



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

www.hurriyetcorporate.com

03 November 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”). 39.98% 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)
Hürriyet Medya Towers 34212 Güneşli, Istanbul
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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
Kai Diekmann	Member	Independent
Ahmet Burak	Member	Independent

Our Company's board member Mr. Leonid Makaron has resigned from his position as member of the Board of Directors and he has no further connection with our Company. An assignment shall be made for the Board membership, which has become vacant upon the resignation of Mr. Leonid Makaron, in the coming days, and shall be separately made public.

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 September 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 September 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 Internet & Information Technologies

7. Capital Structure

The registered maximum capital limit of our company as of 30 September 2011 is TL 800 million, and the issued capital of our company is TL 552 million..

	30 Sep 11	Share (%)	31 Dec 10	Share (%)
Doğan Yayın Holding	367,416,194	66.56	367,415,960	66.56
Doğan Holding	61,200,274	11.09	61,200,274	11.09
Other	86,365	0.01	87,832	0.01
Free Float	123,297,167	22.34	123,295,934	22.34
Total	552,000,000	100	552,000,000	100

As of 30 September 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 September 2011

Main factors Effecting the Business Performance	9/30/2011	9/30/2010
	9M 11	9M 10
Average daily net sales (Hürriyet Newspaper)	439,475	452,779
Average page numbers (Hürriyet Newspaper)	80.30	80.26
Newsprint utilised (tons)	58,094	61,166
Average newsprint price (USD/ton)	747	609
Inflation (year-on-year CPI change)	6.15	9.24
GDP growth (2011 estimation)	8.60%	5.00%
USD/TL average	1.6181	1.5142
USD/TL increase (compared to the same period of previous year)	6.86%	-3.44%

- 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 TL 3,804,716.21 to Hürriyet Gazetecilik ve Matbaacılık A.Ş. In case of paying the fine within 30 days, 25% discount rate has been implied on the fine. Total amount of TL 2,853,530 provision has been registered for the administrative fine in 30 September 2011 dated financials.

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 TL 30,895,416 of our Company's "disputed tax debts being at the stage of action and not being final", amounting to TL 27,100,503 has been restructured and thus the dispute has been terminated, and ultimately, there has been a cash outflow amounting to TL 3,827,062 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 TL 21,627,956 together from our Company and our subsidiaries.

Ultimately, TL 1,193,051 of this total amount has been paid in cash in 30 June 2011 and registered as "other operating expense". An amount of TL 2,665,422 re-discount has been made with the remaining TL 20,434,905, amount which will be paid in 36 months time, in 18 equal installments. As of June 2011, after TL 2,665,422 of re-discount,

remaining tax debt capital amount was TL 17,769,483, registered in consolidated financial tables under “other operating expenses” and “ other short-term and long-term liabilities”respectively.

As of 30 September 2011, TL 2,972,118 capital and TL 433,699 interest payment, a total amount of TL 3,405,817 has been paid in cash. As of 30 September 2011, “tax base increase” related debt amount is TL 14,797,365.

- 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.

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 TL 40,079,404 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 TL 30,800,152 has arisen, and that upon deduction of the Corporate Tax payable from this amount the net term profit amounting to TL 18,387,447 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 TL 17,468,075 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, 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 Üzdiyen 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.

- The operations for the sale of the real estate with a total area of 58.610 sq.m. at the block 3153, map section 245DS4B, parcels 7 and 10 as well as the parcels 14 and 23 recorded at map section 1 situated at the address Hürriyet Medya Towers 34212 Günesli/Istanbul, in which our Company's administrative building (corporate head offices) is located, too, and/or for the preparation of a project and its development by finding a strategic partner, have been initiated.
- Our Company's Board Member Mr. Leonid Makaron has resigned from his position as Member of the Board of Directors and he has no further connection with our Company. An assignment shall be made for the Board membership, which has become vacant upon the resignation of Mr. Leonid Makaron, in the coming days, and shall be separately made public.
- The international rating institution ISS Corporate Services Inc., holding the activity permission for conducting rating in accordance with the Corporate Governance Principles of the Capital Markets Board (CMB) in Turkey, has confirmed our corporate governance rating as 85,54 on a basis of 10 (2010: 84,69). In the framework of the Resolution of the CMK regarding this matter, the final rating is determined by weighting four subcategories in a different manner. In this framework, the distribution of our corporate governance rating as per the subcategories is as follows;

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Subcategories	Weight	Rating Obtained in 2011 (%)	Rating Obtained in 2010 (%)
Shareholders	0.25	86.87	85.06
Public Disclosures & Transparency	0.35	91.87	91.55
Stakeholders	0.15	83.17	83.17
Board of Directors	0.25	76.78	75.63
Total	1	85.54	84.69

The Corporate Rating Report can be accessed through our corporate website www.hurriyetcorporate.com.

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

1. Advertising

1.1. Ad Sector in Turkey

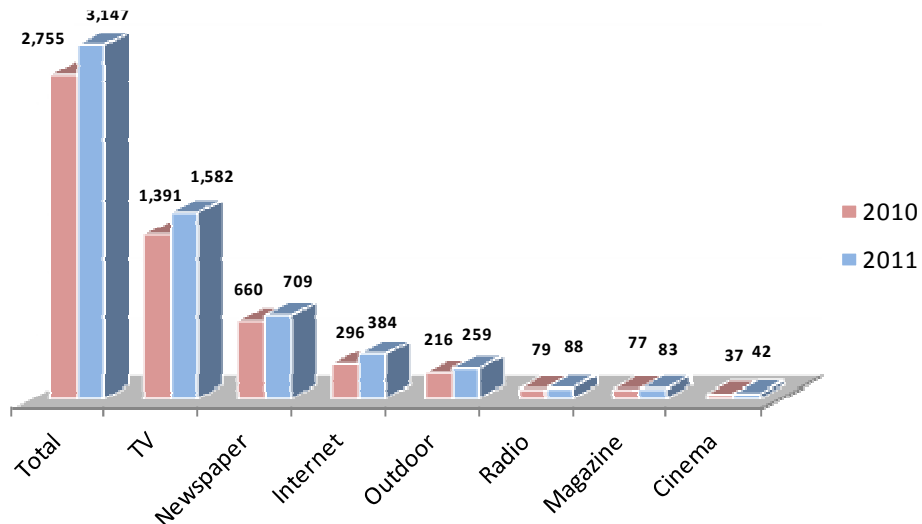
It's estimated that the ad market (including internet) in Turkey grew by 14% in the first nine months of 2011 with respect to the same period of 2010 and amounted to TL 3.1 billion.

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 73% share in total ad market in 9M11. Ad revenues of the TV sector reached TL 1.6 billion in 9M11, compared to TL 1.4 billion in 9M10, reflecting an increase of 14%.

Meanwhile, ad revenue of newspapers, which was TL 660 mn in 9M10 is estimated to have grown by 8% and to have amounted to TL 709 million in 9M11.

The highest growth rates have been reached by internet and outdoor sectors in 9M11, respectively 30% and 20%.

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



Source: DYH ad platform

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

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

The sectors with the highest advertising spending have been communication and food sectors, in 9M11. Public Institutions made the highest jump with a 196% increase among the top 10 sectors.

Sectors	9M10	9M11	Change
Total	2,459.7	2,764.4	12%
Communication	271.8	326.9	20%
Food	263.1	290.0	10%
Finance	242.8	224.0	-8%
Construction & Decoration	146.0	196.4	35%
Automotive, vehicles & parts	133.5	157.7	18%
Publishing	155.7	154.3	-1%
Retail	123.9	140.6	13%
Cosmetics & personal care	131.1	130.3	-1%
Public Institutions	42.2	125.0	196%
Furniture, Home Textile & Appliances	104.1	117.0	12%
Other	845.5	902.2	7%

Source: DYH Ad Platform

Note: Excludes internet

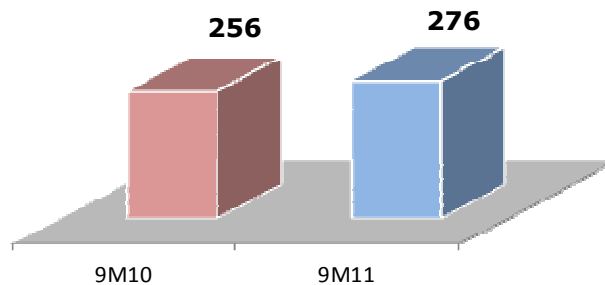
1.3. Total Ad Revenue of Hürriyet Group

Total ad revenue of Hürriyet Group has increased by 10% and amounted to TL 419 million in 9M11, compared to TL 382.1 million in 9M10.

Domestic ad revenues including newspapers and internet increased by 8% and amounted to TL 276 million in 9M11, compared to TL 256 million in 9M10.

In 2011, Hürriyet Newspaper preserved its leadership position among other newspapers, as it has been the case in previous years. Hürriyet Newspaper remained as the most preferred ad medium for construction, retail, automotive, tourism, classifieds, social ads, finance and human resources sectors.

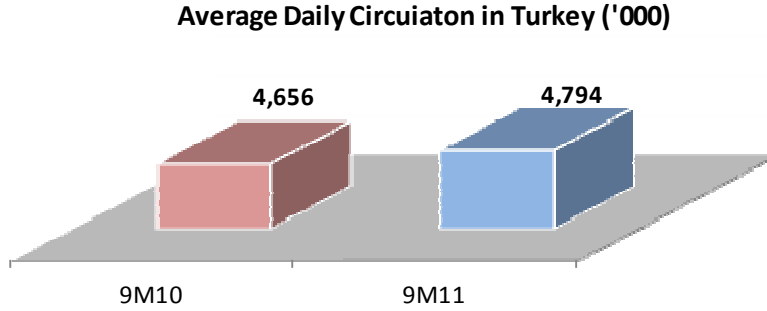
Hürriyet Group Domestic Ad Revenue: 9M 2010 – 9M 2011 (TL million)



Meanwhile, TME has realised TL 143.4 million of ad revenue in 9M11 compared to TL 126.3 million in 9M10, which reflects 14% increase.

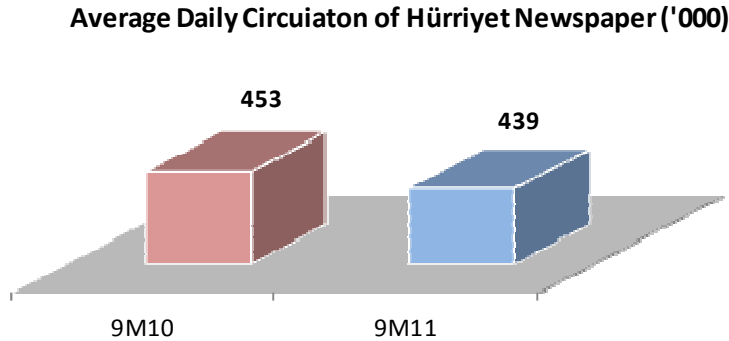
2. Circulation of Newspapers

2.1. Circulation in Turkey



According to Turkey Press Association data, the average daily net newspaper sales in Turkey was 4,655,845 in 9M10 and it has increased to 4,793,739 in 9M11. This represents a 3.0% increase in circulation.

2.2. Circulation of Hürriyet Newspaper



In the first nine months of 2010, Hürriyet's average daily circulation was 452,779 and its market share was 9.7%. In the first nine months of 2011, Hürriyet's average daily circulation declined by 2.9% to 439,475. During this period, Hürriyet's circulation market share also decreased to 9.2%.

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

Circulation revenue of Hürriyet increased by 3% and amounted to TL 70 million in 9M11, compared to TL 68.2 million in 9M10.

2.3. Circulation Revenue of TME

The circulation revenue of TME has been TL 12.5 million in 9M11 (31% decrease), compared to TL 18.1 million in 9M10.

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

The consolidated earnings before interest, tax and depreciation (EBITDA), which was TL 117.7 million in the first nine months of 2010, decreased to TL 89.3 million in the same period of 2011. TL 17.6 million of the EBITDA in the first nine months of 2011 stemmed from TME operations (TL 22 million in 9M10).

Mn TL	9M11	9M10	Change
Net Sales	630.0	587.3	7.3%
- Ad revenue (print)	369.1	343.8	7.4%
- Ad revenue (onlnt)	49.9	38.3	30.3%
- Circulation revenue	82.6	86.3	-4.3%
- Printing revenue	89.1	85.3	4.5%
- Other revenues	39.3	33.6	17.0%
Cost of Goods Sold	-400.3	-351.7	13.8%
Operating Expenses	-210.8	-186.4	13.1%
Other Operation Income / Expenses (Net)	-29.9	-9.1	228.6%
Operating Profit	-11.0	40.1	
EBITDA	89.3	117.7	-24.1%
EBITDA Margin	14.2%	20.0%	

D. Summarised Financial Results and Profitability

1. Main Financial Indicators

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

Main Financial Indicators (mn TL)	30 Sep 11	31 Dec 10	30 Sep 10	Change *
Current Assets	404,299	347,622	344,358	16.30%
Non-Current Assets	1,278,070	1,231,304	1,240,678	3.80%
Total Assets	1,682,369	1,578,925	1,585,036	6.55%
Short-term Liabilities	391,588	390,538	362,345	0.27%
Long-term Liabilities	546,201	415,355	407,833	31.50%
Shareholder's Equity	744,580	773,033	814,858	-3.68%
Net Sales	630,042	794,226	587,299	7.28%
Operating Profit / Loss	-10,986	-23,599	40,071	
Net Profit / Loss	-91,075	-40,079	21,084	

(*) Year-end results are taken into consideration for B/S items, and 9M results for I/S items.

4. Financial Ratios

The ratios related to the financial structure and the profitability of the company have been realised as follows:

Financial Ratios	30 Sep 11	31 Dec 10	30 Sep 10
Current Ratio (Current assets / short-term liabilities)	1.03	0.89	0.95
Net Sales / total assets	0.37	0.50	0.37
Total Liabilities / Shareholder's equity	1.26	1.04	0.95
Operating profit / total assets	-0.007	-0.015	0.025
Operating profit / net sales	-0.02	-0.03	0.07
Gross profit margin	0.36	0.39	0.40