land improvements	376.114	-	69.252	-	-	445.366
Buildings	57.650.434	(134.746)	5.788.104	(27.077)	-	63.276.715
Machinery and equipment	435.282.503	(229.519)	45.574.747	(160.255)	-	480.467.476
Motor vehicles	7.012.582	(152.934)	1.498.918	(371.723)	-	7.986.843
Furniture and fixtures	74.819.814	(344.369)	6.847.636	(1.508.636)	-	79.814.445
Leasehold improvements	22.500.100	1.554	753.019	(449.985)	-	22.804.688
Other non-current assets	189.206	(2.057)	47.418	-	-	234.567
	597.830.753	(862.071)	60.579.094	(2.517.676)	-	655.030.100
Net book value	529.130.300					507.257.327

At 31 December 2009 there were liens amounting to TL 6.619.159 and mortgages amounting to TL 14.041.950 over the tangible assets.

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NOTE 15-INTANGIBLE ASSETS

The movements in intangible assets and related accumulated amortisation for the year ended 31 December 2010 is as follows:

	1 January 2010	Additions	Disposals	Transfers	Provision for Impairment	Currency translation difference	31 December 2010
Cost							
Trade names	311.162.191	-	-	-	(33.304.000)	1.011.044	278.869.235
Customer list	267.301.820	-	-	-	-	2.429.827	269.731.647
Computer software and rights	42.874.754	9.097.346	(836.471)	1.532.024	-	(391.704)	52.275.949
Internet domain names	15.528.272	806.486	-	983.374	-	294.374	17.612.506
Other intangible assets	7.078.497	973.394	(993.901)	262.333	-	(227.349)	7.092.974
	643.945.534	10.877.226	(1.830.372)	2.777.731	(33.304.000)	3.116.192	625.582.311
Accumulated amortisation							
Trade names	15.786.684	1.231.908	-	-	-	98.535	17.117.127
Customer list	45.139.644	15.982.813	-	-	-	500.284	61.622.741
Computer software and rights	27.509.657	7.909.705	(836.471)	-	-	(447.289)	34.135.602
Internet domain names	2.372.841	1.343.460	-	-	-	75.821	3.792.122
Other intangible assets	6.891.004	568.796	(992.365)	-	-	(225.116)	6.242.319
	97.699.830	27.036.682	(1.828.836)	-	-	2.235	122.909.911
Net book value	546.245.704						502.672.400

As of 31 December 2010, the Group acquired the royalty of "Radikal Gazetesi" based on the amount determined by the valuation report. Also, there is a pledge amounting to TL215.878.227 on the royalty of a trade name according to the extent of the loan agreement.

Amortization expense of TL 27.036.682 (31 December 2009: TL 26.431.006) has been charged in marketing, selling and distribution, and general administrative expenses as of 31 December 2010.

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The movements in intangible assets and related accumulated amortisation for the year ended 31 December 2009 are as follows:

	1 January 2009	Additions	Disposals	Transfers	Currency translation differences	31 December 2009
Cost						
Trade names	318.260.471	-	-	-	(7.098.280)	311.162.191
Customer list	274.413.483	-	-	-	(7.111.663)	267.301.820
Computer software and rights	41.071.047	3.879.240	(94.038)	(1.284.049)	(697.446)	42.874.754
Internet domain names	12.129.468	1.229.341	-	2.051.994	117.469	15.528.272
Other intangible assets	6.878.293	235.287	-	-	(35.083)	7.078.497
	652.752.762	5.343.868	(94.038)	767.945	(14.825.003)	643.945.534
Accumulated amortisation						
Trade names	14.610.793	1.219.650	-	-	(43.759)	15.786.684
Customer list	29.421.115	16.052.542	-	-	(334.013)	45.139.644
Computer software and rights	20.472.996	7.254.628	(50.654)	-	(167.313)	27.509.657
Internet domain names	1.039.278	1.016.943	-	-	316.620	2.372.841
Other intangible assets	6.021.218	887.243	-	-	(17.457)	6.891.004
	71.565.400	26.431.006	(50.654)	-	(245.922)	97.699.830
Net book value	581.187.362					546.245.704

Intangible assets with indefinite useful lives amounted to TL 252.507.389 at 31 December 2010, (31 December 2009: TL 286.386.140). The useful lives of the assets with indefinite useful life, as expected by the Group, are determined based on the stability of the industry, changes in market demands as to the products and services provided through assets, control period over the assets and legal or similar restrictions on their utilisation.

NOTE 16-GOODWILL

The movements in goodwill for the years ended at 31 December are as follows:

	2010	2009
1 January	222.336.593	236.449.857
Provision for impairment (*)	(19.997.349)	(6.690.546)
Foreign currency translation difference	2.640.031	(5.757.140)
Other (**)	1.198.682	(1.665.578)
31 December	206.177.957	222.336.593

(*) Because of significant effect of the Global economic crisis over the regions, goodwill impairment amounting TL 19.997.349 related to Croatia has been observed.
(**) Other represents the changes in the fair value of the put options (Note 2.2.24).

Goodwill is tested annually for impairment at year-ends and carried at cost less accumulated impairment losses and if exist it is reflected to the financial statements.

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NOTE 17-GOVERNMENT GRANTS

The Group obtained six Investment Incentives Certificate for the imported equipments amounting to USD 25.035.264 and domestic equipments amounting to TL 151.800 due to the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 23, 27 and 31 July 2008. The agreements are valid for two years and equipment imported within the scope of the certificate is exempt from Customs Duty, Collective Housing Fund and VAT. The investments amounting to USD 19.213.346 for imported equipments and TL 151.800 for domestic equipments are realized within these certificates as at 31 December 2010 (31 December 2009: USD 18.963.690). Investment incentives (except Trabzon) are extended till 19 June-3 July 2011. Incentive received for Trabzon has been cancelled as the investment project amounting to USD 1.031.800 was cancelled.

NOTE 18-PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 December 2010 and 31 December 2009, short term provisions are as follows:

	31 December 2010	31 December 2009
Provision for tax penalty	7.294.189	15.554.695
Other provisions for lawsuit and compensation	3.118.039	2.393.095
Total	10.412.228	17.947.790

Part of the lawsuits amounting to TL 4.435.803 filed by the Company related to the cancellation of tax charges/fine notifications amounting to TL 30.895.416 which were related with 2004, 2005, 2006 fiscal periods, were concluded against the Company. The Company was served with a tax/fine notification of TL 7.311.476, including the late payment interest and judgment duty. It was paid on 26 August 2010 and necessary legal objections for the appeal of the case with the superior court was made in due time. Superior court suspended these charges amounting to TL 7.311.475 following the appeal made by the Company and still continues to discuss the merits of the cases.

For the remaining lawsuits from total lawsuits amounting to TL 30.895.416, other than those concluded against the Company amounting to TL 4.435.803, lawsuits amounting to TL 10.094.183 (TL 4.037.673 of tax principal and TL 6.056.510 of tax loss penalty) were concluded partially against and partially in favor of the Company. In relation with the parts which were concluded partially against and partially in favor of the Company, TL 2.802.259 has been concluded in favor and TL 1.235.414 has been concluded against the Company for the tax principal totally amounting to TL 4.037.673; TL 4.821.096 has been concluded in favor and TL 1.235.414 has been concluded against the Company for the tax loss penalty totally amounting to TL 6.056.510. For the lawsuit amounting to TL 2.470.828, which has been concluded against the Company, necessary legal objections for the appeal of the case with the superior court made in due time. For the tax principal amounting to TL 2.802.259 and tax loss penalty amounting to TL 4.821.096 concluded partially in favor of the Company has been subject to appeal by the Tax Office and Superior court partially suspended the charges for the tax principal amounting to TL 1.027.379 and tax loss penalty amounting to TL 1.027.379. Superior court still continues to discuss the merits of these cases.

The part of the lawsuits filed by the Company related to the cancellation of tax charges/fine notifications amounting to TL 3.654.532, comprising of a tax principal of TL 1.461.813 and a tax loss penalty of 2.192.719, were concluded in favor of the Company on 15 October 2010.

For the part total of TL 12.710.898 comprising of TL 5.018.359 of tax principal and TL 7.692.539 of tax loss penalty of the same notifications, regarding the notices served to the Company by the relevant Tax Department, the court hearing of the objections made with the tax courts have not been held yet.

In accordance with the opinions of legal counsels and specialists, the Group management has accounted a provision amounting to TL 7.294.189 related to the tax principal and tax loss penalty at tax inspection reports including estimated late payment interests in the consolidated financial statements as at 31 December 2010. The Company still assesses the legal rights including the facilities provided by Law no 6111 "Restructuring of Certain Receivables and Amendment of Social Insurance and General Health Insurance Law and Other Certain Laws and Decrees". Depending on the developments, it is always possible that there could be differences between realized amounts and estimated provision.

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As of the report date, with results of litigations and payment notices reaching to Company and court cases related to the recent situation is summarized in the table below:

	Tax	Penalty	Total	Paid (****)
Against to the Company (*)	3.009.736	3.896.897	6.906.633	6.906.633
In favor of Company (**)	4.264.071	7.013.814	11.277.885	-
Lawcases not held (***)	5.018.359	7.692.539	12.710.898	-
Total	12.292.166	18.603.250	30.895.416	6.906.633

(*) Council of State accepted the objection of the Company to stop the enforcement related to the law cases amounting to TL 4.885.833 and suspended the execution. Case based on the merits is still continuing.
(**) Objection made by Tax Administration is evaluated by Council of State and the State Council stopped the enforcement amounting to TL 2.054.758 in against the Company. Case based on the merits is still continuing.
(***) Lawsuit has not been held yet.
(****) Payment amount is TL 11.440.196 including late payment interest and judgment fee.

The movement in provision for lawsuits for the years ending 31 December is as follows:

	2010	2009
1 January	2.393.095	2.172.814
Additions in the period (Note 26)	724.944	220.281
31 December	3.118.039	2.393.095

The movement in provision for tax penalties for the years ending 31 December is as follows:

	2010	2009
1 January	15.554.695	-
Additions in the period (Note 26)	3.179.690	15.554.695
Payments related to provisions	(11.440.196)	-
31 December	7.294.189	15.554.695

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Group's collaterals/pledge/mortgage ("CPM") position as of 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010		31 December 2009	
	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
A. CPM's given in the name of its own legal personality				
-Collaterals				
TL	4.835.628	4.835.628	3.691.620	3.691.620
Euro	25.000	51.228	25.000	54.008
Other	-	-	58.700.000	469.956
-Mortgages				
TL	1.444.281	1.444.281	-	-
Euro	6.500.000	13.319.150	6.500.000	14.041.950
-Pledges				
Other	4.255.692.000	215.878.227	3.064.000	6.619.159
B. CPM's given on behalf of the fully consolidated companies (*)				
-Commitments				
TL	1.080.648	1.080.648	294.600	294.600
Euro	468.563	960.132	1.740.311	3.759.594
USD	6.255.864	9.671.566	98.459.736	148.250.824
C. CPM's given on behalf of third parties for ordinary course of the business	-	-	-	
D. Total amount of other CPM's given	-	-	-	-
i) Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-
ii) Total amount of CPM's given on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii) Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
Total		247.240.860		177.181.711

(*) Commitments given regarding to the borrowings obtained for the main operations of the Group, that are intended to meet various financial needs of subsidiaries (Note 19).

CPMs given by the Group

There is no CPM's given for third parties except CPM's given for their own legal entities.

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NOTE 19-COMMITMENTS

The commitments which the management does not expect losses and incidental liability commitments are summarized below:

a) Barter agreements:

The Group, 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. As of 31 December 2010, in connection with the barter agreements, the Group has advertisement commitment amounting to TL 3.804.414 (31 December 2009: TL 11.656.393) and goods and services purchase rights amounting to TL 6.230.238 (31 December 2009: TL 5.697.293).

b) Lawsuits against the Group:

The lawsuits against the Group amount to TL 28.600.841 (31 December 2009: TL 28.135.832). The Group recognises provision related to cases when there is a legal or valid liability resulting from past event and it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimation can be made of the amount of the obligation. As a result of these analyses, as of 31 December 2010 the Group has set a provision of TL 3.118.039 for lawsuits (31 December 2009: TL 2.393.095).

As at 31 December 2010 the Group's ongoing lawsuits are as follows;

	31 December 2010	31 December 2009
Legal lawsuits	19.529.609	21.490.966
Trade lawsuits	4.485.240	3.810.076
Administrative lawsuits	1.038.464	1.093.377
Labor lawsuits	3.547.528	840.517
Other Lawsuits	-	900.896
Total	28.600.841	28.135.832

c) Derivative financial instruments:

i) Swap transactions in foreign exchange

The Group has entered into a Euro swap transaction regarding the last three installments which will be payable in 2012 and 2013 amounting to USD 80.283.333 of a long-term bank loan amounting to USD 133.806.626 as explained in detail in Note 7. As of 31 December 2010 the Group accounted expense amounting to TL 2.142.358 based on swap transactions related to the bank loan amounting USD 40.180.00. As a result of such foreign currency swap transactions, gain amounting to TL 11.717.066 was recognised as of 31 December 2009.

ii) Interest rate interval swap transactions

As of 31 December 2010, the Group has six collar agreements (31 December 2009: eight collar and a CAP amounting to USD 37.000.000) amounting to USD 27.750.000 (31December 2009: USD 46.000.000) to hedge the interest rate risk. The agreements have fixed floor and ceiling rates. Accordingly, at the dates defined in agreements, if the LIBOR rate is below the floor rate, the Group has to compensate for the difference between the floor rate and the actual rate. Similarly, if the LIBOR rate is above the ceiling rate, banks compensate for the difference to the Group.

As of 31 December 2010 fixed floor and ceiling rates change between 3,0% and 5,6% (31 December 2009: 3,0%-5,6%) and the main floating interest rate is LIBOR.

Financial expense recognised during the period regarding these agreements amounting to TL 1.555.834 (31 December 2009: TL 165.889).

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iii) Interest rate swap transactions

Group has interest rate swap agreement in order to convert variable interest rate (Libor) of its loan debt, amounting to USD 80.282.530, to fixed interest rate. According to that agreement, interest cost of that loan, which is depending on 6-months Libor rate, is fixed until 5 July 2011. Financial expense recognised during the period regarding these agreements amounted to TL 1.513.086 (31 December 2009: None).

d) Non-controlling shares put options:

The Group has the right to purchase 13% of non-controlling shares from non-controlling shareholders, provided that certain conditions are met related to the Group's subsidiary, Impress Media Marketing LLC ("Impress Media") which was acquired by OOO Pronto Moscow in January 2007. The Group has signed a new put option agreement valid between August 2011 and August 2015 for the remaining non-controlling shares of 10%. Net fair value of such option shall be calculated based on Impress Media's EBITDA or net sales revenue. Group, pursuant to an agreement signed in September of 2010, has had the option to purchase the remaining non-controlling shares of 3%. The fair value of the option will be determined based on calculation over the EBITDA of Impress Media, Based on the EBITDA of Impress Media, Group would gradually have a put option until 14% and a call option until 14%. As of 31 December 2010, the short-term portion of the fair value of the put option is TL 763.724 (31 December 2009: TL 2.359.432), long-term portion is nil as of 31 December 2010 (31 December 2009: TL 742.310).

The Group has granted a put option, on the remainder of 30% shares during the acquisition of 70% interest of the shares in its subsidiary Oglasnik d.o.o. located in Croatia. As of 31 December 2010, the fair value of this option is TL 12.366.454 (USD 8.000.000) (31 December 2009: TL 12.044.094 (USD 8.000.000)) and classified in "other short-term financial liabilities". The negotiations related with using that put option is still continuing as of the date which the financial statements publicly announced.

The Group acquired a 55% interest in Moje Delo d.o.o. ("Moje Delo") in Slovenia. The Group paid an earn-out amounting to EUR 1 million. The Group has the right to buy put options from non-controlling interest owners from January 2009 to January 2012. Also, the Group presented call options to non-controlling interest owners exercisable from January 2011 to January 2014. Exercise price shall be calculated based on EBITDA and the net financial debt of Moje Delo. The fair value of the put option is TL 700.338 as of 31 December 2010 (31 December 2009: TL 719.725) and classified in "short-term financial liabilities".

Based on a protocol signed in the current period, the put option liability in relation to the 3,84% shares of non-controlling interests in Trader Media East Limited is exercisable until 2013. The "put option" exercise price is US $ 13. The Company will make a payment of US $ 1 million for each year the put option right is not exercised until 2013. Considering facts that the protocol signed in the current period has not derived any cash outflows in prior periods or in the current period and probable cash outflows will likely occur in 2013, the Group has presented TL 38,6 million of put option liability under the "Other Financial Liabilities" account in the accompanying consolidated financial statements as of and for the period then ended 31 December 2010; and accordingly has recognized foreign currency translation difference and loss for the period by increasing TL 0,3 million and TL 0,7million and its non-controlling interest and retained earnings/accumulated losses by decreasing TL 12,7 million and TL 25,5 million, respectively.

NOTE 20-PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

Provision for employment termination benefits at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Provision for employment termination benefits	21.660.771	14.196.159
Total	21.660.771	14.196.159

There are no pension plans and benefits 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 whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). At 31 December 2010 the amount payable maximum TL 2.517,01 (31 December 2009: TL 2.365,16) for each year of service.

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On the other hand Group is liable to make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due cause in accordance with the Regulations with regards to Employees Employed in the Press Sector. The maximum payable amount is 30 days' salary for each year of service.

Employment termination benefit liabilities are not subject to any funding and there are no legal requirements for funding of these liabilities.

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.

	31 December 2010	31 December 2009
Discount rate (%)	4,66	5,92
Turnover rate to estimate the probability of retirement (%)	93	89

The principal assumption is that the maximum liability of TL 2.517,01 (31 December 2009: TL 2.365,16) 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 TL 2.623,23 (1 January 2010: TL 2.427,04), which is effective from 1 January 2011, has been taken into consideration in calculating the reserve for employment termination benefit of the Group. As of 31 December 2010, the salaries have been taken into consideration in calculation for the employees under the Regulations with regards to Employees Employed in the Press Sector.

The Group has reviewed the assumptions used in calculating the retirement benefit obligation in the current year, changes in accounting estimates are accounted in the current period.

The movements in provision for employment termination benefits during the periods ended at 31 December are as follows:

	2010	2009
1 January	14.196.159	11.744.969
Current period service charge	9.574.351	1.265.829
Interest expenses	661.541	695.302
Payments during the year		
and provisions terminated	(3.491.095)	(4.038.446)
Actuarial loss	719.815	4.528.505
31 December	21.660.771	14.196.159

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NOTE 21-OTHER ASSETS AND LIABILITIES

Other current assets at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Prepaid taxes and deductions (Note 30)	16.615.504	12.482.673
Prepaid expenses (*)	6.061.075	6.371.657
Advances given to personnel	5.090.448	4.529.002
Value Added Tax ("VAT") receivables	1.806.606	2.284.475
Job advance	748.070	726.571
Order advance given	292.464	489.043
Income accruals	268.712	161.025
Provision for other doubtful receivable (-) (Note 26)	(559.652)	-
Other	2.912.260	2.972.719
Total	33.235.487	30.017.165

(*) Prepaid expenses are mostly composed of the prepaid rents.

Other current assets at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Advances given for the non-controlling shares purchase option	-	1.005.808
Advance given for tangible assets purchase	221.532	201.438
Blocked deposit with maturity more than one year (*)	15.460.000	-
Other	156.146	5.595
Total	15.837.678	1.212.841

(*) As of 31 December 2010, the Company has time deposits amounting to USD 10.000.000 which is blocked as collateral for the loans belonging to the subsidiaries until 2013, the maturity date of the loan.

Other short-term liabilities at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Provision for unused vacation	10.351.123	9.428.016
Tax penalty accruals (*)	-	17.200.000
Deferred revenue	8.918.189	8.401.888
VAT payables	3.897.466	4.386.104
Expense accruals	645.807	1.554.295
Due to non-controlling partnerships	367.948	-
Other	277.988	484.407
Total	24.458.521	41.454.710

(*) Related to the tax inspection reports released by the Ministry of Finance as of 15 March 2010 regarding the tax reviews, consist of corporate tax in the amount of TL 12.155.173 and temporary tax of TL 10.413.832 (together totalling TL 22.569.005), as well as a tax loss penalty in the amount of TL 22.569.005, a tax liability amounting to TL 17.200.000 was accrued as of 31 December 2009. A settlement regarding the tax principals and penalties was reached on 6 April 2010 and the settlement amounting to TL 16.974.250 was paid on 6 May 2010.

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The movements in provision for unused vacation during the periods ended at 31 December are as follows:

	2010	2009
1 January	9.428.016	4.558.785
Addition during the period	1.464.691	4.901.999
Termination of previously set provisions	-	(32.768)
Payments related to provision	(638.468)	-
Foreign currency exchange difference	96.884	-
31 December	10.351.123	9.428.016

Other long-term liabilities at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Other long-term liabilities	44.837	78.297
Total	44.837	78.297

NOTE 22-EQUITY

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. There are no privileged shares. The Company's historical authorised and paid-in share capital at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Historical authorised and paid-in share capital	552.000.000	552.000.000
Limit on registered share capital (historical)	800.000.000	800.000.000

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

The shareholding structures are as follows:

	31 December 2010	Share (%)	31 December 2009	Share (%)
Doğan Yayın Holding	367.411.200	66,56	367.411.200	66,56
Doğan Holding	61.216.800	11,09	61.216.800	11,09
Publicly owned	123.372.000	22,35	123.372.000	22,35
	552.000.000	100	552.000.000	100
Adjustment to share capital	77.198.813		77.198.813	
Total share capital	629.198.813		629.198.813	

As of 31 December 2010 6,56 % (31 December 2009: 6,56%) of publicly owned shares belong to Doğan Yayın which is the main shareholder of the Group, and 11,09 % (31 December 2009: 11,09%) by Doğan Holding, which is the ultimate parent of the Group.

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Dogan family is the ultimate parent of the Company.

Adjustment to share capital represents the restatement effect of cash contributions to share capital at year-end equivalent purchasing power.

Due to tax principal and tax penalty notices communicated by the Tax Office, the shares that Doğan Yayın has in the share capital of the Company at a rate of 66,56% and which are maintained in the export/investment accounts of the Central Registry Institution and Intermediary Institution have been made inactive, accordingly their transfer has been restricted. In the Public Announcement of Doğan Yayın, dated 1 February 2010, it was mentioned that a significant portion of the lawsuits filed for the aforementioned original tax amounts and notices has been finalised in favour of Doğan Yayın.

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.

The amounts stated above should be reclassified under “Restricted Reserves” in accordance with the CMB Financial Reporting Standards. As of 31 December 2010 and 31 December 2009, details of the restricted reserves of Hürriyet, main equity holder of the Group, are as follows:

Restricted reserves:	31 December 2010	31 December 2009
1. Composition restricted reserves	24.151.879	23.067.690
2. Composition restricted reserves	7.408.846	4.648.846
Total	31.560.725	27.716.536

According to the result of inflation adjusted first financial statement arrangement, equity accounts of “Share Capital, Share Premium, Legal Reserves, Statutory Reserves, Special Reserves and Extraordinary reserves” are booked as their balance sheet values and total of the adjusted values of these accounts were booked in equity group “equity inflation adjustment differences” account. For all equity accounts, “equity inflation adjustment differences” could only be used for stock split or loss account; booked amounts of extraordinary reserves could only be used for stock split, cash dividend distribution or loss accounts.

However, in accordance with the CMB’s Decree Volume: XI; No: 29 issued on 1 January 2008 and other related CMB’s announcements, “Paid-in capital”, “Restricted reserves” and “Premium in excess of par” should be carried at their registered amounts in statutory records. Restatement differences (e.g. inflation restatement differences) arising from the application of the Decree should be associated with:

-if the difference is arising due to the inflation adjustment of “Paid-in Capital” and not yet been transferred to capital should be classified under the “Inflation Adjustment to Share Capital”;

-if the difference is due to the inflation adjustment of “Restricted Reserves” and “Share Premium” and the amount has not been utilised in dividend distribution or capital increase yet, it shall be classified under “Retained Earnings”;

Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Capital adjustment differences have no other use other than being transferred to share capital.

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Dividend distribution

Companies registered on ISE are subject to dividend requirements regulated by the CMB as explained below:

In accordance with the CMB Decision dated 27 January 2010, and meeting numbered 02/51, concerning distribution basis of net profit obtained from the operations of the year 2009, no limit for the profit distribution shall be applied as for the companies quoted in the stock exchange (2009: 20%). According to the Board's decision and Communiqué IV No: 27 issued by CMB regarding allocation basis of profit of publicly owned companies, the distribution of the relevant amount may be realised as cash or as bonus shares or partly as cash and bonus shares.

Moreover, in accordance with the CMB decision no 7/242, dated 25 February 2005, in the event that the entire profit distribution amount calculated pursuant the minimum profit distribution amount calculated over the net distributable profit found in accordance with CMB regulations can be covered by the distributable profit in the statutory records, it shall be distributed completely, and if the relevant amount cannot be covered by that amount, all of the net distributable profit in the statutory records shall be distributed. In the event that there is any period loss in financial statements or statutory records prepared in accordance with the CMB regulations, no profit shall be distributed.

Paid-in Capital	552.000.000
Capital Inflation Difference	57.678.463
Share Premium	76.944
Legal Reserve	35.677.579
Extraordinary Reserve (*)	143.951.781
Special Funds (*)	1.786.780
Retained Earnings	25.120.067
Net Profit (*)	18.387.447
Total Equity	834.679.061

(*) The total amount that can be subject to profit distribution according to legal records is TL 163,829,500. Since TL 296,508 of the extraordinary reserve amount is inflation difference, it is not included in total amount which may be subject to profit distribution.

NOTE 23-SALES AND COST OF SALES

Sales

	2010	2009
Advertisement sales	522.412.879	497.840.650
Circulation and publishing sales	221.340.023	236.711.657
Other	50.473.069	49.580.555
Net Sales	794.225.971	784.132.862
Cost of sales	(487.709.001)	(499.032.419)
Gross profit	306.516.970	285.100.443

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Cost of sales

The details of cost of sales for the years ended 31 December are as follows:

	2010	2009
Raw materials	188.037.855	212.514.999
Paper	*122.798.950*	*141.529.674*
Printing and ink	*47.642.880*	*52.098.365*
Other	*17.596.025*	*18.886.960*
Payroll	170.654.187	158.910.980
Depreciation and amortization charges (Note 13,14)	44.753.912	47.820.969
Commission	16.498.489	15.969.059
Distribution, storage and travel	7.976.902	7.702.048
Fuel, electricity and water and office expenses	6.827.644	6.690.104
Maintenance expenses	7.491.674	6.353.448
Packaging expenses	5.725.229	5.543.340
Rent expense	4.065.467	4.062.018
Communication	3.762.975	3.967.588
News agency expenses	3.382.550	2.935.402
Other	28.532.117	26.562.464
Total	487.709.001	499.032.419

NOTE 24-RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES

a) Marketing, selling and distribution expenses:

	2010	2009
Advertisement	46.833.097	30.025.584
Transportation, storage and travel	24.719.704	20.726.358
Payroll	11.471.564	11.296.485
Promotion	18.489.951	12.024.910
Sponsorship	2.308.582	1.774.063
Outsourced services	2.335.568	1.766.686
Other	7.511.103	8.032.377
Total	113.669.569	85.646.463

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b) General administrative expenses:

	2010	2009
Payroll	47.629.891	50.308.101
Depreciation and amortization charges (Notes 13,14,15)	39.028.776	38.664.728
Consultancy	16.811.771	17.859.503
Rent	10.565.012	12.119.840
Fuel, electricity and water	7.000.540	6.592.937
Transportation, storage and travel	4.714.728	4.737.255
Communication	3.819.367	4.218.913
Maintenance expenses	3.037.501	2.007.145
Other	14.778.410	13.837.598
Total	147.385.996	150.346.020

NOTE 25-EXPENSES BY NATURE

The expenses as of 31 December 2010 and 2009 are shown based on the functions and the details are given in Notes 23 and 24.

NOTE 26-OTHER OPERATING INCOME/EXPENSES

The details of other income and gains for the years ended at 31 December 2010 are as follows:

	2010	2009
Gain on the sale of subsidiary (*)	-	3.320.737
Reversal of impairment on investment property	1.449.222	-
Rent and building service fees	2.865.854	2.467.414
Gain on sale of property, plant and equipment	1.029.390	66.547
Reversed provisions	1.508.284	489.087
Other	416.556	1.217.370
Total	7.269.306	7.561.155

(*) Gain on sales of subsidiaries resulted from the disposal of shares of Szuperinfo Magyarorszag Kft at 28 October 2009.

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The details of other expenses and losses as at and for the years ended at 31 December are as follows:

	2010	2009
Provision for tax penalties (Note 18,21)	3.179.690	32.754.695
Provision for doubtful receivables (Note 9,21)	8.832.734	11.956.047
Impairment of goodwill and intangible assets	53.301.349	6.690.546
Loss on sale of property, plant, equipment and investment properties	2.202.537	3.523.726
Impairment on investment properties	455.118	3.340.894
Punishment and compensation expense	958.275	1.109.241
Aids and donations	1.902.634	731.342
Provision for lawsuits (Note 18)	724.944	220.281
Loss on sale of subsidiary	5.996	-
Other	4.765.977	2.251.705
Total	76.329.254	62.578.477

NOTE 27-FINANCIAL INCOME

The details of financial income for the years ended at 31 December are as follows:

	2010	2009
Foreign exchange income	24.556.136	108.811.322
Time deposits interest income	8.864.472	20.277.957
Due date difference income	7.417.568	9.509.073
Finance income from trade receivables	2.048.399	1.671.632
Interest income on financial assets at fair value through profit and loss, net	1.356.101	1.330.390
Other	544.937	338.648
Total	44.787.613	141.939.022

NOTE 28-FINANCIAL EXPENSES

The details of financial expenses for the years ended at 31 December are as follows:

	2010	2009
Foreign exchange loss	36.085.657	107.697.326
Interest expenses on borrowings	18.109.609	25.924.295
Credit commission, banking		
and factoring expenses	2.077.659	7.270.305
Other	5.560.683	6.971.667
Total	61.833.608	147.863.593

NOTE 29-ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As of 31 December 2010 and 31 December 2009, the Group has no non-current assets held for sale and discontinued operations.

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NOTE 30-TAX ASSETS AND LIABILITIES

	31 December 2010	31 December 2009
Corporate and income taxes payable	12.630.692	8.627.512
Less: Prepaid taxes (Note 21)	(16.615.504)	(12.482.673)
Taxes payable receivable	(3.984.812)	(3.855.161)
Deferred tax liabilities	117.314.791	136.958.525
Deferred tax assets	(10.966.263)	(12.342.243)
Deferred tax liabilities, net	106.348.528	124.616.282

The Group calculates its deferred tax assets and liabilities, considering the effects of temporary differences which result from different evaluations of principles of preparation of the financial statements and legal financial statements mentioned in Note 2.1.1. Those temporary differences usually cause income and loss to be accounted for in different reporting periods in accordance with the principles of preparation of the financial statements and tax laws mentioned in Note 2.1.1.

Deferred income taxes are calculated on temporary differences that are expected to be realised or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20% (31 December 2009: 20%).

The tax rates at 31 December 2010, which are used in the calculation of deferred tax, taking each country's tax legislations into consideration are as follows:

Country	Tax rates (%)	Country	Tax rates (%)
Germany	28,0	Kazakhstan	20,0
Croatia	20,0	Hungary	19,0
Belarus	24,0	Holland	25,5
Russia	20,0	Ukraine	25,0
Slovenia	20,0		

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The temporary differences giving rise to deferred income tax assets/(liabilities) using the enacted tax rates as of 31 December 2010 and 31 December 2009 are as follows:

	Total temporary differences		Deferred tax assets/(liabilities)	
	2010	2009	2010	2009
Carry forward tax losses (*)	6.862.952	2.248.419	1.372.807	449.155
Difference between tax base and carrying value of trade receivables	14.481.175	19.569.646	2.812.282	3.824.951
Provision for employment termination benefits and unused vacation rights	32.011.894	23.197.679	6.192.819	4.640.086
Difference between tax base and carrying value of leasing payables	948.468	4.305.910	271.262	1.231.490
Deferred revenue	1.220.548	1.355.905	253.889	271.182
Difference between tax bases and carrying value of property, plant and equipment and intangibles	(609.650.118)	(689.529.646)	(121.648.625)	(135.423.679)
Other, net	(32.475.228)	1.211.921	4.397.038	390.533
Total	(586.600.309)	(637.640.166)	(106.348.528)	(124.616.282)

Deferred tax assets:	31 December 2010	31 December 2009
To be recovered after one year	10.581.204	5.769.360
To be recovered within one year	385.059	6.572.883
Total	10.966.263	12.342.243

Deferred tax liabilities:	31 December 2010	31 December 2009
To be recovered after more than one year	(117.029.983)	(135.423.679)
To be recovered within one year	(284.808)	(1.534.846)
Total	(117.314.791)	(136.958.525)

(*) Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. As of 31 December 2010, carry forward tax losses for which no deferred income tax asset was recognised amounted to TL 28.533.184 (31 December 2009: TL 26.678.778).

The maturity analysis of carry forward tax losses are as follows:

	31 December 2010	31 December 2009
2011	313.083	313.083
2012	-	-
2013	1.515.376	1.515.376
2014 and over	5.034.493	419.960
Total	6.862.952	2.248.419

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The movements in deferred tax liabilities for the years ended 31 December 2010 is as follows:

	2010	2009
1 January	124.616.282	133.141.081
Deferred tax expense/(income) at the consolidated statement of income	(20.706.815)	(4.687.042)
Currency translation differences	2.439.061	(3.837.757)
31 December	106.348.528	124.616.282

The analysis of the tax expenses for the years ended at 31 December are as follows:

	2010	2009
Current	26.644.851	18.798.776
Deferred	(20.706.815)	(4.687.042)
Total	5.938.036	14.111.734

The reconciliation of the taxation on expense in the consolidated statement of income for the periods ended at 31 December and the taxation on income calculated with the current tax rate over income before tax and non-controlling interest is as follows:

	2010	2009
Loss before taxes and non-controlling non-controlling shares	(49.589.350)	(27.023.262)
Current period tax income calculated at the effective tax rates of countries	(11.687.667)	(3.543.871)
Expenses not deductible for tax purposes	14.959.268	15.065.485
Current period financial losses	4.048.149	4.924.104
Effect of financial losses which the deferred tax assets not calculated	370.882	-
Effect of goodwill impairment	3.727.162	1.338.109
Carry forward losses utilised	-	786.662
Income exempt from tax	(385.680)	(460.377)
Witholding tax relating to dividend distribution	2.999.462	1.605.795
Other, net	(8.093.540)	(5.604.173)
Tax losses/(income)	5.938.036	14.111.734

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.

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The details of the effective tax laws in countries which Group has significant operations are stated below:

Turkey

Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006. Most of the articles of this new Law No. 5520 have come into force effective from 1 January 2006. Corporation tax is 20% (2009: 20%). Corporation tax is payable on the total income of the companies after adjusting for certain disallowable expenses, corporate income tax exemptions (gain from associates' exemption, investment allowances etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19,8% on the investment incentive allowance utilised within the scope of the Income Tax Law Transitional Article 61).

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

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (2009: 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 (TURKSTAT WPI) over last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not fulfilled in the year 2006.

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

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

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses can not be carried back to offset profits from previous periods.
There are numerous exemptions in the Corporate Income Tax Law. Of these, exceptions to the Company are described below:

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).

75% of the gains derived from the sale of prefential 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 liabilities and it must 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 December 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 year 2006 as well as the investment allowances amounts they could not offset against 2006 gains which were present as of 2006, in accordance with the legislation (including the provisions related to tax rates) in force as of 2006:

a) In the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6th articles prior to the abrogation of Income Tax Law, dated 9 April 2003 with No. 193 and 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, the investments which were started before 1 January 2006 and which display an economic and technical integrity,

The Companies can utilize the investment allowance exemption, for their investments performed according to provisions of the legislation as of that date and for their subsequent investments in line with the provisions of the legislation (including provisions regarding tax rates) in calculating tax on their profits for only 2008. Accordingly, above mentioned profits within trade income/loss are considered in the calculation of corporate income tax.

Apart from the above mentioned exceptions in the determination of the corporate tax base, allowances cited in the articles 8, 9 and 10 of Corporate Tax Law and article 40 of Income Tax Law are taken into consideration.

Russian Federation

The corporate tax rate effective in Russian Federation is 20% (2009: 20%).

Russian tax year is the calendar year and other fiscal year ends are not permitted. Profit tax is calculated on a year-to-date basis. Advance payments are made monthly, with different calculation methods for quarterly or monthly schedules subject to the taxpayer's choice.

The annual balance is due by 28 March of the following year. According to Russian Federation's tax system, losses may be carried forward for 10 years to be deducted from future taxable income. Starting from 2007 there is no limitation as to the maximum amount that can be deducted in each particular year. Maximum amount that can be deducted in any year is limited to 30% of the taxable income (2009: 30%). Rights related to tax losses that have not been utilized in the related periods will be lost.

Tax refunds are technically possible but are very difficult to obtain in practice. Often they can only be obtained through court action. Tax consolidations of tax reporting/payments by different legal entities (or grouping) are not permitted in Russia at present. Generally, dividend income payable to a foreign organisation is subject to withholding tax at 15%. This standard rate may, however, be reduced under the provisions of applicable double tax treaty.

In Russian Federation the tax regulations are subject to various comments and change frequently. Regarding to TME's operations the interpretation of tax regulations by tax authorities may differ from the management.

Hungary

The corporate tax rate effective in Hungary is 19% (2009: 19%).

According to Hungary's tax system, there is no time limit while transporting financial damages. The tax authority's permission is needed to carry forward the tax-year's losses if a company's pre-tax profit is negative and its income is less than 50% of its costs and expenses or the company's tax base was also negative in the previous two years.

From 1 January 2007, capital gains from the sale of registered shareholdings are tax-exempt, provided that the taxpayer has held the shareholding for at least two years prior to its disposal. The two-year holding period has been reduced to one year from 1 January 2008. Capital losses and impairments on registered shares are not deductible for corporate income tax purposes.

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Croatia

The corporate tax rate effective in Croatia is 20% (2009: 20%).

There are no formal procedures in Croatia to agree the final level of tax charge upon submission of the declaration for corporate tax and VAT. However, such tax charges may be subject to review by the relevant tax authorities during the limitation period of three years. The limitation period of three years starts with the year that follows the year of submission of tax declarations. The counting of three years starts again with any action of tax authorities with the purpose to collect tax, interest or fines until absolute statute of limitation of 6 years expires.

Tax losses may be carried forward and used within five years following the year in which they were incurred. When paying fees for the use of intellectual property, market research services, tax and business consultation, auditing and similar services, and interest to foreign legal persons, Croatian taxpayers are obliged to withhold and pay 15% tax

Slovenia

The corporate tax rate effective in Slovenia is 20% (2009: 20%).

According to Slovenia's tax system, there is no time limit while transporting financial damages. Capital gains arising from mergers, stock sales provided 50% capital gains are tax-free. Capital losses can not be considered as a deduction in calculation of corporate income tax. Foreign mercenary corporation tax computations, tax and foreign mercenaries paid on foreign currency income tax deduction equal to the difference between the corporate tax base can be used in Slovenia.

NOTE 31-LOSS PER SHARE

Basic losses per shares are calculated by dividing the net loss for the period by the weighted average number of ordinary shares in issue. Calculation is as follows:

	2010	2009
Loss for the period	(40.079.404)	(35.079.806)
Number of ordinary shares in issue (with nominal value of TL 1 each)	552.000.000	486.465.753
Loss per share (Kr)	(7,26)	(7,21)

There are no differences for any of the periods between earnings per share and diluted earnings per share.

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NOTE 32-RELATED PARTY DISCLOSURES

The Company's principal shareholder, Doğan Holding, the ultimate common shareholder Dogan family and other group companies are controlled by Doğan Holding is defined as related party. Related party balances and transactions are listed below.

i) Balances of Related parties

a) Short term receivables due to related parties

	31 December 2010	31 December 2009
Doğan Yayın Holding A.Ş.	86.676	73.823
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik")	9.205.838	9.813.236
Medyanet İletişim Reklam Pazarlama ve Turizm A.Ş. ("Medyanet")	3.992.543	5.850.608
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	3.795.275	14.466.840
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım")	2.020.401	2.815.538
Milliyet Verlags und Handels GmbH ("Milliyet Verlags")	332	2.250.172
Doğan Media International GmbH ("DMI")	292.002	399.895
Bağımsız Gazeteciler Yayıncılık A.Ş. ("Bağımsız Gazeteciler")	1.202.107	1.687.476
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	1.271.363	1.318.186
Katalog Yayın Tanıtım Hizmetleri A.Ş. ("Katalog")	-	899.004
Doğan Portal ve Elektronik Ticaret A.Ş. ("Doğan Portal")	116.610	16.922
Milta Turizm İşletmeleri A.Ş. ("Milta")	621.823	535.285
Other	2.124.860	960.388
	24.729.830	41.087.373

b) Short term due to related parties

	31 December 2010	31 December 2009
Doğan Yayın Holding A.Ş.	105.274	415.392
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	1.843.857	305.443
Milta	179.721	12.605
D-Market Elektronik Hizmetleri Ticaret A.Ş. ("D Market")	1.622	-
Petrol Ofisi A.Ş. ("Petrol Ofisi") (*)	-	197.185
Doğan İletişim Elektronik Servis Hizmetler ve Yayıncılık A.Ş. ("Doğan İletişim")	529.440	614.567
Other	769.949	721.884
	3.429.863	2.267.076

(*) Petrol Ofisi is not considered as related party as of 31 December 2010 since Doğan Holding has transferred the shares of Petrol Ofisi to OMV on 22 December 2010.

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ii) Significant transactions with related parties:

Transactions in related parties for the years ended as of 31 December 2010 and 31 December 2009 are as follows;

a) Significant service and product sales to related parties:

	2010	2009
Doğan Yayın Holding A.Ş	2.385.799	2.112.234
Doğan Dağıtım	95.214.238	92.337.568
Doğan Gazetecilik	33.012.595	30.534.140
Medyanet	8.130.309	5.840.663
DMI	12.641.512	15.156.765
Doğan Burda	5.577.032	5.200.662
Bağımsız Gazeteciler	4.578.419	5.974.108
Milliyet Verlags	676.475	2.144.302
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont")	4.578.419	986.554
Doğan İletişim	776.681	1.021.779
Turner Doğan Prodüksiyon ve Satış A.Ş. ("Turner Doğan")	436.028	1.651.728
Doğan Müzik Kitap Mağazacılık Pazarlama A.Ş.	242.918	129.478
Eko Televizyon Yayıncılık A.Ş. ("TNT")	109.190	479.015
Doğan TV Holding A.Ş. ("Doğan TV")	68.558	4.291.123
Petrol Ofisi (*)	19.272	244.913
Other	7.981.599	5.679.488
	176.429.044	173.784.520

(*) Petrol Ofisi is considered as a related party until 22 December 2010 which is the date of completion of the Doğan Holding's Petrol Ofisi shares sales to OVM. The balance amounting to TL 19.272 is due to the fuel purchases until the date of Petrol Ofisi shares sale.

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c) Significant service and product purchases from related parties:

	2010	2009
Doğan Yayın Holding A.Ş.	6.898.473	6.968.500
Işıl İthalat (*)	56.003.059	55.154.458
Doğan Dış Ticaret (*)	58.941.156	71.030.313
Doğan Dağıtım (**)	18.942.110	17.313.195
Kanal D	2.307.503	5.264.077
Doğan İletişim	3.356.667	2.708.361
Işıl Televizyon Yayıncılık A.Ş. (“Star TV”)	1.173.512	3.231.027
Milta	2.127.750	1.675.805
Petrol Ofisi (***)	1.287.378	1.575.230
D Yapım Reklamcılık ve		
Dağıtım A.Ş. (“D Yapım Reklamcılık”)	1.159.667	763.835
Other	3.341.363	4.348.148
	155.538.638	170.032.949

(*) The Group purchases raw materials primarily 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 comprises newspaper returns, distribution and transportation expenses.
(***) Petrol Ofisi is considered as a related party until 22 December 2010 which is the date of completion of the Doğan Holding’s Petrol Ofisi shares sales to OMV.

c) Other significant transactions with related parties:

Other income:	2010	2009
Doğan Dış Ticaret	692.114	797.214
Işıl İthalat	863.109	813.176
Doğan Dağıtım	866.165	599.015
Doğan Burda	643.585	475.919
Doğan Yayın Holding	228.678	186.876
DMI	342.713	370.591
Doğan İletişim	145.619	137.991
Other	771.897	540.011
	4.553.880	3.920.793

Other expenses:	2010	2009
Petrol Ofisi	-	22.623
Other	-	3.824
	-	26.447

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Purchase of property, plant and equipment and intangible asset:	2010	2009
Doğan Online	723.151	-
D-Market	461.637	661.962
Doğan Yayın Holding	47.560	-
Doğan İletişim	-	208.242
Doğan Gazetecilik	5.111.854	-
Other	16.726	198.110
	6.360.928	1.068.314

Financial income:	2010	2009
Kanal D	700.485	13.151
Medyanet	356.667	511.223
Bağımsız Gazetecilik	41.089	555.071
DMK	-	181.533
Doğan Yayın Holding	-	116.881
Other	14.832	37.351
	1.113.073	1.415.210

Financial expenses:	2010	2009
Doğan Faktoring (*)	865.334	1.075.618
Doğan Yayın Holding	1.480	202.482
Bağımsız Gazetecilik	28.657	-
Other	-	31.495
	895.471	1.309.595

(*)Billing and controlling of Group's commercial advertisement and collection of these commercial advertisement receivables are made by Doğan Factoring, commissions paid for these services are accounted in financial expenses.

Key Management Personnel:

The Group determined the key management personnel as board of directors and executive committee. Benefits provided to key management personnel consist of benefits such as wage, premium, health insurance and transportation.

	2010	2009
Salaries and other short term benefits	7.771.494	6.877.977
Post-employment benefits	105.837	-
Total	7.877.331	6.877.977

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NOTE 33-FINANCIAL RISK MANAGEMENT

33.1 Financial Risk Management

(i) Interest rate risk

The Company's interest rate sensitive financial instruments are as follows:

	31 December 2010	31 December 2009
Financial instruments with fixed interest rate		
Loans and receivables	69.743.339	261.353.697
Financial Assets		
-Designated at fair value through profit or loss (*)	18.855.213	18.363.709
Financial Liabilities	7.354.467	15.232.176
Financial instruments with floating interest rate		
Financial liabilities	499.025.964	635.053.546

(*) Financial assets designated at fair value through profit or loss consists of treasury bills and government bonds.

The Group management uses interest bearing short term assets within natural policy context to stabilize the maturity of the interest bearing liabilities and assets. Furthermore, the Group hedges interest rate risks arising from floating rate borrowings, by limited use of derivatives, such as interest rate swaps.

At 31 December 2010, had the interest rates on USD and Euro denominated borrowings been 100 basis point higher/lower with all other variables held constant, mainly as a result of higher/lower interest expense on floating rate borrowings; net loss for the period before tax and non-controlling interests would have been lower/higher by TL 891.004 (31 December 2009: TL 824.957).

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(ii) Liquidity risk

The table below shows the liquidity risk arises from financial liabilities of the Group:

31 December 2010	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Financial liabilities (Note 7)	506.380.431	538.185.034	80.569.514	160.025.751	296.894.616	695.153
Other financial liabilities (Note 8)	57.082.687	57.082.687	-	57.082.687	-	-
Trade payables						
-Related party (Note 32)	3.429.863	3.429.863	3.429.863	-	-	-
-Other (Note 9)	33.994.339	33.994.339	32.743.625	1.250.714	-	-
Other payables						
-Related party (Note 32)	-	-	-	-	-	-
-Other (Note 10)	18.484.007	18.484.007	18.336.488	-	147.519	-

31 December 2009	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Financial liabilities (Note 7)	650.285.722	675.603.865	77.725.911	171.947.446	423.249.273	2.681.235
Other financial liabilities (Note 8)	17.780.163	17.780.163	-	17.037.853	742.310	-
Trade payables						
-Related party (Note 32)	2.267.076	2.267.076	2.267.076	-	-	-
-Other (Note 9)	38.289.102	38.289.102	38.289.102	-	-	-
Other payables						
-Related party (Note 32)	-	-	-	-	-	-
-Other (Note 10)	16.453.564	16.453.564	16.265.351	-	188.213	-

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

Funding risk of current and future debt requirements is managed by continuance of sufficient and highly qualified creditor's access. The Group aims at maintaining cash and cash equivalents for the anticipated cash flows of raw material purchase for the subsequent six-months.

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The liquidity table demonstrates the Group's net financial liabilities in accordance with the redemption schedule. Such amounts are undiscounted future cash flows of financial liabilities of the Group. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2010, the Group has long-term financial liabilities amounting to TL 221.167.354 (31 December 2009: TL 250.730.351) and long-term trade payables to suppliers amounting to TL 54.991.092 (31 December 2009: TL 77.615.157) (Note 7). The Group has no marketable securities with a maturity over one year at 31 December 2010 (31 December 2009: None).

(iii) 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 credit amount of any individual counterparty. The credit risk is generally highly diversified due to the large number of entities comprising the customer bases.

Aging analysis for trade receivables:

As of 31 December 2010 there are past due but not impaired trade receivables amounting to TL 54.847.243 (31 December 2009: TL 56.582.096). The Group does not foresee any collection risk for the delay up to one month due to sector dynamics and conditions. The Group restructures the trade receivables by applying due date differences which are due over one month and/or the Group does not foresee any collection risk since they are under coverage of guarantees such as mortgage, indemnity or guarantee notes. As of 31 December 2010, the amount of mortgage and indemnity received is TL 13.162.212 for the related receivables.

As of 31 December 2010 and 31 December 2009, aging analysis for trade receivables that are past due but not impaired are as follows:

	31 December 2010		31 December 2009	
	Related party	Other receivables	Related party	Other receivables
0-1 months	940.023	18.755.712	1.140.380	18.998.634
1-3 months	290.467	12.784.980	2.076.813	9.608.021
3-6 months	-	8.806.217	1.766.512	3.105.679
6-12 months	-	7.396.581	776.371	6.769.789
1-2 years	-	5.873.263	3.590.160	8.749.737
	1.230.490	53.616.753	9.350.236	47.231.860

As of 31 December 2010 and 31 December 2009, aging analysis for trade receivables that are past due and impaired is as follows:

Impaired	31 December 2010	31 December 2009
Past due 0-3 months	687.970	2.262.103
Past due 3-6 months	1.600.110	2.530.329
Past due 6 months and over	46.967.993	38.448.797
Less: Provision for impairment	(49.256.073)	(43.241.229)

The balance of related party receivables that are past due and impaired as of 31 December 2010 is 899.004 TL (31 December 2009: None).

There is no trade receivables which is over due and impaired as at 31 December 2010.

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The Group's credit risk of financial instruments as of 31 December 2010 is as follows:

	Trade receivables		Other receivables			
31 December 2010	Related party	Other	Related party	Other	Bank deposits	Other assets
Maximum credit risk exposure as of balance sheet date	24.729.830	161.774.534	-	3.191.584	88.759.624	15.460.000
-The part of maximum credit risk under guarantee with collateral	-	30.833.701	-	-	-	-
A. Net book value of financial assets that are not past due/impaired	23.499.340	108.157.781	-	3.191.584	88.759.624	15.460.000
B. Net book value of financial assets that are renegotiated if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (Note 9)	1.230.490	53.616.753	-	-	-	-
-The part under guarantee with collateral	-	*4.423.701*	-	-	-	-
D. Net book value of impaired asset						
-Past due (gross carrying amount)	-	49.256.073	-	559.652	-	-
-Impairment (-)	-	(49.256.073)	-	(559.652)	-	-
-The part of net value under guarantee with collateral	-	-	-	-	-	-
-Not over due (gross carrying amount)						
-Impairment (-)	-	-	-	-	-	-
-The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

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The Group's credit risk of financial instruments as of 31 December 2009 is as follows:

	Trade receivables		Other receivables			
31 December 2009	Related party	Other	Related party	Other	Bank deposits	Other assets
Maximum credit risk exposure as of balance sheet date	41.087.373	150.105.473	-	3.272.765	277.464.764	-
-The part of maximum credit risk under guarantee with collateral	-	*31.700.510*	-	-	-	-
A. Net book value of financial assets that are not past due/impaired	31.737.138	102.873.613	-	3.272.765	277.464.764	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (Note 9)	9.350.235	47.231.860	-	-	-	
-The part under guarantee with collateral	-	*4.355.510*	-	-	-	-
D. Net book value of impaired asset						
-Past due (gross carrying amount)	-	43.241.229	-	-	-	-
-Impairment (-)	-	(43.241.229)	-	-	-	-
-The part of net value under guarantee with collateral	-	-	-	-	-	-
-Not over due (gross carrying amount)						
-Impairment (-)	-	-	-	-	-	-
-The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

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(iv) Foreign currency risk

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

The foreign exchange risk mainly arises from the impact of rate changes in the translation of the Group's foreign currency denominated borrowings which are obtained to fund capital expenditures in domestic and overseas operations. (The risk is monitored in regular meetings.) The Group maintains a certain portion of its excess cash and cash equivalents in foreign currency to minimize the currency risk exposure.

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

TL equivalents of assets and liabilities denominated in foreign currencies at 31 December 2010 and 31 December 2009 are as follows:

	31 December 2010	31 December 2009
Assets	128.188.093	197.584.526
Liabilities	(593.426.277)	(707.182.082)
Net foreign currency position	(465.238.184)	(509.597.556)

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 December 2010: 1,546 TL= 1 USD and 2,0491 TL=1 Euro (31 December 2009: 1,5057 TL= 1 USD and 2,1603 TL=1 Euro).

Assets denominated in foreign currency amounting TL 128.188.093 as of 31 December 2010, hedged 22 % naturally by the existence of liabilities denominated in foreign currency amounting TL 593.426.277. Assets denominated in foreign currency amounting TL 197.584.526 as of 31 December 2009, hedged 28% naturally by the existence of liabilities denominated in foreign currency amounting to TL 707.182.082.

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The table summarizes the foreign currency position risk as of 31 December 2010 and 31 December 2009. The carrying amount of foreign currency denominated assets and liabilities of the Group are as follows:

31 December 2010	USD Original amount	TL	Euro Original amount	TL	Other TL	Total
Assets:						
Cash and cash equivalents	25.654.185	39.661.370	9.258.025	18.970.619	13.563.658	72.195.647
Trade receivables	286.728	443.281	1.712.006	3.508.072	7.163.739	11.115.092
Financial assets (Note 6)	12.196.127	18.855.213	-	-	-	18.855.213
Other receivables and current assets	213.590	330.210	34.951	71.619	9.988.706	10.390.535
Other non-current assets	10.010.000	15.475.460	6.036	12.368	143.778	15.631.606
	48.360.630	74.765.534	11.011.018	22.562.678	30.859.881	128.188.093
Liabilities:						
Short-term portion of long-term financial liabilities (Note 7)	96.256.957	148.813.255	31.657.230	64.868.831	16.511.360	230.193.446
Trade payables	436.149	674.286	2.337.724	4.790.230	7.934.072	13.398.588
Other payables and short-term liabilities	25.757.018	39.820.350	407.625	835.265	32.946.806	73.602.421
Long-term financial liabilities	142.168.519	219.792.531	13.669.403	28.009.973	28.384.481	276.186.985
Other non-current liabilities (Note 21)	-	-	-	-	44.837	44.837
	264.618.643	409.100.422	48.071.982	98.504.299	85.821.556	593.426.277
Net foreign currency position	(216.258.013)	(334.334.888)	(37.060.964)	(75.941.621)	(54.961.675)	(465.238.184)

31 December 2009	USD Original amount	TL	Euro Original amount	TL	Other TL	Total
Assets:						
Cash and cash equivalents	73.838.568	111.178.732	9.333.025	20.162.134	14.249.971	145.590.837
Trade receivables	294.956	444.115	3.064.956	6.621.224	8.823.302	15.888.641
Financial assets (Note 6)	12.196.127	18.363.709	-	-	-	18.363.709
Other receivables and current assets	346.784	522.153	9.758	21.080	16.192.298	16.735.531
Other non-current assets	595.000	895.892	-	-	109.916	1.005.808
	87.271.435	131.404.601	12.407.739	26.804.438	39.375.487	197.584.526
Liabilities:						
Short-term portion of long-term financial liabilities (Note 7)	176.638.676	265.964.854	17.285.083	37.340.965	17.028.795	320.334.614
Trade payables	1.567.096	2.359.576	3.270.601	7.065.480	10.419.444	19.844.500
Other payables and short-term liabilities	870.500	1.310.712	337.504	729.109	34.191.434	36.231.255
Long-term financial liabilities	142.721.077	214.895.125	34.994.900	75.599.483	39.456.499	329.951.107
Other non-current liabilities and financial liabilities (Notes 8, 21)	-	-	-	-	820.606	820.606
	321.797.349	484.530.267	55.888.088	120.735.037	101.916.778	707.182.082
Net foreign currency position	(234.525.914)	(353.125.666)	(43.480.349)	(93.930.599)	(62.541.291)	(509.597.556)

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The Group is exposed to foreign currency risk of USD, Euro and CHF.

31 December 2010	Profit/Loss	
	Foreign currency appreciation	Foreign currency depreciation
If the US dollar had changed by 10% against the TL		
USD net (liabilities)/assets	(33.304.243)	33.304.243
Hedging amount of USD	-	-
USD net effect on (loss)/income	(33.304.243)	33.304.243
If the EUR had changed by 10% against the TL		
Euro net (liabilities)/assets	(6.863.492)	6.863.492
Hedging amount of Euro	-	-
Euro net effect on (loss)/income	(6.863.492)	6.863.492
If the CHF had changed by 10% against the TL		
CHF denominated net (liabilities)/assets	(5.496.167)	5.496.167
Hedging amount of CHF	-	-
CHF net effect on (loss)/income	(5.496.167)	5.496.167

31 December 2009	Profit/Loss	
	Foreign currency appreciation	Foreign currency depreciation
If the US dollar had changed by 10% against the TL		
USD net (liabilities)/assets	(38.437.496)	38.437.496
Hedging amount of USD	-	-
USD net effect on (loss)/income	(38.437.496)	38.437.496
If the EUR had changed by 10% against the TL		
Euro net (liabilities)/assets	(8.065.633)	8.065.633
Hedging amount of Euro	-	-
Euro net effect on (loss)/income	(8.065.633)	8.065.633
If the CHF had changed by 10% against the TL		
CHF denominated net (liabilities)/assets	(6.164.540)	6.164.540
Hedging amount of CHF	-	-
CHF net effect on (loss)/income	(6.164.540)	6.164.540

33.2 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 using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

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

(i) Monetary assets

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

The fair values of certain financial assets carried at cost where the fair values cannot be measured reliably, including cash and cash equivalents, are considered to approximate their respective carrying values due to their short-term nature and is negligible impairment risk of the receivables.

The carrying value of trade receivables measured at amortised cost using the effective interest method, less provision for impairment are assumed to approximate their fair values.

(ii) Monetary liabilities

The carrying values of trade payables are assumed to approximate their fair values. The carrying values of borrowings (Note 7), trade payables to suppliers (Note 7) and other long term financial liabilities (Note 8) approximate their carrying values as the effect of the discounting is not material.

33.3 Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders in accordance with the CMB regulations, issue new shares or sell assets to decrease borrowing. There are covenants related with the bank borrowings stated in Note 7 which the Group has to fulfill net debt/equity ratio as stated in the contracts' of the related bank borrowings.

The fair values of financial assets and financial liabilities are determined and grouped as follows:

• Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

• Level 2: the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

• Level 3: the fair value of the financial assets and financial liabilities where there is no observable market data. The fair value of derivative instruments, are calculated using quoted prices. Where such prices are not available, estimate is made based on discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

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Level classification of financial assets and liabilities that are valued with its fair values are as follows:

		Fair Value as of Reporting Date		
	31 December	Level 1	Level 2	Level 3
Financial assets	2010	TL	TL	TL
Financial assets at FVTPL				
Trading securities	-	-	-	-
Trading derivatives	-	-	-	-
Available-for-sale financial assets Securities	18.855.213	-	18.855.213	-
Total	18.855.213	-	18.855.213	-
Financial liabilities				
Financial liabilities at FVTPL				
Trading derivatives	4.602.171	-	4.602.171	-
Other financial liabilities	-	-	-	-
	4.602.171	-	4.602.171	

NOTE 34-SUBSEQUENT EVENTS

Financial statement for the year ended at 31 December was approved by the Board of Directors on 28 March 2011. People except the Board of Director members have no authority to change the consolidated financial statements. Consolidated financial statements will be finalized after the approval at ordinary general meeting of shareholders

NOTE 35-CASH FLOWS

The details of changes in operating assets and liabilities at consolidated statement of cash flow for the year ended at 31 December are as follows:

	31 December 2010	31 December 2009
Change in blocked deposits and time deposits with maturity of more than three months	130.245	(209.342)
Change in trade receivables and due from related parties	(12.784.391)	(30.020.653)
Change in inventories	426.997	4.543.581
Change in other current assets	912.414	19.415.276
Change in trade payables and due to related parties	(3.138.515)	(4.468.088)
Change in other current liabilities	(5.726.648)	562.214
Change in financial liabilities	3.618.142	-
Change in other non-current assets	834.892	7.204.194
	(15.726.864)	(2.972.818)

Hürriyet is right in the middle of the life... Everywhere and in every manner... On the bus, at the park, on the street, in our offices, in our hands and palms, just a click away from us. An indispensible part of our lives... Hürriyet. Every day closer, every day more dynamic...

Our photograph artists Levent Kulu, Selçuk Şamiloğlu, Senih Gürmen,Levent Arslan, Emre Yunusoğlu and Sebati Karakurt hit the streets to catch Hürriyet "in the middle of the life... " They took the photos used in this annual report and many more.

We would like to thank them all.

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WWW.FINARKURUMSAL.COM • TEL +90 212 269 37 20

Hürriyet Gazetecilik ve Matbaacılık A.Ş.
Hürriyet Medya Towers 34212 Güneşli, Istanbul
Tel: +90 212 677 00 00 Fax: +90 212 677 01 82
www.hurriyet.com.tr
www.hurriyetkurumsal.com