



HÜRRİYET GAZETECİLİK VE
MATBAACILIK A.Ş.

BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD
ENDING 30 SEPTEMBER 2009

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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:

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2. Board of Directors

With the decision of the Company's Board of Directors dated 24 June 2009 and numbered 2009/45, 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'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 24 June 2009 and numbered 2009/45, Hakkı Hasan Yılmaz and Soner Gedik 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 10 November 2009, their decision stating that the financial tables and reports for the interim period of 1 January – 30 September 2009 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 24 June 2009 and numbered 2009/45, the names, surnames and the qualifications of the members of Corporate Governance Committee are as follows:

Name Surname	Title	Explanation
Cem Kozlu	The President	Independent member of Board of Directors
H. Hasan Yılmaz	Member	Independent member of Board of Directors
Murat Doğu	Member	Non-Executive

5. Board of Auditors

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In the Ordinary General Assembly Meeting of our Company on 24 June 2009, in accordance with the Turkish Trade Law, Mehmet Yörük and Fuat Arslan are elected as the auditors for the activity period of the year 2009. 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 September 2009 period are as follows:

Name Surname	Title
Vuslat Doğan Sabancı	Chairman, Executive Board
Ertuğrul Özkök	Editor in Chief
Ayşe Sözeri Cemal	Head of Advertising Group
Ahmet Toksoy	Head of Financial Affairs Group
Ahmet Özer	Head of Internet Group
Ayçin Bayraktaroğlu	Head of Marketing Group
Temuçin Tüzecan	Corporate Communications Coordinator
Ahmet N. Dalman	IT Coordinator
Serdar Giral	Financial Affairs Coordinator
Kadri Enis Berberoğlu	Ankara Representative

7. Capital Structure

The registered maximum capital limit of our company as of 30 September 2009 is TL 800.000.000 and the issued capital is TL 552.000.000. The issued capital of our company has been increased from TL 460.000.000 to TL 552.000.000, an increase of 20%, to be totally covered in cash, with the decision of the Board of Directors dated 02 June 2009 and numbered 2009/35. The “Certificate on the Completion of the Capital Increase” numbered 1411 and dated Sept.15, 2009, issued by the Capital Markets Board has been registered with the Trade Register of Istanbul on Sept.17, 2009.

60% of our company shares belongs to Doğan Yayın Holding A.Ş. and the shares representing 40% of our capital are in transaction in the ISE. As of 30 September 2009, 6,56% of the shares in free float belongs to Doğan Yayın and 11,09% to 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 6,56% and 11,09% of our company capital.

Taking into consideration the closing prices of ISE as of 30 September 2009, Hürriyet has a market value of USD 416 million.

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B. Main developments for the period 1 January – 30 September 2009.

Main Factors Effecting the Business Performance	30.09.2009 (9M 2009)	30.09.2008 (9M 2008)
Average daily net sales (Hürriyet newspaper)	481,000	521,000
Average page numbers (Hürriyet newspaper)	72	89
Newsprint utilised (tons)	56,542	78,629
Average newsprint price (USD/ton)	790	804
Inflation (year-on-year CPI change)	5.3%	11.1 %
GDP growth (2009 estimation)	- %8.0	3.5 %
USD/YTL rate (close)	1,4820	1,2316
USD/YTL (average)	1,5019	1,1955
USD/YTL increase (compared to the same period of previous year)	%25.6	-%9.0

On July 23, 27 and 31, our company obtained 6 “Investment Incentive Certificates”, in the amount of USD 24,700,361, for the modernization of the printing plants located in İstanbul, Ankara, İzmir, Adana, Antalya and Trabzon. The completion time indicated on these Incentive Certificates is 2 years and all imports of machinery that will be made in accordance with said certificates during these two will be exempt of customs duty and VAT. In accordance with these certificates, machinery worth of USD 18,800,769 has been imported during 1 January – 30 September 2009 period.

In the process of increasing our issued capital from 460.000.000,-TL to 552.000.000,-TL, all of the shares issued in representation of the capital amounting to 92.000.000,-TL have been sold by being paid fully and in cash, in the framework of the conditions stated in the prospectus related to public offering. The “Certificate on the Completion of the Capital Increase” numbered 1411 and dated Sept.15, 2009, issued by the Capital Markets Board has been registered with the Trade Register of Istanbul on Sept.17, 2009. As a result, the capital increase has been concluded in accordance with the procedures and principles stated in the Capital Market Law.

International Credit Rating Agency Fitch Ratings has revised our Company’s credit rate in local and foreign currency, but has not changed its outlook. Accordingly, our Company’s credit rate which was ‘BB-‘ in local and foreign currency has been revised as ‘B+’; whereas its outlook has been confirmed as negative.

Relating to 2004, 2005 and 2006 years’ tax auditings by Ministry of Finance Income Auditors; 9 items tax auditing reports communicated to our company. A notification for a total of TL 22.798.576, consisting of TL 9.391.428 original tax and TL 13.407.148 tax fine, issued by the Tax Office of Halkali related to the 8 of the said tax audit reports has been served to our Company as of 27 August 2009. Related to the remaining part of the tax audit reports, a notification of a total of TL 7.311.846, consisting of the original tax of TL 2.900.738, the tax fine amounting to TL 4.351.108 and the specific irregularity fine

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amounting to TL 60.000, issued by the Large Taxpayers Tax Administration, has been served on our Company on 10 September 2009. Thus, related to 9 tax audit reports, notification for a total of TL 12.292.166 original tax, TL 18.438.250 tax fine and TL 165.000 specific irregularity fine has been served on our Company. Regarding the said original tax and tax fine notifications, our company requested a post-assessment reconciliation and the Ministry of Finance Revenue Administration Department has sent a reconciliation invitation to our Company. In case of failure of reconciliation, our Company shall file an action for the cancellation of the tax and fine notices.

ISS Corporate Services Inc. (Riskmetrics Group) which is an International Corporate Governance rating company and has appropriate permission to make corporate governance rating assessments in Turkey according to Capital Market Board (CMB) Corporate Governance Regulations revised our corporate governance rating as 8,5 (%84,31) out of 10. According to CMB decision on this topic, final rating is based on four sub-categories in different weights. Within this scope, our rating with respect to these sub-categories are indicated below:

Sub-Categories	Weight	2008		2009	
		Rate Obtained	Rate Assigned	Rate Obtained	Rate Assigned
Shareholders	0.25	8.32	8.5	8.32	8.5
Publicity Disclosure and transparency	0.35	9.11	9.0	9.13	9.0
Stakeholders	0.15	7.63	7.5	8.32	8.5
Board of Directors	0.25	7.63	7.5	7.63	7.5
Total	1.00	8.32	8.5	8.43	8.5

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C. Activities for the 1 January – 30 September 2009 Interim Accounting Period

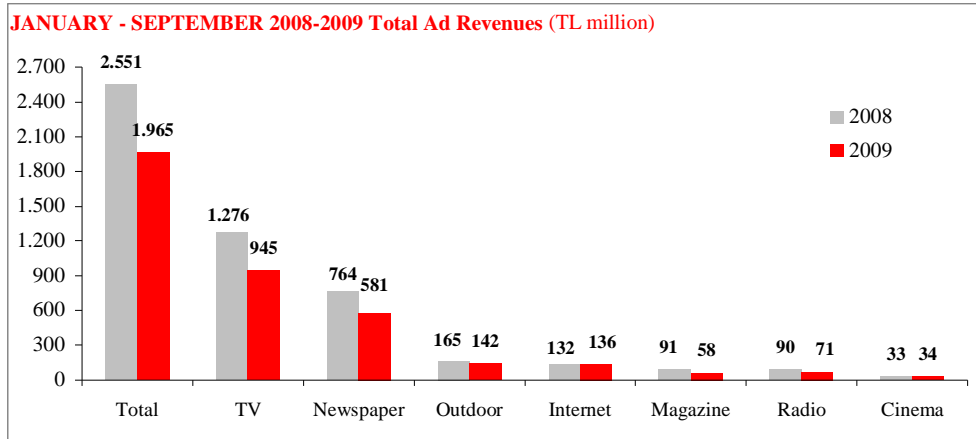
1. Advertising

1.1 Ad Sector in Turkey

It is estimated that advertisement expenditures in Turkey has declined by 23% in the first nine months of 2009 compared to the same period of the previous year and reached TL 1,965 million. Ad revenue in all the segments, except the internet and outdoor, contracted in the first nine months of the year.

Ad revenue of the television sector, which had TL 1,276 million of ad revenues in January-September 2008 period, is estimated to have declined by approximately 26% and amount to TL 945 milyon in January-September 2009.

Meanwhile, ad revenue in the newspaper segment is estimated to be around TL 581 million during the first nine months of 2009, with a decline of 23% compared to the same period of last year.



1.2. Total Ad Revenue of Hürriyet Group

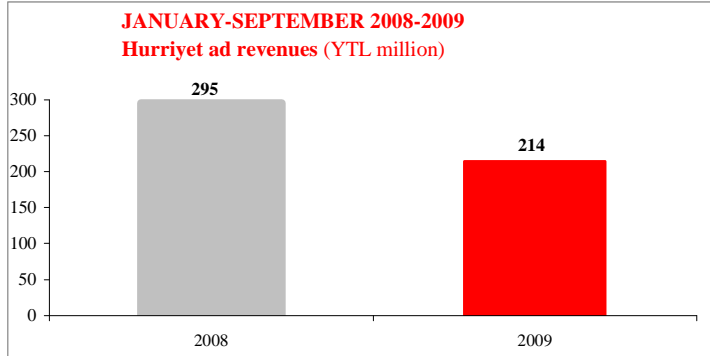
Total ad revenue of Hürriyet (Hürriyet, Referans, Hürriyet Daily News Newspapers and internet) amounted to TL 225.7 million in 9M09, compared to TL 303.7 million in 9M08.

1.3 Ad Revenue of Hürriyet Newspaper

Ad revenue of Hürriyet newspaper declined by 27.4% in the first nine months of 2009 compared to the same period of the previous year.¹

¹ Newspaper ad revenue is estimated based on 28 national newspapers.

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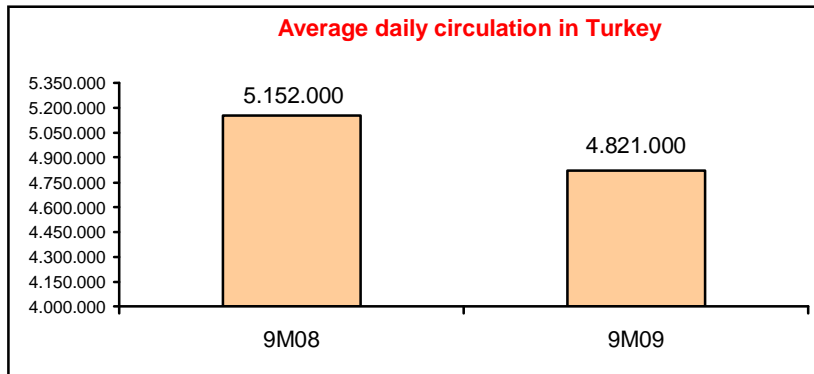


1.4 Ad Revenue of TME

TME has realised TL 140.5 million of ad revenue in 9M09, compared to TL 240.2 million in 9M08.

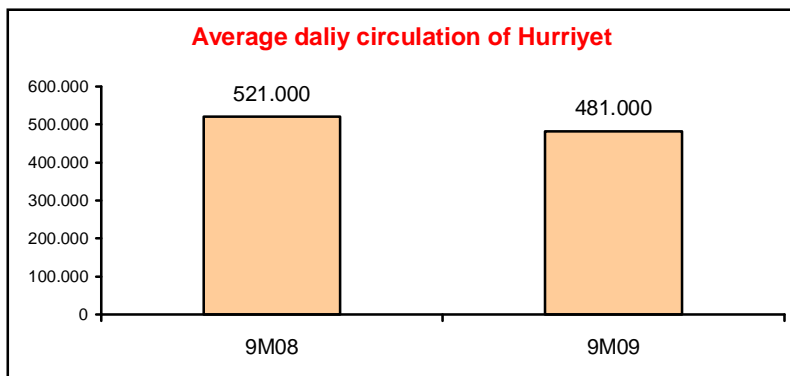
2. Circulation of Newspapers

2.1 Circulation in Turkey



According to Doğan Dağıtım data, the average daily net newspaper sales in Turkey was 5.152.000 in the first 9 months of 2008 and it has declined to 4.821.000 in the first 9 months of 2009. This represents a 6.4% decline in circulation.

2.2 Circulation of Hürriyet



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In the first 9 months of 2008, Hürriyet's average daily circulation was 521,000 and its market share was 10.1%. In the first 9 months of 2009, average daily circulation of Hürriyet declined by 7.7% to 481,000. As a result, the market share was realized as 10.0%.

During the first nine months of 2009, Hürriyet newspaper cover price for İstanbul-Ankara-İzmir editions for the weekdays was increased from TL 0.40 to TL 0.50, while the price in other cities was increased from TL 0.35 to TL 0.50. The price of the week-end edition, on the other hand, has been raised from TL 0.60 to TL 0.75 in all regions.

Hürriyet's circulation revenues amounted to TL 66.5 million in the first 9 months of 2009, compared to TL 57.3 million in the first 9 months of 2008.

2.3 Circulation Revenue of TME

The circulation revenue of TME has been TL 20.9 million in the first 9 months of 2009, compared to TL 25.8 million in the first 9 months of 2008.

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

The consolidated earnings before interest, tax and depreciation (EBITDA), which was TL 170.1 million in the first 9 months of 2008, declined to TL 116.0 million in the first 9 months of 2009. TL 23.3 million of the EBITDA in the first 9 months of 2009 stemmed from TME operations (TL 56.4 million in the first 9 months of 2008).

Consolidated EBITDA (YTL million)	9M09	9M08	change (%)
NET SALES	578.9	759.0	-23.7%
-Ad revenue	337.1	509.5	-33.8%
-Internet revenue (online)	29.1	34.3	-15.2%
-Circulation revenue	87.4	83.1	5.2%
-Printing revenue	89.4	89.3	0.1%
-Other revenues	35.9	42.8	-16.1%
COST OF GOODS SOLD	-370.8	-441.0	-15.9%
OPERATING EXPENSES	-164.6	-220.0	-25.2%
OTHER OPERATING INCOME/EXPENSES (NET)	-25.2	-3.7	-
OPERATING PROFIT	18.3	94.3	-80.6%
EBITDA	116.0	170.1	-31.8%
EBITDA Margin	20.0%	22.4%	

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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 30 September 2009 of our company, **not audited by the independent auditors**, main financial indicators are as follows:

Main Financial indicators (million YTL)	30.09.2009	30.09.2008	change (%)
Current assets	581.2	557.5	4.3%
Non-current assets	1,331.6	1,402.6	-5.1%
Total assets	1,912.8	1,960.1	-2.4%
Short-term liabilities	365.8	279.2	31.0%
Long-term liabilities	591.8	725.6	-18.4%
Majority interest	955.2	955.3	-0.01%
Net sales	578.9	759.0	-23.7%
Operating profit	18.3	94.3	-80.6%
Profit/ loss before tax (continued operations)	4.9	57.0	-91.4%
Net profit/ loss	581.2	557.5	4.3%

2. Financial Ratios

According to the data of the first nine months 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	30.09.2009	30.09.2008
Current ratio (Current assets/short-term liabilities)	1.59	2.00
Net sales /total assets	0.30	0.39
Foreign assets/ shareholder's equity	1.00	1.05
Financial expenses/ total assets	-0.002	0.02
Operating profit/ total assets	0.01	0.05
Operating profit/ net sales	0.03	0.12
Gross profit margin	0.36	0.42

E. Subsequent Events

The Republic of Turkey Ministry of Finance, Revenue Administration Department has sent to our Company a reconciliation invitation related to the Tax and Fine Notices (12.292.166,-TL original tax, 18.438.250,-TL fine for loss of tax revenue) of the fiscal term 2004, 2005 and 2006. In case of failure of realization of reconciliation, our Company shall file an action for the cancellation of the Tax and Fine Notices.