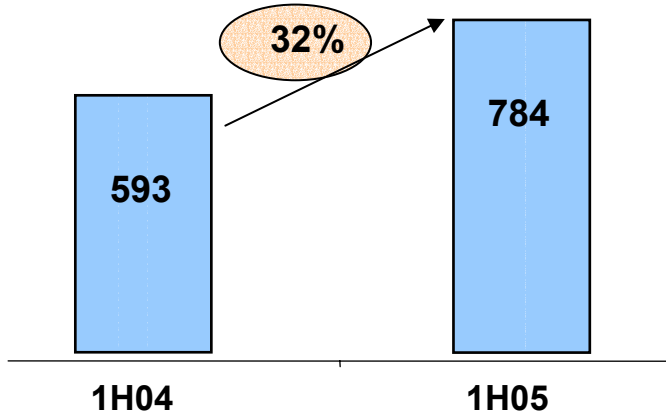


**Hürriyet**  
**Review of 1H05 Results**  
**August 2005**

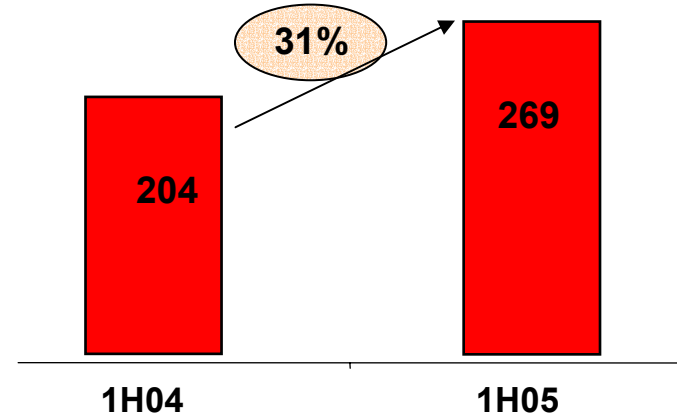
- Conversion of figures from Turkish Liras to US dollars has been made on year end basis for balance sheet items. For income statement items, year-end rate is used for 2004, whereas average USD rate is used for the current period, as inflation accounting (IAS 29) is not applied in 2005 financials, on the back of CMB's requirements.
- This presentation does not constitute an offer or invitation to purchase or subscription for any securities and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.
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Hürriyet's ad growth is more than the market and any other medium.

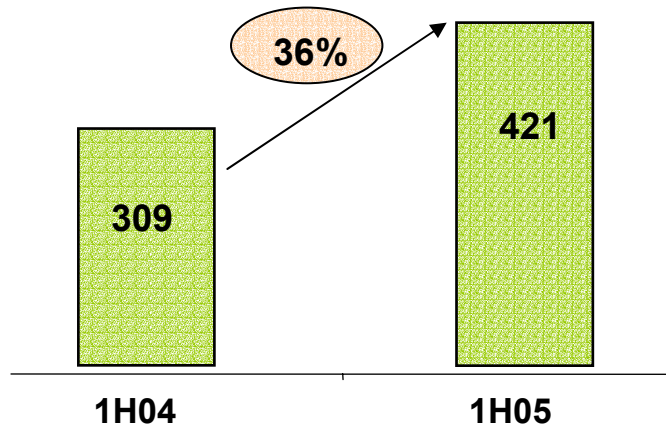
Total Ad Growth (US\$m)



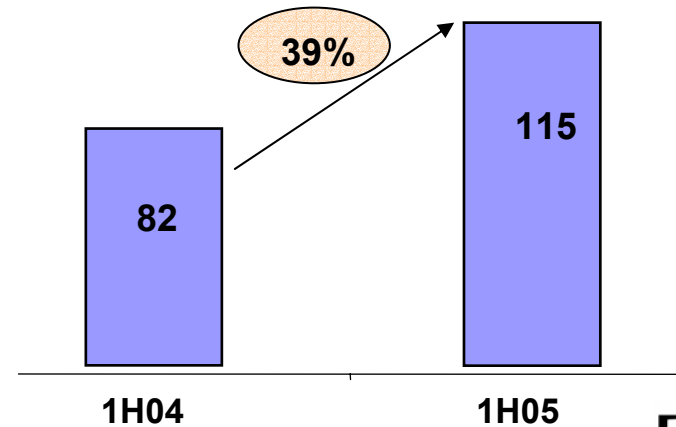
Newspaper Ad Growth (US\$m)



TV Ad Growth (US\$m)



Hürriyet Ad Growth (US\$m)



\* Market statistics are based on Management reports for market comparisons.

\* Hürriyet ad revenue figures are solo.

**Capturing market share thanks to successful launches of new supplements and price increase.**

	2004	1H04	1Q05	1H05	% Ch.
Hürriyet Newspaper Ad Market Share	40,4%	40,0%	41,7%	42,7%	
Hürriyet Total Ad Market Share	14,4%	13,9%	14,8%	14,8%	
Circulation Share	10,9%	11,2%	10,2%	10,2%	
Hürriyet Average Circulation (000)*	495	481	516	509	6%
Total Average Circulation (000)*	4.541	4.285	5.037	5.001	17%

\* Circulation figures are yearly averages. Total circulation figures are Yaysat estimates.

## Key Figures-consolidated

(US\$ 000)	2004	1H04	1Q05	1H05	% Ch.
<b>Revenues</b>	<b>352.842</b>	<b>138.350</b>	<b>91.938</b>	<b>203.992</b>	<b>47%</b>
Gross Profit	123.964	51.139	27.154	69.757	36%
EBIT	54.322	23.200	10.678	34.481	49%
<b>EBITDA</b>	<b>97.872</b>	<b>41.090</b>	<b>21.526</b>	<b>55.391</b>	<b>35%</b>
Profit Before Tax	48.914	21.425	12.654	42.695	99%
<b>Net Profit</b>	<b>20.267</b>	<b>8.572</b>	<b>10.016</b>	<b>31.857</b>	<b>272%</b>
<b>US\$ Rate Applied</b>	<b>1.34</b>	<b>1.49</b>	<b>1.32</b>	<b>1.34</b>	<b>10%</b>
	<b>Y.E.</b>	<b>Y.E.</b>	<b>AVR.</b>	<b>AVR.</b>	

(US\$ '000)	2004	1H04	1Q05	1H05	% Shr.	% Ch.
<b>Revenues</b>	<b>352.842</b>	<b>138.350</b>	<b>91.939</b>	<b>203.992</b>	<b>100%</b>	<b>47%</b>
<b>Ad Revenues**</b>	<b>197.681</b>	<b>75.798</b>	<b>47.564</b>	<b>113.314</b>	<b>56%</b>	<b>49%</b>
Column-Cm (000)*	10.869	5.011	2.507	5.774		15%
Average price* (1)	16,81	16,34	19,11	19,74		21%
<b>Circulation Revenues**</b>	<b>54.314</b>	<b>22.692</b>	<b>13.411</b>	<b>26.200</b>	<b>13%</b>	<b>15%</b>
Daily average circulation (000)*	495	481	516	509		6%
Average cover price*	0,23	0,24	0,24	0,24		-1%
<b>Printing Revenues</b>	<b>76.383</b>	<b>30.770</b>	<b>19.667</b>	<b>39.716</b>	<b>19%</b>	<b>29%</b>
<b>Other Revenues</b>	<b>24.464</b>	<b>9.090</b>	<b>11.297</b>	<b>24.763</b>	<b>12%</b>	<b>172%</b>

Printing Rev. (mn. US\$)	1H04	1H05
Hürriyet	8,9	11,0
Germany Branch	7,2	8,8
D.Ofset	14,7	19,9

\* Hürriyet only.

\*\* Hürriyet, Gözcü, Referans; IFRS based.

(1) Average price is based on management figures. IFRS figures reclass a portion of ad revenues as financial income which is shown on page 33 as "amortised cost valuation income".

## Supplements' Ad Revenues grew above average with successful strategy

- Weekly real estate supplement started in April 05.
- Kelebek launched in March 04.
- Frequency of regional supplements increased.
- Hürriyet Bursa launched in 2004.
- HR supplement distributed nationwide instead of Istanbul only.
- Bi-weekly fashion and retail.

(US\$ mn)	2004	1H04	1Q05	1H05	%Ch.
Main Title (incl. inserts and classifieds)	142,1	63,4	34,8	81,5	29%
Supplements	40,5	18,5	13,1	32,5	76%
<b>Total</b>	<b>182,7</b>	<b>81,9</b>	<b>47,9</b>	<b>114,0</b>	<b>39%</b>
<b>Share of suppl. in ad revenues</b>	<b>22%</b>	<b>23%</b>	<b>27%</b>	<b>28%</b>	

**Management report totals are not equal to IFRS figures because:**

- 1) Average USD rate is used for all periods in management reports.
- 2) IFRS 39, reclasses a portion of ad revenues as financial income namely "amortised cost valuation" income

(US\$ '000)	2004	1H04	1Q05	1H05	%Ch.
<b>COST OF SALES</b>	<b>228.878</b>	<b>87.211</b>	<b>64.784</b>	<b>134.236</b>	<b>54%</b>
<b>Hürriyet Group</b>	<b>159.302</b>	<b>60.311</b>	<b>41.674</b>	<b>85.334</b>	<b>41%</b>
<b>Raw Material Costs</b>	<b>64.181</b>	<b>29.317</b>	<b>17.588</b>	<b>43.905</b>	<b>50%</b>
Average Number of Pages*	72	68	72	77	13%
Main Paper*	40	39	37	39	1%
Supplements*	33	30	35	38	29%
Paper Consumption (000 Tons)*	81.689	36.957	20.610	44.271	20%
Cost Per Ton (US\$)*	563	544	678	677	24%
<b>Depreciation</b>	<b>20.824</b>	<b>8.024</b>	<b>5.265</b>	<b>10.295</b>	<b>28%</b>
<b>OPEX of Production</b>	<b>74.297</b>	<b>22.970</b>	<b>18.821</b>	<b>31.134</b>	<b>36%</b>
<b>Subsidiaries</b>	<b>69.576</b>	<b>26.900</b>	<b>23.111</b>	<b>48.901</b>	<b>82%</b>

D.Ofset ▲ US\$16.3m

Orta Anadolu ▲ US\$12.6m

## 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.
- Newsprint costs and consumption were up 24% and 20% respectively.

\* Hürriyet only.



Expectedly, QoQ Cost increases slowed down, margins expanded in 2Q05

(US\$ '000)	2004	1H04	1Q05	1H05	% Ch.
<b>Gross Profit</b>	<b>123.964</b>	<b>51.139</b>	<b>27.154</b>	<b>69.757</b>	<b>36%</b>
Gross Margin	35%	37%	30%	34%	
<b>Operating Expenses</b>	<b>69.643</b>	<b>27.940</b>	<b>16.477</b>	<b>35.275</b>	<b>26%</b>
<b>EBIT</b>	<b>54.322</b>	<b>23.200</b>	<b>10.678</b>	<b>34.481</b>	<b>49%</b>
EBIT Margin	15%	17%	12%	17%	
<b>EBITDA</b>	<b>97.872</b>	<b>41.090</b>	<b>21.526</b>	<b>55.391</b>	<b>35%</b>
EBITDA Margin	28%	30%	23%	27%	
<b>Total Depreciation</b>	<b>33.386</b>	<b>14.256</b>	<b>8.880</b>	<b>17.378</b>	<b>22%</b>

**Margin pressure compared to 2004 due to:**

- 20% increase in newsprint consumption; 24% increase in newsprint prices.
- No cover price increase in real terms. Hürriyet is still the most expensive newspaper in its category.

(US\$ '000)	2004	1H04	1Q05	1H05	% Ch.
<b>O.Operating Income / Expense (Net)</b>	<b>6.853</b>	<b>-102</b>	<b>-2.947</b>	<b>-2.078</b>	<b>1944%</b>
<b>Financial Income / Expense (Net)</b>	<b>14.685</b>	<b>4.299</b>	<b>5.022</b>	<b>10.390</b>	<b>142%</b>
Amortised Cost Valuation Income (IFRS 39)	9.984	3.712	1.968	3.532	
Interest Income	16.819	6.499	3.778	6.462	
Interest Expense	-7.433	-4.908	-1.920	-2.257	
FX Gain/ (Loss) - Net	-2.632	-395	819	1.945	
Other Financial Income / (Expense) - Net	-2.052	-610	377	708	
<b>Minority</b>	<b>716</b>	<b>536</b>	<b>-97</b>	<b>-103</b>	<b>-119%</b>
<b>Monetary Gain / Loss</b>	<b>-13.337</b>	<b>-6.531</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit Before Tax</b>	<b>48.914</b>	<b>21.425</b>	<b>12.654</b>	<b>42.695</b>	<b>99%</b>
<b>Tax</b>	<b>-28.647</b>	<b>-12.853</b>	<b>-2.640</b>	<b>-10.838</b>	<b>-16%</b>
<b>Net Profit</b>	<b>20.267</b>	<b>8.572</b>	<b>10.016</b>	<b>31.857</b>	<b>272%</b>

## Key Developments:

- There is no monetary loss in 2005 as IFRS 29 (inflation accounting) is not applied in first half of 2005.
- Additional provisions for tax(YTL2.385m) and commercial cases(YTL3,134m) reached YTL5.6million (US\$4.2m in 1H05). Commercial case risks and tax risks are provisioned in the first quarter.
- Tax rate declines due to deferred tax income in 1H05, also driven by investment incentives.

(US\$ '000)	2004	↓ 1H04	1Q05	↓ 1H05	% Ch.
Cash and Equivalents	79.097	79.354	83.633	75.679	-5%
S.T Bank Borrowings	-15.747	-27.949	-15.223	-36.366	30%
L.T Bank Borrowings	-45.547	-41.077	-49.159	-23.925	-42%
<b>Net Cash</b>	<b>17.804</b>	<b>10.329</b>	<b>19.251</b>	<b>15.388</b>	<b>49%</b>
Investments	33.281	7.376	12.699	22.838	210%
Dividends	19.024	16.754	-	9.321	
Net Working Capital	61.743	77.105	63.999	110.185	43%

\* Majority of investments in 1H05 come from machinery investments of Hürriyet (US\$11m) and Hürriyet Germany's machinery and land investments (US\$7m) due to increasing third party orders.

- ✓ **Growth in ad revenues continues at a stronger pace.**
- ✓ **Ad strategy works; growth in supplements (volume) and strong rates.**
- ✓ **Material costs are likely to be stabilised at first quarter levels. No further increases expected.**
- ✓ **Operating expenses under control.**
- ✓ **Hürriyet proved to be resistant to cover price cuts in the market.**