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We started out as a 6-page newspaper, and in our 64th year we created Hürriyet Dünyası (Hürriyet World) reaching millions of readers with our newspapers, supplements, websites and through mobile phones, tablets and social media applications. As the giant brand of Turkish media, we effected a huge change in the sector.

We're leading a significant transformation not only to change the big picture but also the details; we transformed the Company under the Kafka Project in order to be fast, transparent, simple and productive. We continue to renew not only our pages, content and headquarters building, but also our successes.



BOARD OF DIRECTORS



Vuslat DOĞAN SABANCI Chairwoman

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

During her tenure as CEO between 2004 and 2010, Ms. 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. Among TME's most important brands are Iz Ruk v Ruki, one of the most well-known media brands in Russia, and Irr.ru, that country's leading online classifieds provider.

Ms. Doğan Sabancı ensured Hürriyet's position as a major player within Turkey's emerging new media industry by investing in digital publishing and services. These prudent investments resulted in the launch of Hurriyet.com.tr as one of the highest trafficked websites across Europe. Hürriyet currently offers classified advertising services through its affiliated family of sites including hurriyetemlak.com, hurriyetoto.com, yenibiris.com, in addition to yakala.co, a deal finder website, and yenicarsim.com, an e-trading portal.

Ms. Doğan Sabancı has also evolved into a strong voice for human rights and especially issues related to gender equality in Turkey, by investing in such topics through Hürriyet. A law was enacted on domestic violence following an eight-year effort on her part through the "No! To Domestic Violence" campaign that she had initiated. Ms. Doğan Sabancı also established the "Rightful Women 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 Parliament, prior to the General Elections in 2011. As a result of this effort, the number of female MPs rose to 78 after the 2011 elections, up from 48. In addition, Ms. Doğan Sabancı carries on with a multitude of activities in the name of giving women their rightful place both within society in general and within the economy in particular. A microloan project for women is one of such social responsibility projects.

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

Before joining Hürriyet, Ms. Doğan Sabancı worked in 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.

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

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

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

Ms. Doğan Sabancı has also been a member of TUSIAD since 2003.



Hanzade DOĞAN BOYNER

Vice Chairwoman

Hanzade Doğan Boyner is the leading personality in Turkey's online and digital world. As one of the pioneers of e-commerce in Turkey, she founded and led Hepsiburada.com to become the biggest online retailer in the region.

As a member of a family that has extensive media interests in Turkey and abroad, she has a wide range of vision from energy to media, online businesses to social initiatives. She is currently the Chairwoman of Doğan Online and Doğan Gazetecilik – which includes Posta – the highest selling daily newspaper in Turkey. She also serves as the Vice Chairwoman of Hürriyet Newspaper, Doğan Burda and Doğan Holding.

Mrs. Doğan Boyner is actively involved in various non-profit, business and trade organizations. She is the founding member and Vice Chairwoman of Global Relations Forum and serves as the Vice President of World Association of Newspapers. She is also an active participant in several think tanks including the Brookings Institution International Advisory Council, European Council on Foreign Relations, Foreign Economic Relations Board, Association of Turkish Businessmen and Industrialists, Young Presidents' Organization and Association of Woman Entrepreneurs.

A philanthropist, Mrs. Doğan Boyner established and still enthusiastically leads the "Daddy Send Me To School" campaign that aims to remove economic and cultural barriers in young female education in Turkey. The campaign already granted 10,500 scholarships and built 33 girls' dormitories across Turkey.

Mrs. Doğan Boyner is a graduate of London School of Economics, has received her MBA from Columbia University and serves on the Columbia Business School Board of Overseers.



Ahmet Nafi DALMAN

Board Member

Vice Chairman of the Executive Committee

Born in 1964, Ahmet Dalman graduated from Boğaziçi University, Department of Electrical-Electronics Engineering in 1986. He began his professional career in the media sector as an IT Specialist; subsequently, he co-founded and managed a company that provided technology solutions to enterprises in media as well as various other industries. During this period, Mr. Dalman contributed to the digitalization and technology implementation processes of numerous media concerns.

Mr. Dalman joined Hürriyet Newspaper in 1994 as IT Manager; between 1999 and 2000, he served as Technology Director at e-kolay.net, an internet service provider company within Doğan Group. In 2001, he was appointed Information Systems Coordinator at Hürriyet Newspaper, Executive Committee Member at Hürriyet Newspaper in 2008, Group President of Internet and Information Technologies at Hürriyet in 2010, and finally Vice Chairman of the Executive Committee in 2012.

He is leading the Convergence project aimed at changing the landscape of the business model at Hürriyet.

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



Enis BERBEROĞLU

Board Member

Editor-in-Chief

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

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

Mr. Berberoğlu is fluent in English and German and is the author of three books: "20 Yıllık Domino Oyunu: Susurluk (The Domino Game of 20 Years Susurluk)," "Yüksekova" and "Öbür Türkler (The Other Turks)."

He has been married to a journalist for 28 years and has one daughter.



BOARD OF DIRECTORS



Yahya ÜZDİYEN

Board Member

Born in 1957, Yahya Üzdiyen graduated from Middle East Technical University, Department of Business Administration in 1980. From 1980 to 1996, he worked as trade and investment specialist and manager in several privately owned companies in Turkey and abroad.

He joined Doğan Group in 1997 and served as President of the Strategy Group at Doğan Holding until 2011; on January 18, 2011, he was appointed Vice Chairman of the Board of Directors. He played a significant role in the acquisition, partnership 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 was appointed the CEO of Doğan Holding as of January 24, 2012.

He is married with two children.



H. Hasan YILMAZ

Board Member

He was born in Ankara in 1957. After secondary education at TED Ankara College in 1979, graduated from Middle East Technical University, Department of Industrial Engineering. He started his professional life as an industrial engineer in "Presiz Household Appliances. Between 1981 and 1984, first of all he worked in Ankara Taksan Machine Tools Inc., as the market analyst, and then in the "State Planning Organization (SPO)" and acted as the Capital Goods Expert. He joined to "Unilever Turkey" in 1984, as the "Product Manager Assistant Intern". In the following years, he was raised rapidly in the organization of the Unilever - Turkey; after acting as the "Area Sales Manager" in İzmit in 1986, as the "Detergents Marketing Manager" in 1987, and as the "Sales Director" in 1988, he was appointed as the Chairman of the Board and CEO to Lever (for cleaning and cosmetic products) & Elida Cosmetics Companies.

At the end of 3 years through which the Companies showed excellent performance despite P&G, entering into the Turkish market as a competitor and the market share and profitability were folded, he was appointed as the "Regional Leader" and worked in London head office responsible for Unilever's detergents business in East Asia Pacific Region covering 14 countries such as China, South Korea, Japan, Taiwan, Hong Kong, Vietnam, Thailand, Singapore, Malaysia, Philippines, Indonesia, Australia and New Zealand. He returned to Turkey in 1995 and for a period of one year, he acted as Chairman and Managing director of Uzay Gıda, a Pepsi Co subsidiary manufacturing and marketing salty snacks. In 1996, he was re-appointed as Chairman of the Board and the CEO of Unilever Turkey and acted as Chairman and CEO of all legal entities with Unilever majority shareholding in Turkey. (ie. Unilever AS, Lever AS,

Elida Kozmetik AS, Dosan AS, Unikom AS, Unilever Holding, G&A Baker, Aymar AS); and, it took 4 years of achieving the designated objectives of growth and profitability. In 2000, with the desire to operate in different areas, he resigned and joined to the Koc University as a part time faculty in fall 2000; started teaching "Competitive Business Strategy" to senior undergraduate students and "Leadership & Change management" to MBA & Executive MBA class. In 2002, he was appointed as the President in Koç Holding, Food, Retailing & Tourism Group. He was responsible for Retailing (Migros Turk, Ramenka Rus, Rambutya, Ram Azb., Ram Blg., Koçtaş Home Improvement) Foods (TAT, Maret, Pastavilla, SEK, TAT Seeds, Koçatısanca) and Tourism (Setur, Setur Marinas, DİVAN Hotels & Restaurants, SET AIR, AVIS etc.) activities of Koç Holding.

During this period, he acted as Chairman and Vice Chairman of 21 Koç Companies with approximately 12,000 people and with a turnover of 3 billion US Dollars; assumed responsibility of 20% work in Koç Group. Since 2005, he has been serving as the "Adj. Prof. / Distinguished Executive in Residence in the Koç University and teaching different courses; giving support to MBA and EMBA programs in the university. Between 2010 - 2012 he was appointed as CEO-Chief Executive Officer in Hürriyet Gazetecilik & Matbaacılık A.Ş.; and he acted as CEO of all Hürriyet entities including off-line (Hürriyet, Radikal, Hürriyet Daily News) and on line (9 companies-portals including hürriyet.com.tr, hürriyet emlak, hürriyet oto, yenibiriş, tipeez, yeni çarşım etc) businesses. And, he still acts as the independent Board member of the same company. By June 2012, he acts as an Independent Board Member of Migros Tic. A.Ş. He also acts as Advisory Board Member in MUDO. Besides, he is a member of TUSİAD since 1992. Mr. Yılmaz is the CEO of Fenerbahçe Sports Club.



Kai DIEKMANN

Board Member

Kai Diekmann was born in 1964 in Ravensburg, Germany. After finishing school, he voluntarily served for two years in the German army. In 1985, he started a two-year journalistic training at Axel Springer AG which brought him to Hamburg, Bonn and New York. In 1987, he became parliamentary correspondent for BILD and BILD am SONNTAG in Bonn. In 1989, he became "Bunte"-Magazine as executive reporter, 1991 deputy editor of B.Z. and 1992 deputy editor and head of the politics department of BILD. In 1998, he became editor-in-chief of WELT am SONNTAG. In January 2001, he entered his current position as editor-in-chief of BILD and publisher of both BILD and BILD am SONNTAG. In 2007, he was also appointed Executive Director of BILD.de and in 2008 publisher of the BILD-group. In 2012 and 2013, he spent 10 months in Silicon Valley, USA (as editor-in-chief of BILD) to investigate digital projects and business models on behalf of Axel Springer. Mr. Diekmann is independent member of the Hürriyet Board of Directors since 2004 and was appointed non-executive Director of the Times Newspapers Holdings Limited in 2011. In addition to his journalistic duties, Mr. Diekmann is the publisher of a variety of books.



Ahmet BURAK

Independent Board Member

Born in 1954 in Istanbul, Ahmet Burak graduated from FMV Işık High School and then from Middle East Technical University, Department of Business Administration. Subsequently, he received his BSBA and MBA degrees in Finance from the University of Denver. After working at the Istanbul and London offices of Arthur Andersen, he joined Coca-Cola as the Manager of Financial and Administrative Affairs in 1986. Mr. Burak assumed the duties of General Manager of Bottling Operations in Turkey in 1991 and became 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 Caucasus, 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 moved up to 13th place among 200 countries with Coca-Cola operations. Mr. Burak retired from the Coca-Cola Company in 2009 and he is currently serving as a Member of the Board of Trustees of Coca-Cola Life Plus Foundation, of which he is a founder. He also serves as a Board Member at and a consultant to various FMCG companies. Mr. Burak has been on the Board of Hürriyet since 2010.



Béatrice de CLERMONT TONNERRE

Independent Board Member

Béatrice de Clermont Tonnerre received her bachelor's degree in Political Science from Institut d'Etudes Politiques de Paris, and her master's degree in Business Administration from Ecole Supérieure des Sciences Economiques et Commerciales.

Ms. Tonnerre began her professional career as a radio journalist at Radio France Internationale Latin America and Europe 1; in 1995, she started working as an analyst at the High Technologies division of the Strategy Department of Lagardère, where she was promoted to Executive of the Media Unit in 1998. In 2001, she joined CanalSatellite, the DTH platform of Group Canal +, as Head of Interactive Television. She was appointed Co-Head of Programming in 2003.

Ms. Tonnerre has served as Senior Vice President of Business Development at French media group Lagardère since September 2008. Ms. Tonnerre lives in Paris and during her career she has assumed important duties in a range of areas, from pay TV and broadcasting to sports rights, from book publishing to acquisition projects in digital media and the internet. Having experience also in organic growth and new product launches, Ms. Tonnerre currently serves as Board Member at "LaCie", a French listed company producing harddrives and operating in cloud computing.



EXECUTIVE COMMITTEE



Ahmet Nafi DALMAN

Board Member

Vice Chairman of the Executive Committee

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He is leading the Convergence project aimed at changing the landscape of the business model of Hürriyet.

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



Enis BERBEROĞLU

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Editor-in-Chief

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He has been married to a journalist for 28 years and has one daughter.



Dursun Ali YILMAZ

Chief Financial Officer

Executive Committee Member

Born in 1958 in Rize, Dursun Ali Yılmaz graduated from Middle East Technical University, Department of Economics in 1982 and earned his master's degree from Dokuz Eylül University, Department of Business Administration in 1988.

Mr. Yılmaz began 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., Türkiye Şişe ve Cam Fabrikaları A.Ş., 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.

Mr. Yılmaz was appointed Chief Financial and Administrative Officer of Hürriyet Newspaper in 2010, and he also serves as Executive Committee Member.



Ayşe Sözeri CEMAL
Head of Advertising Group
Executive Committee Member

Ayşe Sözeri Cenal graduated from Istanbul Erkek High School and then from Istanbul University, Department of Economics; subsequently, she received her master's degree from Istanbul University, Department of Business Administration.

Ms. Sözeri Cenal previously worked as Market Research Reporter at Cam Pazarlama, as Market Research Specialist at Türkiye Şişe Cam headquarters, and as Advertising Manager at Cumhuriyet Newspaper.

A member of I.A.A., Ms. Sözeri Cenal has served as the Head of Advertising Group at Hürriyet since 1992, and as Executive Committee Member since 1993.

Ms. Sözeri Cenal is fluent in German and English. She is married with one child.



Tuba Köseoğlu OKÇU
Human Resources Director
Executive Committee Member

Born in 1971 in Istanbul, Tuba Köseoğlu Okçu graduated from Notre Dame de Sion French High School and then from Boğaziçi University, Department of Translation and Interpreting in 1994.

She began her professional career as a Simultaneous Conference Interpreter in 1994, served on the Translation Council and lectured at Boğaziçi University. After joining Doğu Group, from 1997 to 2008, she served as Performance Consultant in the Training Department at Garanti Bank, as Senior Executive Development Manager at Humanitas Doğu HR Management, as Head of the Human Resources Department at Doğu Holding and Human Resources Coordinator at Doğu Automotive, respectively.

Ms. Köseoğlu 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.



MESSAGE FROM THE CHAIRWOMAN

In 2012, Hürriyet initiated a transformation project to adapt to the **new digital age by undergoing a business process restructuring and implementing new and more dynamic work system that maximizes the use of advanced technology.**

Esteemed Members of the Hürriyet Family,
Distinguished Shareholders,

With an 8,5% growth rate in 2011, Turkey was a rising star among developing countries, and continued its solid performance into 2012 as well. On the other hand, personal consumption expenditures, the main contributor to real economic growth, began to level off due to the measures implemented in the last quarter of 2011 to achieve a more sustainable growth rate for the Turkish economy. These financial stabilization measures led to a reduction in macroeconomic risks and had an alleviating effect on the country's debt burden, and yet the slowdown in domestic demand caused economic deceleration. However, while such developments slowed the economy, international rating agencies upgraded Turkey's credit rating because of increased stability, and this had a positive effect on future expectations.

In 2012, the global economy continued to battle the aftermath of the financial crisis despite the four years since its initial onset. Sadly, it is not yet possible to say definitively whether the world economy attained solid footing in 2012 even after all these efforts. The downgraded credit ratings of many countries in the Euro Zone coupled with the uncertainties in Greece, Portugal,

Spain and Italy due to the sovereign debt crisis led to widespread worries regarding the future of the global economy. The US economy achieved a better growth rate when compared to Europe, but the country's high debt stocks and budget deficit triggered risk concerns for the coming period.

While Turkey experienced slower economic growth in 2012, many exciting developments happened at Hürriyet. The Company underwent several structural changes throughout the reporting year, and after many years moved its headquarters from Hürriyet Medya Towers to Hürriyet Dünyası (Hürriyet World), a state-of-the-art facility which provides an appropriate environment for more transparent and powerful communications. As a result of this relocation, the Company realized significant cash inflow and high profits from the sale of the old office building, and Hürriyet ventured confidently into the future of the media world with solid and determined steps.

In 2012, Hürriyet initiated a transformation project to adapt to the new digital age. Accordingly, the Company underwent a business process restructuring and started to implement new and more dynamic work system that maximizes the use of advanced technology. Under the transformation project, Hürriyet introduced the concept

of "convergence" between its offline and online ranks, creating a platform that enables it to reach readers at any time, any place and through all possible channels. This restructuring was not limited to the publishing group: the sweeping initiative was implemented across all departments within Hürriyet, including advertising and marketing. In 2012, Hürriyet opened up a whole new world for its readers, customers and followers through value-added news reports and content, classified ads and e-commerce sites that make life easier, and also with its services and social media presence.

Other innovations introduced by Hürriyet Dünyası (Hürriyet World) in 2012 include the new TV studio that houses the technology infrastructure and the CRM-CEM (Customer Relationship-Customer Experience Management) organizational structure that enables closer communications with readers and customers.

During this reporting period, the Turkish advertising market expanded by 7,4%, reaching approximately TL 5 billion, up from TL 4,6 billion in 2011. As in previous years, online advertising revenue was the main driver of this growth. In 2012, the television segment recorded growth parallel to the overall expansion in the advertising market; on the other hand, newspapers could not achieve real growth and remained at the

previous year's levels. However, Hürriyet has already taken its position in the ever-growing online market, pursuing its mission to be Turkey's leading newspaper in this area as well. Embracing a print-web-mobile-tablet strategy, the Company is now headed in a new direction. Providing its readers and customers with interactive access 24/7 on all kinds of platforms, Hürriyet aims to add value to their lives and has taken significant steps to become a global brand that offers 360° service to its advertisers. As a result of these efforts, the Company generated 16% of total consolidated ad revenue from online advertising in 2012, up from 12% in the previous year. Our goal is to further increase the share of online media in our total revenue.

Another source of pride for us in terms of the Company's 2012 operations was the progress of our subsidiary Trader Media East, which mainly operates in Russia, to realize an online transformation. TME increased its EBITDA by nearly 80%, and managed to deliver positive profit for the first time since the global crisis took hold.

As in previous years, Hürriyet maintained its high ranking in the Corporate Governance Index in 2012, raising its score from 8,55 to 9,09. Furthermore, our score in the category of Public Disclosure and Transparency, which is an important component in the overall rating with 35% weight, stood at a very high 9,39. Additionally, Fitch Ratings confirmed our Company's local and foreign currency credit rating as "positive," upgrading it from B+ and "stable" in the previous year.

In 2012, Hürriyet maintained its stance as a socially responsible corporate citizen; under the "No! To Domestic Violence" campaign, which entered its ninth year, Hürriyet continued to extend support to hundreds of domestic violence victims with the help of psychology specialists who respond to Domestic Violence Hotline calls.

As the co-founder of the "Rightful Women Platform," Hürriyet played an active role in the enactment of a law that protects women and family members against domestic violence; the Company was also active in raising awareness about gender-budgeting. In 2012, Hürriyet further reinforced and once again demonstrated its publishing approach as "siding with women's and children's rights."

Hürriyet Group solidified its market leadership position by successfully integrating its long-standing values that we established in and have been safeguarding since 1948 with the requirements of the new media age. I hereby extend my gratitude to our shareholders, business partners, employees and readers for their contributions to our success in 2012. I am confident that together we will launch many more fruitful and innovative initiatives in the coming period without compromising our leadership position and journalistic principles.



VUSLAT DOĞAN SABANCI
Chairwoman



MESSAGE FROM THE EDITOR-IN-CHIEF

With this digital transformation, Hürriyet turned into a platform, “Hürriyet Dünyası (Hürriyet World)” as we call it, that is active on the web, mobile phones, tablets and social media, in addition to the printed newspaper, reaching millions of readers, at any time, any place and through all channels.

Esteemed Members of the Hürriyet Family,
Distinguished Shareholders,

In 2012, Hürriyet maintained its innovation driven growth without compromising its journalistic principles and its position as Turkey's most influential newspaper.

2012 marked an important milestone in Hürriyet's 64-year history. During the year, Hürriyet not only embraced the technology-based changes transforming the media sector, but also underwent a comprehensive digital transformation that sets an example for the entire sector. The Company restructured its publishing processes in such a way that now, all channels, including the newspaper, web, mobile phones, and tablets, are centrally managed. All editorial departments such as hot news, foreign news, economy, sports, social life, and even columnists are now working across the newspaper, web, tablet, mobile phone and social media channels; content is customized in line with each channel's structure and usage habits.

With this digital transformation, Hürriyet turned into a platform, “Hürriyet Dünyası (Hürriyet World)” as we call it, that is active on the web, mobile, tablets and social media, in addition to the printed newspaper, reaching millions of readers, customers and followers at any time, any place and through all channels. Furthermore, this transformation has also brought about a “Masthead Revolution,” such that for the first time, different individuals assume the duties of Newspaper Coordinator, Web Coordinator, and Tablet Coordinator in a newspaper. In 2012, all channel coordinators started to work around the same table, in full cooperation, using the same content pool but customizing it for their own channels. Hürriyet's new headquarters building further facilitated this new business practice as its open office layout provides an environment for employees to see each other easily, communicate instantly and make decisions quickly.

This innovative approach was also reflected in the newspaper's format: in 2012, the width of the newspaper was reduced by three centimeters, creating a more modern look. This size change also provides a more comfortable reading experience and results in significant cost savings.

OUR NEW PUBLISHING PRINCIPLES COVER ONLINE NEWS REPORTING AND SOCIAL MEDIA.

The changes we implemented in 2012 did not lead us to forget our long-standing corporate values and publishing principles; on the contrary, the developments in digital media and the emergence of social media made it inevitable for us to update our publishing principles that were originally drawn up in 1999. Our new publishing principles, which now cover online news reporting and social media, were created after a year-long concerted effort in which academics also took part. That these principles were announced to the public by Mr. Aydın Doğan, the Honorary Chairman of Doğan Holding, clearly demonstrates the great importance we place on this subject. During the process of setting down in writing the principles for social media, the Company's reputation and journalistic freedom were equally considered and we adhered to the principle of transparency. The updated principles cover several new topic areas, from hate crimes to phone tapping, from the graphic depiction of murders to peace journalism and news related to suicide.

Reaching about 2 million readers every day for so many years, Hürriyet has always catered to its readership's need for accurate news and reliable commentary. Meanwhile, the Company also publishes supplements that add value to its readers' lives, led by the conviction that contemporary publishing should embrace all aspects of modern life. These supplements, and especially Hürriyet Pazar and Hürriyet Cumartesi, introduced many innovations in 2012; they are a major factor that sets Hürriyet apart from the competition in Turkish media. Having reached readers six days a week since 1972, Kelebek is now also published on Sundays starting on November 18, 2012, and it continues to be Turkey's leading daily newspaper supplement covering social trends and celebrity news.

HÜRRIYET WEB TV: VIDEO NEWS CHANNEL WITH THE HIGHEST REACH

With 15,3 million users monthly, our Internet Group achieved 63,8% reach in 2012, ranking sixth right after global online players, and surpassing local rivals that also have their origins in print media. As of December 2012, Hürriyet Web TV had the highest reach with 4,2 million unique visitors. The rallies that took place on May 1, 2012 were broadcast live on Hürriyet Web TV, as well as via iPhones. This broadcast marked a milestone as the first "converged" live broadcast of Hürriyet Dünyası.

In 2012, hurriyetaile.com was the most visited portal in the family/parents category, while Bumerang continued to be Turkey's largest blogger network with 24,6 thousand members. As of December 2012, hurriyetemlak.com had the most extensive reach in the real estate category with 1,66 million visitors; meanwhile, Bumads opened its Berlin office, and initiated a global expansion in collaboration with Bild of the Axel Springer Group.

Thanks to a strong reporter network and highly talented columnists, Hürriyet continued to be one of the leading news sources for the Turkish nation with its news based on real life and its multi-channel accessibility. The newspaper took important steps in 2012 in line with its leadership mission.

Hürriyet will continue to conduct its operations with a strong management approach based on its 64 years of corporate experience and universal principles of journalism ethics. I hereby extend my gratitude to our shareholders, business partners, employees and our readers for their continued support.

Respectfully yours,



ENİS BERBEROĞLU
Editor-in-Chief of Hürriyet



HÜRRİYET IN BRIEF

Operating in the fields of journalism, printing, advertising, publicity and online publishing, Hürriyet Gazetecilik has seven printing centers.

Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet" or the "Company") 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 Holding"), founded under Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding"). The Company's indirect controlling shareholder/shareholders are Aydın Doğan and the Doğan Family (Işıl Doğan, Arzuhan Doğan Yalçındağ, Vuslat Doğan Sabancı, Hanzade V. Doğan Boyner and Y. Begümhan Doğan Faralyalı).

The address of the registered offices (Headquarters) is as stated below:

Hürriyet Dünyası 100. Yıl Mahallesi, Matbaacılar Caddesi No: 78, 34204 Bağcılar, Istanbul/Turkey.

Hürriyet Gazetecilik is registered with the Capital Markets Board (CMB) and has been listed on the Istanbul Stock Exchange (now, BIST) since February 25, 1992. Pursuant to the Capital Markets Board's resolution dated July 23, 2010, No: 21/655 and according to the records of the Central Registry Agency, 20.87% of shares representing Hürriyet's total capital are free float shares as of December 31, 2012 (this figure was 21.21% on December 31, 2011). Some 39.98% of shares representing Hürriyet's total capital are in "open" status.

CONTACT INFORMATION:

Hürriyet Gazetecilik ve Matbaacılık A.Ş.
(Headquarters)
100. Yıl Mahallesi Matbaacılar Cad. No: 78
34204 Bağcılar, Istanbul/Turkey
Phone: +90 212 677 00 00
Fax: +90 212 677 01 82
<http://www.hurriyetcorporate.com>

INVESTOR RELATIONS UNIT:

İnci TARI

Financial Control and Investor Relations Director
Phone: +90 212 449 60 30
Fax: +90 212 449 08 92
E-mail: ir@hurriyet.com.tr

Hürriyet Gazetecilik ve Matbaacılık A.Ş.

Printing Facilities, Regional Offices and Branches	Phone	Fax
Istanbul Headquarters Hürriyet Dünyası 100. Yıl Mahallesi Matbaacılar Caddesi No: 78 34204 Bağcılar, Istanbul/Turkey	+90 212 677 00 00	+90 212 677 01 82
Istanbul Printing Facility (DPC) Doğan Medya Tesisleri 34850 Esenyurt, Istanbul/Turkey	+90 212 622 28 00	+90 212 622 28 02
Ankara Printing Facility (DPC) Esenboğa Yolu Üzeri 15. Km Dereyurt Mevkii 06150 Sarayköy, Keçiören, Ankara/Turkey	+90 312 306 91 00	+90 312 306 92 92
Ankara Regional Office Dumlupınar Bulvarı No: 12 Söğütözü, Ankara/Turkey	+90 312 207 00 00	+90 312 207 01 00
Izmir Regional Office Şehitler Caddesi No: 16/1 35230 Alsancak, Izmir/Turkey	+90 232 488 65 00	+90 232 463 73 11
Izmir Printing Facility (DPC) Ege Caddesi No: 36 35414 Sarnıç, Izmir/Turkey	+90 232 298 22 00	+90 232 281 65 80
Adana Printing Facility/Regional Office Adana-Ceyhan Karayolu 5. Km 01260 Adana/Turkey	+90 322 346 16 00	+90 322 346 36 02
Antalya Printing Facility/Regional Office Havalimanı Yolu 8. Km 07300 Antalya/Turkey	+90 242 340 38 38	+90 242 340 38 22
Trabzon Printing Facility/Regional Office Organize Sanayii Arsin Yolu 61900 Trabzon/Turkey	+90 462 711 25 00	+90 462 711 25 02
Frankfurt Printing Facility An Der Brücke 20-22 D 64546 Mörfelden Walldorf Frankfurt/Germany	+49 610 532 7130	+49 610 532 7373



AHMET DALMAN
*Vice Chairman of the
Executive Committee*

**We took our
leadership in
journalism
onto the web,
mobile, tablets and
social media.**



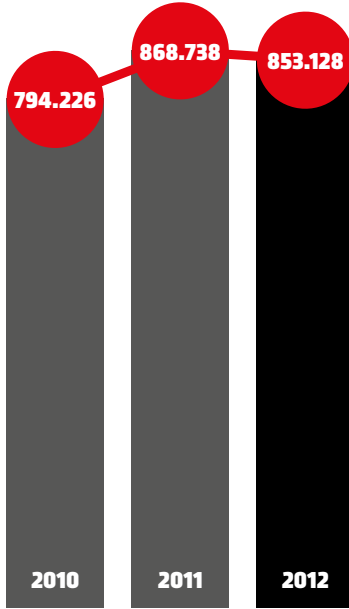
**We are the
accurate, fast and
reliable home page
for Turkey.**

Hürriyet successfully implemented the Kafka project and “became a leading global media brand offering exclusive news stories, content and services that set the agenda, engage readers and viewers in active dialogue and add value to their lives across all channel types, in several languages, and 24/7.”

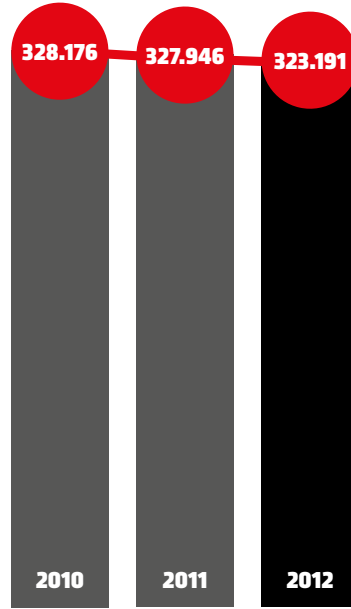


FINANCIAL HIGHLIGHTS

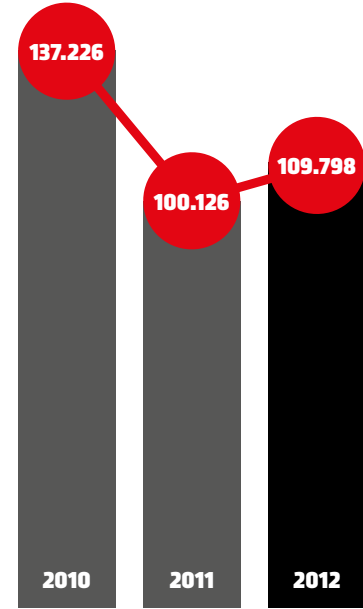
TOTAL REVENUE (TL THOUSAND)



GROSS PROFIT (TL THOUSAND)



EBITDA (TL THOUSAND)



SUMMARY OF BALANCE SHEET (TL THOUSAND)

	31 December 2012	31 December 2011
Current Assets	460.822	553.169
Non-Current Assets	1.092.028	1.097.723
Total Assets	1.552.849	1.650.892
Current Liabilities	439.475	549.788
Non-Current Liabilities	365.701	490.989
Shareholders' Equity	682.437	529.035

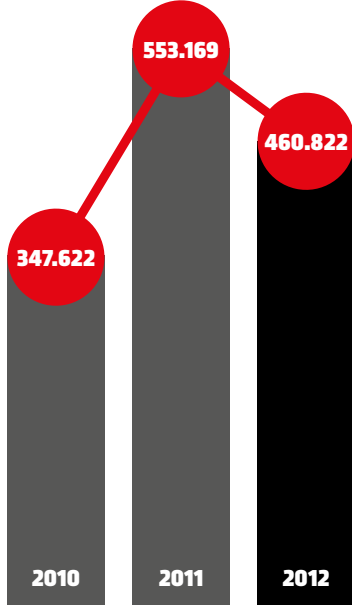
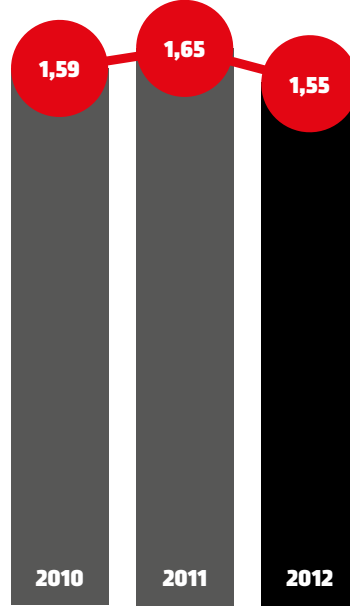
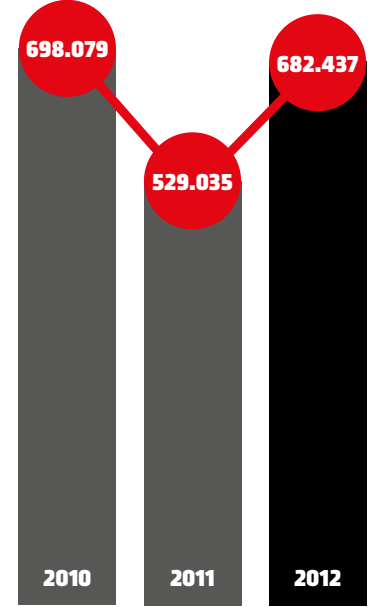
SUMMARY OF INCOME STATEMENT (TL THOUSAND)

	31 December 2012	31 December 2011
Net Sales	853.128	868.738
Gross Profit	323.191	327.946
EBITDA *	109.798	100.126
Net Profit/Loss (Attributable to equity holders)	150.663	(233.976)

	31 December 2012	31 December 2011
Gross Profit Margin (%)	37,9	37,7
EBITDA Margin (%)	12,9	11,5
Net Profit Margin (%)	17,7	-26,9

In 2012, Turkey posted 2,2% growth due to the downshift in global markets and the ongoing sovereign debt crisis in the Euro Zone. Despite the slowing economic growth, the advertising market expanded by 7,4% in 2012 and reached about TL 5 billion. The country's newspaper advertising market, on the other hand, contracted by 0,7% to TL 1.024 million, down from TL 1.031 million in 2011. Hürriyet Group increased its advertising revenue to TL 575,3 million in 2012, at a rate well above the sector average.

According to Press Advertising Institution data, daily average net newspaper sales in Turkey dropped to 4.748 thousand, compared with 4.753 thousand a year earlier and Hürriyet's daily average net sales decreased 5%. In 2011, Hürriyet's daily circulation was 435 thousand, declining to 411 thousand in 2012.

TOTAL CURRENT ASSETS (TL THOUSAND)**TOTAL ASSETS (TL MILLION)****SHAREHOLDERS' EQUITY (TL THOUSAND)**

The main item in cost of sales is paper which is mainly imported from the US, Canada, North European countries and Russia. Paper cost is mainly affected by worldwide and USD/TL prices and the exchange rate. The average paper price which was used in Hürriyet, was USD 759 per ton in 2011, and decreasing by 1,3% in 2012, it was USD 748 per ton. The amount of paper used in 2012 also dropped to 72 thousand tons, from 78 thousand tons in 2011. As a result, paper cost decreased by 6,5% compared with the previous year, while the US Dollar exchange rate increased from 1,67 to 1,79, creating a slightly negative effect.

The net positive effect of the fluctuation in the exchange rate on the Company's financial gains/losses was TL 30,9 million.

In 2012, the Company sold its Hürriyet Medya Towers building and the parcel of land in Esenyurt, and generated profit of approximately TL 171 million from these sales.

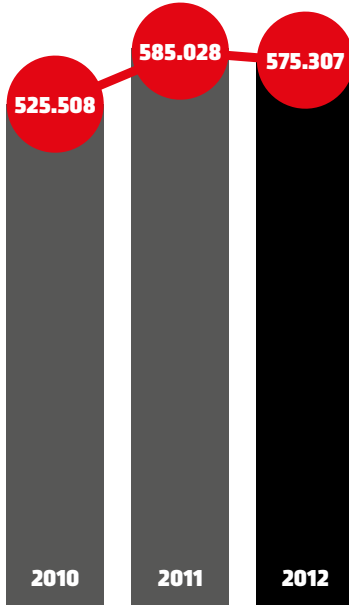
Trader Media East Ltd. (TME), which contributes significantly to the consolidated financial statements of Hürriyet Gazetecilik ve Matbaacılık A.Ş., achieved its 2012 targets to a great extent. As a result of deferred advertising costs and effective cost control measures, TME's EBITDA and net profit were higher than the previous year.

Consequently, the Company closed the year 2012 with a net profit.

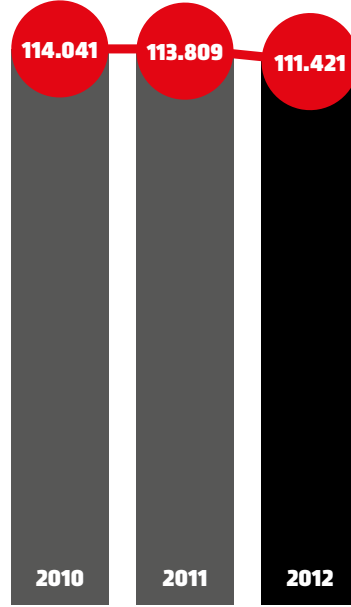


FINANCIAL HIGHLIGHTS

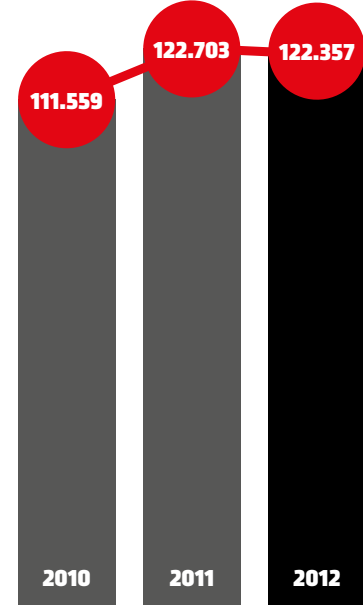
ADVERTISING REVENUES (TL THOUSAND)



CIRCULATION REVENUES (TL THOUSAND)



PRINTING REVENUES (TL THOUSAND)



REVENUES (TL)	2012	SHARE (%)	2011	SHARE (%)	CHANGE (%)
Turkey	601.306	70,5	600.561	69,1	0
Russia & Eastern Europe	207.197	24,3	216.861	25,0	-4
Europe	44.625	5,2	51.316	5,9	-13
Total Revenues	853.128	100	868.738	100	

REVENUES (TL)	2012	SHARE (%)	2011	SHARE (%)	CHANGE (%)
Advertising Revenues (Print)	485.472.576	56,9	513.829.150	59,1	-6
Advertising Revenues (Online)	89.834.590	10,5	71.198.815	8,2	26
Circulation Revenues	111.420.747	13,1	113.808.527	13,1	-2
Printing Revenues	122.356.912	14,3	122.703.338	14,1	0
Other Revenues	44.042.676	5,2	47.198.627	5,4	-7
Total Revenues	853.127.501	100	868.738.457	100	

GROSS PROFIT	2012	SHARE (%)	2011	SHARE (%)	CHANGE (%)
Turkey	208.193	64,4	216.788	66,1	-4
Gross Profit Margin	34,6%		36,1%		
Russia & Eastern Europe	107.180	33,2	100.901	30,8	6
Gross Profit Margin	51,7%		46,5%		
Europe	7.817	2,4	10.258	3,1	-24
Gross Profit Margin	17,5%		20,0%		
Total Gross Profit	323.191		327.946		
Gross Profit Margin	37,9%		37,7%		



AYŞE SÖZERİ CEMAL
*Head of Advertising Group
Executive Committee
Member*

**We offer
totally new
opportunities and
areas to advertisers.**



**More reach
from more
channels.**

We forged ahead toward our goal we set a year ago and reached it with strong results. While we provided content and services day and night over all kinds of digital media, we also revamped and enriched the following day's printed newspaper in terms of both format and content.



MAIN FACTORS AFFECTING OPERATIONAL PERFORMANCE

On November 15, 2012, Fitch Ratings confirmed Hürriyet's national long term credit rating as "A (tur)", and updated the Company's outlook from stable to "positive."

GDP Annual Growth Rate: Following record GDP growth of 8,5% in 2011, the Turkish economy recorded 2,2% growth in 2012, due to the global slowdown and the measures taken to cool the economy.

Consumer Price Index (CPI): The consumer price index (CPI) dropped to 6,2% in 2012, down from 10,4% in 2011.

TL/USD Exchange Rate: The TL/USD exchange rate fell from 1,8889 at year-end 2011 to 1,7826 in 2012, down 5,6%. According to the average annual figures, the TL/USD exchange rate rose to 1,7922 in 2012, up 7,3% over the prior year's 1,6707.

Turkish Advertising Market: The DYH Advertising Platform estimates that Turkey's advertising market expanded 7,4% in 2012 and totaled TL 5 billion, compared to TL 4,6 billion in 2011.

Newspaper Advertising Market: According to the DYH Advertising Platform, Turkey's newspaper advertising market contracted by 0,7% in 2012 and totaled TL 1.024 million, down slightly from the previous year's TL 1.031 million.

Daily Average Net Newspaper Sales: Turkey's daily average net newspaper circulation dropped 0,1% in 2012 to 4.748 thousand copies, down from 4.753 thousand in 2011.

Hürriyet Newspaper's Circulation: A daily average of 411 thousand copies of Hürriyet were sold in 2012, compared with 435 thousand on average a year earlier.

Average Number of Pages of Hürriyet

Newspaper: It was 79,3 in 2012, compared to 81,6 in 2011.

Amount of Newsprint: In 2012, the Company used 72 thousand tons, compared to 78 thousand tons in 2011.

Average Newsprint Price: It decreased in USD terms 1,3% in 2012, to USD 748/ton from USD 759/ton in 2011.

Despite the problems in the global economy in 2012, Turkey had the second fastest economic growth rate among countries in the Euro Zone, after Estonia, with annual growth of 2,2%. Even though this rate is slower than the economy's growth performance in 2010 and 2011, it is still a significant success when the situation across the world, and especially in Europe, is taken into consideration. In 2012, Turkey's exports increased 13,1% (to USD 152,5 billion), while imports fell 1,8% (to USD 236,5 billion).

The Turkish advertising market expanded 7,4% in 2012 and totaled TL 5 billion, up from about TL 4,6 billion in 2011. Television accounted for the largest share in the advertising market in 2012 and this segment grew 7,2% during the year. However, the fastest growing segment was online advertising, as in recent years, which increased 24,1%, followed by the radio segment which expanded 10,3%. Newspaper advertising, the second most preferred ad segment, decreased 0,7% in 2012, due to the cannibalization effect from online media. Maintaining its sector leadership in 2012, Hürriyet increased its domestic online advertising revenue by 25,7%.

An analysis of the overall Turkish advertising market indicates that the telecommunications, food and financial services industries have taken the lead in advertising spending in 2012. The top 10 industries in descending order of total ad spend are food, financial services, telecommunications, construction, automotive, publishing, retail, cosmetics, beverages, and furniture & home textiles. The most important advertising segments for Hürriyet are construction, retail, automotive, public service announcements, tourism, classified ads, financial services, education, entertainment, culture & arts, and textiles.

As a result, Hürriyet Group continued to lead other publishing groups in Turkey with its robust financial structure, corporate governance best practices and exemplary social responsibility projects throughout 2012.

On November 15, 2012, the internationally renowned Fitch Ratings confirmed the local and foreign currency credit rating of Hürriyet Gazetecilik ve Matbaacılık A.Ş. as "B+" and upgraded its outlook from stable to "positive." In addition, the Company's national long term credit rating was confirmed as "A (tur)", and its outlook was upgraded from stable to "positive."





HURRIYET'S EDITORIAL PRINCIPLES

Conducting its activities around the Doğan Editorial Principles, Hürriyet's top priority is unbiased and objective journalism.

PUBLISHING PRINCIPLES OF DOĞAN MEDIA GROUP

SHARED VALUES

Doğan Media Group is a leading media provider that offers exclusive news stories, content and services that set the agenda, engage readers and viewers in active dialogue and add value to their lives across all channel types, in several languages, and at a global level, 24/7.

Our "Shared Values" are the most important shared asset between publisher and employee, and constitute the foundation of our publishing principles.

Our Shared Values also form the basis of the intangible yet critically important contract between Doğan Media Group and its readers and viewers.

We promise our readers and viewers a top-quality publishing experience, one that is creative and in line with professional and ethical principles, and one that at times breaks the mold and traditions, but is ever respectful of its audience.

1. Trust

Earning society's trust through our general attitude and our audience's trust through what we print and broadcast is our most important value. The very foundation of Doğan Media Group, both today as well as in the future, is comprised of this trust.

2. Independence

a) The independent nature of Doğan Media Group, its management and employees, is what forms the basis of the trust we have established within society at large as well as with our audience. Doğan Media Group employees and management respect their professional position above and beyond any and all relationships based on interest and influence. They may not enter or

partake in any activity or organization that could tarnish the Group's, the Company's or their own reputation, and should avoid any and all conflict-of-interest situations that would cast doubt on Doğan Media Group's independent stance.

b) Among the most integral factors of the Group's independence is the fact that Doğan Media Group's activities are built upon economic realities and prudent management principles. We will not engage in activities that do not create economic value. This is because an activity that is not economic in nature is simply dependent on yet another source.

c) We separate and identify commercial elements appearing in our publications, such as advertisements, commercial messages and sponsorship matters, in a manner that leaves no doubt as to the commercial nature of such elements. We exercise care to not use commercial brand names of companies and commercial product names, provided that such names do not constitute the main story. We do not publish or broadcast any content whatsoever that is based on any suggestion or advice received from advertising sources.

3. Accuracy and Truthfulness

a) The fundamental purpose of our publications is to relay facts to the public at large in an objective manner, without distorting, exaggerating or censoring said facts, and without being influenced by any external pressure or special interest groups along the way.

b) The element of speed should never overshadow truthfulness, and exaggeration and simplification should never stand in the way of the multi-faceted nature of truth. We should openly admit to what we do not know and make an effort to avoid speculation.

c) Our goal is to never mislead our audience knowingly and deliberately, while minimizing any misleading behavior that stems from a lack of information and diligence on our part, and take corrective action at the earliest possible moment.

4. Impartiality, Pluralism, Fairness

a) Our publications should be pluralist in a manner that reflects different aspects of the truth, and be impartial in the face of ideas that represent different sides of the truth and social actors.

Impartiality and pluralism mean considering our publications in their entirety and within a reasonable time span, and reflecting all mainstream ideas existing within society, without ignoring any such ideas within the confines of proportional fairness.

b) We aim to be open-minded and free of prejudice in the course of evaluating opinions and elements of proof that either defend or oppose an idea, attitude or behavior.

We must act fairly in the face of different opinions, ideas, attitudes and behavior. We must be able to place ourselves in the shoes of those who are different, and measure whether or not we have been acting fairly.

5. Compliance with Social Values

a) We live in a nation of many voices, within a society that is rapidly changing. We regard richness in terms of the ideas, beliefs, attitudes and behaviors of our society, and consider it as a resource that feeds our publishing endeavor. We are respectful towards our democratic and secular system, and the Constitution and Laws that bind such diversity and richness together.



TUBA KÖSEOĞLU OKÇU
*Human Resources Director
Executive Committee
Member*

A new headquarters facility, a new way of business, transparent and horizontal communications, a fast-paced cultural transformation.



Intensive training programs and workshops with employees

The business process restructuring we have initiated for our employees continues; each member of Hürriyet Dünyası participates in this exciting new world.



HURRIYET'S EDITORIAL PRINCIPLES

- b) We avoid publishing material that limits freedom of speech, conscience and expression; is in violation of basic human rights; provokes violence, hatred, brutality and animosity; fans hatred and animosity among individuals, communities and nations; and offends religious beliefs and sensitivities.
- c) In any publication that deals with violence and criminal activity, we do not include details that could adversely affect any persons, especially children, or act as a motivational factor or divulge specific methods; this includes language and narration that glorifies violence.
- d) We are mindful of the public's right to be informed and how this right must be carefully balanced against furthering terror propaganda when publishing news items covering terrorism. As such, we exercise care to not aggrandize the consequences of terrorist activities in an excessive and disproportionate manner, and we use language that is not ethnically discriminatory.
- e) Our publications cover every aspect of global human life, and we are aware of the fact that this could at times prove to be disturbing, uncomfortable and/or regarded as out of place. While we engage in such reporting, we take pains to not cause deliberate harm to any persons, especially those groups that need special attention such as children, the disabled and minorities; and we avoid offending social values in an unnecessary, excessive and unjustified manner.
- f) We abstain from defining individuals by their race, nation, social class, language, religious belief or lack thereof, professional group or physical or mental disabilities, as long as such elements are not an integral part of the story being reported; and we avoid creating a setting where such individuals could be subjected to mockery, belittlement or humiliation due to who or what they are.
- g) We do not engage in "outing" a certain group or individual through various adjectives, assessments or methods, and render them subjects of hatred. We certainly and most definitely do not allow expressions that promote hate crimes.

- h) We do not use monikers or references that mock or humiliate individuals and entities beyond the boundaries of fair criticism.
- i) We are keenly aware of the fact that our audience expects that their children are protected. We exercise special care so that children and juveniles who appear in or constitute the subject matter of our publications and broadcasts are protected both physically and emotionally.

6. Right to Privacy and Protecting Privacy

- a) Our publications respect the privacy of individuals. We do not disclose individuals' private lives, communications, correspondence or documents unless there is a compelling reason to disregard the requirements of the principle of privacy in order to serve the greater good.
- b) We do not use an individual's lifestyle, attitude or behavior as a pretext to disclose their private life unless for the greater good.
- c) We do not publish secretly-obtained images and sound recordings that violate the sanctity of privacy, or any recordings that violate the freedom of communication, unless required for the greater good, even if such recording were obtained through legal means.
- d) We exercise care to not accuse any individual of actions that are considered a crime by the law unless concrete facts exist to that effect, or pronounce individuals and entities guilty as charged in the course of legal investigations unless proven so. We provide equal coverage to the prosecution and the defense, avoid impacting investigations in a negative manner, and take care to not influence our audience.

7. Transparency and Accountability

- a) We are obligated to be accountable to our audience in every endeavor we undertake, starting with our publications. Owning up to our errors openly, if that is the case, and remedying such errors in the most expedient manner is our priority. We respect the right to respond and correct elements that are borne out of false stories and portrayals, and news and articles that infringe upon constitutional rights.

- b) All publishing and broadcasting entities within Doğan Media Group take structural measures and establish mechanisms designed to avoid repetitive errors in printing and broadcasting, and facilitate prompt follow-up on the opinions and complaints stated by our audience.

8. Corporate Dignity

- a) If it is the public's respect we strive to earn, we must first respect our own organization and colleagues.
- b) Regardless of their position within Doğan Media Group, every employee exercises care to avoid behavior that would compromise the dignity of the company or their colleagues, or cause harm to the reputation of the companies under the Group's umbrella.

PUBLISHING PRINCIPLES FOR PRINTED MEDIA

1. The basic function of journalism is finding and reporting facts to the general public in an objective manner, without distorting, exaggerating or subjecting such facts to censorship, and without being influenced by any external pressure or special interest groups.
2. A journalist upholds his/her professional work above and beyond any and all relations based on special interest or influence, does not engage in actions that could tarnish the newspapers' or their own reputation, and may not assume active roles in any professional sports clubs or political parties.
- a) Newspaper and magazine employees may not influence readers by announcing how they will vote before an election and may not take a stand that would be construed as binding the newspaper to a specific political viewpoint.
- b) Outside contributors will inform readers of conflict of interest matters and institutional alignment by way of disclosing persons or entities with whom they are involved in a relationship.
3. Employees working in the economy and finance sections, as well as columnists commenting on these sections, may not own stocks and may not engage, directly or indirectly, in trading on the stock market. No newspaper or magazine employee may hold a post on an advisory board or Board of Directors in a commercial establishment.

4. No gifts, material interest or privileges that would infringe upon professional ethics and traditions may be accepted from persons or entities that are, or are considered to be, the subject matter of a publication.
5. The Company assumes the travel costs for newspaper and magazine employees traveling for business purposes. As for trips made upon an invitation, taking such trips is contingent upon the Unit Manager's permission. In cases where a trip made upon an invitation is reported as a news item, the fact that the trip was an invitation must be clearly stated in the news story or article.
6. No individuals may be defined by their sexual identity, language, religious belief or lack thereof, race, nationality, occupation, social class or physical disabilities, as long as such elements are not an integral part of the story being reported, and no individuals may be subjected to mockery, belittlement, indignity or humiliation due to who or what they are.
7. Newspaper and magazine employees constitute a part of and are positively biased in the matters of women's and children's rights. No news items discriminating against women or children, and which harm or offend them emotionally or physically, are allowed to appear in print. Instead, news items and articles that aim to prevent violence against women and children are published.
8. No material may be published that limits the freedom of speech, conscience or expression, is in violation of democracy and human rights, provokes hatred, brutality and animosity, or offends religious beliefs and sensitivities.
9. No monikers and references may be used that would mock or humiliate individuals or entities beyond the boundaries of criticism.
10. It is paramount that individuals and entities are not declared guilty as charged during the course of investigations carried out by law enforcement and prosecutors unless proven so, as the objective is to provide correct and complete information to the readers. There may be no intent to influence the public. Accusatory language is absolutely not permitted. As for active cases that are undergoing the legal process, equal and fair coverage is provided to both the prosecution and the defense.
11. Any and all news stories are published only when the story is thoroughly investigated using all available resources, and when the outcome of such investigations can be stated with the absolute certainty and truthfulness of the story.
12. No individual may be accused of criminal actions unless concrete information and documentation exist to that effect.
13. An individual's privacy may not constitute the subject matter of any publication whatsoever, with the exception of consent from the concerned party or cases required for the greater good. Secretly obtained images and sound recordings via hidden cameras or wiretapping that violate the sanctity of privacy, even if such recording was obtained through legal means, may not be published unless required for the greater good.
14. No news may be reported that employs methods which could be construed as an invasion of the concerned party's right to privacy, including the use of hidden cameras, secret or unauthorized sound recordings, monitoring of electronic mail messages, and unauthorized intrusion into computer equipment or private property.
15. Identities of relatives, friends and associates of suspects, defendants and convicts may not be disclosed, even in the form of aliases, unless such persons are involved in the incident that is the subject matter of the news item.
16. Information provided in confidentiality may not be published unless a significant necessity arises for the greater good. Embargo policies are strictly adhered to.
17. Confidentiality of news sources is respected and meticulously guarded with the exception of those cases where such sources intend to mislead the public.
18. In the process of researching, preparing and publishing news stories, it is imperative to act in fairness, to stick to the facts so as to not distort the essence of the story, and to avoid using headlines that do not reflect the content of the story.
- a) The opinions of the accused are absolutely included in a printed news item. In cases where the concerned party is unavailable for comment, or chooses not to comment, such a position must be stated in the news story.
- b) Regarding statements and quotes, no summarizing or alterations may be made that would lead to a misunderstanding or mockery of an individual. The source as well as the date should be clearly stated when quoting an individual.
- c) Regarding public opinion polls, the name of the entity conducting the research, the identity of the party or parties requesting and financing such research, the date and the number of respondents, and the research method used are clearly stated in all news items covering public opinion polls.
19. Material that might promote or incite violence or brutality, fan hatred or animosity among individuals, communities or nations may not be published. Certain groups or individuals may not be rendered subjects of hatred by engaging in "othering" them through various adjectives, assessments or methods. Expressions that constitute crimes of hatred are certainly and most definitely not allowed.
- a) Using gory and graphic details when reporting violence shall be avoided in news items covering matters of law enforcement and the legal process. Material that is sexual in nature and which could negatively affect children may not be published.
- b) Photographs and images of individuals who are not public figures may not be taken and published without consent, unless such photos and images have tangible news value or are required for the greater good. Published photos and images must be clearly tagged to state whether they are archive material, animated illustrations, re-enactments, and the like.
- c) Close-up photographs or images of dead bodies, or those which contain elements of gore or violence, may not be used.
- d) No details that could prove to be a motivational factor or divulge specific methods may be included in news stories covering acts of suicide.



HURRIYET'S EDITORIAL PRINCIPLES

20. The public's right to be informed and the principle of not furthering terror propaganda are simultaneously heeded when publishing news items covering terrorism. Peace journalism and humanitarian concerns take precedence.
 - a) Bloody consequences of terrorist acts may not be aggrandized in a sensational manner, and language should be used that will not lead to ethnic discrimination.
 - b) As is the case in all other incidents involving death, the names of the deceased as a consequence of terrorist acts are absolutely not published before their respective families are notified. News coverage of funerals is carried out in an even-tempered manner that shall not increase human suffering or cause fresh emotional trauma.
21. Advertorials and commercial messages must be identified in a manner that shall erase any doubt as to their nature. Names and commercial trademarks of companies and commercial products are not used unless such names are an integral part of the news story or article. No news stories may be published under any advisement or with any suggestion by advertising sources.
22. The right to respond and correct is respected, and necessary action is taken in that regard.
 - a) Newspaper and magazine employees establish mechanisms designed to avoid repetitive errors in printing. The right to correction is closely guarded on websites as well, and legal decisions are published on the same page in a conspicuous manner.
23. Doğan Media Group's shared values cover publishing activities across all digital platforms, including the activities of newspaper and magazine employees as well as outside contributors on social media.
24. Newspaper and magazine employees should be mindful of their professional and corporate identities on social media and refrain from behavior that would harm the company's reputation and cast doubt on their respectability. Employees should not make statements on the company's behalf unless authorized to do so, and should not share information on internal company matters.
25. Newspaper and magazine employees should be aware of all professional rules of conduct, beginning with honesty and truthfulness, as well as ethical principles on digital platforms. Group employees should not engage in discrimination based on nationality, race, gender, language, religion, sect, class or faith, and should not provoke war, fan violence or hatred, or propagate content to such ends.
26. Newspaper and magazine employees should abstain from providing misleading personal information on social media and should conduct themselves in a transparent manner. They should not mislead their followers on social media by using assumed names when opening personal accounts; instead, they should use their actual names and photographs, and state the media organization they are employed by and their position.
27. Newspaper and magazine employees will submit content such as news stories, information, photographs and images only to the media organization they are employed by. Such content may only be shared on social media once it is published by the media organization they are employed by, or with their respective manager's approval. Such content should not be manipulated and individuals or entities should not be implicated through unconfirmed information.
28. Newspaper and magazine employees should not engage in advertising, public relations or propaganda in their tweets, blogs or messages; they should not write under advisement or for material gain from advertising sources. What a journalist writes on a new media platform should not be offered in a cluster of advertisements and commercial messages, and no misleading labels should be attached to journalism products.
29. Newspaper and magazine employees may also utilize social media as a means for gathering intelligence. Any information obtained through digital media needs to be verified, just as is the case with all other media. The information source obtained through a digital medium must be checked as well, and approval must be secured for publishing. The address of the website, account, blog or tweet in question must be stated when the news story is composed.
30. Newspaper and magazine employees have an obligation to verify the links they share, the messages they forward and the tweets they respond to for correctness and truthfulness, as well as to indicate their sources and take corrective action with a follow-up message in cases where they find out that their sources are not correct or true.
31. Newspaper and magazine employees should be mindful of the fact that third-parties might take what they write on a digital platform out of context and forward it to others. In responses to their readers and followers, a journalist should abstain from using language containing insults, belittlement, mockery and accusations. They must not interfere with individuals' private lives and they must remain constructive and receptive towards criticism.
32. Any content such as a news item, video, photograph, article, comment, and the like, whose source is a Doğan Group of Companies entity should be shared primarily by stating the appropriate Doğan Group of Companies entity as the source for such content.
33. In cases where newspaper and magazine employees have doubt regarding specific content to be shared or an action to be taken on social media, they should seek advice from their respective department manager or the social media editorial office.
34. Office matters and meeting contents may not be posted and shared on social media if they contain details that could potentially constitute a risk to the Group in terms of confidentiality, security or competition.



DURSUN ALİ YILMAZ
*Chief Financial Officer
Executive Committee
Member*

**We observed
the best
and saw that,
we are one
of them.**



**We continue
to achieve
firsts.**

We visited the world's leading newspapers, each of which has been successful in different areas. We obtained information from Bild, Die Welt, Blick, The Times, Daily Telegraph and the Financial Times on the areas in which they surpass us. However, we are glad to realize that we were far ahead of them in some areas!

BOARD OF DIRECTORS' ANNUAL REPORT



1. GENERAL INFORMATION

a. Period for the Report

This annual report covers the period from 1 January 2012 to 31 December 2012.

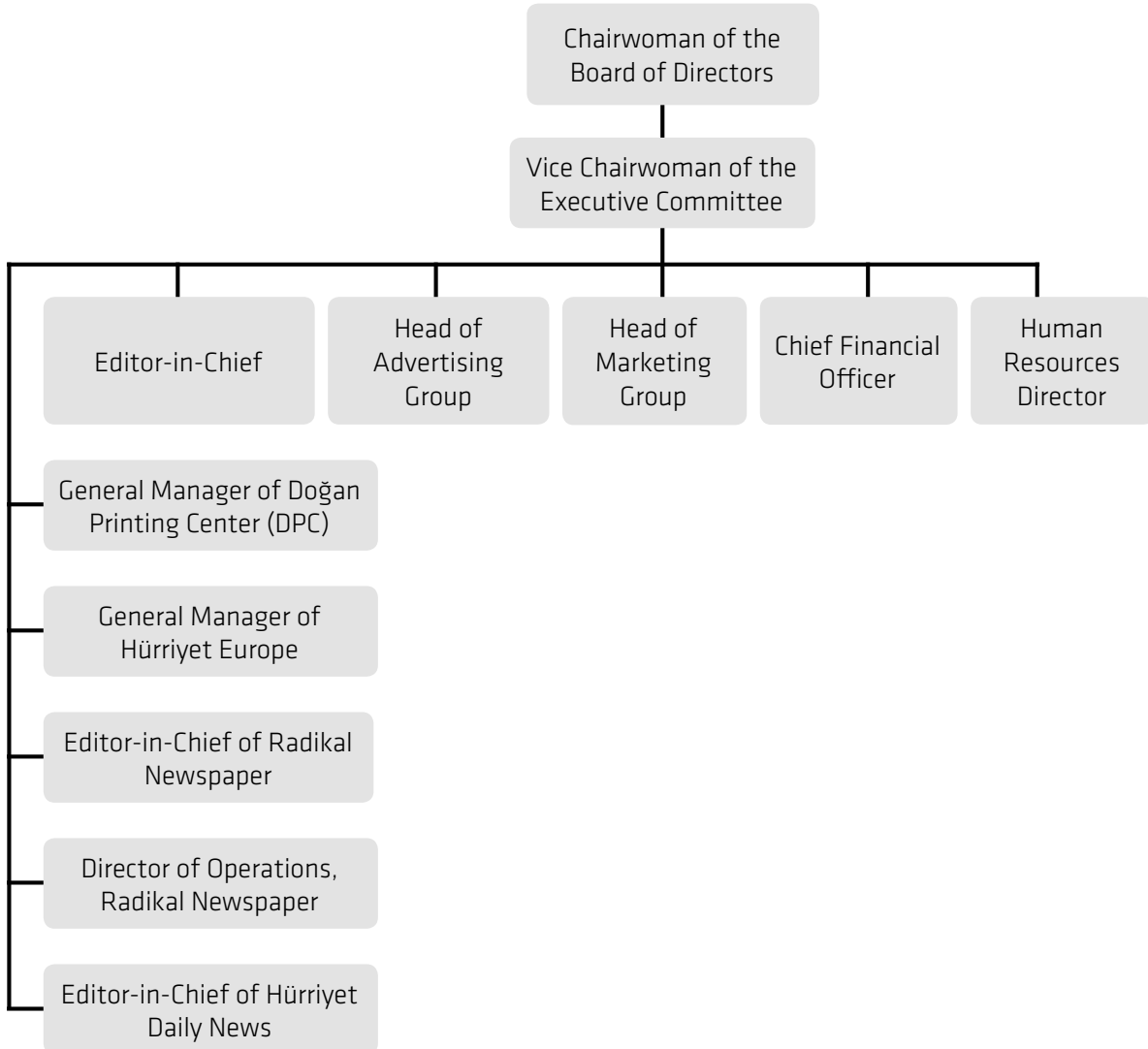
b. Company's Trade Name, Trade Registry Number, Contact Details of Headquarters and Branches, and Website

Trade Name	: Hürriyet Gazetecilik ve Matbaacılık A.Ş.
Trade Registry Office	: Istanbul Chamber of Commerce
Trade Registry Number	: 78044/19200
Address	: Hürriyet Dünyası 100. Yıl Mah. Matbaacılar Cad.
No	: 78 Bağcılar 34204, Istanbul/Turkey
Phone	: +90 212 677 00 00
Fax	: +90 212 677 01 82
Website	: www.hurriyetcorporate.com

c. Company's Organizational Structure, Capital Structure, and Shareholder Structure, and Related Changes That Occurred During the Period

1. Company's Organizational Structure

As of 31 December 2012, the Company's organizational structure is as below:



2. Capital Structure and Shareholder Structure

The shareholder structure of Hürriyet Gazetecilik ve Matbaacılık A.Ş. is presented below.

Registered Capital TL 800.000.000-
Issued Capital TL 552.000.000-

Shareholders	Share (TL)	Share (%)
Doğan Yayın Holding (*)	367.416.194	66,56
Doğan Holding (*)	61.200.274	11,09
Other	86.450	0,01
Traded on BIST	123.297.082	22,34
Total Capital	552.000.000	100

(*) As of 31 December 2012, shares held by the Group's parent company Doğan Yayın Holding and representing 6,56% of Hürriyet's total capital are free float shares (31 December 2011: 6,56%). Shares held by Doğan Holding and representing 11,09% of Hürriyet's total capital are in "open" status (31 December 2011: 11,09%).

Pursuant to the Capital Markets Board's resolution dated 23 July 2010 and numbered 21/655 and according to the records of the Central Registry Agency, 20,87% of shares representing Hürriyet's total capital are free float shares as of 31 December 2012 (this figure was 21,21% on 31 December 2011). Some 39,98% of shares representing Hürriyet's total capital are in "open" status.

d. Information on Privileged Shares and Voting Rights of Shares

Each share is entitled to one vote in our Company. No upper limits have been set forth regarding the voting rights of shareholders. The Company avoids practices that make it difficult to exercise voting rights. All shareholders are given the opportunity to exercise their voting rights in the easiest and most convenient manner.

The Company issues no preferred stocks.

e. Company's Direct or Indirect Investment in Associates, Subsidiaries and Share Percentage

Investment in Associates	Share (%)
Doğan Media International GmbH ("Doğan Media")	42,42

Subsidiaries

The Subsidiaries and the Company's share in this Subsidiaries as of 31 December 2012 and 31 December 2011 are presented below:

Subsidiaries	Voting Rights of Hürriyet and its Subsidiaries (%)		Controlling Interest (%)	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Hürriyet Medya Basım	100,00	99,99	100,00	99,99
Doğan Ofset	99,93	99,93	99,93	99,93
Yenibiriş	100,00	100,00	100,00	100,00
Refeks ⁽¹⁾	-	100,00	-	100,00
Doğan Haber	53,10	53,01	53,10	53,01
Nartek	60,00	59,99	60,00	59,99
E-Tüketici ⁽²⁾	-	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 ⁽²⁾	-	100,00	-	100,00
TME ⁽³⁾	74,28	71,14	74,28	71,14
Moje Delo, spletni marketing, d.o.o. ⁽⁴⁾	100,00	100,00	74,28	71,14
Oglasnik d.o.o. ⁽⁴⁾	100,00	100,00	74,28	71,14
Impress Media Marketing LLC ⁽⁴⁾	100,00	100,00	74,28	71,14
TCM Adria d.o.o.	100,00	100,00	74,28	71,14
Internet Posao d.o.o. ⁽⁵⁾	-	100,00	-	49,80
Expressz Magyarorszag Media Kft.	100,00	100,00	74,28	71,14
Job.ru LLC ⁽⁶⁾	100,00	-	74,28	-
Mirabridge International B.V.	100,00	100,00	74,28	71,14
Pronto Invest B.V.	100,00	100,00	74,28	71,14
ZAO Pronto Akzhol	80,00	80,00	59,42	56,91
TOO Pronto Akmola	100,00	100,00	74,28	71,14
OOO Pronto Atyrau	100,00	100,00	59,42	56,91
OOO Pronto Aktobe	80,00	80,00	47,54	45,53
OOO Pronto Aktau	100,00	100,00	59,42	56,91
OOO Pronto Rostov	100,00	100,00	74,28	71,14
OOO Novoprint ⁽⁷⁾	100,00	100,00	74,28	71,14
ZAO NPK ⁽⁷⁾	100,00	100,00	74,28	71,14
OOO Delta-M	55,00	55,00	40,85	39,13
OOO Pronto Baikal	100,00	100,00	74,28	71,14
OOO Pronto DV	100,00	100,00	74,28	71,14
OOO Pronto Ivanovo	100,00	100,00	74,28	71,14
OOO Pronto Kaliningrad	95,00	95,00	70,57	67,58
OOO Pronto Kazan	72,00	72,00	53,48	51,22
OOO Pronto Krasnodar	80,00	80,00	59,42	56,91
OOO Pronto Krasnoyarsk ⁽⁸⁾	100,00	100,00	74,28	71,14
OOO Pronto Nizhny Novgorod	90,00	90,00	66,85	64,03
OOO Pronto Novosibirsk	100,00	100,00	74,28	71,14
OOO Pronto Oka ⁽⁹⁾	100,00	100,00	74,28	71,14
OOO Utro Peterburga ⁽⁹⁾	55,00	55,00	40,85	39,13
OOO Pronto Samara	100,00	100,00	74,28	71,14
OOO Pronto Stavropol ⁽¹⁰⁾	100,00	100,00	74,28	71,14

Subsidiaries	Voting Rights of Hürriyet and its Subsidiaries (%)		Controlling Interest (%)	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
000 Pronto UlanUde	90,00	90,00	66,85	64,03
000 Pronto Vladivostok	90,00	90,00	66,85	64,03
000 Pronto Volgograd ⁽¹¹⁾	-	100,00	-	71,14
000 Pronto Moscow	100,00	100,00	74,28	71,14
000 Rosprint ⁽¹²⁾	-	100,00	-	71,14
000 Rosprint Samara	100,00	100,00	74,28	71,14
000 Tambukan	85,00	85,00	63,14	60,47
000 Partner-Soft	90,00	90,00	66,85	64,03
Pronto Soft	90,00	90,00	66,85	64,03
000 Pronto Kemerovo	100,00	100,00	74,28	71,14
000 Pronto Smolensk	100,00	100,00	74,28	71,14
000 Pronto Tula	100,00	100,00	74,28	71,14
000 Pronto Voronezh	100,00	100,00	74,28	71,14
000 SP Belpronto	60,00	60,00	44,57	42,68
000 Tambov-Info	100,00	100,00	74,28	71,14
000 Pronto Obninsk	100,00	100,00	74,28	71,14
000 Rektcentr	100,00	100,00	74,28	71,14
000 Pronto Neva	100,00	100,00	74,28	71,14
SP Pronto Kiev	50,00	50,00	37,14	35,57
TOV E-Prostir	50,00	50,00	37,14	35,57
Publishing House Pennsylvania Inc	100,00	100,00	74,28	71,14
000 Rukom	100,00	100,00	74,28	71,14
Bolji Posao d.o.o. Serbia	100,00	100,00	40,85	39,13
Bolji Posao d.o.o. Bosnia	100,00	100,00	40,85	39,13
Sklad Dela Prekmurje NGO	100,00	100,00	40,85	39,13
Pronto Ust Kamenogorsk	100,00	100,00	59,42	56,91
000 Pronto Pskov ⁽¹³⁾	100,00	-	66,85	-
Publishing Int. Holding BV ⁽¹⁴⁾	100,00	-	74,28	-
000 Pronto Astrakhan ⁽¹⁵⁾	-	100,00	-	71,14

⁽¹⁾ Liquidation process of the related subsidiary was completed on 20 June 2012.

⁽²⁾ Merged with Yenibiriş on 19 June 2012.

⁽³⁾ The Group acquired 3.490.691 share certificates corresponding to 6,98% shares of TME from legal entity outside the Group in consideration of USD 26,250,000 based on the valuation report prepared by an independent valuation company on 7 March 2012. Furthermore, the Group's put-option on light, as of 31 December 2011 with a rate of 3,84%, has been recognized on 21 March 2012.

⁽⁴⁾ Related rates include put-options regarding non-controlling shares explained in detail in Note 19.

⁽⁵⁾ Merged with Oglasnik d.o.o. on 15 May 2012.

⁽⁶⁾ Established on 29 September 2012.

⁽⁷⁾ Entered liquidation process in 2012.

⁽⁸⁾ Entered liquidation process in 2011.

⁽⁹⁾ Ceased operations before 2010.

⁽¹⁰⁾ Merger process with Pronto Rostov has started.

⁽¹¹⁾ Liquidation completed on 18 May 2012.

⁽¹²⁾ Sold on 5 April 2012.

⁽¹³⁾ Established on 18 June 2012.

⁽¹⁴⁾ Established on 28 June 2012.

⁽¹⁵⁾ Liquidation completed on 7 November 2012.

Joint Ventures	31 December 2012 Direct or Indirect Stake (%)	31 December 2011 Direct or Indirect Stake (%)
Tipeez İnternet Hizmetleri A.Ş. ("Tipeez")	30,00	29,99
OOO Autoscout24 ⁽¹⁾	37,88	36,28
ASPM Holding B.V.	37,88	36,28

⁽¹⁾ Entered liquidation process on 19 February 2013.

f. Acquisition of the Company's Own Shares

During the accounting period from 1 January 2012 until 31 December 2012, the Company did not repurchase its own shares.

g. Information on the Board of Directors, Senior Executives and Number of Employees

1. BOARD OF DIRECTORS AND COMMITTEES

The duties of the Members elected to the Board of Directors at the Ordinary General Meeting held on 26 June 2012 are presented below:

Name/Last Name	Title	Status
Vuslat Sabancı	Chairwoman	Non-Executive
Hanzade Vasfiye Doğan Boyner	Vice Chairwoman	Non-Executive
Ahmet Nafi Dalman	Board Member	Executive
Enis Berberoğlu	Board Member	Executive
Yahya Üzdiyen	Board Member	Non-Executive
Hakkı Hasan Yılmaz	Board Member	Non-Executive
Kai Diekmann	Board Member	Non-Executive
Ahmet Burak	Independent Board Member	Non-Executive
Béatrice de Clermont Tonnerre	Independent Board Member	Non-Executive

The Members of the Board of Directors were unanimously elected to serve until the date of the Ordinary General Assembly, where the activities for the fiscal period year 1 January 2012 – 31 December 2012 will be discussed.

On 31 May 2012, Ahmet Burak and Béatrice de Clermont Tonnerre submitted their applications and statements of independence for Independent Board Membership; on 1 June 2012, the Board of Directors resolved to disclose their applications to the public and did so on the same date.

In 2012, the Board of Directors held 68 meetings and approved all resolutions unanimously, without any opposing votes.

At the General Meeting, held on 26 June 2012, Vuslat Doğan Sabancı was unanimously elected Chairwoman and Hanzade V. Doğan Boyner was elected Vice Chairwoman, as per the Board of Directors' resolution dated 27 June 2012, No: 2012/48.

The Board Members' other duties and positions outside the Company are stated below:

Name/Last Name	Most Recent Position Within the Group Duties	Most Recent Position Outside the Group Duties
Vuslat Doğan Sabancı	Chairwoman and Vice Chairwoman at various subsidiaries and affiliates of Doğan Şirketler Grubu Holding A.Ş.	-
Hanzade V. Doğan Boyner	Chairwoman and Board Member at various subsidiaries and affiliates of Doğan Şirketler Grubu Holding	-
Ahmet Nafi Dalman	Board Member at Group companies	-
Enis Berberoğlu	-	-
Hakkı Hasan Yılmaz	-	Chairman of the Executive Committee of Fenerbahçe Futbol A.Ş.
Kai Diekmann	-	Editor-in-Chief of Bild Newspaper
Yahya Üzdiyen	Chairman and Board Member at various subsidiaries and affiliates of Doğan Şirketler Grubu Holding A.Ş., Executive Member of the Board of Directors of Doğan Şirketler Grubu Holding A.Ş.	-
Ahmet Burak	-	Independent Board Member at Mutlu Akü ve Malzemeleri Sanayii A.Ş.
Béatrice de Clermont Tonnerre	-	Senior Vice President of Business Development at Lagardère Group

Pursuant to the Board of Directors' resolution dated 26 July 2012, No: 52, the below listed executives are selected to serve as the chairman and members of the committees formed by the Board of Directors. Appointed committee members will serve until the date of the Ordinary General Assembly where the results for the accounting year 2012 will be discussed:

Executive Committee

Name/Last Name	Title
Ahmet Nafi Dalman	Vice Chairman of the Executive Committee
Ayşe Sözeri Cemal	Executive Committee Member in charge of Advertising/Head of Advertising Group
Dursun Ali Yılmaz	Executive Committee Member in charge of Financial and Administrative Affairs/Chief Financial Officer
Enis Berberoğlu	Executive Committee Member in charge of Editorial Affairs/Editor-in-Chief
Tuba Köseoğlu Okçu	Executive Committee Member in charge of Human Resources/Human Resources Director

Ms. Tijen Mergen, Executive Committee Member in charge of Marketing, resigned from her position on 31 December 2012.

The Executive Committee has been established in accordance with Article 19 of the Company's Articles of Association. In principle, the Committee convenes once a week.

Audit Committee

Name/Last Name	Title	Status
Ahmet Burak	Chairman	Independent Member of the Board of Directors, Non-Executive
Béatrice de Clermont Tonnerre	Member	Independent Member of the Board of Directors, Non-Executive

The duties and the working principles of the Audit Committee are detailed on Hürriyet Gazetecilik's corporate website (www.hurriyetcorporate.com).

The Audit Committee conducts its activities on a regular basis and in accordance with the Capital Market Law and CMB regulations and decisions.

The statements of independence of Independent Board Members are presented below.

Date: 31 May 2012

STATEMENT OF INDEPENDENCE

To the Office of the Chairperson:

I hereby declare that, as a Board Member of Hürriyet Gazetecilik A.Ş., I meet the conditions for "Independent Board Membership" outlined in the Capital Market Law, Capital Markets Board's Communiqués, Guidelines and other regulations, as well as the Company's Articles of Association; and that in case the referenced conditions cease to exist, I shall immediately inform the Office of the Chairperson and resign from this position if so required by a resolution of the Board of Directors.

Best regards,


Ahmet Burak

Date: 31 May 2012

STATEMENT OF INDEPENDENCE

To the Office of the Chairperson:

I hereby declare that, as a Board Member of Hürriyet Gazetecilik A.Ş., I meet the conditions for "Independent Board Membership" outlined in the Capital Market Law, Capital Markets Board's Communiqués, Guidelines and other regulations, as well as the Company's Articles of Association; and that in case the referenced conditions cease to exist, I shall immediately inform the Office of the Chairperson and resign from this position if so required by a resolution of the Board of Directors.

Best regards,


Béatrice de Clermont TONNERRE**Corporate Governance Committee**

Pursuant to the Board of Directors' resolution dated 26 July 2012, No: 2012/52, it was decided that the below listed Executives be assigned as Chairman and members of the Corporate Governance Committee, and that the Committee will serve until the date of the first Board of Directors meeting following the General Assembly where the results for the accounting year 2012 will be discussed. In accordance with CMB's Communiqué on the "Principles Regarding Determination and Application of Corporate Governance Principles," Series: IV, No: 56, it was also decided that the Corporate Governance Committee shall also function as the Nomination Committee and Remuneration Committee.

Name/Last Name	Title	Status
Ahmet Burak	Chairman	Independent Member of the Board of Directors, Non-Executive
Yahya Üzdiyen	Member	Board Member/Non-Executive
Dr. Murat Doğu	Member	Non-Executive

The duties and the working principles of the Corporate Governance Committee are detailed on Hürriyet Gazetecilik's corporate website (www.hurriyetcorporate.com).

Early Detection of Risk Committee

Pursuant to CMB Communiqué Series: IV, No: 63 Amending the Communiqué Series: IV, No: 56 on the "Principles Regarding Determination and Application of Corporate Governance Principles" (published in the Official Gazette dated 22 February 2013, Issue: 28567), it became mandatory to establish a separate Early Detection of Risk Committee. Accordingly, it was decided to reappoint a chairman and members for the Committee, which was established pursuant to the Board of Directors' resolution dated 18 March 2013, No: 2013/05, and in accordance with Article 378 of the Turkish Commercial Code; and to form the Early Detection of Risk Committee as a separate committee; and to relieve the Corporate Governance Committee of its duties regarding early risk detection.

Name/Last Name	Title
Ahmet Burak	Chairman
Erem Turgut Yücel	Member
Tolga Babalı	Member
Dursun Ali Yılmaz	Member

Audit Committee

The Audit Committee members were elected at the Ordinary General Meeting held on 26 June 2012, to serve until the date of the Ordinary General Meeting where the activities for the accounting year 1 January 2012 – 31 December 2012 will be discussed. Our auditors do not own any Company shares and do not serve on the Executive Committee.

Name/Last Name	Title
Mehmet Yörük	Member
Fuad Arslan	Member

2. SENIOR EXECUTIVES

Name/Last Name	Title
Ahmet Nafi Dalman	Vice Chairman of the Executive Committee
Enis Berberoğlu	Executive Committee Member/Editor-in-Chief
Dursun Ali Yılmaz	Executive Committee Member/Chief Financial Officer
Ayşe Sözeri Cemal	Executive Committee Member/Head of Advertising Group
Tuba Köseoğlu Okçu	Executive Committee Member /Human Resources Director

Ms. Tijen Mergen, Executive Committee Member in charge of Marketing, resigned from her duties on 31 December 2012.

The current positions of senior executives, their commencement of duty at the Company, educational backgrounds and years of professional experience are presented below:

Name/Last Name	Title	Commencement of Duty at the Company	Education	Years of Experience
Ahmet Nafi Dalman	Vice Chairman of the Executive Committee	1 October 1994	Bachelor's Degree: Boğaziçi University, Department of Electrical-Electronics Engineering	26
Enis Berberoğlu	Executive Committee Member, Editor-in-Chief	1 January 2003	Bachelor's Degree: Boğaziçi University, Faculty of Administrative Sciences, Department of Economics; Master's Degree: Istanbul University, Faculty of Economics, Department of Econometrics	31
Dursun Ali Yılmaz	Executive Committee Member/Chief Financial and Administrative Officer	1 November 2005	Bachelor's Degree: Middle East Technical University, Department of Economics; Master's Degree: Dokuz Eylül University, Department of Business Administration	31
Ayşe Sözeri Cemal	Executive Committee Member/Head of Advertising Group	1 May 1992	Master's Degree: Istanbul University, Department of Business Administration	31
Tuba Köseoğlu Okçu	Executive Committee Member/Human Resources Director	15 March 2012	Bachelor's Degree: Boğaziçi University, Department of Translation and Interpreting	19

3. NUMBER OF EMPLOYEES

The total number of employees of the Company and its subsidiaries was 6.345 as of 31 December 2012 (December 31, 2011: 6,898).

h. Information on Board Members' Transactions with the Company on their Own Behalf or on Behalf of Third Parties, and Information Related to Activities in the Framework of Restrictions on Competing within the Permission Granted by the General Assembly

Except for those transactions prohibited by the Turkish Commercial Code, Board Members obtain the permission of the General Assembly to carry out the transactions outlined in Articles 395 and 396 of the Turkish Commercial Code. According to the information available to the Company, in 2012, Board Members did not conduct any commercial activities on their own behalf in the Company's line of business.

i. Administrative or Legal Sanctions Imposed on the Company or Board Members Due to Action in Violation of Legislation

During the period, no administrative or legal sanction was imposed on the Company or Board Members due to actions in violation of legislation.

j. Amendments to the Articles of Association during the Period, and Their Reasons

For reasons of complying with the CMB's Communiqué Series: IV, No: 57 (published in the Official Gazette dated 11 February 2012, Issue: 28201) and with the Communiqué on the "Principles Regarding Determination and Application of Corporate Governance Principles," Series: IV, No: 56 (published in the Official Gazette, dated 30 December 2012, Issue: 28158); and due to the change of address of the Company headquarters; and for reasons of amending the text of the Articles of Association in line with the changes in the Capital Market Law and other relevant legislation, amendments to Articles 3, 4, 8, 9, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 24, 26, 27, 29, 30, 31, 33, 34, 35, 36 and 40 of the Articles of Association were submitted to and unanimously approved at the Ordinary General Assembly held on 26 June 2012, as regards the Company's activities for the accounting year 2011, in line with the CMB's permission dated 5 June 2012, No: 1388-5575, and the permission dated 7 June 2012, No: 4282 of the Ministry of Customs and Trade, General Directorate of Domestic Trade.



REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS SENIOR EXECUTIVES

All rights, benefits and remuneration offered to Board Members are determined at the Annual General Assembly Meeting. The Company has identified its key executives as the Members of the Board of Directors and the Members of the Executive Committee. The total benefits offered to the key executives consist of a salary, bonus, health insurance, transportation and a severance package.

At the Ordinary General Meeting held on 26 June 2012, it was unanimously resolved that the Chairperson of the Board of Directors be paid a monthly net fee of TL 10.000, the Vice Chairperson a monthly net fee of TL 8.500, Board Members Kai Georg Diekmann and Béatrice de Clermont Tonnerre a monthly net fee of USD 5.000 each, and other Board Members a monthly net fee of TL 5.000 each. There is no additional bonus mechanism based on performance for the members of the Board of Directors.

	2012	2011
Remuneration and other short term benefits	7.676.202	9.421.138
Post-employment benefits	380.914	-
	8.057.116	9.421.138



3. RESEARCH AND DEVELOPMENT ACTIVITIES

The Company carried out no R&D activities during 2012 and thus incurred no related costs.



4. COMPANY'S OPERATIONS AND RELATED MAJOR DEVELOPMENTS

a. Company's Core Business, Sector and Its Position within the Sector

Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet" or the "Company") was founded and registered in Turkey in 1960.

Hürriyet holds an important position in the media sector and is among the strongest of the sector's leaders, not only in Turkey but also in the region. Hürriyet operates with its fully owned newspapers Hürriyet, Radikal and Hürriyet Daily News; websites hurriyet.com.tr, Hürriyet Emlak, Hürriyet Aile, Hürriyet Oto, Piyasanet and Bigpara; and subsidiaries Doğan Ofset, Hürriyet Germany, Doğan News Agency, Yenibiriş Human Resources, yakala.co (Nartek), and Trader Media East Ltd. (TME), which was acquired by the Company in 2007. Trader Media East Ltd., in which Hürriyet owns a 74,26% stake through its subsidiary, is a leading classified ads publisher and is listed on the London Stock Exchange. TME has its own subsidiaries in Russia, Belarus, Ukraine, Kazakhstan, Hungary, Croatia and Slovenia. This acquisition by Hürriyet undoubtedly marks an important milestone on the Company's journey toward becoming a global brand.



ENİS BERBEROĞLU

*Editor-in-Chief of
Hürriyet Newspaper*

**Our daily reach via the
printed newspaper,
the web, mobile phones
and tablets exceeds
5 million.**



**Our publishing
policy
of fully embracing
Turkey
will continue.**

Hürriyet is such a strong brand that there will always be those who attempt to push it to extreme ends. And yet, Hürriyet will never surrender to any extreme, any one political side or power.



Hürriyet Newspaper

Since its launch on 1 May 1948, Hürriyet has never compromised on its principle of publishing “unbiased and accurate news from the source.” As the sector’s leading and model newspaper, Hürriyet takes its reputation even further and reaches out to the future with the goal of becoming a global media brand.

Embracing the motto “every morning is a new day and the printing press starts rolling,” Hürriyet has never lost its enthusiasm and has over the years become a well-established company. Today, it is one of the most popular newspapers in Turkey and reflects the nation with many voices. As a mainstream newspaper, Hürriyet reaches a wide audience, from the coffee shops in the far-flung corners of Turkey to the kitchens of housewives across the country. Hürriyet’s print edition has a daily readership of 1,8 million. In line with globalization trends and the changes taking place in journalism, Hürriyet strives to communicate with its readers and stakeholders on every platform possible, and reaches millions of people every day via the printed newspaper as well as on the web-mobile-tablet. In its 65th year, Hürriyet feels the well-deserved pride of reaching 6,5 million readers every day.

In 2012, Hürriyet recorded daily average sales of 411 thousand copies, and it ranked third in Turkey in terms of circulation; however, the newspaper is far ahead of the competition in terms of advertising revenue.

Hürriyet’s Supplements

According to the Turkish National Readership Survey, conducted by the Press Monitoring and Research Agency (BİAK) and widely used by newspapers as a reliable source of data, Hürriyet has the highest reach among the AB socioeconomic segment that has the highest level of consumer spending.

Reaching approximately 2 million people each day, Hürriyet, in addition to providing its readers’ need for accurate news and reliable commentary, also publishes supplements to add value to its readership’s 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 Turkish media. Another significant aspect of these supplements is the creation of new opportunities for advertisers. Additionally, Hürriyet also publishes daily regional newspapers.

Hürriyet Kelebek

Reaching Hürriyet readers since 1972, despite some interruptions, Kelebek (Butterfly), one of the most important brands under Hürriyet, joined readers once again as a Hürriyet supplement on 15 March 2004. Kelebek is now also published on Sundays, thus reaching readers seven days a week. With 1,4 million readers, Hürriyet Kelebek maintains its leading position among 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 entire readership of Hürriyet. The latest fashion trends, issues of interest for women, celebrity news, social trends and health are among the leading topics of Kelebek. In 2012, the Altın Kelebek (Golden Butterfly) Competition took place for the 39th year demonstrating the strength and endurance of the Kelebek brand.

Hürriyet İK

Ever since its first issue in October 1995, Hürriyet İK (Hürriyet HR) has been 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 about 513 thousand readers with each issue for 17 years, Hürriyet İK has undertaken a very significant role to establish professional human resources management in Turkey. The supplement has served as a pioneer in establishing the concept of human resources in the private sector and has contributed to the cultivation of a qualified workforce in Turkey.

Hürriyet Kampüs

Published as a schoolday newspaper since its launch on 1 March 2010 in 17 cities, at 23 universities and on 32 campuses, Hürriyet Kampüs (Hürriyet Campus) targets university students and has been sold as a supplement to Hürriyet since 2011. In 2012,



Hürriyet Kampüs reached 51 campuses and 46 universities in 35 cities. This supplement features current news, arts & culture, entertainment/celebrity news, Zaytung, sports and campus activities as well as articles written by university students.

Hürriyet Cumartesi

Hürriyet Cumartesi (Hürriyet Saturday) has been published since 1994 and reaches 1,3 million readers every weekends. This supplement serves as a weekly guide featuring content on urban living, prominent figures in arts & culture, fashion, food & beverage. Hürriyet Cumartesi readers continue to enjoy the "Top Ten" and "Things to do Before This Week Ends" sections, trademarks of Hürriyet Cumartesi, as well as columns by Doğan Hızlan, Ayşe Arman, Kanat Atkaya and Figen Batur; style pages by Sibel Arna; healthcare pages by Mesude Erşan; all of which are accepted as the standard in the Turkish media in terms of editorial content. Recently, new sections have been added to Hürriyet Cumartesi, including a health section by Dr. Mehmet Öz, men's fashion by Başak Dizer Fransez, astrology section by Susan Miller, pets section by Ebru Güzel, and culture section by Ahmet Mümtaz Taylan.

Hürriyet Pazar

Published since 1994, Hürriyet Pazar (Hürriyet Sunday) is an unrivalled supplement in its field. It is followed by 1,1 million readers every weekend and sets the standard for the Sunday supplements of other newspapers. Since April 2011, Hürriyet Pazar has been published as a newspaper with an increased number of pages and enriched content. The publication's trademark sections include Ayşe Arman's interviews, Uğur Cebeci's articles on aviation, eating and kitchen culture by Mehmet Yaşın, Yorgo Kırbaki's articles on Greece and Tolga Tanış's op-ed pieces from the US. Latif Demirci's cartoons present the humorous side of Hürriyet Pazar. Recently, several star writers, including Ertuğrul Özkök, Ahmet Hakan, Gülse Bırsel and Pucca, have joined Hürriyet Pazar.

Hürriyet Seyahat

Hürriyet's travel supplement, Seyahat, launched on 26 June 2003. Published on Thursdays until 1 March 2004, Seyahat has since been offered to readers on Mondays. Featuring domestic and overseas travel and holiday alternatives accompanied by compelling articles and photographs, Hürriyet Seyahat also offers readers tips and information about their destinations. The supplement serves as a guide for Hürriyet readers on several topics, from local cuisine to travelling with children, from the latest news in the tourism sector to holiday options

for different budgets. Seyahat features a selected destination in Turkey or abroad on the cover of each issue. Acclaimed travel writer Mehmet Yaşın's articles have appeared in this supplement since 2008. Each issue of Hürriyet Seyahat is followed by 564 thousand readers.

Hürriyet Oto Yaşam

Since 8 October 2003, Hürriyet Oto Yaşam (Hürriyet Auto Life) has been distributed free of charge 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 news. Hürriyet Oto Yaşam is followed by about 615 thousand readers.

Hürriyet Keyif Cumartesi/Hürriyet Keyif Pazar

Predominantly featuring pieces on cinema, culture and 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 music, 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 followed by approximately 800 thousand readers.



Trendy

Published as a supplement to Hürriyet newspaper since 23 December 2002, Trendy targets young people and features rich content that includes interviews with celebrities, fashion and beauty section, arts & culture news, real-life stories from readers. Trendy is a paid supplement published every Monday and is available the entire week.

Hürriyet Emlak

With a finger firmly on the pulse of Istanbul's real estate market since 24 March 2005, Hürriyet Emlak (Hürriyet Real Estate) has been published on Sundays since 15 April 2012. With its new format and enriched content, covering the issues and the outlook of companies in the construction industry, current legal environment, municipal urban

development programs, Hürriyet Emlak is the voice of the real estate sector. In addition to real estate news, this supplement also covers all details related to urban living and consumer needs in line with its publishing principle aligned with the economy pages of Hürriyet newspaper. Hürriyet Emlak is published in Istanbul and has 96 thousand readers.

Hürriyet Regional Newspapers

Hürriyet Akdeniz (Hürriyet Mediterranean)

Launched on 26 February 2001, Hürriyet Akdeniz has been published every day of the week since 16 June 2003. The newspaper is distributed in the provinces of Antalya, Burdur, Isparta and Afyon. The content of Hürriyet Akdeniz was revamped in February 2012, and the newspaper now features new sections, such as Latest Trends in the Economy, Voice of the Citizens, Flavor Room, Doctors Beside You.

Hürriyet Ege (Hürriyet Aegean)

Launched on 26 February 2001, Hürriyet Ege was being published three days a week from 8 October 2003, and it has been published seven days a week since 3 May 2004. The newspaper has been prepared in Izmir since February 2011, and distributed throughout the entire Aegean Region, from Çanakkale to Muğla, reflecting the voice of Aegean residents.

Hürriyet Bursa

Launched on 19 April 2004, Hürriyet Bursa underwent a complete revision exactly seven years after its launch. As a result, the newspaper became a more local and Bursa oriented regional publication. Hürriyet Bursa is distributed in the provinces of Bursa, Yalova and Balıkesir.

Hürriyet Ankara

Launched on 31 March 2006, Hürriyet Ankara has introduced many firsts and continues to set the agenda with various sponsorships and social responsibility projects, such as "High School Music Contest" and "Let's Write History Together."

Hürriyet Çukurova - GAP

Launched on 26 February 2001, Hürriyet Çukurova was published three days a week from 8 October 2003, and seven days a week since 3 May 2004. GAP was launched on 10 April 2006, and is distributed in 23 provinces, from Adana to Hakkari.





EYÜP CAN SAĞLIK
*Editor-in-Chief of
Radikal Newspaper*

**Radikal readers
set the agenda
with their
comments.**



**The second most
followed Turkish
newspaper
on Twitter**

Radikal has introduced many innovations related to news writing and reporting in digital media. These include making journalistic processes more transparent and writing news in a more democratic manner, which minimizes the distinction between the journalist and the reader... Both we, as journalists, and our readers require such innovative approaches.



Radikal Newspaper

With a radical approach to journalism as well as to content and size, Radikal Newspaper ushered in a revolution in the media sector on 17 October 2010, bringing the world news to its readers in a dynamic manner and from a different perspective. Radikal is published daily as a 40-page newspaper, and reaches an elite segment of 181.000 readers.

According to the results of the latest Turkish National Readership Survey conducted by the Press Monitoring and Research Agency (BİAK), which seeks to identify readership profiles and uncover other data related to newspapers in Turkey, Radikal has the highest percentage of readers from the highest socioeconomic groups.

Some 75% of Radikal readers belong to the AB socioeconomic segment, 76% live in cities and 64% are university graduates. In addition, the average age of Radikal readers is 38 years, although its reader profile skews younger compared to its competitors.

Radikal reaches a daily average of 650.000 readers through the printed newspaper; the web site radikal.com.tr; iPad, Android and other mobile applications; and social networks.

Radikal Hayat

Radikal Hayat (Radikal Life), a weekday daily supplement of Radikal, is a city guide containing all details about urban life and culture that people need to know.

Radikal Pazar

Radikal's Sunday issue features a format change, just like leading European and US counterparts, and introduces 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, including topics treated in detail and entertaining Sunday interviews.

Radikal Kitap

As one of the most reputable publications in the literature and publishing world, Radikal Kitap (Radikal Book) has reached Radikal readers for 11 years and continues to have its finger on the pulse of the literary 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. The main factors underlying Radikal Kitap's success include readers' trust in its rich editorial content, the optimal news/ads ratio, and regular publication on a specific day of the week. Considering data obtained from industry trade fairs, opinions of publishing houses and annual advertising revenue all together, Radikal Kitap has become one of the most preferred literary supplements by readers and brands.



Radikal İki

Published with Radikal newspaper as a weekly Sunday supplement for the last 15 years, Radikal İki (Radikal Two) has created a debate platform accessible to everyone across Turkey who has something to say. Radikal İki stands out from other Sunday supplements with its rich content that focuses on politics, intellectual debates and current topics on the national agenda; its out-of-the-ordinary approach also includes culture and arts as well as interviews. Radikal İki is an objective and satisfying publication for its readers.

Radikal.com.tr

Journalism is undergoing a major change. In today's world, journalism is not only about reporting news, but also about receiving news. Websites that enable instant news sharing with user-generated content are becoming more and more important. As a result, radikal.com.tr has been revamped in line with the participatory journalism approach.

Live Editorial

Whatever is on the agenda appears on this page. Our editors talk with our readers and seek their opinions about current topics and events through live chats twice a day on radikal.com.tr. Thanks to Radikal's brand new digital world, readers not only read but also have the opportunity to discuss.

Your News

Citizens keep their fingers on the pulse of the country's agenda. Readers can uncover news themselves and then have their stories published on radikal.com.tr or they can make additions to existing news items. This way, readers can help shape Radikal's content.

Radikal Kitap Portal (Radikal Book Portal)

Now everyone can be a book critic. On the Radikal Book Portal, readers can create their own libraries and reading lists, review categorized books and write their own comments about them. Thanks to Radikal, criticism is now everyone's right.

Radikal Blog

From now on, the new heroes of the Internet are on Radikal Blog. Bloggers write on various topics from technology to daily life, politics to the arts. Many different opinions come together on this blogging platform and shape the news and information agenda.



Hürriyet Daily News

Since the publication of its first issue on 15 March 1961 as Turkish Daily News and embracing a “world’s window to Turkey” approach, the Hürriyet Daily News has been a pioneering, leading and guiding news source for Turkey over its 52-year history. The newspaper was acquired by Doğan Group on 20 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 entered the second half-century of its history on 13 June 2011 with a new logo, new content and new layout.

As a witness to history for the last 52 years, 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, strengthening its market position as a major source of news not only for Turkey but also for the entire region.

With a new focus on the surrounding region since 2011, Hürriyet Daily News offers news reports, analysis and opinions from over 200 reliable sources in Turkey and across world.

The www.hurriyetdailynews.com website has 450.000 monthly unique visitors (UV) per month, of which about 60.000 access the site from abroad. The website features a wide variety of topics including politics, arts, economy, technology, sports and daily life.

The site’s content is also fed by blogs and social networks, and its readers can access fresh and accurate news thanks to “new,” “update,” “breaking news” notifications.

Adhering to this new approach also for online media, Hürriyet Daily News launched its iPad application in mid-2011; to date, the application has been downloaded by more than 5.000 iPad users.

In addition to its Facebook pages and Twitter feed, Hürriyet Daily News introduced an Android application in March 2012 in line with its objective of reaching an ever wider audience through mobile and social media.

The newspaper’s editorial team received various design and journalism awards in early 2012, including the İzzet Kezer Photography Award from the Contemporary Journalists Association and the Behzat Miser Award. In addition, the newspaper shared the Veriçan Award with a Doğan News Agency reporter.





MURAT YETKİN

*Editor-in-Chief of Hürriyet
Daily News*

**Our
publishing policy
is strictly
focused on news**



**The Hürriyet
Daily News has
entered its
second half-century
in Turkey...**

As Turkey opens not only to the south, the Arab region, but also to the north and the west, the adoption of a new expression style suitable for these parts of the world is becoming a necessity. Therefore, we transformed the Hürriyet Daily News from a newspaper published for foreigners in Turkey into an English newspaper for the whole region.



INTERNET SERVICES

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. By October 2000, the website had grown 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 introduction of sub channels such as Web TV and astrology at end-2009, followed by the rollout of interactive services including Bumerang and Yazarkafe and subsequently the development and launch of various new mobile applications in 2010. With these various initiatives, the Company then focused on creating a perception of hurriyet.com.tr as a multi-dimensional online media platform through marketing and social media activities. At year-end 2012, hurriyet.com.tr reached 2 million daily unique visitors and 24 million monthly unique visitors. In addition, Hurriyet.com.tr maintained its leadership in online publishing in Turkey throughout 2012.

According to December 2012 data from Comscore, the world's leading digital analytics company, hurriyet.com.tr ranked first among online news websites in Turkey in terms of the total length of session per visitor.

The convergence strategy, which is defined as integrated production and business intelligence and considered among the most innovative strategies in the publishing world today, was successfully implemented across all platforms, including offline, web, mobile and tablets; thus, hurriyet.com.tr's dominance in news reporting was further reinforced.

In order to provide better service to readers, the Company completely refreshed sub channels such as health, technology, weather, sports, astrology and TV guide with user-friendly interfaces.

A wider audience was also reached through social media, including Facebook, Twitter and fan pages.

With an aim to serve users on all types of devices, the Windows 8 application of hurriyet.com.tr was launched.

In addition, the Company launched mobile applications compatible with location-based iOS and Android systems to broadcast the Top Ten content, prepared by Hürriyet newspaper for many years.

The site's iPad/e-newspaper application had been downloaded to 284 thousand iPads and 180 thousand Android devices as of year-end 2012. Additionally, the new Hürriyet Tablet application, which is differentiated from rival applications with its superior visual quality and innovative design, was launched at the beginning of 2013.

The Company also rolled out the tablet version of Yazarkafe, which consists of blog sites within the Bumerang network.

Hurriyet.com.tr's popular sub channel Hürriyet Web TV, which is closely followed by a wide audience, turned into a full service platform with video streaming and live broadcasts, bringing the latest news to its readers/viewers.

In 2012, hurriyet.com.tr continued to attract readers' attention with its innovative interactive services that maximize reader interaction, such as asking questions to and receiving answers from readers.



hurriyetemlak.com

According to December 2012 data from Comscore, the leading digital analytics firm in the world, hurriyetemlak.com had the highest reach among all real estate websites in Turkey. The average number of unique visitors increased 61% over the previous year, climbing to 3,5 million, while the number of new visitors increased by 20%. The number of visitors accessing the website from smart phones increased enormously, rocketing up 267% to 3,3 million. In addition, mobile page views reached a monthly average of 2,4 million.

The Company developed and rolled out two mobile applications compatible with iOS and Android systems for individual and corporate users at the beginning of 2012. New categories such as "VIP Residences and Projects," "Real Estate TV" and "Daily Rentals" were also launched; in addition, individual users were offered one free ad in all categories.

Hurriyetemlak.com added online surveys to the site and the Company started to manage Google adwords in-house. In addition, Hurriyet handed over banner ad management to a service provider specializing in banner ads, and introduced a new mobile payment method.

The site rolled out a number of new services and features, including full-text searching, "Most Searched" (from owner, with furniture, summer houses, with garden, and other criteria.), "Tagged Ads" (new, urgent, hot deal, among others), "Expertise" tab, "Most Current Ads," and "Popular Real Estate Brokers." Other site upgrades included renewal of the search box in residence, office and land categories; completion of breadcrumb integration and modification of the facet like structure of ad listings.

Additionally, visual improvements were made to the website while the layout of the main page, category pages and projects pages were refreshed.

The newspaper also began to sell classified ads. The number of residential projects increased to 550 by year's end, up from 93 at the beginning of 2012. According to mobile data, 67 thousand users downloaded the iPhone application, and the Android application was downloaded by 18 thousand users. The iPhone and Android applications developed for corporate customers are used by 14.900 and 3.005 members, respectively.

yenibiris.com

Yenibiris.com's vision is to become the home 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 advanced technology to shape the labor market. Yenibiris.com is an interactive platform for employers and job seekers; the site facilitates the processes of recruitment and job search. Yenibiris.com functions as an intermediary for corporations to assist them in their candidacy search and to develop related HR consultancy and evaluation strategies.

According to December 2012 data from Comscore, the leading global digital analytics firm, yenibiris.com had the second highest reach among all career related websites in Turkey.

In 2012, yenibiris.com opened five new regional offices, and the site ran the advertising campaign "Don't Wait" twice, using TV, radio, outdoor and digital media channels.



In order to boost traffic and interaction on social media and to reach individual and corporate target audiences, Yenibiris.com actively used five fan pages on Facebook, a Twitter feed and viral video campaigns.

The total number of CVs on the website increased from 13 million in December 2011 to 14,5 million a year later. New "Job Seekers" pages were designed and went live on the site during the year.

In 2012, yenibiriş rolled out its iOS application, new Classified Ads site and Facebook application, www.insankaynaklari.com. Additionally, yenibiris.com added a Business Life section, tripling the amount of content on the website.

yakala.co

Yakala.co is a promotions and deals website that offers customers a range of services and experiences in their own hometowns and across Turkey. The website features a variety of deals offered by numerous brands in several areas such as food & beverage, travel, massage, spa treatments, photography classes, concert and theater tickets. The site also serves as an online advertising and sales channel for participating brands.

In 2012, yakala.co achieved 100% growth and became one of the top three brands in the sector. The website has grown to include 1,3 million members, and was the leader of the sector in terms of profitability, or turnover per member.

Yakala.co increased the number and variety of local deals offered to customers in six cities, further reinforcing its position in regional markets and becoming the leading deal-of-the-day brand in Izmir and the second brand in Ankara.

By offering many interesting deals in the tourism category in collaboration with well-known local and international brands such as Kahve Dünyası, McDonalds, Arçelik, Doğadan Tea, Damla Water, Pegasus Airlines, Ulusoy, Bolulu Hasan Usta, Metro, Tchibo, Kamil Koç and many others, yakala.co was among the leading websites that offer the widest portfolio of brands and deals.

Yakala.co reduced its cost per member and cost per transaction with optimization and innovations applied to Google Adwords and Affiliate channels in the tourism category.

Through the seasonal collaborations with banks, Mastercard, Ticket, BKM Express and other third parties, the website's overall traffic, membership base and transaction value increased.

Yakala.co initiated SEO (Search Engine Optimization) efforts during the year and the website was the most searched site for deals specific to New Year's.

As a result of active social media management, the traffic to the site from social media grew 46% over the previous period, while turnover generated from social media increased by 38%.

hurriyetoto.com

The average number of unique visitors to hurriyetoto.com increased 27% over the previous year, climbing to 492 thousand, while the average number of visits was up 31% and totaled 802 thousand. The average number of page views rose to 5,7 million, jumping 29% over the previous year.

The number of visitors accessing the website from smart phones reached a monthly average of 36 thousand, 235% year-on-year growth.

Hurriyetoto.com completed the preliminary study for revamping the site and continued its collaborations with third parties. Some minor improvements were made to the website, such as new ad notifications for registered users, and video integration with the Hürriyet Auto News section. Hurriyetoto.com continued its SEO efforts during the year; in addition, the site set up a promotional booth at the 2012 Autoshow to increase brand awareness.

bigpara.com

Bigpara.com was acquired by Hürriyet Internet Group in November 2012, and the website reached 1,9 million unique visitors after merging with Piyasanet. With a fresh design and unique financial products, bigpara.com is Turkey's largest personal finance portal.



hurriyetaile.com

According to December 2012 data from Comscore, the leading digital analytics company, hurriyetaile.com had the second highest reach among all parent/family focused websites in Turkey.

Additionally, the site maintained its leading position in the parents/family category in 2012. In 2013, the website's design, categories and expert opinions will be further improved to cover "Mother-Baby-Child" and a comprehensive array of other family related topics as a full-fledged informational platform.

mahmure.com

Acquired by Hürriyet Internet Group in November 2012, mahmure.com comprises Turkey's largest women's network together with Hürriyet Aile and Kelebek. The website's rich visuals, innovative design and high quality content make it a standout among its rivals and attract a loyal following among new generation women. Mahmure.com aims to become a medium that sets the trends and creates the agenda in categories such as fashion, beauty, career, healthy living, healthy nutrition and fitness. The website's goal is to eventually extend both its reach and traffic via mobile phones as well as increase its revenues.

ekolay.net

Ekolay.net was transferred from DOL (Doğan Online) to Hürriyet Internet Group in November 2012. The website shut down its services but continues to broadcast via its main categories. The site's traffic also continues to soar.

b. Comments on the Company's Production Units, Quality, Capacity Utilization Rates and Developments, General Capacity Utilization Rates, Developments in Production, Quantity, Quality, Comparison of Current Version and Prices with Previous Versions

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.

Hürriyet Group's newspapers are printed at DPC (Doğan Printing Center) facilities in six locations in Turkey, Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon; overseas printing activities are carried out by Hürriyet's Germany branch (Hürriyet Zweigniederlassung GmbH) in Frankfurt. Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s investments between 1997 and 2012 amounted to about USD 479,5 million, while the Company invested around USD 295 million in its DPC facilities during the same period.

The newspapers printed at DPC facilities are Hürriyet, Radikal, Hürriyet Daily News and the supplements of these newspapers. Doğan Printing Centers also undertake the daily, weekly and monthly printing of other newspapers and supplements published by companies within or outside the Group, on a contractual basis.

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 machine park and printing 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 system. Daily paper consumption at the facility ranges between 200 and 260 tons. DPC Istanbul accounts for 47% of the Company's total printing output.

With the new ovens added to the two Man Colorman branded printing presses at the DPC Istanbul facility in 2012, it has become possible to print on glossy paper and/or newsprint paper thanks to the drying process. As a result, readers' hands do not get stained with the ink from newsprint paper; this method also achieves a higher quality output. Additionally, the width of the newspaper was reduced by three centimeters in Istanbul as in all other regions. This size change offers a more comfortable reading experience.

DPC Ankara

With the second largest area after the Istanbul facility, DPC Ankara extends over an area of about 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 simultaneously through the four folding system installed.

DPC Ankara is home to 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. Three automatic inserting machines were installed at DPC Ankara in 2007. The installed transformer capacity is 4.500 KVA and the existing generator capacity is 4,500 KVA. The daily paper consumption at the facility is between 50 and 100 tons. DPC Ankara accounts for 16% of the Company's total printing output.

No changes were made to the machine park at DPC Ankara in 2012, with the exception of UV dryers added to the two towers. This addition has made it possible to print a total of eight glossy papers, four papers in two folds, thanks to the UV curing capability.

DPC İzmir

DPC İzmir moved into its new premises in January 2007, 20 kilometers from İzmir city center and two kilometers from İzmir's 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 with capacities of 2.000 KVA and 2.500 KVA. DPC İzmir is also 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. Daily paper consumption at the facility ranges from 70 to 110 tons. DPC İzmir accounts for 17% of the Company's total printing output.

With the new UV curing system installed at DPC İzmir in 2012, it has become possible to print the cover pages of two newspaper simultaneously by using UV ink that does not stain readers' hands.

DPC Antalya

DPC Antalya consists of a total covered area of 4.900 square meters on a parcel of about 11.000 square meters. The facility's transformer capacity is 2.500 KVA, with an existing generator capacity of 3.600 KVA. In 2012, no changes were made to DPC Antalya's machine park or printing capacity; however, with the UV dryers added to the two printing towers, it has become possible to print a total of eight pages in two separate folds, thanks to the drying system. The installed Tensot T1400 printing press has the print capacity of 40 pages total, 32 of which are color pages; one of the two Goss Community printing presses has the print capacity of 40 pages total, 28 of which are color pages while the press has a capacity of 32 pages, 24 of which are colored. DPC Antalya is capable of printing three different newspapers simultaneously. Using the three folding system in the machine park, 105.000 newspapers can be printed per hour. After fulfilling the requirements in 2011, DPC Antalya obtained an "Environmental Permit" valid for five years from the Antalya Provincial Directorate of Environment and Forestry. The daily paper consumption at the facility ranges between 25 and 35 tons. DPC Antalya accounts for 6% of the Company's total printing output.

Due to the UV systems previously added, the facility's transformer capacity had to be increased from 2.000 KVA to 2.500 KVA, and the generator capacity was increased to 3.600 KVA with the addition of a 2.000 KVA generator in 2012. No changes were made to the machine park.

DPC Adana

As a result of the renovation carried out at DPC Adana, the facility now operates 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 2.500 KVA, and there are two generators with 1.600 and 2.000 KVA capacities. DPC Adana 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 36 and 45 tons. DPC Adana accounts for 10% of the Company's total printing output.

In 2012, DPC Adana renewed OG cells, replaced AGATE lines, and completed the installation of a generator with 2.000 KVA capacity, a transformer with 2.500 KVA capacity, and a third CTP.

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 transformer capacity of the facility was increased to 2.000 KVA with the renewed transformer, and an existing generator capacity is 1.054 KVA. The Goss Community 1 printing press has a print capacity of 40 pages total, 32 of which are color pages. The Goss Community 2 printing press has a print capacity of 40 pages total, 28 of which are colored. The maximum print capacity per hour is 70.000 newspapers.

In 2011, DPC Trabzon added UV dryers to the two towers, making it possible to print four glossy papers at each of the printing presses. The daily paper consumption at the facility ranges between 20 and 25 tons. DPC Trabzon accounts for 4% of the Company's total printing output. As of year-end 2012, the facility completed the installation of four CTP.

The breakdown of Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s unconsolidated investments between 1997 and 2012 is as follows:

Investment Type	Amount (USD Million)	Share in Total (%)
Machinery	295,9	61,7
Buildings and Land	138,5	28,9
Other	45,1	9,4

2012 capacity utilization rates by region and in comparison with 2011 figures are as follows:

Region	2012 (%)	2011 (%)
İstanbul	51	60
Ankara	46	52
İzmir	53	56
Adana	44	49
Antalya	33	36
Trabzon	38	41
Frankfurt	62	70

The results in product and service production can be seen in the number of printed pages as presented below:

Printing activity	2012	2011
Total number of pages printed	32.731.637.094	36.158.241.158

The total number of printed pages decreased by 9% in 2012, compared with the previous year. The total number of printed pages comprises the number of pages of Hürriyet, Radikal and Hürriyet Daily News as well as other newspapers published by companies within or outside the Group.

In 2012, the daily average net newspaper sales across the country dropped to 4.748 thousand copies, compared with 4.753 thousand copies sold per day a year earlier. Although some newspapers may see an increase in overall sales, the circulation of many newspapers in the sector is dropping. Hürriyet's daily average net sales also declined from 435 thousand copies to 411 thousand copies.

Newsprint, which makes up the most important portion of cost of goods sold, is mainly imported from the USA, Canada, North European countries and Russia. Therefore, newsprint cost is affected by both global paper prices and the USD to Turkish Lira exchange rate. The price of the newsprint used for publishing Hürriyet was USD 759 per ton in 2011, while it decreased 1,3% in 2012, down to USD 748 per ton.

In addition, the average number of pages of Hürriyet Newspaper was 79,3 in 2012, compared with 81,6 in 2011. Therefore, the amount of newsprint used during the year fell to 72 thousand tons, down from 78 thousand tons in 2011.

Even though these developments had a positive effect on overall costs, the negative effect of the increase in the USD exchange rate, from 1,67 to 1,79, was also felt strongly. Due to fierce competition in newspaper sales, it is not always possible to reflect the increase in newsprint and printing costs in cover prices.

c. Prices, Sales Revenues, Sales Conditions of Goods and Services, Improvements Seen during the Year, Developments in the Efficiency and Productivity Rates, Significant Changes in These Subjects Compared to Previous Years

The consolidated sales revenues of Hürriyet Gazetecilik ve Matbaacılık A.Ş. should be evaluated in two approaches. First, in terms of regional breakdown, 70,5% of the Company's total revenue is generated in Turkey, 24,3% in Russia and Eastern Europe, and the rest from the operations in Europe.

Region	2012	Share (%)	2011	Share (%)
Turkey	601.306	70,5	600.561	69,1
Russia and Eastern Europe	207.197	24,3	216.861	25,0
Europe	44.625	5,2	51.316	5,9
Total	853.128		868.738	

As seen in the regional breakdown presented above, operations outside of Turkey are conducted for the most part by the Company's indirect subsidiary Trader Media East Ltd.

The breakdown of revenues by category is as follows:

Revenues	2012	Share (%)	2011	Share (%)
Advertising	563.038	66	576.982	66
Circulation and printing	242.210	28	240.591	28
Other	47.880	6	51.165	6
Total	853.128		868.738	

The table above shows that advertising revenues from print and online media account for 66% of the Company's total revenue. The share of print media in advertising revenues is declining in developed countries; this downtrend is true in Turkey as well, though at a slower rate. However, the Company compensates for falling advertising revenues in print media thanks to its well-positioned internet companies in Turkey, Russia and Central Europe while aiming to achieve even better results in the coming years.

The share of circulation revenue in total revenue maintained the same level as in the previous year. However, as a result of the price increases in the last quarter of 2011 and the first half of 2012, the Company was able to increase its revenues despite the decline in circulation. The Company's printing revenue followed the same trend as in circulation revenue. As printing revenue is generated by the printing services provided to Group and non-Group companies, this revenue item fluctuates in line with those companies' circulations.

d. Achievement of Targets Set in Previous Periods, Implementation of General Assembly Resolutions, Any Reasons for Failure to Achieve Targets or Implement Resolutions, and Assessments

The Company implemented all General Assembly resolutions in the concerned accounting period.

e. Outlook on Future Developments

The Company is confident that its online media operations will outperform the overall market in terms of growth both in Turkey and other countries. Therefore, the Company plans to take advantage of the high growth rates in online media and increase its revenues while maintaining and improving its position and reach in traditional media. Today, Hürriyet reaches approximately 6,8 million readers and users daily through channels that include the printed newspaper, web, mobile phones and tablets. The Company aims to expand its reach to 10 million readers, users and followers in coming years, and thus to increase the share of online media revenue in total revenue.

In terms of overseas operations, the Company estimates that once its subsidiary Trader Media East, which mainly operates as a classified ads company in print media, completes its transformation into becoming an online media company, TME will generate 50% of its revenue from online media operations in the coming periods.

The 2013 targets of the Company's major brands:

2013 targets of hurriyet.com.tr

Hurriyet.com.tr plans to maintain its leading position among online news sites and continue offering value added services and rich content in 2013. Aiming to get to know its users better, place them at the center of its operations, and keep their loyalty high, hurriyet.com.tr adheres to the strategy of reaching readers at any place and time via multiple communication channels.

In 2013, the Company plans to revamp Web TV to offer online users rich content including daily news bulletins, mid-day commentaries and expert opinions under the name Hürriyet TV. The website will continue to broadcast full-force with a fresh design and new services.

In parallel with the corporate strategy and with video streaming trends around the globe, premium and high quality video services will be offered on the site.

Hurriyet.com.tr plans to increase its revenues through effective and innovative advertising models as well as strategies that appeal to readers and advertisers.

2013 targets of yenibiris.com

In 2013, yenibiris.com plans to focus on increasing traffic and the number of applications on the website, and to launch the new website insankaynaklari.com. Among the other goals for the coming year are organizing the 2012 "Yenibiriş Awards" ceremony and HR Vision Meeting for corporate members. The site also aims to feature more photographs and videos and start a collaboration with Web TV in the coming period.

2013 targets of bigpara.com

The main goal of bigpara.com is to be listed right after Hürriyet, Milliyet and Habertürk Economy in Comscore's finance category rankings. To this end, the website plans to expand its target audience by introducing new products and functionality. To differentiate itself from the competition, bigpara.com plans to renew mobile products, drive traffic and increase revenues, and to introduce new analytical tools to aid followers of financial markets. Additionally, attracting new investors to the website and building loyalty are among the site's other targets for 2013.

2013 targets of hurriyetaile.com

Hurriyetaile.com plans to achieve its goal of becoming a discussion and informational platform on family, children and health related topics by introducing the new forum feature and improving crowd management function. The website also aims to diversify revenue sources by integrating online shopping and shopping cart functionality to the site, and thus increasing its web and mobile traffic.

2013 targets of ekolay.net

In line with the gateway strategy planned for 2013, ekolay.net aims to offer its users new experiences, especially through mobile phones. The website plans to offer brands new advertising models aligned with changing needs, and eventually to evolve this infrastructure into a global online business, localized in different languages.

2013 targets of yakala.co

In 2013, yakala.co aims to increase its market share and improve its capabilities in all channels that enable customer interaction by focusing on customer experience optimization and customizing user experiences. The site plans to accelerate growth by diversifying deals in the products category and expanding the supplier network. In the coming year, yakala.co will continue its social media campaigns; work to expand its member base in other regions outside of Istanbul; and carry out communication activities that raise brand awareness and support customer interaction.

f. Foreseeable Risks Related to Operations

The risks that the Company is exposed to include: adverse developments in the Company's field of activity such as print media; risks related to raw material prices and supply due to developments in global markets; financial risks related to interest rates, liquidity, credit, exchange rates; legal risks; strategic risks due to the Company's operations extending over a wide geographic area; operational risks such as sustaining business continuity under extraordinary circumstances; and risks related to maintaining brand equity. The Company's related departments monitor and take the necessary measures to manage such risks.

g. Information about Investments Made by the Company during the Fiscal Period

The consolidated investments of Hürriyet and its subsidiaries in tangible and intangible assets amounted to USD 33,4 million in 2012 (excluding investment properties). Some USD 26,8 million of this total amount was spent by Hürriyet Gazetecilik ve Matbaacılık A.Ş. for the procurement of ovens added to the two Man Colorman branded printing presses at the DPC Istanbul facility, and for relocation expenses such as moving costs, renovations, furniture, and the like. Hürriyet's acquisition of bigpara.com to expand Piyasanet in line with the Company's online business growth strategy, and mahmure.com to reinforce the position of hurriyetaile.com in the women's segment, were among the 2012 investments.

h. Lawsuits against the Company That Could Affect Its Financial Situation and Activities, and Their Possible Results

As of 31 December 2012, lawsuit claims against the Group amounted to TL 26.678.044. The Company set aside a total of TL 3.680.581 in reserves for these legal claims.

i. Information Related to Fiscal Extraordinary General Assembly

No Extraordinary General Assembly was held during the period.

j. Information on Private and Public Audits Carried Out during the Fiscal Period

The Company has not been subject to private or public audits during 2012.

k. Information about the Company's Donations, Aid, and Spending on Social Responsibility Projects during the Year

During 2012, the Company donated TL 931.489 (2011: TL 1.280.080) to various foundations and associations serving the public good. The breakdown of donations is presented below:

Institution	Amount
Aralık (Association for Voluntary Education and Cultural Research)	451.633
Columbia University	90.460
LÖSEV (Foundation for Children with Leukemia)	67.637
TEGV (Educational Volunteers Foundation of Turkey)	47.877
Journalists Association of Turkey	37.671
Aydın Doğan Foundation	37.660
Istanbul Foundation For Culture & Arts	14.484
Turkish Red Crescent	12.228
Turkish Educational Foundation	3.890
Other	167.949
Total	931.489

Corporate social responsibility projects pioneered and/or carried out by Hürriyet Gazetecilik ve Matbaacılık A.Ş. are detailed below:

“No! To Domestic Violence” Campaign

Hürriyet Newspaper's “No! To Domestic Violence” campaign continued in its eighth year in 2012. The campaign has become more than a mere social responsibility project; the initiative is now a solution partner for both NGOs and the Turkish Ministry of Family and Social Policies.

The campaign initially set out to raise awareness about violence against women through publications, international conferences, training programs, concerts and various other activities. It has since evolved to function as a thought leader and has contributed to the enactment of relevant legislation in the country. The campaign is among the longest-running social responsibility projects of a type rarely seen in Turkey.

Domestic Violence Hotline

Established in 2007 under the “No! To Domestic Violence” campaign to provide legal, psychological and security-related support to women exposed to domestic mistreatment and violence, the Domestic Violence Hotline continued to support victims in need 24/7 throughout 2012.

Between 15 October 2007 and 31 December 2012, the Hotline has received a total of 33.669 calls. Of the callers responded to, some 15.824 persons were offered legal, corporate or psychological support related to domestic violence. Of the total callers, 11.420 were either victims, or relatives or acquaintances of victims. One out of two victims called the hotline to complain about physical violence, and nearly half of these persons indicated that they had been subject to both physical and other types of abuse.

One-third of the victims who called the Hotline stated that they had been subject to verbal and emotional violence; some victims in this group claimed that they had suffered social, economic or sexual violence as well.

Approximately 26% of the Hotline callers were victims of sexual, economic or social violence, while 3,31% of the victims were male. Victims who call the Hotline fall into a broad age range, from 2 to 90 years. Some 80% of the victims suffer from spousal violence.

To date, 1.468 emergency cases have been handled by the Hotline; in most of these cases, the police were alerted, and the victims were referred to shelters.

The Domestic Violence Hotline has received calls from locations all across Turkey as well as 14 foreign countries including Germany, France, Austria, Azerbaijan, Belgium, the Netherlands, the USA, Syria, Switzerland, Iran, Tunisia, the UK, Sweden and Northern Cyprus.

Training Programs

Hürriyet's “No! To Domestic Violence” campaign continued throughout the year with conferences, workshops, TV programs and various other efforts to raise public awareness and to identify solutions to this persistent problem. In addition, an Inter-Corporation Collaboration Training and an Awareness Training on Domestic Violence were conducted for all local concerned parties in the province of Yozgat from 5-7 January 2012. On request, a therapeutic

training program was organized for the administrators and employees of Istanbul Provincial Directorate of Social Services and Child Protection Agency on 22-23-29 February 2012.

Collaborations

Under a collaboration with Pentti Hosier, several celebrities including Ayşe Arman, Kenan Doğulu and Şebnem Bozoklu designed stockings for the initiative, and the proceeds from the sale of these exclusively designed products were donated to the Domestic Violence Hotline.

Hürriyet held various events throughout 2012 in collaboration with the Turkish Ministry of Family and Social Policies, the Turkish Ministry for EU Affairs, Directorate General on the Status and Problems of Women and several NGOs. The Company played an active role in the preparation of legislation and regulations for the prevention and protection of women against violence, as part of its “No! To Domestic Violence” campaign, and on behalf of the Rightful Women Platform.

SMS Campaign

In order to contribute to the operating expenses of the Domestic Violence Hotline, an SMS campaign was initiated under the “No! To Domestic Violence” campaign. Agreements were signed with the Aralık Foundation as well as Turkcell, Vodafone and Avea mobile phone service providers and permission was obtained to collect donations via the SMS number 6643. The project, which was announced to the public on the website siddetkarsiuyuzbinsms.com, aims to encourage the public to help contribute to solving this pressing problem while also raising money.

Rightful Women Platform

In 2012, Hürriyet Newspaper continued to promote the concept of gender equality in Turkey through the Rightful Women Platform, another social responsibility initiative of the Company. Hürriyet actively participated in efforts to enact laws and regulations for the Protection of the Family and Prevention of Violence Against Women.

In addition, Hürriyet initiated a project related to gender-budgeting. Under this project, the Company held a series of meetings with relevant authorities and conducted a Gender-Budgeting Workshop at Bilgi University. The report of the workshop, which was attended by experts in this area, was shared with the Turkish Grand National Assembly's Gender Equality Commission and other concerned authorities.

A total of 100 thousand individuals and association members gather under the roof of the Rightful Women Platform. The group aims and works to achieve equal representation of women in the parliament, protect women against all kinds of violence and abuse, gain women's rightful share of employment, enact laws that will protect women against discrimination, and ensure that the necessary steps are taken to attain gender equality in society.

Hürriyet's Reader Councils

In 2012, Hürriyet's Reader Councils convened in several cities and regions across the country. During the year, reader council meetings were held one to three times in each region, including Izmir (Aegean region), Adana and Gaziantep (southern regions), Eskişehir, Istanbul (Education Reader Council), Antalya and Ankara. At the meetings, the problems in these regions were discussed and opinions were shared with the members of respective councils.

Hürriyet Initiatives on Environmental Protection and Environmental Sustainability

Sustainability is broadly defined as the capacity to endure. According to the definition declared by UN World Commission on Environment and Development in 1987, sustainability "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 the relations with the environment are based on protecting the environment as much as possible.

Hürriyet Group considers "respect for humanity" and environmental protection among its main priorities and duties to ensure a healthy future for humankind and natural life.

In accordance with its sustainability policies, the Company conducts its operations in line with the protection of the environment and prudent use of natural resources, and complies with all legal and regulatory requirements related to environmental protection.

The Company understands that high quality products can only be produced in a safe and clean environment. Based on this principle, the Company's corporate policy proscribes using fewer consumables and less energy, and deploying and implementing environmentally friendly production equipment and techniques. This approach

is applied in accordance with the current circumstances at every phase of production, from selecting project and equipment to ensuring an environmentally aware staff and engaging in day-to-day operations. The Company's overarching goal is to attain a healthy environment and to hand it down to future generations.

To this end, the Company established an "Environmental Control Unit" on 31 January 2011 and initiated studies to prevent and mitigate the impact of its production and operations on the environment and to increase environmental awareness among employees. The Company's Environmental Control Regulations, which are regularly updated by the Environmental Control Unit, are closely monitored, and environmental practices are improved at all printing houses and offices on an ongoing basis.

- In 2011 and 2012, all of the Company's printing houses and offices were inspected in accordance with the Environmental Control Regulations and the Environmental Law; subsequently, inspection reports were presented to the Senior Management. The Company aims to repeat these inspections and reviews in 2013, and report the findings to Senior Management.
- As a result of the inspections, the Company determined necessary actions and made improvements in accordance with Environmental Regulations requirements.
- The Company plans to provide environmental training programs to all employees to increase environmental awareness throughout the organization.
- The Company's operations are inspected on an ongoing basis through internal controls to ensure the continuity of its environmental commitment.
- Senior Management reviews and evaluates the Company's environmental practices in light of inspection reports and ensures that necessary sanctions are imposed and allows necessary improvements to be made.
- Hürriyet Group published and distributed an "Environmental Newspaper" twice in 2011, a first in Turkey, to highlight environmental issues and to bring all the companies of the sector to a common ground.

The Company's actions to achieve environmental sustainability are presented below:

1. Energy Management

The Company implements a variety of procedures, in particular the use of energy efficient equipment, at all its facilities to reduce consumption of energy resources such as electricity and natural gas.

Additionally, the Company conducts analytical studies to reduce CO₂ emission into the atmosphere, in other words, to minimize its carbon footprint.

- Electricity/natural gas consumption amounts are checked and reported.
- A heating system with a capacity of less than 2 MV is used at all facilities and CO₂ emission is kept at a minimum level.
- No technologies causing emissions into the atmosphere are used at any stage of production.
- Employee awareness on this issue is steadily raised.
- Energy-saving equipment is used at all facilities.
- The temperature of production and office facilities is kept at optimal 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.
- At the end of working hours, employees are advised to shut down and not to leave on standby electrical equipment and appliances not in active use.
- The insulation in the walls and roofs of all facilities is regularly inspected.

2. Environmental Permits and Licenses Hürriyet Gazetecilik ve Matbaacılık A.Ş. Antalya Printing Center (DPC Antalya)

Classified as attachment 2 receiving environment discharge under the "Regulation on Permits and Licenses Required by the Environmental Law," DPC Antalya has satisfied all regulatory requirements in accordance with the "Regulation on Environmental Control." On 6 July 2011, the facility received an "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 inspections by an "Environmental Controller," employed by the Company, in accordance with the provisions of the Environmental Control Regulation; in addition, inspection reports are issued regularly.

Hürriyet Gazetecilik ve Matbaacılık A.Ş. Istanbul Printing Center (DPC Istanbul)

In 2011, the Company initiated the renewal of its Discharge Quality Control License as required by the discharge quality control regulations of the Istanbul Water and Sewage Administration (İSKİ). As proof of the importance Hürriyet Group places on environmental protection and in line with its policy on environmental sustainability, DPC Istanbul refurbished the existing biological treatment plant at the facility; separated the treatment plant from the domestic water treatment system; built a chemical treatment plant and a biological treatment plant, with an investment of EUR 55.000 plus construction costs; and put the plants into operation at year ended 2011. The facility successfully treated its wastewater in compliance with the requirements stipulated in Table 25 of the Water Pollution Control Regulation, and achieved a level of sustainability. The facility also obtained the Discharge Quality Control License, valid for an indefinite period, from the Istanbul Water and Sewage Administration (İSKİ).

The Company imported state-of-the-art and environmentally friendly drying ovens for its DPC Istanbul facility. As these new oven systems come equipped with integrated filtration and exhaust systems, emission of afterburner dust and gases and vaporization of organic compounds are kept at levels much lower than the limits set by the Industrial Air Pollution Control Regulation.

3. Water Use Management

As part of its environmental sustainability efforts, Hürriyet strives to achieve water use efficiency by issuing guidelines, using warning labels and keeping detailed daily water consumption records at its facilities and offices. In addition, the Company:

- Uses photocell-controlled faucets,
- Uses well water where economically feasible,
- Checks for water leaks, and provides for immediate repairs,
- Uses treated wastewater for irrigating facility grounds,
- Uses bucket water for domestic purposes,
- Keeps the amount of water used in production at a minimum level, and reports water usage daily.

4. Preventing Environmental Pollution

Hürriyet Gazetecilik fulfills its environmental responsibilities by:

- Protecting natural resources,
- Choosing not to pollute in the first place instead of cleaning afterwards,

- Complying with all environmental legal and regulatory requirements; and beyond that, looking out for the protection of the environment and natural life,
- Monitoring and preventing the impact of its operational processes on climate change, the air, the earth and the water; and continuously improving its processes to minimize such adverse effects.

All employee and management levels at the Company fully participate in these efforts.

The Company consistently pursues efforts to reduce operational waste at the source and takes corrective measures as necessary. To that end, the Company conducts analytical studies on effective production planning, keeping inventory at minimum levels and improving operational methods.

In accordance with the Regulation on Packaging Wastes, in 2011, Hürriyet Group disclosed the amount of packaging waste it has produced between 2005 and 2012 on the online system of the Ministry of Environment and Urbanization. Additionally, the Company signed a delegation of authority agreement with TÜKÇEV, the Environmental Education Foundation authorized to collect packaging materials put on the market according to a set quota.

Hürriyet Group's other efforts in this area are as follows:

- Placing paper recycling boxes on office floors,
- Placing paper, glass, plastic, composite and waste battery collection units at production and office facilities,
- Installing contaminated material depositories,
- Placing HP toner and cartridge collection containers on Company premises, and
- Installing packaging waste containers.

5. Waste Management, Disposal and Recycling

As part of waste management efforts, the Company strives to:

- Prevent waste at source,
- Reuse waste in processes,
- Recycle waste materials, and
- Resort to energy recovery processes for hazardous wastes for which the above steps cannot be implemented.

The Company's operational waste output is put down in writing in three-year Industrial Waste Management Plans; these plans are approved by the Provincial Directorates of

Environment and Urbanization of respective cities, on behalf of the Governors of these cities. Additionally, the Company has also established temporary storage rooms for hazardous waste at its facilities, which are approved by the authorities in these regions. Waste collected at temporary storage rooms is delivered to disposal or recycling companies, licensed by the Ministry of Environment and Urbanization, for treatment; detailed records are kept on all waste delivered. Each year, the waste delivered to disposal and/or recycling companies during the previous year is reported to the Ministry of Environment and Urbanization through an online Hazardous Waste Disclosure System.

Environmental Health and Protection at the Printing Facilities

Paper Consumption

Recycled paper accounts for 28% of the paper consumed at Hürriyet facilities. In 2012, approximately 52 thousand tons of recycled paper was used in newspaper printing.

Biological Treatment

Domestic wastewater from production processes at Hürriyet facilities is collected via a special wastewater collection system. After physical treatment (coarse grids, oil filters, sand catchers), wastewater is biologically treated.

After biological treatment, wastewater is disinfected with chlorine and discharged into appropriate environments from discharge points approved by official agencies.

The respective departments of the Company manage the treatment facilities; furthermore, official agencies regularly take water samples and make necessary controls on the treatment procedure.

Sludge from wastewater treatment facilities is kept in hazardous waste depositories built in accordance with the standards set by the Ministry of Environment; afterwards, the sludge is sent to licensed disposal firms.

Chemical Treatment

Pursuant to İSKİ's (Istanbul Water and Sewage Administration) request, the Company established an integrated chemical and biological treatment plant at DPC Istanbul. Domestic wastewater is discharged as untreated into the İSKİ channel, while industrial mixed wastewater is treated in this integrated system until it meets discharge criteria and is then transferred to the İSKİ sewage system.

Waste Paper

Waste paper generated during production is stacked at collection points and then sent for recycling to Non-Hazardous Waste Collection and Segregation facilities, licensed by the respective Provincial Directorate of Environment and Urbanization.

Batteries and Storage Batteries

The Company collects used batteries in PE collection containers and then sends them to TAP (Association of Portable Battery Manufacturers and Importers) for disposal. Used storage batteries are stored on leak proof concrete ground and delivered to licensed recycling companies.

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 after the production process and then stacked at collection points and delivered to recycling/separation companies, authorized by the Ministry of Environment, for recycling.

Waste Chemicals

The reservoir water and solvents used in printing are collected at source, placed in plastic drums and kept in dangerous waste depositories built in accordance with Ministry of Environment regulatory requirements. These chemicals are later sent to licensed disposal firms.

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 disposal companies.

Waste Plastic Drums and Metal Barrels

Drums and barrels containing chemicals used in production, such as reservoir water, solvents and oils (contaminated wastes) are stored at waste collection points and later sent to authorized recycling firms.

Used Mineral Oil

Mineral oil to be replaced is collected at source and sent to laboratories approved by the Ministry of Environment for analysis, and then delivered to authorized firms deemed appropriate according to the reported results.

Used Electronic Equipment

Used PCs and screens, integrated units, semiconductors, telephones, fax machines, copier machines, DVDs, VCRs, printed circuit sensors, cables, medical devices, printers, and the like, are sent to recycling firms authorized by the Ministry of Environment.

Used Fluorescent and Mercury Vapor Bulbs

Used fluorescent and mercury vapor bulbs are kept in dangerous waste depositories built in accordance with Ministry of Environment guidelines. These bulbs are then sent to authorized disposal companies.

Printer Cartridges and Toners

Cartridges and toners are disposed of within Hewlett-Packard's worldwide recycling system. The Company uses HP cartridges and toners throughout the organization and returns used products to HP Company for recycling. The Company strives to reduce the use of other brand cartridges and toners; such used cartridges and toners are delivered to authorized recycling companies.

Gas Emissions

The Company's newspaper printing machines run on electricity; therefore, there are no gas emissions into the atmosphere during production. As the capacities of the heating systems used at all facilities and office areas are lower than 2 MV, these systems are exempt from emission permits under the Industrial Air Pollution Control Regulation, and their CO₂ emissions are minimal.

Environmental Cleanup

Industrial cleaning firms undertake the cleanup of the environment surrounding the facilities on a daily basis. Further, the Company's Environmental Control Unit carries out preventive activities and issues warnings at the production facilities related to soil pollution, as stipulated by the Soil Pollution Control Regulations.

Maintenance of Green Space and Tree Planting

Specialist firms undertake the maintenance of the area reserved as green space at all facilities on a regular basis.

Environmental Health and Protection in Administrative Buildings

Industrial wastewater generated at the Company headquarters is sent to a wastewater treatment firm on a regular basis. Additionally, generator waste oils are collected at the administrative buildings, and then analyzed and sent to authorized recycling companies for disposal.

The cooling devices at Company headquarters were refurbished four years ago and supplied with a new generation eco-friendly cooling gas, R 134a. Special attention is paid to ensure that all newly purchased cooling devices use eco-friendly refrigerants. Importation and use of refrigerants and making them available for end users are carried out in accordance with Ministry of Environment regulations. Maintenance of the cooling devices at Hürriyet facilities are carried out periodically by authorized technical services on a contract basis.

The Halon fire extinguishers on the premises were removed and replaced by a system using FM 200 gas that is more compatible with the environment and human health and that complies with EU standards. Leak tests of the fire extinguishers within the Company's facilities are carried out every six months by authorized technical services on a contract basis.

As of 2012, no lawsuits have been filed against the Company due to environmental damage claims, and no penalties have been imposed on the Company under applicable Environmental Law and Regulations.

I. Company's Legal Actions, and Measures Taken or Avoided in Favor of the Parent Company or Group Companies

In the reporting period, the Company carried out no legal action in favor of the parent company or any subsidiary thereof, with instructions by the parent company. The Company did not take or avoid taking any measures in favor of the parent company or its subsidiaries, or carry out any transactions that need to be redressed.

m. Any Corrections against the Legal Actions Mentioned in Paragraph (4.1), Any Damages Inflicted on the Company Arising from Measures Taken or Avoided, Any Corrections for Such Damages

Since the Company did not take any action falling under the scope of Paragraph 4.1 of the report, there are no damages that need to be redressed.

WASTEWATER DISCHARGE PERMITS

	T.C. ANTALYA VALİLİĞİ İl Çevre ve Orman Müdürlüğü	
ÇEVRE İZİN BELGESİ		
Belge No	: 16	
Çevre İzininin Başlangıç Tarihi	: 06/07/2011	
Çevre İzininin Bitiş Tarihi	: 06/07/2016	
İşletmenin/Faaliyetin Adı	: HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.	
İşletmenin/Faaliyetin Adresi	: DPC HÜRRİYET BASKI TESİSLERİ HAVAALANI YOLU 8. KM. ANTALYA Merkez / Antalya	
İşletmenin/Faaliyetin Vergi Dairesi ve No'su	: BÜYÜK MÜK. VD. B/4640061273	
Çevre İzininin Konusu	: Atıksu Deşarjı	
<p>Yukarıda adı ve açık adresi belirtilen işletme/faaliyete bu belgenin ekinde yer alan izin koşulları çerçevesinde çalışması için 2872 sayılı Çevre Kanunu gereğince hazırlanmış Çevre Kanununa Alınması Gereken İzin ve Lisanslar Hakkında Yönetmelik kapsamında ÇEVRE İZİNİ verilmiştir.</p> <p>Bu belge 06/07/2011 tarih ve 16 sayılı yazı ile birlikte geçerlidir. Ayrı kullanılamaz.</p>		
MİNE KARA İl Çevre ve Orman Müdürü		
EK: İzin Koşulları		

	T.C. TRABZON VALİLİĞİ Çevre ve Şehircilik İl Müdürlüğü	
ÇEVRE İZİN BELGESİ		
Belge No	: 60	
Çevre İzininin Başlangıç Tarihi	: 05/07/2012	
Çevre İzininin Bitiş Tarihi	: 05/07/2017	
İşletmenin/Faaliyetin Adı	: HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.	
İşletmenin/Faaliyetin Adresi	: HURRIYET GAZETECİLİK MATBAACILIK AŞ TRABZON BASKI TESİSLERİ (DPC TRABZON)	
İşletmenin/Faaliyetin Vergi Dairesi ve No'su	: BÜYÜK MÜK. VD. B/4640061273	
Çevre İzininin Konusu	: Atıksu Deşarjı	
<p>Yukarıda adı ve açık adresi belirtilen işletme/faaliyete bu belgenin ekinde yer alan izin koşulları çerçevesinde çalışması için 2872 sayılı Çevre Kanunu gereğince hazırlanmış Çevre Kanununa Alınması Gereken İzin ve Lisanslar Hakkında Yönetmelik kapsamında ÇEVRE İZİNİ verilmiştir.</p> <p>Bu belge 05/07/2012 tarih ve 60 sayılı yazı ile birlikte geçerlidir. Ayrı kullanılamaz.</p>		
ALİ VEDAT ÇİFTÇİ İl Müdürü		
EK: İzin Koşulları		



5. FINANCIAL POSITION

a. Management's Analysis and Assessment of the Financial Position and Operational Results, the Degree to Which Planned Activities were Realized, Company's Position against Defined Strategic Goals

Hürriyet Gazetecilik ve Matbaacılık A.Ş. and Trader Media East Ltd., the entities that constitute the majority of the Company's consolidated financial statements, have achieved their 2012 performance targets to a great extent. Hürriyet Gazetecilik ve Matbaacılık A.Ş. achieved 93% of the target income level in its 2012 budget. As the Company realized 93% of its expense budget, it was able to reach its EBITDA margin target. In terms of financial expenses, the Company's net profit exceeded the budget target by TL 53 million, thanks to the positive effect of exchange rates and the profit generated from the sale of the headquarters facility. As a result of deferred advertising costs and effective cost control efforts at Trader Media East, EBITDA and net profit were higher than the previous year.

b. Company's Annual Sales, Productivity, Income Generation Capacity, Profitability and Debt to Equity Ratio, in Comparison with Previous Years; Information on Other Issues That Might Impact the Company's Operational Results, and Expectations of the Future

Due to regular cash inflows generated from the sale of the Hürriyet Medya Towers building to Nurol REIT, with terms set at USD 3,4 million monthly in the form of notes receivable, a positive effect on the net debt position is expected: USD 43 million in 2013 and USD 34 million in 2014.

1. Key Financial Indicators and Ratios

		Revised-
SUMMARY OF BALANCE SHEET	31 December 2012	31 December 2011
CURRENT ASSETS	460.822	553.169
FIXED ASSETS	1.092.028	1.097.723
TOTAL ASSETS	1.552.849	1.650.892
SHORT-TERM LIABILITIES	439.475	549.788
LONG-TERM LIABILITIES	365.701	490.989
SHAREHOLDERS' EQUITY	747.673	610.115
TOTAL RESOURCES	1.552.849	1.650.892
Ratios	31 December 2012	31 December 2011
Current Ratio (%)	1,05	1,01
Debt-to-Equity (%)	1,08	1,71
SUMMARY OF INCOME STATEMENT	31 December 2012	31 December 2011
NET SALES	853.128	868.738
GROSS PROFIT	323.191	327.946
EBITDA	109.798	100.126
OPERATING PROFIT/(LOSS)	167.830	(148.483)
PROFIT/(LOSS) BEFORE TAXES	168.782	(264.593)
NET PROFIT/(LOSS)	150.663	(233.976)
Ratios	31 December 2012	31 December 2011
Gross Profit Margin	37,9%	37,7%
EBITDA Margin	12,9%	11,5%
Operating Profit Margin	19,7%	-17,1%

c. Types and the Amount of Issued Capital Market Instruments

The Company did not issue any securities in the period 1 January 2012 – 31 December 2012.

d. Management's Assessment on Whether the Company Suffers Capital Loss or Insolvency

The Company does not suffer capital loss or insolvency.

e. Measures to Improve the Company's Financial Structure

An improvement of USD 41,3 million is expected on the net debt position by year-end 2013, due to regular cash inflows generated from the sale of Hürriyet Medya Towers on 1 February 2012, with terms set at USD 3,4 million monthly in the form of notes receivable. Additionally, the Company sold a parcel of land in Esenyurt on 17 October 2012, generating cash inflow totaling TL 50 million and profit of TL 29 million. This sale has also contributed to the improvement of the Company's net debt position.

f. Information on Dividend Distribution Policy, Reasons for Not Paying Dividends, and Proposal on How to Use Undistributed Profit

The Company's net profit is the sum remaining after the deduction of all operating expenses (paid and accrued), depreciations, bonuses and premiums paid, reserved or provisioned by the Company, and all kinds of taxes, duties and other fiscal liabilities levied on and payable by the Company, from the Company's annual revenue, which is calculated at the end of the accounting period.

Out of the net profit:

- the accumulated losses of the past years, if any, and
- the amounts calculated in accordance with the pertinent regulations of the Capital Markets Board will be deducted, and thereafter:
- 5% of net profit as specified in the Turkish Commercial Code is set aside for the legal reserve fund; and
- the first dividend is set aside at a rate or in an amount to be determined by the Capital Markets Board.

The General Assembly of Shareholders is authorized to decide to set aside the balance of net profit in full or in part for the extraordinary reserve fund or to distribute the same as dividends, taking into consideration the Company's dividend distribution policy.

One-tenth of the portion remaining after deduction of a dividend equal to 5% of the issued capital from the amount of net profit decided to be allocated and distributed to shareholders and other legal persons eligible for profit shares will be set aside as the second rank of legal reserve funds pursuant to the provisions of the 3rd sub-paragraph of the 2nd paragraph of Article 466 of the Turkish Commercial Code (Article 519 in the new TCC).

Unless reserves are fully set aside as required by law and unless the first dividends to be allocated to the shareholders pursuant to the Articles of Association are distributed in cash and/or bonus shares, it may not be decided to set aside other reserve funds or to transfer any part of the net profit to the next year, or to distribute profit to holders of preferred shares or to holders of participation, founder and ordinary shares, or the Company's board members, officers, servants or workers, or to the foundations referred to in Article 3 of the Articles of Association or to similar other persons and/or entities.

Dividends are distributed equally to all of the shares available in the relevant accounting period, regardless of their dates of issue and acquisition.

The Board of Directors may decide to make advance dividend payments, provided that the General Assembly of Shareholders authorizes it and that such action complies with Article 15 of the Capital Market Law and the relevant regulations of the Capital Markets Board. The authority granted by the General Assembly to the Board of Directors to make advance dividend payments is limited to the year it was granted. Unless and until all of the advance dividends for the previous year have been fully offset, it may not be decided to make additional advance dividend payments or distribute dividends.

In principle, a minimum of 50% of the "Net Distributable Profit for the Period" calculated in accordance with the Capital Market Law and with due consideration to the financial statements prepared in accordance with International Financial Reporting Standards (IFRS), is distributed.

In the event that profit distribution between 50% and 100% of the calculated Net Distributable Profit for the Period is foreseen, the percentage to be distributed is decided with due consideration of the Company's financial structure and budget.

At the Board of Directors' meeting held on 4 April 2013, it was observed that: according to the consolidated financial statements of Hürriyet Gazetecilik A.Ş. for the period 1 January 2012 - 31 December 2012, prepared in compliance with CMB's Communiqué Series: XI, No. 29, drawn up in accordance with International Financial Reporting Standards, presented in the form specified by CMB's relevant decisions, and independently audited, a "Consolidated Net Period Profit" of TL 150.662.628 materializes after the deduction of "Tax Expenses for the Period," "Deferred Tax Expenses," and "Minority Shares." Further, 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 180.216.737,01; however, after deducting TL 126.234.986 as Corporation Tax Payable for the profit generated by property sale, from the Net Profit for the Period as pursuant to the Tax Procedure Law, TL 53.981.751 remains; and after deducting TL 44.136.777 ("Loss from Previous Years") calculated in accordance with the Tax Procedure Law from this amount, TL 9.844.974 remains and this amount is less than 2% of the Company's capital. Therefore, the Board of Directors decided that no profit distribution can be made in 2012 as per CMB's regulations on profit distribution, and that shareholders be advised of the situation and that the decision be submitted to the General Assembly of Shareholders for approval.



6. RISKS AND THE BOARD OF DIRECTORS' ASSESSMENTS

a. Information on the Company's Internal Control Systems and Internal Audit Activities, and the Board of Directors' Opinion on this Matter

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

The Audit Committee audits the financial records and books of the Company on a quarterly basis, and submits its Audit Report as well as its opinion on whether the Company's balance sheet and income statement be approved and the Board of Directors be released from liability, to the General Meeting of Shareholders for approval.

At the Ordinary General Meeting held on 26 June 2012, Mr. Mehmet Yörük and Mr. Fuad Arslan were appointed as auditors to serve until the date of the Ordinary General Meeting where the results for the accounting year 2012 will be discussed. Auditors are not shareholders of the Company and do not serve on the Executive Board (Executive Committee).

In 2012, the Company continued to review its operational processes, and conducted in-depth analytical studies of its operational efficiency, and implemented action plans based on the results of these analyses. These efforts encompassed compliance related to monitoring/protecting cash and cash equivalents and assets as well as the review of expense/cost factors. The objective was to minimize potential risks and eliminate existing risks with minimum costs in coordination with the related departments.

In 2012, the Internal Audit Vice Presidency of Doğan Şirketler Grubu Holding A.Ş. carried out audits on abuse risk, financial records and management reports for accuracy and compliance, took the necessary actions, and conducted various risk and efficiency related activities at the Group's subsidiaries.

In 2013, the goal is to enhance the efficiency of internal control, especially Authorization/ Approval mechanisms, in line with COSO/ COBIT standards, and to focus on audit and monitoring activities in particular those related to information systems.

The publishing and broadcasting industries are undergoing rapid change across the world, as they are now faced with a competitive environment consisting of customizable television broadcasting, online news reporting, social media networks and other channels of information.

As a result, declining circulations and advertising revenues are significantly affecting publishing companies. Thus, they resort to radical measures such as decreasing their costs and changing the physical format of their publications. Today's technology usage habits have made it necessary for publishing companies not only to reduce their costs but also to develop new products and models that meet the requirements of this new market.

Another critical issue for publishing and broadcasting companies is that they have to attract and maintain a skilled workforce and the talent they need for developing new products and processes in line with changing consumer preferences.

While new publishing and broadcasting channels answering the preferences of the new generation are formed, the advertising industry is also undergoing a similar change. The traditional advertising model has been abandoned, and a more focused, niche and customer-specific advertising approach is prevailing across online platforms. The Company's Board of Directors acts in accordance with this new approach.

b. Company's Risk Management Policy against Foreseeable Risks

The Company's Board of Directors has retained various consultancy firms to establish the risk management system at the Company; furthermore, a risk inventory has been drawn up after consulting with the Financial Control and Investor Relations Department as well as all key managers. The purpose of the risk inventory is to identify, prioritize and assess high-level risks that the Company may be exposed to; to establish the mechanisms and methods for managing such risks; and to achieve a more effective risk management by documenting such risks.

The risks prioritized by the Company include: adverse developments in the Company's field of activity such as print media; risks related

to raw material prices and supply due to developments in global markets; financial risks related to interest rates, liquidity, credit, exchange rates; legal risks; strategic risks due to the Company's operations extending over a wide geographic area; operational risks such as sustaining business continuity under extraordinary circumstances; and risks related to maintaining brand equity. The Company's related departments closely monitor and then take the necessary measures to manage such risks.

As risk assessment and control have become a priority in terms of reaching performance targets, respective departments of the Company make recommendations to the Senior Management on the determination, rating and management of risks on a regular and systematic manner.

c. Activities and Reports of the Early Detection of Risk Committee

The duty of the Early Detection of Risk Committee is to detect, manage and take the necessary measures against risks that may endanger the existence, development or continuity of the Company. The Committee makes the necessary improvements in line with the bimonthly report presented to it, and reports the Committee's findings to the Board of Directors.

d. Future Risks Related to Sales, Productivity, Income Generation Capacity, Profitability, Debt to Equity Ratio and Other Issues

These risks can be defined as adverse developments in newspapers sales and thus advertising revenues, due to changing dynamics in the sector. For example, as classified ads and human resources ads eventually migrate online, revenues in these areas tend to decline. The Company's management carries out its strategic plans by taking such projections into consideration and makes in-house investments as a counteractive measure.

Due to changing consumer preferences in the printing sector, rapid changes in technology, widespread use of the internet, and the necessity to devise new business models, especially in online businesses, the Company's Senior Management takes strategic and tactical actions in terms of risk monitoring and management, such as reducing costs and implementing new online business models.



7. INFORMATION ON THE PARENT COMPANY

a. Capital Increases/Decreases in Subsidiaries and Reasons

The list of affiliates and subsidiaries that issued a capital increase in 2012 due to working capital needs, and the amount of the respective increase are presented below:

Company	Type	Date	Capital Increase	Total Capital After Increase
Doğan Media International GmbH	Affiliate	27 December 2011	EUR 12.000.000	EUR 87.000.000
Doğan News Agency	Affiliate	24 January 2012	TL 4.000.000	TL 10.000.000
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş.	Subsidiary	16 April 2012	TL 500.000	TL 3.800.000
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş.	Subsidiary	9 May 2012	TL 4.896.000	TL 25.000.000
Hürriyet Invest B.V.	Subsidiary	10 May 2012	EUR 12.500.000	EUR 267.086.421
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş.	Subsidiary	19 June 2012	TL 880.000	TL 9.880.000
Hürriyet Invest B.V.	Subsidiary	7 August 2012	EUR 20.800.000	EUR 287.886.421
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş.	Subsidiary	27 September 2012	TL 8.120.000	TL 18.000.000
Doğan Media International GmbH	Affiliate	22 October 2012	EUR 10.000.000	EUR 97.000.000

b. Information on the Parent Company Shares Held by Group Companies

The Company holds no shares in the parent company.

c. Notes on the Internal Audit and Risk Management Systems of the Group Related to the Preparation of Consolidated Financial Statements

The consolidated financial statements of the Company, Doğan Yayın Holding A.Ş., the parent company, and Doğan Şirketler Grubu Holding A.Ş. are prepared in compliance with CMB's Communiqué Series: XI, No. 29, drawn up in accordance with International Accounting and Financial Reporting Standards, and presented in the form specified by CMB's relevant regulations and decisions. Financial statements are independently audited, and then presented to the Audit Committee for review.

d. Information on Reports Outlined in Article 199 of the Turkish Commercial Code

The Company's annual report and affiliation report are issued in line with the provisions of the Turkish Commercial Code. The Company's Board Members made no demands falling under the scope of Turkish Commercial Code, Article 199/4.



8. OTHER ISSUES

After the reporting period, no events of material significance have occurred at the Company, which may have an impact on the rights of shareholders, creditors or other individuals or entities.

a. Personnel and Workers Organizations, Collective Bargaining Agreement Practices, Compensation and Benefits Offered to Personnel and Workers

Hürriyet's Human Resources Department underwent a restructuring in 2012. The HR Department aims to attract a highly skilled and dynamic workforce that will embrace and enhance the corporate culture, contribute to the future of the Company, and that is open to continuous development and learning. In addition, the Department strives to further improve the skills of its existing personnel in line with industry trends and help Hürriyet employ the best workforce possible.

To these ends, the Human Resources Department carried out the activities outlined below in 2012:

Restructuring

- Under the operational and organizational efficiency project carried out in collaboration with Quattro Business Consulting, business processes of all departments were analyzed, norms of staff study were implemented, job descriptions and titles were redefined.
- Content teams that worked separately for the Web, Mobile, Tablet and Newspaper channels within the Publishing Department were merged; the conventional "Editorial" structure was split into editorial groups including "Hot News," "People and Society," and "Social Media." The distribution planning, promotions management and preparation functions related to offset printing were reorganized and included in the Publishing Department.
- Advertising sales were consolidated under a single manager, and a "Business Development and Digital Projects Group Management" Department was established. In addition, "Event Marketing" was included within the duties of the Advertising Group.
- The Marketing Department was restructured under a director to become more brand-focused.

- With the implementation of Single Sign-on User Tracking system, a CEM (Customer Experience Management) Department was established for the tracking and segmentation of customer data and preferences as well as for creating data to develop community-based content and services. The Strategic Planning function was included under this department.
- Separate organizations were formed for Mahmure, Big Para, E-kolay and Viplay under the Content and Audience Management Department.
- An E-Commerce Group Management Department was established, and the Yeniçarşım, Yakala.co, Hürriyet Oto, Hürriyet Emlak, and Yenibirış websites were included under the management of this department.
- Human Resources procedures were drawn up and began to be implemented. All personnel accounting transactions started to be carried out through a system.

Recruitment

In personnel selection and recruitment, the Human Resources Department at Hürriyet adheres to the principles of equal and fair treatment to all candidates, offering equal opportunity to persons with the same qualifications required for a position, and providing career development opportunities. To that end, the Company offers employees career opportunities and options not only during selection and hiring, but also at every stage of their career path.

As is the case every year, Hürriyet provided winter and summer internship opportunities to a total of 211 university and high school students in 2012. High-performing interns are given priority for employment when there is an appropriate open position available.

Doğan Talent Program

Initiated by Doğan Holding in 2012, the Doğan Talent MT Program aims to select high-potential new graduates, who are deemed able to add value to the Group companies in the future, and to hire and cultivate these young persons in line with the corporate culture and values of Doğan

Group. The Program is implemented across all Group companies operating in the media, energy, manufacturing, tourism, finance, real estate marketing, logistics and retail industries. In 2012, 3.600 applications were received and 34 candidates were placed in various positions at Doğan Group companies. There are seven management trainees at Hürriyet Group.

Training

In line with its "Learning Organization" principle, Hürriyet offered employees several in-house and external training programs to improve their knowledge, skills and competencies; to spread knowledge and expertise across the Company; and to improve communication among different teams.

In 2012, 857 employees participated in 78 training programs and conferences. The breakdown of these training programs by topic is presented below:

- 48,7%	Convergence
- 21,8%	Marketing
- 10,2%	Sales
- 9,6%	Technical (IT & Digital)
- 6,1%	Personal Development
- 3,6%	Other

The average employee rating of these training programs was 4,3 out of 5.

In addition, the Company provides foreign language training at various training centers upon request from employees; coaching sessions are also organized for managers who need further management development support.

Rewarding

"The Best" awards program has been designed for employees of the Publishing Group, and aims to reward the best page, best photograph and best news story on a monthly basis. This monthly award program continued throughout 2012, and the winners were announced to all Hürriyet personnel.

Employee Relations

Launched in 2012, Hürriyet Avantaj Kart offers employees discounts of up to 50% at over 100 participating service providers/merchants, and the scope of the program expands with the addition of new service providers/merchants every week. In addition, the Company aims to increase employee motivation by holding lotteries for movie, theater and concert tickets on Hürweb.



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2012

1. Declaration of Compliance with Corporate Governance Principles

Following the issuance of the Capital Markets Board's (CMB) Corporate Governance Principles ("Principles") in 2003, Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet," "Hürriyet Gazetecilik" or "The Company") continued its efforts to comply with the Principles and developed its organization accordingly. To this end, Hürriyet made amendments to its Articles of Association to keep abreast of the recent 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 along with the specification of their duties, responsibilities and organizational structures; laying down the principles relating to the Executive Committee; 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 rights as 5%. With these amendments, Hürriyet joined other companies that have aligned their Articles of Association with the Corporate Governance Principles described in the appendix of CMB's Communiqué on the "Principles Regarding Determination and Application of Corporate Governance Principles," Series: IV, No: 56.

Hürriyet Gazetecilik has a deeply ingrained corporate culture, such that an evaluation of managerial practices by independent organizations has become the order of the day. The world's leading corporate governance rating company, ISS Corporate Services Inc. (RiskMetrics Group), evaluates Hürriyet's corporate governance practices according to more than 530 criteria. ISS revised Hürriyet's corporate governance rating on 24 September 2012 and confirmed it as 9,09 (90,90%) on a scale of 10. Furthermore, ISS granted a high rating of 9,39 out of 10 to Hürriyet's practices in the "Public Disclosure and Transparency" subcategory. As a result, in 2012, Hürriyet maintained its position in the Corporate Governance Index of BIST (formerly, Istanbul Stock Exchange).

The Articles of Association currently do not recognize requests for the assignment of a special auditor as an individual right. However, depending on legislative developments in the upcoming period, this right might be incorporated into the Articles of Association. Meanwhile, no special auditors were appointed for the Company during the reporting period. Our Company's Corporate Governance Rating and Corporate Governance Principles Compliance Report can be accessed on the corporate website (www.hurriyetcorporate.com).

In the accounting period ending on 31 December 2012, Hürriyet's management analyzed in detail the issues in which the Company does not fully comply with CMB's Communiqué and relevant resolutions, and concluded that under the current circumstances these issues do not lead to a significant conflict of interest.

Vuslat Doğan SABANCI
Chairwoman

Ahmet Nafi DALMAN
Board Member



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SECTION I - SHAREHOLDERS

2. Investor Relations Unit

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

The main duties of the Investor Relations Unit are:

- To ensure that shareholder records are kept accurate, safe, and up-to-date,
- To respond to written requests for information by all shareholders about the Company in accordance with the Capital Market Law,
- 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,
- 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 in compliance with relevant regulations.

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

The Investor Relations Unit is headed by Ms. İnci Tarı, Financial Control and Investor Relations Manager; all written and verbal enquiries received from shareholders during 2012 were responded to in accordance with the principles of public disclosure and transparency.

Contact information for the Investor Relations Unit is as follows:

Hürriyet Gazetecilik ve Matbaacılık A.Ş. (Headquarters)

Hürriyet Dünyası 100. Yıl Mahallesi,
Matbaacılar Caddesi No: 78 34204 Bağcılar,
İstanbul/Turkey
Phone: +90 212 677 00 00
Fax: +90 212 677 01 82
<http://www.hurriyetcorporate.com>

İnci Tarı

Financial Control and Investor Relations
Manager
Phone: +90 212 449 65 54
Fax: +90 212 677 08 92
E-mail: ir@hurriyet.com.tr

Gamze Kaygısız

Financial Control and Investor Relations
Assistant Manager
Phone: +90 212 449 61 73
Fax: +90 212 677 08 92
E-mail: ir@hurriyet.com.tr

The Investor Relations Unit responded to all verbal and written (via e-mail) requests for information; responded to all meeting requests from Hürriyet analysts as much as their schedule allowed for; attended the Global Media Conference organized by Bank of America Merrill Lynch on 29-31 May in London, on behalf of Doğan Yayın Holding A.Ş.; held four teleconferences to discuss the Company's quarterly financial reports, of which the results are announced on the following day.

While meeting shareholders' requests, maximum care is exerted to ensure compliance with applicable legislation and the Company's Articles of Association; no written or verbal complaints reached the Company in 2012 related to the exercise of shareholder rights, nor is the Company aware of any legal proceedings initiated against it in this regard.

3. Exercise of Shareholders' Right to Information

The Company does not discriminate against different groups of shareholders in terms of their rights to information. All necessary information and documents are made available on the Company's website (www.hurriyetcorporate.com) to ensure the proper and equal exercise of shareholders' rights. All written and verbal requests for information received from shareholders in 2012 were responded to without delay, under the supervision of the Investor Relations Unit and in accordance with the Capital Market Law.

The Articles of Association currently do not recognize requests for the assignment of a special auditor as an individual right. However, depending on legislative developments in the upcoming period, this right might be incorporated into the Articles of Association. Meanwhile, no special auditors were appointed for the Company during the reporting period. In order to expand shareholders' rights to access information, all information that might affect the exercise of these rights is made available to shareholders in an up-to-date manner on the Company's website.

4. General Meetings of Shareholders

Procedures related to General Meetings of Shareholders are stipulated in the Company's Articles of Association, which are publicly disclosed and accessible on the corporate website.

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

In line with the amendment to the Articles of Association and to comply with the procedures stipulated by applicable legislation, invitations to General Meetings are announced on the Company's website (www.hurriyetcorporate.com) and advertisements are published in Hürriyet and Posta newspapers at least three weeks prior to the meeting to ensure maximum participation by shareholders. All announcements are made in compliance with CMB Principles.

Starting from the date of the announcement of the General Meeting of Shareholders, the following documents are made available for the review of shareholders at the Company's headquarters, branches or other locations as well as through online media, to ensure easy access: The Annual Report, financial statements and reports, dividend distribution proposal, the information document containing the General Meeting agenda items and other documents related to the agenda items, the most recent version of the Articles of Association, texts and justifications of any proposed amendments to the Articles of Association, information about Board Member candidates, and any other information that must be disclosed

to the public pursuant to the Turkish Commercial Code, CMB Communiqués and Resolutions.

No significant changes occurred in the Company's management or operational organization during the previous accounting period and no changes are expected in the coming periods. Any such changes that may arise will be disclosed to the public in accordance with applicable legislation.

Sample proxy statements are provided on the Company website prior to the General Meeting for those who want to be represented by proxy.

Prior to the General Meeting of Shareholders, the voting procedure is announced to shareholders on the Company's website and through ads published in newspapers. In 2012, the Company did not receive any requests from shareholders about adding items to the agenda. The meeting procedure for the General Meeting of Shareholders facilitates maximum participation by shareholders. General Meetings are carried out with the simplest possible procedures, at the lowest possible cost for shareholders and in a manner that does not create any inequality among shareholders.

In 2012, shareholders exercised their right to pose questions at the General Meeting; as no questions were left unanswered, there was no need to respond to questions in writing.

The Ordinary General Meeting, where 2011 operations were discussed, was held at Doğan Şirketler Grubu Holding A.Ş. headquarters as the Company moved to a new address and the meeting hall was under construction at the time. An amendment made to the Articles of Association allows for the meetings to be held in another location in the city where the majority of shareholders reside. Any future request to this effect will be duly taken into consideration.

The venue of General Meetings of Shareholders facilitates maximum participation of shareholders. Ordinary General Meetings of Shareholders are held within the statutory timeframes following their announcement. The Ordinary General Meeting of Shareholders to discuss 2011 operations was held on 26 June 2012, within the statutory timeframe. 2011 financial statements were disclosed at the end of the 13th week (31 March 2012) following the end of the accounting period. In general terms, this practice is in compliance with the Capital Market Law as well as with the spirit of the Principles.

According to the Articles of Association, unless there is a General Meeting resolution to the contrary, meetings are open to all interested parties and the media. However, participants without an entry card proving shareholder or proxy status may neither speak, nor vote at the meeting.

At the General Meeting of Shareholders, agenda items are presented in an objective, detailed, clear and comprehensible manner, and shareholders are given equal opportunity to voice their opinions and ask questions, thus creating an environment that is conducive to healthy discussion. Minutes of General Meetings are made available on the Company's website, www.hurriyetcorporate.com.

One Ordinary General Meeting was held in 2012. At the Ordinary General Meeting held on 26 June 2012, where 2011 operations were discussed, out of the 552.000.000 shares representing the Company's total capital, 355.616.430 shares (or 65,83%) were represented, such that 355.500.075 shares were represented in person, and 116.355 shares were represented by proxy. Thereby, the minimum quorum required by law and the Articles of Association was achieved. No new suggestions or questions on agenda items were raised by the shareholders attending the meeting in person or by proxy.

At the Ordinary General Meeting held on 26 June 2012, shareholders were informed about donations totaling TL 1.280.080 made by the Company to foundations, associations, public agencies and institutions during the period 1 January 2012 – 31 December 2012.

5. Voting Rights and Minority Rights

The Company avoids practices that make it difficult to exercise voting rights. All shareholders are given the opportunity to exercise their voting rights in the easiest and most convenient manner. There are no preferred stocks or different classes of shares in the Company. Each share is entitled to one vote in the Company. There is no Company regulation that restricts the exercise of shareholders' voting rights for a certain period of time following the acquisition date of their shares.

The Articles of Association do not contain any provisions that prevent a non-shareholder from voting as proxy as a representative of a shareholder.

According to the Articles of Association, in the event that the beneficial interests and rights of disposal of a share belong to different persons, they may have themselves represented as they deem fit, upon mutual

agreement. However, if they fail to agree, the right to attend and vote at the General Meeting of Shareholders shall be given to the beneficial owner.

The Company's share capital does not involve any cross-shareholdings. Minority rights are granted to shareholders collectively holding 5% of the share capital (Article 32 of the Articles of Association).

The Company takes the utmost care to ensure the exercise of minority rights. During 2012, the Company did not receive any criticism or complaint in this regard. The Articles of Association do not provide for cumulative voting. The advantages and disadvantages of this method are being assessed within the framework of legislative developments.

6. Dividend Right

The Company makes decisions on profit distribution with due consideration of the provisions of the Capital Market Law as well as the Articles of Association.

Dividends are distributed within the timeframe set forth by applicable legislation and as soon as possible after the General Meeting of Shareholders.

At the 2011 Ordinary General Meeting held on 26 June 2012, the Board of Directors' profit distribution proposal for the accounting period 1 January 2011 – 31 December 2011 was read to the shareholders by Board Member Mr. Ahmet Toksoy. The proposal was as follows: "According to our Company's consolidated financial statements drawn up in accordance with International Accounting and Financial Reporting Standards, a "Consolidated Net Period Loss" of TL 235.684.263 materializes after the deduction of "Tax Expenses for the Period," "Deferred Tax Expenses" and "Minority Shares." Further, according to our financial records kept in accordance with the Turkish Commercial Code and Tax Procedure Law, the loss for the period is determined as TL 44.136.777; thereby, there can be no dividend distribution for the accounting period 1 January 2011 – 31 December 2011 as per CMB's regulations on profit distribution." The Board's proposal was unanimously approved.

No special privileges are granted to shareholders with regard to participation in the Company's profits.

According to the Articles of Association, the Board of Directors may decide to make advance dividend payments, provided that it is authorized by the General Assembly to do so and that such action complies with the



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relevant regulations of the Capital Markets Board. The authority granted by the General Assembly to the Board of Directors to make advance dividend payments is limited to the year it was granted. Unless and until all of the advance dividends for the previous year have been fully offset, it may not be decided to make additional advance dividend payments or distribute dividends.

The Company makes decisions on profit distribution with due consideration of the provisions of the Turkish Commercial Code, Capital Market Law, the Capital Markets Board's regulations and resolutions, tax laws, and other applicable legislation, as well as the Articles of Association.

As per the Company's dividend distribution policy:

In principle, a minimum of 50% of the "Net Distributable Profit for the Period," calculated as stipulated by the Capital Market Law and with due consideration to the financial statements prepared in accordance with International Financial Reporting Standards (IFRS), is distributed.

In the event that profit distribution between 50% and 100% of the calculated Net Distributable Profit for the Period is foreseen, the percentage to be distributed is decided with due consideration of the Company's financial structure and budget.

The dividend distribution proposal is publicly disclosed within the legally prescribed timeframe and in accordance with the Capital Market Law and CMB's regulations and resolutions.

In the event that no Net Distributable Profit for the Period exists according to the financial statements prepared as stipulated by the Turkish Commercial Code and tax laws, no profit distribution shall be made even if a Net Distributable Profit for the Period has been calculated in accordance with the Capital Market Law and International Financial Reporting Standards.

In the event that the Net Distributable Profit for the Period remains below 5% of the Company's issued capital, it may be decided not to make any dividend distribution.

Investments made to increase the value of the Company, which necessitate substantial fund outflow, issues that may affect the Company's financial structure, the existence of uncertainty or adverse developments in the economy or market conditions are taken into consideration when making profit distribution.

In accordance with CMB's decision dated 27 January 2006, the dividend policy of the Company was revised to be valid from 2006 onwards. Information about this policy was presented at the General Meeting of Shareholders and was also publicly disclosed. The Company's dividend policy is stated in its Annual Report and publicly disclosed on the corporate website.

7. Transfer of Shares

According to Article 10 of the Company's Articles of Association, shareholders can freely transfer their shares pursuant to the provisions of the Turkish Commercial Code. Transfer of shares can be made in compliance with the provisions of the Turkish Commercial Code, Capital Market Law, the Capital Markets Board's regulations, other applicable legislation, the rules of the Central Registry Agency, and applicable regulations related to the registration 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

A Disclosure Policy relating to the Company's disclosures to the public has been drawn up and posted on the Company's website at www.hurriyetcorporate.com.

The Company Disclosure Policy has been approved by the Board of Directors and presented to the shareholders at the General Meeting. The Board of Directors is in charge of monitoring, reviewing and improving the Disclosure Policy. The Corporate Governance Committee informs and makes recommendations to the Board of Directors, Executive Committee, Audit Committee and the CFO on issues related to the Disclosure Policy.

The Investor Relations Unit is authorized to oversee and monitor any issues related to public disclosure. Enquiries received from outside the Company are responded to either by the Chief Executive Officer, Chief Financial Officer, or the Financial Control and Investor Relations Manager, within the knowledge of and authorization limits set by the CEO and CFO, depending on the content of the query. In responding to queries, utmost care is taken to avoid any violation of the equal rights of stakeholders to obtain information.

Except where applicable legislation requires otherwise, information distribution companies and the website of the Company are used effectively for public disclosures. Principles governing the disclosure of information on future prospects are defined in the Company's Disclosure Policy. In public announcements, information on future prospects is disclosed together with the justifications and the statistical data underlying the forecasts and is associated with the Company's financial position and operational results. Only the Chief Executive Officer and the Chief Financial Officer are authorized to make such announcements.

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 the Capital Market Law. There were no transactions or public disclosure in 2012 related to this issue. Since all public disclosures are posted on the corporate website, the public disclosures mentioned above were also posted automatically on the website.

The Company does not have any stock-based derivative products. In 2012, 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 at least 5% or more of Hürriyet's capital, hold at least a 5% stake or have management control irrespective of the amount of shares they hold.

The financial statements and footnotes for the year 2012 were prepared on a consolidated basis in accordance with International Financial Reporting Standards (IFRS), and were audited by independent auditors pursuant to International Auditing Standards (IAS) and were publicly disclosed. The 2012 Annual Report was prepared in accordance with the Capital Market Law, CMB regulations and principles.

9. The Company's Website and Its Contents

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

The Company complies with the Capital Market Law, CMB regulations and principles, and BIST (Istanbul Stock Exchange) regulations. The Company's website is available in both Turkish and English; its content and format were revised to comply with the requirements described in CMB's Principles. The Company regularly improves its website. The Company letterhead clearly indicates the address of its corporate website. The principles related to the administration of the Company's website are stipulated in the Disclosure Policy.

In addition to the mandatory information requirements prescribed by relevant legislation, the Company's website also contains: information related to its trade registry; the latest shareholding and management structure; detailed information on preferred shares; the dates and issues of the trade registry gazette in which changes have been published; the latest version of the Articles of Association; public disclosures; financial statements and annual reports; registration statements; circulars related to initial public offerings; agendas of general meetings; attendance charts and minutes of general meetings; proxy voting form; mandatory information forms prepared for the call for the collection of shares and proxies; the Company's policy regarding acquisition of its own shares, if any; profit distribution policy; disclosure policy; information on related-party transactions; the Company's code of ethics; and requests for information, questions and notices received by the Company and responses given to these, under the frequently asked questions section. Information and records on the website date back at least five years.

In 2012, the Company made 31 public disclosures. The Capital Markets Board and the Stock Exchange did not issue any notifications and/or requests for additional public disclosures related to the public disclosures the Company made in 2012. All public disclosures made to the Stock Exchange are signed by the Chief Financial and Administrative Officer and Financial Control and Investor Relations Manager. The shares of Trader Media East Ltd. (TME), the Company's subsidiary, are traded on the secondary market of the London Stock Exchange; therefore, TME complies with all reporting requirements imposed by the London Stock Exchange on companies with this status.

10. Annual Report

The Company's Board of Directors prepares annual and quarterly interim reports to disclose the Company's financial position and operational results in the most accurate and realistic manner, in accordance with the Turkish Commercial Code, Capital Market Law, Corporate Governance Principles, and the principle of Public Disclosure and Transparency. These reports are issued in Turkish and English, and posted on the website.

SECTION III - STAKEHOLDERS

11. Informing Stakeholders

Information is disclosed to stakeholders via the Public Disclosure Platform, the Company's website, annual reports and other means as stipulated, in accordance with the Capital Market Law, CMB regulations and the Principles.

12. Stakeholder Participation in Management

The Company is in constant contact with stakeholders through written and verbal requests and responses. All feedback received from stakeholders is first evaluated and handled by the Financial Control and Investor Relations Department; resolutions are sought with the support of relevant managers and departments, if and when required, in accordance with applicable regulations. Occasionally, some issues are brought to the attention of the Senior Management for solution proposals and policies.

In important decisions that may have significant consequences for stakeholders, the Company acknowledges the principle of seeking stakeholders' opinions, however there have not been any such cases to date.

13. Human Resources Policy

The Company offers equal opportunity to persons with the same qualifications in recruitment and career planning. Succession plans are put in place in order to prevent operational impediments if/when a manager resigns.

All recruitment criteria have been detailed in writing and are efficiently implemented. All employees are treated equally with regard to their rights. Training programs are organized and training policies are developed to enhance the knowledge, skills, and conduct of personnel.

Meetings are organized for personnel to give them information and share opinions about the Company's financial position, compensation, career planning, training, health and similar topics.

Job descriptions, distribution of duties, performance and rewarding criteria are shared with employees. In determining compensation and other benefits offered to personnel, the Company takes productivity measures into account. The Company may choose to develop employee stock ownership plans.

The Company does not discriminate among its employees in terms of their race, religious belief, language or gender, and takes all precautions to protect employees against all kinds of physical, emotional or psychological abuse.

14. Code of Ethics and Social Responsibility

The Company conducts its operations in accordance with its Code of Ethics which is disclosed to the public on the corporate website.

The Company acts in a socially responsible manner, adheres to ethical rules and regulations related to the environment, consumers and public health. The Company respects and supports fundamental principles of human rights, and fights against all types of corruption, including extortion and bribery.



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SECTION IV - BOARD OF DIRECTORS

15. The Structure and Formation of the Board of Directors

Members of the Board of Directors and their status are as follows:

Name/Last Name	Title	Status
Vuslat Doğan Sabancı	Chairwoman	Non-Executive
Hanzade Vasfiye Doğan Boyner	Vice Chairwoman	Non-Executive
Ahmet Nafi Dalman	Board Member	Executive
Enis Berberoğlu	Board Member	Executive
Yahya Üzdiyen	Board Member	Non-Executive
Hakkı Hasan Yılmaz	Board Member	Non-Executive
Kai Diekmann	Board Member	Non-Executive
Ahmet Burak	Independent Board Member	Non-Executive
Béatrice de Clermont Tonnerre	Independent Board Member	Non-Executive

The Members of the Board of Directors were unanimously elected to serve until the date of the General Meeting of Shareholders, where the activities for the fiscal year 2012 will be discussed.

On 31 May 2012, Mr. Ahmet Burak and Ms. Béatrice de Clermont Tonnerre submitted their applications and statements of independence for Independent Board Membership, and on 1 June 2012, the Board of Directors resolved to disclose their applications to the public and did so on the same date.

The Company complies with the Turkish Commercial Code, Capital Market Law, relevant CMB communiqués and resolutions while forming and electing its Board of Directors; in addition, related provisions are set forth in the Articles of Association.

Accordingly;

- The Company is managed and represented by a Board of Directors that consists of at least six and at most nine members elected by the shareholders at the General Meeting.
- A certain number or percentage of Board Members are required to be independent members, as defined by the Capital Markets Board. The determination, nomination, number and qualifications, selection, dismissal and/or resignation of Independent Board Members are carried out in compliance with the Capital Market Law, CMB regulations, and other applicable legislation.

- No more than half the Board Members can assume an executive role in the Company. This rule is taken into account especially in determining the duties of the Board Members.
- The Company's Board of Directors consists of two Independent Members. As per CMB's Communiqué Series: IV, No: 56, which took effect on 30 December 2011, the Company falls into "Category 3" companies as its market capitalization is below TL 1 billion, and the total value of its outstanding shares is below TL 0,25 billion. Therefore, the Company meets the requirement of having two independent members on its Board.

The Company fully complies with all mandatory Corporate Governance Principles of the Capital Markets Board, and at the same time endeavors to comply with the non-mandatory principles. However, if the Company fails to fully comply with the referenced principles, then the reasons and the consequences of noncompliance are explained in the annual report and disclosed to the public. Transactions and Board of Directors' resolutions that do not comply with mandatory principles are deemed invalid and contradictory with the Articles of Association. The Company strictly adheres to

the provisions of the Capital Market Law, CMB regulations, and other applicable legislation with regard to significant transactions described in the Corporate Governance Principles, the Company's transactions with related parties, and for providing collateral, surety or lien in favor of third parties.

The consent of a majority of independent members is sought in Board of Directors' resolutions regarding the Company's transactions with related parties and for providing collateral, surety or lien in favor of third parties. In the event that the majority of independent members do not approve the action, then it is disclosed to the public with all related information about the action, and submitted to the General Meeting of Shareholders for approval.

- The shareholders, with the exception of related parties in the transaction, are given the opportunity to participate in such decisions through voting at the related General Meeting. Quorum is not sought at the General Meetings that convene to resolve the issues described in this clause.
- Resolutions require an absolute majority.
- The Chairman of the Board of Directors and the Chairman of the Executive Committee are not the same person.
- More than half of the members of the Board of Directors are non-executive members.
- The resumes of the Company's Board Members are presented below:

Vuslat DOĞAN SABANCI Chairwoman

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

During her tenure as CEO between 2004 and 2010, Ms. 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. Among TME's most important brands are Iz Ruk v Ruki, one of the most well-known media brands in Russia, and Iir.ru, that country's leading online classifieds provider.

Ms. Doğan Sabancı ensured Hürriyet's position as a major player within Turkey's emerging new media industry by investing in digital publishing and services. These prudent investments resulted in the launch of Hurriyet.com.tr as one of the highest trafficked websites across Europe. Hürriyet currently offers classified advertising services through its affiliated family of sites including hurriyetemlak.com, hurriyetoto.com, yenibiris.com, in addition to yakala.co, a deal finder website, and yenicarsim.com, an e-trading portal.

Ms. Doğan Sabancı has also evolved into a strong voice for human rights and especially issues related to gender equality in Turkey, by investing in such topics through Hürriyet. A law was enacted on domestic violence following an eight-year effort on her part through the "No! To Domestic Violence" campaign that she had initiated. Ms. Doğan Sabancı also established the "Rightful Women 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 Parliament, prior to the General Elections in 2011. As a result of this effort, the number of female MPs rose to 78 after the 2011 elections, up from 48. In addition, Ms. Doğan Sabancı carries on with a multitude of activities in the name of giving women their rightful place both within society in general and within the economy in particular. A microloan project for women is one of such social responsibility projects.

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

Before joining Hürriyet, Ms. Doğan Sabancı worked in 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.

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

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

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

Ms. Doğan Sabancı has also been a member of TUSIAD since 2003.

Hanzade DOĞAN BOYNER

Vice Chairwoman

Hanzade Doğan Boyner is the leading personality in Turkey's online and digital world. As one of the pioneers of e-commerce in Turkey, she founded and led Hepsiburada.com to become the biggest online retailer in the region.

As a member of a family that has extensive media interests in Turkey and abroad, she has a wide range of vision from energy to media, online businesses to social initiatives. She is currently the Chairwoman of Doğan Online and Doğan Gazetecilik – which includes Posta – the highest selling daily newspaper in Turkey. She also serves as the Vice Chairwoman of Hürriyet Newspaper, Doğan Burda and Doğan Holding.

Mrs. Doğan Boyner is actively involved in various non-profit, business and trade organizations. She is the founding member and Vice Chairwoman of Global Relations Forum and serves as the Vice President of World Association of Newspapers. She is also an active participant in several think tanks including the Brookings Institution International Advisory Council, European Council on Foreign Relations, Foreign Economic Relations Board, Association of Turkish Businessmen and Industrialists, Young Presidents' Organization and Association of Woman Entrepreneurs.

A philanthropist, Mrs. Doğan Boyner established and still enthusiastically leads the "Daddy Send Me To School" campaign

that aims to remove economic and cultural barriers in young female education in Turkey. The campaign already granted 10,500 scholarships and built 33 girls' dormitories across Turkey.

Mrs. Doğan Boyner is a graduate of London School of Economics, has received her MBA from Columbia University and serves on the Columbia Business School Board of Overseers.

Ahmet Nafi DALMAN

Board Member

Vice Chairman of the Executive Committee

Born in 1964, Ahmet Dalman graduated from Boğaziçi University, Department of Electrical-Electronics Engineering in 1986. He began his professional career in the media sector as an IT Specialist; subsequently, he co-founded and managed a company that provided technology solutions to enterprises in media as well as various other industries. During this period, Mr. Dalman contributed to the digitalization and technology implementation processes of numerous media concerns.

Mr. Dalman joined Hürriyet Newspaper in 1994 as IT Manager; between 1999 and 2000, he served as Technology Director at e-kolay.net, an internet service provider company within Doğan Group. In 2001, he was appointed Information Systems Coordinator at Hürriyet Newspaper, Executive Committee Member at Hürriyet Newspaper in 2008, Group President of Internet and Information Technologies at Hürriyet in 2010, and finally Vice Chairman of the Executive Committee in 2012.

He is leading the Convergence project aimed at changing the landscape of the business model at Hürriyet.

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

Enis BERBEROĞLU

Board Member

Editor-in-Chief

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

Currently serving as the Editor-in-Chief of Hürriyet, Mr. Berberoğlu started his journalism career at Dünya Newspaper in 1980 and then served as reporter for Hürriyet,



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Cumhuriyet, Güneş and Radikal newspapers; CNN Türk news channel in Istanbul, Ankara and Bonn, as Ankara Office Representative, Bonn Representative, Baghdad War reporter, Economy Department Manager and columnist, respectively.

Mr. Berberoğlu is fluent in English and German and is the author of three books: "20 Yıllık Domino Oyunu: Susurluk (The Domino Game of 20 Years Susurluk)," "Yüksekova" and "Öbür Türkler (The Other Turks)."

He has been married to a journalist for 28 years and has one daughter.

Yahya ÜZDİYEN

Board Member

Born in 1957, Yahya Üzdiyen graduated from Middle East Technical University, Department of Business Administration in 1980. From 1980 to 1996, he worked as trade and investment specialist and manager in several privately owned companies in Turkey and abroad.

He joined Doğan Group in 1997 and served as President of the Strategy Group at Doğan Holding until 2011; on January 18, 2011, he was appointed Vice Chairman of the Board of Directors. He played a significant role in the acquisition, partnership 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 was appointed the CEO of Doğan Holding as of January 24, 2012.

He is married with two children.

H. Hasan YILMAZ

Board Member

He was born in Ankara in 1957. After secondary education at TED Ankara College in 1979, graduated from Middle East Technical University, Department of Industrial Engineering. He started his professional life as an industrial engineer in "Presiz Household Appliances. Between 1981 and 1984, first of all he worked in Ankara Taksan Machine Tools Inc., as the market analyst, and then in the "State Planning Organization (SPO)" and acted as the Capital Goods Expert. He joined to "Unilever Turkey" in 1984, as the "Product Manager Assistant Intern". In the

following years, he was raised rapidly in the organization of the Unilever – Turkey; after acting as the "Area Sales Manager" in İzmit in 1986, as the "Detergents Marketing Manager" in 1987, and as the "Sales Director" in 1988, he was appointed as the Chairman of the Board and Ceo to Lever (for cleaning and cosmetic products) & Elida Cosmetics Companies.

At the end of 3 years through which the Companies showed excellent performance despite P&G, entering into the Turkish market as a competitor and the market share and profitability were folded, he was appointed as the "Regional Leader" and worked in London head office responsible for Unilever's detergents business in East Asia Pacific Region covering 14 countries such as China, South Korea, Japan, Taiwan, Hong Kong, Vietnam, Thailand, Singapore, Malaysia, Philippines, Indonesia, Australia and New Zealand. He returned to Turkey in 1995 and for a period of one year, he acted as Chairman and Managing director of Uzay Gıda, a Pepsi Co subsidiary manufacturing and marketing salty snacks. In 1996, he was re-appointed as Chairman of the Board and the CEO of Unilever Turkey and acted as Chairman and CEO of all legal entities with Unilever majority shareholding in Turkey. (ie. Unilever AS, Lever AS, Elida Kozmetik AS, Dosan AS, Unikom AS, Unilever Holding, G&A Baker, Aymar AS); and, it took 4 years of achieving the designated objectives of growth and profitability. In 2000, with the desire to operate in different areas, he resigned and joined to the Koc University as a part time faculty in fall 2000; started teaching "Competitive Business Strategy" to senior undergraduate students and "Leadership & Change management" to MBA & Executive MBA class. In 2002, he was appointed as the President in Koç Holding, Food, Retailing & Tourism Group. He was responsible for Retailing (Migros Turk, Ramenka Rus, Rambutya, Ram Azb., Ram Blg., Koçtaş Home Improvement) Foods (TAT, Maret, Pastavilla, SEK, TAT Seeds, Koçatasancak) and Tourism (Setur, Setur Marinas, DİVAN Hotels & Restaurants, SET AIR, AVIS etc.) activities of Koç Holding.

During this period, he acted as Chairman and Vice Chairman of 21 Koç Companies with approximately 12,000 people and with

a turnover of 3 billion US Dollars; assumed responsibility of 20% work in Koç Group. Since 2005, he has been serving as the "Adj. Prof. / Distinguished Executive in Residence in the Koç University and teaching different courses; giving support to MBA and EMBA programs in the university. Between 2010 - 2012 he was appointed as CEO-Chief Executive Officer in Hürriyet Gazetecilik & Matbaacılık A.Ş.; and he acted as CEO of all Hürriyet entities including off-line (Hürriyet, Radikal, Hürriyet Daily News) and on line (9 companies-portals including hurriyet.com.tr, hurriyet emlak, hurriyet oto, yenibirş, tipeez, yeni çarşım etc) businesses. And, he still acts as the independent Board member of the same company. By June 2012, he acts as an Independent Board Member of Migros Tic. A.Ş. . He also acts as Advisory Board Member in MUDO. Besides, he is a member of TUSIAD since 1992. Mr. Yılmaz is the CEO of Fenerbahçe Sports Club.

Kai DIEKMANN

Board Member

Kai Diekmann was born in 1964 in Ravensburg, Germany. After finishing school, he voluntarily served for two years in the German army. In 1985, he started a two-year journalistic training at Axel Springer AG which brought him to Hamburg, Bonn and New York. In 1987, he became parliamentary correspondent for BILD and BILD am SONNTAG in Bonn. In 1989, he became "Bunte"-Magazine as executive reporter, 1991 deputy editor of B.Z. and 1992 deputy editor and head of the politics department of BILD. In 1998, he became editor-in-chief of WELT am SONNTAG. In January 2001, he entered his current position as editor-in-chief of BILD and publisher of both BILD and BILD am SONNTAG. In 2007, he was also appointed Executive Director of BILD.de and in 2008 publisher of the BILD-group. In 2012 and 2013, he spent 10 months in Silicon Valley, USA (as editor-in-chief of BILD) to investigate digital projects and business models on behalf of Axel Springer. Mr. Diekmann is independent member of the Hürriyet Board of Directors since 2004 and was appointed non-executive Director of the Times Newspapers Holdings Limited in 2011. In addition to his journalistic duties, Mr. Diekmann is the publisher of a variety of books.

Ahmet BURAK**Independent Board Member**

Born in 1954 in Istanbul, Ahmet Burak graduated from FMV Işık High School and then from Middle East Technical University, Department of Business Administration. Subsequently, he received his BSBA and MBA degrees in Finance from the University of Denver. After working at the Istanbul and London offices of Arthur Andersen, he joined Coca-Cola as the Manager of Financial and Administrative Affairs in 1986. Mr. Burak assumed the duties of General Manager of Bottling Operations in Turkey in 1991 and became 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 moved up to 13th place among 200 countries with Coca-Cola operations. Mr. Burak retired from the Coca-Cola Company in 2009 and he is currently serving as a Member of the Board of Trustees of Coca-Cola Life Plus Foundation, of which he is a founder. He also serves as a Board Member at and a consultant to various FMCG companies. Mr. Burak has been on the Board of Hürriyet since 2010.

Béatrice de CLERMONT TONNERRE**Independent Board Member**

Béatrice de Clermont Tonnerre received her bachelor's degree in Political Science from Institut d'Etudes Politiques de Paris, and her master's degree in Business Administration from Ecole Supérieure des Sciences Economiques et Commerciales.

Ms. Tonnerre began her professional career as a radio journalist at Radio France Internationale Latin America and Europe 1; in 1995, she started working as an analyst at the High Technologies division of the Strategy Department of Lagardere, where she was promoted to Executive of the Media Unit in 1998. In 2001, she joined CanalSatellite, the DTH platform of Group Canal +, as Head of Interactive Television. She was appointed Co-Head of Programming in 2003.

Ms. Tonnerre has served as Senior Vice President of Business Development at French media group Lagardère since September 2008. Ms. Tonnerre lives in Paris and during her career she has assumed important duties in a range of areas, from pay TV and broadcasting to sports rights, from book publishing to acquisition projects in digital media and the internet. Having experience also in organic growth and new product launches, Ms. Tonnerre currently serves as Board Member at "LaCie", a French listed company producing harddrives and operating in cloud computing.

Name/Last Name	Most Recent Position within the Group	Most Recent Position outside the Group
Vuslat Doğan Sabancı	Chairwoman and Vice Chairwoman at various subsidiaries and affiliates of Doğan Şirketler Grubu Holding A.Ş.	-
Hanzade V. Doğan Boyner	Chairwoman and Board Member at various subsidiaries and affiliates of Doğan Şirketler Grubu Holding A.Ş.	-
Ahmet Nafi Dalman	Board Member at various Group companies	-
Enis Berberoğlu	-	-
Hakkı Hasan Yılmaz	-	Chairman of the Executive Committee of Fenerbahçe Futbol A.Ş.
Kai Diekmann	-	Editor-in-Chief of Bild Newspaper
Yahya Üzdiyen	Chairman and Board Member at various subsidiaries and affiliates of Doğan Şirketler Grubu Holding A.Ş.	-
Ahmet Burak	-	Independent Board Member at Mutlu Akü ve Malzemeleri Sanayii A.Ş.
Béatrice de Clermont Tonnerre	-	Senior Vice President of Business Development at Lagardère Group

16. Operating Principles of the Board of Directors

- The Board of Directors convenes as required for the Company's business, but not less than once a month. Board Members are promptly provided all information they may need to adequately perform their duties.
- Each Board Member is entitled to one vote.
- The Board of Directors makes a separate decision for the approval of the financial statements and footnotes and the Independent Audit Report, Corporate Governance Compliance Report and the Annual Report.
- Board meetings are organized by the Chairwoman, Vice Chairwoman or the CEO, who is also a Board Member. The Secretariat of the Board of Directors is responsible for keeping all documents related to the Board meetings and reports to the Chairwoman of the Board, as stated in the Articles of Association. The duties and responsibilities of the Secretariat of the Board of Directors are defined in the Articles of Association.
- In 2012, 68 Board meetings/decisions were held/made, and the decisions at Board meetings were made with the unanimous vote of the participants present, and no dissenting votes were cast.
- Board of Directors meetings are planned and held in an effective and efficient manner.
- As stipulated in the Company's Articles of Association:
- The Board of Directors convenes as required for the Company's business, but not less than once a month. As a rule, the Board convenes at the invitation of the Chairwoman or the Vice Chairwoman. The Board of Directors may decide the meeting date as well. The Board must be invited for a meeting at the request of at least three Board Members. Additionally, any of the Company's Statutory Auditors can invite the Board of Directors to a meeting and set the agenda for the meeting.
- Meeting agendas are determined in line with requests from various departments within the Company. The invitations to Board meetings include the agenda and are sent out at least seven days before the day of the meeting; all information and documents related to the agenda items are attached to the meeting invitation. There have been no instances of dissenting votes at Board meetings of the Company to date.



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2012

- As a rule, Board meetings take place at the Company's headquarters. However, upon a decision of the Board of Directors, meetings may be held in a different location in the same city or in another city.
- In-person participation of Board Members at the meetings is the general rule. Meetings may also be attended using any technology that provides remote access to the meeting. The opinions of those members who do not attend the meeting but submit their opinions in writing are conveyed to the other members.
- All documents related to Board meetings are kept and regularly archived by the Board of Directors Secretariat. Detailed reasons for the dissenting votes of Independent Board Members are disclosed to the public.
- The quorum for Board of Directors meetings is the absolute majority of its members and decisions require a simple majority of members present at the meeting. In the event of a tie vote, the issue voted upon is transferred to the next meeting's agenda. In the event that a majority is not reached at the next meeting, the proposal is deemed rejected. Each Board Member is entitled to one vote irrespective of his/her position and area of responsibility.
- Pursuant to the 4th paragraph of Article 390 of the Turkish Commercial Code, the Board may reach a resolution on a written proposal of one of the members by obtaining the written consent of the other members. However, this method does not apply to decisions on matters that require in-person participation of Board Members at the meetings, as stipulated by the Principles. On the other hand, all Board Members attend meetings in person if/when important matters related to the Company's operations shall be discussed.
- Travel and meeting expenses of the Board of Directors, as well as the expenses for the special tasks related to the Board's activities and similar expenses are paid out of the Company's general budget without any restrictions.
- According to the Articles of Association, Board Members do not have weighted voting and/or veto rights.

17. Number, Structure and Independence of the Committees Formed by the Board of Directors

In line with the Company's current position and needs, an Executive Committee (Executive Board), Audit Committee, Corporate Governance Committee, and an Early Detection of Risk Committee have been established to ensure that the Board of Directors properly fulfills its duties and responsibilities.

In 2012, the position of Chairman of the Executive Committee was not filled at the Company. Vice Chairman of the Executive Committee, Mr. Ahmet Nafi Dalman currently fulfills this position and does not serve on other committees other than the Executive Committee.

Executive Committee (Executive Board)

The Executive Committee (Executive Board) has been established pursuant to Article 19 of the Articles of Association, which states:

"The Board of Directors shall form and appoint an Executive Committee comprised of a sufficient number of members in order to ensure that the Company's activities and transactions are performed in accordance with the business plan and budget it has determined. The scope and limits of the authorities of the Executive Committee shall be specified in detail in the charter."

Name/Last Name	Title
Ahmet Nafi Dalman	Vice Chairman of the Executive Committee
Ayşe Sözeri Cemal	Executive Committee Member/Head of Advertising Group
Dursun Ali Yılmaz	Executive Committee Member/Chief Financial Officer
Enis Berberoğlu	Executive Committee Member/Editor-in-Chief
Tuba Köseoğlu Okçu	Executive Committee Member/Human Resources Director

Ms. Tijen Mergen, Executive Committee Member in charge of Marketing, resigned from her duties on 31 December 2012.

The Executive Committee has been established in accordance with Article 19 of the Company's Articles of Association. In principle, the Committee convenes once a week.

Corporate Governance Committee

As per the Board of Directors' resolution dated 26 July 2012, No: 2012/52, it was decided that the below mentioned executives be assigned as Chairman and members of the Corporate Governance Committee:

Name/Last Name	Title	Status
Ahmet Burak	Chairman	Independent Member of the Board of Directors, Non-Executive
Yahya Üzdijen	Member	Board Member/Non-Executive
Dr. Murat Doğu	Member	Non-Executive

None of the members of the Corporate Governance Committee have executive duties; Chairman Mr. Ahmet Burak is an Independent Member of the Board of Directors.

Since its inception, the Committee has conducted its activities in an ongoing manner. Specifically, the Committee:

- Carried out corporate governance rating studies,
- Reviewed the "Corporate Governance Compliance Reports" prepared by the Company,

- Reviewed the Annual Report prepared by the Company,
- Ensured that the Ordinary General Meeting of Shareholders, where the activities of 2011 were discussed, was held in compliance with relevant legislation and Principles,
- Ensured that relations with shareholders and investors are pursued in compliance with relevant legislation and Principles,
- Reviewed the public disclosures made by the Company,
- Oversaw that the website was regularly updated and improved.

Audit Committee

Name/Last Name	Title	Status
Ahmet Burak	Chairman	Independent Member of the Board of Directors, Non-Executive
Béatrice de Clermont Tonnerre	Member	Independent Member of the Board of Directors, Non-Executive

In 2012, the Audit Committee:

- Reviewed the Company's annual and interim financial statements and footnotes, as well as the independent audit reports prior to their public disclosure, and held meetings with the independent audit firm,
- Reviewed the Company's independent audit contract,
- Reviewed the results of the internal controls performed by the Internal Control Department and the measures taken,
- Focused its efforts on risk management activities.

The Audit Committee held four meetings in 2012.

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.

All managers of technical and administrative departments in the Company prepare monthly workflow reports on what was planned and achieved, and submit them to their Group Heads. These reports are then presented to the Executive Board for review and approval.

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.

Early Detection of Risk Committee

Pursuant to Article 378 of the Turkish Commercial Code, and as per the Board of Directors' resolution dated 26 July 2012, an Early Detection of Risk Committee was established. Subsequently, and in accordance with the Board of Directors' resolution dated 18 March 2013, the structure of the Committee was changed, its chairman and members were reappointed, and the Committee assumed the duties described in CMB's Communiqué Series: IV, No: 56.

The Board of Directors appointed the below executives as chairman and members of the Early Detection of Risk Committee:

Name/Last Name	Title
Ahmet Burak	Chairman
Erem Turgut Yücel	Member
Tolga Babalı	Member
Dursun Ali Yılmaz	Member

18. Risk Management and Internal Control Mechanism

The Company's Board of Directors has retained various consultancy firms to establish the risk management system at the Company. To that end, a risk inventory has been drawn up after consulting with the Financial Control and Investor Relations Department as well as with all key managers. The purpose of the risk inventory is to identify, prioritize and assess high-level risks that the Company may be exposed to; to establish the mechanisms and methods for managing such risks; and to achieve more effective risk management by documenting such risks. In addition, the Board of Directors appointed a new chairman and members to the Early Detection of Risk Committee, which was established pursuant to the Board of Directors' resolution dated 26 July 2012, No: 2012/52 and in accordance with Article 378 of the Turkish Commercial Code, in order to comply with CMB Communiqué Series: IV, No: 56 on the "Principles Regarding Determination and Application of Corporate Governance Principles." The newly formed Early Detection of Risk Committee has already made the necessary preparations to submit its reports to the Board of Directors on a bimonthly basis.

19. The Company's Strategic Objectives

The Company holds regular Board meetings in order to determine its strategic objectives. The Executive Committee, which convenes weekly to make operational and financial decisions, is in charge of overseeing and monitoring the progress in achieving the objectives set at Board meetings.

In 2012, the Company revised its vision to: "Becoming a leading global media brand that offers exclusive news stories, content and services that engage readers and customers in active dialogue and add value to their lives across all channels 24/7"

To that end, the Company plans to extend its market power and leadership in print media to online platforms; in addition, the Company aims to generate 30% of its income from online media in the medium-term, and reach 10 million daily readers and viewers.

20. Remuneration

The remuneration to be paid to the Chairman, Vice Chairman and Members of the Board of Directors is determined at the General Meeting of Shareholders. The decision for the remuneration amount is based on the time Board Members spend for meetings, 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 determined at the General Meeting of Shareholders.

Whether the chairmen and members of the committees are to be paid any fees and the amounts and conditions of such fees, if any, are determined by the Board of Directors in the resolution related to the establishment of the particular committee. In the event that the chairman and members of a committee are at the same time the Chairman or Members of the Board of Directors, the General Assembly of Shareholders decides whether they are to be paid any fees and the amounts and conditions of such fees, if any.

At the Ordinary General Meeting held on 26 June 2012, it was unanimously resolved that the Chairwoman of the Board of Directors be paid a monthly net fee of TL 10.000, the Vice Chairwoman a monthly net fee of TL 8.500, Board Members Kai Georg Diekmann and Béatrice de Clermont Tonnerre a monthly net fee of USD 5.000 each, and other Board Members a monthly net fee of TL 5.000 each. There is no additional bonus mechanism based on performance for the



SUMMARY OF THE AUDITORS' REPORT

AUDIT REPORT

TO THE PRESIDENCY OF THE GENERAL ASSEMBLY OF

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

The results of the Company's internal audit activities for the fiscal year 2012 are hereby presented for your review.

It was observed that the books, files and records were duly kept in accordance with the nature and importance of the enterprise, and that book keeping was in compliance with applicable laws, accounting procedures and principles, the Articles of Association, and the provisions of the Turkish Commercial Code.

It was observed that the figures in the Company's financial statements are in accordance with the book records, and these statements have been prepared in compliance with the provisions of the Articles of Association, and the provisions of the Turkish Commercial Code. It was seen that the financial statements submitted to the General Assembly by the Board of Directors have been drawn up in compliance with the principles of the Turkish Commercial Code and accurately reflect the official book records.

It was observed that the resolutions related to Company Management were recorded in the resolution ledger as prescribed by applicable procedures.

As a result, we hereby submit the Company activities and relevant financial statements as summarized in the report issued by the Board of Directors for the approval of the General Assembly.

Fuad ARSLAN
Auditor

Mehmet YÖRÜK
Auditor



RESOLUTION ON THE CORPORATE GOVERNANCE COMPLIANCE REPORT

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

RESOLUTION OF THE CORPORATE GOVERNANCE COMMITTEE

DATE: 21 March 2013

SUBJECT: The Annual Report and Corporate Governance Principles Compliance Report for the Accounting Period 1 January 2012 - 31 December 2012

We have examined the 2012 Annual Report, prepared in accordance with Capital Markets Board's (CMB) Communiqué Series: XI, No: 29 on the "Principles of Financial Reporting In Capital Markets" and the "Regulation on the Determination of Minimal Content of Annual Reports" issued by the Turkish Ministry of Customs and Trade, and the 2012 Corporate Governance Compliance Report prepared in the form specified by and announced to the public via CMB's Weekly Bulletin dated 1 February 2013, No: 2013/4 (CMB Resolution dated 1 February 2013, No: 4/88), by obtaining the comments of the executives in charge of preparing the referenced reports.

Within the framework of the information conveyed and known to us, we shared our views on the 2012 Annual Report and the 2012 Corporate Governance Compliance Report with the executives in charge of preparing the reports. In our opinion, the referenced reports accurately reflect the Company's position, contain no significant deficiency that may result in misrepresentation, and comply with relevant regulations.

Ahmet BURAK

Chairman of the Corporate Governance
Committee

Yahya ÜZDİYEN

Member of the Corporate Governance
Committee

Dr. Murat DOĞU

Member of the Corporate Governance
Committee



RESOLUTION OF THE AUDIT COMMITTEE

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

RESOLUTION OF THE AUDIT COMMITTEE

DATE: 21 March 2013

SUBJECT: Financial Statements for the Accounting Period 1 January 2012 - 31 December 2012

We have examined the Company's consolidated financial statements and footnotes for the accounting period 1 January 2012 - 31 December 2012, prepared in accordance with Capital Markets Board's (CMB) Communiqué Series: XI, No: 29 and in keeping with International Financial Reporting Standards, presented in the form specified by CMB Resolutions and independently audited, by obtaining the comments of the executives in charge of preparing the Company's financial reports.

Within the framework of the information conveyed and known to us, we shared our views on the referenced financial statements and footnotes with the executives in charge of preparing the financial reports. In our opinion, the referenced financial statements and footnotes accurately reflect the operational results of our Company, contain no significant deficiency that may result in misrepresentation, and comply with CMB regulatory requirements.

Ahmet BURAK
Chairman of the Audit Committee

Béatrice de CLERMONT TONNERRE
Member of the Audit Committee



STATEMENT OF RESPONSIBILITY

COMPANY NAME: HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

BOARD OF DIRECTORS' RESOLUTION ON THE APPROVAL OF THE FINANCIAL STATEMENTS AND ANNUAL REPORTS

RESOLUTION DATE: 4 April 2013

RESOLUTION NO: 2013/10

STATEMENT OF RESPONSIBILITY PURSUANT TO

ARTICLE 9, SECTION 3 OF CAPITAL MARKETS BOARD'S COMMUNIQUÉ SERIES: XI, NO: 29

We have examined the consolidated financial statements and the annual report of Hürriyet Gazetecilik ve Matbaacılık A.Ş. for the accounting period 1 January 2012 - 31 December 2012, duly inspected by independent auditors, prepared in accordance with Capital Markets Board's (CMB) Communiqué Series: XI, No: 29 and in keeping with International Financial Reporting Standards, and presented in the form specified by CMB Regulations and Resolutions. We hereby declare that insofar as our duties and responsibilities are concerned and within the framework of the information known to us:

- The financial statements and the annual report do not contain any misrepresentation of the facts on major issues or any deficiency that may be construed as misleading information as of the date of the disclosure;
- The financial statements prepared in accordance with the applicable financial reporting standards, together with the consolidated statements, correctly reflect our Company's assets, liabilities, financial condition, and profit and loss. The annual report truthfully reflects the progress and the performance of the business, and the financial condition of and the risks and uncertainties faced by the Company along with those in the scope of consolidation.

Dursun Ali YILMAZ

Executive Committee Member
Chief Financial Officer

İnci TARI

Financial Control and Investor
Relations Manager



BOARD OF DIRECTORS' RESOLUTION ON THE APPROVAL OF THE FINANCIAL REPORT, ANNUAL REPORT AND THE CORPORATE GOVERNANCE COMPLIANCE REPORT

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

BOARD OF DIRECTORS' RESOLUTION

RESOLUTION DATE: 4 April 2013

RESOLUTION NO: 2013/10

SIGNED BY: Vuslat DOĞAN SABANCI (Chairwoman)
Hanzade V. DOĞAN BOYNER (Vice Chairwoman)
Yahya ÜZDİYEN (Member)
Ahmet Nafi DALMAN (Member)
Hakkı Hasan YILMAZ (Member)
Enis BERBEROĞLU (Member)
Kai Georg DIEKMANN (Member)
Ahmet BURAK (Member)
Béatrice de Clermont TONNERRE (Member)

This resolution is hereby signed by Board Members as stipulated by Article 390/IV of the Turkish Commercial Code. Accordingly, it was resolved that:

- The consolidated financial statements for the fiscal year 1 January 2012 - 31 December 2012, prepared in a comparative format with the previous year, in compliance with International Accounting and Financial Reporting Standards and Capital Markets Board's (CMB) Communiqué Series: XI, No: 29, presented in the form specified by CMB Regulations and Resolutions, audited independently, and submitted to the Board of Directors for approval in line with the recommended corrections of and upon the assent of the Audit Committee, be approved and submitted to the General Assembly for approval;
- The attached 2012 Annual Report and the 2012 Corporate Governance Principles Compliance Report, submitted to the Board of Directors for approval and upon the assent of the Corporate Governance Committee and other relevant executives, be approved and presented to the shareholders.

Vuslat DOĞAN SABANCI
(Chairwoman)

Hanzade V. DOĞAN BOYNER
(Vice Chairwoman)

Yahya ÜZDİYEN
(Board Member)

Ahmet N. DALMAN
(Board Member)

Hakkı Hasan YILMAZ
(Board Member)

Enis BERBEROĞLU
(Board Member)

Kai Georg DIEKMANN
(Board Member)

Ahmet BURAK
(Independent Board Member)

Béatrice de Clermont TONNERRE
(Independent Board Member)



BOARD OF DIRECTORS' RESOLUTION ON THE PROFIT DISTRIBUTION TABLE

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

BOARD OF DIRECTORS' RESOLUTION

RESOLUTION DATE: 4 April 2013

RESOLUTION NO: 2013/11

SIGNED BY: Vuslat DOĞAN SABANCI (Chairwoman)
Hanzade V. DOĞAN BOYNER (Vice Chairwoman)
Yahya ÜZDİYEN (Member)
Ahmet Nafi DALMAN (Member)
Hakkı Hasan YILMAZ (Member)
Enis BERBEROĞLU (Member)
Kai Georg DIEKMANN (Member)
Ahmet BURAK (Member)
Béatrice de Clermont TONNERRE (Member)

This resolution is hereby signed by Board Members as stipulated by Article 390/IV of the Turkish Commercial Code.

In due consideration of the "Profit Distribution Policy" disclosed to the public, the Turkish Commercial Code, Capital Market Law, Capital Markets Board's (CMB) Regulations, Corporate Tax Code, Income Tax Code and other applicable legislation as well as the relevant provisions of the Articles of Association, it was decided that:

- According to the Company' financial statements for the accounting period 1 January 2012 - 31 December 2012, which are kept in compliance with CMB's Communiqué Series: XI No: 29, drawn up in accordance with International Financial Reporting Standards (IFRS), presented in line with the principles set forth by the relevant resolutions of the CMB, and independently audited, the Company's "Consolidated Net Profit for the Period" is calculated as TL 150.662.628 after the deduction of "Tax Expenses for the Period," "Deferred Tax Income" and "Minority Shares"; and yet, as per CMB's regulations on profit distribution, no profit will be distributed for the 2012 accounting period since the result is a "Net Loss for the Period" of TL 172.729.483 after the deduction of TL 190.353.127 for "Losses from Previous Years," TL 6.803.998 for First Legal Reserves as per Article 519 of the Turkish Commercial Code, and the profit from property sales amounting to TL 126.234.986 (75% of the total profit from property sales) as calculated according to the Turkish Commercial Code / Tax Procedures Code and will be not distributed as profit for the accounting period 1 January 2012 - 31 December 2012 but rather kept in a "Special Fund Account" as per the Board of Directors' resolutions dated 14 February 2012 and numbered 2012/08, and dated 28 November 2012 and numbered 2012/64, so as to benefit from the exemption set forth in the Corporate Tax Code Article 5-1/e, pursuant to Tax Legislation, the Capital Market Law, and other applicable legislation, and the shareholders will be informed of this issue at the General Assembly;



BOARD OF DIRECTORS' RESOLUTION ON THE PROFIT DISTRIBUTION TABLE

- Further, according to the financial records kept in compliance with the Turkish Commercial Code/Tax Procedures Code, the Company posted a "Net Profit for the Period" of TL 180.216.737 for the accounting period from 1 January 2012 - 31 December 2012; however, after the deduction of TL 16.334.288 for "Taxes Payable," TL 44,136,777 for "Losses from Previous Years," TL 6.803.998 for First Legal Reserves as per Article 519 of the Turkish Commercial Code, and the profit from property sales amounting to TL 126.234.986 (75% of the total profit from property sales) as calculated according to the Turkish Commercial Code/Tax Procedures Code and will be not distributed as profit for the accounting period 1 January 2012 - 31 December 2012 but rather kept in a "Special Fund Account" as per the Board of Directors' resolutions dated 14 February 2012 and numbered 2012/08, and dated 28 November 2012 and numbered 2012/64, so as to benefit from the exemption set forth in Corporate Tax Code Article 5-1/e, pursuant to Tax Legislation, the Capital Market Law, and other applicable legislation, the result is a "Net Distributable Profit for the Period" of TL 3.040.976, which shall be transferred to "Extraordinary Reserves," and the TL 44.136.777 in "Losses from Previous Years" shall be entirely entered into the "Losses from Previous Years" account after deducting the amounts for "Taxes Payable," "First Legal Reserves," and "Special Fund Account" from the "Profit for the Period," and this decision shall be submitted to the General Assembly for approval.

Vuslat DOĞAN SABANCI
(Chairwoman)

Hanzade V. DOĞAN BOYNER
(Vice Chairwoman)

Yahya ÜZDİVEN
(Board Member)

Ahmet N. DALMAN
(Board Member)

Hakkı Hasan YILMAZ
(Board Member)

Enis BERBEROĞLU
(Board Member)

Kai Georg DIEKMANN
(Board Member)

Ahmet BURAK
(Independent Board Member)

Béatrice de Clermont TONNERRE
(Independent Board Member)



PROFIT DISTRIBUTION TABLE

Hürriyet Gazetecilik ve Matbaacılık A.Ş.			
PROFIT DISTRIBUTION TABLE FOR 2012 (TL)			
1	Issued Capital	552.000.000	
2	Total Legal Reserve Fund (According to Legal Records)	32.480.098	
If there is a privilege according to the Articles of Association, information related to the privilege.			
		According to CMB	According to Legal Records
3	Profit of the Period	168.781.500	196.551.025
4	Taxes Payable (-) ⁽¹⁾	-20.923.404	-16.334.288
	Non-Controlling Interests ⁽²⁾	-2.804.532	0
5	Net Profit/Loss of the Period	150.662.628	180.216.737
6	Previous Years' Losses (-)	-190.353.127	-44.136.777
7	Primary Reserve (-)	-6.803.998	-6.803.998
	Real Estate Sales Profit which is not subject to distribution and booked in "Special Fund Account" (according to legal registration) (-) ⁽²⁾	-126.234.986	-126.234.986
8	NET DISTRIBUTABLE PROFIT/LOSS FOR THE PERIOD	-172.729.483	3.040.976
9	Donations made in the Year (+)	931.289	
10	Net Distributable Profit/Loss (-) to be calculated for the first profit sharing, including donations ⁽³⁾	-171.798.194	
11	First Profit Sharing to the Shareholders (20%)	0	
	Cash	0	
	Gratis	0	
	Total	0	
12	Profit Sharing to the Holders of Preferred Shares	0	
13	Profit Sharing to the Members of the Board of Directors, workers etal.	0	
14	Profit Sharing to the Holders of Redeemed Shares	0	
15	Second Profit Sharing to the Shareholders	0	
16	Secondary Reserve	0	
17	Statutory Reserves	0	0
18	Special Reserves	0	0
19	EXTRAORDINARY RESERVES	0	0
20	Other Resources to be Distributed	0	0
	Previous Year Profit	0	0
	Extraordinary Reserves	0	0
	Other Reserves Distributable Pursuant to the Law and Articles of Association	0	0

⁽¹⁾ In accordance with CMB, Taxes in the amount of TL 20.923.404.in total contains tax expense of the period in the amount of [(-) TL- 24.771.325.] and deferred tax income in the amount of [(+) TL 3.847.921].

⁽²⁾ With the decision made by the Group management, the real estate profit occurred in statutory records in 2012 from the sale of Hürriyet headquarters and land located in Esenyurt amounting to TL 126.234.986 that benefits from the exemption (75%) 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.

⁽³⁾ There is no distributable period income.

THE PROFIT SHARING PER SHARE INFORMATION	GROUP	TOTAL PROFIT SHARING (TL)	FOR THE SHARE HAVING A TL 1 NOMINAL VALUE	
			TOTAL (TL)	RATIO (%)
GROSS	-	0	0	0
NET	-	0	0	0
THE RATIO OF THE DISTRIBUTED PROFIT SHARING TO THE NET DISTRIBUTABLE PERIOD PROFIT WITH THE ADDITION OF THE DONATIONS DIVIDEND DISTRIBUTED TO THE SHAREHOLDERS(TL)			0	0



RESOLUTION ON THE EARLY DETECTION OF RISK COMMITTEE

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

BOARD OF DIRECTORS' RESOLUTION

MEETING DATE: 18 March 2013

MEETING NO: 2013/05

ATTENDED BY: Vuslat DOĞAN SABANCI (Chairwoman)
 Hanzade V. DOĞAN BOYNER (Vice Chairwoman)
 Yahya ÜZDİYEN (Board Member)
 Ahmet Nafi DALMAN (Board Member)
 Hakkı Hasan YILMAZ (Board Member)
 Enis BERBEROĞLU (Board Member)

The Board of Directors of Hürriyet Gazetecilik ve Matbaacılık A.Ş. convened on the date stated above.

Pursuant to Capital Markets Board's (CMB) Communiqué Series: IV, No: 56 on the "Principles Regarding Determination and Application of Corporate Governance Principles" and as per the Board of Directors' resolution dated 26 July 2012, No: 2012/52, it was decided that the Corporate Governance Committee would undertake the duties of the "Early Detection of Risk Committee"; subsequently, as per Capital Markets Board's (CMB) Communiqué Series: IV, No: 63 Amending the Communiqué Series: IV, No: 56 on the "Principles Regarding Determination and Application of Corporate Governance Principles" (published in the Official Gazette, dated 22 February 2013, Issue: 28567), it became mandatory to establish a separate Early Detection of Risk Committee. Accordingly, the Board of Directors unanimously resolved to:

- Appoint the below mentioned executives as the new Chairman and Members of the Early Detection of Risk Committee, which had been established as per the Board of Directors' resolution dated 26 July 2012, No: 2012/52, and in accordance with Article 378 of the Turkish Commercial Code and Capital Markets Board's (CMB) Communiqué Series: IV, No: 56 on the "Principles Regarding Determination and Application of Corporate Governance Principles"; and to relieve the Corporate Governance Committee of its duties related to the Early Detection of Risks.

Early Detection of Risk Committee:

Name/Last Name	Title
Ahmet Burak	Chairman
Erem Turgut Yücel	Member
Tolga Babalı	Member
Dursun Ali Yılmaz	Member

Vuslat DOĞAN SABANCI
(Chairwoman)

Hanzade V. DOĞAN BOYNER
(Vice Chairwoman)

Yahya ÜZDİYEN
(Board Member)

Ahmet N. DALMAN
(Board Member)

Hakkı Hasan YILMAZ
(Board Member)

Enis BERBEROĞLU
(Board Member)

Hürriyet Gazetecilik ve Matbaacılık A.Ş.

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