HÜRRİYET

2011

ANNUAL REPORT

Hürriyet

CONTENTS

Starting each day with a new issue and new enthusiasm

Hürriyet is one of the oldest and youngest newspapers of Turkey.

Blending our experience gained over many years with the excitement of journalism, we conduct our operations without compromising on our dedication to conscientious and honest journalism.

2011 was a year full of many exciting and positive developments for our Company.

Strengthening our presence in social media, the latest modern communications phenomenon, Hürriyet has become one of the most followed publications in this area. Launching different platforms under our internet operations, Hürriyet has become a rapidly accessible and easily readable publication.

Hürriyet Kampüs (Campus), our latest newspaper launched, reached a circulation of 30,000 at 50 universities across the country.

The Hürriyet Reader Council has grown in number and improved its efficiency.

We continued to conduct annual social responsibility campaigns that have a wide impact and launched the “Rightful Women Platform.”

Radikal and Hürriyet Daily News maintained their market positions as the highly reputable newspapers and as distinguished sources of editorial within the Turkish media.

This is Hürriyet. We are constantly striving, and will strive in the future, as have since our founding, to provide accurate and truthful news to Turkey’s younger generations and to lead the path to a better and more prosperous Turkey of tomorrow…

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. Pursuant to the Capital Markets Board's resolution dated July 23, 2010 and numbered 21/655 and according to the records of the Central Registry Agency, 21.15% of shares representing Hürriyet's total capital is floated as of December 31, 2011 (this figure was 21.11% as of December 31, 2010), while 25.02% of Trader Media East (TME) stocks are traded on the London Stock Exchange as global depository receipts (GDRs).

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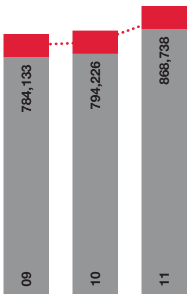
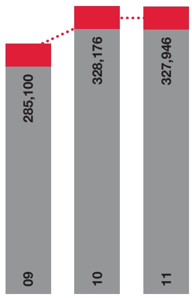


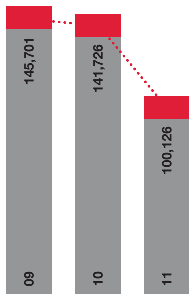
TOTAL REVENUE (TL THOUSAND)

TL **869** Million



GROSS PROFIT (TL THOUSAND)

TL **328** Million



EBITDA (TL THOUSAND)

TL **100** Million

SUMMARY OF BALANCE SHEET (TL THOUSAND)	DECEMBER 31, 11	DECEMBER 31, 10
Total Current Assets	556,767	347,622
Total Fixed Assets	1,082,006	1,231,305
Total Assets	1,638,773	1,578,926
Total Short-Term Liabilities	549,788	390,538
Total Long-Term Liabilities	493,807	415,355
Shareholders' Equity	595,178	773,033

SUMMARY OF INCOME STATEMENT (TL THOUSAND)	DECEMBER 31, 11	DECEMBER 31, 10
Net Sales	868,738	794,226
Gross Profit	327,946	328,176
EBITDA*	100,126	141,726
Net Profit/ Loss (Attributable to equity holders)	-235,684	-40,079

***EBITDA:** Earnings before interest, tax, depreciation and amortization

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.

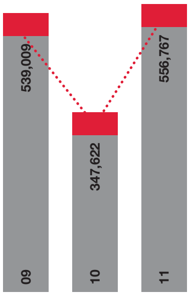
	DECEMBER 31, 11	DECEMBER 31, 10
Gross Profit Margin (%)	37.7	41.3
EBITDA Margin (%)	11.5	17.8
Net Profit Margin (%)	-27.1	-5.0

2011 was a year of growth for Turkey in general, despite the economic instability that prevailed globally and especially in the Euro zone countries. Turkey's economy grew 9.6% in first nine months of the year and then closed 2011 with an enviable growth rate of 8.5% in spite of the slowdown during the last quarter.

The country's advertising market expanded by 14% in 2011, as would be expected of a fast growing economy. Newspaper advertising grew somewhat more slowly at 7.6%, slightly less than GDP growth. The Group's advertising revenue increased 9.3% for the year aided by the strong showing of Hürriyet's ad revenue which outperformed the market.

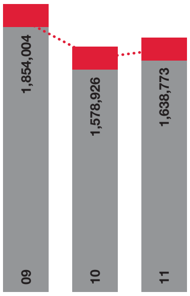
According to data from Doğan Dağıtım and Turkuvaz Dağıtım, the daily average national newspaper circulation increased 2.3% in 2011, to 4,753 thousand, up from 4,646 thousand a year earlier. Despite the 3.2% dip in Hürriyet's daily average net sales, Hürriyet Group recorded growth of 3% thanks to the positive impact of price increases and the inclusion of full year Radikal Newspaper figures in the financial statements instead of three months as was the case in the previous year.

MAIN FINANCIAL HIGHLIGHTS



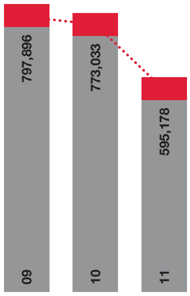
TOTAL CURRENT ASSETS (TL THOUSAND)

TL **557** Million



TOTAL ASSETS (TL THOUSAND)

TL **1,639** Million



TOTAL SHAREHOLDERS' EQUİTY (TL THOUSAND)

TL **595** Million

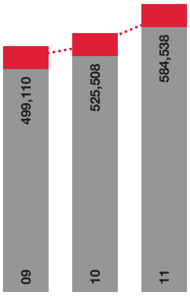
Due to the interconnectedness of the world's financial markets, the clearest impacts of the Euro debt crisis on Turkey that emerged in the second half of the year were the rapid depreciation of the Turkish currency in parallel with capital outflows. A similar rapid loss in currency value was also experienced in Russia, Hungary and Croatia where Trade Media East Ltd., a subsidiary of Hürriyet Gazetecilik ve Matbaacılık A.Ş., conducts operations. This development had two major effects on the financial statements of the Company. First, Hürriyet Gazetecilik's consolidated exchange rate difference expense item rose significantly as did that of Trader Media East due to the presence of a foreign currency denominated working capital and an investment loan on the balance sheet. Second, the sharp rise in the cost of paper, the most important raw material used by the Company and whose price is also denominated in the US Dollar, negatively impacted the gross operating margin and operational profitability.

The net adverse effect of the exchange rate fluctuation on the Company's financial gains/ losses was TL 87.9 million.

In 2011, the Company's raw materials cost increased 24.5% due to the rise in newsprint cost to 759 USD/ton from 631 USD/ton, in addition to the effect of exchange rate.

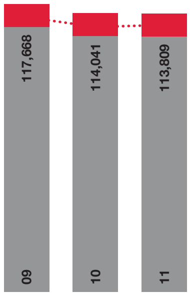
On the positive front, Hürriyet Gazetecilik ve Matbaacılık A.Ş. has benefitted from the tax reconciliation law and settled all outstanding tax disputes. As a result, the total expense for 2011 was TL 19.8 million including interest accrued.

Due to these extenuating circumstances during the year, revenue growth could not be reflected in net profitability for this reporting period.



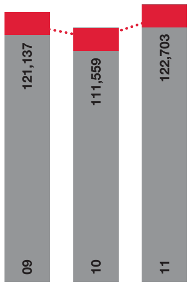
TOTAL ADVERTISING REVENUES (TL THOUSAND)

TL **585** *Million*



CIRCULATION REVENUES (TL THOUSAND)

TL **114** *Million*



PRINT REVENUES (TL THOUSAND)

TL **123** *Million*

REVENUES (TL)	2010	SHARE (%)	2011	SHARE (%)	CHANGE (%)
Turkey	553,537	69.7	600,561	69.1	8.5
Russia & Eastern Europe	191,206	24.1	216,861	25.0	13.4
Europe	49,482	6.3	51,316	5.9	3.7
Total Revenues	**794,226**		**868,738**		**9.4**

REVENUES (TL)	2010	SHARE (%)	2011	SHARE (%)	CHANGE (%)
Advertising Revenues (Print)	472,340	59.5	513,829	59.1	8.8
Advertising Revenues (Online)	53,168	6.7	70,709	8.1	33.0
Circulation Revenues	114,041	14.4	113,809	13.1	(0.2)
Printing Revenues	111,559	14.0	122,703	14.1	10.0
Other Revenues	43,119	5.4	47,689	5.5	10.6
Total Revenues	**794,226**		**868,738**		**9.4**

GROSS PROFİT	2010	SHARE (%)	2011	SHARE (%)	CHANGE (%)
Turkey	**219,177**	**66.8**	**216,788**	**66.1**	**(1.1)**
Gross Profit Margin (%)	36.6		36.1		
Russia & Eastern Europe	**96,452**	**29.4**	**100,901**	**30.8**	**4.6**
Gross Profit Margin (%)	50.4		46.5		
Europe	**12,548**	**3.8**	**10,258**	**3.1**	**(18.3)**
Gross Profit Margin (%)	25.4		20.0		
Total Gross Profit	**328,176**		**327,946**		**(0.1)**
Gross Profit Margin (%)	41.3		37.8		

In 2011, daily average net newspaper sales across the country increased 2.3% to 4.8 million copies, compared with 4.6 million copies sold per day a year earlier.

- **GDP annual growth rate:** Following record GDP growth of 8.9% in 2010, Turkey's economy continued its strong performance and expanded 8.5% as of end-2011.

- **Annual inflation rate:** The consumer price index (CPI) climbed to 10.4% at the end of 2011, up from 6.4% in the previous year.

- **TL / US Dollar exchange rate:** The TL / US Dollar exchange rate increased from 1.5460 at year-end 2010 to 1.8889 in 2011, up 22.2%. According to the average annual figures, the TL /US Dollar exchange rate rose to 1.6701, up 11.4% over the prior year's 1.4992.

- **Turkish advertising market:** The DYH Advertising Platform estimates that the Turkey's advertising market expanded 14.4% in 2011; reaching TL 4.5 billion, compared to TL 3.9 billion a year earlier.

- **Newspaper advertising market:** According to The DYH Advertising Platform estimated that Turkey's newspaper advertising market in 2011 totaled TL 996.9 million, up 7.6% over the previous year's TL 926.3 million.

- **Turkey's daily average net newspaper circulation:** The daily average national newspaper circulation increased 2.3% in 2011 to reach 4.8 million, up from the prior year's 4.6 million.

- **Hürriyet Newspaper's daily average net sales:** A daily average of 435 thousand copies of Hürriyet were sold in 2011, compared with 449 thousand on average a year earlier.

- **The average number of pages of Hürriyet Newspaper** increased to 81.6 in 2011, up from 81.3 in the prior year.

- **The amount of paper used** for Hürriyet Newspaper was 78 thousand tons in 2011, compared to 82 thousand tons in the prior year.

- **The average paper price,** in US Dollar terms, rose 20% in 2011, to 759 USD/ton compared to 631USD/ ton in 2010.

Despite the global crisis that continued to negatively impact especially the most developed economies in 2011, Turkey stood apart and was the second fastest growing economy in the world, after China, with an annual GDP growth rate of 8.5%. This rapid economic growth was the result of an 18.5% increase in exports (USD 1345 billion) and of a 29.8% rise in imports (USD 240.8 billion). The 29.5% increase in consumer loans fueled by low interest rates boosted the demand for imported goods. These factors, together with the rise in energy prices, caused the foreign trade deficit to increase 48% and the current account balance (- USD 77 billion) reached 9.9% of GDP in 2011, a record high.

The Turkish advertising market expanded 14.4% in 2011 and reached TL 4.5 billion, up from about TL 3.9 billion in the prior year, driven by low interest rates and increased consumer spending as result of extension of loan terms. Television accounted for the largest share in the advertising market once again in 2011; this segment grew 11.9% during the year. However, the fastest growing segment was online advertising, as in recent years, which increased 38.8%, followed by the outdoor segment which grew 21.7%.

During the reporting period, newspaper advertising, the second most preferred ad segment, increased 7.6%. Maintaining its sector leading position in 2011, Hürriyet increased its domestic advertising revenue by 9.3%, well above market as a whole.

An analysis of the overall Turkish advertising market indicates that telecommunications and food have taken the lead in the advertising expenditures in 2011. The top ten segments are, in descending order of total adspend: telecommunications; food; financial services; construction; automotive; publishing; retail; cosmetics and personal care; beverages; and electronic goods and home appliances. The most important advertising segments for Hürriyet are construction, retail, automotive, public service announcements, tourism, classified ads, financial services and education.

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.

On November 15, 2011, the international credit rating agency Fitch Ratings confirmed the Company's local and foreign currency credit ratings as "B+" and improved its outlook from negative to stable. In addition, the national long term credit rating was confirmed as "A (tur)," and its outlook was changed to stable.


BUGÜN HERKESE
OKULA BAŞLAYACAK ÇOCUKLAR İÇİN FAALİYET KİTABI
TAM 24 SAYFA
Hürriyet
Türkiye Türklerindir
www.hurriyet.com.tr
11 EYLÜL 2001
10'UNCU YIL
SEPTEMBER 11 2001
Ladin'i Müslümanlarla birlikte yok ettik
ABD Başkanı Hürriyet'e yazdı
OBAMA DÜNYAYA SESLENDİ
BARIŞIN PEŞİNDE KOŞACAĞIZ
Obama'nın yazısı 20. sayfada
Türkiye'yi pozitif etkiledi
Ertuğrul ÖZKÖK New York'tan yazıyor
DÜNYANIN GÖZÜ BURADA
İŞTE GROUND ZERO
Tam 10 yıl önce işte tam burada, teröristlerin kaçırdığı 2 yolcu uçağı, İkiz Kuleler'e çarptı. O uçak kulelerle birlikte dünyada birçok şeyi de altüst etti.
KAMİKAZE OLACAKTIK
F-16'nın pilotu 10 yıl sonra itiraf etti
KUYRUĞA VE KOKPİTE ÇARPACAKTIK
11 EYLÜL 2001'DE NE OLDU
2606'sı New York'ta toplam 2996 kişi öldü
Havacılığın kuralları 11 Eylül'le değişti
Hürriyet PAZAR
Bayilerden isteyiniz
Tertemiz alnımı lekeli dudaklarına sürdürmem
SÜPER LİG BAŞLADI
Altın çantayı BİLEĞİNE KELEPÇELEDİ
"1,1 tonluk yardım parası uçak düşürür" korkusu
Acil paraya ihtiyacınız varsa
PratiKredi
T.C. Kimlik Numaranı yaz 4466'ya SMS gönder, kredi cevabın anında cebine gelsin.
TEB
VAHŞİ DOĞA BELGESELLERİ
YENİ BÖLÜMLER
20 KİTAP 20 DVD
Özel kutusu içinde
49 KUPONA
BBC

Based upon the Board of Directors resolution 2011/18 dated April 26, 2011, task sharing among Board members is as follows:

NAME	TITLE	EXPLANATION
Vuslat Sabancı	Chairwoman	Non-executive
Hanzade V. Doğan Boyner	Deputy Chairwoman	Non-executive
Hakkı Hasan Yılmaz	Board Member	Executive*
Kadri Enis Berberoğlu	Board Member	Executive
Ahmet Toksoy	Board Member	Non-executive
Yahya Üzdiyen	Board Member	Non-executive
Kai Diekmann	Board Member	Independent Member
Ahmet Burak	Board Member	Independent Member

Detailed curriculum vitae (CVs) of the Board members are posted on the Company website at www.hurriyetkurumsal.com.

With the public disclosure dated August 25, 2011, the Company announced that Mr. Leonid Makaron resigned from his position as Board member and was dismissed. The appointment to the vacant position will be realized in the coming days and be announced to the public.

* On January 4, 2012, the Company disclosed to the public that Mr. Hakkı Hasan Yılmaz who served as Chairman of the Executive Committee for the last two years resigned from his post, effective as of March 1, 2012. Mr. Yılmaz resigned in order to return to pursue his academic studies which he had suspended during his service at the Company. Mr. Yılmaz maintains his position as a member of the Board of Directors.

VUSLAT DOĞAN SABANCI
Chairwoman, Hürriyet Gazetecilik ve Matbaacılık Anonim Şirketi

A graduate of Bilkent University Dept. of Economics, Vuslat Doğan Sabancı went on to attend Columbia University in New York for her graduate studies in International Media and Communications. Vuslat Doğan Sabancı currently chairs the Board of Directors at Hürriyet, and has held this post since May 26, 2010.

During her tenure at CEO capacity between 2004 and 2010, Vuslat Doğan Sabancı transformed Hürriyet from a leading paper in Turkey into an international powerhouse through her acquisition of Trader Media East (TME) in 2007 in a move that represented the largest ever foreign procurement executed by a Turkish Company. TME is an online and printed media advertising company operating in Russia, Ukraine, Belarus, Kazakhstan, Hungary, Croatia and Slovenia. Iz ruki ruki is among the best recognized media brands in Russia, while Irr.ru is the leading online classifieds company.

Vuslat Doğan Sabancı ensured Hürriyet's position as a major player within the emerging new media in Turkey through investing in digital publishing and services. The return on such investments manifested itself in the form of launching Hurriyet.com.tr to the level of those sites across Europe generating highest levels of traffic. Hürriyet currently offers classified advertising services through its sister sites such as hurriyetemlak.com, hurriyetoto.com, yenibiris.com, in addition to yakala.co, a deal finder website, and yenicarsim.com, an e-trading portal.

Vuslat Doğan Sabancı has also evolved into a strong voice for human rights and especially issues revolving around gender equality in Turkey, by investing in such topics in Hürriyet. A law was enacted on domestic violence following an 8 year effort on her part through the "No To! Domestic Violence" campaign she has initiated. Vuslat Doğan Sabancı also established a platform to gather all NGOs formed around issues concerning women under the same roof, and function as a pressure lobby to ensure more women could be voted into the Parliament, prior to the General Elections in 2010. As a consequence of this effort, the number of female MPs rose to 78 after the 2011 elections, from 48. On the other hand, Doğan Sabancı carries on with a multitude of activities in the name of giving women their rightful place both in social life and within the economy. The microloan project for women, along with similar efforts, constitute examples of such Social Responsibility Projects.

Vuslat Doğan Sabancı joined Hürriyet in 1996 as Vice President in charge of advertising, before receiving a promotion to the post of Marketing Group President three years later. Her responsibilities in Hürriyet included marketing, sales, human resources and information technologies (IT).

Doğan Sabancı worked at the editorial department of The New York Times for a year, and later at The Wall Street Journal, where she was instrumental in the formation of the Asian Business World News Channel and the paper's Latin America edition, before she joined Hürriyet.

Born in 1971, Vuslat Doğan Sabancı is married with two children. Doğan Sabancı speaks English.

MEMBERSHIPS

Vuslat Doğan Sabancı is a lifetime honorary member of the International Press Institute (IPI), where she served an 8 year term as a Board Member.

Endeavor, a New York based international NGO, where Vuslat Doğan Sabancı has been serving as a Board Member since its inception, has commenced its operations in Turkey in 2006. Endeavor Turkey furthers its efforts in Turkey through the support provided by its Board, Members of the Advisory Council, as well as Endeavor Mentors; identifies Endeavor Entrepreneurs and supports them.

Vuslat Doğan Sabancı is also a member of TUSIAD in good standing since 2003.

HANZADE V. DOĞAN BOYNER
Deputy Chairwoman of the Board

Ms. Hanzade V. Doğan Boyner currently serves as Chairwoman of the Board of Directors at Doğan Online and Doğan Gazetecilik and as Deputy Chairwoman of the Board at Hürriyet Gazetecilik, Doğan Burda and Doğan Holding. Additionally, she is closely involved in the energy investments of the Group, after she served as the Chairwoman of the Board at Petrol Ofisi until 2010.

After graduating from the London School of Economics with a Bachelor's degree in Economics, Ms. Boyner started her professional career as a financial analyst in the Communications, Media and Technology Group at Goldman Sachs International in London. She earned her MBA from Columbia University in 1999 and returned to Turkey the same year and established Turkey's largest internet holding company, Doğan Online. In 2003, she was appointed CEO of Doğan Gazetecilik, which includes Turkey's bestselling newspaper, Posta, in its portfolio. In 2006, she played an active role in the execution of the shareholders agreement concluded between Doğan Holding, through its subsidiary Petrol Ofisi, and OMV, the leading oil and gas company in central Europe, to establish a strategic alliance for refinery and oil exploration and production fields.

Ms. Boyner is currently a member of The Brookings Institution's International Advisory Council, the European Foreign Relations Council, the Foreign Economic Relations Board, the Turkish Industrialists' and Businessmen's Association, Young Presidents' Organization and Women Entrepreneurs Association of Turkey. She also plays an active role in civil society as the Vice Chairwoman of the Global Relations Forum, of which she is a founding member, and of the World Association of Journalists.

Ms. Boyner also oversees the "Dad, Send Me to School" campaign which has proven to be the one of Turkey's most successful social responsibility projects to date. This project, which aims to eliminate obstacles hindering the education of girls, provided scholarships to 10 thousand schoolgirls and built 32 dormitories for their use.

HAKKI HASAN YILMAZ
Board Member

Born in 1957 in Ankara, Mr. Hakkı Hasan Yılmaz graduated from the Middle Eastern Technical University, Department of Industrial Engineering in 1979, following his high school education at TED Ankara College.

In 1991, he was appointed Chairman and CEO of the Lever and Elida cosmetics companies. At the end of a three year period, he was appointed to the London headquarters of Unilever as the Regional Leader for Unilever's East Asia detergent business, covering the countries China, Korea, Japan, Vietnam, Taiwan, Indonesia, Malaysia and Australia. In 1995, Mr. Yılmaz returned to Turkey and was appointed Chairman and CEO of Uzay Gıda, a subsidiary of PepsiCo/Frito-Lay for one year.

In 1996, Mr. Yılmaz was recalled to duty by Unilever and served as Chairman and CEO of all nine legal entities in Turkey with a majority Unilever shareholding. In 2000, he resigned from this post wishing to become active in different areas; to this end, he started to conduct lectures on "Strategy and Leadership" and "Competitive Business Strategies" for MBA and EMBA students at Koç University. In 2002, Mr. Yılmaz joined Koç Holding as President - Food, Retailing and Tourism and served as Chairman and Vice Chairman of 21 companies under the Koç Holding umbrella during his tenure.

From 2005, Mr. Yılmaz served as Adjunct Professor/Distinguished Executive in Residence at Koç University. During this period, he assumed responsibility for 20% of the activities of Koç Group with its 12,000 employees and turnover of USD 3 billion. Since 2005, he has worked as Adjunct Professor/Distinguished Executive in Residence, lectured on various subjects and contributed to the MBA and EMBA programs. Between 2010 and 2012, Mr. Yılmaz served as CEO at Hürriyet Newspaper where he is currently serving as a Board Member.

K. ENİS BERBEROĞLU
Board Member

Born in 1956 in Istanbul, Mr. K. Enis Berberoğlu graduated from the Austrian High School and then from Boğaziçi University, Faculty of Administrative Sciences, Department of Economics in 1980. He obtained his post graduate degree from Istanbul University, Faculty of Economics, Department of Econometrics.

Currently serving as the Editor-in-Chief of Hürriyet, Mr. Berberoğlu started his journalism career at Dünya Newspaper in 1980 and then served as correspondent for Hürriyet, Cumhuriyet, Güneş, Radikal newspapers; CNN Turk news channel in Istanbul, Ankara and Bonn, as Ankara Office Representative, Bonn Representative, Baghdad War Correspondent, as Economy Department Manager and columnist, respectively.

He has been married to a journalist for 27 years and has one daughter.

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

AHMET TOKSOY
Board Member

Born in 1959 in Istanbul, Mr. Ahmet Toksoy graduated from Istanbul University, Faculty of Business Administration, Department of Finance. Having served 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 from 1990 to 1991 and as Finance Manager from 1991 until 1995 for Hürriyet Newspaper. Mr. Toksoy worked for three years at Aktif Denetim Yeminli Mali Müşavirlik as a Certified Public Accountant. Between 1998 and 2009, he served as President of the Financial Affairs Group at Hürriyet and then was appointed President for Audit and Risk Management at Doğan Holding. Currently serving as a Board Member at Hürriyet, Doğan Gazetecilik and Doğan Yayın Holding, Mr. Toksoy has served as Head of Financial Affairs Department at Doğan Şirketler Grubu Holding A.Ş, since September 2011.

YAHYA ÜZDİYEN
Board Member

Born in 1957, Mr. Yahya Üzdiyen graduated from the Middle Eastern Technical University, Faculty of Business Administration in 1980. From 1980 to 1996, he served as specialist and manager of foreign trade and investment at various private sector companies.

He joined Doğan Group in 1997 and worked as President of the Strategy Group at Doğan Holding until 2011; on January 18, 2011, he was appointed Vice Chairman of Board. He played a significant role in the acquisition, joint enterprise and sales processes of the Group's affiliates, including POAŞ, Ray Sigorta and Star TV.

Mr. Üzdiyen currently serves as a Board Member at various Group companies and as CEO as from January 24, 2012.

He is married with two children.

KAI DIEKMANN
Board Member (Independent Member)

Born in 1964 in Ravensburg, Germany, Mr. Kai Diekmann joined the army as an enlistee, after his graduation from secondary school, and served for two years. Then, he worked as a trainee at Axel Springer AG in Hamburg, Bonn and New York during a two year period. From 1987, Mr. Diekmann worked in Bonn as Parliament Correspondent for BILD and BILD am SONNTAG. He became News Director for BUNTE Magazine in 1989, Co-Editor for B.Z. published in Berlin in 1991, Co-Editor and Politics Editor for BILD in 1992, and Editor-in-Chief for WELT am SONNTAG in 1998. He has served as Editor-in-Chief at BILD and Published for BILD and BILD am SONNTAG since January 2011. In addition, he has been the General Director and Publisher of BILD.de since 2007 and the Publisher of BILD Group since 2008. Mr. Diekmann has also served as an independent member of the Board of Hürriyet Newspaper since 2004 and as a member of the Board of Times Newspapers Holdings Limited since 2011. Besides his work as a journalist, Mr. Diekmann is the author of numerous books.

AHMET BURAK
Board Member (Independent Member)

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

Information on Board of Directors and Management

a) In 2011, 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.

Developments within the Period

- At the Ordinary General Assembly Meeting held on April 20, 2011 for the operating year 2010, the proposal of the Board of Directors on the distribution of the profit for the accounting year 01.01.2010 - 31.12.2010 was read aloud by Mr. Ahmet Toksoy, Board Member. The resolution adopted is summarized as follows: "It has been found out that consolidated net loss for the period amounting to TL 40,079,404 has been announced, taking into account the "tax expense for the period," "deferred tax revenue" and consolidated equity of subsidiaries in accordance with the consolidated financial statements prepared in compliance with International Accounting Standards and International Financial Reporting Standards. Consequently, it is proposed that no dividend will be distributed for the accounting year 01.01.2010 - 31.12.2010 under the CMB's regulations on dividend distribution. It has been further found out that the profit for the period is announced as TL 30,800,152 in the unconsolidated/ financial records of the Company kept as per the Turkish Commercial Code and the Tax Procedure Law and net profit for the period amounts to TL 18,387,447 after deduction of the corporation tax payable from the gross profit. The Primary Reserve will be allocated from among the net profit pursuant to Article 461/1 of the Turkish Commercial Code and the remaining amount of TL 17,468,075 shall be added to the extraordinary reserves." The Board's proposal was unanimously approved.

Other Important Subsequent Developments

- On January 4, 2012, the Company publicly disclosed that Mr. Hakkı Hasan Yılmaz, who served as Chairman of the Executive Committee for the previous two years, resigned from his post, effective as of March 1, 2012, in order to return to pursue his academic studies which he suspended during his service at the Company. Mr. Yılmaz maintains his position as a Board Member.

- As publicly disclosed on December 31, 2012, the real properties listed below were sold to Nurol Gayrimenkul Yatırım Ortaklığı A.Ş. for a total of USD 127,500,000, excluding delay interest;

  - The real property (Hürriyet Medya Towers) recorded as Istanbul province, Bağcılar district, Kirazlı sub-district, section map no. 245 DS4b, city block no. 3153, parcel no. 10, with total area of 31,224 m^2 and 45 dm^2; as A2, A3, A4, A5, A7, A8, A9, A10, A12, A14, B1, B2, B3, C1, C2, C3, D1, D2 masonry building, where the Company's headquarters is located in, for USD 92,728,139;

  - The real property recorded as Istanbul province, Bağcılar district, Kirazlı sub-district, section map no. 1, parcel no. 14, with total area of 16,973 m^2, as masonry factory building and outbuildings, for USD 24,071,704;

- The real property recorded as Istanbul province, Bağcılar district, Kirazlı district, Güneşli Çiftliği site, section map no. 1, parcel no. 23, with total area of 5,197 m^2, as arable field, for USD 5,915,597;

- The real property recorded as Istanbul province, Bağcılar district, Bağcılar sub-district, Güneşli Çiftliği site, section map no. 245 DC4B, section map no. 3153, parcel no. 7, with total area of 5,215 m^2, as arable field, for USD 4,784,560,

Where USD 17,500,000 of the total sales amount will be paid in cash on the date of the deed transfer and the remaining will be paid in 32 equal installments, as of March 6, 2012 and charging interest at the rate of 3.5% for the outstanding amount after each installment.

The above listed real properties will be delivered to the buyer not later than July 1, 2012 and no rent or similar monthly usage fee will be paid to the buyer until the date of delivery.

As a result of the sale of four real properties as per the resolution 2012/07 adopted by the Board meeting held on January 30, 2012, the deed transfer formalities which were completed on February 1, 2012, the "profit on real property sales" was stated in the legal records. Accordingly, the portion of the profit on real property sales, equal to 75% of the profit, benefitting from the exemption as set out in Article 5-1/e of the Corporate Tax Law, was not included in the dividend distribution for the accounting year ended on December 31, 2012, in accordance with the Tax Law, Capital Market Legislation and other applicable laws and regulations. It was resolved to record this portion to a special fund account under liabilities.

Information on the Capital Structure of Shareholders and Changes

The registered capital ceiling of the Company is TL 800 million.

The Company's issued capital was TL 552,000,000 in 2011 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 revised 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:

Corporate Governance Rating Score (ISS Corporate Services)

	2011	2010
Categories	**Rating Assigned**	**Rating Assigned**
Shareholders	8.68	8.51
Public Disclosure & Transparency	9.18	9.16
Stakeholders	8.31	8.32
Board of Directors	**7.67**	**7.56**
Total	**8.55**	**8.47**

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, 9.18 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

- As a result of the investigation launched by the Competition Authority on the Company related to the sales of advertising space in print media, an administrative fine of TL 3,804,716 was imposed and upon receipt of the reasoned decision, the Company paid a total fine of TL 2,853,537 on December 13, 2011, benefitting from a 25% reduction and reserving its rights. The Company considered that the practices, expostulated in the Competition Authority's decision, are in compliance with the legal regulations and the communiqués, circulars issued and decisions adopted by the Competition Authority. Accordingly, the Company exercised all legal rights against the decision within the specified period of time.

- On April 19, 2011 the Company disclosed to the public that it benefitted from the provisions on the "tax base increase" and "undue and litigious tax liabilities under dispute," of Law No. 6111, that entered into effect upon its publication in the Official Gazette (I. Repeat) dated February 25, 2011 numbered 27857.

The Company filed a lawsuit for cancellation of the notices of tax/penalty in the total amount of TL 30,895,416 served by the registered tax office for the accounting periods of 2004, 2005 and 2006. Pursuant to the provision of Article 3 of Law No. 6111, TL 27,100,503 of the Company's total undue and litigious tax liabilities under dispute amounting to TL 30,895,416 was structured and the dispute was settled. In accordance with the structuring, the Company paid the amount of TL 3,827,062 on June 30, 2011 and was as a result relieved from its obligations related to the undue and litigious tax liabilities under dispute under Law No. 6111.

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 Resolution No.s 17 and 18 of the Board of Directors of the Company, dated April 26, 2011, the members have been entrusted with following tasks and the members of the committees under the Board of Directors were designated.

Accordingly:

- Appointments of Board Members made at the Ordinary General Assembly Meeting held on April 20, 2011 include: Ms. Vuslat Doğan Sabancı was appointed Chairwoman of the Board of Directors and Ms. Hanzade Vasfiye Doğan Boyner was appointed Deputy Chairwoman; Mr. Kadri Enis Berberoğlu was appointed Board Member in charge of Editorial Affairs; Mr. Hakkı Hasan Yılmaz was appointed Board Member in charge of financing, financial and administrative affairs and legal affairs;

- Board Member Mr. Hakkı Hasan Yılmaz was appointed Chairman of the Executive Committee; Board Member Mr. Kadri Enis Berberoğlu was appointed Executive Committee Member in charge of Editorial Affairs; Ms. Ayşe Sözeri Cemal was appointed Executive Committee Member in charge of the Advertising Group: Mr. Dursun Ali Yılmaz was appointed Executive Committee Member in charge of Finance; Ms. Tijen Mergen was appointed Executive Committee Member in charge of Marketing; and Mr. Ahmet Nafi Dalman was appointed Executive Committee Member in charge of Internet and Information Technologies;

- Board Members Mr. Ahmet Toksoy, Mr. Yahya Üzdiyen and Dr. Murat Doğu, serving as Vice President of Financial Affairs Group of Doğan Group of Companies in charge of Capital Market, IFRS/CMB Reporting and Monitoring of Subsidiaries were elected as members of the Audit Committee:

- Mr. Ahmet Burak, one of our independent members of the Board of Directors, was elected Chairman of the Corporate Governance Committee and Board Members Mr. Ahmet Toksoy and Dr. Murat Doğu, serving as Vice President of Financial Affairs Group of Doğan Group of Companies in charge of Capital Market, IFRS/CMB Reporting and Monitoring of Subsidiaries were elected Committee members.

Executive Committee

NAME	TITLE
Hakkı Hasan Yılmaz	Chairman*
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 / Chief Financial Officer
Tijen Mergen	Executive Committee Member / Head of Marketing Group
Ahmet N. Dalman	Executive Committee Member / Head of Internet and Information Technology Group

* On January 4, 2012 it was publicly disclosed that Mr. Hakkı Hasan Yılmaz who served as Chairman of the Executive Committee for the last two years resigned from his post, effective as of March 1, 2012, to return to pursue his academic studies which he suspended during his service at the Company. Mr. Yılmaz maintains his position as a Board Member.

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."

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

Audit Committee

With Resolution No. 2011/18, dated April 26, 2011, the Board of Directors of the Company agreed to appoint Board Members Mr. Yahya Üzdiyen and Mr. Ahmet Toksoy and Dr. Murat Doğu, serving as Vice President of Financial Affairs Group of Doğan Group of Companies in charge of Capital Market, IFRS/CMB Reporting and Monitoring of Subsidiaries as members of the Audit Committee and to authorize the Committee to perform the duties set forth in the provisions of the Capital Markets Board's Communiqué Series X, No. 22.

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

Chairman of the Audit Committee, Mr. Ahmet Toksoy and Committee Member in charge of auditing, Mr. Yahya Üzdiyen 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 2011, 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 26, 2012, 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, 2011 fairly and accurately reflected the operational results of the Company in accordance with the Company's accounting principles and the IFRS and CMB standards.

Corporate Governance Committee

Through Resolution No. 2011/18 of April 26, 2011, the Board of Directors agreed to establish the Corporate Governance Committee comprised of the Chairman and members indicated below.

NAME - SURNAME	DUTY	NOTES
Ahmet Burak	Chairman	Independent Board Member/Non-Executive
Ahmet Toksoy	Member	Board Member/ Non-Executive
Murat Doğu	Member	Non-Executive

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

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.

AHMET DALMAN

Head of Internet and Information Technologies Group Executive Committee Member

Born in 1964, Mr. Ahmet Dalman graduated from Boğaziçi University, Department of Electrical-Electronics Engineering in 1986. Starting his professional career as Information Technologies specialist in the media sector, Mr. Dalman served as partner and executive of a company producing technological solutions for media and various sectors; in addition, he made significant contributions to the digitalization and technology application process of many media companies.

In 1994, Mr. Dalman joined Hürriyet as Information Systems Manager and served as Technology Director at the e-kolay.net internet service provider company of Doğan Group from 1999 to 2000. In 2001, Mr. Dalman was appointed Information Systems Coordinator at Hürriyet. In 2008, he was appointed Executive Committee Member and he has served as Head of Hürriyet Internet and Information Technologies Group at Hürriyet since 2010.

Mr. Dalman is married with two children and he is fluent in English.

AYŞE SÖZERİ CEMAL

Head of Advertising Group
Executive Committee Member

Ayşe Sözeri Cemal graduated from Istanbul Boys' High School and then from Istanbul University, Faculty of Economics and completed her post graduate degree at Istanbul University, Faculty of Business Administration.

Subsequently, she worked as Market Research Reporter at Cam Pazarlama, as Market Research Specialist at the Turkish Glass Works and as Advertising Manager at Cumhuriyet Newspaper.

She has served as the Head of Advertising Group at Hürriyet since 1992 and as an Executive Committee Member since 1993.

She is a member of I.A.A. and she is fluent in German and English.

Ms. Sözeri is married with one child.

DURSUN ALİ YILMAZ

Chief Financial Officer
Executive Committee Member

Born in 1958 in Rize, Mr. Dursun Ali Yılmaz graduated from Middle Eastern Technical University, Department of Economics in 1982 and earned his post graduate degree from Dokuz Eylül University, Department of Business Administration in 1988.

Mr. Yılmaz started his professional career as Operations Manager at Özdemir Çelik Döküm Sanayi A.Ş., and then served in various positions in the Financial Affairs Department of Anadolu Denizcilik A.Ş., Turkish Glass Works and Hacı Ömer Sabancı Holding A.Ş. Subsequently, he worked as Budget and Financial Analysis Manager at Hürriyet from 1993 to 1995. During the next decade, Mr. Yılmaz served as Deputy General Manager at Akın Tekstil A.Ş. and he joined Doğan Yayın Holding in 2005 as Financial and Administrative Coordinator. He has served as the Chief Financial Officer since 2010.

K. ENİS BERBEROĞLU
Editor-in-Chief
Board Member

Born in 1956 in Istanbul, Mr. K. Enis Berberoğlu graduated from the Austrian High School and then from Boğaziçi University, Faculty of Administrative Sciences, Department of Economics in 1980. He obtained his post graduate degree from Istanbul University, Faculty of Economics, Department of Econometrics.

Currently serving as the Editor-in-Chief of Hürriyet, Mr. Berberoğlu started his journalism career at Dünya Newspaper in 1980 and then served as correspondent for Hürriyet, Cumhuriyet, Güneş, Radikal newspapers; CNN Turk News channel in Istanbul, Ankara and Bonn, as Ankara Office Representative, Bonn Representative, Baghdad War Correspondent, as Economy Department Manager and columnist, respectively.

He has been married to a journalist for 27 years and has one daughter.

Mr. Berberoğlu is fluent in English and German and he is the author of three books: “20 Yıllık Domino Oyunu: Susurluk,” and “Yüksekova ve Obur Türkler.”

TİJEN MERGEN
Head of Marketing Group
Executive Committee Member

Tijen Mergen earned her post graduate degree from Boğaziçi University, Department of Electrical Engineering and started her professional career at Apple Bilgisayar in 1982. Subsequently, she worked as Sales Manager at NCR Turkey and as a senior executive at NCR Central and Eastern Europe for 13 years. Ms. Mergen served as Finance Sector Sales and Marketing Manager at NCR responsible for Central and Eastern Europe, comprising 27 countries, between 1994 and 1998. She then worked as General Manager at Bilkom Information Services from 1998 to 2003 and won an award from the International Public Relations Association (IPRA) for her project “iCan” developed on the awareness. She played an active role in the successful conclusion of the transfer of Bilkom A.Ş. from Komili Holding to Koç Holding. Presented with the “Year 2000 Professional Businesswoman of the Year” award by Dünya Newspaper, Ms. Mergen developed and hosted a weekly television program, Information Vision, on CNBC-e channel between 2003 and 2005.

From 2004 to 2010, Ms. Mergen worked as Head of Marketing and Business Development Group and as an Executive Committee Member, in charge of sales, marketing and business development activities for all newspaper websites and the Company.

Ms. Mergen began serving as a member of the Executive Committee at Hürriyet responsible for Marketing, Sales and Corporate Communications as of 2011.

As a Founding Member and Board Member of the Turkish Women Entrepreneurs Association (KAGİDER), Ms. Mergen has been a leading pioneer in the implementation of various important initiatives, including “Dad, Send Me to School” of Milliyet and the Rightful Women Platform of Hürriyet.

TUBA KÖSEOĞLU OKÇU
Human Resources Director
Executive Committee Member

Born in 1971 in Istanbul, Ms. Tuba Köseoğlu Okçu graduated from Notre Dame De Sion French High School and then from Boğaziçi University, Department of Translation and Interpreting.

She started her professional career as translator-interpreter in 1994 and served on the Translation Council at Boğaziçi University. Following employment at the Doğuş Group from 1997 to 2008, she served as Performance Advisor in the Training Department at Garanti Bank, as Senior Executive Development Manager at Humanitas Doğuş Manpower Management, as Head of Human Resources Department at Doğuş Holding and Human Resources Coordinator at Doğuş Automotive, respectively. Ms. Okçu held the position of Human Resources Organizational Development Director at Deva Holding from 2008 to 2012 before she joined Hürriyet on March 15, 2012 as Human Resources Director and Executive Committee Member.

As the flagship of the Group with its strong financial position and innovative applications, Hürriyet has adopted a social responsibility approach focused on providing long lasting solutions to social problems.

Esteemed Members of the Hürriyet Family,

Distinguished Shareholders,

2010 will be remembered as a year when the risks related to the global economy were on the rise, the USA's credit rating was downgraded for the first time in history, the Euro zone had to battle a public debt crisis and the measures taken against inflationary pressures dampened growth prospects in developing countries. The economic recovery process that prevailed across the world in 2010 was unfortunately superseded by fluctuations and uncertainties in financial markets, particularly during the second half of 2011 due to the referenced negative events. Additionally, a decline in exports and rates of growth in emerging economies, led by China, and who had played such a key role in overcoming the global crisis with their strong performance, increased the likelihood of a double dip recession. Such a discouraging outlook of the global economy forced market players to develop very prudent strategies and action plans.

Continuing its strong economic performance from 2010 throughout the current reporting year, Turkey recorded GDP growth of 8.5% in 2011, one of the few bright spots in the global economy. The country's exports volume increased 18% over the previous year to USD 135 million and the unemployment rate dropped to 9%, two key indicators that positively differentiated Turkey from rest of the world. As a result, Standard & Poor's confirmed Turkey's local currency sovereign rating as "investable," a clear testament to the improving strength of the economy. The current account deficit increased to USD 77 billion as of end-2011 due to overheating of the national economy and resulted in the Central Bank's intervention to cool domestic demand. In 2012, the country's GDP is expected to grow 4% as a result both of macroeconomic measures taken to reduce the current account deficit and of the emerging recession in European countries, the main export market for Turkey.

In parallel with the sustainable growth path of Turkey's economy, the advertising sector expanded 14% over the prior year to reach TL 4.5 billion. In 2011, the most preferred advertising segments were, as in recent years, newspapers and television; as a result, advertisers channeled 72.4% of their ad spending to these two segments. With a robust growth rate of 39%, the internet segment raised its share in the overall advertising market to 12.9% in 2011, up from 10.7% in the prior year. Average daily newspaper sales increased 2.3% from 4,646 thousand copies in 2010 to 4,753 thousand copies in the reporting period.

Comprised of Radikal and Hürriyet Daily News in addition to Hürriyet and Turkey's leading news and entertainment sites, Hürriyet Group's advertising revenue totaled TL 584.5 million in 2011, up 11.2% compared to the previous year. The flagship of the Group, Hürriyet saw its total domestic newspaper and internet advertising revenue rise 9.3% in 2011 to TL 387.4 million; of this total, print ad revenue accounted for TL 360.3 million while internet advertising revenue totaled TL 27.1 million. In parallel with the decline in newspaper circulation throughout the world, Hürriyet's average daily net sales dipped 3.2% to 435 thousand copies. The online media property, hurriyet.com.tr, maintained its leadership in its category and became third most visited news portal in Europe according to comScore data from November 2011. Supported by Hürriyet's high brand value, hurriyetemlak.com.tr, hurriyetoto.com and yenibiris.com continued to be the most visited and referenced portals in their respective categories during 2011, in terms of the number of users and their innovative applications. Keenly aware of the rising influence of the internet on everyday life, in 2011 our Group launched yakala.com in the urban opportunities category as well as yenicarsim.com, an e-commerce site, to create an interactive platform among consumers and retailers.

VUSLAT DOĞAN SABANCI
Chairwoman

Hürriyet is recognized as a model company in its sector thanks to its applications that are compatible with corporate governance principles. As a result, the international corporate governance rating company RiskMetrics Group revised Hürriyet's corporate governance rating on September 23, 2011 to 8.55/10. Hürriyet sees developing shareholder relations based on mutual communication as one of its main priorities. In recognition of the Company's commitment to investor relations communications, RiskMetrics granted a high rating of 9.18/10 to Hürriyet's practices in the "public disclosure and transparency" subcategory. Additionally, with an announcement on November 15, 2011, the international credit rating agency Fitch Ratings confirmed the Company's local and foreign currency credit ratings as "B+" and improved its outlook from negative to stable.

Having adopted a social responsibility approach focused on providing long term solutions to societal problems with the active participation of its powerful shareholders, Hürriyet Group continued to contribute to Turkey's development through a number of social responsibility initiatives in 2011. The "No! to Domestic Violence" campaign, which has been organized by the Group for eight years with steadily improved content and targets, training seminars, conferences and concerts, continued in 2011 throughout Turkey. The "Freedom Is Our Right" Train project, another important social responsibility initiative launched by the Group, started out on its journey for the third time before the June 12 general elections to obtain responses to the question, "What does Turkey Want?" On its 8,054 km route, the Hürriyet Train visited 25 cities where leading authors and intellectuals as well as Hürriyet columnists met local residents to listen to their concerns and expectations.

In 2011, Hürriyet Group pioneered the establishment of the Rightful Women Platform, in line with its aim to ensure equal representation of women in every social aspect, from politics to everyday home life. Bringing together many journalists, intellectuals and lawyers as well as 41 leading Turkish NGOs, the Platform made efforts to motivate political parties to nominate more women candidates ahead of the June 12 elections. Subsequently, the Platform actively participated in the drafting of a law on "Protection of Women and Family Members against Violence." Representing 100 thousand individuals together with its member establishments, the Platform plans to join forces with relevant public bodies and NGOs to launch a more comprehensive project next year. Hürriyet Group also participated in the countrywide mobilization of aid that started in the aftermath of the Van earthquake on October 23, 2011, with a campaign organized in collaboration with the Turkish Red Crescent. Kanal D and Doğan Holding donated TL 2 million for the campaign, while a Hürriyet Neighborhood was established in Van comprising approximately 600 containers of essential supplies. The neighborhood has been designed to meet every requirement of the earthquake victims before they move to permanent houses and the streets are named after the donating corporations and individuals.

Hürriyet Group is the leader for quality and objective journalism in Turkey with all its newspapers and news portals. I hereby extend my gratitude to our shareholders, business partners, employees and our readers for their contributions to our success in 2011 and express my wish to launch many fruitful and innovative initiatives in years ahead without compromising our basic principles of journalism.

VUSLAT DOĞAN SABANCI
Chairwoman

In 2011, Hürriyet offered a wide variety of rich content to its readers, a daily average of 81.6 pages, with the main newspaper and supplements such as Kelebek, Hürriyet İK, Hürriyet Seyahat, Oto Yaşam, Emlak Yaşam, Classified Ads and Look, each widely considered a leader in their respective categories.

Esteemed Members of the Hürriyet Family,

Distinguished Shareholders,

In 2011, Hürriyet maintained its position as one of the leading news sources for the Turkish nation with its news based on real life. Since its inception in 1948, our newspaper has been at the focal point of quality journalism and innovative applications and we have made remarkable achievements in last year in accordance with our mission. While pursuing a strategy that includes sustaining our development based on innovative practices and without compromising on our corporate principles, Hürriyet also continued to meet the expectations and demands of its readers by closely following the technology-focused transformation in the media sector. As Turkey's news center thanks to a strong correspondent network throughout the country, and at key locations across the world, and highly talented columnists, Hürriyet maintained its leading position in circulation and advertising revenues.

In 2011, Hürriyet offered a wide variety of rich content to its readers, a daily average of 81.6 pages, with the main newspaper and supplements such as Kelebek, Hürriyet İK, Hürriyet Seyahat, Oto Yaşam, Emlak Yaşam, Classified Ads and Look, each widely considered a leader in their respective categories. We changed the format of Hürriyet Pazar (Hürriyet Sunday) and Hürriyet Cumartesi (Hürriyet Saturday) from supplement to newspaper this year, providing readers more entertainment content on weekends; these changes were especially well received by social media users. Having launched in 1972, Kelebek maintained its position as the leading supplement with the largest readership in 2011. The online newspaper, hurriyet.com.tr is one of the best known news portals in Turkey as well as in Europe with 2 million daily and 24 million unique monthly visitors as of end-2011. Adhering to a fast-paced journalism concept, hurriyet.com.tr is Turkey's leading online news source and enjoys a strong brand reputation.

Hürriyet has continued to fulfill its corporate social responsibility through various initiatives. The “No! to Domestic Violence” campaign, organized by the Group for eight years in order to raise awareness of the domestic violence issue, is a model project implemented successfully in Turkey as well as in Europe. The Rightful Women Platform, which aims to ensure equal representation of women in every facet of life, was launched in 2011. With its news, Hürriyet plays a leading role to ensure affirmative action for women.

K. ENİS BERBEROĞLU
Hürriyet Editor-in-Chief

"Hürriyet Hakkımızdır Treni" (Freedom Is Our Right Train) started its third journey in 2011 to visit 25 cities before the June 12 elections to listen to the Turkish people's hopes and concerns. Thanks to this unique campaign, our readers together with Hürriyet columnists and Turkey's leading intellectuals served as the voice of the Turkish nation. Aiming to enhance communications and information sharing with readers, six different sections were formed under Hürriyet's Reader Council: Mediterranean, Ankara, Aegean, Eskişehir, Southern Provinces and Education. As a result, readers in different cities were offered the opportunity to contribute to Hürriyet's editorial line and diversity of news. With regard to the heartbreaking earthquake that hit Van, our newspaper kept the nation continuously informed about every detail of the disaster. Soon after, we started an aid campaign with reader contributions and took the lead in the establishment of temporary settlement consisting of 2,000 containers of living space.

I wish to extend my gratitude to our shareholders, business partners, employees and our readers for their continued support to Hürriyet as we conduct our activities with a strong management approach based on our 60 years of corporate experience and while adhering to universal press ethics principles and continuing our success with projects that make a difference.

Sincerely yours,

K. ENİS BERBEROĞLU
Hürriyet Editor-in-Chief

Hürriyet conducted a thorough audit of its operations in 2011 to ensure that the Company reached its performance targets.

INTERNAL CONTROL

Hürriyet conducted a thorough audit of its operations in 2011 to ensure that the Company reached its performance targets. The review included in-depth analyses of expense/cost factors and operational efficiency; the Company implemented an action plan based on the results of the analyses. The review also encompassed compliance, stock monitoring and management and purchasing processes. The objective was to minimize risks facing the Company and eliminate existing risks with minimum costs in coordination with the related departments.

In parallel with the goal to continue the COSO-based internal control and audit activities in 2012, the Company plans to conduct information sharing, training and sample applications to perform the audit processes pursuant to international standards.

RISK MANAGEMENT

Determination and control of risks is vital to reach a Company's performance desired targets. To this end, it is important that the senior management functions of the Company are periodically and systematically made aware of the risks and their grading and are presented with proposals related to risk management.

Financial Risks that the Company is subject to include

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. When 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 that 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 in 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.

Hürriyet, Turkey's leading media company, has also proved its leadership in the areas of corporate governance and transparency. As the only Turkish media company evaluated by an international rating agency for its corporate governance practices, Hürriyet's successful corporate governance was confirmed with an 8.5/10 rating.

Dursun Ali Yılmaz
Chief Financial Officer
Executive Committee Member

Hürriyet is guided by its commitment to serving the public good, as in the past and the Company plans to maintain its pioneering role in this respect.

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.

VALUES

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

HÜRRİYET;

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

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.

HÜRRİYET NEWSPAPER 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.

   a- 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.

   a- Doğan Yayın Holding company employees cannot accept travel invitations from and cannot travel with third parties without the consent of their division heads.

4. Employees shall not accept gifts or benefits that are not compatible with the ethics and traditions of the profession from persons or organizations that are actual or potential subjects of publications.

5. Publications shall not disparage or condemn anyone on the basis of race, gender, social status, religious belief, physical handicap or age.

6. Publications that limit freedom of expression or freedom of conscience, or threaten the general tenets of morality, religious sentiments and 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.

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.

   a- 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.

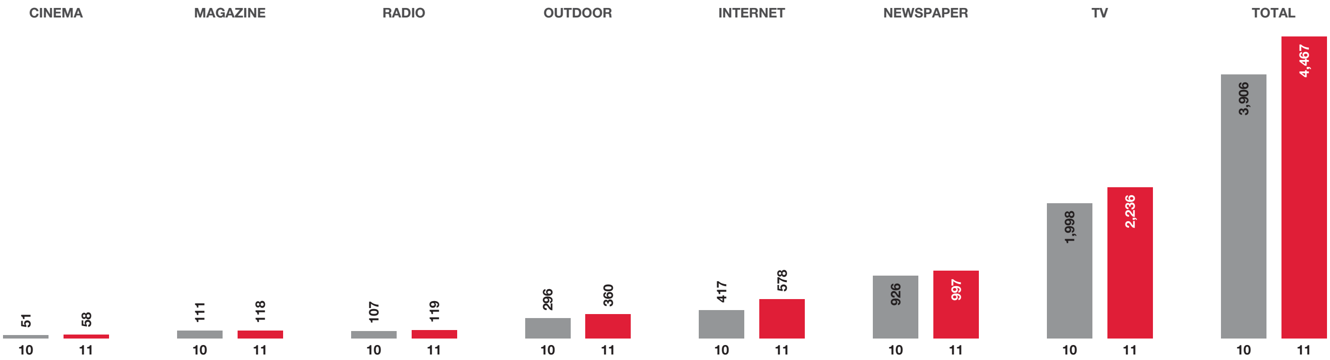
17. Reports that encourage or incite violence and the use of force, that influence children sexually, negatively or incite hatred and enmity between persons, communities and nations shall be avoided.

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.

    a- Doğan Yayın Holding company have in place regular intervention mechanisms to correct mistakes.



TOTAL ADVERTISING REVENUE FOR 2010-2011 (TL MILLION)

TL **4,467** *Million*

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

Source: DYH Advertising Research Unit

Advertising Revenue and the Advertising Sector in Turkey

After expanding over 30% in 2010, the Turkish advertising sector grew 14.1% in 2011 and reached TL 4.5 billion.

Last year, the most preferred advertising segments were, as in recent years, newspapers and television; advertisers channeled 72.4% of their ad spending to these two segments.

In 2011, the fastest growing segments in the advertising sector were internet and outdoor. Online advertising grew 38.8% over the prior year and increased its share in the overall sector to 12.9%. Meanwhile, outdoor advertising grew 21.7% for the year, and accounted for an 8.1% share of the total ad market.

Newspaper advertising revenue rose 7.6% in 2011 to TL 926.3 million, up from TL 906.0 million a year earlier.

Advertising Revenue by Sector (TL million)

In 2011, the sectors with the highest advertising expenditure were telecommunications and food. Among the top 10 industries, the highest increase in advertising was in the construction and telecommunications sectors, which recorded growth rates of 29% and 23%, respectively.

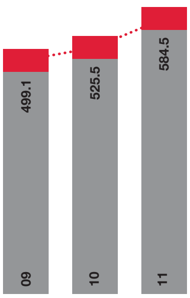
SECTOR	2010	2011	CHANGE (%)
Telecommunications	375	461	23
Food	374	406	9
Financial services	340	310	(9)
Construction & Decoration	229	296	29
Automotive, Transportation Vehicles	228	249	9
Publishing	208	221	7
Retail	177	214	21
Cosmetics and Personal Care	178	181	1
Beverages	137	157	14
Electronic and Home Appliances	136	156	14
Others	1,107	1,237	12
TOTAL	**3,489**	**3,888**	**11**

Source: DYH Advertising Research - online ads excluded.

Ayşe Sözeri Cemal
Head of Advertising Group
Executive Committee Member

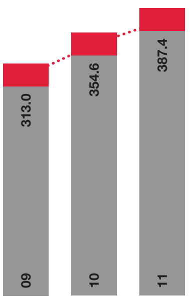
Hürriyet Advertising Group has been a pioneer in various areas by closely tracking emerging needs, changing demands and new trends in the sector; as a result, the Company outperformed the sector in 2011 and strengthened its market leading position.

Hürriyet continued to be the favorite newspaper for advertisers in numerous categories including construction, retail, automotive, social ads, tourism, classified ads, financial services, and education, among others.



HÜRRİYET CONSOLIDATED ADVERTISING REVENUE
(TL MILLION)

TL **584.5** Million



HÜRRİYET DOMESTIC ADVERTISING REVENUE
(TL MILLION)

TL **387.4** Million

Hürriyet Group's Advertising Revenue

Hürriyet Group's consolidated advertising revenue totaled TL 584.5 million in 2011, up 11.2% over a year earlier.

Hürriyet's total domestic newspaper and internet advertising revenue for 2011 increased 9.3% over the previous year and reached TL 387.4 million.

Of these revenues, TL 360.3 million originated from print ads and TL 27.1 million was generated by internet advertising. When compared to the prior year, print ad revenue rose 9.4% and online ad revenue increased 7.9%.

Hürriyet continued to be the favorite newspaper for advertisers in numerous categories including construction, retail, automotive, social ads, tourism, classified ads, financial services and education, among others.

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

TME's advertising revenue increased 15.3% in 2011 to TL 197.1 million, up from TL 170.9 million in the prior year.

Sales of Publications

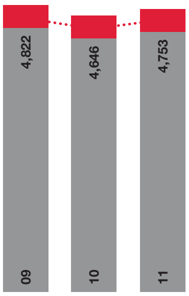
According to data from Doğan Dağıtım and Turkuvaz Dağıtım, nationwide daily average net newspaper sales increased to 4,753 thousand in 2011, up 2.3% over the previous year's level of 4,646 thousand.

In 2010, Hürriyet's daily average net sales were 449 thousand, corresponding to a market share of 9.7%. For the current reporting year, net sales contracted by 3.2% to 432 thousand resulting in a 9.1% market share.

On September 3, 2011, the Company raised the cover price for the weekend issues for Istanbul, Ankara and Izmir from 75 Kr to TL 1, a 33.3% increase. On November 21, 2011, the cover price of weekday issues for Istanbul, Ankara and Izmir of 50 Kr rose 20% to 60 Kr.

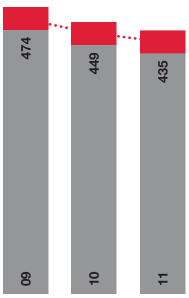
In 2011, Hürriyet's national circulation revenue increased 3% to TL 94 million, up from TL 91.3 million a year earlier.

TME's circulation revenue totaled TL 19.8 million in 2011, down 13.2% from the prior year's TL 22.8 million.



NATIONWIDE DAILY AVERAGE NEWSPAPER SALES
(THOUSAND COPIES)

4,753 *Thousand copies*



HÜRRİYET DAILY AVERAGE SALES
(THOUSAND COPIES)

435 *Thousand copies*

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

The Company's consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) totaled TL 100.1 million in 2011, down 29.4% from the previous year's TL 141.7 million. TME accounted for TL 13.6 million of the Company's total EBITDA for the year (TL 28.7 million in 2010).

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (TL MILLION)

	DECEMBER 31, 2011	DECEMBER 31, 2010	CHANGE (%)
Net Sales	868.7	794.2	9.4
- Advertising revenue	513.8	472.3	8.8
- Online Revenue	70.7	53.2	33.0
- Circulation Revenue	113.8	114.0	(0.2)
- Printing Revenue	122.7	111.6	10.0
- Other Revenue	47.7	43.1	10.6
Cost of Goods Sold	(540.8)	(466.0)	16.0
Operational Expenditure	(321.9)	(282.7)	13.9
Operating Profit *	6.0	45.5	(86.8)
Other Operational Revenues/ Expenditures (Net)	(156.4)	(69.1)	126.5
Operating Loss **	(150.4)	(23.6)	537.5
EBITDA ***	100.1	141.7	(29.4)
EBITDA Margin (%)	11.5	17.8	(29.4)
FAVÖK Marjı (%)	11,5	17,8	

(*) Other Operating Profit before Income-Expense

(**) Other Operating Loss before Income-Expense

(***) Earnings before Interest, Amortization, Taxes

Note: A one-time effect of TL 4.5 million, resulting from a change in assumptions in the employee termination benefits calculation method was 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. 29, the financial structure and profitability ratios of the Company are as follows:

FINANCIAL RATIOS AND PROFITABILITY	2011	2010
Current Ratio (Current assets/Short term liabilities)	1.01	0.89
Asset Turnover Ratio (Net sales revenue/Total assets)	0.53	0.50
Foreign assets/Shareholders' equity	1.75	1.04
Financing expenses/Total assets	0.11	0.04
Operating profit/Total assets	(0.092)	(0.015)
Operating profit/Net sales revenue	(0.173)	(0.030)
Gross profit margin	0.38	0.41

Sureties, commitments, mortgage and insurance value of current 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):

	2011	2010
Sureties and commitments given	61,095	51,228
Mortgages extended	1,444,281	1,444,281
Letters of guarantee given	2,063,534	2,361,497
Collateral bills	202,223	202,223
Surety bonds given	1,714	1,714
Total	**3,772,847**	**4,060,943**

Insurance value of current assets	388,038,917	388,794,471
Letters of guarantee taken	23,085,922	15,943,182
Total	**411,124,839**	**404,737,653**

Hürriyet Advertising Group focuses on creating customized solutions for its customers and plans to continue making a difference in the sector by providing solutions and implementing projects with high added value throughout 2012.

HÜRRİYET'S OBJECTIVES FOR 2012

2012 will be an optimistic yet sure-footed year for Hürriyet as it will be for many companies. Change, flexibility and proactivity will characterize the year. Hürriyet Group's revenue is expected to rise in parallel with the growth in Turkey's economy. Although it is expected that the growth rate in the national economy will in general slow during 2012, it is still possible for the Company to achieve better results. We expect 2012 will be a year when Trader Media East Ltd., our foreign subsidiary, will be rewarded for its cost control efforts and online investments. Hürriyet Group aims to achieve maximum growth in 2012 in both its domestic and foreign operations. The Turkish advertising market is expected to continue expanding in 2012 as in the previous year. Hürriyet, with the positive contribution of Radikal, which joined the Group with a modified format in the last quarter of 2010, targets growing at least as much as the newspaper market. At Trader Media East Ltd., the Hürriyet Group subsidiary located abroad, the objective is to make the recovery more visible in 2012 and to reverse the declining trend of the last two years.

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 2012. In this respect, the Group announced its new tariff on January 30, 2012. 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.

According to surveys conducted by the independent research company BİAK (Basın İzleme ve Araştırma Kurulu, Press Monitoring and Research Agency), widely recognized by newspapers as the authoritative source of sector information, Hürriyet is the newspaper with the most extensive reach among readers in the AB socioeconomic segment. Hürriyet's readership profile differentiates it from other newspapers, as it yields significant results for advertiser image and sales campaigns while maintaining market leadership in ad efficiency. In 2012, Hürriyet will again be at the forefront of the market with its powerful advertising platform and new customer-oriented research.

RADİKAL

Radikal reached its first readers in 1996 and on October 17, 2010 the newspaper introduced a new dimension, design concept and journalistic approach to the Turkish media. Radikal staked out its position in the market as a 48 full-page newspaper with a wide variety of rich content ranging from international to domestic news, the economy to technology and from health issues to entertainment. Its weekday supplement, Radikal Hayat, includes all the details needed about urban life and culture.

During the last 18 months, Radikal differentiated itself dramatically thanks to its journalistic approach and reputation; in fact, the publication earned several prizes during the year in recognition of its excellence. It received the "Best Headline of the Year" award organized every year by Mediacat with its highly creative headline "The Abduction of the Throne from the Seraglio"; additionally, Radikal was the only newspaper with more than one headline listed among top 10 nominated headlines. In 2011, it ranked third on a list of the most talked-about newspapers in the country. As the most award-winning newspaper of the Contemporary Journalists Association (CJA), Radikal also received the CJA News Award, CJA Page Layout Award and CJA İzzet Kezer Photograph Award. Lastly, the newspaper received the "Award of Excellence" for two different pages at the 33rd Society for News Design (SDN) competition.

With its 82 thousand followers on Facebook and 92 thousand on Twitter, Radikal continues to pursue growth in online media while strengthening its presence on social media platforms. As a result of these initiatives, Radikal has become a newspaper with widespread global access thanks to other online applications.

The number of unique monthly visitors (UMV) to www.radikal.com.tr exceeds 2 million. In 2011, almost 40 thousand iPhone users and 42 thousand iPad users enjoyed Radikal's application that has about 6,000 regular subscribers. Radikal's mobile app is accessed by more than 4 million visitors per day, while its Android app, launched on January 26, 2012, reached 1,800 subscribers in only one month.

The national and international awards the newspaper received during 2011 are a clear indication of the success of Radikal's unique journalistic approach and strong reputation that set Radikal apart from the competition in the Turkish media. Additionally 80% of Radikal readers are 25 years of age and above, with an average age of 38 years, and they are building our future.

Eyüp Can Sağlık
Radikal Newspaper
Editor-in-Chief

Radikal Hayat (Radikal Life), a weekday daily supplement of Radikal, contains every details about city culture and life which are needed to be known.

A NEW WEEKEND SUPPLEMENT PUBLİSHED EVERY DAY: RADİKAL HAYAT

Radikal Hayat reached its readers as a daily supplement of Radikal Newspaper, which has been published in tabloid size since October 17, 2010 and as from August 24, 2011 it has been integrated into the newspaper as a separate section. The primary objective of Radikal Hayat is to be up to date and to offer its readers its works consisting of mostly ‘special’ news and interviews on life, magazine, culture & art, refreshments sector, entertainment and current social events. Meeting its readers everyday with its cover subject, prepared on the special file concept, Hayat does not treat differently to popular and non-popular events. The cover subject may be research file treating a subject of Turkey’s and world’s agenda or interviews made with the creators of art events, such as a trending motion picture, theatre play and an exhibition, as well interviews with prominent figures of the week. The ‘Sıcak (hot)’ page includes daily ‘life’ news on Turkey’s and world’s agenda and latest developments in magazine world, while culture & art pages provide the routine art agenda as well as special news and interviews. Zooming in the subjects selected from the agenda changing at a fast pace, Radikal Hayat is designed everyday adhering to the sense of ‘creating a weekend supplement’.

RADİKAL KİTAP

As one of the most reputable publications in the literature and publishing world, Radikal Kitap has reached Radikal readers for more than a decade and continues to have its finger on the pulse of the literature world.

The publication is closely followed by bookstores and publishing houses in addition to individual readers, as proof of its strong standing in the market. Factors for Radikal Kitap's success include maintaining trust in the editorial content, providing rich content and keeping the news/ads ratio at an optimum level while publishing regularly on a set day of the week. Based on data obtained from industry fairs, opinions of publishing houses and annual advertising revenue, Radikal Kitap has become the most preferred newspaper supplement on books.

RADİKAL İKİ

As the debate platform accessible for everyone across Turkey who has something to say, Radikal İki is published every Sunday.

Radikal İki is an objective and satisfying publication with rich content that focuses on politics, intellectual debates and current topics on the national agenda. Radikal İki covers the country's agenda with an out-of-the-ordinary approach, presenting a unique format compared to other Sunday supplements.

RADİKAL PAZAR

Radikal's Sunday issue underwent a format change in line with the leading European and US newspapers trends and introduced the "weekend newspaper" concept with a completely new vision as the first Sunday newspaper in Turkey. Radikal Pazar continues to present readers with rich content, comprising topics treated in detail and a wide range of Sunday interviews.

RADİKAL'S BRAND VALUE

According to the results of the latest Turkish Media Readership Survey made by the Press Advertising Association on the number and profile of Turkish readers, Radikal has the highest percentage of readers from the highest socioeconomic groups.

Differentiated from other newspapers with its physical dimensions and reaching 238,000 distinguished readers every day, Radikal enjoys the highest portion of readers from its target segments.

Some 68% of Radikal readers belong to the AB socioeconomic group while 87% are members of the ABC1 SES group. The average age of Radikal readers is 38 years, although its reader profile skews younger compared to its competitors. About 80% of readers are 25 years old and over, 78% are high school and higher education graduates, 58% are university graduates, 31% are female and 69% are male. Some 71% of total readers live in Istanbul, Ankara or Izmir.

Closely covering current developments in Turkey and in the world, Hürriyet Daily News revamped its website at the end of 2011 in line with its new approach to journalism.

HÜRRİYET DAILY NEWS

Since publication of its first issue on March 15, 1961 as Turkish Daily News and based on the "World's Window to Turkey" approach, Hürriyet Daily News has been a pioneering, leading and leading news source for both Turkey and the region for 51 years. It was acquired by Doğan Group in January 2000 and renamed Hürriyet Daily News. Serving as the most important English language news source for diplomats and other foreign citizens living in Turkey since its first issue, Hürriyet Daily News started the second half-century of its history on June 13, 2011 with a new logo, new content and new layout.

Hürriyet Daily News celebrated its 50th anniversary at an event in Ankara with the attendance of President Abdullah Gül, government ministers, the President of the main opposition party and many representatives of foreign diplomatic missions. The newspaper aims to expand its target population beyond English-speaking readers in the country and to reach a more global population, primarily those living in the same region, who seeks news from Turkey and its environs.

Closely covering the current developments in Turkey and in the world, Hürriyet Daily News revamped its website at the end of 2011 in line with its new approach to journalism. Adhering to this new approach also for online media, Hürriyet Daily News can be accessed at www.hurriyetdailynews.com. Of 200 thousand unique monthly visitors (UMV), approximately 60 thousand access the site from abroad.

The iPad app, launched in mid-2011, has been downloaded by more than 5,000 iPad users.

In addition to its Facebook and Twitter pages, Hürriyet Daily News introduced an Android application in March 2011 in line with its objective of reaching more users through mobile and social media.

Among the various design and journalism awards received in early 2012, Hürriyet Daily News won the İzzet Kezer Photograph Award from the Contemporary Journalists Association and the Behzat Miser Award; in addition, the newspaper shared the Vercihan Award with DHA Correspondent.


Trade deficit worries economists

Turkey's trade deficit widens to a record level compared to last year. p.11

Turkey suffers from fertility decline

Multiple factors have led to Turkey's fertility rate steadily falling since the 1990s, says an academic from Ankara. p.05

Famous pianist to play for fallen soldiers

İdil Biret set to play in memory of Turkish troops who have died in clashes in the southeast. p.09

Hürriyet Est.1961 DAILY NEWS

FRIDAY, OCTOBER 28, 2011, TL 2

LEADING NEWS SOURCE FOR TURKEY AND THE REGION

www.hurriyetdailynews.com

World unites to help Van quake survivors

The international community swings into action to help victims in quake-hit Van with more than a dozen nations sending tents, cash and precious letters of support

QUAKE TRIGGERED NUCLEAR FEARS

Illegal construction a major cause of damage

CHP leader slams gov't for NATO radar

HÜRRİYET DAILY NEWS MARKS 50TH ANNIVERSARY IN CAPITAL

With its 51 year history, Hürriyet Daily News is the long-established and ever dynamic English language newspaper with continuously updated content. The newspaper is a rising star in print as well as online media, strengthening its market position as a major source of news not only for Turkey but also for the entire region.

Murat Yetkin
Hürriyet Daily News
Editor-in-Chief

With its distinctive writers and extensive content, Kelebek presents a snapshot of all aspects of life and aims to embrace the whole readership of Hürriyet.

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. In 2011, the Company conducted a communications study focused on the readership reach of the publication. Additionally, the Altın Kelebek (Golden Butterfly) Competition took place for 38th year demonstrating the strength and endurance of the Kelebek brand.

HÜRRİYET KAMPÜS

Published as a weekday newspaper since its launch on March 1, 2010 in 17 cities, at 23 universities and on 32 campuses aiming to reach university students, Hürriyet Kampüs (Campus) has been sold as a supplement to Hürriyet since 2011. Reaching 60 campuses in 30 cities in 2011, Hürriyet Kampüs (Campus) contains current news, arts &culture, entertainment/tabloid news, Zaytung, sports and university activities together with articles written by university students.

HÜRRİYET 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 632 thousand readers with each issue for 17 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.

HÜRRİYET CUMARTESİ

Hürriyet Cumartesi (Hürriyet Saturday) has been published since 1994 and reaches 1.6 million readers every week. Based on the "Doubled Saturday Pleasure" concept, this supplement was separated into and published as two new newspapers from December 2011: "City and People" and "Fashion and Life." As trademarks of Hürriyet Cumartesi, the "Top Ten" and "Before This Week Ends" sections were maintained. Each Saturday, Hürriyet Cumartesi presents sections that are accepted as the standard in the Turkish media in terms of editorial content including celebrity columns of Doğan Hızlan, Ayşe Arman, Kanat Atkaya and Figen Batur; style pages by Sibel Arna; and healthcare pages by Mesude Erşan.

HÜRRİYET PAZAR

Published since 1994, Hürriyet Pazar (Hürriyet Sunday) is an unrivalled supplement in its field. It is followed by 1.5 million readers every week and acts as the standard for the Sunday supplements of other newspapers. As of April 2011, Hürriyet Pazar increased the number and content of pages it presents to readers. The publication's trademark sections include Ayşe Arman with her interviews; Uğur Cebeci with his pieces on aviation; Civan Er with the food and cuisine section; Yorgo Kırbaki and Tolga Tanış, with their dispatches and op-ed pieces from Athens and New York, respectively. Latif Demirci's cartoon character Press Bey (Mr. Press) presents the humorous side of Hürriyet Pazar. The 4 Yüz (4 Faces) project launched in 2011 introduced a different point of view to journalism. Ertuğrul Özkök, Enis Berberoğlu, Sedat Ergin and Ahmet Hakan handle a new topic every week from different perspectives.

Reaching 632 thousand readers with each issue for 17 years, Hürriyet İK has played a major role in establishing professional human resource management in Turkey.

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 679 thousand readers.

OTO YAŞAM

Since October 8, 2003, Hürriyet Oto Yaşam has been a monthly free supplement published with Hürriyet on Wednesdays. Hürriyet Oto Yaşam offers extensive content from innovations in the automotive industry to motor sports and from financial services to technology updates. Each month 669 thousand readers follow Hürriyet Oto Yaşam.

HÜRRİYET KEYİF CUMARTESİ/ HÜRRİYET KEYİF 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, Ankara and Izmir. 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 800 thousand readers.

Trendy is a paid supplement published every Monday and is available the entire week. According to the average sales figures in 2011, Trendy is the best selling youth magazine in Turkey.

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. According to the average sales figures in 2011, Trendy is the best selling youth magazine in Turkey.

EMLAK YAŞAM SERİ 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 110 thousand people.

From 1997 to 2011, the Company has invested USD 282 million in its DPC facilities, which publish Hürriyet Group's newspapers.

452
USD million

INVESTMENT EXPENDITURES 1997-2011

62% *Machinery*
USD 282 million

15% *Property*
USD 67 million

14% *Plan*
USD 64 million

9% *Other*
USD 39 million
(Furniture, fixtures, software)

INVESTMENTS

From 1997 to 2011, the Company has invested USD 282 million in its DPC facilities, which publish Hürriyet Group's newspapers. Investments made in DPC facilities in 2011 include the following:

At Istanbul DPC, a tower was added to the Goss Uniliner printing machine and as a result the number of colored pages printed increased from 40 to 48.

At Izmir DPC, an ultraviolet (UV) drying system was added to two towers.

At Ankara DPC, an ultraviolet (UV) drying system was added to two towers. As a result, the printing machine is now capable of making UV heatset printing on eight total pages of coated paper, as four pages each at two foldings.

Although the equipment pool and printing capacity remained unchanged at Antalya DPC in 2011, the equipment has become capable of making heatset printing on eight total pages with the installation of an ultraviolet (UV) system on two towers. Also, upon meeting all necessary requirements, Antalya DPC received the "Environmental License" from the Antalya Provincial Directorate of Environment and Forestry, valid for five years.

At Adana DPC, a UV drying system was installed on two towers in 2011.

At Trabzon DPC, an ultraviolet (UV) drying system was installed on two towers. As a result, both printing machines are now capable of making UV heatset printing on four pages of coated paper each. Also, a transformer with a capacity of 1,000 KVA was replaced with a new transformer with a capacity of 2,000 KVA.

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.

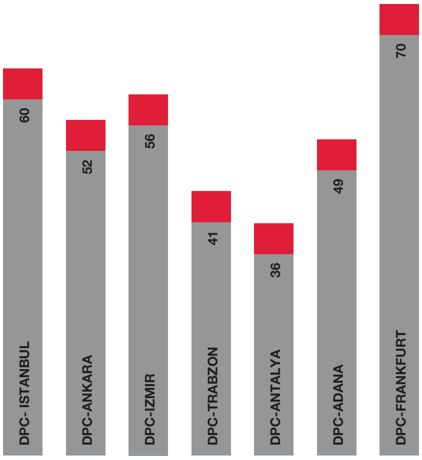
Hürriyet is printed at DPC facilities in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon and Frankfurt. In addition to Hürriyet and its supplements, these printing facilities also provide services to other companies regardless of whether they are part of the group.

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 Istanbul

With a covered area 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 Istanbul 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; in addition, all mechanical and electrical installation systems are controlled by the building automation



CAPACITY UTILIZATION RATE (%)

Hürriyet is printed at the Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon and Frankfurt printing facilities under Doğan Printing Center.

system. Daily paper consumption at the facility is between 210 and 280 tons. DPC Istanbul accounts for 47% of the total printing output.

DPC Ankara

With the second largest area after the Istanbul facility, DPC Ankara extends over an area of approximately 58,000 square meters, including 16,000 square meters of covered space, and is located by the Esenboğa Airport Road. The facility is of steel construction. The Goss Universal printing press of 120 units is designed to print four newspapers at one and the same time thanks to the four folding system installed. This is one of the longest Universal printing press lines in the world. The highest speed attained by the existing Goss Universal printing press is 45,000 units per hour; also, 180,000 newspapers can be printed per hour using the four folding system on the machine. The installed transformer capacity is 4,500 KVA and the daily paper consumption at the facility is between 70 and 100 tons. DPC Ankara accounts for 16% of the total printing output.

DPC Izmir

DPC Izmir moved into its new premises in January 2007, 20 kilometers from Izmir city center and two kilometers from the Izmir Adnan Menderes Airport. The facility extends over an area of approximately 35,000 square meters, with a covered area of about 16,000 square meters and 12,000 square meters of green space. The total installed power capacity of the facility is 5 MVA. There are two 2,500 KVA transformers and two power generators of 2,000 KVA and 2,500 KVA. The facility is equipped with one of the longest Universal printing press lines in the world and the existing Goss Universal printing press of 120 units is designed to print four newspapers simultaneously thanks to the four folding system installed. The daily paper consumption at the facility is between 70 and 110 tons. DPC Izmir accounts for 17% 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 tract of about 11,000 square meters. The installed transformer capacity of the facility is 2,000 KVA and existing generator capacity is 1,600 KVA. The facility is equipped with three Tensor printing presses with top printing capacity of 35,000 units per hour. The daily paper consumption at the facility is between 40 and 50 tons. DPC Adana accounts for 10% of the total printing output.

DPC Antalya

DPC Antalya consists of a total covered area of 4,900 square meters on a parcel of approximately 11,000 square meters. The transformer capacity of the facility is 2,000 KVA, with an existing generator capacity of 1,600 KVA. The installed Tensot T1400 printing press has the print capacity of 40 pages total, 32 of which are colored pages; one of the two Goss Community printing presses has the print capacity of 40 pages total, 28 of which are colored pages while the press has a capacity of 32 pages, 24 of which are colored. The facility is capable of printing three different newspapers simultaneously. Using a three folding system in the equipment pool, 105,000 newspapers can be printed per hour. The daily paper consumption at the facility is between 25 and 35 tons. DPC Antalya accounts for 6% of the total printing output.

DPC Trabzon

The first facility to be established as a Doğan Printing Center, DPC Trabzon is situated on a tract of about 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. The Goss Community 1 printing press has the print capacity of 40 pages total, 32 of which are colored pages. The Goss Community 2 printing press has the print capacity of 40 pages total, 28 of which are colored pages. The maximum print capacity per hour is 70,000 newspapers. In 2009, two Agfa Polaris 100 violet CTP (computer to plate) installations were completed and plates are made ready for print using a new system. The daily paper consumption at the facility is between 20 and 25 tons. DPC Trabzon accounts for 4% of the total printing output.

PRINTING OPERATIONS

Total Pages in 2011	Total Pages in 2010	Change (%)
36,158,241,158	37,902,016,896	5

The advertising revenue of Hürriyet Europe newspaper was EUR 4.9 million for the year 2011.

Printed in its modern printing center located within the same complex, Hürriyet has been leading the way in the Turkish newspaper market in Europe for many years.

HÜRRİYET IN EUROPE

As the only Turkish newspaper with global reach, Hürriyet is a pioneer in Europe not only in journalism, but also in social campaigning. Operating in Europe from its editorial office and printing center in Mörfelden Walldorf, near Frankfurt, Germany, Hürriyet reached its first readers in Europe in the 1960s with the start of Turkish labor migration to the continent. Hürriyet has served Turkish citizens and people of Turkish origin living in Europe for longer than any other domestic based newspaper.

Printed in its modern printing center located within the same complex, Hürriyet has led the way in the Turkish newspaper market in Europe for many years. It is the only Turkish publication to be a member of IVW, an independent measurement company that monitors newspaper circulation and sales figures; IVW audits Hürriyet's circulation in Europe. Hürriyet is also the best known Turkish newspaper brand in Europe and is distributed to nearly 18,000 sales points in Germany and 25,000 sales points across Europe through the Axel-Springer distribution network.

Hürriyet carries out operations outside Turkey under the umbrella of Doğan Media International GmbH, founded in 1999 as Doğan Holding's gateway to Europe. In addition to its publishing activities, Doğan Media International plays an important role in enhancing Doğan Group's relations and dialogue with the leading media companies in their respective countries, contributes to the development of new business models, and thereby extending the newspaper's market leadership position in Turkey to 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 (Europe) newspaper was € 5.2 million for the year 2010.

Hürriyet Yanınızda and Columns

Hürriyet also organizes visits to regions in line with its motto "Hürriyet Yanınızda" (Hürriyet is on Your Side). The Hürriyet editorial director or team meets residents in centers with a significant population of those of Turkish origin in collaboration with the governorship of the state, chief of police or secretary of state who together personally listen to people's problems and propose solutions through the platform of Hürriyet.

Hürriyet Avrupa's (Europe) columnist Ahmet Külahçı writes on the political agenda, Armin Laschet analyzes Turkish - German relations and Halit Çelikbudak comments on economic issues to reach Turkish readers in Europe.

Bilingual Publication in German and Turkish

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 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.

In spring 2011, Hürriyet launched a bilingual supplement, “Seninle” (With You), printed on coated paper. A new supplement, “Haftasonu” (Weekend), aiming to serve female readers will launch in spring 2012.

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

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.

The website also contains news and articles in German.

Subscription and e-newspaper

Readers can buy Hürriyet at news stands 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.

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.

Hürriyet Europe was awarded three prizes for the activities carried out in Germany. Its social campaigns received the "Harmony and Tolerance Special Award" from the Capital Berlin Initiative on November 20, 2007 and the "Integration and Tolerance" award from the Turkish-German Club in Frankfurt on November 24, 2007. The second prize of the "ENTERPries" competition organized by the Ministry of Generations, Family, Women and Integration of the Northern Rhein-Westphalia was presented for the "No! to Domestic Violence" campaign at a ceremony held on December 12, 2007 in Düsseldorf.

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 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 an Opportunity, the Charter aims to safeguard diversity in businesses, support people of foreign origin in the workplace, provide employment opportunities for the disabled to foster cohesion and improve productivity. Hürriyet has also participated in the Integration Summit convened for the last five years by Chancellor Merkel. At this summit, seeking ways of coexisting peacefully, Hürriyet serves as the voice of people of Turkish origin. The Company also provides significant support to the activities of Foundation for Integration (Uyum Vakfı) founded in Germany in 2009.

Hürriyet Printing Facility

Doğan Holding's European branch operates in the printing segment, as well as in publishing. The printing facility, operating as Hürriyet Zweigniederlassung Deutschland, produces 26 publications from four continents in eight 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 includes three GOSS Universal printing presses, each able to print 45,000 newspapers per hour, or a total of 135,000 newspapers per hour for the facility. The machines feature a state-of-the-art in-feed system, remote ink control function, motorized compensator system, automatic registry, and automatic lateral calibration and spray bar system. The folding process is carried out by a 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.

International Newspapers Printed

Equipped with the latest technology, the printing facility prints Hürriyet 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 printed here include the Polish newspaper Info & Tips, the Chinese newspapers China Daily and People's Day, Rhein Hunsrück from the Rheinland-Pfalz province, along with The German Times, The Asia Pacific Times and New Europe, all seen as significant sources for opinion makers. Together with these publications, the total number of newspaper copies printed daily at this facility approaches 250,000.

The "Most Successful Printing House" Award by the Financial Times

Published in 25 different facilities around the world and designated the "World's Best Economics Newspaper" for many years, The Financial Times described Hürriyet's Printing Center facilities as the most successful printing house from 2007 to 2010. The "Achievement Award" was presented at a ceremony held on December 1, 2010 at the FT Building in London by Greg Zorthian, FT Vice President, to Vuslat Doğan Sabancı, Chairwoman of Hürriyet.

Hürriyet provides support not only to its own social campaigns, but also to those organized by various Turkish and German associations in Germany via its publications.

INTERNET SERVICES

www.hurriyet.com.tr

One of Hürriyet's main business objectives is to expand its market leading position in print media to online media. To this end, hurriyet.com.tr was launched on January 1, 1997 and became one of the earliest examples of an online newspaper in Turkey. As of October 2000, the website grew into a full-fledged news portal offering a continuous stream of the latest news, updated 24-hours a day, moving well beyond being merely the online version of Hürriyet newspaper. The website continued its groundbreaking activities with the development of sub channels like Web TV and astrology at the end of 2009, followed by interactive services including Bumerang and Yazarkafe and subsequently the development and launch of various new mobile applications in 2010. With these initiatives, the Company focused on creating a perception of hurriyet.com.tr as a multi-dimensional online media platform through marketing and social media activities. At end-2011, hurriyet.com.tr reached 2 million individual users everyday and 24 million individual users each month; in addition, the website was number one in its own category according to Alexa, Gemius and comScore.

Hurriyet.com.tr's 2011 activities included:

- The design of hurriyet.com.tr was renewed to offer better quality services and an improved user experience. The new hurriyet.com.tr offers better navigation for users. Also, new ad spaces and advertising models (such as on-page advertising, sponsorship for article spaces) were created to increase the media revenues.
- The hurriyet.com.tr site announced that it had become the third most visited news portal in Europe, surpassing European giants like Bild and ElPais, according to November 2011 data from comScore, the world's leading digital analytics company, while maintaining its leadership in online media in Turkey.
- The iPad/e-newspaper app was downloaded to 120,000 iPads during the yearend 25,000 active readers are reached daily. The Company initiated paid subscription options and new advertising models.
- The design of the sports channel was completely refreshed to provide better services to readers who follow various statistics on all sports including football, basketball and tennis, among others.
- WEB TV operations launched to establish high quality and thematic video channels and the studio investment was completed. The TEKNOTV channel was initiated where informatics and technology products and services are analyzed in detail. Professional video broadcasting was also introduced.
- Bumerang, which consists of a quality blog and website network, expanded to 16,000 websites. In social media advertising, the Company developed and launched Bumads, which provides advertorial services to brands through Bumerang member websites.
- The Bumads launch event included the participation of over 400 leaders of the internet, marketing and blog sectors. The Bumerang Awards were presented at the same event. Some 23,000 people cast their online vote in the competition organized with 1,470 participating websites. The distinguished jury members presented awards in six categories.

The 2012 targets of hurriyet.com.tr include:

- To create a sub channel strategy to increase the visitor traffic on a 24/7 basis on weekends from the current peak usage that occurs only during working hours and weekdays; to develop channel content on different areas of interest, such as finance, culture & art, fashion and life;
- To implement a Channel Management System for such new channels to increase revenues;
- To launch a new tabloid with completely different content to be updated regularly; to develop new paid membership patterns and new advertising types;
- To combine Hürriyet Kıyasla with the Piyasanet channel under hurriyet.com.tr; to develop Piyasanet TV's videos on consumer information and analysis with its finger on the pulse of the finance world, loans, GSM tariffs and similar comparisons and on expert opinion;
- To reengineer the structure by introducing thematic channels like TeknoTV, PiyasanetTV, KültürsanatTV, among others;
- To make the Bumads advertising platform permanent service in Turkey and to turn it into a global.com product;
- To initiate mobile app broadcasts of the Hürriyet Top Ten, prepared by the newspaper for many years, compatible with location-based iPhone - iPad and Android.

The news concept continues to evolve with the newly developing telecommunication technology and individual preferences have been integrated with content. As a result, traditional monologue news reporting style has transformed into a dialogue found and shared by readers and followers. This should be the design of the new media of today.

Fatih Çekirge
Internet Media Director

www.hurriyetemlak.com.tr

2011 operational highlights of hurriyetemlak.com include:

- Number of average unique monthly visitors increased 18% over 2010 and reached 2 million;
- The rate of new visitors increased 14% and the length of the user session on the website increased 5% to 14 minutes;
- The special "55 iPad Lottery" campaign for corporate real estate brokers was organized; immediately after the campaign, an iPad app was introduced for real estate brokers as an important channel to continue communications;
- The "TIK TIK 5th Anniversary" promotional campaign was organized, and also included radio, outdoor (on-bus) and display advertising. About 85% of the 150,000 visitor sessions gained at the end of the campaign were from new visitors.
- As of July, the site's social media channels including Facebook and Twitter were visited by more than 330,000 visitors during five months.

The 2012 targets of hurriyetemlak.com include:

- To encourage users to comment and have a voice in the website interactively and to raise user satisfaction by giving away prizes through social media campaigns and to boost traffic from social media;
- To increase Facebook ads synchronized with social media campaigns and their content;
- To enrich the editorial content; to upgrade the visual display of Emlak Yaşam pages with rich content and industry studies made in collaboration with business partners; to respond to questions posed by individual and corporate users; to establish an interactive structure; to classify the newsletters in two groups as individual and corporate and to make special mailings to target subgroups;
- To establish business partnerships for content, revenue and offerings by collaborating with in-group and non-group third parties (e.g. Evim.net, Evmanya, Ekolay);
- To launch location based iPhone applications with features exclusive to the platform.

www.yenibiris.com

Yenibiris.com's goal is to become the landing page 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 2011 operational highlights of yenibiris.com are presented below:

- Design and product based improvements were made on the employer page;
- Seven Facebook fan pages, a Twitter page and a viral video campaign were launched to boost traffic from social media and to reach individual and corporate target users;
- The mobile page was renewed to ensure full functionality on all mobile devices;
- The sales team focused on competitors separately as telemarketing and field sales teams;
- Collaboration with authorized sales offices and mass purchasing companies was established to create new sales channels;
- The total number of CVs on the site increased from 11.5 million (as of December 2010) to 13 million as of December 2011.

The 2012 targets of yenibiris.com include:

- To launch a new job seekers site;
- To include the mobile website to double as an iPhone/iPad app, and to attract users to the mobile website through announcements;
- To organize an advertising campaign, followed by campaigns to increase awareness, use and the number of applications mostly in digital and social media;
- To launch the insankaynaklari.com and kariyer.com websites.

www.hurriyetoto.com

The operational highlights for hurriyetoto.com in 2011 included:

- Third party collaborations were developed and business partnerships with Kanal D, Ekolay, and later with CNN Türk were initiated;
- An association with Tramer, an auto insurance information center, was established; an inquiry on the damage history of the vehicle on ads was made for the first time on hurriyetoto.com portal;
- Packages with elcometers were prepared to support in store-sales;
- A content partnership was made with the Autoshow test almanac;
- 0-km data were updated.

The 2011 targets of hurriyetoto.com are presented below:

- To enhance interactivity, increase traffic from social media and encourage users to comment more frequently and have a voice in the website; to organize campaigns on social media to ensure user satisfaction through promotional giveaways;
- To establish business partnerships with third parties, attract visitors through different channels and enrich the website content;
- To launch mobile pages.

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.

2011 operational highlights of hurriyetkiyasla.com include:

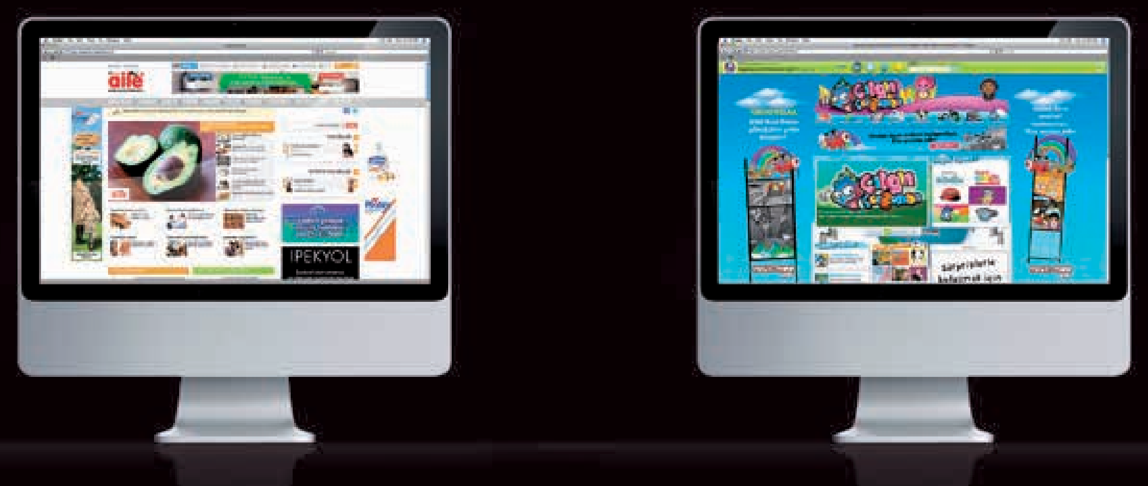
- An airline tickets section was beta launched to enable users to compare ticket prices and a business partnership with Biletall.com was established. A new line of business, exclusively for ticket sales, was created to generate commission income on flight ticket sales.
- In the loan and airline sections, the Company established business partnerships with Şekerbank, Garanti Bank (consumer loans), Societe Generale-Kredi Ver, Omega Information Technologies (ttnet, biri, uydunet), Doping ADSL, DD Mortgage, Türknet and Biletall.com for different product categories.

The 2012 targets of hurriyetkiyasla.com include:

- To partner with Piyasanet, the finance channel under the umbrella of hurriyet.com.tr; to upgrade the broadcasting activities of Piyasanet TV which presents videos on information and analysis of the finance sector, loans, GSM tariffs and similar comparisons and expert recommendations; and to make Hürriyet, which has a highly reputable position in economics journalism, an authority also in the area of financial services;
- To develop an application specific for mobile devices.

2011 was a year of innovations when hurriyet.com.tr celebrated its 15th Anniversary, became the third largest news portal in Europe, introduced Hürriyet's tabloid publication, became a leader in the children's portal category and set sail to new horizons by developing e-commerce platforms.

Ahmet Dalman
Head of Internet and Information Technologies
Executive Committee Member



www.hurriyetaile.com

- Following a change in management, sales and advertiser communications were discussed in detail, the total number of members was found to be 440,000, the membership system was completely renewed and the improved website saw traffic increase fivefold.
- The Company decided to continue publishing Yeni Anne (New Mother) magazine and discontinue Yeni Hamile (Newly Pregnant). The magazine design and content was changed completely based on the strategy consistent with A-B group target.
- Facebook and Twitter accounts were created and operated aiming to gain new members and to boost traffic.
- The strategy on the integration of Hürriyet Aile with hurriyet.com.tr was developed to attain higher traffic and to create enriched content; links were created to relevant news stories on hurriyet.com.tr.
- The iPhone application containing all Hürriyet Aile categories was launched.

The 2012 targets of hurriyetaile.com include:

- To convert the mother and baby-focused portal structure of the website into a center of content and community services for women, lifestyle, children related issues.

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 2011 operational highlights of tipeez.com include:

- Turkey's largest children's and youth portal with 1.3 million unique visitors per month.
- Acquired 1 million members in 2011..
- Ranked number one in the Teens category by category by comScore, the world's leading online analytics company, for five of last seven months of the year.
- Some 190,000 kids have created blogs on Tipeez.
- Increased its revenue by five times compared to 2010.
- A game channel comprising more than 1,500 games was launched for competition purposes.

The 2012 targets of tipeez.com are presented below:

- To maximize brand awareness and loyalty;
- To increase the number of members to 2 million;
- To maximize quality traffic and increase revenues.

www.yakala.co

As a pioneer candidate among deal sites, yakala.co has become a closely followed portal in this category. The site ranked as fourth among deal sites in Turkey although it only launched in late 2010.

The 2011 operational highlights of yakala.co include:

- Bursa, Adana and Antalya city deals were launched and various opportunities in dining, activities, products and similar areas were offered to members.
- Total site membership reached 860,000.
- The Company sponsored concerts and art activities for marketing purposes in order to enhance brand awareness and gain members.

The 2012 targets of yakala.co include:

- To strengthen its market position;
- To increase the membership to 2 million;
- To increase turnover by offering more category-based opportunities to consumers and keeping the opportunities on the website for a longer period of time;
- To improve the consumer shopping experience and to increase customer loyalty;
- To create new products/service areas.

www.yenicarsim.com

This website serves as an online shopping center that provides the opportunity to shop safely from real stores, on a 24/7 basis, by browsing and trying out the products. Yeniçarşım is an online marketplace, an e-commerce platform where the consumers and sellers meet. All companies that conduct business offline and that have products to sell can open a shop on yeniçarşım. The priority target group consists of medium-scale tradesmen who “operate” online stores.

The 2011 operational highlights of yeniçarşım.com include:

- The site’s beta opening was in September, followed by the launch of the Yenicarsim.com Scuba Diving World Record with Cem Karabay in Istanbul in October. The event was reported in various newspapers, magazines, websites and on TV programs. The aim of the event was to generate awareness of the new website and to ensure brand recognition while attracting new members.
- As of end-2011, the site had 500,000 monthly visitors, 15,459 members, 34,697 registered email addresses; in addition, the site’s Alexa ranking was 626.

The 2011 targets of yeniçarşım.com include:

- To increase the number of stores to cover all product categories;
- To create Brands Avenue and to establish a shopping mall within the platform with leading dealers and brands;
- To earn rent from the online stores;
- To create themed marketing campaigns to gain membership and to increase traffic;
- To launch a mobile application;
- To initiate sales of advertising space at suitable areas within the website.

HUMAN RESOURCES

Hürriyet Human Resources Department 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 Department 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
The Hürriyet Human Resources Department Department Unit believes that working with select, talented youth will make a significant contribution to the Company. Therefore, Hürriyet offers various job opportunities to youth through internships during summer and winter breaks, part-time employment and recruitment of new graduates.

As is the case every year, in 2011 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. Select students who completed their internship with success, and who distinguished themselves with their talent, creativity and achievements will be offered positions in the Company at the end of their internship.

In 2011, the Company recruited a total of 279 new hires for the various units of Hürriyet; of this total, 55% were employed by Hürriyet's internet groups.

Training
Hürriyet Group places great importance on organizing programs to support personal development.

Besides the in-house training organized for personal development every year, employees receive external training for professional development through agreements with educational institutions. In 2011, a total of 220 employees received in-house training in 26 professional areas.

Employees receive free English language training, beyond working hours, at Hürriyet Medya Towers and the Gümüşsuyu office, organized by the contracted English Training Providers.

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.

Personnel and Labor Relations
The number of consolidated Hürriyet employees declined from 7,986 in 2010 to 7,198 in the current reporting year.

A severance pay obligation of TL 26.2 million 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.

Hürriyet is growing thanks to its people...

Hürriyet grows with its "employees"... The key to Hürriyet's success is its employees who believe in the Company and take the lead in effecting change. Our activities in 2011 were completely focused on the developing the infrastructure that will strengthen our success.

Tuba Köseoğlu Okçu
Human Resources Director
Executive Committee Member

SOCIAL RESPONSIBILITY

Rightful Women Platform
In 2011, Hürriyet launched a new social responsibility initiative and led the drive for establishment of the Rightful Women Platform. Chairwoman Vuslat Doğan Sabancı spearheaded the project to bring together thousands of people from 41 non-governmental organizations, academia, the media, the business community, the legal profession and civil society.

Currently, the Rightful Women Platform has 100,000 members consisting of members of various associations and individuals. The Platform aims to ensure equal representation of women in the Turkish Parliament, to protect women against all kinds of violence, to ensure that women take their well-deserved place in the business world as soon as possible, to ensure the enactment of laws to protect women against discrimination and to ensure that necessary steps will be taken promptly to attain social gender equality.

As its first activity, the Platform called on Turkish voters and political party leaders before the June 2011 general elections to nominate more women candidates. Following the announcement of candidates for nomination, the Platform criticized the number of women candidates that was far below than that required by equality, and conveyed the disappointment that emerged among women after the elections took place to the political party leaders as well as to the new government. The Platform emphasized that the increase in the number of women members of Parliament fell short of the target of attaining true democracy, even though the rate of representation increased to 14% from 9%.

The Platform also actively participated in drafting the law on “Protection of Women and Family Members against Violence” that was initiated after Fatma Şahin assumed the position of Minister of Family and Social Policies.

Making statements on issues with regard to discrimination against women and organizing different activities since its establishment, the Rightful Women Platform continues its efforts in collaboration with many non-governmental organizations and platforms as well as the relevant ministries. www.haklikadinplatformu.org

“No! to Domestic Violence” Campaign
For the eighth consecutive year, Hürriyet continued its social responsibility initiative “No! to Domestic Violence” in 2011. The problem and possible solutions were kept on the agenda through special reports, advertising campaigns, conferences, concerts and similar activities while fortifying Hürriyet’s standing in relation to this persisting social wound.

Third Güldünya Concert
The Third Güldünya Concert, organized by Hürriyet as an event of the “No! to Domestic Violence” campaign was held on March 9, within the scope of International Women’s Day, as in previous years. All income earned from this concert with the participation of the renowned singer Nilüfer together with rock bands who released the “12 Duets” album was donated to the Domestic Violence Hotline. The concert was held at the Istanbul Congress Center and attracted widespread public attention. The performer Nilüfer was accompanied by other famous singers including Şebnem Ferah, Hayko Cepkin and Ogün Sanlısoy and by bands that included Yüksek Sadakat, Gece Yolcuları, Badem, Malt, Candaş, Cingi, Ruacan, Rashit, TNK and 4x4. All performers participated in the event without seeking any fee, while Rixos Hotels, the operator of the Istanbul Congress Center, provided the facility for free.

As the principles of journalism are being rewritten in its third millennium, Hürriyet, as the flagship of the Turkish media, continues to offer its readers value added services with distinctive content surpassing internationally recognized quality publishing standards. Hürriyet reaches 5.5 million members of the Hürriyet Dünyası via its diversified publications and service offerings.

Tijen Mergen
Head of Marketing Group
Executive Committee Member

During 2011, training sessions on raising awareness were organized at many locations for people with different social backgrounds as a part of the "No! to Domestic Violence" campaign.

Domestic Violence Hotline
Established in 2007 to provide legal, psychological and security-related support to women exposed to domestic mistreatment and violence, Domestic Violence Hotline continued its operations in 2011 and received 5,696 total calls. Of the calls received, some 4,590 people were offered legal, corporate or psychological support regarding domestic violence. Of this total, 3,186 were victims, relatives or acquaintances of victims. In 2011, 96 calls were received from attackers. A total of 369 emergency cases were handled by the Hotline during the year.

Awareness Training
In 2011, awareness training programs were organized in many cities, reaching people from various target groups within the scope of the "No! to Domestic Violence" campaign, including: on January 17 at the CHP Esenler Center to the public; on March 28 and 29 in Aksaray city to police officers; on May 2 to students of Isparta Süleyman Demirel University; on October 22 at the Malatya People's Association to the public; on December 14 to parents and juniors of the Istanbul Sabancı 50th Yıl High School; and on November 21- 23 in Nusaybin and Kızıltepe of Mardin to the public.

On the basis of requests received in 2011, "Intercorporation Collaboration Training" was held in Kırıkkale, Aksaray, Burdur, Eskişehir, Afyon, Hatay and Kayseri.

Between May 10 and June 10, training programs on domestic violence were held for government officials in 19 cities (Kayseri, Erzincan, Kars, Sivas, Samsun, Amasya, Malatya, Gaziantep, Diyarbakır, Elazığ, Muş, Adana, Mersin, Uşak, Izmir, Manisa, Balıkesir, Kırklareli, Edirne) as a part of the "Hürriyet Hakkımızdır Treni" (Freedom Is Our Right Train) campaign.

Additionally, during the in-house training program held on January 10 and 14 at the Kültür University for psychological counselors, the hotline was introduced. Representatives attended the "Conference on the Fight against Domestic Violence to Women in 2011's" held on January 15, 2011 by Mor Çatı Kadın Sığınağı Vakfı (Purple Roof Women's Shelter Foundation). Hürriyet was represented at the Violence Commission's meetings held by the governorship of Istanbul throughout the year. In addition to participating in the workshop on domestic violence conducted by AÇEV (Mother Child Education Foundation), Hürriyet also used its extensive experience to make contributions at other events, including: the training program organized by UN Population Fund for the police officers; the "Workshop on Dimensions and Reasons of Violence Problem encountered in the District" organized by the Directorate of National Education of Darıca; and the conference on domestic violence held at the Istanbul Commerce University by the governorship.

On March 11, 2011, the "Training of Men" was organized with the participation of trainers from various institutions including SHÇEK (the Turkish Social Service and Children Protection Institution), the Police Department, AÇEV, KSGM (Directorate General on the Status of Women), the Ministry of National Education and Hürriyet. The campaigns and hotline activities were promoted to a group of doctorate and postgraduate students from Sweden as well as to a group from Azerbaijan.

Hürriyet actively participated in the discussions on the draft law on domestic violence prevention with its campaign "No! to Domestic Violence"; in addition, the Company continued to present special reports and case records to the governor's office on a quarterly basis in order to remedy the deficiencies.

Image Campaign
Hürriyet developed the 2011 visual image activities for the "No! to Domestic Violence" campaign around the slogan "The one who uses violence against a women is not a men!" Billboard, racket, TV and newspaper ads were placed concurrently; the WC boards in the restrooms of movie theaters were also used for ad placements to support the campaign. Additionally, the campaign slogan and visuals were used for on-train advertising on the Hürriyet Train.

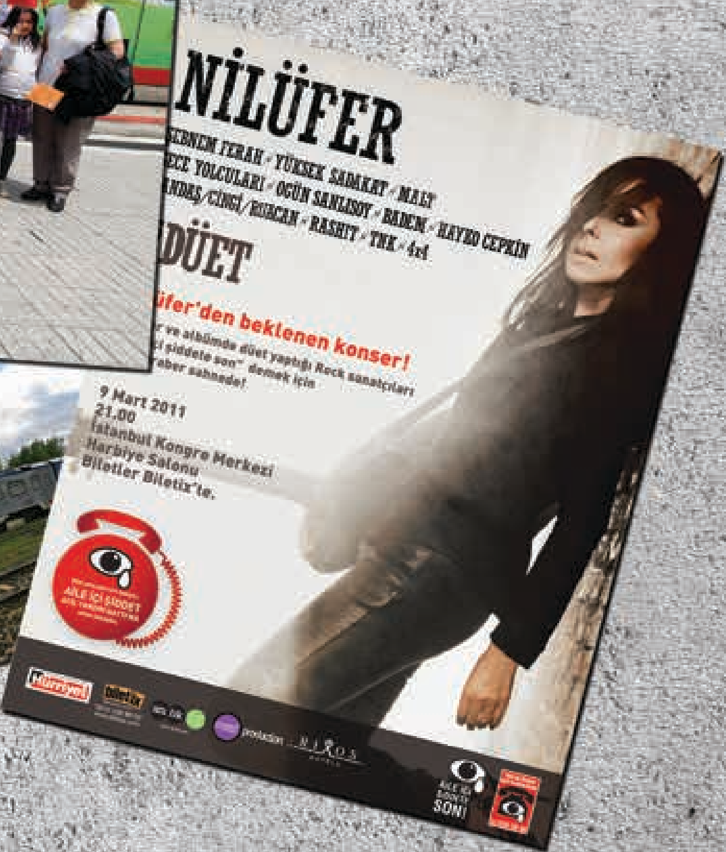
Conferences
In 2011, two international conferences were organized as part of the "No! to Domestic Violence" campaign.

The first conference was held on March 10 at Boğaziçi University concurrently with the visual image campaign. Hürriyet took a different approach to the issue, and looked at it from the perspective of men; the conference examined male violence against women and children and its underlying reasons. The conference was enriched with a workshop by Michael Kaufmann, a founder of the International White Ribbon initiative, training counselor and writer; also, a call was made for "good guys" as well as women to help provide a solution to the problem.


AİLE İÇİ ŞİDDETE SON!
KONFERANS 2011
Tarih: 10 Mart 2011
Yer: Boğaziçi Üniversitesi
Kuzey Kampüsü,
Garanti Kültür Merkezi
Ayhan Şahenk Salonu
ERKEKLER NEDEN ŞİDDET UYGULAR?
ŞİDDETİ NASIL ENGELLER?
ŞİDDETLE MÜCADELEDE "İYİ ERKEKLER"İN ROLÜ
Hürriyet
AİLE İÇİ ŞİDDETE SON!


Hürriyet


Hürriyet


NİLÜFER
ŞEBNEM FERAH / YÜKSEK SADAKAT / MALT
GECE YOLCULARI / OGÜN SANLISOY / BADEM / HAYKO CEPKİN
ANDAŞ/CİNGİ/KURCAN / RASHIT / THK / 4x4
DÜET
lüfer'den beklenen konser!
9 Mart 2011
21.00
İstanbul Kongre Merkezi
Harbiye Salonu
Biletler Biletix'te.
AİLE İÇİ ŞİDDET
Hürriyet
AİLE İÇİ ŞİDDETE SON!

Opening speeches were made by Vuslat Doğan Sabancı, Chairwoman of Hürriyet and Mr. Kaufmann. A panel was held during the event with the participation of Leyla Alaton, businesswoman; Fatih Çekirge, Hürriyet Internet Editor-in-Chief; Prof. Dr. Deniz Ülke Arıboğan; İzzet Doğan, retired Judge of the Family Court; and Ahmet Ümit, author.

The second conference was held on November 25 on the International Day of the Elimination of Violence Against Women. The conference was organized with the theme "Gökyüzü Herkesindir" (Sky Belongs to All of Us) and with the collaboration of Hürriyet's "No! to Domestic Violence" campaign and the UNFPA Turkey office. Non-governmental organizations, groups, various initiatives and individuals, attended the conference and shared their individual experiences around the subject of the book *"Gökyüzünün Yarısı: Tüm Dünyada Kadınlar için Baskıyı Fırsata Dönüştürmek" (Half the Sky: Turning Oppression into Opportunity for Women Worldwide)* written by Nicholsa Kristof and Sheryl WuDunn and published in the Turkish language by Doğan Kitap.

Opening speeches were made by Vuslat Doğan Sabancı; Fatma Şahin, Minister of Family and Social Policies; Egemen Bağış, Minister for EU Affairs; and Dr. Zahidul Huque, UNFPA Turkey Representative; in addition, author Elif Şafak delivered a speech during the conference.

The conference was also attended by representatives of Apne Aap from India, Equality Now from London and Local Democracy Program from Bosnia together with the Turkish non-governmental organizations including Mor Çatı (Purple Roof) and Kamer (Moon) and made a strong impression on attendees. As part of the conference, the Ministry of the Family and Social Policies, UNFPA and Hürriyet initiated a petition for men.

Other Events

- The Hürriyet - Penti Çorapları cooperation for the "No! to Domestic Violence" campaign continued in 2011 and proceeds from the sale of Hera stockings sales were donated to the Domestic Violence Hotline. A new initiative was also launched in which stockings designed by celebrities will be produced by Penti and the sales revenue will again go to the Domestic Violence Hotline.

- Support was given to the "Kostümlerle Elele" (Hand by Hand using Costumes) project; the income generated from the sale of costumes worn by celebrities was donated to the Domestic Violence Hotline.

- Hürriyet served as the partner for the "Model for Equality of Opportunities" project initiated by KAGİDER within the scope of the "No! to Domestic Violence" campaign. The project aims to ensure the integration of social gender equality perspective and equality culture into the corporate structure and company practices; in addition, studies were conducted to establish this model within the organization.

- The webpage Seninle +1 (With You +1) was created on hurriyet.com.tr. As project partner of Ekle-Destekle (Add-Promote), a social entrepreneurship project, Hürriyet worked to draw attention to social initiatives and began to generate funding to the Domestic Violence Hotline via technological social entrepreneurship.

"Hürriyet Hakkımızdır Treni" (Freedom Is Our Right Train)

"Hürriyet Hakkımızdır Treni" started out for third time on its journey before the June 12 general elections to obtain responses to the question "What does Turkey Want?" as it visited 25 cities located in seven regions across Turkey. The entire journey encompassed 32days, 594hours and covered 8,054 km along its route. The Hürriyet Train asked the Turkish people what things they wanted to be changed after the June 12 general elections and shared the data gathered with the public on a daily basis.

The Hürriyet Train transported Hürriyet writers as well as academics and other journalists who were aware of Turkey's problems to 25 cities situated on the railway network, stopping at Kayseri, Edirne, Erzincan, Balıkesir, Samsun, Manisa, Diyarbakır, Izmir, Tatvan, Uşak, Adana, Kars, among other locations.

As part of the project, the Pınar Kido Children's Theater performed "Nasreddin İnadın Sonu" (Nasreddin - Result of Stubbornness) at every station stop while the Zil Zurna Percussion Group played railroad songs and conducted a body percussion workshop for children.

As the largest Turkish NGO in education, Türkiye Eğitim Gönüllüleri Vakfı (Education Volunteers Foundation of Turkey) (TEGV) conducted a "Workshop on Rights for Children" at every station stop to inform youth about their rights. The Doğal Afet Sigortaları Kurumu (Natural Disasters Insurances Authority) (DASK) also set up an earthquake simulation to raise awareness of this natural disaster to conduct training on this critical issue.

The "Zordur Kadın Olmak" (It's a Hard Job to be a Woman) photography exhibition, composed of photos of male celebrities as women, published in the 2011 New Year newspaper supplement, was held in every city to attract attention to women's issues together with the exhibition showing "Turkey's Scorecard on Equality of Women and Men." Training on domestic violence was given to city government officials and the activities of the Rightful Women Platform were presented as well.

The Turkish Football Federation participated in the event for the first time and presented the "Herkes İçin Futbol" (Football for Everybody) program. Doğan Haber Ajansı reported on the activities in the national and local media, and the program was the subject of a special broadcast by CNN Türk. Pegasus Airlines also supported the campaign by transporting visitors across the country.

Van Earthquake and Hürriyet

Immediately after the deeply shocking Van earthquake, Hürriyet supplied thousands of blankets to the region and launched a large-scale assistance campaign three days after the disaster.

Organized in cooperation with the Turkish Red Crescent, the campaign aimed to establish a Hürriyet Neighborhood at Van Erciş backed by reader donations. Thanks to the campaign, kicked off with a TL 2 million donation from Hürriyet, Kanal D and Doğan Holding, about 600 container houses were provided by end-December. The houses were designed to satisfy all needs of a family and comprised a bedroom, bathroom, WC and kitchen. Some 30 streets in the neighborhood are named after the top donors.

ENVIRONMENTAL HEALTH

Hürriyet Initiatives on Environmental Protection and Environmental Sustainability Sustainability can be defined as the capability of ongoing habitual behaviors. According to the definition declared by the World Commission on Environment and Development in 1987, "it is the capability to meet people's daily needs, to attain sustainable development without jeopardizing the capacity to meet the next generations' requirements."

Environmental sustainability is defined as the process of ensuring that relations with the environment are based protecting the environment as much as possible.

We at the Hürriyet Group have adopted environmental protection as one of our main tasks, based on providing respect to humanity and ensuring a healthy future for humanity and natural life.

We conduct our operations in line with the protection of the environment and proper use of natural resources, in accordance with the sustainability policies and observing all laws and regulations on environmental protection.

We acknowledge that high quality products can be produced in a safe and clean environment. Based on this principle, we adhere to a corporate policy where less consumables and less energy are consumed, where environmentally friendly production equipment and techniques are adopted and applied according to current circumstances in every production phase, from project and equipment selection to environmentally aware staff and daily production, to attain a healthy environment and to hand it down to next generations.

To this end, the Company established an Environmental Control Unit on January 31, 2011 and initiated analytical studies to mitigate the effects of our production and operation on the environment and to improve the level of environmental awareness among employees.

- In 2011, all our printing houses and some offices were inspected in accordance with the Environmental Control Regulations and the Environmental Law; subsequently, inspection reports were presented to senior management. The inspections and reviews will continue in 2012 and accordingly reports again will be presented to top management.

- As a result of the inspections, improvements are made in accordance with the Environmental Laws.

- Environmental training programs are conducted for all employees to enhance environmental awareness.

- Our operations are inspected on an ongoing basis through internal controls to ensure the sustainability of our environmental awareness.

- The Company's top management reviews and evaluates our operations according to inspection reports and necessary sanctions are imposed to allow necessary improvements to be made.

- In 2011, Hürriyet Group published and distributed two "Environmental Paper" issues, a first in Turkey, to highlight environmental issues and to bring all the companies of the sector to a common ground.

Our operations to achieve environmental sustainability are presented below.

1. Energy Management

Various procedures, in particular the use of efficient equipment, are applied at all facilities to reduce consumption of energy resources such as electricity and natural gas.

Additionally, studies are conducted to reduce CO_2 emission into the atmosphere, in other words, to minimize our carbon footprint.

- Electricity/natural gas consumption amounts are checked and reported.

- A heating system with a capacity less than 2 MV is used at all facilities and the CO_2 emission is at a minimum level.

- No technologies causing emissions into the atmosphere are used in any production stage.

- The awareness of employees on this issue is steadily raised.

- Energy-saving equipment is used at facilities.

- Heating of production sites and offices is kept at optimum levels.

- Energy-efficient bulbs are used.

- The duration for night lighting has been shortened.

- Sub-meters have been installed on certain lines to observe and report energy consumption.

- Employees are advised to shut down and not to leave on standby the unused electrical appliances at the end of working hours.

- The wall and roof insulation of all facilities is regularly inspected.

2. Environmental Permits and Licenses

Hürriyet Gazetecilik ve Matbaacılık A.Ş. Antalya Printing Center

("DPC Antalya")
Classified under EK2 receiving environment discharge under the "Regulation on Permits and Licenses Required by the Environmental Law," DPC Antalya has satisfied all requirements in accordance with the "Regulation on Environmental Control"; on July 6, 2011, the facility received the "Environmental Permit", valid for five years, from the Provincial Directorate of Environment and Urbanization. This is the first environmental permit granted to a printing house in the media sector in Turkey. As a result, DPC Antalya is subject to monthly inspection by the Environmental Controller, employed by the Company, in accordance with the Regulation on Environmental Control; in addition, reports are issued regularly.

Hürriyet Gazetecilik ve Matbaacılık A.Ş. Trabzon Printing Center

("DPC Trabzon")
Classified under EK2 receiving environment discharge under the "Regulation on Permits and Licenses Required by the Environmental

Law," DPC Trabzon initiated the procedures for an Environmental Permit and License in accordance with the "Regulation on Environmental Control." To this end, the biological treatment plant was refurbished, reference values for waste water were attained according to the criteria on SKKY Table 19 and the waste water treatment plant project was approved by the Provincial Directorate of Environment and Urbanization. The GFB procedures have been initiated and the facility is in a position to obtain the Environmental Permit as the second Hürriyet printing house after DPC Antalya to do so.

Hürriyet Gazetecilik ve Matbaacılık A.Ş. Istanbul Printing Center

("DPC Istanbul")
In 2011, the Istanbul Water and Sewage Administration (İSKİ) initiated actions for the renewal of its DKKR license as required by the quality control regulation. Due to the importance placed by Hürriyet Group on environmental protection and according to its policy on environmental sustainability, the existing biological treatment plant at the Istanbul facility was refurbished; the treatment plant was separated from the domestic water treatment system; and a chemical treatment plant and a biological treatment plant were built at the construction cost of €55,000 and put into operation at end-2011. The facility's waste water was successfully treated according to the criteria on SKKY Table 25 and a level of sustainability was attained. The facility is close to obtaining a DKKR license from İSKİ. The DKKR license is granted for an indefinite period of time.

3. Water Use Management

As part of our environmental sustainability and water efficiency activities, we consume water through instructions, use warning labels and maintain daily water consumption reports for facilities and offices. In addition, we:

- Install spray taps;
- Use well water where economically feasible;
- Monitor for leakages and provide repair & maintenance work promptly;
- Use treated waste water for irrigating facility grounds;
- Use bucket water for domestic purposes;
- Use a minimum level of water for production and report water usage.

4. Preventing Environmental Pollution

Efforts to reduce operational wastes at the source are consistently examined and remedial measures are taken as necessary. As a result, analytical studies on effective production planning, minimum inventory and improvement of operation modes are conducted.

In accordance with the Regulation on Packing Wastes, in 2011 a directive on packaging materials imposed on the market between 2005 and 2010 established an online system under the authority of the respective Provincial Directorate. TUKÇEV, a licensed company, was authorized to collect packaging materials put on the market in line with the set quota. Hürriyet Group also collects packaging materials through:

- Paper recycling boxes on office floors;
- Paper, glass, plastic, composite and waste batteries collection units at offices and production facilities;
- Contaminated material depositories;
- HP toner and cartridges collection containers.

5. Waste Management and Disposal and Recycling

Operational wastes are detailed in our three-year management plans that are approved by the governor's office in respective provinces. The Company has established temporary hazardous waste storage rooms in facilities in our operating regions, as approved by the governors. The aim is to store the wastes, to reduce transportation costs and to reduce CO2 emission into the atmosphere, therefore minimizing our carbon footprint.

Wastes collected at temporary storage rooms are delivered to disposal or recycling companies, licensed by the Ministry of the Environment and Urbanization, for treatment; detailed records are kept on all wastes delivered.

Environmental Health and Protection at the Printing Facilities

Paper Consumption
Recycled paper accounts for 28% of the paper consumed at the Hürriyet facilities. Approximately 52 thousand tons of recycled paper was used in newspaper printing in 2011.

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.

Chemical Treatment
Pursuant to İSKİ's request, an integrated chemical and biological treatment plant has been established at DPC Istanbul. Domestic waste water is discharged as untreated into the İSKİ channel, while industrial mixed waste water is treated in this integrated system to discharge criteria and is then transferred to the İSKİ sewage system.

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.

Batteries and Storage Batteries
Used batteries are collected in PE collection containers provided by TAPS Company and delivered there for disposal. Used storage batteries are stacked on leak proof concrete ground and delivered to licensed companies for recycling.

Bathing Water
Fixing solutions that are collected in conventional bathing equipment, still used in certain facilities, are stored at source in a closed system. Such water is delivered to licensed companies for silver recovery.

Waste Aluminum Plates
Aluminum plates used in printing are cleaned during the production process and then stacked at collection points and delivered to recycling/separation companies, licensed by the Ministry of Environment, for recycling.

Waste Chemicals
The reservoir water and solvents used in printing are not sent to treatment facilities, but rather are placed in plastic drums and kept in dangerous waste depositories constructed in accordance with Ministry of Environment regulations. These chemicals are later sent to licensed firms for disposal.

Treatment Sludge
Treatment sludge from the Company's biological treatment plants is classified as hazardous treatment sludge although it is subject to domestic waste treatment; the sludge is delivered to licensed companies 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 licensed firms, according to the reported results.

Used Electronic Equipment
Used PCs and monitors, integrated units, semiconductors, telephones, fax machines, copier machines, DVDs, VRCs, printed circuit sensors, cables, medical devices, printer cartridges, and the like 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 guidelines established by the Ministry of Environment. Later, the bulbs are sent to licensed recycling firms for disposal.

Printer Cartridges and Toners
Cartridges and toners are included in the HP worldwide recycling system. The Company uses HP cartridges and toners throughout the organization and the used products are returned to HP Company for recycling. The Company endeavors to reduce the use of other brand cartridges and toners; these non-HP used cartridges and toners are delivered to licensed recycling companies.

Gas Emissions
The Company's newspaper printing machines run on electricity; there are no gas emissions into the atmosphere during production. A heating system with a capacity less than 2 MV is used at all facilities and office areas; as a result, the systems are exempt from emission permit under SKHKKY and CO2 emission is minimal.

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' firefighting 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 Dalkılıç, 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.

During 2011, awareness training sessions were organized at many locations reaching people from different segments as part of the "No! to Domestic Violence" campaign.

INFORMATION ON SHAREHOLDER STRUCTURE

The shareholder structure is detailed below:

	2011	SHARE (%)	2010	SHARE (%)
Doğan Yayın Holding A.Ş.	367,416,194	66.56	367,415,960	66.56
Doğan Şirketler Grubu Holding A.Ş.	61,200,274	11.09	61,200,274	11.09
Other	86,365	0.01	87,832	0.01
Traded on the ISE	123,297,167	22.34	123,295,934	22.34
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 in Liqidity ("Refeks")	Turkey	Distribution and Courier Services
Doğan Haber Ajansı A.Ş. ("Doğan Haber")	Turkey	/ News Agency
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, 2011, a 6.56% share of the main shareholder Doğan Yayın Holding in total capital (2010: 6.56%) and an 11.09% share of the ultimate parent company Doğan Holding (2010:11.09%) are publicly floated.

INFORMATION ON SUBSIDIARIES AND AFFILIATES

Subsidiaries are companies in which Hürriyet owns more than 50% of the voting rights through a direct and/or indirect shareholding; or

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, 2011 are shown below:

SUBSIDIARIES	COUNTRY	RIGHTS OF THE COMPANY AND SUBSIDIARIES (%)
Hürriyet Medya Basım	Turkey	99.99
Doğan Ofset	Turkey	99.93
Yenibir	Turkey	100
Refeks in Liquidity	Turkey	100
Doğan Haber	Turkey	53.01
E Tüketici	Turkey	98.41
Nartek	Turkey	59.99
TME Teknoloji	Turkey	100
Hürriyet Zweigniederlassung	Germany	100
Hürriyet Invest	Netherlands	100
TME*	Jersey	71.14

AFFILIATES		
Doğan Media	Germany	42.42

* Includes the purchasing options of minority shares.

Number of Employees and Severance Pay Obligations

As of December 31, 2011, the Company and its subsidiaries had 7,198 employees; severance pay obligation is calculated at TL 26,158,276.

DIVIDEND POLICY AND PROPOSED DIVIDEND DISTRIBUTION FOR 2011

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;

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.

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.

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.

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

PROPOSED DIVIDEND DISTRIBUTION PROPOSAL FOR 2011

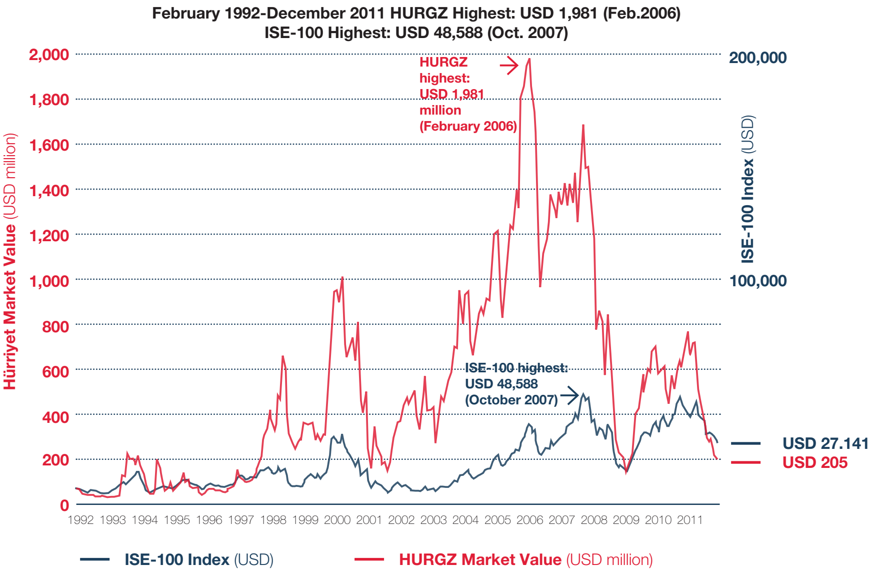
The Board of Directors of the Company convened on March 30, 2011, and decided:

that according to the consolidated financial statements of Hürriyet Gazetecilik A.Ş. for the accounting period January 01, 2011 - December 31, 2011, 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 235,684,263 consolidated net loss for the period and TL 44,136,777 loss for the period is resulted in financial records kept in accordance with the Turkish Commercial Code and the Tax Procedure Law. Therefore, the shareholders were advised that there can be no dividend distribution for the accounting period of 2011 under the CMB’s relevant regulations of profit distribution and this issue should be submitted to the approval of the General Meeting of Shareholders.

HÜRRİYET STOCK PRICES AND PERFORMANCE

During 2011, while the ISE-100 index rose 22% on a TL basis, the value of Hürriyet stock prices decreased 62% on a TL basis.

Hürriyet Market Value (USD million)



Information to be Submitted to Shareholders

Donations and Aid

The composition of the TL 1,280,080 (2010: TL 1,902,634) of donations made by the Hürriyet Group in 2011 to various foundations and associations working for the public good are as follows:

ARALIK - ASSOCIATION FOR VOLUNTARY EDUCATION AND CULTURAL RESEARCH	**354,678**
Turkish Red Crescent	206,050
Press Institute Foundation	197,335
Columbia University	94,350
Istanbul Culture & Aid Foundation	55,778
Others	371,889
Total	**1,208,080**

GENERAL ASSEMBLY

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

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
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.

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).

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).

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).

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).

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).

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).

1. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Following the publication of the Capital Markets Board's (CMB) Corporate Governance Principles in 2003, Hürriyet continued its efforts to comply with the principles and developed its organization accordingly. To this end, Hürriyet made amendments to its Articles of Incorporation to keep pace with current changes made in the Capital Market Law. The amendments stipulate 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 three-fourths majority ratification by the General Assembly; and specification of minority shares as 5%. Following the amendments, Hürriyet has been one of the companies to bring the Articles of Incorporation into compliance with CMB Corporate Governance Principles.

Hürriyet Gazetecilik has a deeply ingrained 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 more than 530 criteria. ISS revised Hürriyet's corporate governance rating on September 23, 2011 and confirmed it as 8.55 out of 10 (85.54%). ISS granted a high rating of 9.18 out of 10 to Hürriyet's practices in the "public disclosure and transparency" subcategory. As a result, in 2011, Hürriyet also maintained its position in the Corporate Governance Index of the ISE.

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

In the accounting period ending on December 31, 2011, 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 SABANCI
Chairwoman

AHMET TOKSOY
Board Member

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

Utku Edin
Investor Relations and Business Development Manager
Tel: +90 212 449 61 55
Fax: +90 212 449 60 46
E-mail: yatirimciiliskileri@hurriyet.com.tr

2.1.3. Pursuant to CMB's Principle Decision 21/655 dated July 23, 2010 and according to the Central Registry Agency records, as of December 2011, 21.15% (as of December 31, 2010: 21.11%) of the Company's shares are publicly floated stock. 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. Utmost care is taken to reply to inquiries in accordance with applicable legislation and the Articles of Incorporation. To the best of the Company's knowledge, no written or verbal complaints concerning the exercise of shareholders' rights were received in 2011, 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 2011. 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 Radikal 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 2011, 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 2010 was held on April 20, 2011, within the statutory timeframe. 2010 financial statements were announced at the end of the 13th week (March 28, 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.

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 Ordinary General Assembly Meeting was held in 2011. At the Ordinary General Assembly Meeting of April 20, 2011, where 2010 operations were discussed, 72.20% or 398,569,898 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 2011.

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. At the Ordinary General Meeting of Shareholders held on April 20, 2011, the shareholders were informed that according to the consolidated financial statements of the 2010 accounting period, prepared pursuant to the CMB Communiqué Series: XI, No. 29 and in accordance with the International Financial Reporting Standards, as there was a TL 40,079,404 "consolidated net loss for the period" there can be no dividend distribution for the accounting period of January 01, 2011 - December 31, 2011. Further, it was decided that according to financial records kept in accordance with the Turkish Commercial Code and Tax Procedure Law, the "net profit for the period" was determined as TL 30,800,152; that after deducting the corporation tax payable, the "net distributable profit for the period" would be determined as TL 18,387,447; and that after deducting the First Legal Reserve from this amount pursuant to Article 466/I of the Turkish Commercial Code the remaining amount of TL 17,468,075 would be added to the "extraordinary reserve."

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;

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.

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.

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.

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.

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.

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.

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.

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 2011 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 2011, 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 2011 were prepared on a consolidated basis in accordance with International Financial Reporting Standards (IFRS), audited by independent auditors pursuant to the International Auditing Standards (IAS) and were publicly disclosed.

8.9. The 2011 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 2011, there were a total of 17 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 2011.

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/shareholders 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 2011 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 2011, 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:

NAME	TITLE
Vuslat Sabancı	Chairwoman of the Board of Directors
Hanzade V. 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
Ahmet Toksoy	Board Member/Chairman of Audit Committee
Yahya Üzdiyen	Board Member/Member of Audit Committee
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	Chief Financial Officer/Member of the Executive Committee
Ahmet 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/Vice President of Financial Affairs at Doğan Şirketler Grubu Holding A.Ş. Responsible for Capital Markets IFRS/CMB Reporting and Affiliates Oversight
Suzi Apalaçi Dayan	Investor Relations Coordinator
Utku Edin	Investor Relations and Business Development Manager
Halil Özkan	Financial Affairs Manager
İnci Tarı	Financial Control and Investor Relations 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
Aynur Somuncu	Executive Assistant
Elif Özcan	Executive Assistant

* On January 4, 2012, the Company disclosed to the public that Mr. Hakkı Hasan Yılmaz who served as Chairman of the Executive Committee for the last two years resigned from his post, effective as of March 1, 2012. Mr. Yılmaz resigned in order to return to pursue his academic studies which he had suspended during his service at the Company. Mr. Yılmaz maintains his position as a member of the Board of Directors.

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.

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 Sabancı	Chairwoman	Non-executive
Hanzade V. Doğan Boyner	Deputy Chairwoman of the Board	Non-executive
Hakkı Hasan Yılmaz	Board Member	Executive*
Enis Berberoğlu	Board Member	Executive
Ahmet Toksoy	Board Member	Non-executive
Yahya Üzdiyen	Board Member	Non-executive
Kai Diekmann	Board Member	Independent
Ahmet Burak	Board Member	Independent

* On January 4, 2012, the Company disclosed to the public that Mr. Hakkı Hasan Yılmaz who served as Chairman of the Executive Committee for the last two years resigned from his post, effective as of March 1, 2012. Mr. Yılmaz resigned in order to return to pursue his academic studies which he had suspended during his service at the Company. Mr. Yılmaz maintains his position as a member of the Board of Directors.

18.2.1. The Board of Directors has two independent members. Therefore, the Capital Markets Board's requirement stipulating that at least one-third of the Board of Directors Membership should include independent members who meet the qualifications included in the Corporate Governance Principles has not been fully met; however, pursuant to the CMB Communiqué Series: IV, No. 56 which took effect on December 30, 2011, it is sufficient to have two independent Board members.

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 and 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 bestselling 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. Hürriyet's primary 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, 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

Determination and control of risks is vital to reach a company's performance desired targets. To this end, it is important that the senior management functions of the Company are periodically and systematically made aware of the risks and their grading and are presented with proposals related to risk management.

Financial risks the Company is exposed to include:

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. When 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 large 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 in the exchange rate used in converting their foreign currency-denominated debt to the Turkish lira. This risk is monitored through foreign currency position analysis. When 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.

21.2. Internal Control

Hürriyet conducted a thorough audit of its operations in 2011 to ensure that the Company reached its performance targets. The review included in depth analyses of expense/cost factors and operational efficiency; the Company implemented an action plan based on the results of the analyses. The review also encompassed compliance, stock monitoring and management and purchasing processes. The objective was to minimize risks facing the Company and eliminate existing risks with minimum costs in coordination with the related departments.

In parallel with the goal to continue the COSO-based internal control and audit activities in 2012, the Company plans to conduct information sharing, training and model exercises to perform the audit processes pursuant to international standards.

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 2011, 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 2011, the Board of Directors held 65 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 2011, no Board Member, executive or controlling shareholder, including those who may have access to insider information, conducted business in the Company's line of business on behalf of themselves.

25. Ethical Rules
Hürriyet adheres to the "Values" it has announced 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 Executive Committee (Executive Board), an Audit Committee and a Corporate Governance Committee have been established to ensure that the Board of Directors properly fulfills its duties and responsibilities.

26.2. The Executive Committee (Executive Board) has been established pursuant to Article 19 of the Articles of Incorporation as follows:

"The Board of Directors will 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 plan and budget it has determined. The authorities of the Executive Committee and their limits shall be specified in detail with the appointment decision.

The Chairman of the Executive Committee will be authorized to manage and direct the activities of the Executive Committee and the Company and will 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 will take into account the suggestions and proposals of the Chairman of the Executive Committee.

The Executive Committee will 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 will be put into writing and at each meeting of the Board of Directors, the Chairman of the Executive Committee will provide information about the work of the committee."

In accordance with the Board Resolution dated April 26, 2011, Mr. Hakkı Hasan Yılmaz was appointed Chairman of the Executive Committee (Executive Board); Mr. Kadri Enis Berberoğlu was appointed Executive Committee Member in charge of Editorial Affairs; Ms. Ayşe Sözeri Cemal was appointed Executive Committee Member in charge of the Advertising Group; Mr. Dursun Ali Yılmaz was appointed Executive Committee Member in charge of Finance; Ms. Tijen Mergen was appointed Executive Committee Member in charge of Marketing; and Mr. Ahmet Nafi Dalman was appointed Executive Committee Member in charge of Internet and Information Technologies.

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

NAME	TITLE
Hakkı Hasan Yılmaz	Chairman*
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 / Chief Financial Officer
Tijen Mergen	Executive Committee Member / Head of Marketing Group
Ahmet N. Dalman	Executive Committee Member / Head of Internet and Information Technology Group

* On January 4, 2012, the Company disclosed to the public that Mr. Hakkı Hasan Yılmaz who served as Chairman of the Executive Committee for the last two years resigned from his post, effective as of March 1, 2012. Mr. Yılmaz resigned in order to return to pursue his academic studies which he had suspended during his service at the Company. Mr. Yılmaz maintains his position as a member of the Board of Directors.

26.3. 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 Market Law, CMB Regulations, and the Principles, the Articles of Incorporation as well as practices in other countries. Both committees meet on a monthly basis, on specific days and at specific hours.

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

26.4.1. The Audit Committee consists of the following members:

26.4.2. The Chairman of the Audit Committee is a Board member. However, his position complies with CMB regulations because he is a non-executive member.

26.4.3. The Board of Directors held a meeting on April 26, 2011 and decided that Mr. Yahya Üzdiyen, Mr. Ahmet Toksoy and Dr. Murat Doğu, Board Members, are elected concurrently as members of the Committee responsible for auditing and authorized to perform the duties specified in the Capital Markets Board Communiqué Series X, No. 22.

NAME - SURNAME	TITLE	NOTE
Ahmet Toksoy	Chairman	Board Member/Non-Executive
Yahya Üzdiyen	Member	Board Member/ Non-Executive
Dr. Murat Doğu	Member	Non-Executive

26.4.4. All members of the Committee are Non-executive Board Members.

26.4.5. The Audit Committee makes regular efforts in compliance with the Capital Market Law and pursuant to CMB's Corporate Governance Principles.

To this end, in 2011:

- 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 Committee responsible for auditing held four meetings in 2011.

26.5. The Corporate Governance Committee is a committee established by the Articles of Incorporation and the relevant information is as follows:

26.5.1. According to Board Decision No. 2011/18 dated April 26, 2011, the Corporate Governance Committee shall consist of the following chairperson and members:

26.5.2. All of the committee members are non-executive. The Chairman and member Mr. Ahmet Burak are independent Board members.

NAME - SURNAME	TITLE	NOTE
Ahmet Burak	Chairman	Independent Board Member/Non-Executive
Ahmet Toksoy	Member	Board Member/ Non-Executive
Dr. Murat Doğu	Member	Non-Executive

26.5.3. 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 2011 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 2011.

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 held on April 20, 2011, it was unanimously resolved that the Chairman of the Board of Directors be paid a monthly net fee of TL 13,500, the Deputy Chairman a monthly net fee of TL 13,500 and members of the Board a monthly net fee of TL 5,000 each. Furthermore, it was resolved that independent members Mr. Kai Georg Diekmann and Mr., Ahmet Burak each be paid a monthly net fee equal to the TL equivalent of USD 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 OF HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

DATE : March 26, 2012
SUBJECT : Financial Statements for the Accounting Period 01/01/2011-12/31/2011

The Company's independently audited consolidated financial statements and notes to statements for the fiscal year January 1, 2011 - December 31, 2011, were prepared pursuant to the Capital Markets Board (CMB) Communiqué Series XI, No. 29 and in compliance with International Financial Reporting Standards, presented in the form specified by CMB Resolution 11/467 dated April 17, 2011, 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 that they comply with the CMB regulations.

THE AUDIT COMMITTEE

AHMET TOKSOY	**YAHYA ÜZDİYEN**	**MURAT DOĞU**
CHAIRMAN	*MEMBER*	*MEMBER*

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

Date of Meeting : March 30, 2012
Meeting Number : 2012/21
Attending : Vuslat Sabancı (Chairwoman)
Yahya Üzdiyen (Member)
Ahmet Toksoy (Member)
Hakkı Hasan Yılmaz (Member)
K. Enis Berberoğlu (Member)
Ahmet Burak (Member)

The Board of Directors of Hürriyet Gazetecilik ve Matbaacılık A.Ş. convened on the abovereferenced date at the Company Headquarters, and 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 January 1, 2011 - December 31, 2011, 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, and presented as specified by CMB Regulations,

To approve and submit to the shareholders the 2011 Annual Report attached herewith, presented for the approval of the Board of Directors, in compliance with the opinion of the Executive Committee,

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 2011 Annual Report with the compliance opinion of the Corporate Governance Committee should be approved and submitted to the shareholders.

VUSLAT SABANCI *(Chairwoman)*	**YAHYA ÜZDİYEN** *(Member)*
AHMET TOKSOY *(Member)*	**HAKKI HASAN YILMAZ** *(Member)*
K. ENİS BERBEROĞLU *(Member)*	**AHMET BURAK** *(Member)*

RESOLUTION OF THE BOARD OF DIRECTORS REGARDING THE APPROVAL OF THE FINANCIAL STATEMENTS AND THE ANNUAL REPORT

Resolution Date : March 30, 2012
Resolution No. : 2012/21

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, 2011 - December 31, 2011 accounting period, prepared in accordance with the CMB Communiqué Series XI, No. 29 and in compliance with the International Financial Reporting Standards, presented in the form specified by CMB Regulation 11/467 dated April 17, 2011, 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 and annual report do 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.

AHMET TOKSOY
Board Member

DURSUN ALİ YILMAZ
Chief Financial Officer

HALİL 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 2011
INTO ENGLISH

(ORIGINALLY ISSUED IN TURKISH)

Deloitte.

DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Sun Plaza
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Maslak, Şişli 34398
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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 2011 and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2011, 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 19c, the Group 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 in 2010 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 noncontrolling interests by TL 12,7 million, and decreasing retained earnings / accumulated losses by TL 25,5 million in the 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 2010. Therefore, these contracts, which were recorded in the Group's consolidated financial statements for the first time in 2010, 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 have been restated retrospectively.

If the said put option liability of non-controlling interests had been recognized retrospectively in the accompanying consolidated financial statements, the opening equity figure as of 1 January 2010 presented in the accompanying comparative statement of changes in equity for the year ended 31 December 2010 would have been decreased by TL 37,1 million.

Qualified Opinion

In our opinion, except for the effects of the matter described in above to the accompanying consolidated financial statements presented for comparative purposes, 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 its joint ventures as at 31 December 2011, 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.

İstanbul, 30 March 2012

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 2011 AND 31 DECEMBER 2010
(Amounts expressed in Turkish Lira ["TL"] unless otherwise indicated.)

	Note references	Current Period (Audited) 31 December 2011	Previous Period (Audited) 31 December 2010
ASSETS			
Current assets		**556.766.674**	**347.621.622**
Cash and cash equivalents	5	281.604.096	89.534.596
Financial assets	6	-	18.855.213
Trade receivables			
-Due from related parties	32	21.769.432	24.729.830
-Other trade receivables	9	119.991.368	161.774.534
Other receivables	10	496.145	1.841.576
Inventories	11	18.571.696	17.650.386
Other current assets	21	33.646.618	33.235.487
Subtotal		**476.079.355**	**347.621.622**
Assets held for sale	29	80.687.319	-
Non-current assets		**1.082.006.456**	**1.231.304.652**
Other receivables	10	910.363	790.356
Financial assets	6	4.534.498	4.846.530
Investments accounted for by the equity method	12	7.423.271	6.593.636
Investment property	13	26.604.917	24.477.879
Property, plant and equipment	14	336.713.652	457.355.669
Intangible assets	15	549.337.936	504.258.684
Goodwill	16	136.195.646	206.177.957
Deferred tax assets	30	13.524.076	10.966.263
Other non-current assets	21	6.762.097	15.837.678
Total assets		**1.638.773.130**	**1.578.926.274**

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2011 AND 31 DECEMBER 2010
(Amounts expressed in Turkish Lira ["TL"] unless otherwise indicated.)

	Note references	Current Period (Audited) 31 December 2011	Previous Period (Audited) 31 December 2010
LIABILITIES			
Current liabilities		**549.788.007**	**390.538.264**
Financial liabilities	7	265.185.490	230.193.446
Other financial liabilities	8	66.738.105	57.082.687
Trade payables			
-Due to related parties	32	11.972.022	3.429.863
-Other trade payables	9	40.926.693	33.994.339
Other payables			
-Due to related parties	32	97.434.767	-
-Other payables	10	22.445.256	18.336.488
Current income tax liabilities	30	638.448	12.630.692
Provisions	18	2.813.326	10.412.228
Other current liabilities	21	41.633.900	24.458.521
Non-current liabilities		**493.807.074**	**415.354.903**
Financial liabilities	7	337.956.619	276.186.985
Other payables	10	132.529	147.519
Provision for employment termination benefits	20	26.158.276	21.660.771
Deferred tax liabilities	30	121.127.342	117.314.791
Other non-current liabilities	21	8.432.308	44.837
EQUITY			
Total Equity		**595.178.049**	**773.033.107**
Equity attributable to equity holders of the company		**514.097.873**	**684.850.101**
Share capital	22	552.000.000	552.000.000
Inflation adjustment to share capital	22	77.198.813	77.198.813
Share premium		76.944	76.944
Translation reserve		57.382.651	(7.405.735)
Restricted reserves	22	34.266.877	33.347.505
Retained earnings		28.856.851	69.711.978
Net loss for the period		(235.684.263)	(40.079.404)
Non-controlling interests		**81.080.176**	**88.183.006**
Total liabilities and equity		**1.638.773.130**	**1.578.926.274**

These consolidated financial statements as at and for the period ended 31 December 2011 were approved by the Board of Directors on 30 March 2012.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
AS AT 31 DECEMBER 2011 AND 2010
(Amounts expressed in Turkish Lira [TL] unless otherwise indicated.)

	Note References	Current Period (Audited) 1 January -31 December 2011	Current Period (Audited) 1 January 31 December 2010
Sales	23	868.738.457	794.225.971
Cost of sales (-)	23	(540.792.201)	(466.049.481)
Gross profit		**327.946.256**	**328.176.490**
Marketing, selling and distribution expenses (-)	24	(147.233.494)	(124.952.192)
General administrative expenses (-)	24	(174.709.163)	(157.762.893)
Other operating income	26	14.716.489	7.269.306
Other operating expenses (-)	26	(171.157.695)	(76.329.254)
Operating loss		**(150.437.607)**	**(23.598.543)**
Share of loss of investments accounted for by the equity method	12	(11.326.714)	(8.944.812)
Financial income	27	82.833.106	44.787.613
Financial expenses (-)	28	(188.006.576)	(61.833.608)
Monetary gain		390.944	-
Loss before tax		**(266.546.847)**	**(49.589.350)**
Tax income / (expense)			
Current tax for the period	30	(3.824.794)	(26.644.851)
Deferred tax income	30	12.772.325	20.706.815
Net loss for period		**(257.599.316)**	**(55.527.386)**
Other comprehensive income / (expense):			
Change in translation reserves		81.978.217	5.883.437
Other comprehensive income after tax		**81.978.217**	**5.883.437**
Total comprehensive expense		**(175.621.099)**	**(49.643.949)**
Net loss for the period		**(257.599.316)**	**(55.527.386)**
Allocation of net loss for the period			
Attributable tonon-controlling interests		(21.915.053)	(15.447.982)
Attributable to equity holders of the company		**(235.684.263)**	**(40.079.404)**
Allocation of total comprehensive expense			
Attributable to non-controlling interests		(4.725.222)	(17.266.802)
Attributable to equity holders of the company		**(170.895.877)**	**(32.377.147)**
Loss per share (TL)	31	**(0,4270)**	**(0,0726)**

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 2011 AND 2010
(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 loss for the period	Non-controlling interests	Total equity
Balances at 1 January 2010	22	552.000.000	77.198.813	76.944	(15.107.992)	29.503.316	189.305.041	(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*
Parent company's dividend payment [2]	-	-	-	-	-	-	(55.200.000)	-	-	(55.200.000)
Subsidiaries' dividend payments to non-group companies		-	-	-	-	-	-	-	(3.732.782)	(3.732.782)
Adjustment effect of non-controllingshares put options (Note 19)		-	-	-	-	-	(25.469.068)	-	(13.898.432)	(39.367.500)
Other [1]		-	-	-	-	-	-	-	2.135.527	2.135.527
Total comprehensive income / (expense)		-	-	-	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	22	552.000.000	77.198.813	76.944	(7.405.735)	33.347.505	69.711.978	(40.079.404)	88.183.006	773.033.107
Balances at 1 January 2011	22	552.000.000	77.198.813	76.944	(7.405.735)	33.347.505	69.711.978	(40.079.404)	88.183.006	773.033.107
Transfer		-	-	-	-	919.372	(40.998.776)	40.079.404	-	-
Capital increase of subsidiaries		-	-	-	-	-	-	-	533.333	533.333
Subsidiaries' dividend payments										
to non-group companies		-	-	-	-	-	-	-	(3.916.506)	(3.916.506)
Other [1]		-	-	-	-	-	-	-	935.769	935.769
Effect of inflation accounting (Note 2.1.2)	-	-	-	-	-	143.649	-	69.796	213.445	
Total comprehensive income / (expense)		-	-	-	64.788.386	-	-	(235.684.263)	(4.725.222)	(175.621.099)
Change in translation reserves		-	-	-	*64.788.386*	-	-	-	*17.189.831*	*81.978.217*
Net loss for the period		-	-	-	-	-	-	*(235.684.263)*	*(21.915.053)*	*(257.599.316)*
Balances at 31 December 2011	22	552.000.000	77.198.813	76.944	57.382.651	34.266.877	28.856.851	(235.684.263)	81.080.176	595.178.049

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010
(Amounts expressed in Turkish Lira [TL] unless otherwise indicated.)

	Note References	Current Period (Audited) 1 January- 31 December 2011	Previous Period (Audited) 1 January- 31 December 2010
Net loss for the period		(257.599.316)	(55.527.386)
Adjustments:			
Depreciation	13,14	53.942.852	57.310.147
Amortization	15	31.453.367	27.036.682
Impairment of goodwill and intangible assets	15,16	113.015.734	53.301.349
Impairment of tangible assets	14	10.820.828	-
Net loss on disposal of tangible, intangible assetsand investment property	26	3.002.536	1.173.147
Tax (income) / expense	30	(8.947.531)	5.938.036
Provision for employment termination benefits andunused vacation rights	20,21	19.599.786	11.700.583
Actuarial (gain) / loss	20	(6.813)	719.815
Change in income accruals	21	(241.480)	(107.687)
Interest income	27	(6.712.683)	(10.220.573)
Finance income from term sales	27	(8.534.567)	(7.334.916)
Unearned finance income from term sales	28	843.052	1.298.687
Unrealized finance expense from term purchases	27	(191.541)	(82.652)
Interest expenses	28	25.919.129	18.109.609
Unrealized foreign exchange losses from bank borrowings		82.381.732	13.251.692
Provision / (reversal) of the impairment of investment properties	13	2.877.707	(994.104)
Deferred income		558.690	74.177
(Profit) / loss from sales of subsidiary	26	(15.108)	5.996
Tax penalties (reversal) / provision expense	26	(3.467.127)	3.179.690
6111 tax base increase expenses	26,28	19.790.045	-
Competition authority penalty expenses	26	2.853.537	-
Loss from investments accountedfor by the equity method	12	11.326.714	8.944.812
Provision for doubtful receivables	9,21	8.362.029	8.832.734
Change in other provisions		1.382.867	1.455.672
Reversal of provisions		(3.823.727)	(1.484.905)
Cash flows from operating activities beforechanges in operating assets and liabilities		98.590.712	136.580.605
Changes in operating assets and liabilities-net	36	63.358.537	(15.726.864)
Taxes paid		(10.534.318)	(26.774.502)
Expenses paid to the tax penalty and tax base increase due to the Law of 6111	18,21	(9.561.303)	(28.414.446)
Doubtful receivables collected	9	3.262.336	1.484.905
Employment termination benefits paid	20,21	(10.019.050)	(4.129.563)
Competition authority penalty paid	26	(2.853.537)	-
Net cash provided by operating activities		**132.243.377**	**63.020.135**
Cash flow from investing activities:			
Purchases of property, plant and equipment	14	(20.663.013)	(11.112.314)
Purchases of intangible assets	15	(11.766.946)	(13.905.698)
Proceeds from sales of property, plant and equipment,intangible assets and investment properties		20.544.180	12.301.559
Interests received		14.942.340	18.730.945
Change in securities	6	18.855.213	(491.504)
Proceeds from sales of subsidiary		-	7.633
Change in blocked deposit		(3.263.451)	(15.460.000)
Share capital increase in investments accounted for by the equity method	6, 12	(12.105.422)	(14.323.105)
Net cash provided / (used) in investing activities		**6.542.901**	**(24.252.484)**
Cash flow from financing activities:			
Changes in financial payables to related parties		97.434.767	-
Proceeds of issuance of share capital to non-controlling interests		533.333	1.195.638
Dividends paid to non-controlling interests		(3.916.506)	(3.732.782)
Bank borrowings received		315.889.080	135.264.580
Bank borrowings paid		(298.642.241)	(258.402.590)
Change in financial liabilities to suppliers		(29.763.428)	(26.125.328)
Dividends paid		-	(55.193.460)
Interests paid		(24.618.856)	(19.416.571)
Net cash provided / (used) in financing activities		**56.916.149**	**(226.410.513)**
Exchange losses / gains on cash and cash equivalents		(3.564.498)	(413.464)
Change in cash and cash equivalents		192.137.929	(188.056.326)
Cash and cash equivalents at the beginning of the period	5	88.918.222	276.974.548
Cash and cash equivalents at the end of the period	**5**	**281.056.151**	**88.918.222**

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

(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 seven 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). Aydın Doğan and Doğan Family are ultimate shareholders of the Company.

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 25 February 1992. In accordance with the resolution numbered 21/655 on 23 July 2010 of CMB; according to the records of Central Registry Agency (CRA); shares representing 21,21% (December 31, 2010: 21,11%) of Hürriyet are accepted as "in circulation".

25,02% capital of the TME, subsidiary of Company, is circulated on London Stock Exchange as Global Depository Receipts ("GDR").

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 Hizmetlerive 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") in liquidation	Turkey	Turkey	Distribution and courier services
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 Turizm ve 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
Trader Media East ("TME")	Jersey	Europe	Investment
Publishing House Pennsylvania Inc	USA	Russia and EE	Investment
Pronto Soft	Belarus	Russia and EE	Internet publishing
OOO SP Belpronto	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
TOO Pronto Akmola	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Aktau	Kazakhstan	Russia and EE	Newspaper and internet publishing

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Subsidiaries	Registered country	Geographic segment	Nature of business
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 Media Zrt.	Hungary	Europe	Newspaper and internet 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
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 Peterburg	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	Newspaper and internet publishing
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
OOO Rukom	Russia	Russia and EE	İnternet publishing
OOO Pronto Kurgan	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
Moje 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
Sklad Dela Prekmurje NGO	Slovenia	Europe	Internet publishing

(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
OOO 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 except the subsidiaries operating in Belarus as explained in Note 2.1.2.

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.

These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB’s Financial Reporting Standards.

2.1.2 Financial statements of Subsidiaries, Associates and Joint Ventures operating in foreign countries

Financial statements of subsidiaries that are operating in foreign countries are prepared in accordance with applicable laws and regulations in countries in which they are registered and required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Group’s accounting policies.

If the Group companies’ functional currency is different from its presentation currency, the functional currency is translated into the presentation currency as follows:

• assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
• income and expenses for each income statement are translated at average exchange rates; and all resulting exchange differences are recognised as a separate component of equity and statements of comprehensive income (currency translation reserve).

When a foreign operation is partially disposed of or sold, exchange differences recorded in equity are recognised in the income statement 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.

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The accompanying consolidated financial statements of the companies operating in Belarus, are prepared on the historical cost basis adjusted in accordance with International Accounting Standard No. 29. The methods used to measure fair value are explained in Note 2.2.2. Determination of historical cost is generally based on fair value of the amount paid for the asset. As explained in Note 1, inflationary accounting lasted by 1 January 2005 in Turkey and hyper-inflationary period commenced on 1 January 2011 in Belarus. In the financial statements of subsidiaries operating in Belarus, restatement adjustments have been made to compensate the effect of changes in the general purchasing power of the Belarusian Ruble in accordance with IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date. One characteristic that necessitates the application of IAS 29 is a cumulative three-year inflation rate approaching or exceeding 100%. Such cumulative rate in Belarus was 152% for the three years ended 31 December 2011 based upon the consumer price index ("CPI") announced by the National Statistical Committee of the Republic of Belarus.

Index and the conversion factors used to adjust the financial statements of the subsidiaries operating in Belarus for the effect of inflation as at 31 December 2011 are given below:

Dates	Index	Conversion Factor
31 December 2008	1,3524	2,5221
31 December 2009	1,4856	2,2959
31 December 2010	1,6345	2,0867
31 December 2011	3,4109	1,0000

The annual change in Belarusian Ruble ("BYR") exchange rate against USD and Euro compared with the consumer price index in Belarus is as follows:

Years	2009	2010	2011
Change in USD/BYR (%)	30	5	178
Change in Euro/BYR (%)	33	(3)	172
Belarus Consumer Price Index (%)	10	10	109

As of 31 December 2011 the exchange rate announced by the National Bank of the Republic of Belarus was BYR 8.350 = USD 1, BYR 10.800 = Euro 1 (31 December 2010: BYR 3.000 = USD 1, BYR 3.973 = Euro 1).

The main guidelines for the IAS 29 restatement are as follows:

- All items of financial statements of subsidiaries operating in Belarus, except for the ones already presented at the current purchasing power level, are restated by applying a general price index.

- Monetary assets and liabilities of the subsidiaries operating in Belarus are not restated because they are already expressed in terms of the current measuring unit at the balance sheet date. Monetary items presents money held and items to be received or paid in cash and cash equivalents.

- Non-monetary assets and liabilities of the subsidiaries operating in Belarus are restated by applying, to the initial acquisition cost and any accumulated depreciation, the change in the general price index from the date of acquisition or initial recording to the balance sheet date. Hence, property, plant and equipment, investments and similar assets are restated from the date of their purchase, not to exceed their market value. Depreciation is similarly restated. The components of shareholders' equity are restated by applying the applicable general price index from the dates the components were contributed or arose otherwise.

- All items in the statement of income of the subsidiaries operating in Belarus, except non-monetary items in the statement of financial position that have effect over statement of income, are restated by applying the relevant conversion factors from the dates when the income and expense items were initially recorded in the financial statements.

- The gain or loss on the net monetary position is the result of the effect of general inflation and is the difference resulting from the restatement of non-monetary assets, shareholders' equity and statement of income items. The gain or loss on the net monetary position is included in net loss.

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 (e) 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 Note 2.1.2 and application of uniform accounting policies and presentations; adjustments and reclassifications.

Significant accounting policies used in the preparation of these consolidated financial statements are summarized below:

(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, 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. They are excluded in the consolidated financial statements within the date that control ceases. Proportion of ownership interest represents the effective shareholding of the Group through the shares held by Hürriyet and indirectly by its subsidiaries.

The balance sheets and statements of income of the subsidiaries are consolidated on the basis of full consolidation and the recorded value of shares held by Hürriyet and its subsidiaries is offset against the related equity. Intercompany transactions and balances between Hürriyet and its subsidiaries are eliminated on consolidation mutually. Finance costs and the dividends arising from shares held by Hürriyet in its subsidiaries are excluded from equity and income for the period, respectively. Where necessary, adjustments are made to the accounting policies in the financial statements of subsidiaries in order to comply with the Group's accounting policies.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

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The Subsidiaries and their effective ownership interests at 31 December 2011 and 31 December 2010 are as follows:

	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		Effective ownership interests (%)	
Subsidiaries	**31 December 2011**	**31 December 2010**	**31 December 2011**	**31 December 2010**
Hürriyet Medya Basım	99,99	99,99	99,99	99,99
Doğan Ofset	99,93	99,89	99,93	99,89
Yenibir	100,00	100,00	100,00	100,00
Refeks(10)	100,00	100,00	100,00	100,00
Doğan Haber	53,01	50,01	53,01	50,01
Nartek	59,99	59,99	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	100,00	100,00	100,00	100,00
TME(1)	71,14	71,14	71,14	71,14
Oglasnik d.o.o. (1)	100,00	100,00	71,14	71,14
TCM Adria d.o.o.	100,00	100,00	71,14	71,14
Internet Posao d.o.o.	100,00	100,00	49,80	49,80
Expressz Magyarorszag Media Zrt.	100,00	100,00	71,14	71,14
Mirabridge International B.V.	100,00	100,00	71,14	71,14
Pronto Invest B.V.	100,00	100,00	71,14	71,14
ZAO Pronto Akzhol	80,00	80,00	56,91	56,91
TOO Pronto Akmola	100,00	100,00	71,14	71,14
OOO Pronto Atyrau	100,00	100,00	56,91	56,91
OOO Pronto Aktobe	80,00	80,00	45,53	45,53
OOO Pronto Aktau	100,00	100,00	56,91	56,91
OOO Pronto Rostov	100,00	100,00	71,14	71,14
OOO Pronto Kurgan(2)	-	85,00	-	60,47
OOO Novoprint	100,00	100,00	71,14	71,14
ZAO NPK	100,00	100,00	71,14	71,14
OOO Delta-M	55,00	55,00	39,13	39,13
OOO Pronto Baikal	100,00	100,00	71,14	71,14
OOO Pronto DV	100,00	100,00	71,14	71,14
OOO Pronto Ivanovo	100,00	100,00	71,14	71,14
OOO Pronto Kaliningrad	95,00	95,00	67,58	67,58
OOO Pronto Kazan	72,00	72,00	51,22	51,22
OOO Pronto Krasnodar	80,00	80,00	56,91	56,91
OOO Pronto Krasnoyarsk(7)	100,00	100,00	71,14	71,14
OOO Pronto Nizhny Novgorod	90,00	90,00	64,03	64,03
OOO Pronto Novosibirsk	100,00	100,00	71,14	71,14
OOO Pronto Oka(4)	100,00	100,00	71,14	71,14
OOO Pronto Peterburg(3)	-	51,00	36,28	36,28
OOO Pronto Samara(5)	100,00	89,90	71,14	63,95
OOO Pronto Stavropol(8)	100,00	100,00	71,14	71,14
OOO Pronto UlanUde	90,00	90,00	64,03	64,03
OOO Pronto Vladivostok	90,00	90,00	64,03	64,03
OOO Pronto Volgograd(7)	100,00	100,00	71,14	71,14
OOO Pronto Moscow	100,00	100,00	71,14	71,14

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

	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		Effective ownership interests (%)	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
OOO Rosprint[9]	100,00	100,00	71,14	71,14
OOO Rosprint Samara	100,00	100,00	71,14	71,14
OOO Tambukan	85,00	85,00	60,47	60,47
OOO Utro Peterburga[4]	55,00	55,00	39,13	39,13
OOO Partner-Soft	90,00	90,00	64,03	71,14
Pronto Soft	90,00	90,00	64,03	64,03
OOO Pronto Astrakhan[7]	100,00	100,00	71,14	71,14
OOO Pronto Kemerovo	100,00	100,00	71,14	71,14
OOO Pronto Smolensk	100,00	100,00	71,14	71,14
OOO Pronto Tula	100,00	100,00	71,14	71,14
OOO Pronto TV[6]	-	100,00	71,14	71,14
OOO Pronto Voronezh	100,00	100,00	71,14	71,14
OOO SP Belpronto	60,00	60,00	42,68	42,68
OOO Tambov-Info	100,00	100,00	71,14	71,14
Impress Media Marketing LLC [1]	100,00	100,00	71,14	71,14
OOO Pronto Obninsk	100,00	100,00	71,14	71,14
OOO Rektcentr	100,00	100,00	71,14	71,14
OOO Pronto Neva	100,00	100,00	71,14	71,14
SP Pronto Kiev	50,00	50,00	35,57	35,57
TOV E-Prostir	50,00	50,00	35,57	35,57
Publishing House Pennsylvania Inc	100,00	100,00	71,14	71,14
OOO Rukom	100,00	100,00	71,14	71,14
Moje Delo, spletni marketing, d.o.o [1]	100,00	100,00	71,14	71,14
Bolji Posao d.o.o. Serbia	100,00	100,00	39,13	39,13
Bolji Posao d.o.o. Bosnia	100,00	100,00	39,13	39,13
Sklad Dela Prekmurje NGO	100,00	-	39,13	-
Pronto Ust Kamenogorsk	100,00	100,00	56,91	56,91

(1) Related rates include put-options regarding non-controlling shares explained in Note 19. Voting rights and effective ownership interest have become 74,28% and 74,28%, respectively, by the acquisition after the balance sheet date.
(2) Related subsidiary's shares have been sold in 2011.
(3) Group has exited from related subsidiary at the end of 2011.
(4) Related subsidiary has ceased its operations before the year 2010.
(5) Related subsidiary has bought 10,1% of its own share form non-conrolling shares in 2011.
(6) Related subsidiary has merged with Pronto Moscow in 2011.
(7) Related subsidiary has been in the liquidation process in 2011.
(8) Related subsidiary has been in the merger process with Pronto Rostov.
(9) Sale of related subsidiary is planned to realise within 2012.
(10) Related subsidiary has been in the liquidation process in 2011.

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(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 except when the investment is classified as asset held for sale, in which case it is accounted for under IFRS 5; in other words, consolidation has been performed by including the parent company's asset, liability, income and expense share on the joint venture. Where the Group transacts with its jointly controlled entities, unrealized profits and losses are eliminated to the extent of the Group's interest in the joint venture. The joint-ventures, the proportion of voting power held by Hürriyet and its subsidiaries and effective ownership interests at 31 December 2011 and 31 December 2010 are follows:

Joint Ventures	31 December 2011 Direct and indirect share of Hürriyet and its Subsidiaries (%)	31 December 2010 Direct and indirect share of Hürriyet and its Subsidiaries (%)
Tipeez İnternet Hizmetleri A.Ş. ("Tipeez")	29,99	29,99
OOO Autoscout24	36,28	36,28
ASPM Holding B.V.	36,28	36,28

(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. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting. Such entities are companies in which Doğan Yayın Holding and its subsidiaries have 20% - 50% of the voting rights of the Group's overall voting power, where the Group has significant influence without any controlling power over the operations. 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". When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains on transactions between the Group and its associated undertakings are restated to the extent of the Group's interest in the associated undertakings; unrealized losses are also restated unless the transaction provides evidence of an impairment of the asset transferred.

Equity accounting is discontinued when the carrying amount of the investment in an associated undertaking reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated undertaking. Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value.

The Associates and the proportion of ownership interests at 31 December 2011 and 31 December 2010 are as follows:

	31 December 2011 Direct and indirect control by Hürriyet and its Subsidiaries (%)	31 December 2010 Direct and indirect control by Hürriyet and its Subsidiaries (%)
Doğan Media International GmbH ("Doğan Media")	42,42	42,42

(d) Non-controlling interests

Non-controlling interests of shareholders over the net assets and operational results of subsidiaries are classified as non-controlling interest in the consolidated balance sheet and statement of income.

(e) Financial investments

Financial investments in which the Group and its subsidiaries, have less than 20%, or more than 20% direct or indirect participation but the Group has no significant influence over the related assets, or which are immaterial to consolidated financial statements are classified as available for sale financial assets. Available for sale investments that do not have a quoted market price in an active market and whose fair value cannot be measured reliably are carried at cost less any allowance for impairment (Note 6).

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

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. 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 reclassified its prior period financial statements in order to comply with the presentation of its current period consolidated financial statements. The nature, amount and reason for the reclassifications are described below:

- Retained earnings amounting to TL 1.786.780 which is profit on sale of subsidiaries, is classified to "restricted reserves".
- Construction in progress amounting to TL 1.586.284 in "Tangible assets" is classified to "Intangible assets".
- "Cost of sales" amounting to totally TL 21.659.520 is classified in "Marketing, selling and distribution expenses " and in "General administrative expenses" in amounts TL 11.282.623 and TL 10.376.897, respectively.
- Cash flows from operating activities before changes in operating assets and liabilities amounting to TL 135.281.918 has been reported as TL 136.580.605, net cash provided by operating activities amounting to TL 61.721.448 has been reported as TL 63.020.135, net cash used in by investing activities amounting to TL 225.111.826 has been reported as TL 226.410.513 in the statement of cash flows.

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

2.1.6 Significant Accounting Policies and Changes in Accounting Estimates and Errors

Changes in accounting policies arising from the first time adaptation of a new IAS/IFRS are applied retrospectively or prospectively in accordance with the respective IASs/IFRSs transition requirements, if any. Where there are no transition requirements for any changes or optional significant changes in accounting policies and identified accounting errors, those are applied retrospectively and prior period financial statements are restated accordingly. Accounting policies used in the current period are applied in the preparation of the consolidated financial statements for the year ended 31 December 2010.

The preparation of consolidated financial statements requires the use of estimations and assumptions that may have an effect over the assets and liabilities reported at the balance sheet date, contingent assets and liabilities disclosures and income and expenses reported during the accounting period. The estimates and assumptions are based on the best available information on the current circumstances and operations; however, they may differ from the actual results. If changes in accounting estimates only relate to one period, the change is reflected in the current period in which the change is made, if they relate to future periods, the change is both reflected in the current period in which the change is made and prospectively for future periods. Significant accounting policies used in the current period are consistent with those that are used in the preparation of the consolidated financial statements for the year ended 31 December 2010. The accounting estimations and assumptions which may have a significant effect on the carrying amounts of assets, liabilities and operational results are stated below.

2.1.7 Amendments in the CMB Financial Reporting Standards

The following new and revised Standards and Interpretations have been applied by the Group and have affected the amounts reported and disclosures in these financial statements. Details of other new and revised IFRSs and interpretations applied in these financial statements that have had no material impact on the financial statements are disclosed in the further sections.

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(a) Standards and Interpretations that are effective as of 1 January 2011 but have no effect on financial statements:

IAS 1 (Amendments)	Presentation of Financial Statements
IAS 24	Related Party Disclosures (2009)
IAS 32 (Amendments)	Classification of Rights Issues
IFRIC 14 (Amendments)	Pre-payment of a Minimum Funding Requirement
IFRS 3 (Amendments)	Business Combinations
IFRIC 19 (Amendments)	Extinguishing Financial Liabilities with Equity Instruments

(b) Standards and Interpretations that are not yet effective and have not been early adopted by the Group

The Group has not applied the following new and revised IFRSs and interpretations that have been issued but are not yet effective:

IFRS 7 (Amendments)	Presentation– Transfer of Financial Assets; Offsetting ofFinancial Assets and Liabilities
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interest in Other Entities
IFRS 13	Fair Value Measurements
IAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
IAS 12 (Amendments)	Deferred Tax Recovery of Underlying Assets
IAS 19 (2011)	Employee Benefits
IAS 27 (2011)	Separate Financial Statements
IAS 28 (2011)	Investments in Associates and Joint Ventures
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
IAS 32 (Amendments)	Financial Instruments: Presentation - Offsetting of Financial Assets and Liabilities

Above mentioned standards will be effective in 2012 and on following years and the Group has not yet had an opportunity to consider the potential impacts of the adoption of these revised standards. The group management anticipates that "IFRS 11 Joint Arrangements" will affect the group mostly within those standard changes. After "IFRS 11 Joint Arrangements" will be effective, joint ventures will be required to be accounted for using the equity method accounting instead of proportionate accounting. This standard has not yet been endorsed by the European Union.

2.2 Summary of significant accounting policies

2.2.1 Related parties

For the purpose of those consolidated financial statements, that have control or joint control over the Company, other individuals that have direct or indirect control over those shareholders, other group companies that are directly or indirectly controlled by these individuals, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them, associates and joint ventures are considered and referred to as related parties (Note 32).

2.2.2 Financial assets

Financial assets at fair value through profit or loss are financial assets that have been acquired principally for the purpose of generating profit from short-term fluctuations in price and other similar elements or independent from initial recognition, securities which are part of a portfolio that has a recent actual pattern of short-term profit-taking. Financial assets at fair value through profit or loss are initially carried at cost including transaction costs at the balance sheet. Subsequent to recognition, the financial assets are carried at fair value. Gains and losses calculated as a result of the valuation are included in the profit / loss accounts.

In accordance with IAS 39, the Group classifies its financial instruments as assets held at fair value through profit or loss, held-to-maturity, available-for-sale and loans and receivables. Classification is determined based on the acquisition purpose and specifications of the financial asset at the initial recognition. All financial assets are recognised at cost including transaction costs in the initial measurement. Group's financial assets as of 31 December 2011 and 2010 consist of "Financial assets at fair value through profit or loss" and "Financial assets held-for sale".

"Financial assets at fair value through profit or loss" financial assets that have been acquired principally for the purpose of taking advantage of fluctuations in price and other similar elements or independent from initial recognition financial assets held for trading which are part of a portfolio that has a recent actual pattern of short-term profit-taking. A financial asset is classified in this category if it is primarily acquired for the purpose of selling in the short-term. Financial assets at fair value through profit or loss are initially carried at cost including transaction costs at the balance sheet. Subsequent to recognition, the financial assets are carried at fair value. Realized or unrealized gains and losses are recognized in "financial income / expenses". Dividends received, are recognized as dividend income in the consolidated statement of income. Financial assets considered as derivative instruments that are not designated for the purpose of hedging instruments are classified as financial assets at fair value thorough profit or loss.

The Group's *"available for sale financial assets"* comprise of quoted equity instruments and certain debt securities that are traded in an active market and they are measured at fair value. Unrealized gains or losses on an available-for-sale financial asset shall be recognised in equity, through the investments revaluation reserves and comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity shall be recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive payment is established.

Financial assets classified by Hürriyet as "available for sale financial assets" that do not have any control power or significant effect have no fair value. When fair value cannot be reliably measured as other fair value estimation methods are not applicable; the carrying value of the financial asset is measured at cost less any impairment loss (Note 6).

"Loans and receivables" are financial assets that have fixed or determinable payments and fixed maturity dates and non-derivative financial assets that are not quoted in an active market.

2.2.3 Trade receivables and provision for doubtful receivables

The Group's trade receivables from providing goods or services to customers are carried at net of unrealized finance income. Trade receivables, net of unrealized finance income, are calculated by discounting future cash inflows of receivables carried at the original invoice amount using the effective interest method. Short term receivables with indefinite interest rate are carried at cost unless the effect of imputing interest is significant (Note 9).

Provision is allocated for receivables when the Group has an objective indication over the collectability. 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 the provision is the difference between the carrying amount and the recoverable amount. Recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collaterals discounted based on using the original effective interest rate of the trade receivable occurred.

If there is a partial or whole collection over the doubtful receivable amount subsequent to the allocation of provision for doubtful receivables, the collected portion is recognised as other income following the write-down of the total provision amount (Note 26).

2.2.4 Impairment of assets excluding goodwill and intangible assets with indefinite useful lives

At each balance sheet date, the Group evaluates whether there are any indications that an asset other than goodwill or intangible assets with indefinite useful lives may be impaired. When an indication of impairment exists, carrying value of the assets is compared with the net realizable 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 value of an asset or a cash generating unit including that asset is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. Impairment losses are recognised in the consolidated statement of income.

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2.2.5 Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make a sale. Cost elements included in inventory are purchase costs and other costs necessary to prepare the asset for its intended use. Cost elements included in inventories are materials, labor and production overheads. The unit cost of inventories is determined on the moving 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 carrying value of investment properties is greater than recoverable amount, the carrying amount is deducted to the recoverable amount by making provision. 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.

2.2.7 Property, plant and equipment and depreciation

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

Useful life and depreciation are reviewed regularly and the Group also reviews the consistency of the useful life and depreciation method applied with the economic benefits to be obtained from the underlying assets.

Gains or losses on disposals of property, plant and equipment are determined with respect to the difference between collections received and carrying amounts of property, plant and equipment and are included in the related income and expense accounts, as appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets.

Repair and maintenance expenses are charged to the consolidated statement of income as they are incurred. Capital expenditures that increase the present value of the future cash flows expected to be derived from property, plant and equipment by increasing its capacity is added to the cost of tangible fixed asset.

2.2.8 Financial leases

Leases are classified as finance leases by the Group whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are recognised 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. Lease payments are treated as consisting of capital and interest.

Principal lease payments are treated as liabilities and reduced with their payments. Interest charges are charged directly against income statement over the financial lease period. Capitalized leased assets are depreciated over the estimated useful life of the asset.

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2.2.9 Intangible assets and related amortization

Intangible assets excluding goodwill and assets with infinite useful lives 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 are tested for impairment annually.

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

Intangible assets with finite useful lives 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. 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. Impairment losses are recognized immediately in the consolidated income statement.

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 Goodwill

Goodwill arising from business combinations effected subsequent to 30 June 2004 is not amortized and instead reviewed for any impairment losses in accordance with IFRS 3 Business Combinations for the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. (Note 16).

2.2.11 Critical accounting estimates and judgments

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 amortization charge would have increased by TL 13.274.838 (31 December 2010: TL 11.648.141) and income before tax and non-controlling interests would have decreased by TL 13.274.838 (31 December 2010: TL 11.648.141).

Group amortizes trade names, customer lists and domain names with definite useful lives over the useful lives specified in Note 2.2.9.

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%, amortization charges would have decreased by TL 1.815.591 and loss before tax and non-controlling interests would have decreased by TL 1.815.591 (31 December 2010: TL 1.617.995 increase in profit) or

- Had the useful lives been lower by 10%, amortization charges would have increased by TL 2.219.056 and loss before tax and non-controlling interests would have increased by TL 2.219.056 (31 December 2010: TL 1.977.550 decrease in profit).

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Impairment of goodwill and intangible assets

The group has carried out its analysis of impairment of goodwill for the period ended 31 December 2011 and 2010 as explained in detail below:

The recoverable amounts of cash generating units have been determined using value in use model. Value in use is measured based on estimated cash flows after tax using financial budgets covering a five-year period and EBITDA (profit margin before budgeted interest, taxes, amortization and depreciation, impairment charges and other non-operating expenses) expectations 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 (%)
TME	20,3	11,6

Group management set an impairment provision of goodwill and intangible assets amounting to TL 103.858.347 and TL 9.157.387 respectively, TL 113.015.734 totally (31 December 2010: TL 53.301.349) in the consolidated financial statements for the year ended 31 December 2011 (Note 15,16).

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 62.633.738 (31 December 2010: TL 22.732.598) to its financial statements and net loss before tax and non-controlling interests would increase by TL 62.633.738 (31 December 2010: TL 22.732.598).

2.2.12 Taxes

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 year's tax liabilities. Turkish tax legislation does not permit a parent company, its subsidiaries and joint ventures to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted by the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized (Note 30). Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they related to income taxes levied by the same taxation authority.

2.2.13 Financial borrowings and borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the income statement as finance expense over the period of the borrowings (Note 7). The borrowing costs which are directly related with the acquisition, manufacturing or production of a specialty good (means that a long period of time is required to make available for sale and use as purposed) are capitalized as a part of the related asset. The Group has no borrowing costs capitalized in 2011.

2.2.14 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 recognized in these financial statements as the benefits are earned. The total provision represents the present value of future probable obligation of the Group arising from the retirement of its employees regarding the actuarial projections (Note 20).

2.2.15 Provisions, contingent assets and liabilities

Provisions are recognised when the Group has a present legal or constructive obligation or a result of past events, it is probable that on outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are assessed continually to determine whether an outflow of resources comprising economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimation can be made.

If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised by the Group in the financial statements of the period in which the change occurs.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in financial tables and are treated as contingent assets or liabilities.A contingent asset is disclosed where an inflow of economic benefit is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.2.16 Share capital and dividends

Ordinary shares are classified as equity. Dividend income is recognised as income by the Group when right to obtain of dividend is generated in the consolidated financial statements. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

2.2.17 Foreign currency transactions

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 Company.

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.

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 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 2011 and 31 December 2010 are summarized below:

Country	Currency	31 December 2011	31 December 2010
Russia	Ruble	0,0587	0,0507
Eurozone	Euro	2,4438	2,0491
Hungary	Forint	0,0078	0,0074
Croatia	Kuna	0,3246	0,2776
Ukraine	Grivna	0,2364	0,1942
Romania	New Ley	0,5677	0,4826
Kazakhstan	Tenge	0,0127	0,0105
Belarus	Belarusian Ruble	0,0002	0,0005

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2.2.18 Revenue recognition

Revenue is the fair value amount of sales of goods and services received or receivable which resulted from Group's operations. Net sales represent the invoiced value of goods / services shipped less any trade discounts, rebates or commissions and are presented with the elimination of intercompany balances.

Revenue is initially recognized at the fair value of the consideration received or receivable when it can be measured reliably and when there is an inflow of economic benefits. 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 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 recognized as financing 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 a matching principle 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 recognized on accruals basis in accordance with effective interest yield method.

Rental income:

Rental income is recognized on an accrual basis.

Other income:

Other income is recognized on an accrual basis.

2.2.19 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 revenue generating transaction. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a revenue generating transaction. 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 the goods or services received is not measured reliably, the revenue is measured at the fair value of the goods or services supplied, adjusted by the amount of any cash or cash equivalents transferred (Note 19). Barter agreements are recognized on an accrual basis.

2.2.20 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 are determined on existing number of shares rather than the weighted average numbers of shares.

2.2.21 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments without a significant risk over the change in their value, whose maturity at the time of purchase is three months or less (Note 5).

2.2.22 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. In the case that events not requiring a correction to be made occur subsequent to the balance sheet date, those events are disclosed in the notes of consolidated financial statement.

2.2.23 Reporting of cash flows

In the statement of cash flows, consolidated 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).

2.2.24 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, upon the request of non-controlling interest holders.

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).

2.2.25 Assets held for sale

Assets held for sale are operations that the Group disposes of or classified as available for sale and cash flows which can be treated as a part separately from the Group. Assets classified as held for sale by the Group and discontinued operations, are measured at the lower of the carrying amount of assets and liabilities related to discontinued operations and fair value less costs to sell (Note 29).

2.2.26 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 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).

2.2.27 Segment reporting

The chief operating decision-maker of the Group is the Executive Committee or Management 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 (Note 4).

2.2.28 Derivative financial instruments

Derivative financial instruments, predominantly foreign currency interest swap agreements and foreign currency agreements are initially recognized 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 (Note 8).

According to valuation studies, changes in the fair value of derivatives at fair value through profit or loss are included in the statement of comprehensive income.

While certain derivatives provide effective hedge relationships, they are recognised as financial assets through profit or loss in accordance with IAS 39 and their fair value gains and losses are reported in the statement of comprehensive income.

NOTE 3 - BUSINESS COMBINATIONS

There are no business combinations as of 31 December 2011 and 2010.

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NOTE 4 - SEGMENT REPORTING

a) Segmental analysis for the period between 1 January–31 December 2011:

	Turkey	Russia and EE	Europe	Total
Sales	600.561.180	216.860.858	51.316.419	868.738.457
Cost of sales (-)	(383.773.355)	(115.960.058)	(41.058.788)	(540.792.201)
Gross operating profit	**216.787.825**	**100.900.800**	**10.257.631**	**327.946.256**
Marketing, selling and distribution expenses (-)	(109.642.744)	(33.558.883)	(4.031.867)	(147.233.494)
Losses from investments accounted for by equity method (-)	(11.326.714)	-	-	(11.326.714)
Net segment result	**95.818.367**	**67.341.917**	**6.225.764**	**169.386.048**
General administrative expenses (-)				(174.709.163)
Other operating income				14.716.489
Other operating expenses (-)				(171.157.695)
Financial income				82.833.106
Financial expense (-)				(188.006.576)
Monetary gain				390.944
Operating loss before tax				**(266.546.847)**
Tax expenses for the period (-)				(3.824.794)
Deferred tax income				12.772.325
Net loss for the period				**(257.599.316)**

b) 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 (-)	(334.360.035)	(94.754.770)	(36.934.676)	(466.049.481)
Gross operating profit	**219.177.139**	**96.451.728**	**12.547.623**	**328.176.490**
Marketing, selling and distribution expenses (-)	(104.334.328)	(16.650.129)	(3.967.735)	(124.952.192)
Losses from investments accounted for by equity method (-)	(8.944.812)	-	-	(8.944.812)
Net segment result	**105.897.999**	**79.801.599**	**8.579.888**	**194.279.486**
General administrative expenses (-)				(157.762.893)
Other operating income				7.269.306
Other operating expense (-)				(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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c) Segment assets:

	31 December 2011	31 December 2010
Turkey	790.017.123	701.272.070
Russia and EE	670.571.735	698.935.697
Europe	143.341.507	141.291.184
	1.603.930.365	**1.541.498.951**
Unallocated assets	27.419.494	30.833.687
Investments accounted for by the equity method	7.423.271	6.593.636
Total assets per consolidated financial statements	**1.638.773.130**	**1.578.926.274**

Group's assets other than segment assets include tax receivables (Note 10), prepaid taxes (Note 21), VAT receivables (Note 21) and deferred tax assets (Note 30).

d) Segment liabilities

	31 December 2011	31 December 2010
Turkey	205.501.037	79.964.681
Russia and EE	19.894.020	18.557.684
Europe	45.980.903	24.658.364
	271.375.960	**123.180.729**
Unallocated liabilities	772.219.121	682.712.438
Total liabilities per consolidated financial statements	**1.043.595.081**	**805.893.167**

Group's liabilities other than segment liabilities is composed of short-and long-term borrowings (Note 7), provisions (Note 18), employee termination benefits (Note 20), VAT payable and unused vacation (Note 21), net income and tax liability and deferred tax liabilities (Note 30).

e) Depreciation and amortization charges and capital expenditures

Capital expenditures (Excluding business combinations):

	2011	2010
Turkey	42.563.276	26.779.999
Russia and EE	9.792.200	6.953.966
Europe	2.092.396	976.987
Total	**54.447.872**	**34.710.952**

Depreciation and amortization charges:

	2011	2010
Turkey	46.565.280	49.095.581
Russia and EE	30.343.698	26.911.342
Europe	8.487.241	8.339.906
Total	**85.396.219**	**84.346.829**

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

f) Non-cash expenses

	1 January 2011- 31 December 2011			
	Turkey	Russia and EE	Europe	Total
Provision for impairment of goodwill and intangible assets (Notes 15,16)	11.332.184	92.526.163	9.157.387	113.015.734
Tax base increase expenses under Law No. 6111 (Note 26, 28)	19.790.045	-	-	19.790.045
Provision for employee termination benefits and unused vacation rights (Note 20,21)	13.506.937	6.086.036	-	19.592.973
Provision for impairment of tangible assets (Note 26)	-	10.820.828	-	10.820.828
Provision for doubtful receivables (Note 9, 21)	6.885.942	1.182.709	293.378	8.362.029
Provision for impairment of investment properties (Note 26)	2.877.707	-	-	2.877.707
Provision for impairment of inventory (Note 11)	673.501	-	-	673.501
Provision for impairment of available for sale financial assets (Note 6)	452.688	-	-	452.688
Provision for lawsuits (Note 18)	256.678	-	-	256.678
	55.775.682	**110.615.736**	**9.450.765**	**175.842.183**

	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, 26)	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 employment termination benefits and unused vacation rights (Note 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**

NOTE 5 - CASH AND CASH EQUIVALENTS

The cash and cash equivalents at 31 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010
Cash	564.177	774.972
Banks		
- demand deposits	15.933.364	19.006.039
- time deposits	265.071.251	69.609.037
- blocked deposits	35.304	144.548
Total	**281.604.096**	**89.534.596**

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The Group has blocked deposits amounting to TL 35.304 as of 31 December 2011 (31 December 2010: TL 144.548). The blocked deposits consist of demand deposits amounting to TL 7.658 (31 December 2010: TL 10.246).

Cash and cash equivalents included in the consolidated statements of cash flows as of 31 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010	31 December 2009
Cash and banks	281.604.096	89.534.596	278.383.288
Less: Blocked deposits	(35.304)	(144.548)	(274.793)
Less: Interest accruals	(512.641)	(471.826)	(1.133.947)
Total	**281.056.151**	**88.918.222**	**276.974.548**

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

	31 December 2011	31 December 2010
0-1 month	265.098.897	68.379.768
1-3 months	-	1.363.571
	265.098.897	**69.743.339**

There are no time deposits with variable interest rates at 31 December 2011 and 31 December 2010. The gross interest rate for TL time deposits is 10,7% for 31 December 2011 (31 December 2010: 7,3%). The gross interest rates of foreign currency denominated time deposits are 5,3% for USD and 4,2% for Euro as of 31 December 2011 (31 December 2010: USD: 2,3%, Euro: 2,9%).

NOTE 6 - FINANCIAL ASSETS

Financial assets at fair value through profit or loss:

The details of financial assets at fair value through profit and loss at 31 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010
Treasury bills and government bonds	-	18.855.213
Total	**-**	**18.855.213**

As of 31 December 2011 there is not any treasury bill and government bond. All treasury bills and government bonds are on USD currency and the effective interest rate is 7,5% as of 31 December 2010.

Financial assets available for sale:

The details of financial assets available for sales as of 31 December 2011 and 31 December 2010 are as presented below:

	Share %	31 December 2011	Share %	31 December 2010
Doğan Havacılık Sanayi ve Ticaret A.Ş. (“Doğan Havacılık”)	9,00	4.513.093	9,00	4.513.093
Doğan Factoring Hizmetleri A.Ş. (“Doğan Factoring”)	5,11	1.029.747	5,11	1.029.747
Doğan Dış Ticaret ve Mümessillik A.Ş. (“Doğan Dış Ticaret”)	1,75	468.534	1,75	346.038
Coats İplik Sanayi A.Ş.	0,50	257.850	0,50	257.850
Hür Servis Sosyal Hizmetlerve Ticaret A.Ş. (“Hürservis”)	19,00	169.166	19,00	169.166
Other	-	304.301	-	286.141
		6.742.691		6.602.035
Impairment		(2.208.193)		(1.755.505)
Total		**4.534.498**		**4.846.530**

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

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The provision for impairment of financial investments is related to Doğan Havacılık and its movement in the period is as follows:

	2011	2010
1 January	**(1.755.505)**	**(1.481.588)**
Provision for impairment	(452.688)	(273.917)
31 December	**(2.208.193)**	**(1.755.505)**

NOTE 7 - FINANCIAL LIABILITIES

The details of financial liabilities at 31 December 2011 and 2010 are as follows:

Short-term financial liabilities and short term portion of long term financial liabilities:	31 December 2011	31 December 2010
Bank borrowings (Note 34.ii)	233.422.745	202.710.972
Financial liabilities to suppliers (Note 34.ii)	31.762.745	26.562.545
Lease payables	-	919.929
Total	**265.185.490**	**230.193.446**

Long-term financial liabilities:	31 December 2011	31 December 2010
Bank borrowings (Note 34.ii)	302.962.338	221.167.354
Financial liabilities to suppliers (Note 34.ii)	34.994.281	54.991.092
Lease payables	-	28.539
Total	**337.956.619**	**276.186.985**

Bank borrowings:

The details of bank borrowings at 31 December 2011 and 2010 are as follows:

	Effective interest rate (%)		Original foreign currency		TL	
	2011	2010	2011	2010	2011	2010
Short-term bank borrowings						
- USD	5,3	-	25.317.188	-	47.821.636	-
- Euro	4,8	1,7	10.079.694	2.970	24.632.756	6.086
Sub-total					**72.454.392**	**6.086**
Short-term portion of long-term bank borrowings						
- USD	2,9	3,3	83.785.878	93.194.435	158.263.144	144.078.596
- Euro	5,9	2,8	1.106.968	27.541.110	2.705.209	56.434.490
- CHF	-	2,4	-	1.333.374	-	2.191.800
Sub-total					**160.968.353**	**202.704.886**
Total short-term bank borrowings					**233.422.745**	**202.710.972**
Long-term bank borrowings						
- USD	6,0	4,4	156.763.252	138.664.540	296.110.107	214.375.379
- Euro	3,8	2,9	2.803.925	3.314.614	6.852.231	6.791.975
Total long-term bank borrowings					**302.962.338**	**221.167.354**

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

Year	31 December 2011	31 December 2010
2012	-	116.281.690
2013	70.720.736	67.106.537
2014	133.533.241	25.730.549
2015 and after	98.708.361	12.048.578
Total	**302.962.338**	**221.167.354**

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

Period	31 December 2011	31 December 2010
Up to 6 months	534.625.546	423.878.326
6-12 months	1.759.537	-
Total	**536.385.083**	**423.878.326**

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

Group borrows loans on fixed and floating interest rates.

The financial obligation to be performed against the bank regarding the long-term bank borrowing used to acquisition of TME, is to maintain the ratio of net debt amount to EBITDA and shareholders' equity identified by the bank for the last 12 months consolidated financial statements that would remain below a certain level.

Also the Group has committed not to enter any merger, split, restructuring activities that can change the partnership structure or main business line of TME. The Group's certain operations, such as; new mergers and share acquisitions, new joint venture contracts, other than permissible mergers and transactions have been restricted.

The Group has given guarantees amounting to 33.649.091 shares, which represents 67,3% of TME, one of the subsidiaries of the Group, to financial institutions in regards to long term loans (31 December 2010: 33.649.091 shares).

Should there be any control change(s) in TME or any violations/illegal conducts on the performance of contract terms, loan agreement will be terminated and loan will be redeemed.

Furthermore, if TME sells or disposes of more than 10% of its consolidated net assets or there are any changes in the TME's shareholder's equity related to 10% of consolidated net assets, the loan agreement will be terminated and Group will be required to redeem the loan amount.

OOO Pronto Moscow, one of the indirect subsidiaries of the Group, has restructured its bank loan classified under the long-term financial liabilities as of 31 December 2010 amounting to USD 70.000.000, as at 15 April 2011. As of 31 December 2010, OOO Pronto Moscow has repaid the related amount that was classified under the long term liabilities account as at 21 April 2011 and the related repayment has released the blockage amount of USD 10.000.000 on 3 May 2011 (Note 21). Under the loan restructuring agreement, Doğan Holding's USD 70.000.000 of deposit amount has been blocked as a guarantee against the related loan.

Lease payables:

Lease payables at 31 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010
Short-term lease payables	-	919.929
Long-term lease payables	-	28.539
Total	**-**	**948.468**

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

Year	31 December 2011	31 December 2010
2012	-	28.539
Total	**-**	**28.539**

The effective interest rates for long-term lease payables are 6,5% for USD and 5,3% for Euro as of 31 December 2010.

Financial liabilities to suppliers:

Short and long-term financial liabilities to suppliers are related with the purchase of machinery and equipment. Effective interest rates of short-term and long-term financial liabilities to suppliers are 0,9% for USD, 2,1% for Euro and 1,7% for CHF (31 December 2010: USD: 0,8%, Euro: 1,6%, CHF: 1,2%).

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

Year	31 December 2011	31 December 2010
2012	-	26.013.161
2013	27.793.699	22.940.320
2014 and after	7.200.582	6.037.611
Total	**34.994.281**	**54.991.092**

The Group's short-term and long-term financial liabilities to suppliers issued at variable interest rates are amounting to TL 31.762.745 (31 December 2010: TL 26.562.545) TL 34.994.281, respectively as of 31 December 2011 (31 December 2010: TL 54.991.092).

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 2011	31 December 2010
Up to 6 months	66.757.026	81.420.394
6-12 months	-	133.243
Total	**66.757.026**	**81.553.637**

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 412.596.245 at 31 December 2011 (31 December 2010: TL 499.025.964).

NOTE 8 - OTHER FINANCIAL LIABILITIES

Other financial liabilities at 31 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010
Derivative liabilities	299.825	4.602.171
Financial liabilities due to put options	66.438.280	52.480.516
- Short-term (Note 19)	66.438.280	52.480.516
Total	**66.738.105**	**57.082.687**

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NOTE 9 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables net of unearned credit finance income at 31 December 2011 and 31 December 2010 are as follows:

	31 December 2011	31 December 2010
Trade receivables	169.184.737	207.076.298
Cheques and notes receivable	5.370.271	3.948.580
Receivables from credit cards	1.717.436	1.304.416
	176.272.444	**212.329.294**
Unearned credit finance income	(843.052)	(1.298.687)
Less: provision for doubtful receivables	(55.438.024)	(49.256.073)
Short-term trade receivables	**119.991.368**	**161.774.534**

Trade receivables resulting from advertisements, amounting to TL 67.437.309 (31 December 2010: TL 115.496.315) are followed up by Doğan Factoring Hizmetleri A.Ş. ("Doğan Factoring"). These receivables are related to commercial advertisements and some of reclassified ads. The due date of the Group's trade receivables followed up by Doğan Factoring is 91 days (31 December 2010: 91 days). The unearned finance income related with the receivables followed up by Doğan Factoring is TL 407.551 (31 December 2010: TL 1.298.687) and the effective interest rate is 10% (31 December 2010: 10%). According to the factoring agreement signed by Doğan Factoring on 27 December 2011, the Group's receivables amounting to TL 77.000.000 was irrevocably factored to Doğan Factoring. Based on the agreement, the Group bore TL 2.000.000 interest expense related to the factoring.

The movements of provision for doubtful receivables are as follows:

	2011	2010
1 January	**(49.256.073)**	**(43.241.229)**
Additions during the period (Note 26)	(8.235.473)	(8.273.082)
Collections during the period	3.262.336	1.484.905
Currency translation differences	(1.588.483)	773.333
Disposal of subsidiary (Note 33)	379.669	-
31 December	**(55.438.024)**	**(49.256.073)**

Trade payables at 31 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010
Short-term trade payables (net)	40.263.936	34.076.991
Cheques and notes payable	854.298	-
	41.118.234	**34.076.991**
Unrealized financial expenses	(191.541)	(82.652)
Total	**40.926.693**	**33.994.339**

As of 31 December 2011, the due date of Group's trade receivables is 53 days (31 December 2010: 37 days). As of 31 December 2011, unearned financial income is TL 191.541.

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NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other receivables at 31 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010
Deposits and guarantees given	496.145	396.262
Tax receivables [1] (Note 4.c)	-	1.445.314
Total	**496.145**	**1.841.576**

[1] 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 favor of OOO Pronto Moscow, a subsidiary of the Group, which should be offset against future tax liabilities.

Other long-term receivables at 31 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010
Deposits and guarantees given	910.363	790.356
Total	**910.363**	**790.356**

Other payables at 31 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010
Taxes and funds payable	10.193.204	9.362.465
Due to personnel	3.861.276	4.615.369
Social security withholdings payable	5.924.599	3.357.710
Deposits and guarantees received	2.466.177	1.000.944
Total	**22.445.256**	**18.336.488**

Other long-term payables at 31 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010
Deposits and guarantees received	132.529	147.519
Total	**132.529**	**147.519**

NOTE 11 - INVENTORIES

	31 December 2011	31 December 2010
Raw materials and supplies	13.579.627	13.113.625
Promotion materials [1]	4.492.163	3.609.190
Semi-finished goods	354.242	668.087
Finished goods and merchandise	2.087.472	1.527.791
	20.513.504	**18.918.693**
Provision for impairment of raw materials and supplies	(287.529)	-
Provision for impairment of promotion materials	(1.654.279)	(1.268.307)
Total	**18.571.696**	**17.650.386**

[1] Promotion materials include promotion materials such as books, CDs and DVDs.

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Movement of the provision for impairment of promotion inventories and raw materials and supplies are as follows:

	2011	2010
1 January	**(1.268.307)**	**(811.496)**
Provision for impairment of promotion inventories	(385.972)	(456.811)
Provision for impairment of raw materials and supplies	(287.529)	
31 December	**(1.941.808)**	**(1.268.307)**

NOTE 12 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

The investments accounted for by the equity method as of 31 December 2011 and 31 December 2010 are as follows:

	Share %	31 December 2011	Share %	31 December 2010
Doğan Media [(1)]	42,42	7.423.271	42,42	6.593.636
		7.423.271		**6.593.636**

The summary of Group's share of the financial statements of the investments accounted for by the equity method at 31 December 2011 is as follows:

31 December 2011	Total assets	Total liabilities	Net Sales	Net for the period
Doğan Media [(1)]	21.802.671	14.379.401	49.795.107	(11.326.714)
	21.802.671	**14.379.401**	**49.795.107**	**(11.326.714)**

[(1)] Net loss for the period of Doğan Media mainly stems from the loss 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 2010 is as follows:

31 December 2010	Total assets	Total liabilities	Net Sales	Net 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)**

The movements in investments accounted for by equity method during the periods ending at 31 December are as follows:

	2011	2010
1 January	**6.593.636**	**1.432.023**
Increase in share capital	11.964.766	14.029.780
Loss from associates	(11.326.714)	(8.944.812)
Disposal of an associate	-	(317.204)
Currency translation differences	191.583	393.849
31 December	**7.423.271**	**6.593.636**

(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 2011 and 2010 are as follows:

	1 January 2011	Additions	Disposals	Provision for impairment	31 December 2011
Cost:					
Land	9.565.495	-	-	-	9.565.495
Buildings	15.512.554	22.017.913	(16.873.950)	(2.877.707)	17.778.810
	25.078.049	**22.017.913**	**(16.873.950)**	**(2.877.707)**	**27.344.305**
Accumulated depreciation:					
Buildings	(600.170)	(139.218)	-	-	(739.388)
	(600.170)	**(139.218)**	**-**	**-**	**(739.388)**
Net book value	**24.477.879**				**26.604.917**

The fair value of the investment property has been determined approximately as TL 43.223.220 at 31 December 2011 (31 December 2010: TL 38.276.681). Fair values of the investment properties as of 31 December 2011 have been determined based on the valuation studies of independent valuation companies which are given authorization by the Capital Market Board. The Group has calculated the provision for impairment amounting TL 2.877.707 for the investment properties whose cost values excess their fair values according to the valuations studies (Note 26).

Amortization expense of TL 139.218 (31 December 2010: TL 134.953) has been charged in general administrative expenses for the period ended 31 December 2011(Note 24).

The Group does not earn rent revenue from investment properties. Direct operating expenses arising on the investment property in the period amounted to TL 63.145 (31 December 2010: TL 26.821).

	1 January 2010	Additions	Disposals	Reversal of impairment	31 December 2010
Cost:					
Lands	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**

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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 2011 are as follows:

	1 January 2011	Currency translation differences	Additions	Disposals	Transfers	Reclassified to asset held for sale[(1)]	Disposal of subsidiary	Provision for impairment	31 December 2011
Cost									
Land and land improvements	52.576.391	576.828	-	-	-	(11.900.326)	-	(400.445)	40.852.448
Buildings	264.815.147	5.898.291	731.756	(2.288.066)	496.198	(100.878.106)	(148.692)	(3.446.881)	165.179.647
Machinery and equipments	707.726.344	7.380.887	11.070.123	(11.680.938)	-	(13.598.892)	-	(6.973.502)	693.924.022
Motor vehicles	11.023.178	629.759	867.311	(946.949)	-	-	-	-	11.573.299
Furniture and fixtures	102.152.751	2.387.874	6.043.975	(3.709.807)	673.292	(93.558)	(842.033)	-	106.612.494
Leasehold improvements	25.125.824	(11.979)	43.838	(105.612)	-	-	-	-	25.052.071
Other non-current assets	562.888	109.350	12.939	-	-	-	-	-	685.177
Construction in progress	38.857	312	1.893.071	(201.438)	(1.169.490)	(147.022)	-	-	414.290
	1.164.021.380	**16.971.322**	**20.663.013**	**(18.932.810)**	**-**	**(126.617.904)**	**(990.725)**	**(10.820.828)**	**1.044.293.448**
Accumulated depreciation									
Land and land improvements	(517.078)	-	(73.060)	-	-	317.700	-	-	(272.438)
Buildings	(68.909.604)	(1.271.450)	(5.845.804)	183.082	-	33.802.707	148.692	-	(41.892.377)
Machinery and equipments	(521.076.293)	(5.197.179)	(38.983.543)	10.510.701	-	11.716.620	-	-	(543.029.694)
Motor vehicles	(8.406.510)	(280.468)	(790.663)	932.476	-	-	-	-	(8.545.165)
Furniture and fixtures	(84.264.437)	(1.628.003)	(7.642.808)	2.881.911	-	93.558	700.023	-	(89.859.756)
Leasehold improvements	(23.214.431)	(8.109)	(400.016)	42.322	-	-	-	-	(23.580.234)
Other non-current assets	(277.358)	(55.034)	(67.740)	-	-	-	-	-	(400.132)
	(706.665.711)	**(8.440.243)**	**(53.803.634)**	**14.550.492**	**-**	**45.930.585**	**848.715**	**-**	**(707.579.796)**
Net book value	**457.355.669**								**336.713.652**

At 31 December 2011, net book value of the property, plant and equipment involved in machinery and equipment and acquired through financial leases is amounting to TL 7.188.520 (31 December 2010: TL 8.852.044).
At 31 December 2011there are mortgages on property, plant and equipment amounting to TL 17.328.981 (31 December 2010: TL 14.763.431).
For the period ended at 31 December 2011 amortization expense amounting TL 40.352.919 (31 December 2010: TL 44.753.912) is added to cost of sales (Note 23), and amounting TL 12.966.792 (31 December 2010: TL 11.857.141) is added to general administrative expenses, and amounting TL 483.923 (31 December 2010: TL 564.141) is added to marketing, selling and distribution.
The Group has reviewed the machinery and equipments and identified impairment. As of 31 December 2011, the amount of the provision for impairment is TL 10.820.828 (Note 26).
[(1)] Classification of the operations for the sale of the real estate in year 2011 (Note 29).

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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
Motor vehicles	10.750.296	67.966	1.017.677	(812.761)	-	11.023.178
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	219.241	(46.470)	3.329.418	(95.939)	(3.367.393)	38.857
	1.161.072.920	**(3.175.451)**	**11.112.314**	**(4.988.403)**	**-**	**1.164.021.380**
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	**506.042.820**					**457.355.669**

At 31 December 2010, net book value of the property, plant and equipment involved in machinery and equipment and acquired through financial leases is amounting to TL 8.852.044.

At 31 December 2010 there were mortgages on tangible assets amounting to TL 14.763.431.

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NOTE 15 - INTANGIBLE ASSETS

The movements in intangible assets and related accumulated amortisation for the period ended 31 December 2011 is as follows:

	1 January 2011	Currency translation differences	Additions	Disposals	Transfers	Provision for impairment	Disposal of subsidiary	31 December 2011
Cost								
Trade names and licenses	278.869.235	42.157.742	-	-	1.671	(9.157.387)	-	311.871.261
Customer list	269.731.647	39.689.471	-	-	-	-	-	309.421.118
Computer software and rights	52.275.949	6.456.046	5.902.616	(985.977)	1.989.416	-	(209.668)	65.428.382
Internet domain names	17.612.506	3.713.193	2.178.593	-	279.007	-	-	23.783.299
Other intangible assets	7.092.974	250.548	2.151.479	(3.453.686)	-	-	-	6.041.315
Construction in progress	1.586.284	283.409	1.534.258	(6.184)	(2.270.094)	-	-	1.127.673
	627.168.595	**92.550.409**	**11.766.946**	**(4.445.847)**	**-**	**(9.157.387)**	**(209.668)**	**717.673.048**
Accumulated amortisation								
Trade names and licenses	(17.117.127)	(788.753)	(1.418.334)	-	-	-	-	(19.324.214)
Customer list	(61.622.741)	(9.432.283)	(17.881.502)	-	-	-	-	(88.936.526)
Computer software and rights	(34.135.602)	(4.920.862)	(9.170.395)	730.979	-	-	181.334	(47.314.546)
Internet domain names	(3.792.122)	(927.201)	(2.239.855)	-	-	-	-	(6.959.178)
Other intangible assets	(6.242.319)	(239.468)	(743.281)	1.424.420	-	-	-	(5.800.648)
	(122.909.911)	**(16.308.567)**	**(31.453.367)**	**2.155.399**	**-**	**-**	**181.334**	**(168.335.112)**
Net book value	**504.258.684**							**549.337.936**

Amortization expense of TL 31.453.367 (31 December 2010: TL 27.036.682) has been charged in general administrative expenses as of 31 December 2011.
The Group, as it is explained in Note 2, has reviewed the intangible assets and identified impairment. As of 31 December 2011, the amount of the provision for impairment is TL 9.157.387 (Note 26).

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NOTE 15 - INTANGIBLE ASSETS (Continued)

The movements in intangible assets and related accumulated amortization for the period ended 31 December 2010 are as follows:

	1 January 2010	Currency translation differences	Additions	Disposals	Transfers	Provision for impairment	31 December 2010
Cost							
Trade names	311.162.191	1.011.044	-	-	-	(33.304.000)	278.869.235
Customer list	267.301.820	2.429.827	-	-	-	-	269.731.647
Computer software and rights	42.874.754	(391.704)	9.097.346	(836.471)	1.532.024	-	52.275.949
Internet domain names	15.528.272	294.374	806.486	-	983.374	-	17.612.506
Other intangible assets	7.078.497	(227.349)	973.394	(993.901)	262.333	-	7.092.974
Construction in progress	1.214.507	121.036	3.028.472	-	(2.777.731)	-	1.586.284
	645.160.041	**3.237.228**	**13.905.698**	**(1.830.372)**	**-**	**(33.304.000)**	**627.168.595**
Accumulated amortization							
Trade names and licenses	(15.786.684)	(98.535)	(1.231.908)	-	-	-	(17.117.127)
Customer list	(45.139.644)	(500.284)	(15.982.813)	-	-	-	(61.622.741)
Computer software and rights	(27.509.657)	447.289	(7.909.705)	836.471	-	-	(34.135.602)
Internet domain names	(2.372.841)	(75.821)	(1.343.460)	-	-	-	(3.792.122)
Other intangible assets	(6.891.004)	225.116	(568.796)	992.365	-	-	(6.242.319)
	(97.699.830)	**(2.235)**	**(27.036.682)**	**1.828.836**	**-**	**-**	**(122.909.911)**
Net book value	**547.460.211**						**504.258.684**

The cost of intangible assets with indefinite useful lives amounted to TL 282.379.493 as of 31 December 2011, (31 December 2010: TL 252.507.389). The utilization period of the assets with indefinite useful lives is 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 utilization.

NOTE 16 - GOODWILL

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

	2011	2010
1 January	**206.177.957**	**222.336.593**
Provision for impairment (1)	(103.858.347)	(19.997.349)
Foreign currency translation difference	32.059.985	2.640.031
Other (2)	1.816.051	1.198.682
31 December	**136.195.646**	**206.177.957**

(1) As of 31 December 2011, as calculated according to the explanations stated in Note 2.2.11, the part of the impairment of goodwill amounting to TL 92.526.163 is related to acquisition of the subsidiaries operating in Russia, and the part of the impairment of goodwill amounting to TL 11.332.184 is related to acquisition of Doğan Ofset (31 December 2010: The impairment of goodwill amounting to TL 19.997.349 is related with Croatia).

(2) Represents the changes in the fair value of the put options (Note 2.2.24).

As of 31 December 2011, the goodwill amounting to TL 136.195.646 is arising from the acquisition of Group's subsidiary TME which operates in abroad. The part of goodwill amounting to TL 194.845.773 from goodwill amounting to TL 206.177.957 in total, is arising from the acquisition of TME, and the part of goodwill amounting to TL 11.332.184 is arising from the acquisition of Doğan Ofset as of 31 December 2010.

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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 for the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 23, 27 and 31 July 2008. 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 2011 (31 December 2010: USD 19.213.346 and TL 151.800). Investment incentives certificates were ceased between the dates of 19 June – 3 July 2011 and processes regarding closure of incentive certificates were finished.

The Group obtained six Investment Incentives Certificate for the imported equipments amounting to USD 10.291.169 and domestic equipments amounting to TL 1.078.214 for the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 28 October, 2, 4 November and 30 December 2011. The agreements are valid for two years and equipment imported within the scope of the certificate is exempt from Customs Duty and VAT.

NOTE 18 -PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 December 2011 and 31 December 2010, short term provisions are as follows:

	31 December 2011	31 December 2010
Other provisions for lawsuit and compensation	2.813.326	3.118.039
Provision for tax penalty (1)	-	7.294.189
Total	**2.813.326**	**10.412.228**

(1) The Company has filed a lawsuit for the cancellation of the tax charges/tax notifications totaling TL 30.895.416 imposed for the 2004, 2005 and 2006 periods by the respective tax office regarding the Company. As required by the third article of Law No: 6111, the Company has restructured TL 27.100.503 portion of its total "undue and on trial tax liabilities in dispute" of TL 30.895.416 and reconciled its dispute with the tax office. Accordingly, the Company paid TL 3.827.062 on 30 June 2011 and ultimately, there are no other liabilities related with "undue and on trial tax liabilities in dispute" under Law No: 6111.

There is no provision for tax litigations in the Company's financial statements as of 31 December 2011 (31 December 2010: TL 7.294.189).

The lawsuits against the Group amount to TL 26.879.011 (31 December 2010: TL 28.600.841). 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 2011 the Group has set a provision of TL 2.813.326 for lawsuits (31 December 2010: TL 3.118.039).

As at 31 December 2011 the Group's ongoing lawsuits are as follows:

	31 December 2011	31 December 2010
Legal lawsuits	18.447.404	19.529.609
Labor lawsuits	3.226.840	3.547.528
Commercial lawsuits	4.197.040	4.485.240
Administrative lawsuits	1.007.727	1.038.464
Total	**26.879.011**	**28.600.841**

The movement in provision for lawsuits for the periods ending 31 December is as follows:

	2011	2010
1 January	**(3.118.039)**	**(2.393.095)**
Additions in the period (Note 26)	(256.678)	(724.944)
Payments related to provisions	561.391	-
31 December	**(2.813.326)**	**(3.118.039)**

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Group's collaterals/pledge/mortgage ("CPM") position as of 31 December 2011 and 31 December 2010 are as follows:

	31 December 2011		31 December 2010	
	Foreign Currency	**TL Equivalent**	**Foreign Currency**	**TL Equivalent**
A. CPM's given in the name ofits own legal personality				
Collaterals	-			
TL	2.756.984	2.756.984	4.835.628	4.835.628
Euro	25.000	61.095	25.000	51.228
HRK	2.482.230	805.624	2.482.230	689.180
-Mortgages				
TL	1.444.281	1.444.281	1.444.281	1.444.281
Euro	6.500.000	15.884.700	6.500.000	13.319.150
-Pledges				
RUR	-	-	4.255.692.000	215.878.227
B. CPM's given on behalf of the fully consolidatedcompanies [(1)]				
-Commitments				
TL	884.686	884.686	1.080.648	1.080.648
USD	5.079.702	9.595.049	6.255.864	9.671.566
Euro	75.000	183.285	468.563	960.132
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		**31.615.704**		**247.930.040**

[(1)] Commitments given regarding to the borrowings obtained for the main operations of the Group, that are intended to meet various financial needs of subsidiaries.

CPM's given by the Group

There is no CPM's given for third parties as indicated in the table above 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 a common practice in the media sector, enters into barter agreements which involve the exchange of goods or services without cash collections or payments. As of 31 December 2011, the Group has a commitment for the publication of advertisements amounting to TL 12.588.598 (2010: TL 3.804.414) in exchange for purchasing goods and services and has an option to purchase goods and services amounting to TL 14.106.053 (2010: TL 6.230.238) in exchange of the goods or services sold.

b) Derivative financial instruments:

i) Forward transactions in foreign exchange

As of 31 December 2011 the Group accounted expense amounting to TL 2.854.556 (31 December 2010: TL 2.142.358) based on Euro and TL forward transactions related to the bank loan amounting USD 46.080.000 (31 December 2010: 80.283.333). As of 31 December 2011, financial liability due to transactions which has open status is TL 230.035 (31 December 2010: TL 3.753.951).

ii) Interest rate interval swap transactions

As of 31 December 2011, the Group has two CAP and collar agreements (31 December 2010: six CAP and collar amounting to USD 27.750.000) amounting to USD 4.750.000 with the purpose of hedging 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 have to compensate for the difference to the Group.

As of 31 December 2011 fixed floor and ceiling rates change between 3,0 % and 5,6 % (31 December 2010: 3,0% - 5,6%) and the main floating interest rate is LIBOR. Financial expense recognised during the period regarding these agreements amounting to TL 1.130.954 (31 December 2010: TL 64.932).

iii) Interest rate swap transactions

Group had 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 was depending on 6-months Libor rate, has been fixed until 5 July 2011. Financial expense recognised during the period regarding these agreements amounted to TL 181.995 (31 December 2010: TL 1.513.086).

c) 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 2011, the short-term portion of the fair value of the put option is TL 1.205.118 (31 December 2010: TL 763.724), long-term portion is nil as of 31 December 2011 (31 December 2010: nil).

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. The negotiations related with using that put option is still continuing as of the date which the financial statements publicly announced. As of 31 December 2011, the fair value of this option is TL 15.111.200 (USD 8.000.000) (31 December 2010: TL 12.366.454 (USD 8.000.000)) and classified in "other short-term financial liabilities". There is a dispute regarding to the protocol between the parties concerned and an arbitration process is in progress in the presence of Zagreb Court of Arbitration. A lawsuit has been filed by the non-controlling shareholders against the Group since non-controlling shareholders are unable to exercise this put option. Non-controlling shareholders have been demanding € 3.500.000 in order to compensate their loss due to not having exercised of put option and the declining share value of shares caused by the poor management. Subpoena related to the lawsuit has been submitted to the Group on 5 March 2012.

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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 granted a buy put option to 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 2.899.462 as of 31 December 2011 (31 December 2010: TL 700.338) and classified in "short-term financial liabilities".

Based on a protocol signed by the Group in 2010, the put option liability in relation to the 3,84% shares of non-controlling Global Depositary Receipts (GDR) in Trader Media East Limited is exercisable by the counterparty until 2013.

The "put option" exercise price is USD 13. The Group will make a payment of US $ 1million for each year the put option right is not exercised until 2013. The Group recognized a financial liability arising from the put option on 3,84% shares of Trader Media East Limited owned by "non-controlling interests", through a protocol signed by increasing other financial liabilities by TL 39.4 million, decreasing non-controlling interests by TL 13,9 million and also decreasing retained earnings/accumulated losses by TL 25,5 million in the consolidated financial statements as of and for the period ended 30 June 2010. As of 31 December 2011, fair value of this call option is TL 47.222.500 (31 December 2010: TL 38.650.000).

However, there is a dispute about the protocol between the parties concerned and an arbitration process is in progress, before Zurich Chamber of Commerce. In the year 2011, no payment was made for not exercising the put option..

After the balance sheet date, the Company was informed by the counter party that it has sold its Global Depository Receipts ("GDR") to a legal entity which is not a shareholder of the Company and it withdraw the appeal of arbitration; hence the Company has no liability regarding the protocol. The effect of this event has not been reflected to the financial statements since it took place after the balance sheet date.

NOTE 20 – PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

Provision for employment termination benefits at 31 December 2011 and 31 December 2010 are as follows:

	31 December 2011	31 December 2010
Provision for employment termination benefits	26.158.276	21.660.771
Total	**26.158.276**	**21.660.771**

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 2011, the amount payable maximum equals to one month of salary is TL 2.731,85 (31 December 2010: TL 2.517,01) for each year of service.

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.

No 19 "Employee Benefits" accounting standard (IAS 19) described by IASC requires developments on the actuarial valuation methods to estimate the Group's employee termination benefit liability under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total provision.

	31 December 2011	31 December 2010
Discount rate (%)	4,67	4,66
Turnover rate to estimate the probability of retirement (%)	92	93

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The principal assumption is that the maximum liability of TL 2.731,85 (31 December 2010: TL 2.517,01) 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 2.805,04 (1 January 2010: TL 2.623,23), 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 2011, 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 movements in provision for employment termination benefits during the periods ended at 31 December are as follows:

	2011	2010
1 January	**(21.660.771)**	**(14.196.159)**
Current period service charge (Note 4.f)	(7.490.275)	(9.574.351)
Interest expenses (Note 4.f)	(1.009.391)	(661.541)
Payments during the period and provisions terminated	3.995.348	3.491.095
Actuarial gain / (loss) (Note 4.f)	6.813	(719.815)
31 December	**(26.158.276)**	**(21.660.771)**

NOTE 21 - OTHER ASSETS AND LIABILITIES

Other Current Assets

Other current assets at 31 December 2011 and 31 December 2010 are as follows:

	31 December 2011	31 December 2010
Prepaid taxes and deductions (Note 30, 4.c)	11.332.784	16.615.504
Prepaid expenses [(1)]	5.537.173	6.061.075
Advances given to personnel	5.240.788	5.090.448
Blocked deposit	3.263.451	-
Value added tax (“VAT”) receivables (Note 4.c)	2.562.634	1.806.606
Order advances given	1.045.101	292.464
Job advances	572.996	748.070
Income accruals	510.192	268.712
Other	4.414.504	2.912.260
Provision for other doubtful receivable (-)	(833.005)	(559.652)
Total	**33.646.618**	**33.235.487**

[(1)] Prepaid expenses are mostly composed of the prepaid rents and personnel salaries.

Movements of the provision for other doubtful receivables are as follows:

	2011	2010
1 January	**(559.652)**	**-**
Additions during the period (Note 26)	(126.556)	(559.652)
Currency translation difference	(146.797)	-
31 December	**(833.005)**	**(559.652)**

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Other Non-Current Assets

Other current assets at 31 December 2011 and 31 December 2010 are as follows:

	31 December 2011	31 December 2010
Advance given for property, plant and equipment	6.705.433	221.532
Blocked deposit with maturity more than one year [1]	-	15.460.000
Other	56.664	156.146
Total	**6.762.097**	**15.837.678**

[1] 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. Due to the restructuring of the loan, the blocked deposit has been released as of 3 May 2011 (Note 7).

Other Short-term Liabilities

Other short-term liabilities at 31 December 2011 and 31 December 2010 are as follows:

	31 December 2011	31 December 2010
Provision for unused vacation	15.430.714	10.351.123
Deferred revenue	11.072.505	8.918.189
Liabilities under the law No: 6111 [1]	5.670.819	-
Payables to personnel	3.954.251	191.181
VAT payables	2.908.906	3.897.466
Expense accruals	2.499.088	645.807
Due to non-controlling interests	-	367.948
Other	97.617	86.807
Total	**41.633.900**	**24.458.521**

Other Long-term Liabilities

Other long-term liabilities at 31 December 2011 and 31 December 2010 are as follows:

	31 December 2011	31 December 2010
Liabilities under the law No: 6111 [1]	8.385.086	-
Other long-term liabilities	47.222	44.837
Total	**8.432.308**	**44.837**

[1] As announced publicly on 19 April, 2011, Group has benefited from the provisions "tax base increase" as well as "undue and on trial tax liabilities in dispute" of the Law Number 6111 which has become effective upon publication in the Official Gazette number 27857 (I. BIS) dated 25 February 2011.

In accordance with the provisions of Law No. 6111 related to increase of tax base, the Company and its 8 subsidiaries increased their tax bases for the fiscal years 2006, 2007, 2008 and 2009. As a result, the total cash outflow will be TL 21.627.956 including interest. Ultimately, TL 1.193.051 of this total amount has been paid in cash and registered as "other operating expense". An amount of TL 2.665.423 re-discount has been made with the remaining TL 20.434.905, amount which will be paid in 36 months, in 18 equal installments and the first 4 installments were paid within 2011. As of 31 December 2011, in accordance with the scope of Law No. 6111, TL 5.032.667 principal and TL 701.474 interest payment, a total amount of TL 5.734.241 has been paid in cash and the amount of remaining short term and long term capital liability is TL 14.055.905. As of 31 December 2011, an interest amounting to TL 126.038 has accrued.

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The movements in provision for unused vacation during the periods ended at 31 December are as follows:

	2011	2010
1 January	**(10.351.123)**	**(9.428.016)**
Additions (Note 4.f)	(11.100.120)	(1.464.691)
Disposal of subsidiary (Note 33)	317.335	-
Payments during the year	6.023.702	638.468
Currency translation difference	(320.508)	(96.884)
31 December	**(15.430.714)**	**(10.351.123)**

NOTE 22 - EQUITY

The Company adopted the registered share capital system available to companies registered with the CMB and set a ceiling 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 2011 and 31 December 2010 are as follows:

	31 December 2011	31 December 2010
Paid-in share capital	552.000.000	552.000.000
Registered share capital	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.

Aydın Doğan and Doğan family are the ultimate parent of the Company.

	31 December 2011	Share (%)	31 December 2010	Share (%)
Doğan Yayın Holding (1)	367.416.194	66,56	367.415.960	66,56
Doğan Holding (1)	61.200.274	11,09	61.200.274	11,09
Other	86.443	0,01	87.832	0,01
Publicly owned	123.297.089	22,34	123.295.934	22,34
Issued share capital	**552.000.000**	**100**	**552.000.000**	**100**
Adjustment to share capital	77.198.813		77.198.813	
Total share capital	**629.198.813**	**100**	**629.198.813**	**100**

(1) As of 31 December 2011, 6,56 % (31 December 2010: 6,56 %) of Hürriyet's share capital belonging to Doğan Yayın Holding which is the main shareholder of the Group, and 11,09 % (31 December 2010: 11,09 %) of Hürriyet's share capital belonging to Doğan Holding, have open status and are in circulation in stock market.

In accordance with the Capital Markets Board's (the "CMB") Resolution No: 21/655 issued on 23 July 2010, it is regarded that , 21,21% of the shares (31 December 2010: 21,11%) are outstanding as of 31 December 2011 based on the Central Registry Agency's ("CRA") records. 39,98% of Hürriyet's shares are publicly available.

Adjustment to share capital represents the difference between balances which restatement effect of cash contributions to share capital equivalent purchasing power and balance before the inflation adjustment calculated.

Due to tax principal and tax penalty notices communicated by the Tax Office, the shares that Doğan Yayın Holding 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 and lien on the transfer of shares which had been restricted. On 9 August 2011, lien and inactivity were released by the notice made by Tax Office.

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Restricted reserves

Restricted reserves is reserves which are reserved from profit of previous period for particular purposes (for instance, to advantage from sales of investment in associates) except divided distribution or any purposes for necessity of law and agreement.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). 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 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 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 capital. In accordance with the CMB Financial Reporting Standards, Company's restricted reserves amounting TL 34.266.877 (31 December 2010: TL 33.347.505) consist of legal reserves and gain on sales of real estate as of 31 December 2011.

Restricted reserves:	31 December 2011	31 December 2010
1. Composition restricted reserves	25.071.251	24.151.879
2. Composition restricted reserves	7.408.846	7.408.846
Gain on sales of real estate	1.786.780	1.786.780
Total	**34.266.877**	**33.347.505**

Subsequent to the first inflation adjusted financial statements, equity items such as; "Capital, Emission Premiums, Legal Reserves, Statutory Reserves, Special Reserves and Extraordinary Reserves" are carried at carrying value in the balance sheet and their adjusted values are collectively presented in equity. All equity inflation adjustments are only available for bonus shares or loss deduction; and carrying value of extraordinary reserves are only available for cash profit distribution or loss deduction.

However, In accordance with the Communiqué No:XI-29 and related announcements of the CMB, effective from 1 January 2008, "Share capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amounts. The valuation differences resulted due to the application of the requirements set out in the communiqué (such as, inflation adjustment differences) shall be disclosed as follows:

- 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 valued in accordance with CMB Financial Reporting Standards.

Capital adjustment differences can only be included to capital.

Dividend distribution

Listed companies registered on ISE are required to distribute their dividends in accordance with the following criteria set out by CMB:

Upon the CMB's Resolution No: 02/51 issued on 27 January 2010, there is no minimum level of dividend distribution requirement for the listed companies at the stock exchange for profits arising from operations in 2009. In this respect, companies will distribute their profits under the scope of the requirements of the CMB's Communiqué No. IV-27, their own articles of association and their own publicly disclosed profit distribution policies.

Besides, within the stated decision of the board, companies are obliged to prepare financial statements needed to calculate the amount of net distributable profit by considering their net profit in the period from their financial statements that are prepared in accordance with Communiqué Serial XI, No: 29 as long as it is covered by their resources in legal records.

Ordinary General Meeting held on 20 April 2011, according to Company's consolidated financial statements as of 31 December 2010 which was prepared in conformity with the IAS and IFRS; taking into consideration the "period's tax expense", "deferred tax income" as well as the non-controlling interests, a "Consolidated Net Term Loss" amounting to TL 40.079.404 has occurred. Based on Capital Markets Board's profit distribution requirements, there cannot be any profit distribution related to 1 January 2010 – 31 December 2010 period, and in Company's statutory individual financial records prepared in accordance with the Turkish Commercial Code and the Tax Procedure Law, the profit for the year is TL 30.800.152, and after the corporate tax payable from this amount the net profit for the year is to TL 18.387.447. After deducting "I. Legal Reserves" in accordance with the article 466/1 of the Turkish Commercial Code from net profit for the year amount, the remaining amount of TL 17.468.075 will be transferred to the "extraordinary reserve".

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Paid-in Capital	552.000.000
Capital Inflation Difference	57.678.463
Share Premium	76.944
Legal Reserve	34.266.877
Legal Reserve Inflation Difference	2.330.075
Extraordinary Reserve	161.419.855
Special Funds	4.951.134
Retained Earnings	25.120.067
Net Loss	(44.136.777)
Total Shareholder’s Equity	**793.706.638**

The CMB’s requires the disclosure of total amount of net profit in the statutory records and other resources which may be subject to profit distribution in the financial statements that are prepared in accordance with Communiqué Serial XI, No: 29 and to be announced to public. The total gross amount that can be subject to profit distribution according to legal records, is TL 142.106.637.

NOTE 23 - SALES AND COST OF SALES

Sales

	2011	**2010**
Advertisement sales	576.982.433	522.412.879
Circulation and publishing sales	240.590.737	221.340.023
Other	51.165.287	50.473.069
Net Sales	**868.738.457**	**794.225.971**
Cost of sales	(540.792.201)	(466.049.481)
Gross Profit	**327.946.256**	**328.176.490**

Cost of Sales

The details of cost of sales for the years ended 31 December are as follows:

	2011	**2010**
Raw material	230.388.072	188.037.855
Paper	*152.943.062*	*122.798.950*
Printing and ink	*58.490.267*	*47.642.880*
Other	*18.954.743*	*17.596.025*
Payroll	167.763.268	146.575.447
Depreciation and amortization charges (Note 14)	40.352.919	44.753.912
Commissions	20.405.930	16.498.489
Maintenance expenses	9.687.265	7.557.079
Distribution, storage and travel	9.697.067	8.590.097
Outsourced services	5.263.835	6.480.098
Fuel, electricity, and water and office expenses	7.136.584	6.842.924
Packaging expenses	6.038.070	5.725.229
Rent expenses	5.889.199	4.204.641
Communication	4.485.866	3.992.463
News agency expenses	3.732.181	3.382.550
Other	29.951.945	23.408.697
Total	**540.792.201**	**466.049.481**

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NOTE 24 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES

a) Marketing, selling and distribution expenses:

	2011	2010
Advertisement	61.357.671	46.045.595
Transportation, storage and travel	25.706.341	24.199.841
Promotion	19.952.945	18.111.820
Payroll	25.570.162	25.161.020
Sponsorship	2.680.227	2.308.582
Outsourced services	2.037.807	2.335.568
Depreciation and amortization charges (Note 14)	483.923	564.141
Other	9.444.418	6.225.625
Total	**147.233.494**	**124.952.192**

b) General administrative expenses:

	2011	2010
Payroll	67.761.666	58.006.788
Depreciation and amortization charges (Note 13,14,15)	44.559.377	39.028.776
Consultancy	17.159.465	16.811.771
Rent	10.840.829	10.565.012
Fuel, electricity, water and office expenses	6.970.160	7.000.540
Transportation, storage and travel	4.547.872	4.714.728
Communication	3.986.908	3.819.367
Maintenance expenses	3.092.741	3.037.501
Other	15.790.145	14.778.410
Total	**174.709.163**	**157.762.893**

NOTE 25 - EXPENSES BY NATURE

As at 31 December 2011 and 2010, expenses are disclosed by function and the details of the expenses are given in Note 23 and Note 24.

NOTE 26 - OTHER OPERATING INCOME/EXPENSES

The details of other income and gains for the periods ended at 31 December are as follows:

	2011	2010
Reversal of provision for tax penalty (1)	3.467.127	-
Rent and building service incomes	2.738.940	2.865.854
Reversed provisions	3.317.232	1.508.284
Gain on sales of property, plant and equipment	2.194.116	1.029.390
Profit on sale of subsidiary	15.108	-
Cancelation of provision for impairment of investment properties (Note 4)	-	1.449.222
Other	2.983.966	416.556
Total	**14.716.489**	**7.269.306**

(1) Company has restructured TL 27.100.503 portion of its total "undue and on trial tax liabilities in dispute" of TL 30.895.416 and reconciled its dispute with the tax Office. The Company has offset TL 3.467.127 of which is a part of TL 7.294.198 of the provision amount for tax penalty.

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The details of other expenses and losses as at and for the periods ended at 31 December are as follows:

	2011	2010
Tax base increase expense under Law: 6111 (Note 21,4)	18.962.533	-
Provision for doubtful receivables (Note 9,21)	8.362.029	8.832.734
Impairment of goodwill and intangible assets (Note 4)	113.015.734	53.301.349
Competition authority penalty expense (1)	2.853.537	-
Punishment and compensation expense	3.242.645	958.275
Loss on sale of property, plant, equipment and investment properties	5.196.652	2.202.537
Provision for tangible assets (Note 14)	10.820.828	-
Aids and donations	1.280.080	1.902.634
Provision for lawsuits (Note 18)	256.678	724.944
Impairment on investment properties (Note 4)	2.877.707	455.118
Provision for tax penalties (Note 4)	-	3.179.690
Loss on sale of subsidiary	-	5.996
Other	4.289.272	4.765.977
Total	**171.157.695**	**76.329.254**

(1) Subsequent to the investigation undertaken by the Competition Authority regarding the practices in the advertisement area sales in the print media, the company was charged the administrative penalty fee amounting to TL 3.804.716. Right after arriving of "Reasoned" decision to the Company, TL 2.853.537 was paid with prejudice after a discount of 25 % on 13 December 2011. It has been considered that the practices, which are subject to criticism on the decision of the Competition Authority, are compliance with the legal regulations and the Competition Authority's communique, circular letter and decisions; but necessary objection against the decision was raised.

NOTE 27 - FINANCIAL INCOME

The details of financial income for the periods ended at 31 December are as follows:

	2011	2010
Foreign exchange income	64.826.059	24.556.136
Time deposits interest income	3.362.621	8.864.472
Finance income from term sales	8.534.567	7.334.916
Unrealized finance expense from term purchases	191.541	82.652
Finance income from trade receivables	2.348.293	2.048.399
Interest income on financial assets at fair value through profit and loss, net	3.350.062	1.356.101
Other	219.963	544.937
Total	**82.833.106**	**44.787.613**

NOTE 28 – FINANCIAL EXPENSES

The details of financial expenses for the periods ended at 31 December are as follows:

	2011	2010
Foreign exchange loss	152.783.092	36.085.657
Interest expenses on borrowings	25.919.129	18.109.609
Credit commission, banking and factoring expenses	6.432.759	2.941.993
Tax base increase interest expense		
Unearned finance income from term sales	843.052	1.298.687
Other	3.397.662	
Total	**188.006.576**	**61.833.608**

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NOTE 29 - ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

a) The Group's subsidiary OOO Pronto Moscow ceased its operations in Printing House and decided to dispose some of its fixed assets within year 2011. These assets which are expected to be disposed of within twelve-month period are reclassified as assets held for sale and presented separately in the balance.

As of 31 December, detail of the mentioned property, plant and equipment which classified into assets held for sale, is as follows:

Property, plant and equipment	31 December 2011
Cost	
Land and land improvements	1.424.507
Buildings	3.231.093
Machinery and equipment	13.598.892
Furniture and fixtures	93.558
Construction in progress	147.022
	18.495.072
Accumulated amortization:	
Land and land improvements	-
Buildings	(441.065)
Machinery and equipment	(11.716.619)
Furniture and fixtures	(93.559)
	(12.251.243)
Net book value (Note 14)	**6.243.829**

b) In 2011,to reduce the financial liabilities the Company started the sale transactions relating to its properties including the building that the has been used for Company headquarters for 28 years and classified in the segmental reporting of Turkey and completed the sale transaction on 31 January 2012 (Note 35). The Company classified the related properties as assets held for sale under IFRS 5 in the IFRS financial statements.

Regarding to the held for sale investments, no impairment loss is recognized as the profit on sale exceeds the carrying value of related asset.

Property, plant and equipment classified as asset held for sale as of 31 December 2011 is as follows:

Property, plant and equipment	31 December 2011
Cost	
Land and land improvements	10.475.819
Buildings	97.647.013
	108.122.832
Accumulated amortization:	
Land and land improvements	(317.700)
Buildings	(33.361.642)
	(33.679.342)
Net book value (Note 14)	**74.443.490**

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NOTE 30 - TAX ASSETS AND LIABILITIES

	31 December 2011	31 December 2010
Corporate and income taxes payable	638.448	12.630.692
Less: Prepaid taxes (Note 21)	(11.332.784)	(16.615.504)
Taxes receivables	**(10.694.336)**	**(3.984.812)**

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.

The details of the effective tax laws in countries which Group has significant operations are stated below:

Turkey:

In accordance with Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006, corporation tax is 20% for 2011(2010: 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.

Dividends paid to non-resident corporations, having representative office 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 is not considered as a profit distribution.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is to be declared by the 14th 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 years 2010 and 2011.

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 authorities can review accounting records within 5 years and if they determine any errors on the accounting records, tax payable can be reassessed.

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. As publicly disclosed on 19 April 2011, the Company plans to make use of the requirements set out in relation to "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees"; therefore, 50% of losses attributable to the periods that are subject to tax base increase will not be offset against the income to be obtained in 2010 and subsequent periods.

As of 31 December 2011, the Company has offset its financial losses attributable to the calculation of offsetting of tax asset against deductible financial losses or current tax provision in accordance with the above-mentioned principles.

There are numerous exemptions in the Corporate Income Tax Law. This is one of the 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.

For companies participating in 10% or more of the capital of a non-resident limited liability or joint stock company,(except for those whose principal activity is financial leasing or investment property) for at least one 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 being subject to corporate income tax, or alike, in their country of legal residence or business centre at the rate of at least 15% (minimum corporate income tax applicable in Turkey for those whose principal activity is finance 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 preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in liabilities and it must be withdrawn from the entity for a period of five years. The sales consideration should be collected 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% (2010: 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 (2010: 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 organization 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.

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Hungary

The corporate tax rate effective in Hungary is 19% (2010: 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.

Croatia

The corporate tax rate effective in Croatia is 20% (2010: 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% (2010: 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.

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.

As of 31 December 2011 deferred income taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20% (31 December 2010: 20%).

Ukraine

On 4 December 2010, the Tax Code of Ukraine (the "TCU" or the "Code") was adopted and officially published. The TCU comes into effect on 1 January 2011, although some of its provisions come into effect at a later date (the most important of these being Section III, which deals with corporate income tax and came into effect on 1 April 2011). The Code makes essential changes to the existing Ukrainian tax rules, introducing a number of concepts common in other jurisdictions (e.g. beneficial ownership, substance over form) to various degrees.

The tax that companies pay is known as corporate income tax (CIT). Currently, this tax is calculated at a flat rate of 23% (2010: 23%). The most recent changes to Ukrainian tax legislation envisage a gradual reduction in CIT rates, as follows:

23% from 1 April 2011 until 31 December 2011;
21% from 1 January 2012 until 31 December 2012;
19% from 1 January 2013 until 31 December 2013;
16% from 1 January 2014 onwards.

According to domestic tax accounting rules, taxable items are normally recognized on the basis of the accrual method. In accordance with this method, taxable income is generally recognized in the reporting period, in which it was accrued. Cost of sold goods / services is recognized in the period when income is recognized (i.e. in line with financial accounting rules).

Other deductible expenses are generally recognized when they are incurred (i.e. upon receipt of goods or services), regardless of the period of payment. However, certain types of taxable income are recognized on a cash basis. This includes fines and financial assistance received from non-residents (unless financial assistance is provided by the company's shareholders and returned within 365 days).

Gross taxable income is defined as any income, from domestic or foreign sources, that is received or accrued by the taxpayer in the course of conducting any activity. This income may be in monetary, tangible or intangible form.

The tax year for CIT is a calendar year, while CIT reporting periods are a calendar quarter, half year, first three quarters and calendar year. Taxpayers must submit tax returns for each reporting period and make quarterly tax payments. Quarterly tax returns must be submitted within 40 days of the last calendar day of each reporting period (i.e. 10 May, 9 August, 9 November, 9 February). Quarterly tax payments should be made within 50 days of the end of a reporting period.

Belarus

The corporate tax rate effective in Belarus is 24% (2010: 24%).

The tax period is the calendar year. Profit tax is calculated as progressive total. Advance payments are made quarterly, on the basis of either the previous year results or expected current year profits.

The annual corporate tax declaration is due by 20 March of the following year. Tax loss carry forward is not allowed.

Tax refunds are possible. Tax consolidations of tax reporting/payments by different legal entities (or grouping) are not permitted in Belarus at present. Generally, dividend income payable to a foreign organization is subject to withholding tax at 12%. This standard rate may, however, be reduced under the provisions of applicable double tax treaty.

The Belarus tax regulations change frequently.

Kazakhstan

Under the Tax Code of the Republic of Kazakhstan companies shall pay the CIT on taxable income at a 20% rate (2010: 20%).

According to the Tax Code, taxable income is defined as the difference between gross annual income and deductible expenses provided for under the Tax Code taking into account adjustments made. Gross annual income is defined as any income, from domestic or foreign sources, that is received or accrued by a taxpayer during the tax period. This income may be in monetary, tangible or intangible form.

Deductible expenses should be directly associated with generating taxable income from activities performed by a company. An accrual method is applied with respect to income and expenses determination for CIT purposes. According to the tax legislation, losses may be carried forward for 10 years to be deducted from future taxable income.

A tax period for CIT is a calendar year. A taxpayer is to forecast its expected taxable income and calculate advance monthly payments which are due not later than 25th day of each month of the reporting year. The annual CIT return is due by 31 March of the year following the reporting year. Should actual CIT liability be different from the initially estimated advances, taxpayers may correct their tax liabilities during the tax year but not later than 20 December of the reporting tax period. There are other special requirements relative to calculation of advance payments in the Tax Code. The following taxpayers shall be entitled not to calculate and make CIT advance payments:

- Taxpayers whose gross annual income after adjustments for the tax period preceding the previous tax period, did not exceed 325 times the monthly calculation index set by the law on the state budget and effective at January 1 of the relevant financial year;
- Newly created taxpayers – during the tax period in which state registration (record of registration) was carried out with the justice authorities, and also during the subsequent tax period.
- Non-resident legal entities newly registered with the tax authorities as taxpayers, and operating in Kazakhstan through a permanent establishment (PE) without a branch or representative office – during the tax period in which registration with the tax bodies was carried out, and also during the subsequent tax period.

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The tax rates at 31 December 2011, 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		

Deferred Tax

The Group recognizes deferred tax assets and liabilities based on temporary differences arising between the financial statements as reported for CMB Financial Reporting Standards and financial statements prepared in accordance with the tax legislation. There are deferred tax assets resulting from tax loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future in the Group. Partially or wholly recoverable amount of deferred tax assets was estimated in current circumstances. The main factors which are considered include future earnings potential, cumulative losses in recent years, history of loss carry-forwards, other tax assets expiring and tax planning strategies when needed. In the light of data obtained, if group's taxable profit will be obtained in future is not enough to meet all deferred tax assets, partially or wholly of deferred tax is reserved.

	31 December 2011	31 December 2010
Deferred tax liabilities	121.127.342	117.314.791
Deferred tax assets (Note 4.c)	(13.524.076)	(10.966.263)
Deferred tax liabilities, net	**107.603.266**	**106.348.528**

The temporary differences giving rise to deferred income tax assets / (liabilities) using the enacted tax rates as of 31 December 2011 and 31 December 2010 are as follows:

	Total temporary differences		Deferred tax assets / (liabilities)	
	2011	2010	2011	2010
Carry forward tax losses [1]	21.331.398	6.862.952	4.267.086	1.372.807
Difference between tax base and carrying value of trade receivables	18.889.450	14.481.175	3.688.852	2.812.282
Provision for employment termination benefits and unused vacation rights	41.588.990	32.011.894	8.264.891	6.192.819
Difference between tax base and carrying value of leasing payables	-	948.468	-	271.262
Deferred revenue	1.333.578	1.220.548	266.716	253.889
Difference between tax bases and carrying value of property,plant and equipment and intangibles	(640.559.152)	(609.650.118)	(128.458.572)	(121.648.625)
Other, net	74.362.633	(32.475.228)	4.367.761	4.397.038
Total	**(483.053.103)**	**(586.600.309)**	**(107.603.266)**	**(106.348.528)**

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Deferred tax assets:	31 December 2011	31 December 2010
To be recovered after one year	12.650.960	10.581.204
To be recovered within one year	873.116	385.059
Total	**13.524.076**	**10.966.263**

Deferred tax liabilities:	31 December 2011	31 December 2010
To be recovered after more than one year	(121.795.184)	(117.029.983)
To be recovered within one year	667.842	(284.808)
Total	**(121.127.342)**	**(117.314.791)**

(1) As of 31 December 2011, carry forward tax losses for which no deferred income tax asset was recognised amounted to TL 102.172.441 (31 December 2010: TL 75.873.386).

The maturity analysis of carry forward tax losses are as follows:

	31 December 2011	31 December 2010
2011	-	313.083
2013	757.688	1.515.376
2014 and after	20.573.710	5.034.493
Total	**21.331.398**	**6.862.952**

The movements in deferred tax liabilities for the periods ended 31 December are as follows:

	2011	2010
1 January	**(106.348.528)**	**(124.616.282)**
Deferred tax income at the consolidated statement of income	12.772.325	20.706.815
Currency translation differences	(13.823.062)	(2.439.061)
Disposal of subsidiary (Note 33)	(204.001)	-
31 December	**(107.603.266)**	**(106.348.528)**

The analysis of the tax income / (expenses) for the periods ended at 31 December are as follows:

	2011	2010
Current	(3.824.794)	(26.644.851)
Deferred	12.772.325	20.706.815
Total	**8.947.531**	**(5.938.036)**

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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 are as follows:

	31 December 2011	31 December 2010
Loss before taxes and non-controlling interests	266.546.847	49.589.350
Current period tax expense calculated at the effective tax rates of countries	25.698.169	11.687.667
Expenses not deductible for tax purposes	(7.806.988)	(14.959.268)
Impairment effect of goodwill	(20.771.669)	(3.727.162)
Carry forward losses utilized	135.174	-
Effect of financial losses which the deferred tax assets not calculated	(9.658.326)	(4.419.031)
Income exempt from tax	145.833	385.680
Withholding tax relating to dividend distribution	-	(2.999.462)
Effect of share losses investments accounted for by the equity method	(2.265.343)	(1.852.503)
Other, net	23.470.681	9.946.043
Tax expense / (income)	**8.947.531**	**(5.938.036)**

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. Loss per share as of 31 December is as follows:

	2011	2010
Loss for the period	(235.684.263)	(40.079.404)
Number of ordinary shares in issue (with nominal value of TL 1 each)	552.000.000	552.000.000
Loss per share (TL)	**(0,4270)**	**(0,0726)**

NOTE 32 - RELATED PARTY DISCLOSURES

For the purpose of those consolidated financial statements, shareholders that have control or joint control over the Company, other individuals that have direct or indirect control over those shareholders, other group companies that are directly or indirectly controlled by these individuals, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them, associates and joint ventures are considered and referred to as related parties. Related party balances and transactions are listed below.

i) Balances of Related parties:

Short term receivables due from related parties:

	31 December 2011	31 December 2010
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik")	8.586.098	9.205.838
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım")	3.803.890	2.020.401
Medyanet İletişim Reklam Pazarlama ve Turizm A.Ş. ("Medyanet")	3.729.408	3.992.543
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	1.505.663	1.271.363
Doğan TV Digital Platform İşl. A.Ş.	1.041.999	-
Doğan Media International GmbH ("Doğan Media")	868.315	292.002
Doğan Dış Ticaret	486.115	-
Doğan Portal ve Elektronik Ticaret A.Ş. ("Doğan Portal")	12.514	621.823
Bağımsız Gazeteciler Yayıncılık A.Ş. ("Bağımsız Gazeteciler") (1)	-	1.202.107
Doğan Yayın Holding	-	86.676
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	-	3.795.275
Other	1.735.430	2.241.802
	21.769.432	**24.729.830**

(1) Bağımsız Gazeteciler is not considered as related party as of 31 December 2011 since the shares have been transferred to DK Gazetecilik ve Yayıncılık A.Ş. on 2 May 2011.

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Short term payables to related parties:

	31 December 2011	31 December 2010
Işıl İthalat	3.716.363	-
Kanal D	2.496.676	-
Doğan Media	2.032.797	161.336
Doğan Yayın Holding	1.555.565	105.274
Doğan İletişim Elektronik Servis Hizmetler ve Yayıncılık A.Ş. ("Doğan İletişim")	862.649	529.440
Milta Turizm İşletmeleri A.Ş. ("Milta")	227.848	179.721
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	94.134	1.843.857
Doğan Factoring	24.437	-
D-Market Elektronik Hizmetleri Ticaret A.Ş. ("D Market")	9.115	1.622
Other	952.438	608.613
	11.972.022	**3.429.863**

Non-trade short-term payables to related parties:

	31 December 2011	31 December 2010
Doğan Holding	97.434.767	-
	97.434.767	**-**

The Group has borrowed a financial loan amounting to TL 97.434.767 and reclassified this amount to non-trade payables to related parties as of 31 December 2011. Effective interest rate applied for the non-trade short term payable to related parties is 5,43% and TL 130.246 finance expense is recognized regarding this amount.

ii) Significant transactions with related parties:

Transactions in related parties for the periods ended as of 31 December 2011 and 2010 are as follows:

Significant service and product sales to related parties:

	2011	2010
Doğan Dağıtım	98.369.336	95.214.238
Doğan Gazetecilik	29.075.730	33.012.595
Doğan Media	14.849.800	12.641.512
Medyanet	9.925.392	8.130.309
Doğan Burda	5.723.472	5.577.032
Kanal D	3.924.176	3.505.774
Lapis Televizyon ve Radyo Yayincılık A.Ş	1.816.758	1.217.696
Doğan TV Digital Platform İşl. A.Ş.	1.275.601	1.356.061
Bağımsız Gazeteciler [1]	1.238.620	4.578.419
Doğan ve Egmont Yayıncılık ve Yapımcı Ticaret A.Ş. ("Doğan Egmont")	1.163.928	1.103.369
Doğan Yayın Holding A.Ş.	1.038.856	2.385.799
Doğan İletişim	228.059	776.681
Milliyet Verlags	-	676.475
Turner Doğan Prodüksiyon A.Ş. ("Turner")	-	436.028
Doğan Müzik Kitap Mağazacılık Pazarlama A.Ş.	457.282	242.918
Eko Televizyon Yayıncılık A.Ş.		-
Petrol Ofisi A.Ş. [2]		-
Other	3.747.241	5.445.676
	172.834.251	**176.429.044**

[1] Bağımsız Gazeteciler is considered as a related party until 2 May 2011 which is the date of the completion of the shares sales to DK Gazetecilik ve Yayıncılık A.Ş.
[2] Petrol Ofisi is considered as a related party until 22 December 2010 which is the date of the completion of the Doğan Holding's Petrol Ofisi shares sales to OMV.

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Significant service and product purchases from related parties:

	2011	2010
Işıl İthalat [1]	74.268.406	56.003.059
Doğan Dış Ticaret [1]	69.640.568	58.941.156
Doğan Dağıtım [2]	21.412.616	18.942.110
Doğan Yayın Holding A.Ş.	7.022.638	6.898.473
Doğan İletişim	3.698.604	3.356.667
Milta	2.051.842	2.127.750
D Yapım Reklamcılık veDağıtım A.Ş. ("D Yapım Reklamcılık")	592.456	1.159.667
Kanal D	120.531	2.307.503
Işıl Televizyon Yayıncılık A.Ş. ("Star TV") [3]	22.720	1.173.512
Petrol Ofisi [4]	-	1.287.378
Other	9.275.029	3.341.363
	188.105.410	**155.538.638**

[1] The Group purchases raw materials primarily from Doğan Dış Ticaret and Işıl İthalat. The increase in current period is related to the increase of unit price of paper from USD 632 per tones to USD 762 per tones and 11% increase in average USD rate.
[2] 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.
[3]Star TV is considered as a related party until 3 November 2011 which is the date of completion of share sales to Doğuş Yayın Group. The amounts ended on the date of 31 December 2011 and 2010 consisted of promotional sellings.
[4] 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.

Other income:	2011	2010
Işıl İthalat	929.375	863.109
Doğan Dağıtım	877.014	866.165
Doğan Burda	724.323	643.585
Doğan Dış Ticaret	657.032	692.114
Doğan Media	339.284	342.713
Doğan İletişim	161.426	145.619
Doğan Egmont	152.319	141.481
Doğan Yayın Holding	83.584	228.678
Diğer	406.354	630.416
	4.330.711	**4.553.880**

Most part of the other income from related parties consists of rental income.

Purchase of property, plant and equipment and intangible asset:

Purchase of property, plant and equipment and intangible asset:	2011	2010
Doğan Online	177.848	723.151
D-Market	32.780	461.637
Doğan Yayın Holding	-	47.560
Doğan Gazetecilik [1]	-	5.111.854
Other	-	16.726
	210.628	**6.360.928**

[1] At 31 December 2010, the Group purchased the royalty of Radikal for TL 5.095.000 in accordance with the price in the valuation report.

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Financial income:	2011	2010
Doğan Media	458.750	-
Medyanet	105.538	356.667
Doğan Yayın Holding	1.280	-
Kanal D	-	700.485
Bağımsız Gazeteciler [2]	-	41.089
Other	9.992	14.832
	575.560	**1.113.073**

Financial expenses:	2011	2010
Doğan Factoring [1]	3.308.902	865.334
Doğan Holding	696.746	-
Doğan Dağıtım	107.219	-
Doğan Yayın Holding	89.562	1.480
Bağımsız Gazeteciler [2]	1.474	28.657
Other	1.251	-
	4.205.154	**895.471**

[1] Invoicing 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. According to the factoring contract signed by Doğan Factoring on 27 December 2011, the Group's receivable amounting to TL 77.000.000 has issued to irrevocable commitment with Doğan Factoring. As per the agreement, the Group has born TL 2.000.000 interest expense.
[2] Bağımsız Gazeteciler is considered as a related party until 2 May 2011 which is the date of completion of Doğan Holding's Bağımsız Gazeteciler shares sales.

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.

	2011	2010
Salaries and other short term benefits	8.677.874	7.771.494
Post-employment benefits	-	105.837
	8.677.874	**7.877.331**

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NOTE 33 - DISPOSAL OF SUBSIDIARIES

The Group has transferred its entire shares in its subsidiary, Pronto Peterburg to the company according to the Russian statutory legislation in the current period.

Book value of net assets disposed of	31 December 2011
Current assets	
Cash and cash equivalents	158.668
Trade receivables	425.003
Inventories	52.889
Other receivables	85.001
Other current assets	179.446
Non-current assets	
Tangible assets	160.557
Intangible assets	28.334
Deferred tax assets	204.001
Short-term liabilities	
Trade payables	(392.891)
Provisions	(317.335)
Other short-term liabilities	(598.781)
Net assets disposed of	(15.108)
Consideration:	
Consideration paid in cash and cash equivalents	-
Deferred sales proceeds	188.890
Net cash inflow on disposal:	
Consideration paid in cash and cash equivalents	-
Less cash and cash equivalent balances disposed of	(158.668)

NOTE 34 - FINANCIAL RISK MANAGEMENT

34.1 Financial Risk Management

(i) Interest rate risk

The Company's interest rate sensitive financial instruments are as follows:

	31 December 2011	31 December 2010
Financial instruments with fixed interest rate		
Loans and receivables	265.246.503	69.743.339
Financial Assets		
- Designated at fair value through profit or loss [1]	-	*18.855.213*
Financial Liabilities	190.545.864	7.354.467
Financial instruments with floating interest rate		
Financial liabilities	412.596.245	499.025.964

[1] Financial assets designated at fair value through profit or loss consists of treasury bills and government bonds.

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

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 2011, 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 4.125.962 (31 December 2010: TL 4.990.260).

(ii) Liquidity risk

The table below shows the liquidity risk arises from financial liabilities of the Group:

31 December 2011	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)	603.142.109	638.223.180	84.336.625	205.644.961	347.732.312	509.282
Other financial liabilities (Note 8)	66.738.105	66.738.105	-	66.738.105	-	-
Trade payables						
- Related party (Note 32)	*11.972.022*	*11.972.022*	*11.972.022*	-	-	-
- Other (Note 9)	*40.926.693*	*40.926.693*	*24.561.263*	*16.365.430*	-	-
Other payables (Note 10)						
- Related party (Note 32)	*97.434.767*	*97.434.767*	*97.434.767*	-	-	-
- Other (Note 10)	*22.577.785*	*22.577.785*	*22.445.256*	-	*132.529*	-
Other short and long term liabilities (Note 21)	14.055.905	14.055.905	5.670.819	-	8.385.086	-

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*	-

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 2011, the Group has long-term bank borrowings amounting to TL 302.962.338 (31 December 2010: TL 221.167.354) and long-term trade payables to suppliers amounting to TL 34.994.281 (31 December 2010: TL 54.991.092) (Note 7).

(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 spread due to the large number of entities comprising the customer bases.

Aging analysis for trade receivables:

As of 31 December 2011 there are past due but not impaired trade receivables amounting to TL 58.941.699 (31 December 2010: TL 54.847.243). 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 2011, the amount of mortgage and indemnity received is TL 10.666.992 for the related receivables.

As of 31 December 2011 and 31 December 2010, aging analysis for trade receivables that are past due but not impaired are as follows:

	31 December 2011		31 December 2010	
	Related party	Other receivables	Related party	Other receivables
0-1 month	764.631	17.604.585	940.023	18.755.712
1-3 months	1.676.235	14.985.587	290.467	12.784.980
3-6 months	957.178	10.357.384	-	8.806.217
6-12 months	316.061	6.677.239	-	7.396.581
1-2 years	-	5.602.799	-	5.873.263
	3.714.105	**55.227.594**	**1.230.490**	**53.616.753**

As of 31 December 2011 and 31 December 2010, aging analysis for trade receivables that are past due and impaired is as follows:

Impaired	31 December 2011	31 December 2010
Past due 0 - 3 months	1.796.345	687.970
Past due 3 - 6 months	1.235.341	1.600.110
Past due 6 months and over	52.406.338	46.967.993
Less: Provision for impairment	**(55.438.024)**	**(49.256.073)**

The balance of related party receivables that are past due and impaired as of 31 December 2011 is TL 799.004 (31 December 2010: TL 899.004). There is no trade receivable which is overdue and impaired as at 31 December 2011.

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The Group's credit risk of financial instruments as of 31 December 2011 is as follows:

	Trade receivables		Other receivables			
31 December 2011	Related party	Other	Related party	Other	Bank deposits	Other assets
Maximum credit risk exposure as of balance sheet date	**21.769.432**	**119.991.368**	**-**	**1.406.508**	**281.039.919**	**3.263.451**
- The part of maximum credit risk-under guarantee with collateral	***-***	***50.699.876***	***-***	***-***	***-***	***-***
A. Net book value of financial assets that are not past due/impaired	18.055.327	64.763.774	-	1.406.508	281.039.919	3.263.451
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)	3.714.105	55.227.594	-	-	-	-
- The part under guarantee with collateral	-	*10.666.992*	-	-	-	-
D. Net book value of impaired asset						
- Past due (gross carrying amount)	799.004	55.438.024	-	833.005	-	-
- Impairment (-)	(799.004)	(55.438.024)	-	(833.005)	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
- Not overdue (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 2010 is as follows:

	Trade receivables		Other receivables			
31 December 2010	Related party	Other	Related party	Other	Bank deposits	Other assets
Maximum credit risk exposureas of balance sheet date	**24.729.830**	**161.774.534**	**-**	**3.191.584**	**88.759.624**	**15.460.000**
- The part of maximum credit riskunder 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	-	*13.162.212*	-	-	-	-
D. Net book value of impaired asset						
- Past due (gross carrying amount)	899.004	49.256.073	-	559.652	-	-
- Impairment (-)	(899.004)	(49.256.073)	-	(559.652)	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
- Not overdue (gross carrying amount)						
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(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 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 2011 and 31 December 2010 are as follows:

	31 December 2011	31 December 2010
Assets	195.343.653	128.188.093
Liabilities	(705.684.773)	(593.426.277)
Net asset / (liability) position of off-balance sheet derivatives	3.304.844	(2.578.448)
Net foreign currency position	**(507.036.276)**	**(467.816.632)**

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 December 2011: 1,8889 TL= 1 USD and 2,4438 TL=1 Euro (31 December 2010: 1,546 TL= 1 USD and 2,0491 TL=1 Euro).

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Assets denominated in foreign currency amounting TL 198.648.497 as of 31 December 2011, hedged 28% naturally by the existence of liabilities denominated in foreign currency amounting TL 705.684.773. 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 to TL 596.004.725.

The table summarizes the foreign currency position risk as of 31 December 2011 and 31 December 2010. The carrying amount of foreign currency denominated assets and liabilities of the Group are as follows:

31 December 2011	TL Equivalent	USD	Euro	Other
1. Trade Receivables	15.533.154	452.474	5.632.402	9.448.278
2a. Monetary Financial Assets (Cash, Banks included)	157.886.059	123.918.569	18.706.305	15.261.185
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	21.851.623	679.097	3.201.400	17.971.126
4. Current Assets (1+2+3)	**195.270.836**	**125.050.140**	**27.540.107**	**42.680.589**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	72.817	16.150	-	56.667
8. Non-Current Assets (5+6+7)	**72.817**	**16.150**	**-**	**56.667**
9. Total Assets (4+8)	**195.343.653**	**125.066.290**	**27.540.107**	**42.737.256**
10. Trade Payables	15.312.902	1.401.056	5.724.463	8.187.383
11. Financial Liabilities	265.185.490	211.028.195	36.742.620	17.414.675
12a. Other Monetary Financial Liabilities	87.182.541	50.633.854	1.228.146	35.320.541
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12))	**367.680.933**	**263.063.105**	**43.695.229**	**60.922.599**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	337.956.618	297.761.023	22.874.466	17.321.129
16a. Other Monetary Financial Liabilities	47.222	-	-	47.222
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**338.003.840**	**297.761.023**	**22.874.466**	**17.368.351**
18. Total Liabilities (13+17)	**705.684.773**	**560.824.128**	**66.569.695**	**78.290.950**
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	**3.304.844**	**(11.357.956)**	**14.662.800**	**-**
19a. Off-balance sheet foreign currency derivative assets	**18.264.932**	**3.602.132**	**14.662.800**	**-**
19b. Off-balance sheet foreign currency derivative liabilities	**14.960.088**	**14.960.088**	**-**	**-**
20. Net foreign currency asset liability position (9-18+19)	**(507.036.276)**	**(447.115.794)**	**(24.366.788)**	**(35.553.694)**
21. Net foreign currency asset / liability				
position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(532.265.560)**	**(436.453.085)**	**(42.230.988)**	**(53.581.487)**
22. Fair value of foreign currency hedged financial assets	**-**	**-**	**-**	**-**
23. Exports	**-**	**-**	**-**	**-**
24. Imports	**-**	**-**	**-**	**-**

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31 December 2010	TL Equivalent	USD	Euro	Other
1. Trade Receivables	11.115.092	443.281	3.508.072	7.163.739
2a. Monetary Financial Assets (Cash, Banks included)	91.050.860	58.516.583	18.970.619	13.563.658
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	10.390.535	330.210	71.619	9.988.706
4. Current Assets (1+2+3)	**112.556.487**	**59.290.074**	**22.550.310**	**30.716.103**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	15.631.606	15.475.460	12.368	143.778
8. Non-Current Assets (5+6+7)	**15.631.606**	**15.475.460**	**12.368**	**143.778**
9. Total Assets (4+8)	**128.188.093**	**74.765.534**	**22.562.678**	**30.859.881**
10. Trade Payables	13.398.588	674.286	4.790.230	7.934.072
11. Financial Liabilities	230.193.446	148.813.255	64.868.831	16.511.360
12a. Other Monetary Financial Liabilities	73.602.421	39.820.350	835.265	32.946.806
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	317.194.455	189.307.891	70.494.326	57.392.238
14. Trade Payables	-	-	-	-
15. Financial Liabilities	276.186.985	219.792.531	28.009.973	28.384.481
16a. Other Monetary Financial Liabilities	44.837	-	-	44.837
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**276.231.822**	**219.792.531**	**28.009.973**	**28.429.318**
18. Total Liabilities (13+17)	**593.426.277**	**409.100.422**	**98.504.299**	**85.821.556**
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	**(2.578.448)**	**62.118.280**	**(64.696.728)**	**-**
19a. Off-balance sheet foreign currency derivative assets	**62.118.280**	**62.118.280**	**-**	**-**
19b. Off-balance sheet foreign currency derivative liabilities	**64.696.728**	**-**	**64.696.728**	**-**
20. Net foreign currency asset liability position (9-18+19))	**(467.816.632)**	**(272.216.608)**	**(140.638.349)**	**(54.961.675)**
21. Net foreign currency asset / liability				
position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(491.260.325)**	**(350.140.558)**	**(76.025.608)**	**(65.094.159)**
22. Fair value of foreign currency hedged financial assets	**-**	**-**	**-**	**-**
23. Exports	**-**	**-**	**-**	**-**
24. Imports	**-**		**-**	**-**

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The Group is exposed to foreign currency risk of USD, Euro and CHF.

31 December 2011	Profit / Loss	
	Foreign currency appreciation	Foreign currency depreciation
If the US dollar had changed by 10% against the TL		
USD net (liabilities) / assets	(40.841.790)	40.841.790
Hedging amount of USD	-	-
USD net effect on (loss) / income	**(40.841.790)**	**40.841.790**
If the EUR had changed by 10% against the TL		
Euro net (liabilities) / assets	(3.520.198)	3.520.198
Hedging amount of Euro	-	-
Euro net effect on (loss) / income	**(3.520.198)**	**3.520.198**
If the CHF had changed by 10% against the TL		
CHF denominated net (liabilities) / assets	(3.555.370)	3.555.370
Hedging amount of CHF	-	-
CHF net effect on (loss) / income	**(3.555.370)**	**3.555.370**

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**

34.2 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 realize in a current market exchange.

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

(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.

34.3 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 as follows:

- Level 1: The fair values 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 values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions;

- Level 3: The fair values of the financial assets and financial liabilities are determined in accordance with the unobservable current market data.

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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		
Financial liabilities	**31 December 2011**	**Level 1 TL**	**Level 2 TL**	**Level 3 TL**
Financial liabilities at FVTPL				
Derivative instruments	299.825	-	299.825	-
Total	**299.825**	**-**	**299.825**	**-**

		Fair value as of reporting date		
Financial assets	**31 December 2010**	**Level 1 TL**	**Level 2 TL**	**Level 3 TL**
Available-for-sale financial assets				
Trading securities	18.855.213	-	18.855.213	-
Total	18.855.213	-	18.855.213	-
Financial liabilities				
Financial liabilities at FVTPL				
Derivative instruments	4.602.171	-	4.602.171	-
Total	**4.602.171**	**-**	**4.602.171**	**-**

NOTE 35 - SUBSEQUENT EVENTS

- In accordance with the Board's resolution, Hürriyet has signed a "Sales Agreement" with Nurol Gayrimenkul Yatırım Ortaklığı A.Ş. on 31 January 2012 before a notary regarding the properties that consist of 58.609,45 m2 land and buildings, including the building that has been used as company headquarters for 28 years (Hürriyet Media Towers) in Bağcılar, Istanbul.

• Immovable property, including the company headquarters of massive business place A1, A2, A3, A4, A5, A7, A8, A9, A10, A12, A14, B1, B2, B3, C1, C2, C3, D1, D2 upon 31.224 m2,45 dm2 and registered in the map section number 245DS4b, block number 3153 and parcel number 10 in Kirazlı village, Bağcılar district in the province of İstanbul (Hürriyet Medya Towers) in return for USD 92.728.139,

• Immovable qualified as 16.973.00 m2 massive plant and premises registered in the map section number 1, parcel number 14 in Kirazlı village, Bağcılar district in the province of İstanbul in return for USD 24.071.704,

• Immovable qualified as 5.197 m2 field registered the map section number 1, parcel number 23 in Güneşli Çiftliği Locality, in Kirazlı village, Bağcılar district in the province of İstanbul in return for USD 5.915.597,

• Immovable qualified as 5.215 m2 field registered the map section number 245DS4B, block number 3153 and parcel number 7 in Bağcılar village, Bağcılar district in the province of İstanbul in return for USD 4.784.560,

The foregoing items were sold to Nurol Gayrimenkul Yatırım Ortaklığı A.Ş. in return for USD
127.500.000, late interest excluded, provided USD 17.500.000 is paid in advance (payable on the date of deed transfer), the remaining sum is paid in equal installments in 32 months as from 6 March 2012 and the outstanding balance that remains after the installment payments is charge with 3,5% interest.

Cited immovable properties will have been delivered to the buyer latest by 1 July 2012, no rental or such usage fee shall be paid to the buyer until the date of delivery.

As resolved by Board of Directors on 30 January 2012 with the meeting number of 2012/07, 4 real estates were sold and conveyance of title was completed on 1 February 2012; afterwards 'real estate profit on sale' amounting to TL 137.210.372 appeared in legal records. It was, hence, resolved that tax-exempt amount (75%) of the cited 'real estate profit on sale' referred to in Article 5-1/e of the Corporate Tax Law will not be involved in allocation of profits for periods 1 January 2012 – 31 December 2012 in compliance with the Tax Legislation, Capital Market Legislation and any other fiscal legislations, and will be deposited in a special fund account in liabilities.

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- As stated in detail in Note 19(c), after the balance sheet date, the Company was informed by the counter party that it has sold its Global Depository Receipts ("GDR") to a legal entity which is not a shareholder of the Company and it withdraw the appeal of arbitration; hence the Company has no liability regarding the protocol. The effect of this event has not been reflected to the financial statements since it took place after the balance sheet date.

- A lawsuit has been filled against the Group by the 30% non-controlling interest shareholders of its subsidiary Oglasnik d.o.o located in Croatia, since non-controlling shareholders are unable to exercise the share put option. Non-controlling shareholders have been demanding EUR 3.500.000 in order to compensate their loss due to not exercising of put option and the decrease in the value of shares caused by poor management. Related subpoena reached to the Group on 5 March 2012. It is considered that the event occurred after the balance sheet date has no significant effect on the financial statements in the current circumstances.

- The Group (Hurriyet Invest BV) acquired 6,98% shares corresponding to 3.490.691 share certificates of Trader Media East Ltd from a legal entity outside the Group in consideration of USD 26.250.000 based on the valuation report prepared by an independent valuation company. The effect of the event has not been reflected to the balance sheet since it took place after the balance sheet date.

- The consolidated financial statements for the period ended 31 December 2011 were approved by the Board of Directors on 30 March 2012. Other than Board of Directors has no authority to change financial statements.

NOTE 36 - CASH FLOWS

The details of changes in operating assets and liabilities at consolidated statement of cash flow for the periods ended at 31 December are as follows:

	31 December 2011	31 December 2010
Change in blocked deposits	109.244	130.245
Change in trade receivables and due from related parties	10.922.488	(12.784.391)
Change in inventories	(2.967.403)	426.997
Change in other current assets	(6.481.551)	912.414
Change in trade payables and due to related parties	25.021.214	(3.138.515)
Change in other current liabilities	11.707.125	(5.726.648)
Change in financial liabilities	12.740.557	3.618.142
Change in other non-current assets	12.306.863	834.892
	63.358.537	**(15.726.864)**

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