



Review of FY 04 Results

**Hürriyet Gazetecilik ve
Matbaacılık A.Ş.**

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Conversion of figures from Turkish Liras to US dollars has been made on year end basis for IFRS financials.

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Key Figures

(US \$ 000)	2003	2004/ Q3	2004	▲ Change (04-03)
REVENUES	288.268	210.894	352.842	22%
GROSS PROFIT	89.906	77.824	123.964	38%
EBIT	33.239	34.657	54.322	28%
EBITDA	72.873	60.771	97.872	34%
PROFIT BEFORE TAX	28.714	31.762	48.914	70%
NET PROFIT	36.911	14.481	20.267	-45%

* *Simge Newspapers' effects are no longer effective in Hurriyet's financials in 2004.*

Share of ad revenues up from 44% in 03 to 56% in 04 contributing heavily to profitability. The contribution of volume and price were 60% and 40% respectively in 2004.

Circulation revenues up 34% excluding the impact of Simge

	2003	2004/ Q3	2004	% Share	% ↑↓
REVENUES (000 \$)	288.268	210.894	352.842	100	22%
AD REVENUES	127.360	118.584	197.681	56	55%
<i>Column/ Cm (000)*</i>	6.925	6.287	8.819		27%
<i>Average Price*</i>	18,39	18,86	22,42		22%
CIRCULATION REVENUES	76.301	35.500	54.314	15	-29%
Hürriyet Group Newspapers	40.418	35.500	54.314		34%
Simge Group Newspapers	35.884	-	-		-100%
<i>Daily Average Circulation (000)*</i>	460	494	495		8%
<i>Average Cover Price*</i>	0,20	0,23	0,23		15%
PRINTING REVENUES	53.014	47.406	76.383	22	44%
OTHER REVENUES	31.593	9.404	24.464	7	-23%

Revenues have increased by 40% when Simge Newspapers' effect is eliminated.

*Hürriyet only.

Hürriyet Newspaper Ad Market Share	40,2%	41,3%	3%
Hürriyet Total Ad Market Share	13,9%	14,8%	6%
Circulation Share	10,9%	10,9%	0%
Hürriyet Circulation* (000 units)	460	495	8%
Total Average Circulation* (000 units)	4.211	4.541	8%

Circulation market grew with the entrance and rising of the existing inexpensive newspapers namely Tercüman, Takvim and Posta.

**Circulation figures are yearly averages. Hurriyet circulation is obtained from Yaysat, average circulation in Turkey includes Yaysat estimates for dailies distributed by Merkez Dağıtım Planlama.*

COGS up %15 lower than the growth at the top line

	2003	2004/ Q3	2004	% ↑↓
COST OF SALES (000 \$)	198.362	133.070	228.878	15%
HURRIYET GROUP	143.456	97.335	159.302	11%
PAPER COSTS*	28.956	32.551	45.952	59%
Average Number of Pages	55,9	70,2	72,2	29%
Main Paper	37,8	39,1	39,6	5%
Supplements	18,1	31,1	32,6	80%
Paper Consumption (000 Tons)	57.828	58.942	81.689	41%
Cost Per Ton (\$)	501	552	563	12%
SUBSIDIARIES	54.906	35.757	69.576	27%

Key strategy to increase ad space and volume.

Key Developments:

- The increase in average pages was due to expansion in the range and size of supplements which was the main part of advertisement strategy. Major supplements issued in 2004 were Kelebek (women's daily supplement), Bilbul (daily crossword supplement), Bursa City Supplement.

*Hürriyet group cost of sales consists of production costs of Hürriyet, Gözcü and Referans newspapers. Paper costs stated here are for Hürriyet newspaper only.

STRONG PERFORMANCE AT THE OPERATIONAL LEVEL

	2003	2004/ Q3	2004	% ↑↓
GROSS PROFIT	89.906	77.824	123.964	38%
OPERATING EXPENSES	56.667	43.168	69.643	23%
ADVERTISEMENT EXPENSES	10.231	7.738	19.083	87%
EBIT	33.239	34.657	54.322	63%
EBITDA	72.873	60.771	97.872	34%

Advertisement expenses increased due to marketing of new supplements and existing titles.

Other operating income/expense mainly consists of non-cash items such as investment property impairment provision and goodwill.

	2003	2004/ Q3	2004	% ↑↓
O. OPERATING INCOME/ (EXPENSES)- NET	-25.393	- 3.110	- 6.853	-73%
FINANCIAL INCOME/ (EXPENSE)- NET	22.025	7.444	14.685	-33%
Amortised Cost Valuation Income (IFRS 39)	9.135	5.214	9.984	9%
Interest Income	19.415	10.848	16.819	-13%
Interest Expense	- 11.785	- 8.926	- 7.433	-37%
FX Gain/ (Loss)- Net	4.876	- 385	- 2.632	-154%
Other Financial Income/ (Expense)- Net	384	693	- 2.052	-634%
MINORITY	- 1.153	899	716	-162%
MONETARY GAIN/ (LOSS)	- 972	- 7.699	-13.337	1272%
PROFIT BEFORE TAX	28.714	31.762	48.914	70%
TAX	8.197	-17.281	-28.647	-449%
NET PROFIT	36.911	14.481	20.267	-45%

Declining interest rates in 2004

Key Developments:

Monetary Loss is higher in 2004 as net monetary position increased due to huge growth in revenues.

Tax in 2003 was positive due deferred tax income (24.9 Mil. \$) incurred by tax legislation change (reversal of earlier provisions)

	2003	2004/ Q3	2004	% ↑↓
GROSS PROFIT MARGIN	31%	37%	35%	13%
EBIT MARGIN	12%	16%	15%	34%
EBITDA MARGIN	25%	29%	28%	12%
PROFIT BEFORE TAX MARGIN	10%	15%	14%	39%
NET PROFIT MARGIN	13%	7%	6%	-55%

Key Explanations:

%1 decrease in Gross Profit, EBIT and EBITDA margins from 3rd quarter to year-end are mainly due to increased paper costs (9 Months average is 561\$, and year-end average is 563 \$) plus increased number of pages from 70 to 72.

Net profit margin was 24.9 Mil.\$ positively effected by the reversal of a deferred tax provision in 2003. Without this effect the net profit margin was %9 in 2003.

Strong performance at operational level caused net cash to decline only 32% yoy despite 33 Mil.\$ investment and 19 Mil.\$ dividend payout in 2004.

	2003	2004/ Q3	2004	% ↑↓
CASH & CASH EQUIVALENTS	81.476	80.219	79.097	-3%
S.T BANK BORROWINGS	-30.458	-25.246	-15.747	-48%
L.T BANK BORROWINGS	-24.718	-41.687	-45.547	84%
NET CASH	26.300	13.287	17.804	-32%
INVESTMENTS	7.259	10.359	33.281	358%
DIVIDENDS	-	-	19.024	

Key Developments:

23 Million of total investments in 2004 are made by Hürriyet and the remaining portion is made by subsidiaries.

Over %80 of Hurriyet's investments are made for capacity increase, especially in color printing.

*Average maturity of bank borrowings is 1.9 years.