

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT  
(ORIGINALLY ISSUED IN TURKISH)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR'S REPORT  
ORIGINALLY ISSUED IN TURKISH**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Hürriyet Gazetecilik ve Matbaacılık A.Ş.

1. We have audited the accompanying consolidated financial statements of Hürriyet Gazetecilik ve Matbaacılık A.Ş. and its subsidiaries (the "Group") which comprise the consolidated balance sheet as of 31 December 2008 and the consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

*Management's Responsibility for the Financial Statements*

2. The Group management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the financial reporting standards issued by the Capital Markets Board of Turkey (the "CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards issued by the CMB. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Hürriyet Gazetecilik ve Matbaacılık A.Ş. as of 31 December 2008, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the financial reporting standards endorsed by the CMB (Note 2).

*Additional paragraph for convenience translation into English*

5. The accounting principles described in Note 2 to the accompanying consolidated financial statements (defined as the "CMB Financial Reporting Standards") differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers

ORIGINALLY ISSUED IN TURKISH

Gökhan Yüksel, SMMM  
Partner

Istanbul, 8 April 2009

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS AND NOTES  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

<b>CONTENTS</b>	<b>PAGE</b>
<b>CONSOLIDATED BALANCE SHEETS.....</b>	<b>1-2</b>
<b>CONSOLIDATED STATEMENTS OF INCOME.....</b>	<b>3</b>
<b>CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY.....</b>	<b>4</b>
<b>CONSOLIDATED STATEMENTS OF CASH FLOW.....</b>	<b>5</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....</b>	<b>6-86</b>
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS .....	6-7
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS .....	8-26
NOTE 3 BUSINESS COMBINATIONS .....	26-28
NOTE 4 SEGMENT REPORTING.....	28-31
NOTE 5 CASH AND CASH EQUIVALENTS .....	31-32
NOTE 6 FINANCIAL ASSETS.....	32-33
NOTE 7 FINANCIAL LIABILITIES .....	34-38
NOTE 8 OTHER FINANCIAL LIABILITIES .....	38
NOTE 9 TRADE RECEIVABLES AND PAYABLES .....	39-40
NOTE 10 OTHER RECEIVABLES AND PAYABLES .....	40
NOTE 11 INVENTORIES.....	41
NOTE 12 INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD.....	41-42
NOTE 13 INVESTMENT PROPERTY .....	42-43
NOTE 14 PROPERTY, PLANT AND EQUIPMENT.....	44-45
NOTE 15 INTANGIBLE ASSETS .....	46-48
NOTE 16 GOODWILL .....	48
NOTE 17 GOVERNMENT GRANTS .....	49
NOTE 18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	49-50
NOTE 19 COMMITMENTS .....	50-52
NOTE 20 PROVISION FOR EMPLOYMENT TERMINATION BENEFITS .....	53-54
NOTE 21 OTHER CURRENT/NON CURRENT ASSETS AND OTHER CURRENT/NON CURRENT LIABILITIES.....	54-55
NOTE 22 SHAREHOLDERS' EQUITY.....	55-58
NOTE 23 SALES AND COST OF SALES .....	58-59
NOTE 24 RESEARCH AND DEVELOPMENT, MARKETING, SELLING AND DISTRIBUTION AND GENERAL ADMINISTRATIVE EXPENSES .....	59-60
NOTE 25 EXPENSES BY NATURE.....	60
NOTE 26 OTHER OPERATING INCOME/EXPENSES .....	60-61
NOTE 27 FINANCIAL INCOME.....	61
NOTE 28 FINANCIAL EXPENSES.....	61
NOTE 29 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS .....	62
NOTE 30 TAX ASSETS AND LIABILITIES .....	62-69
NOTE 31 EARNINGS PER SHARE .....	70
NOTE 32 RELATED PARTY DISCLOSURES .....	71-73
NOTE 33 FINANCIAL RISK MANAGEMENT.....	74-84
NOTE 34 SUBSEQUENT EVENTS.....	85
NOTE 35 CASH FLOW STATEMENT.....	86

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated).

	<b>Notes references</b>	<b>2008</b>	<b>(Restated) 2007</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>649.946.695</b>	<b>441.616.814</b>
Cash and cash equivalents	5	370.325.965	137.938.512
Financial assets	6	-	2.093.720
Trade receivables		186.925.592	222.307.498
Due from related parties	32	35.893.074	27.439.824
Other trade receivables	9	151.032.518	194.867.674
Other receivables	10	16.693.096	6.231.594
Inventories	11	23.450.512	26.186.912
Other current assets		52.551.530	46.858.578
Advances due from related parties	32	1.135.207	2.299.904
Other current assets	21	51.416.323	44.558.674
<b>Non-current assets</b>		<b>1.394.403.127</b>	<b>1.380.788.222</b>
Trade receivables	9	7.348.295	-
Other receivables	10	300.753	123.718
Financial assets	6	4.995.077	6.186.438
Investments accounted for by the equity method	12	316.468	4.380.092
Investment property	13	21.976.902	12.692.088
Property, plant and equipment	14	529.130.300	552.835.380
Intangible assets	15	581.187.362	558.636.995
Goodwill	16	236.449.857	236.129.473
Deferred tax assets	30	4.389.893	6.645.156
Other non-current assets	21	8.308.220	3.158.882
<b>Total assets</b>		<b>2.044.349.822</b>	<b>1.822.405.036</b>

The accompanying notes form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated).

	Notes references	2008	<i>(Restated)</i> 2007
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>374.320.532</b>	<b>174.541.213</b>
Short term financial liabilities	7	275.661.409	59.744.251
Other financial liabilities	8	13.686.315	-
Trade payables		45.024.266	45.081.733
Due to related parties	32	6.211.157	6.662.436
Other trade payables	9	38.813.109	38.419.297
Other payables	10	15.568.257	21.125.928
Current income tax liabilities	30	2.159.564	26.864.197
Provisions	18	6.731.599	5.147.520
Other current liabilities	21	15.489.122	16.577.584
<b>Non-current liabilities</b>		<b>783.830.147</b>	<b>794.038.044</b>
Long term financial liabilities	7	627.937.892	605.195.883
Other financial liabilities	8	6.043.151	17.850.192
Other payables	10	189.038	145.588
Provision for employment termination benefits	20	11.744.969	10.115.141
Deferred tax liabilities	30	137.530.974	159.929.926
Other non-current liabilities	21	384.123	801.314
<b>TOTAL EQUITY</b>			
<b>Shareholders' equity</b>		<b>886.199.143</b>	<b>853.825.779</b>
<b>Equity attributable to equity holders of the company</b>		<b>753.057.582</b>	<b>743.243.325</b>
Share capital	22	460.000.000	421.000.000
Inflation adjustment to share capital	22	77.198.813	77.198.813
Translation reserve	2	(2.949.588)	(50.857.712)
Restricted reserves	22	27.310.182	22.516.607
Retained earnings	22	229.592.042	179.198.476
Net (loss)/income for the period		(38.093.867)	94.187.141
<b>Minority interests</b>		<b>133.141.561</b>	<b>110.582.454</b>
<b>Total liabilities and shareholders' equity</b>		<b>2.044.349.822</b>	<b>1.822.405.036</b>

These consolidated financial statements as at and for the period ended 31 December 2008 were approved by the Board of Directors on 7 April 2008. These financial statements are also subject to the approval of the shareholders of the Company at General Assembly regarding the year 2008.

The accompanying notes form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED STATEMENTS OF INCOME  
FOR THE YEARS ENDED 31 DECEMBER**

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise indicated.)

	Notes references	2008	<i>(Restated)</i> 2007
<b><u>Continued operations</u></b>			
Sales	23	998.446.338	897.576.820
Cost of sales (-)	23	(595.814.088)	(531.796.310)
<b>Gross profit</b>		<b>402.632.250</b>	<b>365.780.510</b>
Marketing, selling and distribution expenses (-)	24	(118.789.807)	(113.228.544)
General administrative expenses (-)	24	(204.550.093)	(134.920.201)
Other operating income	26	22.668.854	7.970.255
Other operating expenses (-)	26	(24.355.781)	(15.013.826)
<b>Operating income</b>		<b>77.605.423</b>	<b>110.588.194</b>
Share of loss of investments accounted for by the equity method	12	(8.765.400)	(20.902.969)
Financial income	27	106.896.257	132.790.291
Financial expenses (-)	28	(264.470.597)	(69.505.329)
<b>(Loss)/income before tax from continuing operations</b>		<b>(88.734.317)</b>	<b>152.970.187</b>
<b>Taxation from continuing operations</b>			
Current tax for the year	30	(24.396.599)	(52.041.491)
Deferred tax income	30	32.609.226	4.346.871
<b>(Loss)/income from continuing operations</b>		<b>(80.521.690)</b>	<b>105.275.567</b>
<b><u>Discontinued operations</u></b>			
Discontinued operations income/(loss) after tax	29	59.189.456	(1.813.437)
<b>Net (loss)/income for the period</b>		<b>(21.332.234)</b>	<b>103.462.130</b>
<b>Allocation of net (loss)/income for the period</b>			
Attributable to minority interests		16.761.633	9.274.989
<b>Attributable to equity holders of the company</b>		<b>(38.093.867)</b>	<b>94.187.141</b>
<b>(Loss)/earnings per share (YKr)</b>	31	<b>(8,28)</b>	<b>20,48</b>
(Loss)/earnings per share from continuing operations (YKr)		(21,15)	20,87
Earnings/(loss) per share from discontinued operations (YKr)		12,87	(0,39)

The accompanying notes form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED 31 DECEMBER**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated).

	Share capital	Inflation adjustment to share capital	Translation reserve	Restricted reserves	Retained earnings	Net income /(loss) for the year	Minority interests	Total shareholders' equity
<b>Balances at 1 January 2007 (*)</b>	<b>416.742.560</b>	<b>77.198.813</b>	<b>501.968</b>	<b>18.464.156</b>	<b>85.615.226</b>	<b>104.157.463</b>	<b>111.140</b>	<b>702.791.326</b>
Currency translation differences	-	-	(51.359.680)	-	-	-	(10.921.144)	(62.280.824)
Transfers	-	-	-	4.052.451	100.105.012	(104.157.463)	-	-
Minority interest from subsidiary share acquisitions	-	-	-	-	-	-	118.565.077	118.565.077
Capital increase	4.257.440	-	-	-	(4.257.440)	-	1.593.296	1.593.296
Subsidiaries' dividend payments to non-group companies	-	-	-	-	(2.264.322)	-	(8.040.904)	(10.305.226)
Net income for the period	-	-	-	-	-	94.187.141	9.274.989	103.462.130
<b>Balances at 31 December 2007</b>	<b>421.000.000</b>	<b>77.198.813</b>	<b>(50.857.712)</b>	<b>22.516.607</b>	<b>179.198.476</b>	<b>94.187.141</b>	<b>110.582.454</b>	<b>853.825.779</b>
<b>Balances at 1 January 2008 (*)</b>	<b>421.000.000</b>	<b>77.198.813</b>	<b>(50.857.712)</b>	<b>22.516.607</b>	<b>179.198.476</b>	<b>94.187.141</b>	<b>110.582.454</b>	<b>853.825.779</b>
Currency translation differences	-	-	47.908.124	-	-	-	10.869.131	58.777.255
Transfers	-	-	-	4.793.575	89.393.566	(94.187.141)	-	-
Capital increase	39.000.000	-	-	-	(39.000.000)	-	1.861.343	1.861.343
Subsidiaries' dividend payments to non-group companies	-	-	-	-	-	-	(6.933.000)	(6.933.000)
Net loss for the period	-	-	-	-	-	(38.093.867)	16.761.633	(21.332.234)
<b>Balances at 31 December 2008</b>	<b>460.000.000</b>	<b>77.198.813</b>	<b>(2.949.588)</b>	<b>27.310.182</b>	<b>229.592.042</b>	<b>(38.093.867)</b>	<b>133.141.561</b>	<b>886.199.143</b>

(\*) Restated. (Note 2.1.5)

The accompanying notes form an integral part of these consolidated financial statements.



**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE YEARS ENDED 31 DECEMBER**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

	Note references	2008	2007
Net (loss)/income for the period		(37.580.216)	92.373.704
Minority interests		16.761.633	9.274.989
(Income)/loss from discontinued operations	29	(59.189.456)	1.813.437
<b>Adjustments:</b>			
Depreciation	13,14	57.907.135	53.423.143
Amortisation	15	26.210.983	18.576.144
Net loss on disposal of property, plant and equipment and intangible assets		1.012.799	1.682.812
Taxation	30	(8.212.627)	47.694.620
Provision for employment termination benefits and unused vacation rights		6.726.122	6.390.387
Income accruals		(8.075.749)	-
Interest income	27	(38.590.488)	(31.376.047)
Interest expenses	28	50.520.134	39.789.002
Foreign exchange losses/(gains) from bank borrowings		137.047.729	(87.794.024)
Provision for/(reversal of) impairment of investment properties		4.725.638	(995.185)
Deferred income		(2.074.651)	7.552.152
Loss from investments accounted for by the equity method	12	8.765.400	20.902.969
Provision for impairment of goodwill and intangible assets		32.795.581	-
Provision expenses		12.399.389	3.211.693
Other		1.451.032	2.851.543
Cash flows from operating activities before changes in operating assets and liabilities		202.600.388	185.371.339
Changes in operating assets and liabilities-net	35	8.677.962	(3.684.278)
Income taxes paid		(49.038.339)	(47.158.783)
Doubtful receivables collected	9	4.231.752	481.088
Employment termination benefits paid	20	(3.374.040)	(2.171.014)
<b>Net cash provided by operating activities</b>		<b>163.097.723</b>	<b>132.838.352</b>
<b>Cash flow from investing activities:</b>			
Purchases of investment properties	13	(22.174.427)	-
Purchases of property, plant and equipment	14	(32.347.357)	(56.756.058)
Purchases of intangible assets	15	(13.463.704)	(7.735.197)
Proceeds from sales of property, plant and equipment, intangible assets and investment properties		14.931.695	6.477.659
Interests received		37.684.336	28.756.770
Acquisition of subsidiaries, net paid		(631.162)	(440.410.676)
Proceeds from sales of discontinued operations		66.141.473	-
Share capital increase in associates and financial assets	12	(5.063.838)	(21.823.922)
<b>Net cash provided by/(used in) investing activities</b>		<b>45.077.016</b>	<b>(487.091.262)</b>
<b>Cash used in financing activities:</b>			
Proceeds of issuance of share capital to minority interests		1.861.343	1.593.295
Dividends paid to minority interests		(6.933.000)	(6.940.706)
Subsidiaries' dividend payments to non-group companies		-	(3.364.520)
Bank borrowings received		158.468.588	605.884.625
Bank borrowings paid		(117.470.671)	(157.054.100)
Change in trade payables to suppliers		15.530.250	6.414.526
Interests paid		(43.910.201)	(40.287.410)
<b>Net cash provided by financing activities</b>		<b>7.546.309</b>	<b>406.245.710</b>
Exchange gains/(losses) on cash and cash equivalents		15.981.563	(5.518.301)
Change in cash and cash equivalents		231.702.611	46.474.499
Cash and cash equivalents at the beginning of the period	5	136.516.480	90.041.981
<b>Cash and cash equivalents at the end of the period</b>	<b>5</b>	<b>368.219.091</b>	<b>136.516.480</b>

The accompanying notes form an integral part of these consolidated financial statements.

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

#### NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Hürriyet Gazetecilik ve Matbaacılık A.Ş. (“Hürriyet” or the “Company”) was established in 1960 and is registered in Turkey. The Company undertakes journalism, printing and advertising activities. The Company operates seven printing plants in Turkey with locations in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon and in Germany. The Company acquired 67,30% shares of Trader Media East Ltd. (“TME”) through its Subsidiary Hurriyet Invest B.V. at 29 March 2007. TME undertakes classified advertising mainly for real estate, automotive and human resources businesses through daily and weekly newspapers, periodicals, magazines and internet services, primarily in Russia and various Eastern European (“EE”) countries. The Company is a member of Doğan Şirketler Grubu Holding A.Ş. (“Doğan Holding”) through the investment of Doğan Yayın Holding A.Ş. (“Doğan Yayın”), which has a majority ownership in the Company (Note 22).

The address of the registered office is as follows:

Hürriyet Medya Towers  
34212 Güneşli, Istanbul  
Turkey

The Company is registered to the Capital Markets Board (“CMB”) and its shares have been quoted on the Istanbul Stock Exchange (“ISE”) since 1992. 40% of the capital of the Company is circulated on the ISE. 25,02% capital of the TME is circulated on London Stock Exchange as Global Depository Receipts (“GDR”). GDR generally means the guaranteeing of a company’s shares, the making public of the certificates that can be transferred by negotiation, and their being listed in the stock exchange independent of company shares.

#### The subsidiaries of the Company

The Company’s subsidiaries (“Subsidiaries”), the nature of the business and geographic segments are as follows:

Subsidiaries	Registered country	Geographic segment	Nature of business
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. (“Hürriyet Medya Basım”)	Turkey	Turkey	Printing and administrative services
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. (“Doğan Ofset”)	Turkey	Turkey	Magazine and book publishing
Yenibirış İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. (“Yenibir”)	Turkey	Turkey	Internet publishing
Referans Yayın Dağıtım ve Kurye Hizmetleri A.Ş. (“Refeks”)	Turkey	Turkey	Advertisement
Doğan Haber Ajansı A.Ş. (“Doğan Haber”)	Turkey	Turkey	News agency
Doğan Daily News Gazetecilik ve Matbaacılık A.Ş. (“Doğan Daily News”)	Turkey	Turkey	Newspaper publishing
Emlaksimum Elektronik Yayıncılık ve Ticaret A.Ş. (“Emlaksimum”)	Turkey	Turkey	Internet publishing
TME Teknoloji Proje Geliştirme ve Yazılım A.Ş.	Turkey	Russia and EE	Software development
Hürriyet Zweigniederlassung GmbH. (“Hürriyet Zweigniederlassung”)	Germany	Europe	Newspaper publishing
Hürriyet Invest B.V. (“Hürriyet Invest”)	Netherlands	Europe	Investment
TME	Jersey	Europe	Investment
Oglasnik d.o.o.	Croatia	Europe	Newspaper and internet publishing
Oglasnik Nekretnine d.o.o.	Croatia	Europe	Newspaper and internet publishing
TCM Adria d.o.o.	Croatia	Europe	Investment
Internet Posao d.o.o.	Croatia	Europe	Internet publishing
Expressz Magyarorszag Rt	Hungary	Europe	Newspaper and internet publishing
Szuperinfo Magyarorszag Kft	Hungary	Europe	Newspaper and internet publishing
International Ssuarts Holding B.V.	Netherlands	Europe	Investment
Mirabridge International B.V.	Netherlands	Europe	Investment
Trader Classified Media Croatia Holdings B.V.	Netherlands	Europe	Investment
Trader East Holdings B.V.	Netherlands	Europe	Investment
Siodemka Sp. Z.o.o.	Poland	Europe	Newspaper and internet publishing
Ssuarts Holding GmbH	Austria	Europe	Investment
ZAO Pronto Akzhol	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto-Akmola	Kazakhstan	Russia and EE	Newspaper and internet publishing

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)**

**Subsidiaries (Continued)**

<b>Subsidiaries</b>	<b>Registered country</b>	<b>Geographic segment</b>	<b>Nature of business</b>
OOO Pronto Atyrau	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto Aktobe	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Aktau	Kazakhstan	Russia and EE	Newspaper and internet publishing
Informatsia Vilnius	Lithuania	Russia and EE	Newspaper and internet publishing
OOO Pronto Rostov	Belarus	Russia and EE	Newspaper and internet publishing
ZAO Avtotehsnab	Russia	Russia and EE	Newspaper and internet publishing
OOO Novoprint	Russia	Russia and EE	Newspaper and internet publishing
ZAO NPK	Russia	Russia and EE	Call center
OOO Balt-Pronto Kaliningrad	Russia	Russia and EE	Newspaper and internet publishing
OOO Delta-M	Russia	Russia and EE	Newspaper and internet publishing
OOO Gratis	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Baikal	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto DV	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Ivanovo	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kaliningrad	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kazan	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Krasnodar	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Krasnojarsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Nizhniy Novgorod	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Novosibirsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Oka	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Petersburg	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Print	Russia	Russia and EE	Printing services
OOO Pronto Samara	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Stavropol	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto UlanUde	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Vladivostok	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Volgograd	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Moscow	Russia	Russia and EE	Newspaper and internet publishing
OOO Rosprint	Russia	Russia and EE	Printing services
OOO Rosprint Samara	Russia	Russia and EE	Printing services
OOO Tambukan	Russia	Russia and EE	Newspaper and internet publishing
OOO Utro Peterburga	Russia	Russia and EE	Newspaper and internet publishing
OOO Partner-Soft	Russia	Russia and EE	Internet publishing
Pronto Soft	Russia	Russia and EE	Internet publishing
OOO Pronto Astrakhan	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kemerovo	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Sever	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Smolensk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Tula	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto TV	Russia	Russia and EE	TV publishing
OOO Pronto Voronezh	Russia	Russia and EE	Newspaper and internet publishing
SP Belpronto OOO	Belarus	Russia and EE	Newspaper and internet publishing
OOO Tambov-Info	Russia	Russia and EE	Newspaper and internet publishing
Impress Media Marketing LLC	Russia	Russia and EE	Publishing
OOO Pronto Obninsk	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Komi	Russia	Russia and EE	Newspaper and internet publishing
OOO Rektcentr	Russia	Russia and EE	Investment
Impress Media Marketing BVI	Russia	Russia and EE	Publishing
SP Pronto Kiev	Ukraine	Russia and EE	Newspaper and internet publishing
Ssuarts Trading Ltd	Ukraine	Russia and EE	Investment
E-Prostir	Ukraine	Russia and EE	Internet publishing
Publishing House Pennsylvania Inc	USA	Russia and EE	Investment
OOO Optoprint	Russia	Russia and EE	Publishing
RU.com OOO	Russia	Russia and EE	Internet publishing
SP Bel Pronto OOO BYR	Russia	Russia and EE	Newspaper and internet publishing
Mojo Delo spletni marketing d.o.o	Slovenia	Europe	Internet publishing
Bolji Posao d.o.o. Serbia	Serbia	Europe	Internet publishing
Bolji Posao d.o.o. Bosnia	Bosnia	Europe	Internet publishing

The Company and its Subsidiaries (the “Group”) operate predominantly in media segment. The Group started to operate significantly in foreign countries after the acquisition of Trader Media East and its subsidiaries at 29 March 2007. Accordingly the Group has initiated geographical segment reporting for the purpose of segment reporting in these consolidated financial statements (Note 4).

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

##### 2.1 Basis of presentation

###### 2.1.1 Financial reporting standards

The Capital Markets Board of Turkey (“CMB”) regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, “Principles of Financial Reporting in Capital Markets”(“the Communiqué”). This Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes the Communiqué No: XI-25 “The Financial Reporting Standards in the Capital Markets”. According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards (“IAS/IFRS”) endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board (“IASB”) are announced by Turkish Accounting Standards Board (“TASB”), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/ Turkish Financial Reporting Standards (“TAS/TFRS”) issued by the TASB which are in line with the aforementioned standards shall be considered.

With the decision taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards. Accordingly, the Company did not apply IAS 29 “Financial Reporting in Hyperinflationary Economies” issued by IASB in its consolidated financial statements for the accounting periods starting 1 January 2005.

Within the scope of CMB’s Communiqué Serial XI, No:29 and its announcements clarifying this communiqué the consolidated financial statements have been prepared in accordance with the CMB’s Financial Reporting Standards which are based on IAS/IFRS, as the differences of IAS/IFRS, adopted by the European, from those published by IASB have not yet been announced by Turkish Accounting Standards Board as of the date of these financial statements. Consolidated financial statements and accompanying notes have been presented in accordance with the format, recommended to be implemented by CMB through its announcements dated 17 April 2008 and 9 January 2009, and by including the mandatory information. In this regard necessary changes have been made in the consolidated financial statements of previous periods (Note 2.1.5).

###### 2.1.2 Financial statements of Subsidiaries and Associates operating in foreign countries

The financial statements of Subsidiaries and Associates operating in foreign countries are prepared according to the regulations of the countries where they operate and the necessary adjustments and reclassifications have been reflected in order to comply with basis of presentation that are explained in Note 2.1.1 The assets and liabilities of foreign Subsidiaries and Associates are translated into YTL using the relevant foreign exchange rates prevailing at the balance sheet date. The results of the foreign Subsidiaries and Associates are translated into YTL using average exchange rate for the period. Exchange differences arising on translation of the opening net assets of foreign Subsidiaries and Associates and arising from using closing and average exchange rates are included in the shareholders’ equity as currency translation differences. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.1.3 Consolidation principles**

The consolidated financial statements include the accounts of the parent company, Hürriyet, its Subsidiaries, and its Associates (collectively referred as the “Group”) on the basis set out in sections (a) to (d) below. The financial statements of the companies included in the consolidation are based on historical cost of the statutory records and for the purpose of fair presentation in accordance with the accounting policies described in Note 2.1.1 and application of uniform accounting policies and presentations; adjustments and reclassifications.

**(a) Subsidiaries**

Subsidiaries are companies in which the Company has power to control the financial and operating policies for the benefit of the Company either (a) through the power to exercise more than 50% voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or by companies whereby the Company exercises control over the voting rights of (but does not have the economic benefit of) the shares held by them; or (b) although not having the power to exercise more than 50% of the voting rights, through the exercise of actual dominant influence over the financial and operating policies. The result of operations of subsidiaries are included or excluded in these consolidated financial statements subsequent to the date of acquisition or the date of disposal respectively.

All business combinations have been accounted for by applying the purchase method by the Group. The cost of a business combination includes, the fair value at the date of exchange of monetary assets given, capital instruments written-down, equity instruments issued, liabilities incurred or assumed by the acquirer in exchange for control of the acquiree and costs directly attributable to the combination. The acquirer recognises the acquiree's identifiable assets, liabilities and contingent liabilities at their fair values at the acquisition date, without considering any minority interest. Goodwill is measured as the residual cost of the business combination after recognising the acquiree's identifiable assets, liabilities and contingent liabilities. If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the Group reassess the identification and measurement of the identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination and recognise immediately in income statement any excess remaining after that reassessment.

Since TME was acquired on 29 March 2007, the statement of income starting from 31 March 2007 has been included in these consolidated financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.1.3 Consolidation principles (Continued)**

**(a) Subsidiaries (Continued)**

The Subsidiaries and their effective ownership interests at 31 December 2008 and 2007 are as follows:

Subsidiaries	Proportion of voting power held by Hurriyet and its subsidiaries (%)		Effective ownership interests (%)	
	2008	2007	2008	2007
Hürriyet Medya Basım	99,99	99,99	99,99	99,99
Doğan Ofset	99,89	99,89	99,89	99,89
Yenibir	100,00	100,00	100,00	100,00
Refeks	100,00	100,00	100,00	100,00
Doğan Haber	50,01	50,01	50,01	50,01
Doğan Daily News	94,25	94,25	94,25	94,25
Emlaksimum	98,41	98,41	98,41	98,41
Hürriyet Zweigniederlassung	100,00	100,00	100,00	100,00
Hürriyet Invest	100,00	100,00	100,00	100,00
TME	67,30	67,30	67,30	67,30
Oglasnik d.o.o.	100,00	100,00	67,30	67,30
Oglasnik Nekretnine d.o.o.	100,00	-	67,30	-
TCM Adria d.o.o.	100,00	100,00	67,30	67,30
Internet Posao d.o.o.	100,00	100,00	47,11	47,11
TME Management (France) SAS	-	100,00	-	67,30
TME Teknoloji Proje Geliştirme ve Yazılım Anonim Şirketi	100,00	100,00	67,30	67,30
Expressz Garancia Központ Kft (*)	-	100,00	-	67,30
Expressz Magyarorszag Rt (*)	100,00	100,00	67,30	67,30
Kisokos Directory kereskedelmi Es Szolgaltato (*)	-	100,00	-	67,30
Szuperinfo Magyarorszag Kft	100,00	100,00	67,30	67,30
Trader Hungary Tanascado Kft (*)	-	100,00	-	67,30
International Ssuarts Holding B.V.	100,00	100,00	67,30	67,30
Mirabridge International B.V.	100,00	100,00	67,30	67,30
Trader Classified Media Croatia Holdings B.V.	100,00	100,00	67,30	67,30
Trader East Holdings B.V.	100,00	100,00	67,30	67,30
Siodemka Sp. Z.o.o.	100,00	100,00	67,30	67,30
Trader.com (Polska) Sp. Z.o.o.	-	100,00	-	67,30
Ssuarts Holding GmbH	100,00	100,00	67,30	67,30
ZAO Pronto Akzhol	80,00	80,00	53,84	53,84
OOO Pronto-Akmola	100,00	100,00	67,30	67,30
OOO Pronto Atyrau	100,00	100,00	53,84	53,84
OOO Pronto Aktobe	80,00	80,00	43,07	43,07
OOO Pronto Aktau	100,00	100,00	53,84	53,84
Informatsia Vilnusia	100,00	100,00	67,30	67,30
OOO Pronto Rostov	100,00	100,00	67,30	67,30
ZAO Avtotehsnab	85,00	85,00	57,21	57,21
OOO Novoprint	100,00	100,00	67,30	67,30
ZAO NPK	100,00	100,00	67,30	67,30
OOO Balt-Pronto Kaliningrad	100,00	100,00	67,30	67,30
OOO Delta-M	55,00	55,00	37,02	37,02
OOO Gratis	90,00	90,00	60,57	60,57
OOO Pronto Baikal	100,00	100,00	67,30	67,30
OOO Pronto DV	100,00	100,00	67,30	67,30
OOO Pronto Ivanovo	86,00	86,00	57,88	57,88
OOO Pronto Kaliningrad	95,00	95,00	63,94	63,94
OOO Pronto Kazan	72,00	72,00	48,46	48,46

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.1.3 Consolidation principles (Continued)**

*(a) Subsidiaries (Continued)*

	Proportion of voting power held by Hurriyet and its subsidiaries (%)		Effective ownership interests (%)	
	2008	2007	2008	2007
OOO Pronto Krasnodar	80,00	80,00	53,84	53,84
OOO Pronto Krasnojarsk	100,00	100,00	67,30	67,30
OOO Pronto Nizhnij Novgorod	90,00	90,00	60,57	60,57
OOO Pronto Novosibirsk	100,00	100,00	67,30	67,30
OOO Pronto Oka	100,00	100,00	67,30	67,30
OOO Pronto Petersburg	51,00	51,00	34,32	34,32
OOO Pronto Print	54,00	54,00	36,34	36,34
OOO Pronto Samara	89,90	89,90	60,50	60,50
OOO Pronto Stavropol	100,00	100,00	67,30	67,30
OOO Pronto UlanUde	90,00	90,00	60,57	60,57
OOO Pronto Vladivostok	90,00	90,00	60,57	60,57
OOO Pronto Volgograd	100,00	100,00	67,30	67,30
OOO Pronto Moscow	100,00	100,00	67,30	67,30
OOO Rosprint	70,00	60,00	47,11	40,38
OOO Rosprint Samara	59,50	59,50	40,04	40,04
OOO Tambukan	85,00	85,00	57,21	57,21
OOO Utro Peterburga	55,00	55,00	37,02	37,02
OOO Partner-Soft	100,00	90,00	67,30	60,57
Pronto Soft	90,00	-	60,57	-
OOO Pronto Astrakhan	100,00	100,00	67,30	67,30
OOO Pronto Kemerovo	100,00	100,00	67,30	67,30
OOO Pronto Sever	90,00	90,00	60,57	60,57
OOO Pronto Smolensk	100,00	100,00	67,30	67,30
OOO Pronto Tula	100,00	100,00	67,30	67,30
OOO Pronto TV	70,00	70,00	47,11	47,11
OOO Pronto Voronezh	100,00	100,00	67,30	67,30
SP Belpronto OOO	60,00	60,00	40,38	40,38
OOO Tambov-Info	100,00	100,00	67,30	67,30
Impress Media Marketing LLC	100,00	100,00	67,30	67,30
OOO Pronto Obninsk	100,00	100,00	67,30	67,30
OOO Pronto Komi	70,00	70,00	47,11	47,11
OOO Rektcentr	100,00	100,00	67,30	67,30
Impress Media Marketing BVI	100,00	100,00	67,30	67,30
SP Pronto Kiev	50,00	50,00	33,65	33,65
Ssuarts Trading Ltd	55,00	55,00	37,02	37,02
E-Prostir	50,00	50,00	33,65	33,65
Publishing House Pennsylvania Inc	100,00	100,00	67,30	67,30
OOO Optoprint	100,00	100,00	67,30	67,30
RU.com OOO	100,00	100,00	67,30	67,30
SP Bel Pronto OOO BYR	60,00	60,00	40,38	40,38
Moje Delo, spletni marketing, d.o.o	100,00	100,00	67,30	67,30
Bolji Posao d.o.o. Serbia	100,00	100,00	37,02	37,02
Bolji Posao d.o.o. Bosnia	100,00	100,00	37,02	37,02

(\*) Related subsidiaries are legally merged under the subsidiary Expressz Magyarorszag Rt.

(\*\*) TME Management (France) SAS, has finished its operations in 2008 and merged under Trader East Holdings B.V.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.1.3 Consolidation principles (Continued)**

**(b) Investments in associated undertakings**

Investments in associated undertakings are consolidated by the equity method of accounting. These are undertakings over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but no controlling power. Unrealised gains on transactions between the Group and its associated undertakings are eliminated to the extent of the Group's interest in the associated undertakings; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Net increases or decreases in the net assets of Associates are included in the consolidated financial statements in regards with the Group's share and classified under “Share of loss of investments accounted for by the equity method”.

Equity accounting is discontinued when the carrying amount of the investment in an associated undertaking reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated undertaking or significant influence of the Company ceases. The carrying amount of the investment at the date when significant influence ceases is regarded as cost thereafter.

The Associates and the proportion of ownership interests at 31 December are as follows:

<b>Name</b>	<b>2008 Direct and indirect control by Hürriyet and its Subsidiaries (%)</b>	<b>2007 Direct and indirect control by Hürriyet and its Subsidiaries (%)</b>
Doğan Media International GmbH (“Doğan Media”)	42,42	42,26
Yaysat Yayın Satış Pazarlama ve Dağıtım A.Ş. (“Yaysat”)	25,00	25,00
DYG İlan ve Reklam Hizmetleri A.Ş. (“DYG İlan”)	20,00	20,00

**(c) Financial assets at fair value through profit and loss**

Financial assets at fair value through profit and loss in which the Group has controlling interests below 20%, or above 20% over which the Company does not exercise a significant influence, or which are immaterial and that do not have quoted market price in active markets and whose fair values cannot be measured reliably, are carried at cost less any provision for diminution in value and for the periods which inflation accounting is applied are carried at cost and restated to the equivalent purchasing power at the balance sheet date less any provision for diminution in value (Note 6).

**(d) Minority interest**

The minority shareholders' share in the net assets and results for the period of Subsidiaries are separately classified in the consolidated balance sheets and statements of income as minority interest.

The losses applicable to the minority in a consolidated subsidiary may exceed the minority interest in the equity of the subsidiary. The excess, and any further losses applicable to the minority, are charged against the majority interest except to the extent that the minority has a binding obligation to, and is able to make good the losses. If the subsidiary subsequently reports profits, the majority interest is allocated all such profits until the minority's share of losses previously absorbed by the majority has been recovered.



# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.1.4 Offsetting

All items, significant in terms of content and amount, are stated separately in the consolidated financial statements even if they bear the same characteristics. Insignificant amounts or items displaying similar characteristics are stated collectively. As a consequence, situations that arise due to the content of transactions and events make offsetting necessary, as the stating of the transaction or event over the net values or recognising assets after the deduction for impairment, is not regarded as a violation of the rule of non-offsetting. Income obtained, other than revenue, defined under the title “Proceeds” as a result of the Group's transactions realised within the normal course of business, is accounted for over the net values, provided that they are related to the essence of the transaction or event.

##### 2.1.5 Comparatives

Consolidated financial statements and accompanying notes have been presented in accordance with the format, recommended to be implemented by CMB through its announcement dated 14 April 2008, and by including the mandatory information (Note 2.1.1). Where necessary, comparative figures have been reclassified to conform to the changes in presentation of consolidated financial statements at 31 December 2008. All the reclassifications are made in order to be consistent with the abovementioned format and the details are as follows:

- Trade receivables: The items amounting to YTL 27.439.824 included in “Due from related parties” in the balance sheet at 31 December 2007, has been reclassified to “Trade receivables” in the current period.
- Other receivables: Deposits and guarantees given amounting to YTL 1.529.700 included in “Trade receivables” in the balance sheet at 31 December 2007, has been reclassified to “Other receivables” in the current period.
- Other current assets: The items amounting to YTL 32.321.509, included in “Other receivables”, the items amounting to YTL 2.299.904, included in “Due from related parties” and the items amounting to YTL 718.054, included in “Inventories” in the balance sheet at 31 December 2007, have been reclassified to “Other current assets” in the current period.
- Other long term receivables: Deposits and guarantees given amounting to YTL 123.718, included in “Trade receivables” in the balance sheet at 31 December 2007, has been reclassified to “Other long term receivables” in the current period.
- Investments accounted for by using the equity method: The affiliates amounting to YTL 4.380.092, included in “Financial assets” in the balance sheet at 31 December 2007, has been presented as “Investments accounted for by using the equity method” in the current period.
- Financial investments: The available for sale financial assets amounting to YTL 6.186.438, presented as in “Financial assets” in the balance sheet at 31 December 2007, has been reclassified to “Financial investments” in the current period.
- Other non-current assets: The advances given amounting to YTL 72.123, included in “Tangible assets” in the balance sheet at 31 December 2007, has been reclassified to “Other non-current assets” in the current period.

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.1.5 Comparatives (Continued)

- Financial liabilities: The items amounting to YTL 2.489.272, included in “Leasing liabilities”, the items amounting to YTL 99.094.584, included in “Trade payables” and the items amounting to YTL 5.256.664, included in “Leasing liabilities” in the balance sheet at 31 December 2007, has been reclassified to “Financial liabilities” in the current period.
- Trade payables: The items amounting to YTL 6.662.436, included in “Due from related parties” in the balance sheet at 31 December 2007, has been reclassified to “Trade payables” in the current period.
- Other payables: The items amounting to YTL 207.686, included in “Trade payables” and the items amounting to YTL 17.982.758, included in “Other current liabilities” in the balance sheet at 31 December 2007, has been reclassified to “Other payables” in the current period.
- Other current liabilities: The items amounting to YTL 223.470, included in “Advances received” in the balance sheet at 31 December 2007, has been reclassified to “Other current liabilities” in the current period.
- Current year income tax liability: The items amounting to YTL 26.864.197, included in “Debt provision” in the balance sheet at 31 December 2007, has been reclassified to “Current income tax liabilities” in the current period.
- Other payables: The items amounting to YTL 145.588 included in “Other long term liabilities” in the balance sheet at 31 December 2007, has been reclassified to “Other payables” in the current period.
- Provision for employment termination benefit: The items amounting to YTL 10.115.141 included in “Provisions” in the balance sheet at 31 December 2007, has been presented as “Provision for employment termination benefit” in the current period.
- Share of loss of investments accounted for by the equity method: The items amounting YTL 20.902.969 which were presented as “Other expenses and losses” in the consolidated statement of income for the period ended 31 December 2007 have been reclassified to “Losses from valuation of the investments by using equity method” in the current period.
- Financial expenses: The items amounting YTL 29.878.220 which were presented as “Other expenses and losses” in the consolidated statement of income for the period ended 31 December 2007 have been reclassified to “Financial expenses” in the current period.
- Financial income: The items amounting YTL 44.996.267 which were presented as “Other income and gains” in the consolidated statement of income for the period ended 31 December 2007 have been reclassified to “Financial income” in the current period.

In order to enable the determination of the consolidated financial position and performance trends, the Group’s consolidated financial statements have been presented comparatively with the prior period. The Group presented the balance sheet as of 31 December 2008 comparatively with the balance sheet as of 31 December 2007 and presented the statement of income, statement of cash flows and statement of change in equity for the period 1 January- 31 December 2008 comparatively with the prior period 1 January- 31 December 2007.

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.1.5 Comparatives (Continued)

Sales: The sales premiums given to advertisement agencies amounting YTL 7.268.320 which were presented as "Marketing, selling and distribution expenses" in the consolidated statement of income for the period ended 31 December 2007 have been reclassified to "Sales" in the current period.

The Group has stopped the presentation of one of its Subsidiary incorporated in Hungary, Kisokos Directory Kereskedelmi es Szolgalto Kft. ("Kisokos") as discontinued operations in accordance with the decision take on 30 June 2008. Discontinued operations which were presented as an item on the face of financial statements as " non current assets held for sale", "liabilities related to non current assets held for sale" and " net discontinued operations loss after tax " at 30 June 2008 and 31 December 2007 respectively, have been reclassified and restated in order to be consistent with the current period.

##### 2.1.6 Amendments and interpretations to existing standards

###### a) Amendments and interpretations that are effective from the year 2008 but not relevant to the Group's financial statements:

- IFRIC 11, "IFRS 2 - Group and Treasury Share Transactions" (effective for annual periods beginning on or after 1 March 2007.)
- IFRIC 12, "Service Concession Arrangements" (effective for annual periods beginning on or after 1 January 2008.)
- IFRIC 13, "Customer Loyalty Programmes" (effective for annual periods beginning on or after 1 July 2008.)
- IFRIC 14, "IAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective for annual periods beginning on or after 1 January 2008.)
- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation" (effective for annual periods beginning on or after 1 October 2008.)

###### b) Amendments and interpretations to existing standards that are not effective for the year 2008 and have not been early adopted by the Group:

- i) Amendments and interpretations which are mandatory for the accounting periods beginning on or after 1 January 2009
  - IAS 23, (Amendment), "Borrowing costs" Significant changes removing the option to expense borrowing costs
  - IFRS 8, "Operating segments"
  - IAS 32, "Financial instruments: Presentation" Change in the disclosure of puttable financial instruments and obligations arising on liquidation
  - IAS 1 , "Presentation of financial statements" Significant changes in comprehensive income statements
  - IAS 39 "Financial instruments: Recognition and measurement" Changes in hedging instruments
  - IFRS 1, (Amendment), "First-time adoption of International Financial Reporting Standards" Change in cost of investment in the first time adoption of IFRSs
  - IFRS 2, (Amendment), "Share-based payment"
  - IFRIC 15, "Agreements for the construction of real estate"
  - IAS 40, (Amendment), "Investment property"
  - IAS 31, (Amendment), "Interests in joint ventures"
  - IAS 28, (Amendment), "Investments in associates"

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.1.6 Amendments and interpretations to existing standards (Continued)

- ii) Amendments and interpretations which are mandatory for the accounting periods beginning on or after 1 July 2009:
- IAS 27 (Amendment), “Consolidated and Separate Financial Statements”
  - IFRS 3 (Amendment), “Business Combinations”
  - IFRS 5 (Amendment), “Non-current Assets Held for Sale and Discontinued Operations”

The Group management does not foresee any material impact of adoption of the aforementioned standards and interpretations on the consolidated financial statements of the Group in the upcoming periods.

#### 2.2 Summary of significant accounting policies

##### 2.2.1 Related parties

For the purposes of these consolidated financial statements, Doğan Holding and Doğan Yayın, shareholders, key management personnel and Board members, in each case together with their families and companies controlled or affiliated with them are considered and referred to as “Related parties” (Note 32).

##### 2.2.2 Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are either acquired for generating a profit from short-term fluctuations in price or dealer’s margin, or are securities included in a portfolio in which a pattern of short-term profit making exists. Financial assets at fair value through profit and loss are initially recognised at cost of purchase including the transaction costs and subsequently re-measured at fair value. All related realised and unrealised gains and losses are included in the statement of income.

##### 2.2.3 Trade receivables and provision for doubtful receivables

Trade receivables resulted from providing goods or services directly to a debtor are carried at amortised cost. Trade receivables, net of unearned financial income, are measured at amortized cost, using the effective interest rate method, less the unearned financial income. Short term receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant (Note 9)

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The Group also set allowance for the receivables which are overdue for more than one year unless there is no guarantee or special agreement. The recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2.4 Impairment of assets

IFRS prohibits the amortization of goodwill and intangible assets with indefinite useful lives. Goodwill recognised in a business combination is not amortised, it is tested for impairment annually instead and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. The Group tests goodwill for impairment at year-ends.

The Group reviews all assets except goodwill at each balance sheet date for any indication of impairment on the stated asset. If there is any indicator of impairment, carrying amount of the stated asset is compared with the net realizable value which is the higher of value in use and fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment exists if the carrying amount of the stated asset or the cash generating unit including the stated asset exceeds its net realizable value. Impairment losses are recognized in consolidated statement of income.

The recoverable amounts of cash generating units have been determined using fair value less costs to sell valuation model. Fair value is measured based on post-tax discounted cash flows based on financial budgets covering a five-year period and estimated EBITDA (budgeted operating profit before interest, tax, depreciation and amortization, impairment charges and other non-recurring operating expenses) has a significant impact on these valuations. Cash flows beyond the five-year period are extrapolated using the EBITDA growth rates and discount rates stated below.

	EBITDA growth rate (%) (*)	Discount rate (%)
Russia and Commonwealth of Independent States	3.90	14.3
Hungary	2.36	12.6
Croatia	2.17	13.2
Eastern Europe	1.75	11.6

(\*) Weighted average EBITDA growth rates used to extrapolate cash flows beyond the budget period.

##### 2.2.5 Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make the sale. Cost elements included in inventories are materials, labour and an appropriate amount for production overheads. The cost of inventories is determined on the weighted average basis (Note 11).

##### 2.2.6 Investment properties

Land and buildings that are held to earn rentals and/or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as investment property and are carried at cost less accumulated depreciation (except land) under the cost method less impairment charges, if any. Depreciation of investment properties (except land) is provided using a straight-line basis. The depreciation periods for investment property, which approximate the economic useful lives of such assets, are determined as 50 years (Note 13).

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2.6 Investment properties (Continued)**

Investment properties are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use. Investment properties are evaluated for any impairment and if carrying value of the investment property is higher than net recoverable amount, provision for impairment is established for the difference between the carrying and recoverable amount. Impairment is recorded to income statement at the same period.

**2.2.7 Property, plant and equipment and depreciation**

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided using the straight-line method based on the estimated useful lives of the assets (Note 14). The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

Buildings	25-50 years
Machinery and equipment	3-15 years
Furniture and fixtures	3-15 years
Motor vehicles	5 years
Leasehold improvements	2-20 years

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of fair value less costs to sell or value in use. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Impairment losses are recognized in the consolidated statement of income of the same year.

Gains or losses on disposals of property, plant and equipment are included in the other income/(expense) accounts, as appropriate.

Repair and maintenance expenses are charged to the statement of income as they are incurred. Repair and maintenance expenses are capitalised if they result in an enlargement or substantial improvement of the respective assets (Note 14).

**2.2.8 Financial leases**

Assets acquired under finance lease agreements are capitalised at the inception of the lease at fair value of the leased asset or at present value of the lease payment, whichever is the lower, less accumulated depreciation. Minimum lease payments are treated as comprising capital and interest elements.

Lease payments are apportioned between the finance charges and capital redemption so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the estimated useful life of the asset.

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2.9 Goodwill and amortisation

Goodwill and negative goodwill which represents the excess of the cost of an acquisition over the fair value of the group’s share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition in the consolidated financial statements, are capitalised and amortised using the straight-line method over the useful life until 31 December 2004, for the acquisitions before 31 March 2004. Within the framework of IFRS 3 - “Business Combinations” amortisation accounting is not applied for goodwill related to acquisitions after 31 March 2004, and the carrying value of goodwill is reviewed and adjusted for permanent impairment where it is considered necessary. The carrying amount of negative goodwill related to the acquisition after 31 March 2004 is reviewed and accounted for as income in the related period. In accordance with IFRS 3, goodwill associated with transactions before 31 March 2004 is not amortised starting from the beginning of the first annual period beginning on or after 31 March 2004 (1 January 2005) and are reviewed for impairment annually at year-ends (Note 16 and 2.2.27).

##### 2.2.10 Intangible assets and amortization

Intangible assets excluding goodwill comprise trade names, customer lists, computer software and rights, internet domain names and other intangible assets. All trade names, customer lists and internet domain names have been identified as a result of independent valuations performed for the purchase price allocation related with the business combinations. Useful lives of certain trade names are determined to be indefinite. Assets that have an indefinite useful life are not subject to amortization and tested annually for impairment as goodwill. Estimated useful lives of the intangible assets with finite useful lives are as follows:

Trade names	20 years
Customer lists	9 and 18 years
Computer software and rights	5 years
Domain names	20 years
Other intangible assets	5 years

Computer software and rights and other intangible assets are carried at their acquisition cost and amortised using the straight-line method over their estimated useful lives (Note 15).

Intangible assets with finite useful lives are evaluated for impairment losses when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised immediately in the statement of income.

##### 2.2.11 Critical accounting estimates and judgements

Preparation of financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognised as of the balance sheet date, contingent assets and liabilities disclosed and the amount of revenue and expenses reported. Although, these estimates and assumptions rely on the Company management’s best knowledge about current events and transactions, actual outcomes may vary from those estimates and assumptions. The critical accounting estimates which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the following financial reporting periods are as follows.

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2.11 Critical accounting estimates and judgements (Continued)

###### *Useful lives of intangible assets*

Group estimates the useful lives of some trade names as indefinite as described in Note 2.2.10. If these intangible assets' useful lives are finite (in case of useful lives of 20 years), their amortization would have increased by YTL 14.574.695 (2007: YTL 10.501.834) and income before tax and minority interests would have decreased by YTL 14.574.695 (2007: YTL 10.501.834).

Group amortizes trade names, customer lists and domain names with definite useful lives over the useful lives specified in Note 2.2.10.

If the useful lives of trade names, customer lists and domain names differ from the management's estimates by 10%, the effects on the financial statements would be as follows:

- Had the useful lives been higher by 10%, amortization charges would have decreased by YTL 1.697.945 (2007: YTL 1.243.629) and income before tax and minority interests would have increased by YTL 1.697.945 or
- Had the useful lives been lower by 10%, amortization charges would have increased by YTL 2.075.266 (2007: YTL 1.519.991) and income before tax and minority interests would have decreased by YTL 2.075.266.

###### *Impairment of assets*

If the estimated post-tax discount rate applied to the discounted cash flows for the CGU in Hungary had been 1% higher than management's estimates, the Group would have recognised a further impairment against intangible assets by YTL 4.049.877 and loss before tax and minority interests would have increased by YTL 4.049.877.

##### 2.2.12 Taxation on income

Taxation on income includes current period income taxes and deferred taxes. Current year tax liability consists of tax liability on period income calculated according to currently enacted tax rates and tax legislation in force as of balance sheet date and includes adjustments related to previous years' tax liabilities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

In substance, temporary differences arise from the differences in the periods of the recognition of income and expenses in accordance with the accounting policies described in Note 2.1.1 and tax legislation.

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset accordingly.



**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2.13 Borrowings**

Bank borrowings are recognised initially at proceeds received, net of transaction costs incurred. Bank borrowings are subsequently stated at amortised cost using the effective yield method in the consolidated financial statements. Any difference between the proceeds (excluding transaction charges) and redemption value is recognised in the consolidated statement of income over the period of the borrowings (Note 7).

**2.2.14 Employment termination benefits**

The Group is required to pay termination benefits to employees who is retired, whose employment is terminated without due causes in Labour Law, in accordance with the Law related with The Arrangement of the Relationships within the Employees in Press Sector (employees in media sector) and other laws .The provision for employment termination benefits, as required by Turkish Labour Law, is recognised in these financial statements as the benefits are earned. The total provision represents the present value of future probable obligation of the Group arising from the retirement of its employees regarding the actuarial projections (Note 20).

**2.2.15 Provisions**

Provisions are recognised when the Group has a present legal constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

**2.2.16 Share capital and dividends**

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared. Dividend receivables are accounted for income at the date of dividend collection is eligible.

**2.2.17 Foreign currency transactions and translation**

Income and expenses arising in foreign currencies have been translated with exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from settlement and translation of foreign currency items have been included in the consolidated statement of income.

**2.2.18 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group’s activities. Revenue is shown net of rebates, returns and commissions after eliminating sales within the group.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2.18 Revenue recognition (Continued)**

Revenue initially accounted for with respect to the fair value of the amount receivable or received when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The interest rate used in discounting, is the interest rate to discount nominal amount of the receivable to the amortised cost of the related goods or services given. The difference between the fair value and the nominal amount of the consideration is recognised as interest income on a time proportion basis that takes into account the effective yield on the asset.

***Revenues from advertisement:***

Revenues from advertisement are recognized on an accrual basis at the time of publishing the advertisement in the related media at the invoiced values. Unpublished part of the advertisement is recorded as deferred revenue in balance sheet.

***Revenues from newspaper sale:***

Revenues from newspaper sale are recognized on an accrual basis at the time of delivery of the newspapers by the distribution company to the vendor at the invoiced values.

***Revenues from printing services:***

Revenues from printing services arise from printing services given to third parties other than Group companies by using Group’s printing facilities. Related income is recognized on an accrual basis at the time of services given.

***Newspaper sales returns:***

Provision for newspaper sales returns is accounted at the time of delivery based on past experiences and recent information of sales returns.

***Interest income:***

Interest income is recognised on accruals basis in accordance with effective interest yield method

***Rental income:***

Rental income is recognised on an accrual basis.

***Other income:***

Other income is recognised on an accrual basis.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2.19 Barter agreements**

When goods or services are exchanged or swapped for goods or services, which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. If the fair value of goods or services received cannot be reliably measured, the revenue is measured at the fair value of goods or services given up by the entity, again adjusted for any cash or cash equivalents received or paid (Note 19).

**2.2.20 Earnings per share**

Earnings per share disclosed in the consolidated statements of income are determined by dividing net profit for the period by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares “bonus shares” to existing shareholders from retained earnings (Note 22). For the purpose of earnings per share computations, such bonus shares issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by considering the retrospective effects of the issuances of the shares (Note 31).

In case of dividend payment, earning per share is determined on existing number of shares rather than the weighted average numbers of shares.

**2.2.21 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, bank deposits and easily convertible short term, highly liquid investments with maturity periods of 3 months or less (Note 5).

**2.2.22 Subsequent events**

Subsequent events and announcements related to net income or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when the balance sheet is authorised for issue.

In the case that events requiring a correction to be made occur subsequent to the balance sheet date, the Company makes the necessary corrections to the financial statements.

**2.2.23 Reporting of cash flows**

In the statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group’s operations.

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2.23 Reporting of cash flows (Continued)

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with 3 months or less to maturity (Note 5).

##### 2.2.24 Accounting for put options

Under the certain terms of acquisition agreements, the Group is committed to acquire the interests owned by minority shareholders in consolidated subsidiaries, if these minority interests wish to sell their share of interests.

As it is highly probable that the Group will fulfil this obligation, IAS 32, “Financial Instruments: Disclosure and Presentation”, requires the value of such put option to be presented as a financial liability on the balance sheet for the discounted value of the expected exercise price of this option, notwithstanding the ability of the Company to settle part of these obligations with its own shares rather than cash. Furthermore, the share of minority shareholders in the net asset of the company subject to the put option must be reclassified from “minority interest” to “other financial liabilities” in the consolidated balance sheet. The Group recognises, on initial recognition, the difference between the exercise price of the option and the carrying value of the minority interests as a reduction of minority interest and then as additional goodwill. The subsequent unwinding of the discount is recognised in financial expense while the change in the value of the commitment is recorded through goodwill (Note 16).

##### 2.2.25 Assets held for sale and discontinued operations

Discontinued operations are the part of the Group which either are classified as held-for-sale or have been disposed of and whose activities and cash flows can be treated as separable from the Group’s activities and cash flows. Discontinued operations represent separate business or geographical segments, which are part of a plan to sell or dispose, or is a subsidiary acquired for selling. The Group measures discontinued operations, with the lower of the carrying amounts of the related assets and liabilities of the discontinued operations or the fair values less costs to sell (Note 29).

##### 2.2.26 Web page development costs

The direct costs incurred in the development of its websites are capitalised and recognised over the estimated useful lives (Note 15). The costs incurred that relate to the planning and post implementation phases are expensed. Repair and maintenance costs associated with websites are included in operating expenses.

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2.27 Business combinations

Business combinations are accounted in accordance with IFRS 3 “Business Combinations”. Goodwill represents the excess of the cost of an acquisition over the fair value of the group’s share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. The fair value differences of the net assets of the Group’s share, net of deferred tax, are initially accounted as fair value reserve in equity. Goodwill recognised in a business combination is not amortised, it is tested for impairment annually instead and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. The Group tests goodwill for impairment at year-ends.

If the cost of acquisition is less than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is recognised directly in the statement of income (Note 3).

##### 2.2.28 Segment reporting

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments. A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

A reportable segment is a business segment or a geographical segment identified based on the foregoing definitions for which segment information is required to be disclosed. A business segment or geographical segment should be identified as a reportable segment if a majority of its revenue is earned from sales to external customers and its revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or its segment result, whether profit or loss, is 10% or more of the combined result of all segments in profit or the combined result of all segments in loss, whichever is the greater in absolute amount; or its assets are 10% or more of the total assets of all segments.

The Group has selected the geographical segment as the Group’s primary segment reporting format based on the risks and returns in geographical areas reflecting the primary source of the enterprise’s risks and returns. Business segments have not been disclosed in these consolidated financial statements as the secondary segment reporting format as the operations of the Group are not reportable business segments on the grounds of materiality.

##### 2.2.29 Derivative financial instruments

Derivative financial instruments, predominantly foreign currency interest swap agreements and foreign currency agreements are initially recognised at their historical costs plus the transaction costs. Derivative financial instruments are subsequently remeasured at their fair value. All derivative financial instruments are classified as financial assets carried at fair value through profit or loss. Fair value of derivative financial instruments is measured by using its market value or by applying discounted cash flows method. The fair value of the over-the-counter forward exchange transactions, are determined by comparing the forward exchange rate as of 31 December 2008 with the original forward exchange rate for the related currency which was calculated over the valid market interest rates. Derivative financial instruments are classified as assets or liabilities in accordance with their fair values to be positive or negative.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2.29 Derivative financial instruments (Continued)**

Changes in the fair value of derivatives at fair value through profit or loss are included in the statement of income.

Certain derivative transactions, while providing effective economic hedges under the risk management position, do not qualify for hedge accounting under the specific rules under IAS 39 and are therefore treated as derivatives at fair value through profit or loss and their fair value gains and losses are included in the statement of income.

Profit or loss included in the commodity futures agreements have been calculated by comparing the spot exchange rate calculated at the balance sheet date with the original exchange rate obtained by using the spot exchange rate at the start date of the agreement (Direct method has been applied for calculating the original exchange rate). Gains and losses occurred in hedging swap transaction is recognized same as the profits and losses incurred from the hedging instrument transactions. Gains and losses incurred in interest rate transactions have been recorded as interest income or expenses.

**NOTE 3 - BUSINESS COMBINATIONS**

There are no significant business combinations for the periods 1 January - 31 December 2008.

**1 January - 31 December 2007:**

The Group acquired 67,3% of TME shares in consideration of YTL 479.333.941 and 55% of Moje Delo d.o.o (“Moje Delo”) which operates in Slovenia. In consideration of EUR 2 million in addition to a supplementary payment based on the net income of Moje Delo for the period 1 January - 31 December 2007.

The Group recognised positive goodwill for the excess of the cost of the business combination over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities (Note 16).

Details of net assets acquired and goodwill are as follows:

	<b>TME</b>	<b>Moje Delo</b>
Cash consideration	466.410.050	5.217.076
Direct costs relating to the acquisition	12.923.891	-
Put option liability at fair value	-	6.049.430
<b>Total purchase consideration</b>	<b>479.333.941</b>	<b>11.266.506</b>
Fair value of net assets acquired	(239.097.290)	(195.670)
<b>Goodwill</b>	<b>240.236.651</b>	<b>11.070.836</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 3 - BUSINESS COMBINATIONS (Continued)**

The Group has initiated external valuation studies for the fair values of identifiable assets, liabilities and contingent liabilities acquired and the allocation of purchase prices relating to these business combinations. Such valuations have been completed as of the date these financial statements are prepared.

The acquired businesses contributed sales of YTL 281.401.499 and net profit for the period of YTL 5.782.556 to the Group for the period 1 April - 31 December 2007. If the acquisitions had occurred on 1 January 2007, Group’s sales would have been YTL 993.579.225, and net profit for the period would have been YTL 89.496.025.

**TME shares acquisition:**

The fair values of acquired identifiable assets, liabilities and contingent liabilities and acquisition costs are as follows:

	<b>Fair value</b>	<b>Carrying value</b>
Cash and cash equivalents	43.949.285	43.949.285
Marketable securities (net)	4.068.535	4.068.535
Trade receivables (net)	19.790.634	19.790.634
Inventory (net)	4.820.689	4.820.689
Other receivables	29.167.033	29.167.033
Financial assets (net)	168.372	168.372
Property, plant and equipment	43.815.415	32.174.271
Intangible assets	629.910.132	142.545.009
Deferred tax assets	9.231.489	9.231.489
Other non-current assets	466.474	466.474
Borrowings	(180.755.837)	(180.755.837)
Lease payables (net)	(197.354)	(197.354)
Trade payables	(32.773.235)	(32.773.235)
Provisions	(1.747.208)	(1.747.208)
Other financial liabilities	(14.123.943)	(14.123.943)
Other liabilities	(38.134.579)	(38.134.579)
Deferred tax liabilities	(160.153.629)	(43.079.822)
Minority interest	(118.404.983)	(2.652.552)
<b>Net assets acquired</b>	<b>239.097.290</b>	<b>(27.082.739)</b>

Details of the cash outflows on acquisitions are as follows:

Purchase consideration settled in cash	479.333.941
Cash and cash equivalents in subsidiary acquired	(43.949.285)
<b>Cash outflow on acquisition</b>	<b>435.384.656</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 3 - BUSINESS COMBINATIONS (Continued)**

***Purchase of Moje Delo shares:***

The Group acquired 55% of the shares of Moje Delo which operates in Slovenia, in consideration of EUR 2 million in addition to a supplementary payment based on the net income of Moje Delo for the period 1 January - 31 December 2007.

The Group determined an earn-out payment subject to a maximum of 1 million Euro and paid 1 million Euro in September 2008. Moje Delo is a recruitment company in Slovenia operating both on the internet and on the market. Moje Delo has two subsidiaries; “Bolji Posao Bosnia” in Bosnia Herzegovina and “Bolji Posao Serbia” in Serbia.

The Group has granted to the selling minority shareholders a put option on the remainder of the shares exercisable from January 2009 to January 2012 and has a call option exercisable from January 2011 to January 2014. Fair values of mentioned options shall be calculated based on EBITDA and the net financial debt of Moje Delo (Note 19).

**NOTE 4 - SEGMENT REPORTING**

**a) Segmental analysis for the period between 1 January - 31 December 2008:**

	<b>Turkey</b>	<b>Russia and EE</b>	<b>Europe</b>	<b>Total</b>
Sales	583.475.736	321.915.554	93.055.048	998.446.338
Cost of sales	(383.625.514)	(153.663.354)	(58.525.220)	(595.814.088)
<b>Gross operating profit</b>	<b>199.850.222</b>	<b>168.252.200</b>	<b>34.529.828</b>	<b>402.632.250</b>
Marketing, selling and distribution expenses	(79.459.140)	(26.132.164)	(13.198.503)	(118.789.807)
Losses from investments accounted for by equity method, net (-)	(8.765.400)	-	-	(8.765.400)
<b>Net segment result</b>	<b>111.625.682</b>	<b>142.120.036</b>	<b>21.331.325</b>	<b>275.077.043</b>
General administrative expenses (-)				(204.550.093)
Other operating income				22.668.854
Other operating expenses				(24.355.781)
Financial income				106.896.257
Financial expense (-)				(264.470.597)
<b>Operating loss before tax from continued operations</b>				<b>(88.734.317)</b>
Tax expenses for the period				(24.396.599)
Deferred tax income				32.609.226
<b>Net loss for the period</b>				<b>(80.521.690)</b>



**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

**NOTE 4 - SEGMENT REPORTING (Continued)**

**b) Segmental analysis for the period between 1 January - 31 December 2007:**

	<b>Turkey</b>	<b>Russia and EE</b>	<b>Europe</b>	<b>Total</b>
Sales	595.173.415	221.603.072	80.800.333	897.576.820
Cost of sales	(380.564.659)	(97.842.746)	(53.388.905)	(531.796.310)
<b>Gross operating profit</b>	<b>214.608.756</b>	<b>123.760.326</b>	<b>27.411.428</b>	<b>365.780.510</b>
Marketing, selling and distribution expenses	(95.186.628)	(12.834.635)	(5.207.281)	(113.228.544)
Losses from investments accounted for by equity method, net (-)	(20.902.969)	-	-	(20.902.969)
<b>Net segment result</b>	<b>98.519.159</b>	<b>110.925.691</b>	<b>22.204.147</b>	<b>231.648.997</b>
General administrative expenses (-)				(134.920.201)
Other operating income				7.970.255
Other operating expense				(15.013.826)
Financial income				132.790.291
Financial expense (-)				(69.505.329)
<b>Operating income before tax from continued operations</b>				<b>152.970.187</b>
Tax expenses for the period				(52.041.491)
Deferred tax income				4.346.871
<b>Net income for the period</b>				<b>105.275.567</b>

**c) Segment assets**

	<b>31 December 2008</b>	<b>31 December 2007</b>
Turkey	959.466.845	862.792.913
Russia and EE	762.622.969	722.459.862
Europe	279.831.253	193.725.652
	<b>2.001.921.067</b>	<b>1.778.978.427</b>
Unallocated assets	42.112.287	39.046.517
Investments accounted for by the equity method	316.468	4.380.092
<b>Total assets per consolidated financial statements</b>	<b>2.044.349.822</b>	<b>1.822.405.036</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 4 - SEGMENT REPORTING (Continued)**

**d) Segment liabilities**

	<b>31 December 2008</b>	<b>31 December 2007</b>
Turkey	37.021.621	37.853.499
Russia and EE	23.869.382	26.751.545
Europe	30.617.363	36.977.294
	<b>91.508.366</b>	<b>101.582.338</b>
Unallocated liabilities	1.066.642.313	866.996.919
<b>Total liabilities per consolidated financial statements</b>	<b>1.158.150.679</b>	<b>968.579.257</b>

**e) Depreciation and amortisation charges and capital expenditures**

***Capital expenditures (excluding business combinations):***

	<b>31 December 2008</b>	<b>31 December 2007</b>
Turkey	53.324.230	40.923.913
Russia and EE	7.004.740	5.121.956
Europe	7.656.518	6.084.641
	<b>67.985.488</b>	<b>52.130.510</b>

***Depreciation and amortization charges:***

	<b>31 December 2008</b>	<b>31 December 2007</b>
Turkey	46.001.620	45.824.057
Russia and EE	24.824.396	16.570.051
Europe	13.292.102	9.605.179
	<b>84.118.118</b>	<b>71.999.287</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 4 - SEGMENT REPORTING (Continued)**

**f) Non-cash expenses:**

	<b>31 December 2008</b>			
	<b>Turkey</b>	<b>Russia and EE</b>	<b>Europe</b>	<b>Total</b>
Provision for impairment of goodwill and intangible assets	-	-	32.795.581	32.795.581
Provision for doubtful receivables (Note 9)	7.447.498	1.620.273	3.595.462	12.663.233
Provision for employment termination benefits and unused vacation rights	6.726.122	-	-	6.726.122
Interest expense accruals	5.560.775	1.200.192	96.423	6.857.390
Provision for impairment of investment property	4.725.638	-	-	4.725.638
Provision for impairment of available for sale financial assets	1.164.760	-	-	1.164.760
Provision for lawsuits (Note 18)	128.676	-	-	128.676
	<b>31 December 2007</b>			
	<b>Turkey</b>	<b>Russia and EE</b>	<b>Europe</b>	<b>Total</b>
Interest expense accruals	3.318.250	278.276	412.304	4.008.830
Provision for employment termination benefits and unused vacation rights	6.390.387	-	-	6.390.387
Provision for doubtful receivables (Note 9)	2.139.813	484.221	587.659	3.211.693
Provision for lawsuits (Note 18)	1.689.579	-	-	1.689.579

**NOTE 5 - CASH AND CASH EQUIVALENTS**

The cash and cash equivalents at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Cash	994.054	692.277
Banks		
- demand deposits	20.827.847	29.848.056
- time deposits	348.438.613	107.348.259
- blocked deposits	65.451	49.920
	<b>370.325.965</b>	<b>137.938.512</b>

The Group has blocked deposits amounting to YTL 65.451 as of 31 December 2008 (2007: YTL 49.920).

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)**

Cash and cash equivalents included in the consolidated statements of cash flows as of 31 December are as follows:

	<b>2008</b>	<b>2007</b>	<b>2006</b>
Cash and banks	370.325.965	137.938.512	141.823.172
Less: Blocked deposits and time deposits with maturity of more than three months	(65.451)	(887.160)	(51.034.707)
Less: Interest accruals	(2.041.423)	(534.872)	(746.484)
<b>Total</b>	<b>368.219.091</b>	<b>136.516.480</b>	<b>90.041.981</b>

The maturity analysis of time deposits including the blocked time deposits is as follows:

	<b>2008</b>	<b>2007</b>
0-1 month	348.477.992	93.695.231
1-3 months	-	12.865.708
3-6 months	-	-
6-12 months	-	837.240
	<b>348.477.992</b>	<b>107.398.179</b>

There are no time deposits with variable interest rates at 31 December 2008 and 2007. The effective interest rate for YTL time deposits is 21,4% (2007: 17,9%). The effective interest rates of foreign currency denominated time deposits are 6,3% for USD and 6,8% for Euro as of 31 December 2008. (2007: USD: 5,5%, Euro: 4,1%, Other: 4,6%).

**NOTE 6 - FINANCIAL ASSETS**

The details of financial assets at fair value through profit and loss at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Treasury bills and government bonds	-	2.093.720
	<b>-</b>	<b>2.093.720</b>

The best bid prices by the end of the second session in ISE on balance sheet dates were used upon the determination of the fair values of government bonds and treasury bills. As of 31 December 2008 the Group does not have treasury bills and government bonds. The effective interest rate of treasury bills and government bonds is 20,2% as of 31 December 2007.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 6 - FINANCIAL ASSETS (Continued)**

The maturity analyses of financial assets at fair value through profit and loss at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
181-365 days	-	2.093.720
	<b>-</b>	<b>2.093.720</b>

There are no pledged or blocked marketable securities at 31 December 2008 and 2007.

The details of long term financial assets at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Available-for-sale financial assets	4.995.077	6.186.438
	<b>4.995.077</b>	<b>6.186.438</b>

	<b>Share %</b>	<b>2008</b>	<b>Share %</b>	<b>2007</b>
Doğan Havacılık Sanayi ve Ticaret A.Ş. (“Doğan Havacılık”)	9,00	4.513.093	9,00	4.513.093
Doğan Factoring Hizmetleri A.Ş. (“Doğan Factoring”)	5,00	736.422	5,00	736.422
Doğan Dış Ticaret ve Mümessillik A.Ş. (“Doğan Dış Ticaret”)	2,00	346.038	2,00	346.038
Coats İplik Sanayi A.Ş.	0,50	257.850	0,50	257.850
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. (“Hürservis”)	19,00	169.166	19,00	169.166
Other	-	137.268	-	163.869
		<b>6.159.837</b>		<b>6.186.438</b>
Impairment on Doğan Havacılık (Note 26)		(1.164.760)		-
		<b>4.995.077</b>		<b>6.186.438</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 7 - FINANCIAL LIABILITIES**

The details of financial liabilities at 31 December are as follows:

<b>Short term financial liabilities:</b>	<b>2008</b>	<b>2007</b>
Bank borrowings	244.438.603	41.401.587
Financial liabilities to suppliers	28.530.162	15.853.392
Lease payables	2.692.644	2.489.272
<b>Total</b>	<b>275.661.409</b>	<b>59.744.251</b>
<b>Long term financial liabilities:</b>	<b>2008</b>	<b>2007</b>
Bank borrowings	537.552.557	516.698.027
Financial liabilities to suppliers	86.094.672	83.241.192
Lease payables	4.290.663	5.256.664
<b>Total</b>	<b>627.937.892</b>	<b>605.195.883</b>

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

NOTE 7 - FINANCIAL LIABILITIES (Continued)

**Bank borrowings:**

The details of bank borrowings at 31 December are as follows:

	Effective interest rate per annum (%)		Original foreign currency		YTL	
	2008	2007	2008	2007	2008	2007
<b>Short-term bank borrowings</b>						
- YTL	-	-	1.799.088	1.621.336	1.799.088	1.621.336
- Euro	4,8	6,6	1.772.924	1.224.098	3.795.474	2.093.453
- USD	5,9	-	1.195.817	-	1.808.434	-
- CHF	5,1	-	320.582	-	458.432	-
<b>Sub-total</b>					<b>7.861.428</b>	<b>3.714.789</b>
<b>Short-term portion of long-term bank borrowings</b>						
- USD	4,5	6,9	149.664.115	26.591.243	226.337.042	30.970.821
- Euro	4,9	5,8	2.953.910	2.141.477	6.323.731	3.662.354
- CHF	5,1	4,8	2.738.742	2.972.476	3.916.402	3.053.623
<b>Sub-total</b>					<b>236.577.175</b>	<b>37.686.798</b>
<b>Total short term bank borrowings</b>					<b>244.438.603</b>	<b>41.401.587</b>
<b>Long-term bank borrowings:</b>						
- USD	4,7	7,3	305.472.521	418.885.476	461.966.094	487.875.914
- Euro	5,3	6,3	32.446.832	12.499.436	69.462.178	21.376.535
- CHF	5,1	5,0	4.282.717	7.247.715	6.124.285	7.445.578
<b>Total long term bank borrowings</b>					<b>537.552.557</b>	<b>516.698.027</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 7 - FINANCIAL LIABILITIES (Continued)**

**Bank borrowings (Continued):**

The redemption schedule of long-term bank borrowings is as follows:

<b>Year</b>	<b>2008</b>	<b>2007</b>
2009	-	180.866.303
2010	156.687.824	117.213.006
2011	176.681.512	121.833.893
2012	144.318.584	68.419.981
2013	58.879.869	27.578.152
2014 and over	984.768	786.692
	<b>537.552.557</b>	<b>516.698.027</b>

The exposure of the Group’s borrowings to interest rate changes and the contractual reprising dates at the balance sheet dates are as follows:

<b>Year</b>	<b>2008</b>	<b>2007</b>
Up to 6 months	778.576.974	484.966.299
6-12 months	3.414.186	5.784.931
1-5 years	-	67.348.384
	<b>781.991.160</b>	<b>558.099.614</b>

Carrying value of the financial liabilities is considered to approximate their fair value since discount effect is not material.

The Group has entered into a credit facility amounting to USD 240.850.000 to finance the acquisition of TME shares. The Group has some covenants related with these bank borrowings.

The Group has to maintain a net debt ratio on the basis of EBITDA identified by the bank for the last 12 months consolidated financial statements.

Furthermore, the Group committed that there will be no business combinations or disposals or sales of assets or liabilities in aggregate which may indicate a change in the control or in the major operations in one of the Group’s Subsidiary, TME.

The Group has pledged 33.649.091 unit share certificates which comprise 67,3% of the shares of TME, one of its Subsidiaries, as securities to financial institutions related with the long term bank borrowings (2007: 33.649.091 unit).



**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 7 - FINANCIAL LIABILITIES (Continued)**

**Bank borrowings (Continued):**

Furthermore, the Group’s subsidiary TME has signed a senior credit agreement in 2007 which amounts to a total facility of USD 200.000.000. The Group has drawn USD 144.800.000 of the credit facility in 2007, the remaining part of the credit facility amounted USD 55.200.000 has been drawn in October 2008.

TME shall repay and cancel the credit facility in case of any change in the control of TME or any illegal acts provided that there are mitigation clauses in the credit facility agreement.

Furthermore, if there are disposals or sells in aggregate in excess of the amount of 10% of the TME’s consolidated net assets or if there is an equity movement resulting in 10% change in TME’s consolidated net assets, TME shall repay and cancel the credit facility.

The Group’s borrowings issued at variable interest amount to YTL 682.526.838 at 31 December 2008 (2007: YTL 474.489.322).

**Lease payables:**

Lease payables at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Short term lease payables	2.692.644	2.489.272
Long term lease payables	4.290.663	5.256.664
	<b>6.983.307</b>	<b>7.745.936</b>

The redemption schedules of long-term lease payables are stated below:

<b>Year</b>	<b>2008</b>	<b>2007</b>
2009	-	2.161.551
2010	2.687.916	1.980.440
2011	1.572.833	1.094.694
2012	29.914	19.979
	<b>4.290.663</b>	<b>5.256.664</b>

The effective interest rate for long term lease payables is 6,5% for USD and 5,0% for Euro (2007: USD: 6,5%, Euro: 5,0%).

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 7 - FINANCIAL LIABILITIES (Continued)**

**Financial liabilities to suppliers:**

Short and long-term financial liabilities to suppliers are related with the purchase of machinery and equipment. The effective interest rates of long term financial liabilities to suppliers are 3,4% for USD, 4,5% for Euro and 3,0% for CHF (2007: USD: 5,5%, Euro: 4,7%, CHF: 3,8%).

The redemption schedules of long-term financial liabilities to suppliers are as follows:

<b>Year</b>	<b>2008</b>	<b>2007</b>
2009	-	20.329.886
2010	21.889.481	16.409.591
2011	21.985.081	16.070.114
2012	21.664.817	15.814.269
2013	18.633.226	13.467.886
2014 and over	1.922.067	1.149.446
	<b>86.094.672</b>	<b>83.241.192</b>

The Group’s long-term financial liabilities to suppliers issued at variable interest rates are amounting to YTL 86.094.672 (2007: YTL 79.104.465).

The exposure of the Group’s long-term financial liabilities to suppliers to interest rate changes and the contractual reprising dates are as follows:

<b>Period</b>	<b>2008</b>	<b>2007</b>
Up to 6 months	113.654.109	97.718.979
6-12 months	970.725	353.742
1-5 years	-	1.021.863
	<b>114.624.834</b>	<b>99.094.584</b>

The fair values of short term and long-term financial liabilities to suppliers are considered to approximate their carrying values as the effect of discount is not material.

**NOTE 8 - OTHER FINANCIAL LIABILITIES**

Other financial liabilities at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Financial liabilities due to put options		
Short term (Note 19)	13.686.315	-
Long term (Note 19)	6.043.151	17.850.192
	<b>19.729.466</b>	<b>17.850.192</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 9 - TRADE RECEIVABLES AND PAYABLES**

Short-term trade receivables net of unearned credit finance income at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Trade receivables	176.236.809	213.166.381
Cheques and notes receivable	8.682.318	6.393.305
Receivables from credit cards	312.739	441.690
	<b>185.231.866</b>	<b>220.001.376</b>
Unearned credit finance income	(1.540.031)	(1.934.126)
	<b>183.691.835</b>	<b>218.067.250</b>
Less: provision for doubtful receivables	(32.659.317)	(23.199.576)
<b>Short-term trade receivables</b>	<b>151.032.518</b>	<b>194.867.674</b>

Long-term trade receivables net of unearned credit finance income at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Long-term trade receivables	8.342.790	-
Unearned credit finance income	(994.495)	-
<b>Long-term trade receivables</b>	<b>7.348.295</b>	<b>-</b>

Trade receivables resulting from advertisement and publications, amounting to YTL 105.416.417 (2007: YTL 142.885.075) are followed up by Doğan Factoring Hizmetleri A.Ş. (“Doğan Factoring”) in accordance with the factoring agreement signed between the Group and Doğan Factoring. The average due date of the Group’s trade receivable followed up by Doğan Factoring is between 3 and 4 months (2007: 3 months). The unearned credit finance income related with the receivables followed up by Doğan Factoring is YTL 1.879.645 (2007: YTL 1.592.008) and the effective interest rate is 19% (2007: 18%).

Group’s long-term trade receivables are related with restructured receivables.

The movement of provision for doubtful receivables is as follows:

	<b>2008</b>	<b>2007</b>
<b>1 January</b>	<b>23.199.576</b>	<b>12.901.857</b>
Additions during the year (Note 26)	12.663.233	3.211.693
Collections during the year	(4.231.752)	(481.088)
Currency translation differences	1.450.437	(395.594)
(Disposal)/acquisition of subsidiaries	(422.177)	7.962.708
<b>31 December</b>	<b>32.659.317</b>	<b>23.199.576</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)**

Trade payables at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Short-term trade payables	38.813.109	37.557.565
Notes payable	-	861.732
	<b>38.813.109</b>	<b>38.419.297</b>

**NOTE 10 - OTHER RECEIVABLES AND PAYABLES**

Other receivables at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Receivables from tax authorities (*)	15.975.462	4.701.894
Deposits and guarantees given	717.634	1.529.700
	<b>16.693.096</b>	<b>6.231.594</b>

(\*) Receivables from tax authorities of the Group consist of the receivable as a result of the reconciliation with tax authority (Turkey) as explained in Note 18 and the tax receivable as a result of tax litigation resulted in favour of Pronto Moscow, a subsidiary of the Group, which should be offset against future tax liabilities.

Other long-term receivables at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Deposits and guarantees given	300.753	123.718
	<b>300.753</b>	<b>123.718</b>

Other payables at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Taxes and funds payable	5.851.429	10.337.433
Due to personnel	5.498.759	7.314.876
Social security withholdings payable	3.026.814	3.265.933
Deposits and guaranties received	1.191.255	207.686
	<b>15.568.257</b>	<b>21.125.928</b>

Other long-term payables at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Deposits and guarantees given	189.038	145.588
	<b>189.038</b>	<b>145.588</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

**NOTE 11 - INVENTORIES**

	<b>2008</b>	<b>2007</b>
Raw materials and supplies	18.589.869	20.831.846
Promotion stocks (*)	3.769.347	4.450.920
Semi-finished goods	386.636	316.182
Finished goods and merchandise	1.184.173	1.130.270
	<b>23.930.025</b>	<b>26.729.218</b>
Impairment on promotion stocks	(479.513)	(542.306)
	<b>23.450.512</b>	<b>26.186.912</b>

(\*) Promotion stocks include promotion materials such as books and CDs.

**NOTE 12 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD**

The details of the investments accounted for by the equity method as of 31 December are as follows:

	<b>Share %</b>	<b>2008</b>	<b>Share %</b>	<b>2007</b>
Doğan Media (*)	42,42	-	42,26	4.139.280
Yaysat	25,00	224.731	25,00	149.470
DYG İlan	20,00	91.737	20,00	91.342
		<b>316.468</b>		<b>4.380.092</b>

(\*) Equity accounting is discontinued since the amount of total liabilities exceed the amount of total assets of Doğan Media, an associate of the Group.

The summary Group's share of the financial statements of the investments accounted for by the equity method at 31 December 2008 is as follows:

<b>31 December 2008</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Net sales</b>	<b>Net (loss)/ income for the period</b>
Doğan Media (**)	28.644.684	28.663.897	60.017.547	(8.841.057)
Yaysat	405.904	181.173	713.736	75.262
DYG İlan	100.165	8.428	85.263	395
	<b>29.150.753</b>	<b>28.853.498</b>	<b>60.816.546</b>	<b>(8.765.400)</b>

(\*\*) Net loss for the period of Doğan Media mainly stems from the establishment costs of its subsidiary Doğan Media International SA established in Romania.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

**NOTE 12 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)**

The summary of Group's share of the financial statements of the investments accounted for by the equity method at 31 December 2007 is as follows:

<b>31 December 2007</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Net sales</b>	<b>Net (loss)/ income for the period</b>
Doğan Media	27.498.589	23.359.309	20.428.697	(20.173.952)
Yaysat	641.742	492.272	203.900	(729.735)
DYG İlan	106.234	14.892	19.200	718
	<b>28.246.565</b>	<b>23.866.473</b>	<b>20.651.797</b>	<b>(20.902.969)</b>

The movements in associates during the years ended 31 December are as follows:

	<b>2008</b>	<b>2007</b>
<b>1 January</b>	<b>4.380.092</b>	<b>4.683.331</b>
Loss from associates	(8.765.400)	(20.902.969)
Currency translation differences	(362.062)	(1.224.192)
Share capital increase	5.063.838	21.823.922
<b>31 December</b>	<b>316.468</b>	<b>4.380.092</b>

**NOTE 13 - INVESTMENT PROPERTY**

The movements in investment property and related amortization for the year ended 31 December 2008 are as follows:

	<b>1 January 2008</b>	<b>Additions</b>	<b>Disposals</b>	<b>Provision of impairment</b>	<b>31 December 2008</b>
<b>Cost:</b>					
Land	9.565.495	-	-	-	9.565.495
Buildings	3.444.900	22.174.427	(8.090.520)	(4.725.638)	12.803.169
	<b>13.010.395</b>	<b>22.174.427</b>	<b>(8.090.520)</b>	<b>(4.725.638)</b>	<b>22.368.664</b>
<b>Accumulated depreciation:</b>					
Buildings	318.307	73.455	-	-	391.762
	<b>318.307</b>	<b>73.455</b>	<b>-</b>	<b>-</b>	<b>391.762</b>
<b>Net book value</b>	<b>12.692.088</b>				<b>21.976.902</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 13 - INVESTMENT PROPERTY (Continued)**

The fair value of the investment property has been determined as YTL 34.180.558 at 31 December 2008 (2007: YTL 24.802.407).

The movements in investment property and related amortization for the year ended 31 December 2007 are as follows:

	<b>1 January 2007</b>	<b>Additions</b>	<b>Disposals</b>	<b>Reversal of impairment</b>	<b>31 December 2007</b>
<b>Cost:</b>					
Land, land improvements	9.565.495	-	-	-	9.565.495
Buildings	5.899.086	-	(3.449.371)	995.185	3.444.900
<b>Total</b>	<b>15.464.581</b>	<b>-</b>	<b>(3.449.371)</b>	<b>995.185</b>	<b>13.010.395</b>
<b>Accumulated depreciation:</b>					
Buildings	244.852	73.455	-	-	318.307
<b>Total</b>	<b>244.852</b>	<b>73.455</b>	<b>-</b>	<b>-</b>	<b>318.307</b>
<b>Net book value</b>	<b>15.219.729</b>				<b>12.692.088</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 14 - PROPERTY, PLANT AND EQUIPMENT**

The movements in property, plant and equipment and related accumulated depreciation for the year ended 31 December 2008 are as follows:

	<b>1 January 2008</b>	<b>Currency translation differences</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Acquisitions</b>	<b>31 December 2008</b>
<b>Cost</b>							
Land and land improvements	52.246.932	1.470.878	4.794.982	(5.903.392)	-	-	52.609.400
Buildings	258.805.088	5.049.487	1.000.168	-	177.703	-	265.032.446
Machinery and equipments	644.183.292	8.594.975	9.052.644	(495.982)	11.382.214	-	672.717.143
Motor vehicles	9.750.872	584.521	1.585.914	(609.047)	-	-	11.312.260
Furniture and fixtures	92.068.472	1.179.925	7.489.884	(753.029)	17.114	(2.749.806)	97.252.560
Leasehold improvements	24.629.038	39.580	416.405	(12.971)	30.216	(66.246)	25.036.022
Other non current assets	325.592	82.575	-	-	-	-	408.167
Construction in progress	8.502.573	(101.363)	8.007.360	-	(13.730.867)	(84.648)	2.593.055
	<b>1.090.511.859</b>	<b>16.900.578</b>	<b>32.347.357</b>	<b>(7.774.421)</b>	<b>(2.123.620)</b>	<b>(2.900.700)</b>	<b>1.126.961.053</b>
<b>Accumulated depreciation</b>							
Land and land improvements	325.667	-	50.447	-	-	-	376.114
Buildings	51.139.088	762.566	5.748.780	-	-	-	57.650.434
Machinery and equipment	390.229.388	3.017.555	42.278.924	(243.364)	-	-	435.282.503
Motor vehicles	5.131.167	215.591	2.082.047	(416.223)	-	-	7.012.582
Furniture and fixtures	68.536.761	940.643	7.315.546	(222.525)	-	(1.750.611)	74.819.814
Leasehold improvements	22.171.037	7.735	349.544	-	-	(28.216)	22.500.100
Other non current assets	143.371	37.443	8.392	-	-	-	189.206
	<b>537.676.479</b>	<b>4.981.533</b>	<b>57.833.680</b>	<b>(882.112)</b>	<b>-</b>	<b>(1.778.827)</b>	<b>597.830.753</b>
<b>Net book value</b>	<b>552.835.380</b>						<b>529.130.300</b>

Net book value of the property, plant and equipment in machinery and equipment group obtained via financial leasing is amounting to YTL 13.888.186 (2007: YTL 13.130.901).

At 31 December 2008, there are liens amounting to YTL 6.559.411 (2007: YTL 13.421.650) and mortgages amounting to YTL 13.915.200 (2007: YTL 11.116.300).



**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 14 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

The movements in property, plant and equipment and related accumulated depreciation for the year ended 31 December 2007 are as follows:

	<b>1 January 2007</b>	<b>Currency translation differences</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (*)</b>	<b>Acquisitions</b>	<b>31 December 2007</b>
<b>Cost</b>							
Land and land improvements	50.605.455	(623.141)	46.797	-	-	2.217.821	52.246.932
Buildings	244.840.859	(2.574.271)	1.669.303	-	-	14.869.197	258.805.088
Machinery and equipments	598.291.027	(4.007.091)	3.978.387	(13.145.515)	46.359.518	12.706.966	644.183.292
Motor vehicles	7.169.887	(379.425)	490.540	(337.253)	-	2.807.123	9.750.872
Furniture and fixtures	76.000.003	(152.186)	6.542.464	(1.242.756)	704.066	10.216.881	92.068.472
Leasehold improvements	24.252.212	30.330	247.306	(2.937)	-	102.127	24.629.038
Other non current assets	303.178	(23.106)	45.520	-	-	-	325.592
Construction in progress	3.947.828	(75.946)	31.374.996	(392.548)	(27.270.904)	919.147	8.502.573
	<b>1.005.410.449</b>	<b>(7.804.836)</b>	<b>44.395.313</b>	<b>(15.121.009)</b>	<b>19.792.680</b>	<b>43.839.262</b>	<b>1.090.511.859</b>
<b>Accumulated depreciation</b>							
Land and land improvements	278.438	-	47.229	-	-	-	325.667
Buildings	46.027.032	(168.725)	5.280.781	-	-	-	51.139.088
Machinery and equipment	359.518.378	(614.680)	40.884.465	(9.558.775)	-	-	390.229.388
Motor vehicles	3.875.679	(12.757)	1.605.498	(337.253)	-	-	5.131.167
Furniture and fixtures	63.625.743	899.399	5.033.130	(1.021.511)	-	-	68.536.761
Leasehold improvements	21.696.195	5.646	472.133	(2.937)	-	-	22.171.037
Other non current assets	126.563	(9.644)	26.452	-	-	-	143.371
	<b>495.148.028</b>	<b>99.239</b>	<b>53.349.688</b>	<b>(10.920.476)</b>	<b>-</b>	<b>-</b>	<b>537.676.479</b>
<b>Net book value</b>	<b>510.262.421</b>						<b>552.835.380</b>

(\*) Transfers consists of “Advances given” amounting to YTL.19.792.680 classified under “Other non-current assets”

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

**NOTE 15 - INTANGIBLE ASSETS**

The movements in intangible assets and related accumulated amortization for the year ended 31 December 2008 are as follows:

	<b>1 January 2008</b>	<b>Additions</b>	<b>Disposals</b>	<b>Currency translation difference</b>	<b>Impairment(*)</b>	<b>Acquisitions</b>	<b>Transfers</b>	<b>31 December 2008</b>
<b>Cost</b>								
Trade names	289.768.125	552.565	(3.891)	27.485.638	-	(1.964.070)	-	315.838.367
Customer list	252.681.895	-	-	22.041.963	-	(310.375)	-	274.413.483
Computer software and rights	23.876.159	12.036.361	(1.142.490)	5.718.627	-	(1.283.209)	1.865.599	41.071.047
Internet domain names	16.696.590	111.551	-	2.065.738	-	(4.579.133)	256.826	14.551.572
Other intangible assets	6.076.417	763.227	(749.724)	787.177	-	-	1.196	6.878.293
	<b>589.099.186</b>	<b>13.463.704</b>	<b>(1.896.105)</b>	<b>58.099.143</b>	<b>-</b>	<b>(8.136.787)</b>	<b>2.123.621</b>	<b>652.752.762</b>
<b>Accumulated amortization</b>								
Trade names	915.911	1.294.041	-	30.421	12.370.420	-	-	14.610.793
Customer list	11.833.877	17.583.612	-	219.539	-	(215.913)	-	29.421.115
Computer software and rights	12.264.010	5.395.960	(184.716)	4.050.317	-	(1.052.575)	-	20.472.996
Internet domain names	650.523	775.054	-	22.698	-	(408.997)	-	1.039.278
Other intangible assets	4.797.870	1.162.316	(749.724)	810.756	-	-	-	6.021.218
	<b>30.462.191</b>	<b>26.210.983</b>	<b>(934.440)</b>	<b>5.133.731</b>	<b>12.370.420</b>	<b>(1.677.485)</b>	<b>-</b>	<b>71.565.400</b>
<b>Net book value</b>	<b>558.636.995</b>							<b>581.187.362</b>

(\*) Impairment is related with trade names with indefinite useful lives of the Group's subsidiary Expressz Magyarország Rt. which is operating in Hungary.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 15 - INTANGIBLE ASSETS (Continued)**

The movement in intangible assets and related accumulated amortization for the year ended 31 December 2007 are as follows:

	<b>1 January 2007</b>	<b>Additions</b>	<b>Disposals</b>	<b>Currency translation differences</b>	<b>Acquisitions</b>	<b>31 December 2007</b>
<b>Cost</b>						
Trade names	-	25.326	-	(31.882.248)	321.625.047	289.768.125
Customer list	-	-	-	(27.692.048)	280.373.943	252.681.895
Computer software and rights	10.603.019	6.689.141	(231.620)	(2.334.444)	9.150.063	23.876.159
Internet domain names	-	-	-	(1.200.547)	17.897.137	16.696.590
Other intangible assets	4.451.878	1.020.730	(9.456)	(250.677)	863.942	6.076.417
	<b>15.054.897</b>	<b>7.735.197</b>	<b>(241.076)</b>	<b>(63.359.964)</b>	<b>629.910.132</b>	<b>589.099.186</b>
<b>Accumulated amortization</b>						
Trade names	-	938.268	-	(22.357)	-	915.911
Customer list	-	12.096.176	-	(262.299)	-	11.833.877
Computer software and rights	10.022.798	3.639.679	(231.379)	(1.167.088)	-	12.264.010
Internet domain names	-	645.477	-	5.046	-	650.523
Other intangible assets	3.852.429	1.256.544	-	(311.103)	-	4.797.870
	<b>13.875.227</b>	<b>18.576.144</b>	<b>(231.379)</b>	<b>(1.757.801)</b>	<b>-</b>	<b>30.462.191</b>
<b>Net book value</b>	<b>1.179.670</b>					<b>558.636.995</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 15 - INTANGIBLE ASSETS (Continued)**

Intangible assets with indefinite useful lives amounted to YTL 292.613.040 at 31 December 2008, (2007: YTL 274.117.489). The useful lives of the assets with indefinite useful life, as expected by the Group, are determined based on the stability of the industry, changes in market demands as to the products and services provided through assets, control period over the assets and legal or similar restrictions on their utilization.

Amortisation expenses amounting to YTL 26.210.983 for the year ended 31 December 2008 have been included in operating expenses (2007: YTL 18.576.144).

**NOTE 16 - GOODWILL**

The movements in goodwill for the years ended 31 December are as follows:

	<b>2008</b>	<b>2007</b>
<b>1 January</b>	<b>236.129.473</b>	<b>11.332.183</b>
Additions (Note 3)	625.962	251.307.487
Currency translation differences	24.553.549	(26.582.408)
Sale of discontinued operations (*)	(191.961)	-
Provision for impairment (**)	(20.425.161)	-
Other (***)	(4.242.005)	72.211
<b>31 December</b>	<b>236.449.857</b>	<b>236.129.473</b>

(\*) Sale of discontinuing operations is related with the sale of Trader.com (Polska) Sp. Z.o.o. (“Trader.com”) as explained in note 29

(\*\*) The goodwill allocated to Hungary and Eastern Europe segments have been impaired due to the significant impact of global economic crisis on local markets of such geographies.

(\*\*\*) Other represents the changes in the fair value of the put options (Note 2.2.24).

Group recognised goodwill for the excess of the cost of the business combination over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired amounting to YTL 240.236.651 (Note 3).

Goodwill is tested annually for impairment at year-end and carried at cost less accumulated impairment losses.

Goodwill is not subject to amortisation starting from 1 January 2005, within the framework of IFRS 3 “Business Combinations”, and the carrying value of goodwill is tested for impairment, as mentioned in the above paragraph.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 17 - GOVERNMENT GRANTS**

The Group realized an investment of imported equipment amounting to USD 103.647.819, and domestic equipment amounting to YTL 1.779.817, in respect of an investment incentive certificate dated 9 September 2004. Equipment imported within the scope of the certificate is exempt from Customs Duty, Collective Housing Fund and VAT. As of 16 May 2008, this certificate was cancelled by General Directorate of Incentive and Implementation.

The Group realized six investment agreements of imported equipment amounting to USD 24.700.361 and domestic equipment amounting to YTL 151.800 due to the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 23, 27 and 31 July 2008. The agreements are valid for two years and equipment imported within the scope of the certificate is exempt from Customs Duty, Collective Housing Fund and VAT.

**NOTE 18 -PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

As of 31 December, short term provisions are as follows:

	<b>2008</b>	<b>2007</b>
Provision for lawsuit	2.172.814	2.564.660
Provision for unused vacation	4.558.785	2.582.860
	<b>6.731.599</b>	<b>5.147.520</b>

The movement in provision for unused vacation rights during the year is as follows:

	<b>2008</b>
<b>1 January</b>	<b>2.582.860</b>
Additions during the year	1.981.925
Provisions reversed	(6.000)
<b>31 December</b>	<b>4.558.785</b>

The movements in provision for lawsuit during the year are as follows:

	<b>2008</b>	<b>2007</b>
<b>1 January</b>	<b>2.564.660</b>	<b>6.240.306</b>
Additions during the year (Note 26)	128.676	1.689.579
Provisions reversed	(520.522)	(5.365.225)
<b>31 December</b>	<b>2.172.814</b>	<b>2.564.660</b>

The Company has filed two lawsuits with relevant tax courts in relation to the tax and penalty notices notified by Tax Authority (“Tax Authority”) on various dates.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 18 -PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

Considering that there is no public benefit in the continuation of the dispute and without waiting for the final decision of the Tax Court, the Company paid YTL 13,752.185 on 29 December 2004, YTL 7.500.000 on 30 December 2006, YTL 5.543.000 on 14 November 2007 and YTL 715.111 on 27 December 2007 - hence a total of YTL 27.510.296 as a result of the tax and penalty notices notified due to these lawsuits. The payments were made based on the amounts calculated by the Tax Authority except for those in relation which the Council of State ruled for stay of execution, but including the default interest. The amounts paid were accounted for offsetting from provisions allocated for abovementioned lawsuits in the period of payment.

The Council of State quashed the ruling of the local court by accepting the appeal lodged for both lawsuits. On 23 December 2008, a settlement was agreed with the Republic of Turkey Finance Ministry Reconciliation Commission within the context of Law No. 5736, “Collection of Some Public Receivables via Settlement Procedure”, and the lawsuits were abnegated within the scope of settlement. As a result of the settlement, a total of TL13,667,733 due to tax charges and tax penalties, paid and recorded as an expense in previous years, were collected as cash on 04 February 2009. The provision amounting to TL479,402 recognised for the lawsuits in the prior years’ consolidated financial statements has been reversed and recognised as other operating income, in addition to the relevant collection balance as a total of TL14,146,135. The lawsuits and the settlement processes were completed with the relevant payment made to the Company.

**NOTE 19 – COMMITMENTS**

Commitments and contingencies, from which the management does not anticipate any significant losses or liabilities, are summarized below:

**a) Guarantees given:**

	<b>Currency</b>	<b>Original amount</b>	<b>2008</b>	<b>Original amount</b>	<b>2007</b>
Letters of guarantee	YTL	4.047.743	4.047.743	2.339.610	2.339.610
	HUF	58.700.000	468.746	58.700.000	395.378
Financial notes	YTL	202.223	202.223	202.223	202.223
Guarantee notes	YTL	1.714	1.714	1.714	1.714
Guarantees given	YTL	3.008.529	3.008.529	5.008.529	5.008.529
	Euro	25.000	53.520	25.000	42.755
			<b>7.782.475</b>		<b>7.990.209</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 19 - COMMITMENTS (Continued)**

**b) Commitments given:**

The Group has blocked deposits amounting to YTL 65.451 at 31 December 2008 (2007: YTL 49.920) (Note 5) and has liens amounting to YTL 6.559.411 related to the machinery and equipment, arising from the operations in Germany (2007: YTL 13.421.650).

There are mortgages amounting to YTL 13.915.200 on property plant and equipment as of 31 December 2008 (2007: YTL 11.116.300) (Note 14).

**c) Barter agreements:**

Group, as is common practice in the media sector, has entered into barter agreements. These agreements involve the exchange of goods or services without cash collections or payments. As of 31 December 2008, in connection with the barter agreements, the Group has YTL 7.209.486 (2007: YTL 4.289.130) of advertisement commitment and YTL 5.251.718 (2007: YTL 6.411.034) goods and services purchase rights.

**d) Lawsuits against the Group:**

The lawsuits against the Group amount to YTL 31.493.679 (2007: YTL 42.851.679). Group accounts for provisions in cases when there is a legal or valid liability resulting from past operations and it may be necessary for resources to flow out in order to fulfil these liabilities and when a reliable estimation can be made for the amount. As a result of these analyses, as of 31 December 2008, the Group has set a provision of YTL 2.172.814 for trade and administrative lawsuits (2007: YTL 2.085.258). Additionally, no provision is set for the tax litigation detailed in Note 18 (2007: YTL 479.402). Accordingly, total provision for the lawsuits as of 31 December 2008 is amount to YTL 2.172.814 (2007: YTL 2.564.660).

	<b>2008</b>	<b>2007</b>
Legal lawsuits	23.117.282	37.472.783
Administrative lawsuits	1.072.186	1.037.587
Trade lawsuits	3.858.640	815.213
Labor lawsuits	2.514.224	2.019.740
Tax lawsuits	926.347	1.506.356
Penal lawsuits	5.000	-
	<b>31.493.679</b>	<b>42.851.679</b>

**e) Derivative financial instruments:**

*i) Swap transactions in foreign exchange*

As of 31 December 2008, Group has made a Euro swap transaction regarding the last three installments in 2012 and 2013 amounting to USD 80.283.333 of the long term bank credit agreement explained in detail in Note 7 amounted to USD 240.850.000.

Due to swap transactions in foreign exchange, gain amounted to YTL 8.194.034 has been accounted for as of 31 December 2008.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

**NOTE 19 - COMMITMENTS (Continued)**

**e) Derivative financial instruments (Continued):**

*ii) Interest rate swap transactions*

The Group entered into ten collar agreements totaling to USD 83.000.000 and purchased one CAP amounting to USD 37.000.000 to hedge the interest rate risk arising from borrowings as of 31 December 2008. The agreements have fixed floor and ceiling rates. Accordingly, at the dates defined in agreements, if the LIBOR rate is below the floor rate, the Group has to compensate for the difference between the floor rate and the actual rate. Similarly, if the LIBOR rate is above the ceiling rate, banks compensate for the difference to the Group

As of 31 December 2008 fixed floor and ceiling rates change between 2,8% and 5,6% (2007: 3,9%-6,9%) and the main floating interest rate is LIBOR.

Financial expense recognized during the year in regards with these agreements amounted to YTL 367.003 (2007: YTL 354.412).

**f) Put options:**

In January 2007, OOO ProntoMoscow, a subsidiary of the Group, finalised the acquisition of Impress Media Marketing LLC. Accordingly, the Group has the right to purchase minority shares of 31,5% from owners without a time constraint, provided that certain conditions are met. The Group realized the 5% of the related put option during the year. The Group management assumed that 5,8% of the remaining minority shares of 26,5% will realize in the current year therefore is classified under short-term other financial liabilities. As of 31 December 2008, the short portion of the fair value of the put option is YTL 1.218.914, long term portion is YTL 4.405.330 (YTL 2007: 4.159.144) according to various valuation techniques and assumptions.

The Group has granted a put option, on the remainder of 30% shares during the acquisition of 70% interest of the shares in its subsidiary Oglasnik d.o.o. located in Croatia. As of 31 December 2008, the fair value of this option is YTL 12.467.401 according to various valuation techniques and assumptions and and classified in “other short-term financial liabilities” (2007: YTL 7.445.927). The option is exercisable until July 2009.

The Group has acquired a 55% interest in Moje Delo d.o.o. (“Moje Delo”) in Slovenia. The Group determined an earn-out subject to a maximum of EUR 1 million and paid during the period. The Group has granted to the selling shareholders a put option on the remainder of the shares exercisable from January 2009 to January 2012 and has a call option exercisable from January 2011 to January 2014. Exercise price shall be calculated based on EBITDA and the net financial debt of Moje Delo. The fair value of the put option is YTL 1.637.821 as of 31 December 2008 (2007: YTL 6.245.121) and classified in “other long-term financial liabilities”.



**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 20 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS**

Provision for employment termination benefits at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Provision for employment termination benefits	11.744.969	10.115.141
	<b>11.744.969</b>	<b>10.115.141</b>

There are no pension plans and benefits other than the legal requirement as explained below.

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). At 31 December 2008 the amount payable maximum YTL 2.173,18 (2007: YTL 2.030,19) for each year of service.

On the other hand Group is liable to make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due cause in accordance with the Regulations with regards to Employees Employed in the Press Sector. The maximum payable amount is 30 days’ salary for each year of service.

Employment termination benefit liabilities are not subject to any funding and there are no legal requirements for funding of these liabilities.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

Accounting principles described in Note 24, require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly the following actuarial assumptions were used in the calculation of the total provision.

	<b>2008</b>	<b>2007</b>
Discount rate (%)	6,26	5,71
Turnover rate to estimate the probability of retirement (%)	89	90

The principal assumption is that the maximum liability of YTL 2.173,18 (2007: YTL 2.030,19) for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of YTL 2.260,05 (1 January 2008: YTL 2.087,92), which is effective from 1 July 2008, has been taken into consideration in calculating the reserve for employment termination benefit of the Group. As of 31 December 2008, the salaries have been taken into consideration in calculation for the employees under the Regulations with regards to Employees Employed in the Press Sector.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 20 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS (Continued)**

Movements in the provision for employment termination benefits during the period are as follows:

	<b>2008</b>	<b>2007</b>
<b>1 January</b>	<b>10.115.141</b>	<b>8.470.347</b>
Charge for the period	4.744.197	3.807.527
Acquisitions	-	8.281
Payments during the period and provisions terminated	(3.374.040)	(2.171.014)
Actuarial gain	259.671	-
<b>31 December</b>	<b>11.744.969</b>	<b>10.115.141</b>

**NOTE 21 - OTHER CURRENT/NON-CURRENT ASSETS AND OTHER CURRENT/NON-CURRENT LIABILITIES**

Other current assets at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Prepaid tax (Note 30)	19.476.471	18.038.010
Prepaid expenses (*)	10.052.544	9.377.112
Income accruals (**)	8.730.439	654.690
Advances given to personnel	4.134.020	3.354.129
Value Added Tax (“VAT”) receivables	2.270.461	2.771.799
Job advances	1.359.241	1.554.128
Advances Given for Purchases	584.150	718.054
Other	4.808.997	8.090.752
	<b>51.416.323</b>	<b>44.558.674</b>

Other non-current assets at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Advances given related to tangible asset purchases	7.146.327	72.123
Prepaid expenses (*)	710.168	2.520.624
Other	451.725	566.135
	<b>8.308.220</b>	<b>3.158.882</b>

(\*) Prepaid expenses consist of prepaid rent expenses.

(\*\*) YTL 8.194.034 of income accruals are related with foreign currency swap transaction. (Note 19.e.i)

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 21 - OTHER CURRENT/NON-CURRENT ASSETS AND OTHER CURRENT/NON-CURRENT LIABILITIES (Continued)**

Other short-term liabilities at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Deferred revenue	9.310.846	9.514.755
VAT payables	4.021.327	2.459.967
Expense accruals	1.074.257	3.254.384
Payables to personnel	45.538	-
Other	1.037.154	1.348.478
	<b>15.489.122</b>	<b>16.577.584</b>

Other long-term liabilities at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Other long-term liabilities	384.123	801.314
	<b>384.123</b>	<b>801.314</b>

**NOTE 22 - SHAREHOLDERS' EQUITY**

The Company adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of YTL 1 There are no privileged shares. The Company's historical authorised and paid-in share capital at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Historical authorised and paid-in share capital	460.000.000	421.000.000
Limit on registered share capital (historical)	800.000.000	800.000.000

Companies in Turkey may exceed the limit for registered share capital in case of issuance of free capital shares to existing shareholders.

The shareholding structure is as follows:

	<b>2008</b>	<b>Share (%)</b>	<b>2007</b>	<b>Share (%)</b>
Doğan Yayın	305.624.000	66,44	253.484.100	60,21
Doğan Holding	23.920.000	5,20	-	-
Publicly owned	130.456.000	28,36	167.515.900	39,79
	<b>460.000.000</b>	<b>100</b>	<b>421.000.000</b>	<b>100</b>
Adjustment to share capital	77.198.813		77.198.813	
<b>Total share capital</b>	<b>537.198.813</b>		<b>498.198.813</b>	

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

#### NOTE 22 - SHAREHOLDERS’ EQUITY (Continued)

The share capital of the Company amounting to YTL 421.000.000 has increased by YTL 39.000.000 from the dividend distributable over the income for the year 2007 to YTL 460.000.000.

As of 31 December 2008, 6,44% (2007: 0,21%) of publicly owned shares belong to Doğan Yayın which is the main shareholder of the Group, and 5,20% by Doğan Holding, which is the ultimate parent of the Group.

Adjustment to share capital represents the restatement effect of cash contributions to share capital at year-end equivalent purchasing power.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

The amounts stated above should be reclassified under “Restricted Reserves” in accordance with the CMB Financial Reporting Standards.

As of 31 December, details of the restricted reserves of Hürriyet, equityholder of the Group, are as follows:

<b>Restricted reserves:</b>	<b>2008</b>	<b>2007</b>
1. Composition restricted reserves	23.067.690	18.274.115
2. Composition restricted reserves	4.242.492	4.242.492
	<b>27.310.182</b>	<b>22.516.607</b>

In accordance with the CMB regulations effective until 1 January 2008, the inflation adjustment differences arising at the initial application of inflation accounting which are recorded under “accumulated losses” could be netted off from the profit to be distributed based on CMB profit distribution regulations. In addition, the aforementioned amount recorded under “accumulated losses” could be netted off with net income for the period, if any, undistributed prior period profits, and inflation adjustment differences of extraordinary reserves, legal reserves and capital, respectively.

Again, relative to the execution valid due to 1 January 2008, according to the result of inflation adjusted first financial statement arrangement, equity accounts of “capital, issue premium, legal reserves, statutory reserves, appropriated surplus and extraordinary reserves” are booked as their balance sheet values and total of the adjusted values of these accounts were booked in equity group “equity inflation adjustment differences” account. For all equity accounts, “equity inflation adjustment differences” could only be used for stock split or loss account; booked amounts of extraordinary reserves could only be used for stock split, cash dividend distribution or loss accounts.

In accordance with the Communiqué No:XI-29 and related announcements of CMB, effective from 1 January 2008, “Share capital”, “Restricted Reserves” and “Share Premiums” shall be carried at their statutory amounts.

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

---

#### NOTE 22 - SHAREHOLDERS' EQUITY (Continued)

The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- if the difference is arising due to the inflation adjustment of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment to Share Capital";
- if the difference is due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilised in dividend distribution or capital increase yet, it shall be classified under "Retained Earnings";

Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

There is no usage of the 'Capital Difference Adjustments' except adding up to the Capital.

According to the 4/138 numbered decision of Capital Market Board as of 8 February 2008, beginning from 1 January 2008, for incorporated companies whose shares are sold in stock market, minimum profit distribution proportion is 20% (2007: 20%). According to this, the distribution will be made due to the decision taken in the general assembly, as cash or as addition of dividend to the capital of costless distribution of shares that will be exported or as partially cash and partially costless distribution of shares. When the amount of first dividend is less than 5% of paid/issued capital, amount that will be distributed is enabled to be held in shareholders equity by not distributing; but incorporated companies that apply capital increase without performing dividend distribution related to the previous period and therefore whose shares are divided as "old" and "new", which will distribute dividend from period profit as a result of 2007 operations, as a necessity, calculated first dividend has to be distributed in cash.

Moreover, in accordance with the CMB decision no 7/242, dated 25 February 2005, in the event that the entire profit distribution amount calculated pursuant the minimum profit distribution amount calculated over the net distributable profit found in accordance with CMB regulations can be covered by the distributable profit in the statutory records, it shall be distributed completely, and if the relevant amount cannot be covered by that amount, all of the net distributable profit in the statutory records shall be distributed. In the event that there is any period loss in financial statements or statutory records prepared in accordance with the CMB regulations, no profit shall be distributed.

#### Dividend Payment

Companies registered on ISE are subject to dividend requirements regulated by the CMB as explained below:

In accordance with the CMB Decision dated 9 January 2009, concerning distribution basis of net profit obtained from the operations of the year 2008, minimum profit distribution shall be applied as 20% for the companies quoted in the stock exchange (2007: 20%). According to the Board's decision and Communiqué IV No:27 issued by CMB regarding allocation basis of profit of publicly owned companies, the distribution of the relevant amount may be realised as cash or as bonus shares or partly as cash and bonus shares; and in the event that the first dividend amount to be specified is less than 5% of the paid-up capital, the relevant amount can be retained within the company. However, companies that made capital increases before distributing dividends related to the prior period and whose shares are therefore classified as "old" and "new" and that will distribute dividends from the profit made from 2008 operations are required to distribute the initial amount in cash.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 22 - SHAREHOLDERS’ EQUITY (Continued)**

In addition, according to the aforementioned Board decision dated 9 January 2009, the restrictions on the distributions of the profit derived from the subsidiaries, joint ventures and associates of entities who are required to prepare consolidated financial statements where no profit distribution decision is taken in the general assemblies of such subsidiaries joint ventures and associates is abolished. It is decided that as long as the entities can provide the necessary amount from their statutory reserves, the distributable profit can be calculated based on the net income declared at the publicly announced consolidated financial statements in the accordance with Communiqué XI No:29.

Accordingly, if the amount of dividend distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the total amount of distributable profit shall be distributed. If it exceeds the statutory net distributable profit, the total amount of the statutory net distributable profit shall be distributed. It is stated that dividend distributions should not be made if there is a loss in either the consolidated financial statements prepared in accordance with CMB regulations or in the statutory financial statements.

In accordance with the Board Decision dated 9 January 2009, the total amount of net income after the deduction of accumulated losses at statutory records and reserves that can be subject to dividend distribution shall be disclosed in the notes to the financial statements which will be prepared and publicly announced in accordance with Communiqué XI No:29.

**NOTE 23 - SALES AND COST OF SALES**

*Sales*

	<b>2008</b>	<b>2007</b>
Advertisement sales	709.596.398	619.235.053
Circulation and publishing sales	225.564.717	228.358.706
Other	63.285.223	49.983.061
<b>Net sales</b>	<b>998.446.338</b>	<b>897.576.820</b>
Cost of sales	(595.814.088)	(531.796.310)
<b>Gross profit</b>	<b>402.632.250</b>	<b>365.780.510</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 23 - SALES AND COST OF SALES (Continued)**

*Cost of sales*

The details of cost of sales for the periods ended 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Raw materials	274.141.266	244.826.028
<i>Paper</i>	176.836.679	168.984.838
<i>Printing and ink</i>	76.282.881	55.523.808
<i>Other</i>	21.021.706	20.317.382
Payroll	177.298.712	142.492.260
Depreciation and amortization	44.528.987	42.621.115
Commission	30.134.808	24.787.371
Distribution and travel	9.001.936	8.265.661
News agency expenses	8.349.743	8.343.626
Fuel, electricity and water	6.912.865	6.964.135
Maintenance expenses	6.842.193	6.809.029
Packaging expenses	6.011.705	6.866.323
Communication	5.395.430	3.697.640
Rent expenses	3.889.834	3.715.507
Scrap goods cost of sales	1.951.406	4.752.619
Insurance expenses	1.220.793	1.340.483
Other	20.134.410	26.314.513
	<b>595.814.088</b>	<b>531.796.310</b>

**NOTE 24 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND  
DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES**

**a) Marketing, selling and distribution expenses:**

	<b>2008</b>	<b>2007</b>
Advertisement	53.994.233	43.030.403
Transportation, storage and travel	29.071.540	28.695.224
Payroll	11.112.118	7.251.188
Promotion	9.188.905	19.769.798
Sponsorship	2.222.147	4.694.115
Other	13.200.864	9.787.816
	<b>118.789.807</b>	<b>113.228.544</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 24 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND  
DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES  
(Continued)**

**b) General administrative expenses:**

	<b>2008</b>	<b>2007</b>
Payroll	55.248.169	46.417.148
Depreciation and amortization	39.239.302	29.049.040
Provision for impairment of goodwill and intangible assets	32.795.581	-
Consultancy	21.976.583	19.260.259
Rent	15.405.586	7.720.374
Fuel, electricity and water	12.431.627	9.443.252
Transportation, storage and travel	7.448.394	6.586.032
Communication	4.062.874	4.457.274
Maintenance and repairment	2.815.239	2.669.056
Other	13.126.738	9.317.766
	<b>204.550.093</b>	<b>134.920.201</b>

**NOTE 25 - EXPENSES BY NATURE**

The expenses as of 31 December 2008 and 2007 are shown based on the functions and the details are given in Notes 23 and 24.

**NOTE 26 - OTHER OPERATING INCOME - EXPENSES**

The details of other income and gains for the periods ended 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Tax settlement income (Note 18)	14.146.135	-
Gain on sale of property, plant and equipment	2.544.399	-
Rent and building service fees	2.192.355	4.319.608
Reversed provisions	1.500.191	1.647.930
Other	2.285.774	2.002.717
	<b>22.668.854</b>	<b>7.970.255</b>



**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 26 - OTHER OPERATING INCOME - EXPENSES (Continued)**

The details of other expenses and losses as at and for the periods ended 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Provision for doubtful receivables	12.663.233	3.211.693
Provision for impairment on investment properties	4.725.638	-
Loss on sale of property, plant and equipment	3.557.198	1.682.812
Provision for impairment on available for sale financial assets	1.164.760	-
Aids and donations	985.655	1.820.476
Penalty and fines paid	745.963	3.583.255
Provision for lawsuits	128.676	1.689.579
Other	384.658	3.026.011
	<b>24.355.781</b>	<b>15.013.826</b>

**NOTE 27 - FINANCIAL INCOME**

The details of financial income for the years ended 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Foreign exchange income	65.131.305	100.509.516
Time deposits interest income	21.561.281	12.613.331
Due date difference income	16.866.573	16.941.793
Interest income on financial assets at fair value through profit and loss, net	162.634	1.820.923
Other	3.174.464	904.728
	<b>106.896.257</b>	<b>132.790.291</b>

**NOTE 28 - FINANCIAL EXPENSES**

The details of financial expenses for the years ended 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Foreign exchange loss	199.412.147	23.166.554
Interest expenses on bank borrowings	50.520.134	39.789.002
Banking commission and factoring expenses	3.260.322	2.640.530
Other	11.277.994	3.909.243
	<b>264.470.597</b>	<b>69.505.329</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 29 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

The Group classified the wholly owned shares of its subsidiary Trader.com (Polska) Sp. Z.o.o. as discontinued operation. Discontinued operations have been sold for YTL 66.508.000 in consideration of USD 54.350.000 on 25 June 2008.

**Discontinued operations**

	<b>2008</b>	<b>2007</b>
Sales	6.188.464	8.734.085
Cost of sales	(3.860.170)	(5.546.301)
<b>Gross profit</b>	<b>2.328.294</b>	<b>3.187.784</b>
Operating expenses	(1.804.266)	(4.429.354)
Other operating income	18.159	(409.974)
Financial expenses	(28.536)	(161.893)
<b>Discontinued operations period income/(loss)</b>	<b>513.651</b>	<b>(1.813.437)</b>
Gain on sales of discontinued operations	58.675.805	-
<b>Discontinued operations net income/(loss) after tax</b>	<b>59.189.456</b>	<b>(1.813.437)</b>

The Group has stopped the presentation of one of its Subsidiary incorporated in Hungary, Kisokos Directory Kereskedelmi es Szolgalto Kft. (“Kisokos”) as discontinued operations in accordance with the decision take on 30 June 2008. Discontinued operations which were presented as an item on the face of financial statements as “ non current assets held for sale”, “liabilities related to non current assets held for sale” and “ net discontinued operations loss after tax” at 30 June 2008 and 31 December 2007 respectively, have been reclassified and restated in order to be consistent with the current period.

**NOTE 30 - TAX ASSETS AND LIABILITIES**

	<b>2008</b>	<b>2007</b>
Corporate and income taxes payable	2.159.564	26.864.197
Less: Prepaid taxes (Note 21)	(19.476.471)	(18.038.010)
<b>Taxes payable, net</b>	<b>(17.316.907)</b>	<b>8.826.187</b>

The Group calculates its deferred tax assets and liabilities, considering the effects of temporary differences which result from different evaluations of principles of preparation of the financial statements and legal financial statements mentioned in Note 2.1.1. Those temporary differences usually cause income and loss to be accounted for in different reporting periods in accordance with the principles of preparation of the financial statements and tax laws mentioned in Note 2.1.1.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)**

Deferred income taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20% (2007: %20).

The tax rates (%) at 31 December 2008, which are used in the calculation of deferred tax, taking each country’s tax legislations into consideration are as follows:

<u>Country</u>	<u>Tax rates</u>	<u>Country</u>	<u>Tax rates</u>
Germany	28,0	Kazakhstan	30,0
Austria	25,0	Hungary	16,0
Belarus	24,0	Poland	19,0
Russia	24,0	Netherlands	25,5
Croatia	20,0	Ukraine	25,0

The temporary differences giving rise to deferred income tax assets/ (liabilities) using the enacted tax rates as of 31 December is as follows:

	<u>Temporary differences</u>		<u>Deferred tax assets/ (liabilities)</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Carry forward tax losses (*)	52.161.867	48.997.067	9.986.699	5.565.017
Difference between tax base and carrying value of trade receivables	18.410.048	6.389.099	3.376.827	1.162.981
Provision for employment termination benefits and unused vacation rights	16.303.754	12.698.001	3.260.751	2.539.600
Difference between tax base and carrying value of leasing payables	6.976.631	7.601.877	1.953.457	2.174.136
Deferred revenue	1.250.152	1.472.706	250.031	294.541
Other, net	2.328.594	3.027.788	465.719	2.950.099
<b>Deferred tax assets</b>			<b>19.293.484</b>	<b>14.686.374</b>
Difference between tax bases and carrying value of property, plant and equipment and intangibles	(688.508.892)	(729.430.313)	(148.228.187)	(164.738.336)
Other, net	(20.228.274)	(14.542.012)	(4.206.378)	(3.232.808)
<b>Deferred tax liabilities</b>			<b>(152.434.565)</b>	<b>(167.971.144)</b>
<b>Deferred tax liabilities, net</b>			<b>(133.141.081)</b>	<b>(153.284.770)</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

**NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)**

<b>Deferred tax assets:</b>	<b>2008</b>	<b>2007</b>
Deferred tax asset to be recovered after more than 12 months	18.206.512	11.669.591
Deferred tax asset to be recovered within 12 months	1.086.972	3.016.783
<b>Total</b>	<b>19.293.484</b>	<b>14.686.374</b>
<b>Deferred tax liabilities:</b>	<b>2008</b>	<b>2007</b>
Deferred tax liability to be recovered after more than 12 months	(151.855.668)	(166.504.022)
Deferred tax liability to be recovered within 12 months	(578.897)	(1.467.122)
<b>Total</b>	<b>(152.434.565)</b>	<b>(167.971.144)</b>

(\*) Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. As of 31 December 2008, carry forward tax losses for which no deferred income tax asset was recognized amounted to YTL 22.897.094 (2007: YTL 38.318.965).

The maturity analysis of carry forward tax losses is as follows:

	<b>2008</b>	<b>2007</b>
2011	313.083	1.330.418
2012	-	-
2013	40.712.963	-
2014 and over	11.135.821	47.666.649
	<b>52.161.867</b>	<b>48.997.067</b>

The movements in deferred income tax assets/(liabilities) for the years ended 31 December 2008 and 2007 are as follows:

	<b>2008</b>	<b>2007</b>
<b>1 January</b>	<b>153.284.770</b>	<b>21.841.667</b>
Deferred tax income at the consolidated statement of income	(32.609.226)	(4.346.871)
(Disposals)/acquisitions of subsidiary	(797.487)	151.127.958
Currency translation differences	13.263.024	(15.337.984)
<b>31 December</b>	<b>133.141.081</b>	<b>153.284.770</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)**

The analysis of the tax expenses for the years ended at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Current	24.396.599	52.041.491
Deferred	(32.609.226)	(4.346.871)
	<b>(8.212.627)</b>	<b>47.694.620</b>

The reconciliation of the taxation on income in the consolidated statement of income for the years ended at 31 December and the taxation on income calculated with the current tax rate over income before tax and minority interest is as follows:

	<b>2008</b>	<b>2007</b>
(Loss)/income before taxes and minority from continuing operations	(88.734.317)	152.970.187
Current period tax (income)/loss calculated at the effective tax rates of countries	(16.753.078)	33.759.582
Expenses not deductible for tax purposes	11.883.994	13.650.630
Effect of tax rate change	(18.240.156)	-
Current period financial losses	9.523.590	9.391.263
Carry forward losses utilised	293.510	(1.240.945)
Income not subject to tax	(492.895)	(10.430.932)
Withholding tax relating to dividend distribution	6.876.485	1.334.663
Other, net	(1.304.077)	1.230.359
<b>Tax (income)/loss from continuing operations</b>	<b>(8.212.627)</b>	<b>47.694.620</b>

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

The details of the effective tax laws in Turkey and other countries which Group has significant operations are stated below:

Turkey:

Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006. Most of the articles of this new Law No. 5520 have come into force effective from 1 January 2006. Corporation tax is 20% (2007: 20%). Corporation tax is payable on the total income of the companies after adjusting for certain disallowable expenses, corporate income tax exemptions (gain from associates' exemption, investment allowances etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19,8% on the investment incentive allowance utilised within the scope of the Income Tax Law Transitional Article 61).

## CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

### HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

#### NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (2007: 20%) on their corporate income. Advance tax is to be declared by the 10th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In accordance with Tax Law No: 5024 “Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law” that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, the income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira. In accordance with the aforementioned law provisions, in order to apply inflation adjustment, cumulative inflation rate (TURKSTAT WPI) over last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not fulfilled in the year 2006.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for 5 years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses can not be carried back to offset profits from previous periods.

Dividend income from shares in capital of another corporation subject to resident taxpaying (except dividends from investment funds participation certificates and investment trusts shares) are exempt from corporate tax.

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

The participation income of corporations participating in 10% or more of the capital of a limited liability or joint stock company which does not have its legal or business centre in Turkey (except for corporations whose principal activity is financial leasing or investment of marketable securities) for at least a year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries are subject to corporate income tax, or alike, in their country of legal or business centre at the rate of at least 15% (at corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

#### NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

The income of corporations arising from their offices or permanent representatives abroad (except for corporations whose principal activity is financial leasing or investment of marketable securities) for at least a year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax and provided that the foreign office or permanent representative must be subject to corporate income tax, or alike, in the country it is located at the rate of at least 15% (at corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realised.

The investment allowance application which had been in force for a significant period of time; and indicated that the taxpayer may receive 40% of the fixed asset purchase amounts; was abolished by Law No.5479 dated 30 March 2006. However, in accordance with the temporary article 69 of the Income Tax Law, income and corporate taxpayers can deduct the amounts in relation to below mentioned allowances from their income for the years 2006, 2007 and 2008 as well as the investment allowances amounts they could not offset against 2006 gains which were present as of 2006, in accordance with the legislation (including the provisions related to tax rates) in force as of 2006:

- a) In the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6th articles prior to the abrogation of Income Tax Law No. 193, with Law No. 4842,
- b) In the scope of the abolished 19th article of Income Tax Law No: 193, the investment allowance amounts to be calculated in accordance with the legislation, the investments which were started before 1 January 2006 and which display an economic and technical integrity,

The Companies can utilize the investment allowance exemption, for their investments performed according to provisions of the legislation as of that date and for their subsequent investments in line with the provisions of the legislation (including provisions regarding tax rates) in calculating tax on their profits for the years 2006, 2007, and 2008.

Accordingly, abovementioned profits within trade income/loss are considered in the calculation of corporate income tax.

Apart from the above mentioned exceptions in the determination of the corporate tax base, allowances cited in the articles 8, 9 and 10 of Corporate Tax Law and article 40 of Income Tax Law are taken into consideration.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

**NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)**

Russian Federation

The corporate tax rate effective in Russian Federation is 24% (2007: 24%). Starting from 1 January 2009 the corporate tax rate is decreased to 20%.

Russian tax year is the calendar year and other fiscal year ends are not permitted. Profit tax is calculated on a year-to-date basis. Advance payments are made monthly, with different calculation methods for quarterly or monthly schedules subject to the taxpayer’s choice.

The annual balance is due by 28 March of the following year.

According to Russian Federation’s tax system, losses may be carried forward for 10 years to be deducted from future taxable income. Starting from 2007 there is no limitation as to the maximum amount that can be deducted in each particular year. Maximum amount that can be deducted in any year is limited to 30% of the taxable income (2007:30%). Rights related to tax losses that have not been utilized in the related periods will be lost.

Tax refunds are technically possible but are very difficult to obtain in practice. Often they can only be obtained through court action. Tax consolidation of tax reporting/ payments by different legal entities (or grouping) is not permitted in Russia at present. Generally, dividend income payable to a foreign organisation is subject to withholding tax at 15%. This standard rate may, however, be reduced under the provisions of applicable double tax treaty.

In Russian Federation the tax regulations are subject to various comments and change frequently. Regarding to TME’s operations the interpretation of tax regulations by tax authorities may differ from the management.

Hungary:

The corporate tax rate effective in Hungary is 16% (2007: 16%).

Taxpayers are, in general, entitled to carry forward their tax losses indefinitely. The Tax Authority’s permission is needed to carry forward the tax-year’s losses if a company’s pre-tax profit is negative and its income is less than 50% of its costs and expenses or the company’s tax base was also negative in the previous two years.

From 1 January 2007, capital gains from the sale of registered shareholdings are tax-exempt, provided that the taxpayer has held the shareholding for at least two years prior to its disposal. The two-year holding period has been reduced to one year from 1 January 2008. Capital losses and impairments on registered shares are not deductible for corporate income tax purposes.

Since 1 January 2004, interest and royalty payments have not been subject to withholding tax. Starting from 1 January 2006 withholding tax on dividend distributions to companies was fully abolished.



**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

**NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)**

Croatia

The corporate tax rate effective in Croatia is 20% (2007: 20%).

There are no formal procedures in Croatia to agree the final level of tax charge upon submission of the declaration for corporate tax and VAT. However, such tax settlements may be subject to review by the relevant tax authorities during the limitation period of three years. The limitation period of three years starts with the year that follows the year of submission of tax declarations, . The counting of three years starts again with any action of tax authorities with the purpose to collect tax, interest or fines until absolute statute of limitation of 6 years expires.

Tax losses may be carried forward and used within five years following the year in which they were incurred.

When paying fees for the use of intellectual property, market research services, tax and business consultation, auditing and similar services, and interest to foreign legal persons, Croatian taxpayers are obliged to withhold and pay 15% tax.

Poland

The corporate tax rate effective in Poland is 19% (2007: 19%).

The annual corporate income tax return should be submitted to the tax office within three months after the end of the tax year. The corporate income tax advances should be paid for each month by the 20th day of the following month. Prepaid taxes are deductible from following years declared corporate tax amount. Leftover amount of the prepaid corporate tax after the deduction made can be acquired in cash or either can be deducted from another fiscal liability.

A tax loss reported in a tax year can be carried forward over the next five consecutive tax years. However, only 50% of a loss can be deducted against income reported in any one particular year of the above five-year period.

Dividend payments are generally subject to 19% withholding tax.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 31 - EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net income for the period by the weighted average number of ordinary shares in issue. Calculation is as follows:

	<b>2008</b>	<b>2007</b>
Net (loss)/income from continuing operations	(80.521.690)	105.275.567
Net (income)/loss of minority shareholders from continuing operations	(16.761.633)	(9.274.989)
Net (income)/loss for the period attributable equity holders of the company from continuing operations	(97.283.323)	96.000.578
Weighted average number of ordinary shares in issue (with nominal value of YTL 1 each)	460.000.000	460.000.000
<b>Earnings/(loss) per share (Ykr)</b>	<b>(21,15)</b>	<b>20,87</b>
Net income/(loss) from discontinuing operations	59.189.456	(1.813.437)
Weighted average number of ordinary shares in issue (with nominal value of YTL 1 each)	460.000.000	460.000.000
<b>Earnings/(loss) per share (Ykr)</b>	<b>12,87</b>	<b>(0,39)</b>
Net (loss)/income	(38.093.867)	94.187.141
Weighted average number of ordinary shares in issue (with nominal value of YTL 1 each)	460.000.000	460.000.000
<b>Earnings/(loss) per share (Ykr)</b>	<b>(8,28)</b>	<b>20,48</b>

There are not any differences for any of the periods between earnings per share and diluted earnings per share

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 32 - RELATED PARTY DISCLOSURES**

**i) Balances with related parties:**

**a) Short-term due from related parties:**

	<b>2008</b>	<b>2007</b>
Doğan Gazetecilik A.Ş. (“Doğan Gazetecilik”)	10.180.754	6.903.110
Bağımsız Gazeteciler Yayıncılık A.Ş. (“Bağımsız Gazeteciler”)	9.144.437	-
Doğan Media	3.274.216	1.633.716
Medyanet A.Ş. (“Medyanet”)	3.081.240	1.694
Doğan Müzik Kitapçılık A.Ş. (“DMK”)	2.794.431	3.613.324
Doğan Dağıtım Satış ve Pazarlama A.Ş. (“Doğan Dağıtım”)	2.462.713	7.124.939
Milliyet Verlags und Handels GmbH (“Milliyet Verlags”)	1.151.197	3.067.743
Doğan Burda Yayıncılık ve Pazarlama A.Ş. (“Doğan Burda”)	1.099.608	1.117.789
Katalog Yayın Tanıtım Hizmetleri A.Ş. (“Katalog”)	1.068.516	17.666
Doğan Portal ve Elektronik Ticaret A.Ş. (“Doğan Portal”)	578.322	-
Other	1.057.640	3.959.843
	<b>35.893.074</b>	<b>27.439.824</b>

**b) Short-term due to related companies:**

	<b>2008</b>	<b>2007</b>
Işıl İthalat İhracat Mümessillik A.Ş. (“Işıl İthalat”)	2.148.488	-
Doğan Yayın	1.960.599	1.200.104
Milta Seyahat Acentası İşletmeciliği A.Ş. (“Milta”)	624.053	603.533
Doğan İletişim Elektronik Servis Hizmetleri ve Yayıncılık A.Ş. (“Doğan İletişim”)	202.401	-
D-Market Elektronik Hizmetleri Ticaret A.Ş. (“D Market”)	131.850	-
Petrol Ofisi A.Ş. (“Petrol Ofisi”)	126.372	-
Doğan Dış Ticaret	125.040	-
DTV Haber ve Görsel Yayıncılık A.Ş. (“Kanal D”)	120.576	939.744
D Yapı İnşaat Sanayi Ticaret A.Ş. (“D Yapı”)	-	1.011.421
Medyanet	-	1.082.940
Other	771.778	1.824.694
	<b>6.211.157</b>	<b>6.662.436</b>

**c) Advances given to related parties:**

	<b>2008</b>	<b>2007</b>
Doğan Dış Ticaret	1.135.207	110.971
Işıl İthalat İhracat	-	2.188.933
	<b>1.135.207</b>	<b>2.299.904</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 32 - RELATED PARTY DISCLOSURES (Continued)**

**ii) Significant transactions with related parties:**

a) Significant service and product sales to related parties:

	<b>2008</b>	<b>2007</b>
Doğan Dağıtım	77.623.544	79.846.152
Doğan Gazetecilik	29.347.650	26.123.149
Doğan Media	14.632.726	15.249.275
Doğan Burda	6.827.813	7.667.120
Medyanet	4.331.672	1.591.198
Bağımsız Gazeteciler	4.154.839	-
Doğan TV Holding A.Ş. (“Doğan TV”)	4.058.119	3.229.372
Doğan Yayın	3.436.620	3.525.063
Milliyet Verlags	2.304.851	2.343.717
Turner Doğan Prodüksiyon A.Ş. (“Turner”)	2.166.278	-
Doğan İletişim	1.198.162	833.413
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. (“Doğan Egmont”)	1.094.271	1.051.693
Petrol Ofisi	1.089.030	1.947.313
DMK	1.061.063	1.150.583
Eko TV Televizyon ve Yayıncılık A.Ş. (“Eko TV”)	984.115	3.011.111
Other	5.222.585	7.893.292
	<b>159.533.338</b>	<b>155.462.451</b>

b) Significant service and product purchases from related parties:

	<b>2008</b>	<b>2007</b>
İşıl İthalat (*)	79.707.841	84.304.146
Doğan Dış Ticaret (*)	66.605.335	73.649.603
Doğan Dağıtım (**)	22.477.037	23.217.856
Kanal D	12.277.460	9.704.904
Doğan Yayın	11.051.886	11.774.889
Milta	7.789.260	7.510.423
İşıl Televizyon Yayıncılık A.Ş. (“İşıl TV” veya “Star TV”)	1.966.729	5.668.387
Doğan İletişim	1.913.492	1.766.281
D Yapım Reklamcılık ve Dağıtım A.Ş. (“D Yapım Reklamcılık”)	1.834.785	2.085.013
Petrol Ofisi	1.643.972	1.599.043
Other	7.146.909	8.753.169
	<b>214.414.706</b>	<b>230.033.714</b>

(\*) The Group purchases its raw materials primarily from Doğan Dış Ticaret and İşıl İthalat.

(\*\*) Doğan Dağıtım provides newspaper distribution services to the Group. The amount of services and goods purchased from Doğan Dağıtım comprises newspaper returns, distribution and transportation expenses.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 32 - RELATED PARTY DISCLOSURES (Continued)**

c) Other significant transactions with related parties:

**Other income:**

	<b>2008</b>	<b>2007</b>
Işıl İthalat	813.176	950.825
Doğan Dağıtım	812.670	710.087
Doğan Dış Ticaret	751.435	812.062
Doğan Burda	515.699	459.462
Doğan Media	323.931	812.787
Doğan Yayın	187.065	208.325
Doğan İletişim	134.752	120.371
Milliyet Verlags	24.352	129.351
Other	615.919	498.655
	<b>4.178.999</b>	<b>4.701.925</b>

**Other expenses:**

	<b>2008</b>	<b>2007</b>
Doğan Factoring	910.454	1.214.182
Doğan Gazetecilik	119.283	223.076
Other	293.340	537.925
	<b>1.323.077</b>	<b>1.975.183</b>

**Purchase of property, plant and equipment:**

	<b>2008</b>	<b>2007</b>
D-Market	625.326	343.269
D Yapı	228.428	1.611.107
Medyanet	-	746.693
Other	102.769	46.494
	<b>956.523</b>	<b>2.747.563</b>

The Group determined the key management personnel as board of directors and executive committee. Benefits provided to key management personnel consist of wage, premium, health insurance and transportation.

	<b>2008</b>	<b>2007</b>
Board of directors	2.599.357	7.026.886
Executive committee	852.793	576.426
	<b>3.452.150</b>	<b>7.603.312</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 33 - FINANCIAL RISK MANAGEMENT**

**33.1 Financial Risk Management**

**(i) Interest rate risk**

The Company’s interest rate sensitive financial instruments are as follows:

	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Financial instruments with fixed interest rate</b>		
Financial Assets		
- <i>Designated at fair value through profit or loss</i>	348.438.613	107.348.259
Financial liabilities	109.398.581	96.774.490
<b>Financial instruments with floating interest rate</b>		
Financial liabilities	794.200.720	568.165.644

(\*) Financial assets designated at fair value through profit or loss consist of YTL and foreign currency denominated time deposits with fixed interest rate and with maturity less than three months.

The Group management uses interest bearing short term assets within natural policy context to stabilize the maturity of the interest bearing liabilities and assets. Furthermore, the Group hedges interest rate risks arising from floating rate borrowings, by limited use of derivatives, such as interest rate swaps.

At 31 December 2008, had the interest rates on USD and Euro denominated borrowings been 100 basis point higher/lower with all other variables held constant, mainly as a result of higher/lower interest expense on floating rate borrowings; net income for the period before tax and minority would have been lower/higher by YTL 1.088.091 (2007: YTL 497.589).

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)**

**(ii) Liquidity risk**

The table below shows the liquidity risk arises from financial liabilities of the Group:

<b>31 December 2008</b>	<b>Carrying value</b>	<b>Total contractual cash outflow</b>	<b>Less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>						
Financial liabilities	903.599.301	983.127.947	146.187.880	159.073.025	674.442.779	3.424.263
Other financial liabilities	19.729.466	20.567.280	-	14.215.620	6.351.660	-
Trade payables						
- <i>Related party</i>	6.211.157	6.211.157	6.211.157	-	-	-
- <i>Other</i>	38.813.109	38.813.109	38.813.109	-	-	-
Other payables						
- <i>Related party</i>	-	-	-	-	-	-
- <i>Other</i>	15.757.295	15.757.295	15.568.257	-	189.038	-

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)**

**(ii) Liquidity risk (Continued)**

<b>31 December 2007</b>	<b>Carrying value</b>	<b>Total contractual cash outflow</b>	<b>Less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>						
Financial liabilities	664.940.134	797.732.158	19.194.351	81.496.226	648.162.696	48.878.885
Other financial liabilities	17.850.192	21.546.950	-	-	21.546.950	-
Trade payables						
- <i>Related party</i>	6.662.436	6.662.436	6.662.436	-	-	-
- <i>Other</i>	38.419.297	38.419.297	38.419.297	-	-	-
Other payables						
- <i>Related party</i>	-	-	-	-	-	-
- <i>Other</i>	21.271.516	21.271.516	21.271.516	-	-	-

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Funding risk of current and future debt requirements is managed by continuance of sufficient and highly qualified creditor’s access. The Group aims at maintaining cash and cash equivalents for the anticipated cash flows of raw material purchase for the subsequent six-months.

The liquidity table demonstrates the Group’s net financial liabilities in accordance with the redemption schedule. Such amounts are undiscounted future cash flows of financial liabilities of the Group. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2008, the Group has long-term financial liabilities amounting to YTL 537.552.557 (2007: YTL 516.698.027) and long-term trade payables amounting to YTL 86.094.672 (2007: YTL 83.241.192) (Note 7). The Group has no marketable securities with a maturity over one year at 31 December 2008 (2007: None) (Note 6).



**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)**

**(iii) Credit Risk**

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by limiting the aggregate risk to any individual counterparty. The credit risk is generally highly diversified due to the large number of entities comprising the customer bases.

Aging analysis for trade receivables:

As of 31 December 2008 there are past due but not impaired trade receivables amounting to YTL 52.265.614 (2007: YTL 56.515.126). Group does not foresee any collection risk for the delay up to one month due to sector dynamics and conditions. The Group restructures its trade receivables by applying due date differences which are due over one month and/or are not under coverage of a guarantee such as mortgage, indemnity or guarantee notes.

As of 31 December, aging analysis for trade receivables that are past due but not impaired are as follows:

	<b>2008</b>		<b>2007</b>	
	<b>Related party</b>	<b>Other receivables</b>	<b>Related party</b>	<b>Other receivables</b>
0-1 months	833.543	18.023.894	326.641	28.569.113
1-3 months	316.044	10.937.072	1.127.173	8.488.767
3-6 months	957.279	5.800.697	514.929	7.987.904
6-12 months	5.915.327	2.327.315	1.316.787	6.670.401
1-2 years (*)	2.639.937	4.514.506	-	1.513.411
2-5 years	-	-	-	-
5 years and over	-	-	-	-
	<b>10.662.130</b>	<b>41.603.484</b>	<b>3.285.530</b>	<b>53.229.596</b>

(\*) Receivables of Bağımsız Gazeteciler, which were classified as other receivables as of 31 December 2007 and that are past due but not impaired, are reclassified in related party receivables in accordance with that Bağımsız Gazeteciler has become a related party in the year 2008.

As of 31 December, aging analysis for trade receivables that are past due and impaired are as follows:

<b>Impaired</b>	<b>2008</b>	<b>2007</b>
Past due 0 - 3 months	2.873.413	170.046
Past due 3 - 6 months	914.567	187.517
Past due 6 months and over	28.871.337	22.842.013
Less: Provision for impairment	(32.659.317)	(23.199.576)
	-	-

There are no related party receivables that are past due and impaired. There are no trade receivables that are not due but impaired.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)**

The Group’s credit risk of financial instruments as of 31 December 2008 is as follows:

31 December 2008	Trade receivables		Other receivables		Bank deposits	Derivative instruments
	Related party	Other	Related party	Other		
<b>Maximum credit risk exposure as of balance sheet date</b>	<b>35.893.074</b>	<b>158.380.813</b>	<b>-</b>	<b>16.993.849</b>	<b>369.331.911</b>	<b>-</b>
- <i>The part of maximum credit risk under guarantee with collateral</i>	-	<i>32.336.169</i>	-	-	-	-
A. Net book value of financial assets that are not past due/impaired	25.230.944	116.777.329	-	16.993.849	369.331.911	-
B. Net book value of financial assets that are negotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (Note 9)	10.662.130	41.603.484	-	-	-	-
- <i>The part under guarantee with collateral</i>	-	<i>5.991.169</i>	-	-	-	-
D. Net book value of impaired asset						
- Past due (gross carrying amount)	-	32.659.317	-	-	-	-
- Impairment (-)	-	(32.659.317)	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
- Not over due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk						

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)**

The Group’s credit risk of financial instruments as of 31 December 2007 is as follows:

31 December 2007	Trade receivables		Other receivables		Bank deposits	Derivative instruments
	Related party	Other	Related party	Other		
Maximum credit risk exposure as of balance sheet date	27.439.824	194.867.674	-	6.355.312	137.246.235	-
- <i>The part of maximum credit risk under guarantee with collateral</i>	-	18.353.457	-	-	-	-
A. Net book value of financial assets that are not past due/impaired	24.154.294	141.638.078	-	6.355.312	137.246.235	-
B. Net book value of financial assets that are negotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (Note 9)	3.285.530	53.229.596	-	-	-	-
- <i>The part under guarantee with collateral</i>	-	-	-	-	-	-
D. Net book value of impaired asset	-	5.303.457	-	-	-	-
-Past due (gross carrying amount)	-	23.199.576	-	-	-	-
- Impairment (-)	-	(23.199.576)	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
- Not over due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk						

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

**NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)**

**(iv) Foreign currency risk**

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to YTL. These risks are monitored and limited by the analysis of foreign currency position.

The foreign exchange risk mainly arises from the impact of rate changes in the translation of the Group’s foreign currency denominated borrowings which are obtained to fund capital expenditures in domestic and overseas operations. The risk is monitored in regular meetings. The Group maintains a certain portion of its excess cash and cash equivalents in foreign currency to minimize the currency risk exposure.

The Group’s risk management policy for currency risk is to maintain sufficient liquid assets for the anticipated cash flows of raw material purchase and borrowing repayment amounts in each major foreign currency for the subsequent three to six months. However, this policy should be revised by the management when deemed necessary, according to market conditions.

YTL equivalents of assets and liabilities denominated in foreign currencies at 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Assets	318.394.991	161.564.076
Liabilities	(964.275.645)	(743.530.279)
<b>Net foreign currency position</b>	<b>(645.880.654)</b>	<b>(581.966.203)</b>

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 December 2008: YTL 1,5123 = USD 1 and YTL 2,1408 =Euro 1 (2007: YTL 1,1647 = USD 1 and YTL 1,7102 = Euro 1).

	<b>31 December 2008</b>	<b>31 December 2007</b>
Total export amount (YTL)	-	-
Total import amount (YTL)	-	-

Group uses financial instruments such as forward and option agreements to manage foreign currency risk further than the balance between the Group’s assets and liabilities denominated in foreign currency as of 31 December 2008 (Note 19 and 21) (2007: None). Assets denominated in foreign currency amounting YTL 318.394.991 as of 31 December 2008, protected to 33% naturally by the existence of liabilities denominated in foreign currency amounting YTL 964.275.645. Assets denominated in foreign currency amounting YTL 161.564.076 as of 31 December 2007, protected to 22% naturally by the existence of liabilities denominated in foreign currency amounting to YTL 743.530.279.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

**NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)**

**(iv) Foreign currency risk (Continued)**

The table below summarizes the foreign currency position risk as of 31 December 2008 and 2007. The carrying amount of foreign currency denominated assets and liabilities of the Group are as follows:

**31 December 2008**

	<b>USD</b>		<b>Euro</b>		<b>Other</b>	
	<b>Original amount</b>	<b>YTL</b>	<b>Original amount</b>	<b>YTL</b>	<b>YTL</b>	<b>Total</b>
<b>Assets:</b>						
Cash and cash equivalents	137.313.859	207.659.749	17.939.468	38.404.813	19.503.111	265.567.673
Trade receivables	290.390	439.157	4.828.736	10.337.358	16.008.071	26.784.586
Other receivables	833.000	1.259.746	27.983	59.905	24.276.952	25.596.603
Other current assets	-	-	3.532	7.562	438.567	446.129
	<b>138.437.249</b>	<b>209.358.652</b>	<b>22.799.719</b>	<b>48.809.638</b>	<b>60.226.701</b>	<b>318.394.991</b>
<b>Liabilities:</b>						
Short-term portion of long-term financial liabilities	156.669.806	236.931.747	8.960.838	19.183.363	17.036.836	273.151.946
Trade payables	1.962.371	2.967.695	3.826.839	8.192.497	11.527.070	22.687.262
Other payables and short-term liabilities	1.205.000	1.822.322	357.051	764.374	31.484.573	34.071.269
Long-term financial liabilities	315.354.463	476.910.554	44.617.768	95.517.718	55.509.621	627.937.893
Other non-current liabilities	1.140.000	1.724.022	-	-	4.703.253	6.427.275
	<b>476.331.640</b>	<b>720.356.340</b>	<b>57.762.496</b>	<b>123.657.952</b>	<b>120.261.353</b>	<b>964.275.645</b>
<b>Net foreign currency position</b>	<b>(337.894.391)</b>	<b>(510.997.688)</b>	<b>(34.962.777)</b>	<b>(74.848.314)</b>	<b>(60.034.652)</b>	<b>(645.880.654)</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

**NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)**

**31 December 2007**

	<b>USD</b>		<b>Euro</b>		<b>Other</b>	
	<b>Original amount</b>	<b>YTL</b>	<b>Original amount</b>	<b>YTL</b>	<b>YTL</b>	<b>Total</b>
<b>Assets:</b>						
Cash and cash equivalents	45.934.071	53.499.412	7.770.066	13.288.367	25.300.255	92.088.034
Trade receivables	15.294.186	17.813.139	8.636.637	14.770.377	16.109.758	48.693.274
Other receivables and current assets	535.000	623.115	1.760.385	3.010.610	17.149.043	20.782.768
	<b>61.763.257</b>	<b>71.935.666</b>	<b>18.167.088</b>	<b>31.069.354</b>	<b>58.559.056</b>	<b>161.564.076</b>
<b>Liabilities:</b>						
Short-term portion of long-term financial liabilities	31.952.428	37.214.993	9.674.722	16.545.710	3.053.624	56.814.327
Trade payables	9.540.582	11.111.916	12.402.064	21.210.010	11.099.714	43.421.640
Other short-term financial liabilities	1.845.000	2.148.872	907.884	1.552.664	18.956.657	22.658.193
Long-term financial liabilities	432.197.548	503.380.484	27.271.318	46.639.408	51.855.986	601.875.878
Other long-term financial liabilities	5.356.000	6.238.133	133.726	228.699	12.293.409	18.760.241
	<b>480.891.558</b>	<b>560.094.398</b>	<b>50.389.715</b>	<b>86.176.491</b>	<b>97.259.390</b>	<b>743.530.279</b>
<b>Net foreign currency position</b>	<b>(419.128.301)</b>	<b>(488.158.732)</b>	<b>(32.222.627)</b>	<b>(55.107.137)</b>	<b>(38.700.334)</b>	<b>(581.966.203)</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

**NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)**

**(iv) Foreign currency risk (Continued)**

The Group is exposed to foreign currency risk of USD, Euro and CHF.

31 December 2008	Profit/Loss	
	Foreign currency appreciation	Foreign currency depreciation
<b>If the US dollar had changed by 10% against the YTL</b>		
USD net asset/(liabilities)	(56.311.728)	56.311.728
Hedging amount of USD	-	-
<b>USD net effect on income/(loss)</b>	<b>(56.311.728)</b>	<b>56.311.728</b>
<b>If the EUR had changed by 10% against the YTL</b>		
Euro net asset/(liabilities)	(5.716.264)	5.716.264
Hedging amount of Euro	-	-
<b>Euro net effect on income/(loss)</b>	<b>(5.716.264)</b>	<b>5.716.264</b>
<b>If the CHF had changed by 10% against the YTL</b>		
CHF denominated net asset/(liabilities)	(7.217.751)	7.217.751
Hedging amount of CHF	-	-
<b>CHF net effect on income/(loss)</b>	<b>(7.217.751)</b>	<b>7.217.751</b>
31 December 2007	Profit/Loss	
	Foreign currency appreciation	Foreign currency depreciation
<b>If the US dollar had changed by 10% against the YTL</b>		
USD net asset/(liabilities)	(42.289.134)	42.289.134
Hedging amount of USD	-	-
<b>USD net effect on income/(loss)</b>	<b>(42.289.134)</b>	<b>42.289.134</b>
<b>If the EUR had changed by 10% against the YTL</b>		
Euro net asset/(liabilities)	(3.331.538)	3.331.538
Hedging amount of Euro	-	-
<b>Euro net effect on income/(loss)</b>	<b>(3.331.538)</b>	<b>3.331.538</b>
<b>If the CHF had changed by 10% against the YTL</b>		
CHF denominated net asset/(liabilities)	(5.028.525)	5.028.525
Hedging amount of CHF	-	-
<b>CHF net effect on income/(loss)</b>	<b>(5.028.525)</b>	<b>5.028.525</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

**NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)**

**33.2 Fair value of financial instruments**

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

**(i) Monetary assets**

The fair value of the balances denominated in foreign currencies, which are translated by using the exchange rates prevailing at year-end, is considered to approximate carrying value.

The fair values of certain financial assets carried at cost where the fair values cannot be measured reliably, including cash and cash equivalents, are considered to approximate their respective carrying values due to their short-term nature and is negligible impairment risk of the receivables.

The carrying value of trade receivables measured at amortised cost using the effective interest method, less provision for impairment are assumed to approximate their fair values.

**(ii) Monetary liabilities**

The carrying values of trade payables are assumed to approximate their fair values. The carrying values of long-term borrowings (Note 7), trade payables to suppliers (Note 7) and other long term financial liabilities (Note 8) approximate their carrying values as the effect of the discounting is not material.

**33.3 Capital risk management**

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders in accordance with the CMB regulations, issue new shares or sell assets to decrease borrowing. There are covenants related with the bank borrowings stated in Note 7 which the Group has to fulfil net debt/equity ratio as stated in the contracts’ of the related bank borrowings.



## CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

### HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

---

##### NOTE 34 - SUBSEQUENT EVENTS

In accordance with the Article 1 of the Law numbered 5083 concerning the “Currency of the Republic of Turkey” and according to the Decision of The Council of Ministers dated April 4, 2007 and No: 2007/11963, the prefix “New” used in the “New Turkish Lira” and the “New Kuruş” will be removed as of January 1, 2009. When the prior currency, New Turkish lira (“YTL”), values are converted into TL and Kr, one YTL (YTL1) and one YKr (YKr1) shall be equivalent to one TL (TL1) and one Kr (Kr1).

All references made to New Turkish Lira or Lira in laws, other legislation, administrative transactions, court decisions, legal transactions, negotiable instruments and other documents that produce legal effects as well as payment and exchange instruments shall be considered to have been made to TL at the conversion rate indicated above. Consequently, effective from 1 January 2009, the TL replaces the YTL as a unit of account in keeping and presenting of books, accounts and financial statements.

The property holding inquiry executed by Halkalı Tax Administration regarding the tax charges and penalties notified to Doğan Yayın Holding A.Ş. has no connection with the Group’s assets and operations. Within the scope of the sequestration, shares that Doğan Yayın Holding A.Ş. possesses in the Hürriyet Gazetecilik ve Matbaacılık A.Ş.’s share capital and the Doğan Gazetecilik A.Ş., representing 69,81% of the share capital as of 2 April 2009, included in the Central Registry Institution and Intermediary Institution export/investment accounts, were immobilised and their transfer has been restricted.

The Group has held the Extraordinary General Asembly Meeting on 20 March 2009 in accordance with Turkish Trade Law and Articles of Incorporation. In accordance with the 30th paragraph of Article of Incorporation; The Group has decided by the majority of votes, in respect to giving guarantees such as mortgage, indemnity, pledge and guarantee letters in favor of third parties amounting 50% of total assets as of the last balance sheet date publicly announced in the 30 September 2008 consolidated interim financial statements, to authorize Board of Directors and in this context to endorse all transactions until the General Assembly Meeting where all the 2008 accounts and transactions will be analysed. Also the Group has been informed about the completion of II. legal reserves which has been allocated TL 406.354 less during the Group’s 2005 dividend distribution.

As of 2 April 2009, 9,81% of publicly owned shares belong to Doğan Yayın which is the main shareholder of the Group, and 10,02% by Doğan Holding, which is the ultimate parent of the Group.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

**NOTE 35 - CASH FLOWS**

The details of changes in operating assets and liabilities at consolidated statement of cash flow for the years ended 31 December are as follows:

	<b>2008</b>	<b>2007</b>
Change in blocked deposits and time deposits with maturity of more than three months	821.709	50.147.547
Change in trade receivables and due from related parties	6.139.340	(12.665.052)
Change in financial investments	2.093.720	23.347.500
Change in inventories	(139.465)	(3.075.547)
Change in other non-current assets	(14.309.336)	13.391.583
Change in trade payables and due to related parties	2.719.160	(29.260.536)
Change in other current liabilities	16.990.557	(29.018.105)
Change in other non-current assets	(5.664.314)	(2.062.185)
Change in lease payables	26.591	(14.489.483)
	<b>8.677.962</b>	<b>(3.684.278)</b>

.....