



HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD
ENDING 31 MARCH 2011

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31 MARCH 2011
(1 January – 31 March 2011 Period)

10 May 2011

Contents

A. Information related to Hürriyet Gazetecilik ve Matbaacılık A.Ş	2
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. Main developments for the period 1 January – 31 March 2011	5
C. Activities for the January – March 2011 Interim Accounting Period	6
1. Advertising	6
1.1. Ad sector in Turkey	6
1.2. Sectoral breakdown of ad market in Turkey	6-7
1.3. Total Ad Revenue of Hürriyet Group	7
2. Circulation of Newspaper	8
2.1. Circulation in Turkey	8
2.2. Circulation of Hürriyet	8
2.3. Circulation Revenue of TME	9
3. Earnings before interest, tax and depreciation (EBITDA)	9
D. Summarised Financial Results and Profitability	10
1. Main financial indicators	10
2. Financial ratios	10
E. Subsequent events	11

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING
31 MARCH 2011
(1 January – 31 March 2011 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 29 March 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:

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING
31 MARCH 2011
(1 January – 31 March 2011 Period)

2. Board of Directors

With the decision of the Company's Board of Directors dated 26 April 2011 and numbered 2011/18, the names, surnames and the qualifications of the members of our Board of Directors are as follows:

Name Surname	Title	Explanation
Vuslat Doğan Sabancı	Chairwoman	Non-Executive
Hanzade Vasfiye Doğan Boyner	Vice- Chairwoman	Non-Executive
Hakkı Hasan Yılmaz	Member	Executive
Kadri Enis Berberoğlu	Member	Executive
Ahmet Toksoy	Member	Non-Executive
Yahya Üzdiyen	Member	Non-Executive
Leonid Makaron	Member	Non-Executive
Kai Diekmann	Member	Independent
Ahmet Burak	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.

3. Audit Committee

With the decision of the Company's Board of Directors dated 26 April 2011 and numbered 2011/18, Yahya Üzdiyen, Ahmet Toksoy and Murat Doğu 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 22.

The Audit Committee has presented to the Board of Directors, on 6 May 2011, their decision stating that the financial tables and reports for the interim period of 1 January – 31 March 2011 reflects the reality; the accounting principles of the company are convenient to IFRS and CMB standards and they are correct.

Name Surname	Title	Explanation
Ahmet Toksoy	President	Member of Board of Directors
Yahya Üzdiyen	Member	Member of Board of Directors
Murat Doğu	Member	Non-Executive

4. Corporate Governance Committee

With the decision of the Company's Board of Directors dated 26 April 2011 and numbered 2011/18, the names, surnames and the qualifications of the members of Corporate Governance Committee are as follows:

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING
31 MARCH 2011
(1 January – 31 March 2011 Period)

Name Surname	Title	Explanation
Ahmet Burak	President	Independent
Ahmet Toksoy	Member	Member of Board of Directors
Murat Doğu	Member	Non-Executive

5. Board of Auditors

In the Ordinary General Assembly Meeting of our Company on 20 April 2011, in accordance with the Turkish Trade Law, Mehmet Yörük and Fuat Arslan are elected as the auditors for the activity period of the year 2011. 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 2011 period are as follows:

Name Surname	Title
Hakkı Hasan Yılmaz	Chairman, Executive Board
Kadri Enis Berberoğlu	Editor in Chief
Ayşe Sözeri Cemal	Head of Advertising Group
Dursun Ali Yılmaz	Head of Financial Affairs Group
Tijen Mergen	Head of Marketing Group
Ahmet N. Dalman	Head of Information Technologies

7. Capital Structure

The registered maximum capital limit of our company as of 31 March 2011 is TL 800 million, and the issued capital of our company is TL 552 million.

	31 March 11	Share (%)	31 March 2010	Share (%)
Doğan Yayın Holding A.Ş.	367,415,960	66.56	367,415,960	66.56
Doğan Holding A.Ş.	61,200,274	11.09	61,200,274	11.09
Other	74,745	0.01	74,745	0.01
Free Float	123,309,021	22.34	123,309,021	22.34
Total	552,000,000	100	552,000,000	100

As of 31 March 2011, 6.56% (31 December 2010: 6.56%) of the shares in free float belongs to Doğan Yayın and 11.09% (31 December 2010: 11.09%) to main partner Doğan Holding.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING
31 MARCH 2011
(1 January – 31 March 2011 Period)

B. Main developments for the period 1 January – 31 March 2011

Main Factors Effecting the Business Performance	31 Mar 11 1Q 2011	31 Mar 10 1Q 2010
Average daily net sales (Hürriyet newspaper)	445,500	463,821
Average page numbers (Hürriyet newspaper)	77.65	76.78
Newsprint utilised (tons)	18,615	19,910
Average newsprint price (USD/ton)	730	577
Inflation (year-on-year CPI change)	4.34	9.29
GDP growth (2011 Estimation)	9.00%	12.00%
USD/YTL (average)	1.5710	1.5022
USD/YTL increase (compared to the same period of previous year)	4.58%	-8.85%

- The international rating agency Fitch Ratings has confirmed our Company's rating in local and foreign currency as "B+", and its outlook as in "negative watch". In addition, it has confirmed its national long-term rating as "A(tur)", its outlook as in "negative watch".
- Our Board of Directors, having convened on March 30, 2011 at the corporate head offices, has decided as follows: Upon assent of our Audit Committee, the appointment of DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as independent audit firm, in accordance with the provisions of the "Communiqué on Independent Audit Standards of the Capital Market" Serial: X, No:22 of the Capital Markets Board (CMB) as well as the Resolutions of the CMB in this matter, for the independent audit of our company's financial statements of the intermediate fiscal term Jan 01, 2011-June 30, 2011 and our annual financial statements of the term Jan 01, 2011-Dec.31, 2011, shall be presented to the approval of the associates during the Ordinary General Meeting to be held.
- Our Board of Directors, having convened in the Company's head offices on March 30, 2011, has adopted the following decision:
 - Since it has been seen that according to our Company's consolidated financial statements of the fiscal term Jan.1, 2010 – Dec.31, 2010, which have been prepared in conformity with the International Accounting and International Financial Reporting Standards, under the provisions of the Communiqué Serial no. XI No.29 of the Capital Markets Board, and the presentation principles of which have been determined pursuant to the relevant decisions of the Capital Markets Board, and which have undergone independent audit; taking into consideration the "period's tax expense", "deferred tax income" as well as the minority interests together, a "Consolidated Net Term Loss" amounting to 40.079.404,-TL has occurred, our shareholders shall be informed that there cannot be realized any profit distribution related to the fiscal term 2010, in the scope of

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING
31 MARCH 2011
(1 January – 31 March 2011 Period)

the arrangements of the Capital Markets Board related to profit distribution, and this matter shall be presented to the approval of the General Meeting.

- It shall be determined that, in our financial records kept in the framework of the Turkish Commercial Code and the Tax Procedure Law, the term profit consists of 30.800.152,-TL, that upon having deducted the corporate tax payable from this amount the net term profit amounts to 18.387.447,-TL, and it shall be presented to the approval of the General Meeting that, upon having made provision for the “I. Series Statutory Reserves” pursuant to article 466/1 of the Turkish Commercial Code from this amount, the remaining amount of 17.468.075,-TL shall be carried over to the extraordinary reserve fund.

C. Activities for the 1 January – 31 March 2011 Interim Accounting Period

1. Advertising

1.1. Ad Sector in Turkey

It is estimated that advertisement expenditures in Turkey has increased by 20% in the first quarter of 2011 compared to the same period of the previous year and reached TL 981 million.

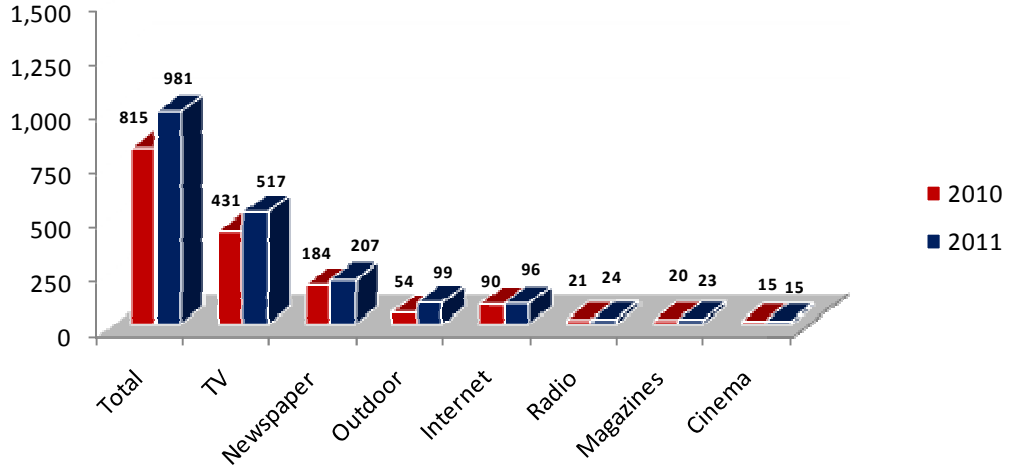
The most preferred segments for advertisers were still television and newspaper, as it has been the case in previous years. These two sectors held a 74% share in total ad market in 1Q11.

The highest growth rates have been reached by television and outdoor sectors in 1Q11. Ad revenue of the outdoor sector surged by 83% in the first quarter of 2011 and reached a 10% share in total ad market.

Meanwhile, ad revenue in the newspaper segment is estimated to be around TL 207 million during the first quarter of 2011, with an increase of 13% compared to the same period of last year.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING
31 MARCH 2011
(1 January – 31 March 2011 Period)

Ad Revenue: First Quarter 2010 – 2011 (TL million)



Source: DYH ad platform

Note: Internet includes display, classified, mobile and search; excludes e-commerce and tourism websites

Sectoral breakdown of ad market in Turkey (million TL)

The sectors with the highest advertising spending have been communication and food sectors, in the first quarter of 2011. Construction & decoration sector made the biggest jump with a 52% increase among the top 10 sectors.

Sectors	2010	2011	Ch. %
Total	725.0	884.8	22%
Communication	84.1	114.0	36%
Food	82	104.2	27%
Finance	67.2	62.4	-7%
Construction & Decoration	38.2	58.0	52%
Cosmetics & personal care	42.4	50.8	20%
Publishing	52.1	49.8	-4%
Automotive, vehicles and parts	37.6	48.8	30%
Retail	36.2	41.9	16%
Furniture, Home textile and appliances	31.9	40.3	26%
Household cleaning products and companies	29.2	32.7	12%
Other	224.2	281.9	26%

Source: DYH ad platform

Note: Excludes internet

1.2. Total Ad Revenue of Hürriyet Group

Total ad revenue of Hürriyet Group has increased by 10.3% and amounted to TL 122.8 million in 1Q11, compared to TL 111.3 million in 1Q10.

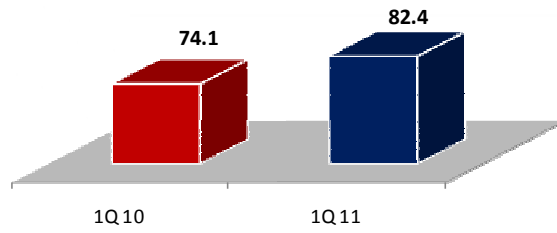
Domestic ad revenues including newspapers and internet increased by 11% and amounted to TL 82.4 million in 1Q11, compared to TL 74.1 million in 1Q10.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING
31 MARCH 2011
(1 January – 31 March 2011 Period)

In 2011, Hürriyet Newspaper preserved its leader position among other newspapers, as it has been the case in previous years.

Hürriyet Newspaper preserved its position as the most preferred ad medium for construction, retail, automotive, finance, classifieds, tourism, social ads and human resources sectors.

Hürriyet Group Domestic Ad Revenue: First Quarter 2010 – 2011 (TL million)

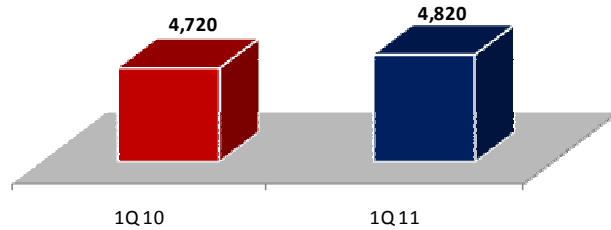


Meanwhile, TME has realised TL 40.4 million of ad revenue in 1Q11 compared to TL 37.2 million in 1Q10, which reflects 9% increase.

2. Circulation of Newspapers

2.1. Circulation in Turkey

Average Daily Circulation in Turkey ('000)

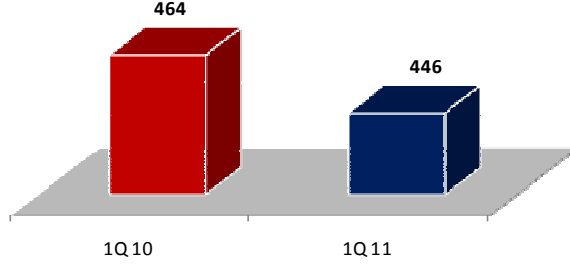


According to “Doğan Dağıtım” and “Turkuvaz Dağıtım” data, the average daily net newspaper sales in Turkey was 4,720,248 in 1Q10 and it has increased to 4,820,472 in 1Q11. This represents a 2.1% increase in circulation.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING
31 MARCH 2011
(1 January – 31 March 2011 Period)

2.2. Circulation of Hürriyet Newspaper

Average Daily Circulation of Hürriyet Newspaper ('000)



In the first quarter of 2010, Hürriyet's average daily circulation was 463,821 and its market share was 9.8%. In the first quarter of 2011, Hürriyet's average daily circulation declined by 4% to 445,500. During this period, Hurriyet's circulation market share also decreased to 9.2%.

During the first quarter of 2011, there was no change in Hürriyet newspaper cover price.

Circulation revenue of Hurriyet declined by 1% and amounted to TL 23.6 million in 1Q11, compared to TL 23.8 million in 1Q10.

2.3. Circulation Revenue of TME

The circulation revenue of TME has been TL 5.5 million in 1Q11 (10% decrease), compared to TL 6.1 million in 1Q10.

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

The consolidated earnings before interest, tax and depreciation (EBITDA), which was TL 23.4 million in the first quarter of 2010, decreased to TL 20.8 million in the same period of 2011. TL 1.5 million of the EBITDA in the first quarter of 2011 stemmed from TME operations (TL 3.6 million in 1Q10).

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING
31 MARCH 2011
(1 January – 31 March 2011 Period)

	1Q 11	1Q 10	Ch. (%)
Net Sales	190.3	177.6	7.1%
- Ad revenue (print)	108.5	100.0	8.5%
- Ad revenue (online)	14.3	11.3	26.7%
- Circulation revenue	29.1	29.9	-2.6%
- Printing revenue	26.1	26.4	-1.0%
- Other revenues	12.2	10.0	22.0%
Cost of Goods Sold	-130.1	-112.8	15.4%
Operating Expenses	-63.8	-65.3	-2.2%
Other Operation Income / Expenses (Net)	-21.2	-3.4	526.2%
Operating Profit	-24.9	-3.9	
EBITDA	20.8	23.4	-11.0%
EBITDA margin	10.9%	13.2%	

D. Summarised Financial Results and Profitability

1. Main Financial Indicators

According to the consolidated balance sheet and consolidated income tables dated 31 March 2011 of our company, audited by the independent auditors, main financial indicators are as follows:

Main Financial Indicators (mn TL)	31 Mar 11	31 Dec 10	31 Mar 10	Ch. (%) *
Current Assets	319,370	347,622	503,694	-8.13%
Non-current Assets	1,269,043	1,231,305	1,315,093	3.06%
Total Assets	1,588,413	1,578,926	1,818,787	0.60%
Short-term Liabilities	427,486	390,538	461,064	9.46%
Long-term Liabilities	381,784	415,355	425,166	-8.08%
Shareholder's Equity	779,142	773,033	932,557	0.79%
Net Sales	190,289	794,226	177,606	7.14%
Operating Profit / Loss	-24,868	-23,599	-3,850	
Net Profit / Loss	-26,071	-40,079	-1,257	

(*) Year-end results are taken into consideration for BS items, and 1Q results for I/S items.

2. Financial Ratios

The ratios related to the financial structure and the profitability of the company have been realised as follows:

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING
31 MARCH 2011
(1 January – 31 March 2011 Period)

Financial Ratios	31 Mar 11	31 Dec 10	31 Mar 10
Current ratio (Current assets / short-term liabilities)	0.75	0.89	1.09
Net sales / total assets	0.12	0.50	0.10
Total liabilities / shareholder's equity	1.04	1.04	0.95
Operating profit/ total assets	-0.016	-0.015	-0.002
Operating profit/ net sales	-0.13	-0.03	-0.02
Gross profit margin	0.32	0.39	0.36

E. Subsequent Events

1. The proposal of the Board of Directors as to not perform any profit distribution for the fiscal term Jan. 01, 2010 – Dec.31, 2010 [Since according to the consolidated financial statements prepared in conformity with the International Accounting and International Financial Reporting Standards; taking into consideration the “term’s fiscal charge”, “deferred tax revenue” as well as minority interests together, it has been seen that the “Consolidated Net Term Loss” of 40.079.404,-TL has arisen, in the scope of the arrangements of the Capital Markets Board related to profit distribution, it shall not be possible to realize any profit distribution related to the fiscal term Jan. 01, 2010 – Dec.31, 2010; whereas, in our Company’s solo/financial records kept in the framework of the Turkish Commercial Code and the Tax Procedure Law a term profit of 30.800.152,-TL has arisen, and that upon deduction of the Corporate Tax payable from this amount the net term profit amounting to 18.387.447,-TL has resulted and upon provision made for the “I. Series Legal Reserves” from this amount pursuant to article 466/1 of the Turkish Commercial Code, the remaining amount of 17.468.075,-TL shall be carried over to the “extraordinary legal reserves”] has been discussed and accepted.
2. The Boards of Directors of our Company and our Company’s subsidiaries, as a result of the consideration of the matter in all aspects, have decided to let our Companies benefit from the provisions “tax base increase” as well as “disputed tax debts being at the stage of action and not having become final” of the “Law Number 6111 on making Amendments on the Law of Restructuring Certain Receivables as well as Social Securities and General Health Insurance Law, and Some Other Laws and Decree-laws” (Law number 6111), which has become effective upon publication in the Official Gazette number 27857 (I. repeated) dated Feb.25, 2011. As a result of both the tax base increase as well as the restructuring of the “disputed tax debts being at the stage of action and not having become final”, the arising tax liability amounting to a total of 22.789.595,-TL has to be paid until May 31, 2011, whereas the payment shall be made in cash.
3. As a result of the investigation initiated by the Competition Authority in 5 April 2011, concerning the practices in the space (channel) sale for the field of press (journalism); it has decided to impose an administrative fine of 3.804.716,21 TL to Hürriyet Gazetecilik ve Matbaacılık A.Ş.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING
31 MARCH 2011
(1 January – 31 March 2011 Period)

4. The Group's affiliate OOO Pronto Moscow has restructured its outstanding loan facility of \$ 70 million, with a new bank loan facility of the same amount on April 15, 2011. As of Mar. 31, 2011, USD 10 mn of cash balance is classified under other long term assets due to blocked deposit of Hurriyet for TME bank loan. As the loan has been restructured as of 3 May 2011, this blockage has been lifted. Regarding the restructuring of the loan, a blocked deposit of Doğan Şirketler Grubu Holding A.Ş. in the amount of \$ 70.0 will be hold by the bank as collateral.
5. Hürriyet Group affiliate, OOO Pronto Samara's 10.1% minority interest has been purchased in 12 April 2011 and now it is solely owned by the group.
6. Financial statements as of 31 March 2011 has been approved by board of directors, in 10 May 2011.