



BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD
ENDING 30 JUNE 2011

www.hurriyetcorporate.com

23 August 2011

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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. 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)
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Financial Control and Investor Relations Manager
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E-mail: yatirimciiliskileri@hurriyet.com.tr

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 19 August 2011, their decision stating that the financial tables and reports for the interim period of 1 January – 30 June 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:

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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 – 30 June 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 30 June 2011 is TL 800 million, and the issued capital of our company is TL 552 million..

	30 Jun 11	Share (%)	30 Jun 10	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 30 June 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.

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B. Main developments for the period 1 January – 30 June 2011

Main factors Effecting the Business Performance	6/30/2011 1H11	6/30/2010 1H10
Average daily net sales (Hürriyet Newspaper)	447,138	461,770
Average page numbers (Hürriyet Newspaper)	83.08	82.50
Newsprint utilised (tons)	40,277	42,497
Average newsprint price (USD/ton)	740	593
Inflation (year-on-year CPI change)	5.12	9.26
GDP growth (2011 estimation)	8.80%	11.10%
USD/TL average	1.5647	1.5164
USD/TL increase (compared to the same period of previous year)	3.19%	-5.58%

- As a result of the investigation initiated by the Competition Authority with respect to Hürriyet Gazetecilik ve Matbaacılık A.Ş. and Doğan Daily News Gazetecilik ve Matbaacılık A.Ş., 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. On the other hand, it has decided that there wasn't any need for imposing any administrative fine to Doğan Daily News Gazetecilik ve Matbaacılık A.Ş., whose activity has ended.
- Hürriyet Group have decided to 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).

In accordance with the provision of the third article of the Law number 6111; part of 30.895.416,-TL of our Company's "disputed tax debts being at the stage of action and not being final", amounting to 24.949.826,-TL has been restructured and thus the dispute has been terminated, and ultimately, there has been a cash outflow amounting to 3.827.062,-TL from our Company in 30 June 2011.

In accordance with the provisions of the Law number 6111 related to tax base increase, the tax bases being the foundation of taxation for the calendar years 2006, 2007, 2008 and 2009 of our Company and 8 subsidiaries have been increased; as a result of this transaction, there will be a total cash outflow amounting to 21.627.956,-TL together from our Company and our subsidiaries. Ultimately, 1.193.051,-TL of this total amount has been paid in cash in 30 June 2011. The remaining 20.434.905,-TL amount will be paid in 36 months time, in 18 equal installments. As of 30 June 2011, "tax base increase" related debt amount is 16.634.210,-TL.

- Our Company's Ordinary General Meeting related to its activities in the year 2010 has been held on April 20, 2011 at 11:00 a.m. at the Company's head offices situated at the address Hürriyet Medya Towers Günesli/Istanbul.

The Board of Directors' Annual Report, the Corporate Audit Report, the Independent Auditing Firm's Opinion, the Financial Report, balance sheet and income statement for the fiscal term Jan. 01, 2010 – Dec.31, 2010 has been unanimously adopted.

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.

It has been unanimously accepted that Mrs.Vuslat Doğan Sabancı, Mrs.Hanzade Vasfiye Doğan Boyner, Mr.Ahmet Toksoy, Mr.Hakkı Hasan Yılmaz, Mr.Kadri Enis Berberoğlu, Mr.Leonid Makaron, Mr.Yahya Üzdiyen, Mr.Ahmet Burak and Mr.Kai Georg Diekmann shall be appointed as Members of the Board of Directors to act until the ordinary general meeting during which the activities and accounts of the fiscal term Jan. 01, 2011 – Dec.31, 2011 shall be discussed.

DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., having been elected by the Board of Directors in the framework of the Capital Markets Regulations and the Capital Markets Board arrangements, has been unanimously accepted.

- Our Board of Directors, by means of its decisions no. 17 and 18 dated 26.04.2011, has realized the following task distribution and has elected the committee members to work subordinated to the Board of Directors. It has decided as follows:
 - Vuslat Doğan Sabancı, having been elected to the Board of Directors during the Ordinary General Meeting held on April 20, 2011, shall be determined as Chairman of the Board of Directors, Hanzade V. Doğan Boyner as Vice-Chairman of the Board of Directors, Kadri Enis Berberoğlu as member in charge of editorial affairs, Hakkı Hasan Yılmaz as member in charge of finance, financial and administrative affairs as well as legal affairs.
 - Hakkı Hasan Yılmaz shall be appointed as Chairman of the Executive Committee (Executive Board), Kadri Enis Berberoğlu as Executive Board member in charge of Broadcasting (Publishing) Affairs, Ayşe Sözeri Cemal in charge of Advertisement Affairs,

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Dursun Ali Yılmaz in charge of Financial Affairs, Tijen Mergen in charge of Marketing Affairs, Ahmet Nafi Dalman in charge of Internet and Information Technologies,

- Our Board members Ahmet Toksoy and Yahya Üzdiyem as well as the Doğan Şirketler Grubu Holding A.Ş. Capital Market, IFRS/CMB Reporting and Partnerships Supervision Group Head Murat Doğu shall be elected as member of the Committee in Charge of Supervision,

- Our Board's independent member Ahmet Burak shall be elected as Chairman of the Corporate Governance Committee, and Board Member Ahmet Toksoy and the Doğan Şirketler Grubu Holding A.Ş. Capital Market, IFRS/CMB Reporting and Partnerships Supervision Group Head Murat Doğu shall be elected as members of the Corporate Governance Committee.

C. Activities for the 1 January – 30 June 2011 Interim Accounting Period

1. Advertising

Ad Sector in Turkey

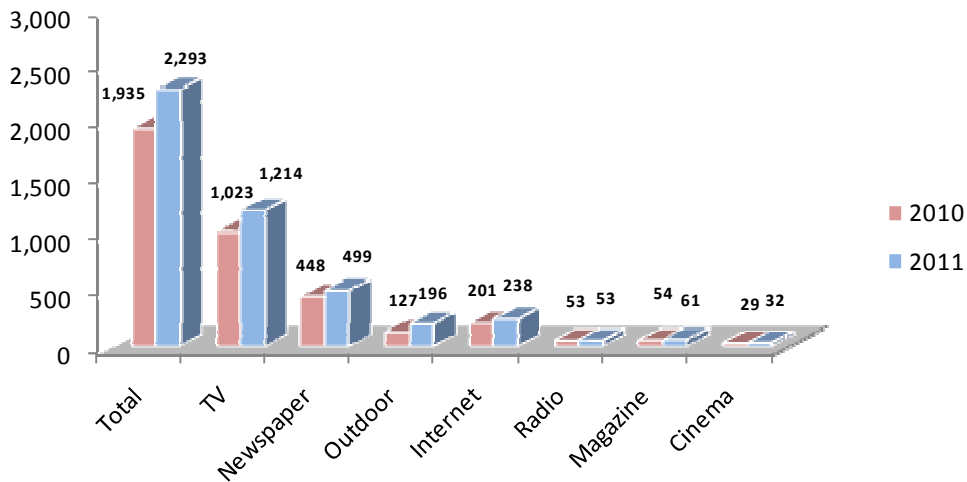
It's estimated that the ad market in Turkey grew by 18% in the first half of 2011 with respect to the same period of 2010 and amounted to TL 2,293 million.

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 75% share in total ad market in 1H11.

The highest growth rates have been reached by outdoor and television sectors in 1H11. Ad revenue of the outdoor sector surged by 55% in the first half of 2011 and reached a 10% share in total ad market. Ad revenues of the TV sector increased by 19%, reaching a 53% share in total ad market.

Meanwhile, ad revenue of newspapers is estimated to have grown by 12% and to have amounted to TL 499 million in 1H11.

Ad Revenues: January - June 2010-2011 period (TL mn)



Source: DYH ad platform

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

1.1. Sectoral breakdown of ad market in Turkey (million TL)

The sectors with the highest advertising spending have been communication and food sectors, in the half of 2011. Public Institutions made the biggest jump with a 373% increase among the top 10 sectors.

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Sectors	2010	2011	Change %
Total	1,733.8	2,054.4	19%
Communication	182.9	241.8	32%
Food	187.0	220.4	18%
Finance	164.1	161.8	-1%
Construction & Decoration	112.0	160.6	43%
Automotive, vehicles & parts	93.5	115.2	23%
Public Institutions	22.6	106.8	373%
Publishing	102.5	102.6	0%
Retail	84.5	98.2	16%
Cosmetics & personal care	95.8	95.9	0%
Furniture, Home Textile & appliances	77.0	88.7	15%
Other	611.9	662.5	8%

Source: DYH Ad Platform

Note: Excludes internet

1.2. Total Ad Revenue of Hürriyet Group

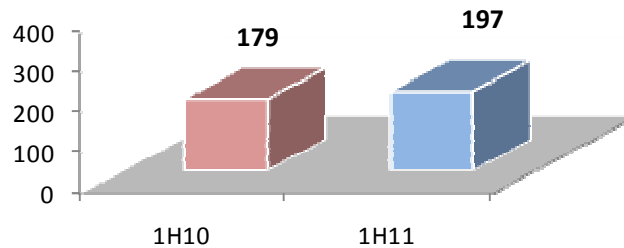
Total ad revenue of Hürriyet Group has increased by 11% and amounted to TL 289.4 million in 1H11, compared to TL 260.9 million in 1H10.

Domestic ad revenues including newspapers and internet increased by 10% and amounted to TL 197 million in 1H11, compared to TL 179 million in 1H10.

In 2011, Hürriyet Newspaper preserved its leadership 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, social ads, finance and human resources sectors.

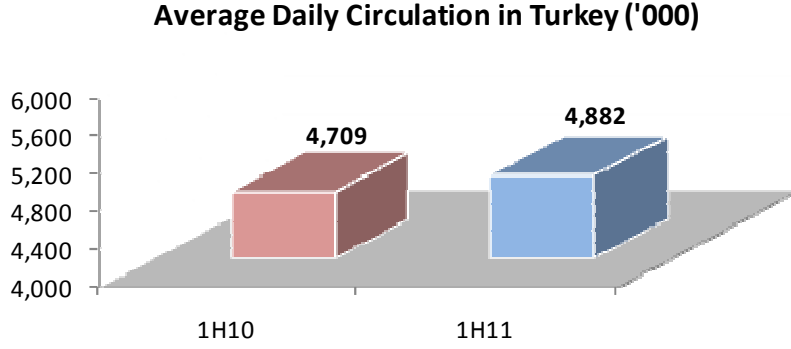
Hürriyet Group Domestic Ad Revenue: First Half 2010 – 2011 (TL million)



Meanwhile, TME has realised TL 92.5 million of ad revenue in 1H11 compared to TL 82.3 million in 1H10, which reflects 12% increase.

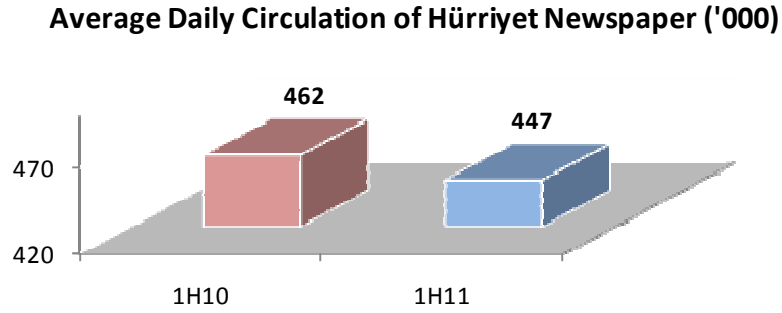
2. Circulation of Newspapers

2.1. Circulation in Turkey



According to Turkey Press Association data, the average daily net newspaper sales in Turkey was 4,708,560 in 1H10 and it has increased to 4,882,452 in 1H11. This represents a 3.7% increase in circulation.

2.2. Circulation of Hürriyet Newspaper



In the first half of 2010, Hürriyet's average daily circulation was 461,770 and its market share was 9.8%. In the first half of 2011, Hürriyet's average daily circulation declined by 3.2% to 447,138. During this period, Hurriyet's circulation market share also decreased to 9.2%.

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

Circulation revenue of Hurriyet increased by 1% and amounted to TL 46.8 million in 1H11, compared to TL 46.3 million in 1H10.

2.3. Circulation Revenue of TME

The circulation revenue of TME has been TL 8.5 million in 1H11 (31% decrease), compared to TL 12.2 million in 1H10.

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

The consolidated earnings before interest, tax and depreciation (EBITDA), which was TL 77.9 million in the first half of 2010, decreased to TL 69.9 million in the same period of 2011. TL 10.2 million of the EBITDA in the first half of 2011 stemmed from TME operations (TL 12.0 million in 1H10).

	1H11	1H10	Change (%)
Net Sales	429.8	397.0	8.26%
- Ad revenue (print)	256.8	235.4	9.1%
- Ad revenue (onlnt)	32.6	25.5	27.9%
- Circulation revenue	55.2	58.5	-5.6%
- Printing revenue	58.1	55.1	5.4%
- Other revenues	27.1	22.5	20.5%
Cost of Goods Sold	-266.8	-234.0	14.0%
Operating Expenses	-140.7	-131.9	6.7%
Other Operation Income / Expenses (Net)	-22.4	-9.4	138.8%
Operating Profit	-0.3	21.7	
EBITDA	69.9	77.9	-10.3%
EBITDA Margin	16.3%	19.6%	

D. Summarised Financial Results and Profitability

1. Main Financial Indicators

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

Main Financial Indicators (mn TL)	30 Jun 11	31 Dec 10	30 Jun 10	Change (%) *
Current Assets	451,900	347,622	416,412	30.00%
Non-Current Assets	1,287,862	1,231,305	1,294,771	4.59%
Total Assets	1,739,763	1,578,926	1,711,184	10.19%
Short-term Liabilities	497,353	390,538	399,849	27.35%
Long-term Liabilities	432,353	415,355	486,936	4.09%
Shareholder's Equity	810,057	773,033	824,399	4.79%
Net Sales	429,767	794,226	396,979	8.26%
Operating Profit / Loss	-267	-23,599	21,701	
Net Profit / Loss	-28,557	-40,079	3,919	

(*) Year-end results are taken into consideration for BS items, and 1H 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	30 Jun 11	31 Dec 10	30 Jun 2010
Current Ration (Current assets / short-term liabilities)	0.91	0.89	1.04
Net Sales / total assets	0.25	0.50	0.23
Total Liabilities / Shareholder's equity	1.15	1.04	1.08
Operating profit / total assets	0.000	-0.015	-0.013
Operating profit / net sales	0.00	-0.03	-0.06
Gross profit margin	0.38	0.39	0.41

E. Subsequent Events

- Hürriyet Group decided to explore its options (may sell or find partners to develop the property) for its headquarter property, Hurriyet Medya Towers, located in Istanbul Gunesli district, with a total land of 58,610 square meters.