

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 MARCH 2008**

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY-31 MARCH 2008**

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**CONSOLIDATED BALANCE SHEETS
AT 31 MARCH 2008 AND 31 DECEMBER 2007**

(Amounts expressed in New Turkish lira ("TRY"), unless otherwise indicated)

	Note References	(Unaudited) 31 March 2008	31 December 2007
ASSETS			
Current assets		479.911.579	443.190.239
Cash and cash equivalents	5	188.057.460	137.938.512
Financial assets	6	1.674.880	2.093.720
Trade receivables		218.707.729	220.980.807
Due from related parties	32	33.705.576	27.439.824
Other trade receivables	9	185.002.153	193.540.983
Other receivables	10	5.231.860	6.231.594
Inventories	11	29.106.685	26.186.912
Other current assets		30.260.289	45.371.269
Advances due from related parties	32	4.118.614	2.299.904
Other current assets	21	26.141.675	43.071.365
Sub-total		473.038.903	438.802.814
Non-current assets held for sale	29	6.872.676	4.387.425
Non-current assets		1.491.282.886	1.379.214.797
Other receivables	10	1.571.577	123.718
Financial assets	6	6.277.142	6.186.438
Investments accounted for by the equity method	12	1.612.120	4.380.092
Investment property	13	15.201.256	12.692.088
Property, plant and equipment	14	561.479.310	552.835.380
Intangible assets	15	625.288.380	558.636.995
Goodwill	16	270.806.946	236.129.473
Deferred income tax assets	30	6.588.105	5.637.866
Other non-current assets	21	2.458.050	2.592.747
Total assets		1.971.194.465	1.822.405.036

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

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**CONSOLIDATED BALANCE SHEETS
AT 31 MARCH 2008 AND 31 DECEMBER 2007**

(Amounts expressed in New Turkish lira ("TRY"), unless otherwise indicated)

	Note References	(Unaudited) 31 March 2008	31 December 2007
LIABILITIES			
Current liabilities		264.878.924	174.541.213
Short term financial liabilities	7	147.331.004	59.744.251
Trade payables		53.645.563	45.081.733
Due to related parties	32	11.850.029	6.662.436
Other trade payables	9	41.795.534	38.419.297
Other payables	10	26.474.179	21.125.928
Current income tax liabilities	30	1.034.283	26.864.197
Provisions	18	5.268.853	5.147.520
Other current liabilities	21	28.060.165	16.577.584
Sub-total		261.814.047	174.541.213
Liabilities from discontinued operations	29	3.064.877	-
Non-current liabilities		817.872.305	794.038.044
Long term financial liabilities	7	610.427.011	605.195.883
Other financial liabilities	8	26.320.154	17.850.192
Other payables	10	159.564	145.588
Provision for employment termination benefits	20	10.093.756	10.115.141
Deferred income tax liabilities	30	170.068.901	159.929.926
Other non-current liabilities		802.919	801.314
TOTAL EQUITY			
Shareholders' equity	22	888.443.236	853.825.779
Share capital		421.000.000	421.000.000
Inflation adjustment to share capital		77.198.813	77.198.813
Translation reserve		6.909.524	(50.857.712)
Restricted reserves		22.732.229	22.732.229
Retained earnings/(accumulated losses)		273.169.995	178.982.854
Net (loss)/income for the period		(35.626.245)	94.187.141
Minority interests		123.058.920	110.582.454
Total liabilities and shareholders' equity		1.971.194.465	1.822.405.036

These consolidated financial statements as at and for the period ended 31 March 2008 were approved by the Board of Directors on 3 June 2008.

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONSOLIDATED UNAUDITED INCOME STATEMENTS FOR 3 MONTH INTERIM
PERIODS 31 MARCH 2008 AND 2007**

	Note References	31 March 2008	31 Marh 2007
<u>Continued operations</u>			
Sales	23	226.143.160	140.547.654
Cost of sales (-)	23	(132.466.974)	(103.936.045)
Gross profit		93.676.186	36.611.609
Marketing, selling and distribution expenses (-)	24	(29.769.502)	(24.654.044)
General administrative expenses (-)	24	(39.668.990)	(9.873.493)
Other operating income	26	1.471.560	1.190.341
Other operating expenses (-)	26	(1.673.282)	(1.962.133)
Operating income/loss		24.035.972	1.312.280
Share of profit/(loss) of investments accounted for by the equity method	12	(2.767.973)	(721.018)
Financial income	27	27.905.754	13.317.744
Financial expenses (-)	28	(82.484.011)	(7.052.838)
(Loss)/Income before income taxes from continuing operations		(33.310.258)	6.856.168
Taxation from continuing operations			
Current tax for the period	30	(8.418.298)	(706.222)
Deferred tax income/(expenses)	30	8.122.738	(72.809)
Net (loss)/income for the period		(33.605.818)	6.077.137
<u>Discontinued operations</u>			
Discontinued operations net loss for the period	29	(1.052.158)	-
Net (loss)/income for the period		(34.657.976)	6.077.137
(Loss)/income distribution for the period			
Attributable to minority interests		968.269	(93.522)
Attributable to equity holders of the Company		(35.626.245)	6.170.659
(Loss)/Earnings per share		(0,0823)	0,0146
-continuing operations		(0,0798)	0,0146
-disposal group		(0,0025)	-

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

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR 3 MONTH INTERIM PERIODS ENDED 31 MARCH 2008 AND 2007

(Amounts expressed in New Turkish Lira ("TRY"), unless otherwise indicated)

	Share capital	Inflation adjustment to shareholders' equity	Currency translation reserve	Restricted reserves	Retained earnings	Net (loss)/ income for the period	Minority interests	Total shareholders' equity
Balances at 1 January 2007	416.742.560	77.198.813	501.968	18.679.778	85.399.604	104.157.463	111.140	702.791.326
Currency translation adjustment	-	-	(94.616)	-	-	-	-	(94.616)
Transfers	-	-	-	-	104.157.463	(104.157.463)	-	-
Minority interest from subsidiary share acquisitions	-	-	-	-	-	-	55.194.000	55.194.000
Minority interest of subsidiaries	-	-	-	-	-	-	2.652.553	2.652.553
Net income for the period	-	-	-	-	-	6.170.660	(93.522)	6.077.138
Balances at 31 March 2007	416.742.560	77.198.813	407.352	18.679.778	189.557.067	6.170.660	57.864.171	766.620.401
Balances at 1 January 2008	421.000.000	77.198.813	(50.857.712)	22.732.229	178.982.854	94.187.141	110.582.454	853.825.779
Currency translation adjustment	-	-	57.767.236	-	-	-	13.077.457	70.844.693
Transfers	-	-	-	-	94.187.141	(94.187.141)	-	-
Subsidiaries' dividend payments to non-group companies	-	-	-	-	-	-	(1.569.260)	(1.569.260)
Net loss for the period	-	-	-	-	-	(35.626.245)	968.269	(34.657.976)
Balances at 31 March 2008	421.000.000	77.198.813	6.909.524	22.732.229	273.169.995	(35.626.245)	123.058.920	888.443.236

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

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED CASH FLOW STATEMENTS AS OF 31 MARCH 2008 AND 2007

(Amounts expressed in New Turkish Lira ("TRY"), unless otherwise indicated)

	Note References	31 March 2008	31 March 2007
Net (loss)/income for the period		(35.626.245)	6.170.659
Adjustments:			
Depreciation	13,14	13.804.036	11.776.816
Amortisation	15	5.248.135	452.998
Net loss on disposal of property, plant and equipment, intangible assets and investment property	26	-	1.510.062
Minority interest		968.269	(93.522)
Taxation	30	295.560	779.031
Provision for employment termination benefits and unused vacation rights		469.483	894.440
Income accruals		121.810	-
Interest income	27	(6.002.375)	(4.460.540)
Interest expenses	28	11.529.375	2.065.078
Foreign exchange losses/(gains) from bank borrowings		47.164.057	(2.536.112)
Deferred income		3.676.591	-
Loss from investments accounted for by the equity method	12	2.767.973	721.018
Provision expenses		1.577.076	125.075
Cash flows from operating activities before changes in operating assets and liabilities		45.993.745	17.405.003
Changes in operating assets and liabilities-net	35	9.462.843	106.020.513
Income taxes paid		(15.654.868)	(2.846.415)
Employment termination benefits paid	20	(527.293)	(451.804)
Net cash provided by operating activities		39.274.427	120.127.297
Cash flow from investing activities:			
Purchases of investment properties	13	(2.527.532)	-
Purchases of property, plant and equipment	14	(11.810.892)	(21.374.008)
Purchases of intangible assets	15	(1.396.204)	(449.243)
Proceeds from sales of property, plant and equipment, intangible assets and investment properties		452.007	2.451.571
Interests received		6.064.592	4.744.480
Acquisition of subsidiaries, net paid		-	(435.046.412)
Share capital increase in associates and financial assets		-	(7.851.256)
Net cash used in investing activities		(9.218.029)	(457.524.868)
Cash used in financing activities:			
Dividends paid to minority interests		(1.569.260)	-
Redemption of bank borrowings		(10.390.351)	(2.298.890)
Bank borrowings received		19.717.991	420.530.005
Change in trade payables to suppliers		13.632.315	10.210.112
Interests paid		(4.809.175)	(2.482.441)
Net cash provided by financing activities		16.581.520	425.958.786
Exchange gains on cash and cash equivalents		3.543.249	-
Change in cash and cash equivalents		50.181.167	88.561.215
Cash and cash equivalents at beginning of period		137.353.719	90.041.981
Change in blocked deposits		(4.140)	35.757.000
Cash and cash equivalents at end of period		187.530.746	214.360.196

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT
AND FOR THE THREE-MONTHS INTERIM PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in New Turkish lira (“TRY”), 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. 32,70% capital of the TME is circulated on London Stock Exchange as GDR.

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
Yenibirş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. (“Yenibirş”)	Turkey	Turkey	Internet services
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 services
Hürriyet Zweigniederlassung GmbH. (“Hürriyet Zweigniederlassung”)	Germany	Europe	Newspaper publishing
Hürriyet Invest BV. (“Hürriyet Invest”)	Netherlands	Europe	Investment
Trader Media East Ltd. (TME)	Jersey	Europe	Investment
Oglasnik 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 services
TME Management (France) SAS	France	Europe	Investment
Expressz Garancia Központ Kft	Hungary	Europe	Marketing
Expressz Magyarorszag Rt	Hungary	Europe	Newspaper and internet publishing
Kisokos Directory kereskedelmi es Szolgaltato kft	Hungary	Europe	Discontinued operations
Szuperinfo Magyarorszag Kft	Hungary	Europe	Newspaper and internet publishing
Trader Hungary Tanacsado Kft	Hungary	Europe	Investment
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
Trader.com (Polska) Sp. Z.o.o.	Poland	Europe	Newspaper and internet publishing
Ssuarts Holding GmbH	Austria	Europe and EE	Investment

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT
AND FOR THE THREE-MONTHS INTERIM PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in New Turkish lira (“TRY”), unless otherwise indicated)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries (Continued)

Subsidiaries	Registered country	Geographic segment	Nature of business
ZAO Pronto Akzhol	Kazakhstan	Russia and EE	Newspaper and internet publishing
OOO Pronto-Akmola	Kazakhstan	Russia and EE	Newspaper and internet publishing
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
Informatcia Vilnusa	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 Nizhnij 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
OOO Pronto Astrakhan	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Kemerovo	Russia	Russia and EE	Newspaper and internet publishing
OOO Pronto Server	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
TCM Croatia Holding BV	Netherlands	Europe	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
Mojjo 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).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE-MONTHS INTERIM PERIOD ENDED 31 MARCH 2008

(Amounts expressed in New Turkish lira (“TRY”), 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 announcement dated 14 April 2008, and by including the mandatory information. As per CMB’s Communiqué Serial XI, No:29 and its announcements clarifying this communiqué enterprises are obliged to present the hedging rate of their total foreign exchange liability and total export and import amounts in the notes to their financial statements. 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 TRY using the relevant foreign exchange rates prevailing at the balance sheet date. The results of the foreign Subsidiaries and Associates are translated into TRY 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.

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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 (e) 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 date of disposal respectively.

The acquisitions of the subsidiaries are accounted by the Group using acquisition method. Cost of acquisition includes fair value of the assets given at the acquisition date, capital instruments written-down, assumed or undergone obligations at the date of the exchange and costs that can be associated with the acquisition. Identifiable assets, liabilities and contingent liabilities emerged during an enterprise merger are evaluated at their fair values without considering the minority interests. The Group measures goodwill at its cost, being 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. 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.

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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 March 2008 and 31 December 2007 are as follows:

Subsidiaries	Proportion of voting power held by Hürriyet and its subsidiaries (%)		Effective ownership interests (%)	
	31 March 2008	31 December 2007	31 March 2008	31 December 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
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	100,00	67,30	67,30
TME Teknoloji Proje Geliştirme ve Yazılım Anonim Şirketi				
Expressz Garancia Kôzpont Kft	100,00	100,00	67,30	67,30
Expressz Magyarorszag Rt	100,00	100,00	67,30	67,30
Kisokos Directory kereskedelmi es Szolgaltato kft	100,00	100,00	100,00	100,00
Szuperinfo Magyarorszag Kft	100,00	100,00	67,30	67,30
Trader Hungary Tanacsado Kft	100,00	100,00	67,30	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	100,00	67,30	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
Informacia Vilnusa	100,00	100,00	67,30	67,30
OOO Pronto Rostov	100,00	100,00	67,30	67,30
ZAO Avtotehsnab	100,00	100,00	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

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

2.1.3 Consolidation principles (Continued)

(a) Subsidiaries (Continued)

Subsidiaries	Proportion of voting power held by Hürriyet and its subsidiaries (%)		Effective ownership interests (%)	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
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
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	60,00	60,00	40,38	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	90,00	90,00	60,57	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 Server	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	46,13	46,13
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
TCM Croatia Holding BV	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

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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 "Revenues/(losses) from investments accounted for by 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 March 2008 and 31 December 2007 are as follows.

Name	31 March 2008	31 December 2007
	Direct and indirect control by Hürriyet and its Subsidiaries (%)	Direct and indirect control by Hürriyet and its Subsidiaries (%)
Doğan Media International GmbH ("Doğan Media")	42,26	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).

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

(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.

(e) *Accounting policy for business combinations under common control*

In business combinations involving entities under common control, assets and liabilities subject to business combination are recognised at their carrying amounts in consolidated financial statements. In addition, statements of income are consolidated from the beginning of financial year in which the business combination takes place. Similarly, comparative consolidated financial statements are restated retrospectively for comparison purposes. As a result of these transactions, no goodwill is recognised. The difference arising in the elimination of the carrying value of the investment held and share capital of the acquired company is directly accounted under “effect of transactions under common control in shareholders’ equity.

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.

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

2.1.5 Comparatives

Where necessary, comparative figures have been reclassified to conform to the changes in presentation of consolidated financial statements at 31 March 2008.

Reclassified comparative figures in consolidated financial statements at interim period 31 March 2008 are presented below:

- Trade receivables: The items amounting to TRY 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: The items amounting to TRY 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 TRY 32.321.509, included in "Other receivables", the items amounting to TRY 2.299.904, included in "Due from related parties" and the items amounting to TRY 718.054, included in "Inventories" in the balance sheet at 31 December 2007, has been reclassified to "Other current assets" in the current period.
- Other long term receivables: The items amounting to TRY 123.718, included in "Trade receivables" at 31 December 2007, has been reclassified to "Other receivables" in the current period.
- Investments accounted for by the equity method: The items amounting to TRY 4.380.092, included in "Financial assets" in the balance sheet at 31 December 2007, has been presented as "Investments accounted for by the equity method" in the current period.
- Financial investments: The items amounting to TRY 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 items amounting to TRY 72.123, included in "Tangible assets" in the balance sheet at 31 December 2007, has been reclassified to "Other tangible assets" in the current period.
- Financial liabilities: The items amounting to TRY 2.489.272, included in "Leasing liabilities", the items amounting to TRY 99.094.584, included in "Trade payables" and the items amounting to TRY 5.256.664, included in "Leasing liabilities" in the balance sheet at 31 December 2007, has been reclassified to "Other current assets" in the current period.

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

2.1.5 Comparatives (Continued)

- Trade payables: The items amounting to TRY 6.662.436, included in "Due from related party" in the balance sheet at 31 December 2007, has been reclassified to "Trade payables" in the current period.
- Other payables: The items amounting to TRY 207.686, included in "Trade payables" and the items amounting to TRY 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 TRY 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 TRY 26.864.197, included in "Debt provision" in the balance sheet at 31 December 2007, has been reclassified to "Current year income tax liability" in the current period.
- Other payables: The items amounting to TRY 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 TRY 10.115.141 included in "Debt provision" in the balance sheet at 31 December 2007, has been presented as "Provision for employment termination benefit" in the current period.
- Losses from valuation of investments by using equity method : The items amounting TRY 721.018 which were presented as "other losses/(expenses)" in the consolidated statement of income for the period ended 31 March 2007 have been reclassified to "Losses from valuation of investments by using equity method" in the current period.
- Financial expenses : The items amounting TRY 4.987.760 which were presented as "other losses/expenses" in the consolidated statement of income for the three-month period ended 31 March 2007 have been reclassified to "Financial expenses" in the current period.
- Financial income : The items amounting TRY 13.317.744 which were presented as "other income/gains" in the consolidated statement of income for the three-month period ended 31 March 2007 have been reclassified to "Financial expenses" in the current period.

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

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 income statement.

2.2.3 Trade receivables and provision for doubtful receivables

Trade receivables that are created by the Group by way of 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 duration receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant (Note 9).

2.2.4 Trade receivables and provision for doubtful receivables

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.

2.2.5 Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs 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).

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

2.2.6 Investment properties and depreciation

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. Investment properties (except land) 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).

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	3-10 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 assets net selling price 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. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus residual value of the related assets.

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

Repair and maintenance expenses are charged to the income statement 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).

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

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.

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, if the acquisition is 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 (Note 16 and 2.2.28).

2.2.10 Intangible assets and amortization

Intangible assets excluding goodwill comprise trade names, customer lists, software, domain names and other identified rights. All trade names and customer lists 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

Software, 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.

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

2.2.11 Significant accounting estimates and decisions

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:

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 TRY 3.444.148 (31 March 2007:None) and income before tax and minority interests would have decreased by TRY 3.444.148 (31 March 2007:None).

Group amortizes trade names, customer lists and domain names with finite 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 TRY 407.766 (31 March 2007:None) and income before tax and minority interests would have increased by TRY 407.766 or
- Had the useful lives been lower by 10%, amortization charges would have increased by TRY 498.380 (31 March 2007:None) and income before tax and minority interests would have decreased by TRY 498.380

2.2.12 Taxes on income

Taxes on income include 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.

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

2.2.13 Taxes on income (Continued)

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.

2.2.14 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).

2.2.15 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).

2.2.16 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.

2.2.17 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.

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

2.2.18 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.

2.2.19 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.

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.

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

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.

2.2.20 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).

2.2.21 Earnings per share

Earnings per share disclosed in the consolidated statements of income are determined by dividing net profit 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 Share 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.

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

2.2.22 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).

2.2.23 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.

2.2.24 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.

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).

2.2.25 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 “financial liability” in the consolidated balance sheet. The Group presents, 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).

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

2.2.26 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).

2.2.27 Web page development costs

The direct costs incurred in the development of its websites are capitalised and recognised over the estimated useful lives. 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 (Note 15).

2.2.28 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 income statement (Note 3).

2.2.29 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.

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

2.2.29 Segment reporting (Continued)

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.

2.2.30 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 March 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.

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

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 income statement.

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.

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NOTE 3 - BUSINESS COMBINATIONS

There are no significant business combinations for periods between 1 January - 31 March 2008

1 January - 31 March 2008:

Group acquired 67,3% of TME shares in consideration of TRY 479.333.941. The provisional purchase price allocation during 31 March 2007 resulted in goodwill amounting TRY 556.539.036. The provisional purchase price allocation was completed at 31 December 2007 and the amount of goodwill is revised to TRY 240.236.651 (Note 16).

The Group appointed independent valuation companies in order to determine fair value of identifiable assets, liabilities and contingent liabilities, allocation of the purchase price and the calculation of goodwill or negative goodwill that may result in accordance with the business combination. Such valuations have been completed as of the date these financial statements are prepared.

The 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.

Details of net assets acquired and goodwill are as follows:

Cash consideration	466.410.050
Direct costs relating to the acquisition	12.923.891
Put option liability at fair value	-
Total purchase consideration	479.333.941
Fair value of net assets acquired	(239.097.290)
Goodwill (Note 16)	240.236.651

Income statement of TME is included to consolidated statement of income starting from 31 March 2007.

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NOTE 3 - BUSINESS COMBINATIONS (Continued)

TME shares acquisition:

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

	Fair value	Carrying value
Cash and cash equivalents	43.949.285	43.949.285
Marketable securities (net)	4.068.535	4.068.535
Trade receivables (net)	17.572.813	17.572.813
Inventory (net)	4.820.689	4.820.689
Other receivables	29.037.304	29.037.304
Assets held for sale	4.381.818	4.381.818
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	8.018.381	8.018.381
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)
Liabilities held for sale	(821.160)	(821.160)
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)
Net assets acquired	239.097.290	(27.082.739)

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)
Cash outflow on acquisition	435.384.656

If TME shares acquisition had occurred at 1 January 2007, the Group's net sales would be TRY 219.091.905 and Minority interest net income would be TRY 9.402.314.

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NOTE 4 - SEGMENT REPORTING

a) Segmental analysis for the three-month period between 1 January and 31 March 2008:

	Turkey	Russia and EE	Europe	Total
Sales	133.063.325	68.463.850	24.615.985	226.143.160
Cost of sales	(84.455.969)	(32.920.751)	(15.090.254)	(132.466.974)
Gross operating profit	48.607.356	35.543.099	9.525.731	93.676.186
Marketing, selling and distribution expenses	(22.199.708)	(4.696.483)	(2.873.311)	(29.769.502)
Losses from investments accounted for by equity method, net (-)	(2.767.973)	-	-	(2.767.973)
Net segment result	23.639.675	30.846.616	6.652.420	61.138.711
General administrative expenses (-)				(39.668.990)
Other operating income				1.471.560
Other operating expenses				(1.673.282)
Financial income				27.905.754
Financial expense (-)				(82.484.011)
Operating loss before tax from continued operations				(33.310.258)
Tax expenses for the period				(295.560)
Loss from continued operations				(33.605.818)
Current period loss from discontinued operations				(1.052.158)
Net loss for the period				(34.657.976)

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NOTE 4 - SEGMENT REPORTING (Continued)

b) Segmental analysis for the three-month period between 1 January and 31 March 2007:

	Turkey	Russia and EE	Europe	Total
Sales	132.775.215	-	7.772.439	140.547.654
Cost of sales	(97.104.592)		(6.831.453)	(103.936.045)
Gross operating profit	35.670.623	-	940.986	36.611.609
Marketing, selling and distribution expenses	(24.654.044)			(24.654.044)
Losses from investments accounted for by equity method, net (-)	(721.018)	-	-	(721.018)
Net segment result	10.295.561	-	940.986	11.236.547
General administrative expenses (-)				(9.873.493)
Other operating income				1.190.341
Other operating expense				(1.962.133)
Financial income				13.317.744
Financial expense (-)				(7.052.838)
Income before tax from continuing operations				6.856.168
Tax expenses for the period				(779.031)
Net income for the period				6.077.137

c) Segment assets

	31 March 2008	31 December 2007
Turkey	889.502.282	862.792.913
Russia and EE	239.190.585	722.459.862
Europe	827.269.133	191.206.632
	1.955.962.000	1.776.459.407
Unallocated assets	6.747.669	30.991.674
Investments accounted for by the equity method	1.612.120	10.566.530
Disposal group assets	6.872.676	4.387.425
Total assets per consolidated financial statements	1.971.194.465	1.822.405.036

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NOTE 4 - SEGMENT REPORTING (Continued)

d) Segment liabilities

	31 March 2008	31 December 2007
Turkey	63.003.942	37.853.499
Russia and EE	31.485.479	26.751.545
Europe	19.103.941	36.977.294
	113.593.362	101.582.338
Unallocated liabilities	966.092.990	866.996.918
Disposal group liabilities	3.064.877	-
Total liabilities per consolidated financial statements	1.082.751.229	968.579.256

e) Depreciation and amortisation charges and capital expenditures

Capital expenditures:

	31 March 2008	31 March 2007
Turkey	13.202.984	21.747.024
Russia and EE	758.816	-
Europe	1.772.828	76.229
	15.734.628	21.823.253

Depreciation and amortization charges:

	31 March 2008	31 March 2007
Turkey	13.711.081	10.791.792
Russia and EE	3.298.550	-
Europe	2.042.540	1.438.022
	19.052.171	12.229.814

f) Non-cash expenses:

	31 March 2008			
	Turkey	Russia and EE	Europe	Total
Interest expense accruals	2.966.826	5.064.484	195.000	8.226.310
Provision for employment termination benefits	505.908	-	-	505.908
Provision for doubtful receivables	377.423	378.414	114.748	870.585
Provision for lawsuits	157.758	-	-	157.758
	4.007.915	5.442.898	309.748	9.760.561

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NOTE 4 - SEGMENT REPORTING (Continued)

f) Non-cash expenses (Continued):

	31 March 2007			Total
	Turkey	Russia and EE	Europe	
Interest expense accruals	966.076	-	399.331	1.365.407
Provision for doubtful receivables	209.793	-	-	209.793
Provision for employment termination benefits	894.440	-	-	894.440
	2.070.309	-	399.331	2.469.640

NOTE 5 - CASH AND CASH EQUIVALENTS

The cash and cash equivalents at 31 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 December 2007
Cash	2.547.733	692.277
Banks		
- demand deposits	43.166.697	29.848.056
- time deposits	142.288.971	107.348.259
- blocked deposits	54.059	49.920
	188.057.460	137.938.512

The Group has blocked deposits amounting to TRY 54.059 as of 31 March 2008. (31 December 2007: TRY 49.920).

Cash and cash equivalents included in the consolidated statements of cash flow at 31 March 2008 and 2007 are as follows:

	31 March 2008	31 December 2007	31 March 2007
Cash and banks	188.057.460	137.938.512	230.100.447
Less: Blocked deposits	(54.059)	(49.920)	(15.277.707)
Less: Interest accruals	(472.655)	(534.872)	(462.544)
	187.530.746	137.353.720	214.360.196

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NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

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

	31 March 2008	31 December 2007
0-1 month	135.904.731	93.695.231
1-3 months	5.029.178	12.865.708
3-6 months	265.512	-
6-12 months	1.125.873	837.240
	142.325.294	107.398.179

There are no time deposits with variable interest rates at 31 March 2008 and 31 December 2007. The effective interest rate for TRY time deposits is 16,9% (31 December 2007: 17,9%). The effective interest rates of foreign currency denominated time deposits is 4,2% for USD and 5,1% for Euro and 1,0% for other currencies as of 31 March 2008 (31 December 2007: USD: 5,5%, Euro: 4,1%, Other: 4,6%).

NOTE 6 - FINANCIAL INVESTMENTS

The details of financial assets at fair value through profit and loss at 31 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 December 2007
Treasury bills and government bonds	1.674.880	2.093.720
	1.674.880	2.093.720

At 31 March 2008, the best bid prices on actual orders by the end of the second session in Istanbul Stock Exchange on 31 March 2008 were used upon the determination of the fair values of government bonds and treasury bills. The effective interest rate of treasury bills and government bonds is 20,2% at 31 March 2008 (31 December 2007: 20,2%).

The maturity analysis of financial assets at fair value through profit and loss at 31 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 December 2007
181-365 days	1.674.880	2.093.720
	1.674.880	2.093.720

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

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NOTE 6 - FINANCIAL INVESTMENTS (Continued)

The details of long term financial investments at 31 March 2008 and 31 December 2007 is as follows:

		31 March 2008		31 December 2007
Available-for-sale financial investments		6.277.142		6.186.438
		6.227.142		6.186.438
	Share %	31 March 2008	Share %	31 December 2007
Doğan Havacılık San. ve Tic. A.Ş. (“Doğan Havacılık”)	9,00	4.513.093	9,00	4.513.093
Doğan Factoring	5,00	736.422	5,00	736.422
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	19,00	169.166	19,00	169.166
Other	-	254.573	-	163.869
		6.277.142		6.186.438

NOTE 7 - FINANCIAL LIABILITIES

The details of borrowings at 31 March 2008 and 31 December 2007 are as follows:

Short term financial liabilities:	31 March 2008	31 December 2007
Bank borrowings	127.529.738	41.401.587
Financial liabilities to suppliers	17.409.978	15.853.392
Lease payables	2.391.288	2.489.272
Total	147.331.004	59.744.251
Long term financial liabilities:	31 March 2008	31 December 2007
Bank borrowings	509.231.750	516.698.027
Financial liabilities to suppliers	95.316.921	83.241.192
Lease payables	5.878.340	5.256.664
Total	610.427.011	605.195.883

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NOTE 7 - FINANCIAL LIABILITIES (Continued)

The details of bank borrowings at 31 March 2008 and 31 December 2007 is as follows:

	Effective interest rate per annum (%)		Original foreign currency		TRY	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Short-term bank borrowings:						
- Euro	6,8	6,6	1.868.145	1.224.098	3.765.433	2.093.453
- TRY	-	-	1.806.991	1.621.336	1.806.991	1.621.336
- USD	6,8	-	-	-	-	-
Sub-total					5.572.424	3.714.789
Short-term portion of long-term bank borrowings:						
- USD	7,0	6,9	89.251.034	26.591.243	113.928.945	30.970.821
- Euro	5,8	5,8	2.098.791	2.141.477	4.230.323	3.662.354
- CHF	4,9	4,8	2.970.240	2.972.476	3.798.046	3.053.623
Sub-total					121.957.314	37.686.798
Total short term bank borrowings					127.529.738	41.401.587
Long-term bank borrowings:						
- USD	6,2	7,3	363.178.220	418.885.476	463.596.998	487.875.914
- Euro	6,2	6,3	18.978.699	12.499.436	38.253.465	21.376.535
- CHF	4,9	5	5.772.493	7.247.715	7.381.287	7.445.578
Total long term bank borrowings					509.231.750	516.698.027

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NOTE 7 - FINANCIAL LIABILITIES (Continued)

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

Year	31 March 2008	31 December 2007
2009 (*)	125.618.869	180.866.303
2010	144.943.839	117.213.006
2011	131.346.019	121.833.893
2012	75.903.363	68.419.981
2013 and over	31.419.660	28.364.844
	509.231.750	516.698.027

(*) Year 2009 on redemption schedule of long-term bank borrowings as of 31 March 2008 represents the period between 1 April 2009 – 31 December 2009.

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

Year	31 March 2008	31 December 2007
Up to 6 months	524.069.258	484.966.299
6-12 months	112.692.230	5.784.931
1-5 years	-	67.348.384
	636.761.488	558.099.614

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 earnings before interest, tax, depreciation and amortisation (“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 (31 December 2007: 33.649.091).

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NOTE 7 - FINANCIAL LIABILITIES (Continued)

Furthermore, the Group's subsidiary TME has signed a senior credit agreement which amounts to a total facility of USD 200.000.000. The borrowing is available in two parts: the first up to USD 165.000.000 and the second up to USD 35.000.000. The second part will be available in 2008 and shall be used for acquisitions and general corporate purposes. The total amount drawn by TME within the credit facility is amounting to USD 144.800.000 as of 31 March 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 TRY 549.999.437 at 31 March 2008 (31 December 2007: TRY 474.489.322).

Lease payables at 31 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 December 2007
Short-term lease payables	2.391.288	2.489.272
Long-term lease payables	5.878.340	5.256.664
	8.269.628	7.745.936

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

Year	31 March 2008	31 December 2007
2009 (*)	1.950.708	2.161.551
2010	2.552.406	1.980.440
2011	1.351.540	1.094.694
2012 and over	23.686	19.979
	5.878.340	5.256.664

(*) Year 2009 on redemption schedule of long-term lease payables as of 31 March 2008 represents the period between 1 April 2009 – 31 December 2009.

The effective interest rate for long term lease payables is 6,5% for USD and 5,0% for Euro (31 December 2007: USD: 6,5%, Euro:5,0%).

Financial liabilities to suppliers at 31 March 2008 and 31 December 2007 is as follows:

	31 March 2008	31 December 2007
Short-term financial liabilities to suppliers	17.409.978	15.853.392
	17.409.978	15.853.392

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NOTE 7 - FINANCIAL LIABILITIES (Continued)

	31 March 2008	31 December 2007
Long-term financial liabilities to suppliers	95.316.921	83.241.192
	95.316.921	83.241.192

Short and long-term financial liabilities to suppliers are related with the purchase of machinery and equipment. The effective interest rates of long term trade payables are 5,3% for USD, 4,8% for Euro and 3,9% for CHF (31 December 2007: USD:5,5%, Euro:4,7%, CHF:3,8%).

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

Year	31 March 2008	31 December 2007
2009 (*)	19.690.231	20.329.886
2010	19.647.375	16.409.591
2011	19.275.312	16.070.114
2012	18.973.778	15.814.269
2013 and over	17.730.225	14.617.332
	95.316.921	83.241.192

(*) Year 2009 on redemption schedule of long-term financial payables as of 31 March 2008 represents the period between 1 April 2009 – 31 December 2009.

The Group's long-term financial liabilities to suppliers issued at variable interest rates are amounting to TRY 98.045.318 at 31 March 2008 (31 December 2007: TRY 79.104.465).

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

Period	31 March 2008	31 December 2007
Up to 6 months	105.574.410	97.718.979
6-12 months	7.152.490	353.742
1-5 years	-	1.021.863
	112.726.899	99.094.584

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

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NOTE 8 - OTHER FINANCIAL LIABILITIES

Other financial liabilities at 31 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 March 2008
Financial liabilities due to put options (Note 19)	26.320.154	17.850.192
	26.320.154	17.850.192

NOTE 9 - TRADE RECEIVABLES AND PAYABLES

Trade receivables net of unearned credit finance income at 31 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 December 2007
Trade receivables	198.353.366	207.444.541
Cheques and notes receivable	6.770.063	6.393.305
Receivables from credit cards	461.162	441.690
	205.584.591	214.279.536
Unearned credit finance income	(1.674.147)	(1.934.126)
	203.910.444	212.345.410
Less: provision for doubtful receivables	(18.908.291)	(18.804.427)
Trade receivables	185.002.153	193.540.983

Trade receivables resulting from advertisement and publications, amounting to TRY 123.676.138 (31 December 2007: TRY 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 3 months (31 December 2007: 3 months). The unearned credit finance income related with the receivables followed up by Doğan Factoring is TRY 1.270.834 (31 December 2007: TRY 1.592.008) and the effective interest rate is 18% (31 December 2007: 18%).

Aging analysis of trade receivables:

As at 31 March 2008, trade receivables of TRY 53.618.151 (31 December 2007: TRY 49.217.791) were past due but not impaired. The Group does not foresee any collection risk for receivables less than one month overdue due to sector dynamics and circumstances. Trade receivables that are overdue for over a month are restructured and a due date difference is charged. The Group does not foresee a collection risk since there are guarantee notes, guarantee cheques, mortgages and bails obtained for these receivables.

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NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)

Aging of past due receivables at 31 March 2008 and 31 December 2007 is as follows:

	31 March 2008	31 December 2007
1 to 3 months	32.992.395	32.967.823
3 to 6 months	7.870.725	7.935.849
Over 6 months	12.755.031	8.314.119
	53.618.151	49.217.791

Furthermore, the Group has trade receivables that are restructured and not included in the aging of overdue receivables above. As at 31 March and 31 December 2007, aging of these receivables per their original maturities are as follows:

	31 March 2008	31 December 2007
1 to 3 months	10.546.257	1.528.545
3 to 6 months	2.650.719	12.796.788
	13.196.976	14.325.333

The movements of provisions for doubtful receivables are as follows:

	31 March 2008	31 March 2007
1 January	18.804.427	12.901.857
Additions during the period (Note 26)	870.585	209.793
Collections during the period	(289.726)	(84.718)
Currency translation differences	(476.995)	-
Acquisition of subsidiaries	-	3.567.560
31 March	18.908.291	16.594.492

Trade payables at 31 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 December 2007
Short-term trade payables	41.556.434	37.557.565
Notes payable	239.100	861.732
	41.795.534	38.419.297

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NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other receivables at 31 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 December 2007
Receivable from tax authorities (*)	4.974.521	4.701.894
Deposits and guarantees given	257.339	1.529.700
	5.231.860	6.231.594

(*) Receivable from tax authorities is 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 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 December 2007
Deposits and guarantees given	1.571.577	123.718
	1.571.577	123.718

Other payables at 31 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 December 2007
Due to personnel	13.004.101	7.314.876
Taxes and funds payable	9.120.763	10.337.433
Social security withholdings payable	4.121.031	3.265.933
Deposits and guaranties received	228.284	207.686
	26.474.179	21.125.928

Other long-term payables at 31 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 December 2007
Deposits and guarantees given	159.564	145.588
	159.564	145.588

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NOTE 11 - INVENTORIES

	31 March 2008	31 March 2007
Promotion stocks (*)	5.193.874	4.450.920
Impairment for promotion stocks	(542.306)	(542.306)
Promotion stocks, net (*)	4.651.568	3.908.614
Raw materials and supplies	22.997.838	20.831.846
Finished goods and merchandise	613.110	1.130.270
Semi-finished goods	844.169	316.182
	29.106.685	26.186.912

(*) 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 March 2008 and 31 December 2007 are as follows:

	Share %	31 March 2008	Share%	31 December 2007
Doğan Media	42,26	1.140.056	42,26	4.139.280
Yaysat	25,00	380.605	25,00	149.470
DYG İlan	20,00	91.459	20,00	91.343
		1.612.120		4.380.093

The summary of the financial statements of the investments accounted for by the equity method at 31 March 2008 are as follows:

31 March 2008	Total assets	Total liabilities	Net sales	Net (loss)/ income for the period
Doğan Media (*)	21.822.303	17.458.214	4.506.906	(2.999.225)
Yaysat	760.082	379.476	49.506	231.136
DYG İlan	82.319	9.139	3.754	116
	22.664.704	17.846.829	4.560.166	(2.767.973)

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

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NOTE 12 - FINANCIAL INVESTMENTS ACCOUNTED BY EQUITY METHOD (Continued)

The summary of the financial statements of the Associates at 31 December 2007 are as follows:

31 December 2007	Total assets	Total liabilities	Net sales (*) the period (*)	Net (loss)/ income for the period (*)
Doğan Media	27.498.589	23.359.309	7.229.815	(656.668)
Yaysat	641.742	492.272	193.757	(59.924)
DYG İlan	106.234	14.892	-	(4.426)
	28.246.565	23.866.473	7.423.572	(721.018)

(*) Represents net loss and net sales for the three-months period ended as of 31 March 2007

The movements in associates during the three-months period ended 31 March 2008 and 2007 are as follows:

	2008	2007
1 January	4.380.093	4.683.331
Loss from associates	(2.999.225)	(721.018)
Income from associates	231.252	-
Share capital increase of associates	-	7.851.256
31 March	1.612.120	11.813.569

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NOTE 13 - INVESTMENT PROPERTY

The movements in investment property and related amortisations during the three-months period ended 31 March 2008 are as follows:

	1 January 2008	Additions	Disposals	31 March 2008
Cost:				
Land and land improvements	9.565.495	-	-	9.565.495
Buildings	3.444.900	2.527.532	-	5.972.432
Total	13.010.395	2.527.532	-	15.537.927
Accumulated depreciation:				
Buildings	318.307	18.364	-	336.671
Total	318.307	18.364	-	336.671
Net book value	12.692.088		-	15.201.256

The depreciation charge for the three-months period ended 31 March 2008 amounting to TRY 18.364 has been included in the cost of sales. The fair value of the investment property has been determined as TRY 27.329.939 at 31 March 2008 (31 December 2007: TRY 24.802.407).

The movements in investment property and related amortisations during the three-months period ended 31 March 2007 are as follows:

	1 January 2007	Additions	Disposals	31 March 2007
Cost:				
Land and land improvements	9.565.495	-	-	9.565.495
Buildings	5.899.086	-	(650.534)	5.248.552
Total	15.464.581	-	(650.534)	14.814.047
Accumulated depreciation:				
Buildings	244.852	18.364	-	263.216
Total	244.852	18.364	-	263.216
Net book value	15.219.729			14.550.831

The amortisation expense for the three-months period ended at 31 March 2008 amounting to TRY 18.364 has been included in cost of sales.

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NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment and related accumulated depreciation for the three-months period ended 31 March 2008 are as follows:

	1 January 2008	Currency translation differences	Additions	Disposals	Transfers	Acquisitions	31 March 2008
Cost							
Land and land improvements	52.246.932	1.093.194	4.572.893	-	-	-	57.913.019
Buildings	258.805.088	4.114.339	417.815	-	-	-	263.337.242
Machinery and equipments	644.183.292	8.750.297	172.968	-	-	-	653.106.557
Motor vehicles	9.750.872	233.036	476.068	-	-	-	10.459.976
Furniture and fixtures	92.068.472	1.946.143	2.318.622	(399.796)	-	-	95.933.441
Leasehold improvements	24.629.038	42.522	41.506	-	-	-	24.713.066
Other non current assets	325.592	58.068	-	-	-	-	383.660
Construction in progress	8.502.573	123.287	3.811.020	(497.950)	-	-	11.938.930
	1.090.511.859	16.360.886	11.810.892	(897.746)	-	-	1.117.785.891
Accumulated depreciation							
Land and land improvements	325.667	-	12.017	-	-	-	337.684
Buildings	51.139.088	575.065	1.346.128	-	-	-	53.060.281
Machinery and equipment	390.229.388	3.686.218	10.496.465	-	-	-	404.412.071
Motor vehicles	5.131.167	53.955	262.458	-	-	-	5.447.580
Furniture and fixtures	68.536.761	705.263	1.586.234	(186.731)	-	-	70.641.527
Leasehold improvements	22.171.037	10.660	82.370	-	-	-	22.264.067
Other non current assets	143.371	-	-	-	-	-	143.371
	537.676.479	5.031.161	13.785.672	(186.731)			556.306.581
Net book value	552.835.380						561.479.310

Net book value of the property, plant and equipment in machinery and equipment group obtained via financial leasing is amounting to TRY 14.885.715 at 31 March 2008 (2007: TRY 13.130.901).

At 31 March 2008, there are liens amounting to TRY 6.175.798 (2007: TRY 13.421.650) and mortgages amounting to TRY 13.101.400 (2007: 11.116.300) on property plant and equipment (Note 31).

The depreciation charge for the three-months period ended at 31 March 2008 amounting to TRY 5.251.259 (31 March 2007: 9.837.022) has been included in cost of sales and TRY 8.534.413 (31 March 2007: 1.921.430) has been included in operating expenses.

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NOTE 14 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movements in property, plant and equipment and related accumulated depreciation for the three-months period ended 31 March 2007 are as follows:

	1 January 2007	Currency translation differences	Additions	Disposals	Transfers (*)	Acquisitions	31 March 2007
Cost							
Land and land improvements	50.604.910	(36.002)	23.302	-	-	191.834	50.784.044
Buildings	244.975.906	(100.864)	315.441	-	-	5.334.087	250.524.570
Machinery and equipment	597.486.398	(304.044)	1.336.860	(6.683.772)	706.423	27.251.455	619.793.320
Motor vehicles	6.710.741	-	25.000	(16.806)	-	1.559.513	8.278.448
Furniture and fixtures	76.100.712	(7.010)	655.652	(23.343)	-	21.590.284	98.316.295
Leasehold improvements	24.049.075	-	9.084	(217.413)	-	520.298	24.361.044
Advances given	8.004.926	-	23.196	-	(4.168.093)	-	3.860.029
	1.007.932.668	(447.920)	2.388.535	(6.941.334)	(3.461.670)	56.447.471	1.055.917.750
Construction in progress	3.760.765	-	18.985.473	-	3.461.670	1.883.837	28.091.745
	1.011.693.433	(447.920)	21.374.008	(6.941.334)	-	58.331.308	1.084.009.495
Accumulated depreciation							
Land and land improvements	278.439	-	11.593	-	-	-	290.032
Buildings	46.236.618	(19.344)	1.300.826	-	-	615.525	48.133.625
Machinery and equipment	358.646.459	(109.994)	9.331.615	(3.415.112)	-	10.168.576	374.621.544
Motor vehicles	3.293.599	-	254.956	(16.806)	-	-	3.531.749
Furniture and fixtures	63.439.186	(4.280)	706.569	(2.987)	-	15.168.679	79.307.167
Leasehold improvements	21.531.783	-	152.893	(195.330)	-	204.255	21.693.601
	493.426.084	(133.618)	11.758.452	(3.630.235)	-	26.157.035	527.577.718
Net book value	518.267.349						556.431.777

(*) The amounts represent transfers from construction in progress.

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NOTE 15 - INTANGIBLE ASSETS

Movement of intangible assets and related accumulated amortization for the three-months period ended 31 March 2008 is as follows:

	1 January 2008	Additions	Disposals	Currency translation differences	31 March 2008
Cost					
Tradenames	289.768.125	-	-	37.401.454	327.169.579
Customer list	252.681.895	-	-	31.535.435	284.217.330
Software and rights	23.876.159	1.317.369	-	2.578.167	27.771.695
Internet domain names	16.696.590	-	-	2.287.903	18.984.493
Other intangible assets	6.076.417	78.835	-	386.476	6.541.728
	589.099.186	1.396.204	-	74.189.435	664.684.825
Accumulated depreciation					
Tradenames	915.911	307.561	-	113.501	1.336.973
Customer list	11.833.877	3.960.848	-	1.486.589	17.281.314
Software and rights	12.264.010	375.103	-	1.575.867	14.214.980
Internet domain names	650.523	216.994	-	81.707	949.224
Other intangible assets	4.797.870	387.629	-	428.455	5.613.954
	30.462.191	5.248.135	-	3.686.119	39.396.445
Net book value	558.636.995				625.288.380

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NOTE 15 - INTANGIBLE ASSETS (continued)

Movement of intangible assets and related accumulated amortisation for the three-months period ended 31 March 2007 is as follows:

	1 January 2007	Additions	Disposals	Acquisitions	31 March 2007
Costs					
Trade names	-	-	-	129.747.341	146.925.446
Software and rights	10.603.019	43.568	(231.379)	11.933.725	41.615.129
Other intangible assets	4.451.878	405.677	-	863.942	8.380.950
	15.054.897	449.245	(231.379)	142.545.008	196.921.525
Accumulated depreciation					
Trade names	-	-	-	-	17.178.105
Software and rights	10.022.798	50.718	(231.379)	-	29.108.333
Other intangible assets	3.852.429	402.280	-	-	6.914.162
	13.875.227	452.998	(231.379)	-	53.200.600
Net book value	1.179.670				143.720.925

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NOTE 15 - INTANGIBLE ASSETS (Continued)

Intangible assets with indefinite useful lives amounted to TRY 300.430.132 at 31 March 2008, (31 December 2007: 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 TRY 5.248.135 for the three-months period ended 31 March 2008 have been included in operating expenses (31 March 2007: TRY 452.998).

NOTE 16 - GOODWILL / NEGATIVE GOODWILL

The movements in goodwill during the three-months period ended 31 March 2008 and 2007 are as follows:

	2008	2007
1 January	236.129.473	11.332.183
Additions (Note 3)	-	556.539.036
Currency translation differences	28.987.511	-
Other (*)	5.689.962	-
31 March	270.806.946	567.871.219

(*) Other represents the changes in the fair value of the put options (Note 2.2.25).

Hürriyet acquired 67,3% of shares of TME on 29 March 2007. As further discussed in Note 3, the acquisition resulted in goodwill amounting to TRY 556.539 (Note 3).

Goodwill is tested annually for impairment at the date of accounted 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.

NOTE 17 - GOVERNMENT GRANTS

The Group realized an investment of imported equipment amounting to USD 103.647.819, and domestic equipment amounting to TRY 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. This certificate was cancelled by General Directorate of Incentive and Implementation.

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NOTE 18 -PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 March 2008 and 31 December 2007, provisions for the short term liabilities are as follows:

Provisions:	31 March 2008	31 December 2007
Provision for lawsuit	2.722.418	2.564.660
Provision for unused vacation	2.546.435	2.582.860
Total	5.268.853	5.147.520

The movements in provision during the period are as follows:

	2008	2007
As of 1 January	2.564.660	6.240.306
Additions during the period (Note 26)	157.758	-
Cancelled provisions	-	(113.750)
31 March	2.722.418	6.126.556

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.

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 TRY 13,752.185 on 29 December 2004, TRY 7.500.000 on 30 December 2006, TRY 5.543.000 on 14 November 2007 and TRY 715.111 on 27 December 2007 - hence a total of TRY 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 payments made were accounted for through deduction from provisions allocated for said law suits in the period of payment.

The Council of State quashed the ruling of the local court by accepting the appeal lodged for two both lawsuits. Subsequent ruling of the local court is being awaited. In the event that the lawsuit concludes partly or completely in favour of the Group , the amounts recognized as expense in the previous paragraph will be able to be recognized as other operating income.

Group Management, made a provision of TRY 479.402 as of 31 March 2008 regarding the two tax lawsuits in line with the opinion of the Group legal consultant (31 December 2007: TRY 479,402).

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NOTE 19 - COMMITMENTS

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

a) Guarantees given

	Currency	Original amount	31 March 2008	Original amount	31 December 2007
Letters of guarantee	TRY	2.263.050	2.263.050	2.339.610	2.339.610
	HUF	58.700.000	448.053	58.700.000	395.378
Financial notes	TRY	202.223	202.223	202.223	202.223
Guarantee notes	TRY	1.714	1.714	1.714	1.714
Guarantees given	TRY	5.008.529	5.008.529	5.008.529	5.008.529
	Euro	25.000	50.390	25.000	42.755
	USD	-	-	-	-
			7.973.959		7.990.209

b) Commitments given:

The Group has blocked deposits amounting to TRY 54.059 (31 December 2007: TRY 49.920) (Note 5) and has liens amounting to TRY 6.175.798 related to the machinery and equipment, arising from the operations in Germany (31 December 2007: TRY 13.421.650).

There are mortgages amounting to TRY 13.101.400 on property plant and equipment as of 31 March 2008 (31 December 2007: TRY 11.116.300) (Note 14).

c) Barter agreements:

The Company, 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 March 2008, in connection with the barter agreements, the Group has TRY 11.707.212 (31 December 2007: TRY 4.289.130) of advertisement commitment and TRY 7.617.750 (31 December 2007: TRY 6.411.034) goods and services purchase rights.

d) Legal cases:

The legal cases against the Company amount to TRY 40.886.425 (31 December 2007: TRY 41.330.730). The Group sets 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. the Group has set a provision of TRY 2.243.016 for trade and administrative lawsuits as a result of these analyses at 31 March 2008 (31 December 2007: TRY 2.085.258). In addition, provision for the tax litigation detailed in Note 18 is TRY 479.402 (31 December 2007: TRY 479.402). Accordingly, total provision for the lawsuits amount to TRY 2.722.418 as of 31 March 2008 (31 December 2007: TRY 2.564.660).

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NOTE 19 - COMMITMENTS (Continued)

e) Derivative financial instruments:

The Group entered into two collar agreements amounting to USD 37.000.000 and purchased one CAP amounting to another USD 37.000.000 to hedge the interest rate risk arising from borrowings as of 31 March 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.

The details of the collar and CAP agreements which are valid as of 31 March 2008 are as follows:

Agreement	LIBOR Floor rate	LIBOR Ceiling rate	Amount USD	Due date
ABN Amro Bank NV	-	5,50%	37.000.000	17 May 2010
BNP Paribas	4,77%	5,50%	20.000.000	17 November 2009
ABN Amro Bank NV	2,80%	5,50%	17.000.000	17 November 2009

Financial income recognized in regards with these agreements amounted to TRY 386.274 (31 December 2007: TRY 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 31,46% from owners without a time constraint, provided that certain conditions are met. The option's value as of 31 Mart 2008 is TRY 8.458.156 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. The fair value of this option is amount to TRY 10.138.753 as of 31 March 2008 in accordance with various valuation techniques and assumptions. 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 a payable (if any) by no later than 30 June 2008. 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 TRY 7.723.245 as of 31 March 2008.

Commitments related with put options offered and explained in details above have been disclosed as "other long term financial liabilities".

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NOTE 20 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

Provision for employment termination benefits at 31 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 December 2007
Provision for employment termination benefits	10.093.756	10.115.141
	10.093.756	10.115.141

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 March 2008 the amount payable maximum TRY 2.087,92 (31 December 2007: TRY 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 2, 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:

	31 March 2008	31 December 2007
Discount rate (%)	5,71	5,71
Turnover rate to estimate the probability of retirement (%)	90	90

The principal assumption is that the maximum liability of TRY 2.087,92 (31 December 2007: TRY 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 TRY 2.087,92 (1 January 2007: TRY 1.960,69), which is effective from 1 January 2008, has been taken into consideration in calculating the reserve for employment termination benefit of the Group. As of 31 March 2008, the wages have been taken into consideration in calculation for the employees under the Regulations with regards to Employees Employed in the Press Sector.

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NOTE 20 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS (Continued)

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

	2008	2007
1 January	10.115.141	8.470.347
Charge for the period	505.908	894.440
Payments during the period and provisions terminated	(527.293)	(451.804)
Acquisitions	-	8.821
31 March	10.093.756	8.921.264

DİPNOT 21 - OTHER CURRENT/NON-CURRENT ASSETS AND OTHER CURRENT/NON-CURRENT LIABILITIES

Other current assets at 31 March 2008 and 31 December 2007 is as follows:

	31 March 2008	31 December 2007
Prepaid expenses (*)	11.604.545	9.377.112
Value Added Tax ("VAT") receivables	3.710.706	2.613.904
Advances given to personnel	2.862.781	3.354.129
Job advances	2.256.474	1.554.128
Advances given for purchases	1.134.108	718.054
Income accruals	532.880	654.690
Prepaid tax (Note 30)	22.866	18.038.010
Other	4.017.315	6.761.338
	26.141.675	43.071.365

(*) Prepaid expenses comprise prepaid rent, insurance and similar expenses.

Other non current assets at 31 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 December 2007
Prepaid expenses (*)	2.075.808	2.520.624
Advances given	321.261	72.123
Other	60.981	-
	2.458.050	2.592.747

(*) Prepaid expenses comprise prepaid rent expenses

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

Other short term liabilities at 31 March 2008 and 31 December 2007 are as follows:

	31 Mart 2008	31 Aralık 2007
Deferred revenue	13.191.346	9.514.755
Value Added Tax (“VAT”) payables	5.998.394	2.459.967
Expense accruals	5.902.133	3.254.384
Provisions for sales premium	1.365.149	-
Other	1.603.143	1.348.478
	28.060.165	16.577.584

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 TL 1.000. There are no privileged shares. The Company’s historical authorised and paid-in share capital at 31 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 December 2007
Historical authorised and paid-in share capital	421.000.000	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 of the Company is as follows:

	31 March 2008	Share (%)	31 December 2007	Share (%)
Doğan Yayın Holding A.Ş.	252.600.000	60	252.600.000	60
Publicly owned	168.400.000	40	168.400.000	40
	421.000.000		421.000.000	
Adjustment to share capital	77.198.813		77.198.813	
Total share capital	498.198.813		498.198.813	

0,21% of publicly owned shares belong to Doğan Yayın which is the main shareholder of the Group, and 3,7% to Doğan Holding.

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NOTE 22 - SHARE HOLDERS' EQUITY (Continued)

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. The Group has restricted reserves amounting to TRY 22.732.229 at 31 March 2008 (31 December 2007: TRY 22.732.229).

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. 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.

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NOTE 22 - SHARE HOLDERS' EQUITY (Continued)

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% (31 December 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.

NOTE 23 - SALES AND COST OF SALES

Sales

	31 March 2008	31 March 2007
Turkey	133.063.325	132.775.215
Russia and EE	68.463.850	-
Europe	24.615.985	7.772.439
Net sales	226.143.160	140.547.654
Cost of goods sold	(132.466.974)	(103.936.045)
Gross operating profit	93.676.186	36.611.609

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NOTE 23 - SALES AND COST OF SALES

Cost of sales

The details of cost of sales for the three-months interim period ended 31 March 2008 and 2007 are as follows:

	31 March 2008	31 March 2007
Raw materials	56.237.736	48.880.516
Paper	34.680.425	37.532.523
Printing	11.832.292	8.263.337
Other	9.725.019	3.084.656
Payroll	48.430.142	24.296.133
Depreciation and amortization	10.517.758	9.643.863
Fuel, electricity and water	1.930.691	1.696.913
Distribution and travel	1.878.149	1.847.732
Communication	1.288.357	888.636
Other	12.184.141	16.682.252
Total	132.466.974	103.936.045

TRY 42.134.212 which has been included in cost of sales for the three-months interim period ended 31 March 2008 consists of TME's expenses, which is a subsidiary of the Group. Since the acquisition of TME has taken place in 29 March 2007, TME's income statement has not been included in the consolidation for the three-months period that ended 31 March 2007.

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

a) Marketing, selling and distribution expenses:	31 March 2008	31 March 2007
Advertisement	12.521.415	9.863.936
Transportation, storage and travel	6.760.263	6.403.984
Promotion	2.422.533	6.138.876
Payroll	2.329.331	567.969
Sales premiums (*)	1.939.839	29.897
Other	3.796.121	1.649.382
Total	29.769.502	24.654.044

(*) Sales premiums are the amounts to be paid to agencies at year end. The Group has started to calculate sales volume based incentives in the second quarter of 2007.

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

b) General administration expenses:	31 March 2008	31 March 2007
Payroll	12.685.857	2.157.233
Depreciation and amortization	8.888.699	2.309.972
Consulting	5.063.455	2.840.748
Electricity and water	4.106.170	365.621
Rent	3.248.954	35.728
Transportation, storage and travel	1.709.900	537.284
Communication	902.433	332.106
Repair and maintenance	603.268	512.450
Other	2.460.254	782.351
Total	39.668.990	9.873.493

Amounts TRY 7.569.794 and TRY 28.530.317 which have been included in marketing, selling and distribution expenses and general administration expenses consecutively in the three month period ended in 31 March 2008 consist of expenses incurred by TME which is a subsidiary of the group. Since the acquisition of TME has taken place in 29 March 2007, TME's income statement has not been included in the consolidation for the three month period that ended 31 March 2007.

NOTE 25 - EXPENSES BY NATURE

As of 31 March 2008 and 2007, the expenses are disclosed in terms of nature and the details are shown in Note 23 and Note 24.

NOTE 26 - OTHER INCOME AND EXPENSES

The details of other income and gains for the period ended 31 March 2008 and 2007 are as follows:

	31 March 2008	31 March 2007
Rent and building service fees	1.064.322	951.136
Provisions terminated	407.238	239.205
Total	1.471.560	1.190.341

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NOTE 26 - OTHER INCOME AND EXPENSES (Continued)

The details of other expenses and losses for the period ended 31 March 2008 and 2007 are as follows:

	31 March 2008	31 March 2007
Provision for doubtful receivables	870.585	209.793
Loss on sale of property, plant and equipment	-	1.510.062
Provision for tangible fixed asset impairment	259.008	-
Court expenses	182.875	-
Provision for lawsuits	157.758	-
Aids and donations	133.584	142.915
Penalties and compensations paid	69.472	99.363
Total	1.673.282	1.962.133

NOTE 27 - FINANCIAL INCOME

The details of financial income for the period ended 31 March 2008 and 2007 are as follows:

	31 March 2008	31 March 2007
Foreign exchange gain on borrowings	20.589.620	5.365.653
Due date difference income	3.141.110	2.782.227
Interest income on bank deposits	2.635.557	3.978.510
Credit finance income from receivables	1.020.689	636.238
Interest income on financial assets at fair value through profit and loss, net	225.708	482.030
Other	293.070	73.086
Total	27.905.754	13.317.744

NOTE 28 - FINANCIAL EXPENSES

The details of financial expenses for the period ended 31 March 2008 and 2007 are as follows:

	31 March 2008	31 March 2007
Foreign exchange losses	65.600.664	3.808.362
Interest expenses on bank borrowings	11.529.375	2.065.078
Banking commission and factoring expenses	193.526	299.004
Other	5.160.446	880.394
Total	82.484.011	7.052.838

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

Kisokos Directory Kereskedelmi es Szolgaltato Kft. (“Kisokos”) based in Hungary which was also acquired with the acquisition of 67,3% shares of TME has been classified under discontinued operations as of 31 March 2008 (31 December 2007: Classified under discontinued operations). In September 2006, TME has announced that trademark rights of Kisokos were for sale. According to the sale agreement reconciled in May 2007, intangible fixed assets of Kisokos will be transferred to the acquiring company by December 2008 the latest, between 16 April 2007 and the date when intangible fixed assets will be physically transferred, Kisokos will be managed by the acquiring company and so will be the losses or profits resulting from the management. The acquirer will be paying the Group a licence fee in return.

Financial statements as of 31 March 2008 include this agreement and the subsidiary merger following it. Sum of the selling worth of the trademark and licence fees for the years 2007 and 2008 equals 120 billion Hungarian Forints (TRY 888.619) and is accepted as the fair value of Kisokos trademark.

As of 31 March 2008, the Group has classified Kisokos under discontinued operations, considering criteria mentioned in IFRS 5, “Non-current Assets Held-for-sale and Discontinued Operations” to be valid.

Assets and liabilities of discontinued operations are stated as items of “Assets held for sale” in the consolidated balance sheet as of 31 March 2008.

	31 March 2008	31 December 2007
Current assets		
Trade receivables	1.494.782	1.326.593
Other current assets	2.530.023	1.487.407
Total current assets	4.024.805	2.814.000
Fixed assets		
Deferred tax assets	1.404.150	1.007.290
Other fixed assets	1.443.721	566.135
Total non-current assets	2.847.871	1.573.425
Net assets held for sale	6.872.676	4.387.425
Liabilities		
Trade payables	509.324	-
Other liabilities	2.555.553	-
Liabilities held for sale	3.064.877	-

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NOTE 30 - TAX ASSETS AND LIABILITIES

	31 March 2008	31 December 2007
Corporate and income taxes payable	1.034.283	26.864.197
Less: Prepaid taxes	(22.866)	(18.038.010)
Taxes payable, net	1.011.417	8.826.187
Deferred tax liabilities	183.716.678	167.971.144
Deferred tax assets	(20.235.882)	(13.679.084)
Deferred tax liability, net	163.480.796	154.292.060

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.

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% (31 December 2007: 20%). For some of the Group's Subsidiaries, deferred income taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in the period where the investment incentive allowance is utilised, under the liability method using an effective tax rate of 30% and 20% on temporary differences that are expected to be realized or settled at 2009 and thereafter.

The tax rates at 31 March 2008, which are used in the calculation of deferred tax, taking each country's tax legislations into consideration are as follows:

Country	Tax rates	Country	Tax rates
Germany	28,0	Kazakhstan	30,0
Austria	25,0	Hungary	16,0
Belarus	24,0	Poland	19,0
France	33,3	Russia	24,0
Croatia	20,0	Ukraine	25,0
Netherlands	25,5		

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NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

The temporary differences giving rise to deferred income tax assets/(liabilities) using the enacted tax rates as of 31 March 2008 and 31 December 2007 are as follows:

	<u>Temporary differences</u>		<u>Deferred tax assets/ (liabilities)</u>	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Carry forward tax losses	77.242.414	42.701.505	13.703.503	4.557.727
Provision for employment termination benefits and unused vacation rights	12.640.191	12.698.001	2.528.038	2.539.600
Difference between tax base and carrying value of leasing payables	8.134.267	7.601.877	2.277.595	2.174.136
Difference between tax base and carrying value of trade receivables	4.172.496	6.389.099	711.927	1.162.981
Deferred revenue	1.637.866	1.472.706	327.573	294.541
Other, net	773.577	3.027.788	687.246	2.950.099
Deferred tax assets	104.600.811	73.890.976	20.235.882	13.679.084
Difference between tax base and carrying value of property, plant and equipment and intangibles	(830.984.127)	(729.430.313)	(180.462.465)	(164.738.336)
Other, net	(13.320.330)	(14.542.012)	(3.254.213)	(3.232.808)
Deferred tax liabilities	(844.304.457)	(743.972.325)	(183.716.678)	(167.971.144)
Deferred tax liabilities, net	(739.703.646)	(670.081.349)	(163.480.796)	(154.292.060)

The movements in deferred tax liabilities for the three-months period ended 31 March 2008 and 2007 are as follows:

	2008	2007
1 January	154.292.060	21.841.667
Deferred tax income at the consolidated income statements (Note 30)	(8.122.738)	72.809
Currency translation differences	17.311.474	(16.861)
Acquisition of subsidiaries, net	-	35.061.441
31 March	163.480.796	56.959.056

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NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

The analysis of the tax expenses for the period ended 31 March 2008 and 2007 are as follows:

	31 March 2008	31 March 2007
Current	8.418.298	706.222
Deferred	(8.122.738)	72.809
	295.560	779.031

The reconciliation of the taxation on income in the consolidated statement of income for the years ended 31 March 2008 and 2007 and the taxation on income calculated with the current tax rate over income before tax and minority interest is as follows:

	31 March 2008	31 March 2007
(Loss)/Income before tax and minority	(34.362.416)	6.856.168
Current period tax expense calculated at 20% effective tax rate	(6.872.483)	1.371.234
Expenses not deductible for tax purposes	3.563.362	392.037
Current period financial losses	2.324.932	206.165
Difference due to the different tax rates applicable in different countries	293.188	104.031
Carry forward losses utilised	-	(418.593)
Income not subject to tax	(209.442)	(231.289)
Other, net	1.196.003	(644.554)
Taxation on income for the current period	295.560	779.031

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.

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NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

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% (31 December 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).

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% (31 Aralık 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.

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NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

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).

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 in force at 31 December 2005 for investments which were started before 1 January 2006 and which display an economic and technical integrity.

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NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

The Companies can utilize the investment allowance exemption, for their investments until 31 December 2005 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.

Russian Federation:

The corporate tax rate effective in Russian Federation is 24% (2007: 24%).

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. Maximum amount that can be deducted in any year is limited to 30% of the taxable income (31 December 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.

Dividend income payable to a foreign organisation is subject to withholding tax at 15%.

Hungary:

The corporate tax rate effective in Hungary is 16% (31 December 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. Withholding tax on dividend distributions to companies was fully abolished in January 2006.

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NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

Croatia:

The corporate tax rate effective in Croatia is 16% (31 December 2007: 16%).

The deadline for the submission of corporate income tax returns is four months after the period for which the profit tax is assessed. The tax liability is paid in the form of monthly tax advances which are determined on the basis of the previous year's tax liability. If corporate tax pre-payments exceed the determined tax liability, taxpayers are entitled either to a refund or to offset the pre-payment against other tax liabilities.

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

Consolidated group accounts are not permitted under Croatian legislation.

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% (31 December 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.

NOTE 31 - EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue. Calculation is as follows:

	31 March 2008	31 March 2007
Net (loss)/income for the period	(34.657.976)	6.077.137
Weighted average number of ordinary shares in issue (with nominal value of TRY 1 each)	421.000.000	416.742.560
(Loss)/Earnings per share	(0,0823)	0,0146

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NOT 32 - RELATED PARTY DISCLOSURES

i) Balances with related parties:

a) Short-term due from related parties:

	31 March 2008	31 December 2007
Doğan Dağıtım Satış ve Pazarlama A.Ş. (“Doğan Dağıtım”)	9.662.606	7.124.939
Doğan Gazetecilik A.Ş. (“Doğan Gazetecilik”)	7.570.494	6.903.110
Doğan Müzik Kitapçılık A.Ş. (“DMK”)	4.292.654	3.613.324
Milliyet Verlags und Handels GmbH. (“Milliyet Verlags”)	3.966.043	3.067.743
Doğan TV Holding A.Ş. (“Doğan TV”)	1.740.960	-
Doğan Media International GmbH (“DMG”)	1.545.532	1.633.716
Doğan Burda Yayıncılık ve Pazarlama A.Ş. (“DB”)	1.048.708	1.117.789
Doğan Portal ve Elektronik Ticaret A.Ş. (“Doğan Portal”)	737.282	-
D Market Ticaret A.Ş. (“D Market”)	686.081	337.682
Alp Görsel İletişim Hizmetleri A.Ş. (“Alp Görsel”)	584.771	95.436
Dergi Pazarlama Planlama ve Ticaret A.Ş.	46.594	393.456
Doğan Elektronik Turizm, Satış Pazarlama Hizmetleri ve Yayıncılık A.Ş.	42.035	470.863
Other	1.781.816	2.681.766
	33.705.576	27.439.824

b) Advances given to related parties:

	31 March 2008	31 December 2007
Işıl İthalat İhracat	3.489.676	2.188.933
Doğan Dış Ticaret ve Mümessillik A.Ş. (“Doğan Dış Ticaret”)	628.938	110.971
	4.118.614	2.299.904

c) Short-term due to related companies:

	31 March 2008	31 December 2007
Doğan Yayın	3.285.944	1.200.104
DTV Haber ve Görsel Yayıncılık A.Ş.	2.865.156	939.744
Işıl Televizyon Yayıncılık A.Ş. (“Işıl TV”)	1.426.279	170.717
Medyanet A.Ş. (“Medyanet”)	979.902	1.082.940
Milta Seyahat Acentası İşletmeciliği A.Ş. (“Milta”)	715.273	603.533
Ortadoğu Otomotiv Tic. A.Ş.	478.102	-
Doga Televizyon ve Radyo Yay As	407.444	-
Doğan Dış Ticaret	369.383	-
Eko TV Televizyon Yayıncılık A.Ş. (“Eko Türk”)	342.200	236.000
Doğan Holding	66.380	198.447
DB	41.861	276.841
D-Yapı İnşaat Sanayi Ticaret A.Ş. (“D Yapı”)	-	1.011.421
Other	872.105	942.689
	11.850.029	6.662.436

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NOTE 32 - RELATED PARTY DISCLOSURES (Continued)

ii) Significant transactions with related parties:

a) Significant service and product sales to related parties:

	31 March 2008	31 March 2007
Doğan Dağıtım	19.476.149	22.986.098
Doğan Gazetecilik	6.897.046	7.158.731
Doğan Media	3.443.515	3.828.752
DB	1.694.312	1.995.507
Doğan Yayın	913.798	1.022.635
Doğan TV Holding A.Ş. ("Doğan TV")	903.879	795.591
Eko TV	894.087	869.799
Medyanet A.Ş.	647.511	709.637
Milliyet Verlags	573.161	672.746
Petrol Ofisi	431.602	178.325
Alp Görsel	414.484	237.112
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont")	335.324	242.569
DMK	312.155	226.630
Doğan İletişim	265.608	209.750
Smile Dağıtım A.Ş. ("Smile Dağıtım")	260.801	-
Doğan Portal	216.502	-
Kanal D	198.671	362.821
Other	1.190.435	1.241.367
	39.069.040	42.738.070

b) Significant service and product purchases from related parties:

	31 March 2008	31 March 2007
Işıl İthalat (*)	14.685.366	24.596.473
Doğan Dış Ticaret (*)	14.506.018	18.715.156
Doğan Dağıtım (**)	5.025.593	6.052.867
Doğan Yayın	2.876.022	3.005.146
Kanal D	2.815.285	2.982.072
Milta	1.776.351	1.704.561
Işıl TV	1.163.820	2.037.575
D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım")	495.797	-
Doğan İletişim	441.598	389.518
Petrol Ofisi	416.142	373.351
Doğa TV	406.777	383.259
Doğan Gazetecilik	329.500	265.583
Eko TV	275.341	180.165
Other	901.882	1.130.043
	46.115.492	61.815.769

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

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NOTE 32 - RELATED PARTY DISCLOSURES (Continued)

c) Other significant transactions with related parties:

Other income:

	31 March 2008	31 March 2007
Işıl İthalat	203.294	227.609
Doğan Dış Ticaret	180.222	219.227
Doğan Dağıtım	142.264	163.309
DB	116.679	129.085
DMI	77.264	459
Doğan Yayın	46.766	66.345
Doğan İletişim	34.295	24.574
Birpa Müşteri Hizmetleri ve Pazarlama A.Ş. ("Birpa")	21.841	24.453
Doğan Egmond	18.504	12.038
Other	78.724	117.024
	919.853	984.123

	31 March 2008	31 March 2007
Other expenses:		
Doğan Gazetecilik	119.283	89.500
Petrol Ofisi	32.381	-
Other	-	13.631
	151.664	103.131

Doğan Faktoring	191.165	215.949
Doğan Dağıtım	11.075	6.427
Doğan Yayın	866	2.625
Other	-	68
	203.106	225.069

	31 March 2008	31 March 2007
Purchase of property, plant and equipment:		
D Yapı İnşaat Sanayi ve Ticari A.Ş.	210.110	-
Doğan İletişim	26.840	-
D-Market Elektronik Hizmet Ticaret A.Ş.	12.056	101.032
	249.006	101.032

	31 March 2008	31 March 2007
Remunerations paid to Board members and key management personnel	568.463	452.222
	568.463	452.222

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NOTE 33 - FINANCIAL RISK MANAGEMENT

33.1 Financial Risk Management

(i) Interest rate risk

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 when necessary, by limited use of derivatives, such as interest rate swaps.

At 31 March 2008, had the interest rates on USD and Euro denominated borrowings been hundred 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 would have been lower/higher by TRY 1.312.037 (31 March 2007: TRY 96.994).

(ii) Liquidity risk

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.

Following 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.

31 March 2008	less than 1 year	1-2 years	2-5 years	over 5 years	Total
Financial liabilities	188.045.770	222.930.068	474.399.543	54.384.891	939.760.272
31 December 2007	less than 1 year	1-2 years	2-5 years	over 5 years	Total
Financial liabilities	101.230.321	238.005.505	409.897.108	48.599.224	797.732.158

At 31 December 2008, the Group has long-term financial liabilities amounting to TRY 509.231.750 (31 December 2007: TRY 516.698.027) and long-term trade payables amounting to TRY 95.316.921 (31 December 2007: 83.241.192) (Note 7). The Group has no marketable securities with a maturity over one year at 31 December 2008 (31 December 2007: None) (Note 6).

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NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

(iii) Funding risk

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

(iv) 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.

(v) 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 TRY. 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.

TRY equivalents of assets and liabilities denominated in foreign currencies at 31 March 2008 and 31 December 2007 are as follows:

	31 March 2008	31 December 2007
Assets	199.428.661	161.564.076
Liabilities	(837.647.070)	(581.966.203)
Net foreign currency position	(638.218.409)	(420.402.127)

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NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

	31 March 2008			
	USD	Euro	Other	Total
Assets:				
Cash and cash equivalents	55.313.599	31.281.567	40.985.926	127.581.092
Trade receivables	16.624.931	11.245.724	18.884.128	46.754.783
Other receivables and current assets	4.787.500	1.156.509	18.524.568	24.468.577
Non-current assets	63.825	11.489	548.895	624.209
Total Assets	76.789.855	43.695.289	78.943.517	199.428.661
Liabilities:				
Financial liabilities	116.950.421	15.098.203	4.309.084	136.357.708
Trade payables	1.939.004	7.069.059	19.079.846	28.087.909
Other current liabilities	2.681.927	1.053.113	31.917.606	35.652.646
Total current liabilities	121.571.352	23.220.375	55.306.536	200.098.263
Financial liabilities	479.914.470	67.200.952	63.311.589	610.427.011
Other financial and non-current liabilities	7.722.825	-	19.398.971	27.121.796
Total non-current liabilities	487.637.295	67.200.952	82.710.560	637.548.807
Total liabilities	609.208.647	90.421.327	138.017.096	837.647.070
Net foreign currency position	(532.418.792)	(46.726.038)	(59.073.579)	(638.218.409)
	31 December 2007			
	USD	Euro	Other	Total
Assets:				
Cash and cash equivalents	53.499.412	13.288.367	25.300.255	92.088.034
Trade receivables	17.813.139	14.770.377	16.109.758	48.693.274
Other receivables and current assets	623.115	3.010.610	17.149.043	20.782.768
Total assets	71.935.666	31.069.354	58.559.056	161.564.076
Liabilities:				
Financial liabilities	37.214.993	16.545.710	3.053.624	56.814.327
Trade payables	11.111.916	21.210.010	11.099.714	43.421.640
Other financial liabilities	2.148.872	1.552.664	18.956.657	22.658.193
Total current liabilities	50.475.781	39.308.384	33.109.995	122.894.160
Financial liabilities	503.380.484	46.639.408	51.855.986	601.875.878
Other financial liabilities	6.238.133	228.699	12.293.409	18.760.241
Total non-current liabilities	509.618.617	46.868.107	64.149.395	620.636.119
Total liabilities	560.094.398	86.176.491	97.259.390	743.530.279
Net foreign currency position	(488.158.732)	(55.107.137)	(38.700.334)	(581.966.203)

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 March 2008: TRY 1,2765= USD 1 and TRY 2,0156= Euro 1 (2007: TRY 1,1647= USD 1 and TRY 1,7102= Euro 1).

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NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

	31 March 2008	31 March 2007
Total export amount (TRY)	-	-
Total import amount (TRY)	-	-

Group is not using any financial instruments to manage foreign currency risk further than the balance between Group's assets and liabilities denominated in foreign currency as of 31 March 2008 (31 December 2007: None). Assets denominated in foreign currency amounting TRY 199.428.661 as of 31 March 2008, protected to 24% naturally by the existence of liabilities denominated in foreign currency amounting TRY 846.813.375. Assets denominated in foreign currency amounting TRY 161.564.076 as of 31 December 2007, protected to 22% naturally by the existence of liabilities denominated in foreign currency amounting TRY 743.630.279.

The Group is exposed to foreign currency risk mainly in US Dollars, Euro and CHF.

At 31 March 2008, had the US Dollar weakened/strengthened by 10% against TRY and the local currency of the countries which Group has significant operations, ceteris paribus, income before tax and minority interests for the year would have been TRY 53.299.820 lower/higher (31 March 2007: TRY 48.967.168), as a result of foreign exchange gains/losses on translation of USD denominated financial assets and liabilities. Net income is more sensitive to movements in TRY/USD exchange rates in the current period compared to period ended at 31 March 2007 due to increase in USD denominated bank borrowings.

At 31 March 2008, had the Euro weakened/strengthened by 10% against TRY and the local currency of the countries which Group has significant operations, ceteris paribus, income before tax and minority interests for the year would have been TRY 4.712.889 lower/higher (31 March 2007: TRY 5.756.902), mainly as a result of net foreign exchange losses/gains on translation of Euro denominated financial assets and liabilities.

At 31 March 2008, had the CHF weakened/strengthened by 10% against TRY and the local currency of the countries which Group has significant operations, ceteris paribus, income before tax and minority interests for the year would have been TRY 6.684.680 lower/higher (31 March 2007: TRY 4.552.857), mainly as a result of net foreign exchange losses/gains on translation of CHF denominated financial assets and liabilities.

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:

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NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

(i) Monetary assets

The fair value of the balances denominated in foreign currencies, which are translated by using the exchange rates prevailing at period-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 6 which the Group has to fulfil net debt/equity ratio as stated in the contracts' of the related bank borrowings.

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NOTE 34 - SUBSEQUENT EVENTS

- a) Group decided to transfer all of its share in Trader.com (Polska) Sp. Z.o.o. residing in Poland, which is its indirect subsidiary and into whose capital Hürriyet participates with a rate of 100%, to Agora SA, which is the leading media corporation of Poland, in consideration of USD 54.350.000. The relevant Share Transfer Agreement was signed on 14 May 2008 and the actual transfer is expected to be completed within two weeks following the conclusion of remaining procedures. The entire payment amount will be paid in cash and at the time of share transfer. The cash attained from the share sale will be used in the repayment of loan. The internet centre, residing in Poland and providing software development and support services to the internet activities of TME, has been excluded from the scope of this sale transaction.
- b) Group transferred all of its shares in TME Teknoloji Proje Geliştirme ve Yazılım A.Ş., whose paid-up capital is TRY 500.000 and which is the subsidiary registered on 24 January 2008, to its subsidiary Mirabridge International BV residing in the Netherlands in consideration of TRY 530.000 to be paid in cash. The share in question has a nominal value of TRY 499.996 and corresponds to the 99,99% of all the shares.
- c) Ordinary General Assembly Meeting of Group in relation to the company's 2007 activities was held on 29 May 2008. Within the registered capital ceiling of TRY 800.000.000 the issued capital amount of Group, which is TRY 421.000.000, was increased by 9,26366% to TRY 460.000.000, on condition that the relevant increase amount is covered by the distributable period profit belonging to the fiscal period 2007 which was decided to be distributed at Ordinary General Assembly Meeting dated 29 May 2008.

NOTE 35 - CASH FLOWS

The details of changes in operating assets and liabilities at consolidated cash flows for the three-months period ended 31 March 2008 and 2007 are as follows:

	31 March 2008	31 March 2007
Change in trade receivables	(2.819.542)	9.906.414
Change in financial investments	418.840	15.690.560
Change in inventories	(4.324.549)	582.095
Change in other receivables and other current assets	(3.096.006)	11.664.990
Change in other non-current assets	95.773	-
Change in leasing payables	329.312	-
Change in trade payables	16.346.857	(2.301.088)
Change in other current liabilities	7.807.595	70.477.542
Change in other financial liabilities	(5.637.616)	-
Change in discontinued operations	342.179	-
	9.462.843	106.020.513