



HÜRRİYET GAZETECİLİK VE  
MATBAACILIK A.Ş.

BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD  
ENDING 31 MARCH 2009

[www.hurriyetcorporate.com](http://www.hurriyetcorporate.com)

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**31 MARCH 2009**  
(1 January – 31 March 2009 Period)

---

**Contents**

<b>A. Information related to Hürriyet Gazetecilik ve Matbaacılık A.Ş.....</b>	<b>2</b>
1. Operations, organization and the communication information	2
2. Board of directors	3
3. Audit committee	3
4. Corporate governance committee	3
5. Board of auditors	4
6. Company managers	4
7. Capital structure	4
<b>B. Main developments for the period 1 January – 31 March 2009.....</b>	<b>5</b>
<b>C. Activities for the January – March 2009 Interim Accounting Period.....</b>	<b>6</b>
1. Advertising	6
1.1 Ad sector in Turkey	6
1.2 Ad revenue of Hürriyet	6
1.3 Ad revenue of TME	7
2. Circulation of Newspaper	7
2.1 Newspaper sales in Turkey	7
2.2 Newspaper sales of Hürriyet	7
2.3 Circulation revenue of TME	8
3. Earnings before interest, tax and depreciation (EBITDA)	8
<b>D. Summarised Financial Results and Profitability .....</b>	<b>8</b>
1. Main financial indicators	8
2. Financial ratios	9
<b>E. Subsequent events .....</b>	<b>9</b>

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**31 MARCH 2009**  
(1 January – 31 March 2009 Period)

---

## **A. Information Related to Hürriyet Gazetecilik**

---

### **1. Operations, organization and communication information**

Hürriyet Gazetecilik ve Matbaacılık A.Ş. (“Hürriyet” or “the Company”) has been established in 1960 and registered in Turkey. The company who has activities in the areas of newspaper, printing, advertisement and Internet publishing, has 7 printing plants in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon and Germany. On March 29, 2007 the company has purchased 67,30% shares of Trader Media East Limited (“TME”) through its subsidiary Hürriyet Invest B.V. established in the Netherlands. TME is a classified advertising company operating in Russia, CIS and Central Eastern European (CEE) countries through daily and weekly newspapers, magazines and internet sites mainly in the real estate, automotive and human resources sectors. The majority shareholder of Hürriyet is Doğan Yayın Holding A.Ş. established within the constitution of Doğan Şirketler Grubu Holdings A.Ş. (“Doğan Holding”).

#### **The address of the registered office is as follows:**

Hürriyet Medya Towers  
34212 Güneşli, Istanbul / Turkey

The company is registered to the Capital Market Board (“CMB”) and since 1992 its shares are in transaction in the Istanbul Stock Exchange (“ISE”). 40 % of the company capital is in the circulation in the ISE. 25,02 % of the shares of TME are in transaction in the London Stock Exchange as GDR.

#### **Communication Information:**

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

#### **Investor Relations Department:**

Suzi Apalaçi Dayan  
Investor Relations Director  
Phone: + 90 212 449 60 30  
E-mail: [sapalaci@hurriyet.com.tr](mailto:sapalaci@hurriyet.com.tr)

İnci Şencan  
Financial Control and Investor Relations Manager  
Phone: + 90 212 449 65 54  
Fax: + 90 212 677 08 92  
E-mail: [yatirimciiliskileri@hurriyet.com.tr](mailto:yatirimciiliskileri@hurriyet.com.tr)

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**31 MARCH 2009**  
(1 January – 31 March 2009 Period)

---

## 2. Board of Directors

With the decision of the Company's Board of Directors dated May 29, 2008 and numbered 2008/24, the names, surnames and the qualifications of the members of our Board of Directors are as follows:

<b>Name Surname</b>	<b>Title</b>	<b>Explanation</b>
Aydın Doğan	Chairman	Non-Executive
Vuslat Doğan Sabancı	Vice-Chairman	Executive
Mehmet Ali Yalçındağ	Member	Non-Executive
Ertuğrul Özkök	Member	Executive
Soner Gedik	Member	Non-Executive
Ahmet Toksoy	Member	Executive
Cem M. Kozlu	Member	Independent
Kai Diekmann	Member	Independent
H. Hasan Yılmaz	Member	Independent

The detailed C.V's of our members of the Board of Directors can be found in our institutional website [www.hurriyetcorporate.com](http://www.hurriyetcorporate.com).

## 3. Audit Committee

With the decision of the Company's Board of Directors dated May 29, 2008 and numbered 2008/24, Hakkı Hasan Yılmaz and Soner Gedik among the members of the Board of Directors are elected as members for the Audit Committee and the mentioned committee is authorised to fulfil the tasks determined by the conditions of announcement of the Capital Market Board Serial: X numbered 16.

The Audit Committee has presented to the Board of Directors, on May 13, 2009 their decision stating that the financial tables and reports for the interim period of 1 January – 31 March 2009 reflects the reality; the accounting principles of the company are convenient to IFRS and CMB standards and they are correct.

## 4. Corporate Governance Committee

The Company's Board of Directors elected Hakkı Hasan Yılmaz, a member of the Board of Directors, to the Corporate Governance Committee, on September 23, 2008. Consequently, members of the Corporate Governance Committee increased to four, the names of the members being as follows:

<b>Name Surname</b>	<b>Title</b>	<b>Explanation</b>
Cem Kozlu	The President	Independent member of Board of Directors
H. Hasan Yılmaz	Member	Independent member of Board of Directors
Murat Doğu	Member	Non-Executive
Ahmet Özer	Member	Head of Internet Group

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**31 MARCH 2009**  
(1 January – 31 March 2009 Period)

---

## 5. Board of Auditors

In the Ordinary General Assembly Meeting of our Company on the May 29, 2008, in accordance with the Turkish Trade Law, Mehmet Yörük and Fuat Arslan are elected as the auditors for the activity period of the year 2008. Our auditors are not company partners and they are not part of the Executive Board.

## 6. Company Managers

Names, surnames and the titles of the managers in charge during 1 January – 31 March 2009 period are as follows:

<b>Name Surname</b>	<b>Title</b>
Vuslat Doğan Sabancı	Chairman, Executive Board
Ertuğrul Özkök	Editor in Chief
Ahmet Toksoy	Head of Financial Affairs Group
Ayşe Sözeri Cemal	Head of Advertising Group
Ahmet Özer	Head of Internet Group
Ayçin Bayraktaroğlu	Head of Marketing Group
Temuçin Tüzecan	Corporate Communications Coordinator
Ahmet N. Dalman	IT Director

## 7. Capital Structure

The registered maximum capital limit of our company as of March 31, 2009 is TL 800 million. With the decision of the Board of Directors dated May 29, 2008 and numbered 2008/23, the issued capital of our company has been increased from TL 421.000.000 to TL 460.000.000, with an increase of TL 39.000.000, which will totally be covered by the “distributable period profit” of 2007 accounting period. The registration of the issued capital of TL 460.000.000 has been published in the Turkish Trade Registration Newspaper dated August 15, 2008 and numbered 7128.

60% of our company shares belongs to Doğan Yayın Holding A.Ş. and the shares representing 40% of our capital are in transaction in the ISE. As of March 31, 2009, 6.56% of the shares in free float belongs to Doğan Yayın and 9.81% to main partner company Doğan Holding. At the date of the report, through the purchases from ISE among the “open” status shares, Doğan Yayın and Doğan Holding have the shares equivalent to 6.56% and 11.09% of our company capital.

Taking into consideration the closing prices of ISE as of March 31, 2009, Hürriyet has a market value of USD 195 million.

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**31 MARCH 2009**  
(1 January – 31 March 2009 Period)

**B. Main developments for the period 1 January – 31 March 2009.**

<b>Main Factors Effecting the Business Performance</b>	<b>31.03.2009 (1Q 2009)</b>	<b>31.03.2008 (1Q 2008)</b>
Average daily net sales (Hürriyet newspaper)	489,000	515,000
Average page numbers (Hürriyet newspaper)	65	82
Newsprint utilised (tons)	17,196	23,421
Average newsprint price (USD/ton)	915	754
Inflation (year-on-year CPI change)	8.4 %	8.8%
GDP growth (1Q 2009 estimated)	-10.0%	7.3%
USD/TL rate (close)	1.6880	1.2765
USD/TL (average)	1.6478	1.1966
USD/TL increase (compared to the same period of previous year)	37.7%	-14.6%

On July 23, 27 and 31, our company obtained 6 “Investment Incentive Certificates”, in the amount of USD 24,700,361, for the modernization of the printing plants located in İstanbul, Ankara, İzmir, Adana, Antalya and Trabzon. The completion time indicated on these Incentive Certificates is 2 years and all imports of machinery that will be made in accordance with said certificates during these two will be exempt of customs duty and VAT. In accordance with these certificates, machinery worth of USD 15,095,661 has been imported during 1 January – 31 March 2009 period.

International credit rating agency Fitch Ratings announced on March 30, 2009 that our company’s "BB-" long term foreign currency and local currency credit ratings and "AA-(Tur)" national credit rating have been monitored in negative.

Our company’s Extraordinary General Meeting has been held on March 20, 2009. During the meeting; in accordance with article 30 of our Company’s Articles of Incorporation; it has been accepted by a majority of votes that authorization shall be granted to the Board of Directors, until the Ordinary General Meeting where the accounts and transactions of 2008 shall be reviewed, regarding the giving of securities such as mortgages, sureties, pledges, guarantees in favour of third parties pro rata 50% of the total assets amount shown in the company’s consolidated financial statements of the interim term 1 January 2008 – 30 September 2008 being the last balance sheet announced to the public in accordance with the regulations of the Securities Legislation as well as the Capital Markets Board and the Istanbul Stock Exchange, and the approval of all transactions to be realized in this framework during the period to pass until this date. Besides, our general meeting has also been informed that the II. Disposition of legal reserves amounting to TL 406.354, which have been failed to be reserved during the distribution of our Company’s profit of 2008, have been completed.

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**31 MARCH 2009**  
(1 January – 31 March 2009 Period)

## C. Activities for the 1 January – 31 March 2009 Interim Accounting Period

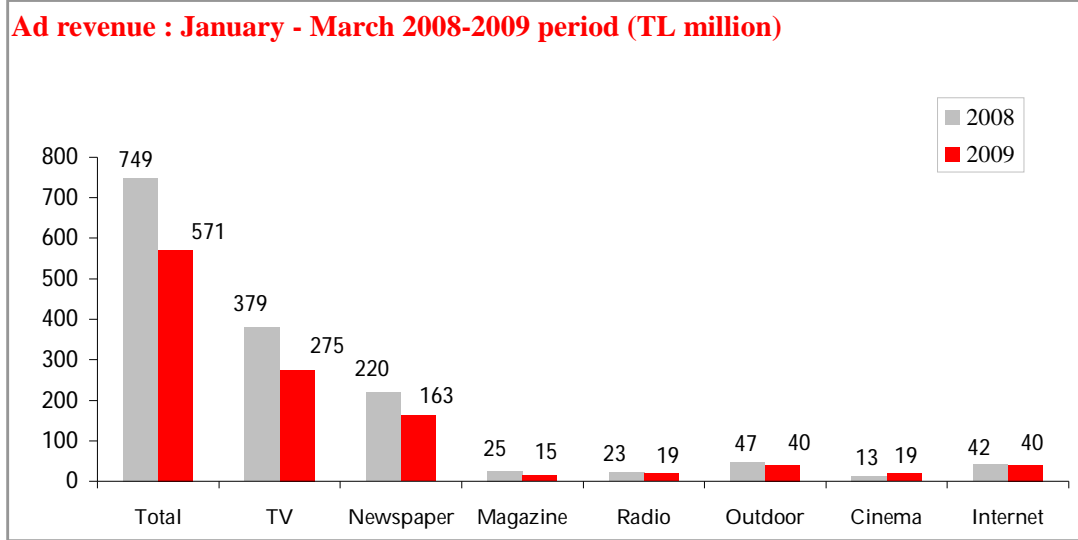
### 1. Advertising

#### 1.1 Ad Sector in Turkey

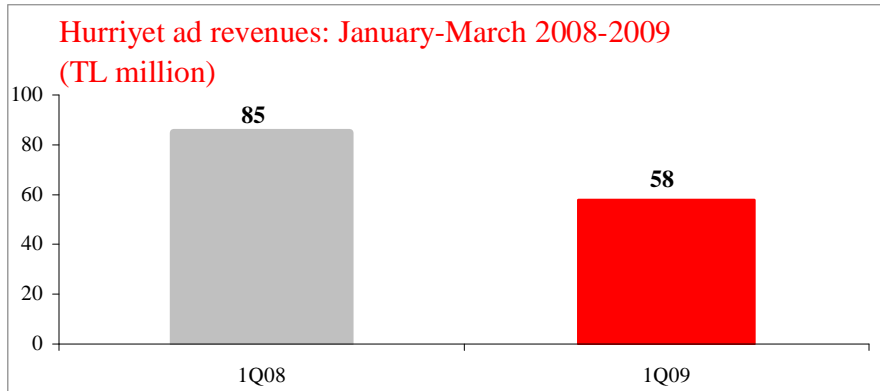
It's estimated that the ad market in Turkey contracted by 24% in the first quarter of 2009 with respect to the same period of 2008 and amounted to TL 571 million.

Ad revenue of TV's, which was TL 379 million in 1Q08, is estimated to have contracted by 27% to the TL 275 million level in 1Q09.

Meanwhile, ad revenue of newspapers is estimated to have declined by 26%. All the advertising segments, except the cinema, registered declines in their revenues in 1Q09.



#### 1.2 Ad Revenue of Hürriyet



**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**31 MARCH 2009**  
(1 January – 31 March 2009 Period)

---

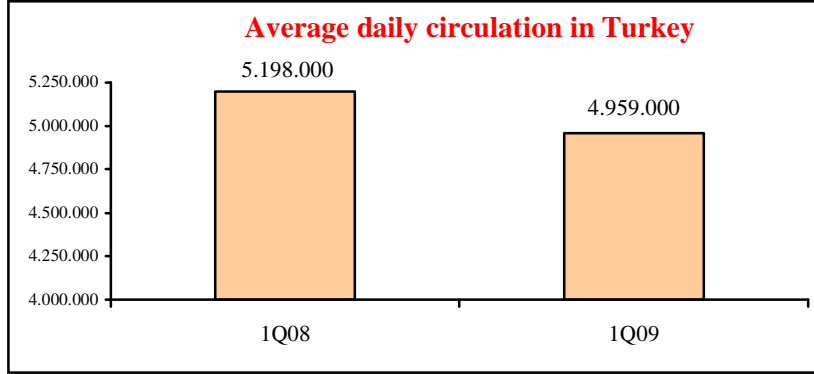
Hürriyet newspaper ad revenue declined by 32% in the first three months of 2009 compared to the same period of the previous year.

### 1.3 Ad Revenue of TME

TME, which started to be consolidated under Hürriyet consolidated financial tables since the second quarter of 2007, has realised TL 45 million of ad revenue in 1Q09, compared to TL 67.7 million in 1Q08.

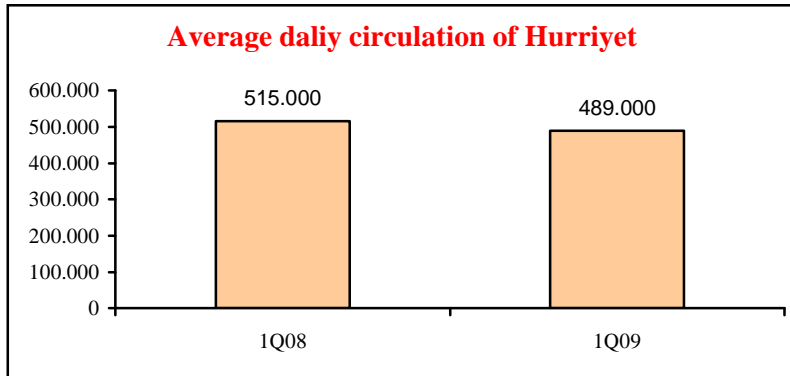
## 2. Circulation of Newspapers

### 2.1 Circulation in Turkey



According to Press Advertising Agency data, the average daily net newspaper sales in Turkey was 5,198,000 in the first 3 months of 2008 and it has declined to 4,959,000 in the first 3 months of 2009. This represents a 4.8% decline in circulation.

### 2.2 Circulation of Hürriyet



In 1Q08, Hürriyet's average daily circulation was 515,000, and its market share was 9.8%.

Hürriyet's average daily circulation declined by 5.0% to 489,000, in 1Q09. During this period, Hurriyet preserved its 9.8% circulation market share.



**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**31 MARCH 2009**  
(1 January – 31 March 2009 Period)

During the first three months of 2009, Hürriyet newspaper cover price for İstanbul-Ankara-İzmir editions for the weekdays was increased from TL 0.40 to TL 0.50, while the price in other cities was increased from TL 0.35 to TL 0.40.

Circulation revenue of Hurriyet rose to TL 19.5 million in 1Q09, from TL 18.7 million in 1Q08.

### 2.3 Circulation Revenue of TME

The circulation revenue of TME, which is consolidated under Hürriyet financial tables since the second quarter of 2007, has been TL 6.9 million in the first 3 months of 2009, compared to TL 8.8 million in the first 3 months of 2008.

### 3. Earnings before interest, tax and depreciation (EBITDA)

The consolidated earnings before interest, tax and depreciation (EBITDA), which was TL 45.6 million in the first quarter of 2008, fell by 45% in the first quarter of 2009 and it has been realised as TL 25 million. TL 6.8 million of the EBITDA in 1Q09 stemmed from TME operations (TL 13.4 million in 1Q08).

Consolidated EBITDA (TL million)	1Q09	1Q08	change (%)
NET SALES	174.0	220.3	-21.0%
-Ad revenue	98.5	144.2	-31.7%
-Internet revenue (online)	8.3	10.9	-24.0%
-Circulation revenue	26.4	27.6	-4.3%
-Printing revenue	28.7	26.7	7.2%
-Other revenues	12.2	11.0	11.4%
COST OF GOODS SOLD	-122.9	-130.0	-5.5%
OPERATING EXPENSES	-51.9	-67.0	-22.5%
OTHER OPERATING INCOME/EXPENSES (NET)	-0.8	-0.2	-
<b>OPERATING PROFIT</b>	<b>-1.6</b>	<b>23.2</b>	<b>-106.9%</b>
<b>EBITDA</b>	<b>25.0</b>	<b>45.6</b>	<b>-45.1%</b>
EBITDA Margin	14.4%	20.7%	

## D. Summarised Financial Results and Profitability

### 1. Main Financial Indicators

According to the consolidated balance sheet and consolidated income tables dated March 31, 2009 of our company, **not audited by the independent auditors**, main financial indicators are as follows:

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**31 MARCH 2009**  
(1 January – 31 March 2009 Period)

<b>Main Financial indicators (million TL)</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
Current assets	540,288,582	479,911,579
Non-current assets	1,389,174,449	1,491,282,886
Total assets	1,929,463,031	1,971,194,465
Short-term liabilities	328,403,441	264,878,924
Long-term liabilities	769,088,542	817,872,305
Majority interest	831,971,048	888,443,236
Net sales	174,016,745	220,346,109
Operating profit	(1,581,995)	23,225,262
Profit/ loss before tax (continued operations)	(59,047,512)	(35.385,520)
Net profit/ loss	(49,802,308)	(35,626,245)

## 2. Financial Ratios

According to the data of the first three months of the last two years and being convenient to the announcement of the Capital Market Board Serial: XI numbered: 25, the ratios related to the financial structure and the profitability of the company have been realised as follows:

<b>Financial ratios</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
Current ratio (Current assets/short-term liabilities)	1.64	1.81
Net sales /total assets	0.09	0.11
Foreign assets/ shareholder's equity	1.31	1.21
Financial expenses/ total assets	0.032	0.028
Operating profit/ total assets	-0.001	0.012
Operating profit/ net sales	-0.009	0.10
Gross profit margin	0.29	0.41

## E. Subsequent Events

Board of Directors meeting was held on 10.04.2009. According to consolidated financial statements belongs to 2008 accounting period that is checked by independent audit, the presentation rules that determined in accordance with Decision of Capital Markets Board (SPK) dated 17.04.2008 and with number 11/467 that is arranged in harmony with International Financial Reporting Standards and inclusive of the provisions of Communique of SPK (Capital Markets Board) Serie:XI No:29; when "fiscal charge for the period" "deferred tax revenue" and minority interest" are considered all in one, it was understood that "Consolidated Net Loss for the Period" of TL 38.093.867 was formed, it was decided by the board of directors to keep shareholders advised of no any distribution of dividend regarding accounting period of 2008 within arrangements regarding profit sharing of SPK(Capital Markets Board) and this respect to present for approval of General Assembly; also keep shareholders advised of loss for the period of TL 32.131.261 was formed according to financial records kept within the scope Turkish Commercial Code and Tax Procedure Law.