



**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF QUARTERLY REPORT FOR THE PERIOD
ENDING 31 MARCH 2012**

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16 May 2012

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING
31 MARCH 2012
(1 January – 31 March 2012 Period)

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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. (“Doğan Yayın”) 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”). 22,35 % 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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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 Sabancı | Chairwoman | Non-Executive |
| Hanzade Vasfiye Doğan Boyner | Vice-Chairwoman | Non-Executive |
| Hakkı Hasan Yılmaz | Member | Non-Executive |
| Kadri Enis Berberoğlu | Member | Executive |
| Ahmet Toksoy | Member | Non-Executive |
| Yahya Üzdiyen | 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.

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

The Audit Committee has presented to the Board of Directors, on 15 May 2012, their decision stating that the financial tables and reports for the interim period of 1 January – 31 March 2012 reflects the reality; the accounting principles of the company are convenient to IFRS and CMB standards and they are correct.

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:

| Name Surname | Title | Explanation |
|--------------|----------|------------------------------------|
| Ahmet Burak | Chairman | Independent Member / Non-Executive |
| Ahmet Toksoy | Member | Independent Member / Non-Executive |
| Murat Doğu | Member | Non-Executive |

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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. Executive Committee (Executive Board)

Names, surnames and the titles of the managers in charge during 1 January – 31 March 2012 period are as follows:

| Name Surname | Title |
|-----------------------|---|
| 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 Internet & Information Technologies |
| Tuba Köseoğlu Okçu | Human Resources Coordinator |

7. Capital Structure

The registered maximum capital limit of our company as of 31 March 2012 is TL 800 million, and the issued capital of our company is TL 552 million.

| | 31.Mar.12 | Share (%) | 31.Dec.2011 | Share (%) |
|---------------------------|------------------|------------------|--------------------|------------------|
| Doğan Yayın Holding | 367.416.250 | 66,56 | 367.416.194 | 66,56 |
| Doğan Holding | 61.200.274 | 11,09 | 61.200.274 | 11,09 |
| Diğer | 74.979 | 0,01 | 86.443 | 0,02 |
| İMKB'de işlem gören kısım | 123.308.497 | 22,34 | 123.297.089 | 22,34 |
| Toplam | 552.000.000 | 100,00 | 552.000.000 | 100,00 |

As of 31 March 2012, 6.56% (31 December 2011: 6.56%) of the shares in free float belongs to Doğan Yayın and 11.09% (31 December 2011: 11.09%) to main partner Doğan Holding.

B. Main developments for the period 1 January – 31 March 2012

| Main factors Effecting the Business Performance | 31.Mar.12 | 31.Mar.11 |
|--|------------------|------------------|
| | (3 M) | (3 M) |
| Average daily net sales (Hürriyet Newspaper) | 424.581 | 445.500 |
| Average page numbers (Hürriyet Newspaper) | 76,27 | 77,65 |
| Newsprint utilised (tons) | 17,796 | 18.615 |
| Average newsprint price (USD/ton) | 808 | 730 |
| Inflation (year-on-year CPI change) | 10,43% | 3,99% |
| GDP growth (2011 estimation) | 11,90% | 2,00% |
| USD/TL average | 1,7890 | 1,5710 |
| USD/TL increase (compared to the same period of previous year) | 13,88% | 4,58% |

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- **Date: 04.01.2012/18: The Executive Board's Chairman's laying down his office**
Mr. Hakkı Hasan YILMAZ, who has been conducting his duty as Chairman of the Executive Board for two years in our company, shall lay down his office as Chairman of the Executive Board in our Company as per March 1, 2012, in order to return to his academical work which he had suspended during this period. Whereas, Mr. Hakkı Hasan Yılmaz's membership in the Board of Directors shall continue.
- **Date: 24.01.2012/03: Contribution to the Capital Increase**
Our Board of Directors made a decision on 24.01.2012 that the capital of Doğan Haber Ajansı A.Ş. (DHA), a subsidiary of us in which we hold 53,01% shares, is increased from TL 4.000.000 to TL 10.000.000, that our right to purchase new shares amounting to TL 3.180.821,12 that corresponds to our share is exercised to the full and that our Board of Directors is duly authorised and empowered to serve notifications to the competent authorities so that necessary procedures are performed.
- **Date: 25.01.2012/ 04: Real estate sale**
Negotiations commenced regarding the sale of the immovable properties owned by our company.
Negotiations commenced with a willing buyer with regards to the sale of immovable properties, inclusive of the administrative building (company headquarters) owned by our company at Hurriyet Medya Towers 34212 Gunesli/Istanbul.

As is known, we formerly disclosed to the public on 17.08.2011 that our company was intending to sell and/or design by finding a strategic partner for the parcels, inclusive of the administrative building (company headquarters) domiciled at Hurriyet Medya Towers 34212 Gunesli/Istanbul, registered in the block number 3153, map section number 245DS4B, and parcel number 7 and 10 as well as the immovable properties registered in the map section number 1 and parcels number 14 and 23 established on 58.610 sqm area.

Negotiations with a willing buyer commenced at this moment and any development will be disclosed to the public.

- **Date: 27.01.2012/ 05: Real estate sale**
The negotiations and bargains by and between our company and Nurol Gayrimenkul Yatırım Ortaklığı A.Ş. regarding the sale of some of our immovable properties ended up in agreement. Accordingly;
 - * Immovable property, including the company headquarters of massive business place A1, A2, A3, A4, A5, A7, A8, A9, A10, A12, A14, B1, B2, B3, C1, C2, C3, D1, D2 upon 31.224 m²,45 dm² and registered in the map section number 245DS4b, block number 3153 and parcel number 10 in Kirazli village, Bagcilar district in the province of Istanbul (Hurriyet Medya Towers) in return for US\$ 92.728.139.
 - * Immovable qualified as 16.973.00 m² massive plant and premises registered in the map section number 1, parcel number 14 in Kirazli village, Bagcilar district in the province of Istanbul in return for US\$ 24.071.704.
 - * Immovable qualified as 5.197 m² field registered the map section number 1, parcel number 23 in Gunesli Ciftligi Locality, in Kirazli village, Bagcilar district in the province of Istanbul in return for US\$ 5.915.597.

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* Immovable qualified as 5.215 m2 field registered the map section number 245DS4B, block number 3153 and parcel number 7 in Bagcilar village, Bagcilar district in the province of Istanbul in return for US\$ 4.784.560,

The foregoing items has been agreed to sale in return for US\$ 127.500.000, provided US\$ 17.500.000 is paid in advance [payable on the date of deed transfer], the remaining sum is paid in equal instalments in 36 months as from 06.03.2012 and the outstanding balance that remains after the instalment payments is charge with 3,5% interest.

Cited immovable properties will have been delivered to the buyer latest by 01.07.2012, no rental or such usage fee shall be paid to the buyer until the date of delivery.

- **Date:02.02.2012/08 : Conclusion of real estate sales transactions, title deed transfer and collection of down payment**

The sales transaction of a part of our Company's real estates to Nuro! Gayrimenkul Yatırım Ortaklığı A.Ş. has been completed, the title deed transfer has been realized on 01.02.2012 and the down payment has been collected.

- **Date: 14.02.2012/09 :Board decision on the method of valuation of real estate profit**

Board of Directors resolved on 14.02.2012 that 'real estate profit on sale' derived from the fact that part of real estates owned by our company was sold to Nuro! Gayrimenkul Yatırım Ortaklığı A.Ş. will be tracked and monitored in a special fund account in liabilities.

As resolved by our Board of Directors on 30.01.2012 with the meeting number of 2012/07, 4 real estates were sold and conveyance of title was completed on 01.02.2012; afterwards 'real estate profit on sale' amounting to TL 137.210.372,94 appeared in our legal records. It was, hence, resolved that tax-exempt amount (75%) of the cited 'real estate profit on sale' referred to in Article 5-1/e of the Corporate Tax Law will not be involved in allocation of profits for periods 01.01.2012 - 31.12.2012 in compliance with the Tax Legislation, Capital Market Legislation and any other fiscal legislations, and will be deposited in a special fund account in liabilities.

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

1. Advertising

1.1. Ad Sector in Turkey

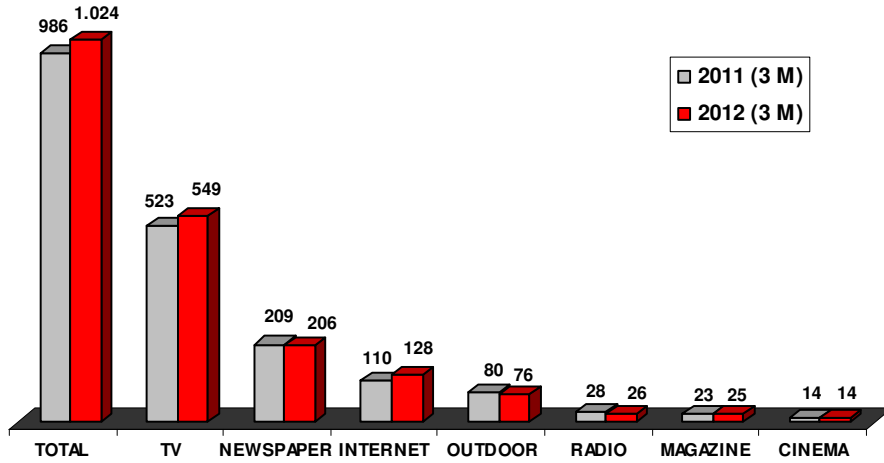
It is estimated that advertisement expenditures in Turkey has increased by 3,8% in the first quarter of 2012 compared to the same period of the previous year and reached TL 1024 million.

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 1Q12.

The highest growth rates have been reached by internet and magazine sectors in 1Q12. Ad revenue of the internet sector surged by 16% in the first quarter of 2012 and reached TL 128 million with a 12.5% share in total ad market.

Meanwhile, ad revenue in the newspaper segment is estimated to be around TL 206 million during the first quarter of 2012, with a decrease of 1% compared to the same period of last year.

Ad Revenue: First Quarter 2011 – 2012 (TL million)



Source: DYH ad platform

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

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Sectoral breakdown of ad market in Turkey (million TL)

The sectors with the highest advertising spending have been food and communication sectors, in the first quarter of 2012. Publishing sector made the biggest jump with a 46% increase among the top 10 sectors.

| SECTORS | 2012 (3 M) | 2011 (3 M) | Change |
|--------------------------------------|---------------|---------------|-----------|
| TOTAL | 895,9 | 875,7 | 2% |
| Food | 108,8 | 105,5 | 3% |
| Communication | 92,7 | 112,4 | -18% |
| Finance | 80,0 | 61,5 | 30% |
| Publishing | 72,1 | 49,4 | 46% |
| Construction & Decoration | 58,0 | 58,1 | 0% |
| Automotive, vehicles & parts | 54,6 | 49,6 | 10% |
| Retail | 52,3 | 42,6 | 23% |
| Cosmetics & personal care | 47,0 | 51,2 | -8% |
| Furniture, Home Textile & Appliances | 40,9 | 40,7 | 1% |
| Beverages | 31,0 | 32,7 | -5% |
| Other | 258,5 | 271,9 | -5% |

Source: DYH Ad Platform (Excludes internet)

1.2. Total Ad Revenue of Hürriyet Group

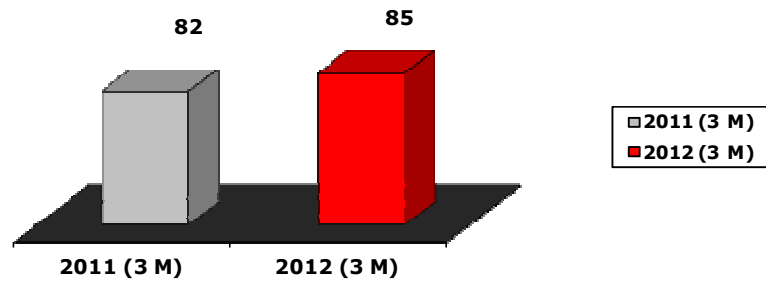
Total ad revenue of Hürriyet Group has increased by 4.9% and amounted to TL 128.7 million in 1Q12, compared to TL 122.8 million in 1Q11.

Domestic ad revenues including newspapers and internet increased by 4% and amounted to TL 85 million in 1Q12, compared to TL 82 million in 1Q11.

In 1Q12, 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, tourism, classifieds, finance, human resources and education sectors.

2011-2012 Total Ad Revenue of Hürriyet Group (Million TL)

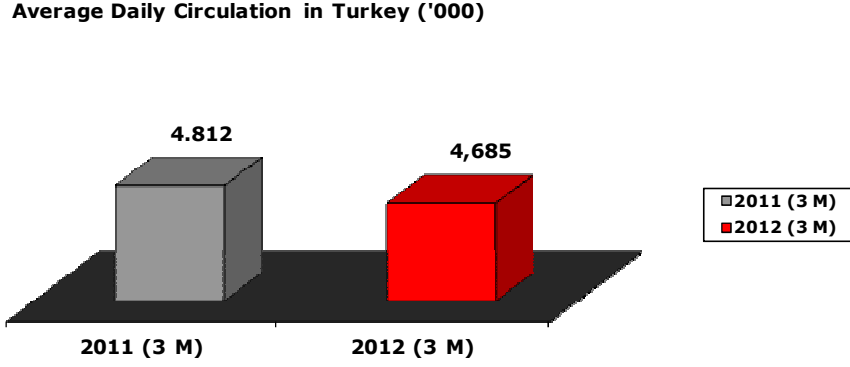


Meanwhile, TME has realised TL 43,5 million of ad revenue in 1Q12 compared to TL 40.4 million in 1Q11, which reflects 7.5% increase.

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2. Circulation of Newspapers

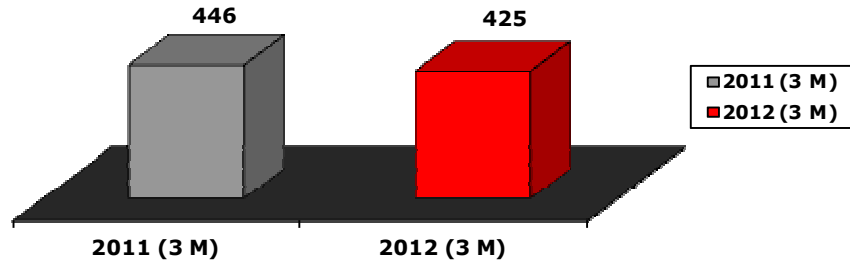
2.1. Circulation in Turkey



According to “Doğan Dağıtım” and “Turkuvaz Dağıtım” data, the average daily net newspaper sales in Turkey was 4,811,514 in 1Q11 and it has decreased to 4,685,258 in 1Q12. This represents a 2.6% decrease in circulation.

2.2. Circulation of Hürriyet Newspaper

Average Daily Circulation of Hürriyet Newspaper ('000)



In the first quarter of 2011, Hürriyet’s average daily circulation was 445,500 and its market share was 9.3%. In the first quarter of 2012, Hürriyet’s average daily circulation declined by 4,7% to 424,581. During this period, Hurriyet’s circulation market share also decreased to 9.1%.

İstanbul, İzmir and Ankara city weekend cover prices have been raised up from TL 0.75 to TL 1 as of beginning September ’11.

İstanbul, İzmir and Ankara city weekday cover prices have been raised up from TL 0.50 to TL 0.60 as of November ’11.

Circulation revenue of Hurriyet declined by 4% and amounted to TL 82.6 million in 1Q12. Domestic circulation revenues increased by 3.8% and amounted to TL 24.5 million in 1Q12, compared to TL 23.6 million in 1Q11.

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2.3. Circulation Revenue of TME

The circulation revenue of TME has been TL 3.9 million in 1Q12 (28% decrease), compared to TL 5.5 million in 1Q11.

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

The consolidated earnings before interest, tax and depreciation (EBITDA), which was TL 20.8 million in the first quarter of 2011, decreased to TL 19.3 million in the same period of 2012. TL 2.5 million of the EBITDA in the first quarter of 2012 stemmed from TME operations (TL 1.5 million in 1Q11).

| Million TL | 2012 (3 M) | 2011 (3 M) | Change |
|---|---------------|---------------|--------|
| Net Sales | 199.1 | 190.3 | 4.6% |
| - Ad revenue (print) | 109.6 | 108.5 | 1.0% |
| - Ad revenue (online) | 19.1 | 14.3 | 34.0% |
| - Circulation revenue | 28.4 | 29.1 | -2.3% |
| - Printing revenue | 31.4 | 26.1 | 20.0% |
| - Other revenues | 10.5 | 12.2 | -14.1% |
| Cost of Goods Sold | -130.4 | -123.2 | 5.9% |
| Operating Expenses | -72.7 | -70.7 | 2.7% |
| Other Operation Income / Expenses (Net) | 141.4 | -21.2 | N.A. |
| Operating Profit | 137.4 | -24.9 | |
| EBITDA | 19.3 | 20.8 | -7.2% |
| EBITDA Margin | 9.7% | 10.9% | |

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D. Summarised Financial Results and Profitability

1. Main Financial Indicators

According to the consolidated balance sheet and consolidated income tables dated 31 March 2012 of our company, audited by the independent auditors, main financial indicators are as follows:

| Main Financial Indicators (Million TL) | 31 Mar 12 | 31.Dec.2011 | 31 Mar 11 | Change * |
|---|------------------|--------------------|------------------|-----------------|
| Current Assets | 458,576 | 556,767 | 319,370 | -17.64% |
| Non-Current Assets | 1,215,499 | 1,082,006 | 1,269,043 | 12.34% |
| Total Assets | 1,674,075 | 1,638,773 | 1,588,413 | 2.15% |
| Short-term Liabilities | 487,796 | 549,788 | 427,486 | -11.28% |
| Long-term Liabilities | 412,213 | 493,807 | 381,784 | -16.52% |
| Shareholder's Equity | 774,067 | 595,178 | 779,142 | 30.06% |
| Net Sales | 199,074 | 868,738 | 190,289 | 4.62% |
| Operating Profit / Loss | 137,379 | 150,438 | -24,868 | |
| Net Profit / Loss | 149,947 | 235,684 | -26,071 | |

(*) Year-end results are taken into consideration for B/S items, and 3M 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:

| Financial Ratios | 31 Mar 12 | 31.Dec.2011 | 31 Mar 11 |
|---|------------------|--------------------|------------------|
| Current ratio (Current assets / short-term liabilities) | 0.94 | 1.01 | 0.75 |
| Net sales / Total assets | 0.12 | 0.53 | 0.12 |
| Total liabilities / Shareholder's equity | 1.16 | 1.75 | 1.04 |
| Operating profit / Total assets | 0.082 | 0.092 | -0.016 |
| Operating profit / Net sales | 0.69 | 0.17 | -0.13 |
| Gross profit margin | 34% | 38% | 35.3% |