



**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.  
BOARD OF QUARTERLY REPORT FOR THE PERIOD  
ENDING 30 JUNE 2012**

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

**27 August 2012**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**30 JUNE 2012**  
**(1 January – 30 June 2012 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. Executive Committee	3
4. Audit Committee	3
5. Corporate Governance Committee	4
6. Early Detection and Management of Risk Committee	5
7. Board of Auditors	5
8. Capital Structure	5
<b>B. Main developments for the period 1 January- 30 June 2012</b>	<b>6-9</b>
<b>C. Subsequent Events</b>	<b>9</b>
<b>D. Activities for the 1 January – 30 June 2012 Interim Accounting Period</b>	<b>10</b>
1. Advertising	10
1.1. Ad sector in Turkey	10
1.2. Sectoral breakdown of ad market in Turkey	11
1.3. Total Ad Revenue of Hürriyet Group	11
2. Circulation of Newspaper	12
2.1. Circulation in Turkey	12
2.2. Circulation of Hürriyet	13
2.3. Circulation Revenue of TME	13
3. Earnings before interest, tax and depreciation (EBITDA)	14
<b>E. Summarised Financial Results and Profitability</b>	<b>15</b>
1. Main financial indicators	15
2. Financial ratios	15

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**30 JUNE 2012**  
(1 January – 30 June 2012 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. 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"). Ultimate shareholder of the Company is Aydın Doğan and Doğan Family (Işıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y.Begümhan Doğan Faralyalı).

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

100. Yıl Mahallesi, Matbaacılar Caddesi No:78  
34204 Bağcılar, Istanbul / Turkey

The company is subject to the Capital Market Board ("CMB") regulations and Capital Market Law ("CML"). The company's shares are in transaction in the Istanbul Stock Exchange ("ISE") since 1992. In accordance with the Capital Markets Board's (the "CMB") and Resolution No: 21/655 issued on July 23, 2010, it is regarded that 22,13% of the shares (31 December 2011: 21,21%) are outstanding as June 30, 2012 based on the Central Registry Agency's ("CRA") records. 39,98% of Hürriyet's shares are publicly available.

**Communication Information:**

Hürriyet Gazetecilik ve Matbaacılık A.Ş. (Company Headquarters)  
100. Yıl Mahallesi, Matbaacılar Caddesi No:78  
34204 Bağcılar, Istanbul / Turkey

Phone: + 90 212 677 00 00  
Fax: + 90 212 677 08 92  
<http://www.hurriyetcorporate.com>

**Investor Relations Department:**

İnci Tari  
Financial Control and Investor Relations Manager  
Phone: + 90 212 449 65 54  
Phone: + 90 212 449 60 30  
Fax: + 90 212 677 08 92  
E-mail: [yatirimciiliskileri@hurriyet.com.tr](mailto:yatirimciiliskileri@hurriyet.com.tr)

Utku Edin  
Investor Relations Manager  
Phone: + 90 212 449 61 55  
Fax: + 90 212 677 08 92  
E-mail: [uedin@hurriyet.com.tr](mailto:uedin@hurriyet.com.tr)

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**30 JUNE 2012**  
**(1 January – 30 June 2012 Period)**

---

## 2. Board of Directors

With the decision of the Company's Ordinary General Assembly dated 26th June 2012, 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
Yahya Üzdiyen	Member	Non-Executive
Ahmet Nafi Dalman	Member	Executive
Kadri Enis Berberoğlu	Member	Executive
Hakkı Hasan Yılmaz	Member	Non-Executive
Kai Diekmann	Member	Non-Executive
Ahmet Burak	Member	Independent
Béatrice de Clermont Tonnerre	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. Executive Committee (Executive Board)

With the decision of the Company's Board of Directors dated 26th July 2012 and numbered 2012/51, until the Company's Ordinary General Meeting when the activities of year 2012 will be discussed, the names, surnames and the titles of the elected members of the executive board are listed below.

Name Surname	Title
Kadri Enis Berberoğlu	Member / Editor in Chief
Ayşe Sözeri Cemal	Member / Head of Advertising Group
Dursun Ali Yılmaz	Member / Head of Financial Affairs Group
Tijen Mergen	Member / Head of Marketing Group
Ahmet N. Dalman	Member / Head of Internet & Information Technologies
Tuba Köseoğlu Okçu	Member / Human Resources Coordinator

## 4. Audit Committee

With the decision of the Company's Board of Directors dated 26th July 2012, and numbered 2012/51, Ahmet Burak and Beatrice de Clermont Tonnerre among the Independent 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 detailed tasks and operating principles of our members of Audit Committee can be found in our institutional website [www.hurriyetcorporate.com](http://www.hurriyetcorporate.com).

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**30 JUNE 2012**  
**(1 January – 30 June 2012 Period)**

---

The Audit Committee perform an activities to abide by the Securities Legislation and accordance with the CMB Corporate Governance Principles on a regular basis.

Ahmet Burak, the Chairman of the Audit Committee, and Béatrice de Clermont Tonnerre the Member of the Audit Committee are non-executive Board Members.

<b>Name Surname</b>	<b>Title</b>	<b>Explanation</b>
Ahmet Burak	Chairman	Independent Member / Non-Executive
Béatrice de Clermont Tonnerre	Member	Independent Member / Non-Executive

The Audit Committee has presented to the Board of Directors, on 23 August 2012, their decision stating that the financial tables and reports for the period of 1 January – 30 June 2012 reflects the reality; the accounting principles of the company are convenient to IFRS and CMB standards and they are correct.

#### **5. Corporate Governance Committee**

Corporate Governance Committee will continue its duties until the first Board of Directors' Meeting to be held after General Assembly to convene to discuss 2012 operational results. The committee will also act as "Nominee Determination Committee", "Early Detection and Management of Risk Committee" and "Benefits Committee" as defined by the Communiqué of Capital Markets Board with respect to Determination and Application of Corporate Governance Principles Serial: IV, No: 56. With the decision of the Company's Board of Directors dated 26 July 2012 and numbered 2011/51, the names, surnames and the qualifications of the members of Corporate Governance Committee are as follows:

<b>Name Surname</b>	<b>Title</b>	<b>Explanation</b>
Ahmet Burak	Chairman	Independent Member / Non-Executive
Yahya Üzdiyen	Member	Member of Board of Directors
Dr. Murat Doğu	Member	Non-Executive

The detailed tasks and operating principles of Corporate Governance Committee can be found in our institutional website [www.hurriyetcorporate.com](http://www.hurriyetcorporate.com).

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**30 JUNE 2012**  
(1 January – 30 June 2012 Period)

## 6. Early Detection and Management of Risk Committee

With the decision of the Company's Board of Director dated 26 July 2012 and numbered 2012/51, it has been decided that pursuant to article 378 of Capital Markets Board Early Detection and Management of Risk Committee will be formed as below table, Korhan Kurtoğlu will be appointed as organization and reporting of committee activities and there will not be any salary assigned to committee chairmen and members for participating in these committees.

Name Surname	Title	Explanation
Tolga Babalı	Chairman	Vice President, Finance, Risk Management of Doğan Holding
Erem Turgut Yücel	Member	Chief Legal Officer of Doğan Holding
Dr. Murat Doğu	Member	Vice President, Finance, Capital Markets, IFRS/CMS Reporting and Affiliates Oversight of Doğan Holding
Ayhan Sirtıkara	Member	Director, Analysis and Evaluation
Dursun Ali Yılmaz	Member	Head of Financial Affairs Group
Korhan Kurtoğlu	Member	Director, Reporting of Financial Affairs of Doğan Holding

## 7. Board of Auditors

In the Ordinary General Assembly Meeting of our Company on 26 June 2012, in accordance with the Turkish Trade Law, Mehmet Yörük and Fuat Arslan are elected as the auditors for the activity period of the year 2012. Our auditors are not company partners and they are not part of the Executive Board.

## 8. Capital Structure

The registered maximum capital limit of our company as of 30 June, 2012 is TL 800 million, and the issued capital of our company is TL 552 million.

	30.Jun.2012	Share (%)	30.Jun.2011	Share (%)
Doğan Yayın Holding	367.416.194	66,56	367.416.194	66,56
Doğan Holding	61.200.274	11,09	61.200.274	11,09
Other	106.144	0,02	86.443	0,01
Shares are traded in the ISE	123.277.388	22,33	123.297.089	22,34
<b>Total</b>	<b>552.000.000</b>	<b>100,00</b>	<b>552.000.000</b>	<b>100,00</b>

As of 30 June 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.

In accordance with the Capital Markets Board's (the "CMB") and Resolution No: 21/655 issued on 23 July 2010, it is regarded that 22,13% of the shares (31 December 2011: 21,21%) are outstanding as June 30, 2012 based on the Central Registry Agency's ("CRA") records. 39,98% of Hürriyet's shares are publicly available.

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**30 JUNE 2012**  
(1 January – 30 June 2012 Period)

**B. Main developments for the period 1 January – 30 June 2012**

<b>Main Factors Effecting the Business Performance</b>	<b>30.Jun.2012</b>	<b>30.Jun.2011</b>	<b>Change</b>
	<b>(6 M)</b>	<b>(6 M)</b>	
Average daily net sales (Hürriyet Newspaper)	417.237	447.138	-7%
Average page numbers (Hürriyet Newspaper)	80,60	83,10	-3%
Newsprint utilised (tons)	37.132	40.277	-8%
Average newsprint price (USD/ton)	783	740	6%
Inflation (year-on-year CPI change)	8,87%	6,24%	-
GDP growth (2012 Q2, Q2 previous year estimation)	5,50%	8,80%	-
USD/TL average	1,7931	1,5647	-
USD/TL increase (compared to the same period of previous year)	14,60%	3,19%	-

- As announced to the public on 04.01.2012, Mr. Hakkı Hasan Yılmaz, who has been conducting his duty as Chairman of the Executive Board for two years in our company, laid 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.
- As announced to the public on 24.01.2012, 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.
- 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 Güneşli/İstanbul, 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. As announced to the public on 27.01.2012, 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;

\* Immoveable 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, Bağcılar district in the province of Istanbul (Hurriyet Medya Towers) in return for US\$ 92.728.139.

\* Immoveable qualified as 16.973.00 m2 massive plant and premises registered in the map section number 1, parcel number 14 in Kirazli village, Bağcılar district in the province of Istanbul in return for US\$ 24.071.704.

\* Immoveable qualified as 5.197 m2 field registered the map section number 1, parcel number 23 in Güneşli Çiftliği Locality, in Kirazlı village, Bağcılar district in the province of Istanbul in return for US\$ 5.915.597.

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**30 JUNE 2012**  
**(1 January – 30 June 2012 Period)**

---

\* Immovable qualified as 5.215 m2 field registered the map section number 245DS4B, block number 3153 and parcel number 7 in Bağcılar village, Bağcılar 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 32 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.

Based on financial statements prepared in accordance with IFRS Standarts as of 30 June, real estate profit on sale amounting is TL 142.905.241.

The tax-exempt amount of the immovable property sales profit will not be associated with the income table and it will be deposited in a liabilities-specific fund account after the sales.

- 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 on 31.01.2012.
- As announced to the public on 02.02.2012, the sales transaction of a part of our Company's real estates to Nural Gayrimenkul Yatırım Ortaklığı A.Ş. completed, the title transfer realized on 01.02.2012 and the down payment collected.
- As announced to the Public on 14.02.2012, 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 Nurol 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.

- As announced to the public on 31.03.2012, our Board of Directors, having convened in the company's head offices on 30 March 2012, has adopted the following decision: - Our shareholders shall be informed that there cannot be any profit distribution related to the fiscal term 2011, in the scope of the arrangements of the Capital Markets Board related to profit distribution, and this matter shall be presented to the approval of the General Meeting based on the fact that our Company's consolidated financial statements for the fiscal term 1 January 2011 - 31 December 2011 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; have incurred a net loss of TL



**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**30 JUNE 2012**  
**(1 January – 30 June 2012 Period)**

---

235.684.263 taking into consideration the "tax expense for the period", "deferred tax income" as well as the minority interests. In addition, our financial records kept in the framework of the Turkish Commercial Code and the Tax Procedure Law, resulted in a net term loss amounting to TL 44.136.777.

- Upon the decision adopted by our Board of Directors on 15 April 2012; it has been decided to entirely execute our share acquisition right amounting to 12.500.000 Euro corresponding to our participation share, in the capital increase (met only by cash) from 254.586.421 Euro to 267.086.421 Euro of our subsidiary Hürriyet Invest BV located in Holland (on account of Hürriyet Invest B.V's debt to our company), in whose capital we hold a share pro rata 100%, and to authorize and commission our Company's management to notify the authorities related to the performance of the necessary procedures.
- As announced to the public on 23.05.2012, the Board of Directors of our company has decided to amend Articles 3., 4., 5., 8., 9., 10., 11., 12., 13., 14., 15., 18., 19., 20., 21., 22., 24., 26., 27., 29., 30., 31., 33., 34., 35., 36., and 40 of our Articles of Association in line with the amended format in the attachment, to present the amended text to the approval of our shareholders in the soonest General Assembly to convene and to entitle the management to carry on approval and transaction process.
- As announced to the public on 08.06.2012, text of Amendment to the Articles of Association has been approved by Capital Markets Board and Ministry of Customs and Trade. The amendment in articles numbered 3., 4., 5., 8., 9., 10., 11., 12., 13., 14., 15., 18., 19., 20., 21., 22., 24., 26., 27., 29., 30., 31., 33., 34., 35., 36., and 40 of our Articles of Association have been approved by Capital Markets Board and Ministry of Customs and Trade. The main purposes of the amendment are as follows:
  - To be in line with Capital Market Board Communiqués with Respect to Determination and Application of Corporate Governance Principles, Serial:IV, No:56 (published on Official Gazette dated 11.02.2012 and numbered 28201) and Communiqué Serial:IV, No:57 (published on Official Gazette dated 30.12.2011 and numbered 28158);
  - To register our headquarter address amendment to our articles of association;
  - And to be in line with all recent Capital Markets Board applications.
- As announced to the public on 18.06.2012, the Board of Directors of Hürriyet Gazetecilik ve Matbaacılık A.Ş. has convened on 18.06.2012 and decided,
  - To change and transfer the headquarter's address from "Evren Mahallesi, Gülbahar Caddesi, Hürriyet Medya Towers, Güneşli/İstanbul" to "100. Yıl Mahallesi, Matbaacılar Caddesi, No:78, Bağcılar/İstanbul",
  - To entitle the Company management to carry on the related transactions and make the necessary notifications to related authorities in unanimous consent.
- Ordinary General Assembly of our Company with respect to 2011 operational results has been held at Burhaniye Mahallesi Kısıklı Caddesi, No:65, Üsküdar/İstanbul address at 11.00, on 26 June 2012. Minutes of Ordinary General Assembly, List of Attendants, Table of Profit Distribution and Amended Articles of Association approved by CMB and Ministry are presented in the attachments. In addition, the above mentioned documents can be reached at our corporate web site at [www.hurriyetcorporate.com](http://www.hurriyetcorporate.com) in electronical format.
- The Board of Directors of Hürriyet Gazetecilik ve Matbaacılık A.Ş. has convened on 27.06.2012 and has taken the following decision,

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**30 JUNE 2012**  
**(1 January – 30 June 2012 Period)**

---

-Upon confirmation that she has been elected as a member of Board of Directors by General Assembly dated 26 June 2012, Mrs. Vuslat Sabancı has been elected as Chairwoman and Mrs. Hanzade V. Doğan Boyner has been elected as Vice-Chairwoman with unanimous consent.

### **C. Subsequent Events**

---

Having convened on 07.08.2012, our Board of Directors has decided unanimously to increase the share capital of our wholly owned subsidiary Hürriyet Invest BV from EUR 267.086.421 to EUR 287.886.421 on cash basis and to participate in this increase fully which means a contribution of EUR 20.800.000 (which will be offset by Receivables from Hurriyet Invest BV). Company management has been entitled to carry on necessary transactions and make necessary disclosures to related authorities.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.  
BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING  
30 JUNE 2012  
(1 January – 30 June 2012 Period)

**D. Activities for the 1 January – 30 June 2012 Interim Accounting Period**

**1. Advertising**

**1.1. Ad Sector in Turkey**

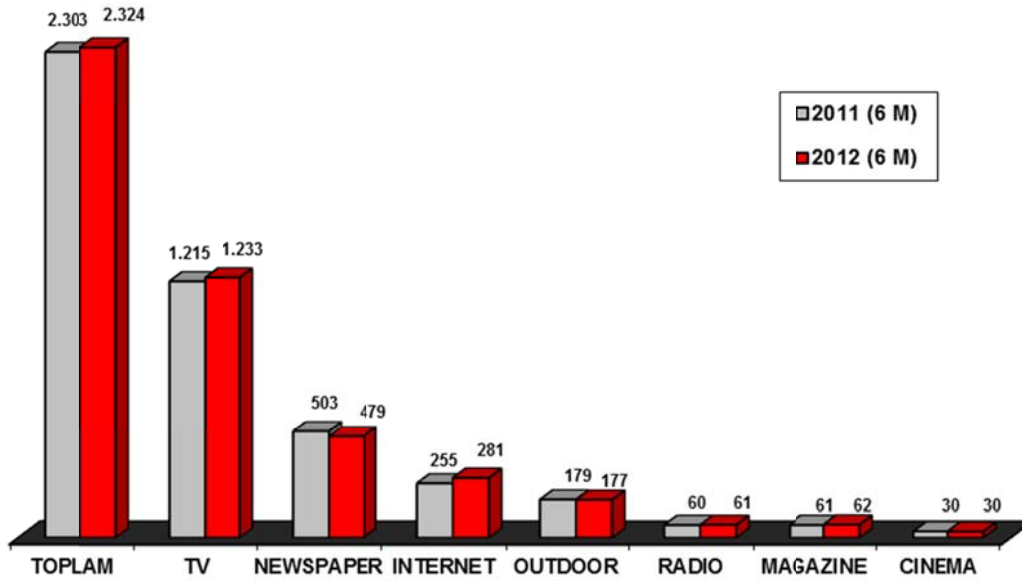
It is estimated that advertisement expenditures in Turkey has increased by 0,9% in the first half of 2012 compared to the same period of the previous year and reached TL 2.324 million.

The most preferred segments for advertisers were still television and newspaper, as it has been the case in previous years. These two sectors held 74% share of total ad market in 1H12.

TV ad revenues that reached to TL 1.215 million in first half of 2011 attained to TL 1.233 million at the same period of 2012 with 1,5% increase whereas newspaper ad revenues declined from TL 503 million to TL 479 million with the decrease of 4,8%.

In a time when ad revenue has really low growth with the rate of 0,9%, the highest growth rate has been realized in internet segment with 10% as in line with recent terms.

**Ad Revenue: First Half of 2011 – 2012 Period (TL million)**



Source: DYH ad platform. Newspaper ad revenues have been obtained from revenue forecast of 25 newspapers in total.

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

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**30 JUNE 2012**  
**(1 January – 30 June 2012 Period)**

---

**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 half of 2012. Retail sector made the biggest jump with a 18% increase among the top 10 sectors.

	<b>2012 (6 M)</b>	<b>2011 (6 M)</b>	<b>Change</b>
<b>TOTAL</b>	<b>2.042,9</b>	<b>2.054,4</b>	<b>-1%</b>
Food	224,3	220,4	2%
Communication	195,1	241,8	-19%
Finance	187,5	161,8	16%
Construction & Decoration	153,2	160,6	-5%
Automotive, Vehicles & Parts	125,2	115,2	9%
Publishing	117,6	102,6	15%
Retail	115,9	98,2	18%
Cosmetics & Personal Care	106,2	95,9	11%
Furniture, Home Textile & Appliances	93,3	88,7	5%
Beverages	93,2	84,7	10%
Other	631,4	684,5	-8%

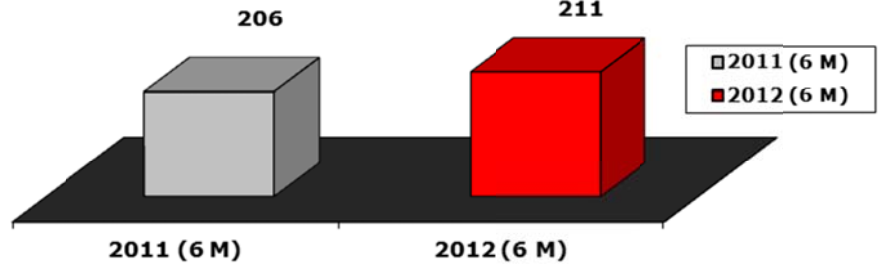
**1.2. Total Ad Revenue of Hürriyet Group**

Total ad revenue of Hürriyet Group has increased by 0,5% and amounted to TL 290,9 million in 1H12, compared to TL 289,4 million in 1H11. At a time when advertising market grew in 0,9% and besides newspaper ad market shrank in 4,8%, Hürriyet increased its market share by raising its print ad revenue from TL 183,7 million to TL 185,6 million with 1% increase rate. Domestic online ad revenues increased by 29,5% and amounted to TL 17,1 million in 1H12, compared to TL 13,2 million in 1H11.

In 2012, 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, social ads, tourism, classifieds, finance, entertainment culture arts and sports activities, human resources and textile sectors.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.  
BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING  
30 JUNE 2012  
(1 January – 30 June 2012 Period)

Hürriyet Group Domestic Ad Revenue: Second Quarter 2011-2012 ( TL Million )

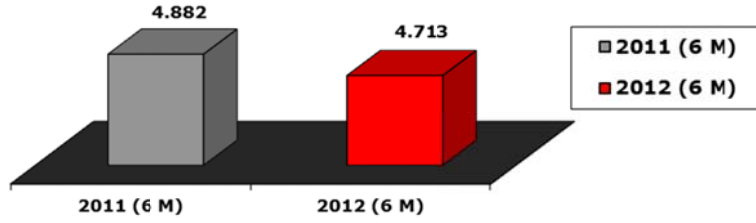


Meanwhile, TME has realised TL 94,4 million of ad revenue in 1H12 compared to TL 92,5 million in 1H11, which reflects 2% increase. Online revenue of TME increased in the rate of 34% and amounted TL 26 million in 1H12 compared with TL 19,4 million in the same period of 2011.

## 2. Circulation of Newspapers

### 2.1. Circulation in Turkey

#### Average Daily Circuiaton in Turkey ('000)



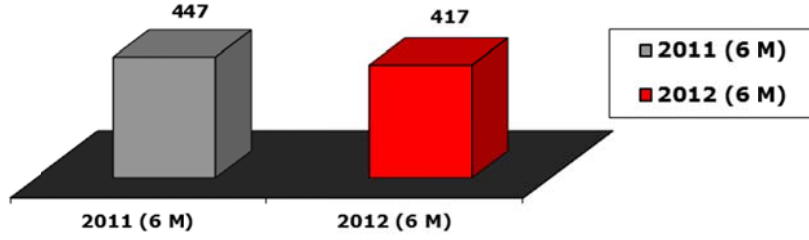
According to "Basın İlan Kurumu" data, the average daily net newspaper sales in Turkey was 4.882.452 in 1H11 and it has increased to 4.713.212 in 1H12. This represents a 3,5% increase in circulation.

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**30 JUNE 2012**  
(1 January – 30 June 2012 Period)

---

## 2.2. Circulation of Hürriyet Newspaper

**Average Daily Circulation of Hürriyet Newspaper ('000)**



In the first half of 2011, Hürriyet's average daily circulation was 447.138 and its market share was 9,2%. In the first quarter of 2012, Hürriyet's average daily circulation declined by 6,7% to 417.237. During this period, Hurriyet's circulation market share also became 8,9%.

Since 23 June 2012 Saturday and 24 June 2012 Sunday, sales price of newspaper at weekend except editions in İstanbul, Ankara ve İzmir has increased to TL 1 from TL 0,75.

Circulation revenue of Hurriyet grew by 2% and amounted to TL 56,2 million in 1H12, compared to TL 55,2 million in 1H11.

## 2.3. Circulation Revenue of TME

The circulation revenue of TME has been TL 7,5 million in 1H12 (23% decrease), compared to TL 9,8 million in 1H11.

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**30 JUNE 2012**  
(1 January – 30 June 2012 Period)

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

The consolidated earnings before interest, tax and depreciation (EBITDA), which was TL 69,9 million in the first half of 2011, amounted to TL 61,8 million in the same period of 2012. TL 11,7 million of the EBITDA in the first half of 2012 stemmed from TME operations (TL 10,5 million in 1H11).

<b>Million TL</b>	<b>2012 (6 M)</b>	<b>2011 (6 M)</b>	<b>Change</b>
Net Sales	430,6	429,8	0,2%
- Ad revenue (print)	247,8	256,8	-3,5%
- Ad revenue (onlnt)	43,1	32,6	32,3%
- Circulation revenue	56,2	55,2	1,7%
- Printing revenue	61,0	58,1	5,0%
- Other revenues	22,5	27,1	-16,7%
Cost of Goods Sold *	-264,4	-256,7	3,0%
Operating Expenses *	-148,6	-150,9	-1,5%
Other Operation Income / Expenses (Net)	138,4	-22,4	-716,5%
Operating Profit	156,0	-266,9	
<b>EBITDA</b>	<b>61,8</b>	<b>69,9</b>	-11,6%
<b>EBITDA Margin</b>	<b>14,4%</b>	<b>16,3%</b>	

\* As a result of personnel expense distribution change in 2012, to be able to compare with previous period in a proper manner there has been made some reclassification among Cost of Goods Sold, Marketing Expense and General Administrative Expense without any change in total.

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD ENDING**  
**30 JUNE 2012**  
**(1 January – 30 June 2012 Period)**

**E. Summarised Financial Results and Profitability**

**1. Main Financial Indicators**

According to the consolidated balance sheet and consolidated income statement dated 30 June 2012 of our company, reviewed by the independent auditors, main financial indicators are as follows:

<b>Main Financial Indicators ( Thousand TL)</b>	<b>30.Jun.2012</b>	<b>31.Dec.2011</b>	<b>30.Jun.2011</b>	<b>Change *</b>
Current Assets	447.606	553.169	451.900	-19,08%
Non-Current Assets	1.104.625	1.082.006	1.287.862	2,09%
Total Assets	1.552.231	1.635.176	1.739.763	-5,07%
Short-term Liabilities	587.282	549.788	497.353	6,82%
Long-term Liabilities **	252.714	490.210	432.353	-48,45%
Shareholder's Equity	712.234	595.178	810.057	19,67%
Net Sales	430.593	868.738	429.767	-50,43%
Operating Profit / Loss	155.961	150.438	-267	
Net Profit / Loss	150.255	235.684	-28.557	

**2. Financial Ratios**

In the first halves of last two years, the ratios related to the financial structure and the profitability of the company have been realised as follows:

<b>Financial Ratios</b>	<b>30.Jun.2012</b>	<b>31.Dec.2011</b>	<b>30.Jun .2011</b>
Current ratio (Current assets / short-term liabilities)	0,76	1,01	0,91
Net sales / Total assets	0,28	0,53	0,25
Total liabilities / Shareholder's equity	1,18	1,75	1,15
Operating profit / Total assets	0,100	0,092	0,000
Operating profit / Net sales	0,36	0,17	0,00
Gross profit margin	39%	38%	14,0%