



**HÜRRİYET GAZETECİLİK VE
MATBAACILIK A.Ş.**

**BOARD OF DIRECTORS SEMIANNUAL REPORT FOR THE PERIOD
ENDING 30 JUNE 2008**

www.hurriyetkurumsal.com

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A. Information Related to Hürriyet Gazetecilik

1. Activity subject, organization and the 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 fields of newspaper, printing, advertisement and Internet publishing, has 7 printing establishments in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon and Germany. On the 29th March 2007, the company has purchased 67,30% shares of Trader Media East Limited ("TME") through its dependent partner Hürriyet Invest B.V. residing 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 Istanbul Stock Exchange ("ISE"). 40% of the company capital is in the circulation of 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 Board of Directors dated 29 May 2008 and numbered 2008/24, the names, surnames and the qualifications of the members of our Board of Directors are as follows:

Name Surname	Title	Explanation
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 of our members of the Board of Directors can be found in our institutional website www.hurriyetkurumsal.com.

3. Audit Committee

With the decision of the Company Board of Directors dated 29 May 2008 and numbered 2008/24, Hakkı Hasan Yılmaz and Soner Gedik from our 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 25 August 2008, their decision stating that the financial tables and reports for the interim period of 1st January – 30th June 2008 reflects the reality and 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 Board of Directors dated 29th May 2008 and numbered 2008/24, it has been decided to form the Corporate Governance Committee with the following president and members:

Name Surname	Title	Explanation
Cem Kozlu	President	Independent member of Board of Directors
Murat Doğu	Member	Non-Executive
Ahmet Özer	Member	President of Strategy and Business Development Group

5. Board of Auditors

In the Ordinary General Assembly Meeting of our Company on the 29 May 2008, according to the conditions of 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. Directors of corporations

Names, surnames and the titles of the managers in charge during January – June 2008 period are as follows:

Name Surname	Title
Vuslat Doğan Sabancı	Chairman, Executive Board
Ertuğrul Özkök	Editor in Chief
Ahmet Toksoy	Financial Affairs Group Head
Ayşe Sözeri Cemal	Advertising Group Head
Ahmet Özer	Strategy and Business Development Group Head
Temuçin Tüzecan	Corporate Communications Coordinator

7. Capital Structure

The registered maximum capital limit of our company as of 30 June 2008 is YTL 800 million. With the decision of the Board of Directors dated 29 May 2008 and numbered 2008/23, the issued capital of our company has been increased from YTL 421.000.000 to YTL 460.000.000, with an increase of YTL 39.000.000, which will totally be covered by the “distributable period profit” of 2007 accounting period. The registration of the issued capital of YTL 460.000.000 has been published in the Turkish Trade Registration Newspaper dated 15 August 2008 numbered 7128.

60% of our company belongs to Doğan Yayın Holding A.Ş. and the shares representing 40% of our capital are in transaction in ISE. On 30 June 2008, 0,21% of the shares open to public belongs to Doğan Yayın and 4,25% to final main partner 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 5,02% and 4,43% of our company capital.

Taking into consideration the closing prices of ISE as of 30 June 2008, Hürriyet has a market value of USD 495 million and it is one the companies in ISE – 30 that is most preferred by the international investors.

B. Main developments for the period 1 January – 30 June 2008.

Main Factors Effecting the Business Performance	30 June 2008 (H1 2008)	30 June 2007 (H1 2007)
Average daily net sales (Hürriyet newspaper)	514.000	593.000
Average page numbers (Hürriyet newspaper)	91	85
Newsprint utilised (tons)	52.154	57.268
Average newsprint price (USD/ton)	784	779
Inflation (year-on-year CPI change)	10,6 %	8,6 %
GDP growth (2008 estimation)	4,3 %	5,9 %
USD/YTL rate (close)	1,2237	1,3046
USD/YTL (average)	1,2265	1,3688
USD/YTL increase (compared to the same period of previous year)	-10,4%	-1,3%

On 21 February 2008, we started to publish a free newspaper, which is an innovation for our country although it is a part of the daily life for many countries around the world. Our new daily newspaper "20dk" is distributed to the readers in the high populated main centres, squares and shopping malls of Istanbul. The free newspaper is planned to be self-financed so we do not expect a significant effect of the free newspaper on our profit margin.

Trader.com (Polska) Sp.Z.o.o., the wholly-owned indirect subsidiary of TME, was sold to Polish Media Group Agora SA, for a cash consideration of USD 54.350.000 in 25 June 2008. The cash obtained from the sale has been utilised in the early loan repayment. As a result of the mentioned transaction, an amount of YTL 58.675.805 has been registered as "capital gains" and it has been recorded under the "other operating revenues" of the consolidated income statement.

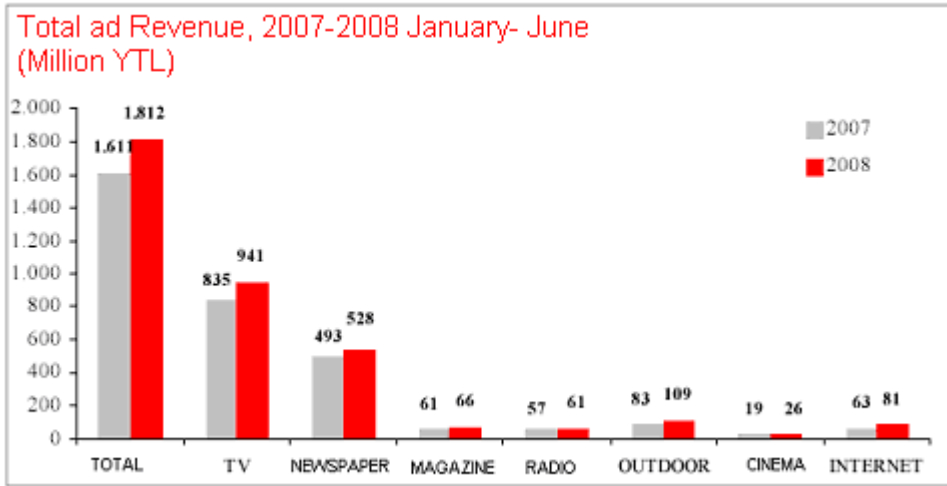
C. Activities for 1 January-30 June 2008 Interim Accounting Period

1. Advertising

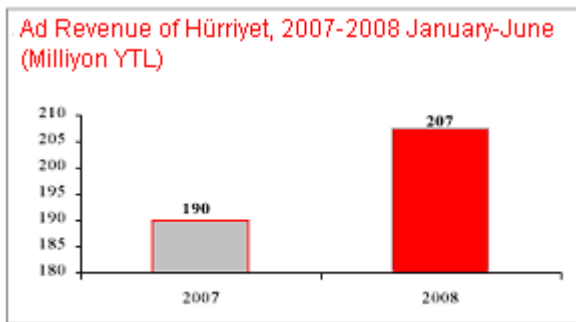
1.1 Ad Sector in Turkey

It is estimated that advertisement expenditures in Turkey has increased by 12,5% in the first half of 2008 compared to the same period of the previous year and reached YTL 1.812 million.

The television sector, which had YTL 835 million of ad revenue in the first half of 2007, increased its revenue by approximately 13% in the first half of 2008. Meanwhile, the increase in the newspaper ad revenues is estimated to be around 7%. The internet sector is estimated to have increased its ad revenues by 29%, remaining as the highest growth sector in the first half months of 2008.



1.2 Ad Revenue of Hürriyet



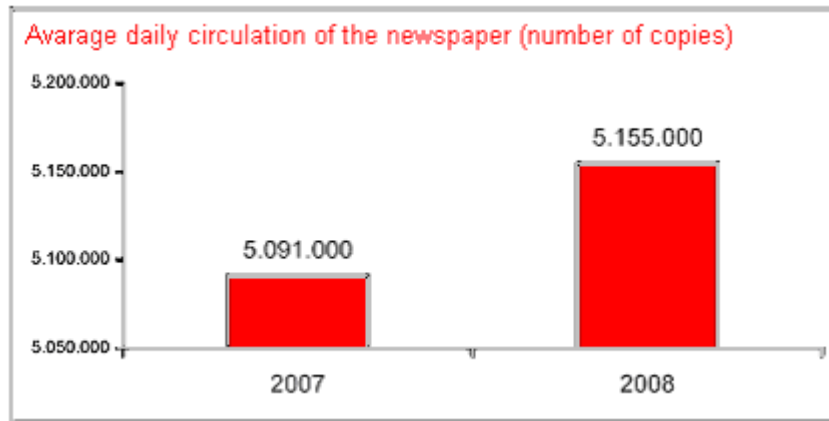
Hürriyet achieved 8,9% growth in the ad revenues in the first six months of 2008 compared to the same period of the previous year.

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 YTL 162,6 million of ad revenue in the first six months of 2008.

2. Circulation of Newspapers

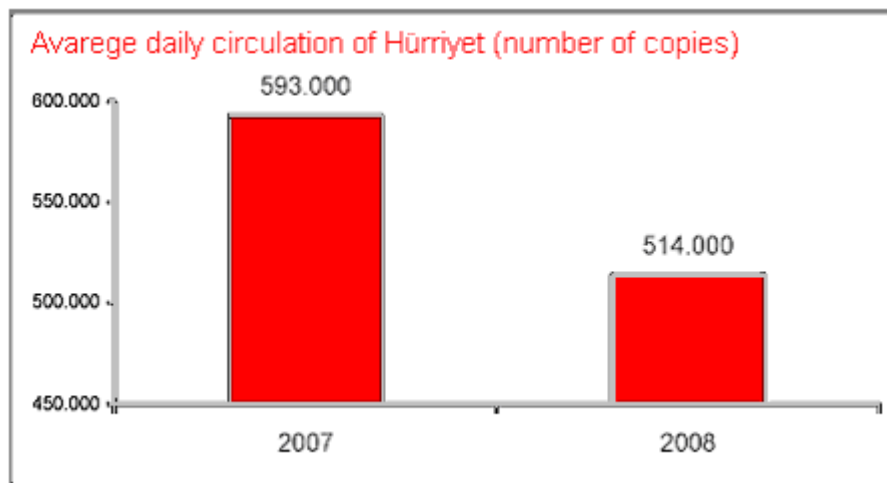
2.1 Circulation in Turkey



Note: The 2007 average national circulation excludes Gözcü circulation, a newspaper that was closed down as of 2 April 2007.

According to Doğan Dağıtım data, the average daily net newspaper sales in Turkey was 5.091.000 in the first six months of 2007 and it has increased to 5.155.000 in the first six months of 2008. This represents a 1,3% increase in circulation.

2.2 Circulation of Hürriyet



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(1 January – 30 June 2008 Period)

In the first six months of 2007, Hürriyet average daily circulation was 593.000, as a result of give-away type of promotions that were mostly offered in weekends. The resulting market share was 11,6%.

In the first six months of 2008, average daily circulation of Hürriyet declined by 13,3% to 514.000. As a result, the market share was realized as 10,0%. The decline in circulation was due to the normalisation of give-away type of promotions.

There has been no change in the cover price of Hürriyet newspaper in the first six months of 2008. Throughout Turkey in 81 cities, villages and in other population centres, Hürriyet reached its readers through 24.118 sales points in 2007. In 2008, this figure has increased to 24.667. 64,5% of the total sales of Hürriyet newspaper realises in three metropolitans (Istanbul, Ankara and Izmir). Compared to week days, Hürriyet newspaper sells 70 thousand more on Saturdays and 195 thousand more on Sundays.

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 YTL 17,6 million in the first six months of 2008.

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

The consolidated earnings before interest, tax and depreciation (EBITDA), which was YTL 80,6 million in the first six months of 2007, increased by 44,0% in the first six months of 2008 and it has been realised as YTL 116,1 million. YTL 32,9 million of the EBITDA in the first six months of 2008 belongs to TME.

Consolidated EBITDA (millions of YTL)	30 June 2008 (H1 2008)	30 June 2007 (H1 2007)	Change (%)
NET SALES	515,9	405,7	27,2 %
-Ad revenue	352,2	260,5	35,2 %
-Internet revenue (online)	26,2	13,4	95,5%
-Circulation revenue	55,1	52,1	5,7 %
-Printing revenue	56,8	61,3	-7,4%
-Other revenues	25,6	18,4	39,7 %
COST OF GOODS SOLD	-290,8	-248,9	16,8 %
OPERATING EXPENSES	-154,2	-111,0	39,0 %
OTHER OPERATING INCOME/EXPENSES (NET)	59,0	-1,8	-
OPERATING PROFIT	129,9	44,0	195,2%
EBITDA	116,1	80,6	44,0%
EBITDA Margin	22,5%	19,9%	13,1%

D. Summarised Financial Results and Profitability

1. Main Financial Indicators

According to the consolidated balance sheet and consolidated income tables dated 30 June 2008 of our company, **audited by the independent auditors**, main financial indicators are as follows:

Main Financial indicators (millions of YTL)	30 June 2008 (H1 2008)	30 June 2007 (H1 2007)	change (%)
Current assets	537,1	428,2	25,4%
Non-current assets	1.458,2	1.237,2	17,8%
Total assets	1.995,3	1.665,4	19,8%
Short-term liabilities	295,8	152,1	94,4%
Long-term liabilities	714,8	789,7	-0,9%
Majority interest	984,7	718,6	37,0%
Net sales	515,9	405,7	27,1%
Operating profit	129,9	44,0	195,2%
Profit/ loss before tax (continued operations)	86,9	58,7	48,0%
Minority interest	-21,6	-2,3	839,1%
Net profit/ loss	46,7	40,6	15,0%

2. Financial Ratios

According to the data of the first half 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:

Financial ratios	30 June 2008	30 June 2007
Current ratio (Current assets/short-term liabilities)	1,82	2,82
Net sales /total assets	0,26	0,24
Foreign assets/ shareholder's equity	1,03	1,31
Financial expenses/ total assets	0,02	-0,01
Operating profit/ total assets	0,06	0,03
Operating profit/ net sales	0,25	0,11
Gross profit margin	0,44	0,39

E. Subsequent Events

The increase of the capital that was amounting to YTL 421.000.000 was concluded and the capital was brought to YTL 460.000.000. Hence, the capital was increased by 9,26366% and the increase was met by the distributable profit obtained at the end of the fiscal year 2007. This increase of the company's capital to YTL 460.000.000 was published on the Turkish Trade Registrations Gazette of the 15th of August 2008, with number 7128.

Our company obtained 6 "Investment Incentive Certificates" with a total amount of USD 21.493.400 for the modernization of company's printing plants located in Istanbul, Ankara, İzmir, Adana, Antalya and Trabzon. The completion time indicated on these Incentive Certificates is 2 years and all imports that will be made in accordance with said certificates during these two years, will be free from VAT and Custom taxes.