

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2009**

**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-30 SEPTEMBER 2009**

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**CONVENIENCE TRANSLATION INTO ENGLISH OF
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**CONSOLIDATED BALANCE SHEETS
AT 30 SEPTEMBER 2009 AND 31 DECEMBER 2008**

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

| | Notes references | 30 September 2009 | 31 December 2008 |
|--|---------------------|----------------------|----------------------|
| ASSETS | | | |
| Current assets | | 581.241.388 | 649.946.695 |
| Cash and cash equivalents | 5 | 333.539.825 | 370.325.965 |
| Financial assets | 6 | 17.747.174 | - |
| Trade receivables | | 177.003.556 | 186.925.592 |
| Due from related parties | 32 | 26.619.046 | 35.893.074 |
| Other trade receivables | 9 | 150.384.510 | 151.032.518 |
| Other receivables | 10 | 2.569.263 | 16.693.096 |
| Inventories | 11 | 19.979.924 | 23.450.512 |
| Other current assets | | 30.401.646 | 52.551.530 |
| Advances due from related parties | 32 | - | 1.135.207 |
| Other current assets | 21 | 30.401.646 | 51.416.323 |
| Non-current assets | | 1.331.643.111 | 1.394.403.127 |
| Trade receivables | 9 | - | 7.348.295 |
| Other receivables | 10 | 697.007 | 300.753 |
| Financial assets | 6 | 4.812.839 | 4.995.077 |
| Investments accounted for by the equity method | 12 | 9.082.151 | 316.468 |
| Investment property | 13 | 20.629.177 | 21.976.902 |
| Property, plant and equipment | 14 | 515.575.611 | 529.130.300 |
| Intangible assets | 15 | 545.661.542 | 581.187.362 |
| Goodwill | 16 | 227.128.667 | 236.449.857 |
| Deferred tax assets | 30 | 5.873.961 | 4.389.893 |
| Other non-current assets | 21 | 2.182.156 | 8.308.220 |
| Total assets | | 1.912.884.499 | 2.044.349.822 |

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 BALANCE SHEETS
AT 30 SEPTEMBER 2009 AND 31 DECEMBER 2008**

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

| | Notes references | 30 September 2009 | 31 December 2008 |
|---|---------------------|----------------------|----------------------|
| LIABILITIES | | | |
| Current liabilities | | 365.808.353 | 374.320.532 |
| Short-term financial liabilities | 7 | 243.766.637 | 275.661.409 |
| Other financial liabilities | 8 | 12.574.770 | 13.686.315 |
| Trade payables | | 41.056.728 | 45.024.266 |
| Due to related parties | 32 | 2.245.216 | 6.211.157 |
| Other trade payables | 9 | 38.811.512 | 38.813.109 |
| Other payables | 10 | 17.260.646 | 15.568.257 |
| Current income tax liabilities | 30 | 7.338.490 | 2.159.564 |
| Provisions | 18 | 24.053.954 | 6.731.599 |
| Other current liabilities | 21 | 19.757.128 | 15.489.122 |
| Non-current liabilities | | 591.799.179 | 783.830.147 |
| Long term financial liabilities | 7 | 438.600.598 | 627.937.892 |
| Other financial liabilities | 8 | 5.292.222 | 6.043.151 |
| Other payables | 10 | 185.250 | 189.038 |
| Provision for employment termination benefits | 20 | 13.209.985 | 11.744.969 |
| Deferred tax liabilities | 30 | 134.439.988 | 137.530.974 |
| Other non-current liabilities | | 71.136 | 384.123 |
| TOTAL EQUITY | | | |
| Shareholders' equity | | 955.276.967 | 886.199.143 |
| Equity attributable to equity holders of the company | | | |
| Share capital | | 552.000.000 | 460.000.000 |
| Inflation adjustment to share capital | | 77.198.813 | 77.198.813 |
| Share premium | | 76.944 | - |
| Translation reserves | | (18.643.313) | (2.949.588) |
| Restricted reserves | | 27.716.536 | 27.310.182 |
| Retained earnings | | 191.091.821 | 229.592.042 |
| Net income/(loss) for the period | | 4.930.771 | (38.093.867) |
| Minority interests | | 120.905.395 | 133.141.561 |
| Total liabilities and shareholders' equity | | 1.912.884.499 | 2.044.349.822 |

These consolidated financial statements as at and for the period ended 30 September 2009 were approved by the Board of Directors on 11 November 2009.

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 COMPREHENSIVE STATEMENTS OF INCOME
AS AT 30 SEPTEMBER AND
FOR THE NINE-MONTH INTERIM PERIODS ENDED**

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

| | Notes references | 2009 | | 2008 | |
|--|---------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
| | | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| <u>Continued operations</u> | | | | | |
| Sales | 23 | 578.914.468 | 192.671.715 | 758.988.364 | 252.592.649 |
| Cost of sales (-) | 23 | (370.815.583) | (119.000.756) | (440.942.183) | (154.000.744) |
| Gross profit | | 208.098.885 | 73.670.959 | 318.046.181 | 98.591.905 |
| Marketing, selling and distribution expenses (-) | 24 | (54.631.422) | (18.025.232) | (93.337.287) | (29.108.174) |
| General administrative expenses (-) | 24 | (109.945.087) | (35.464.548) | (126.688.136) | (40.669.386) |
| Other operating income | 26 | 2.759.787 | 421.110 | 4.080.845 | 777.294 |
| Other operating expenses (-) | 26 | (27.981.981) | (2.615.446) | (7.823.718) | (4.758.039) |
| Operating income | | 18.300.182 | 17.986.843 | 94.277.885 | 24.833.600 |
| Share of loss of investments accounted for by the equity method | 12 | (7.512.541) | (3.176.064) | (5.693.145) | (1.975.560) |
| Financial income | 27 | 131.194.052 | 30.440.430 | 78.056.341 | 14.998.060 |
| Financial expenses (-) | 28 | (127.766.691) | (15.730.308) | (122.298.188) | (20.058.656) |
| Profit before tax from continuing operations | | 14.215.002 | 29.520.901 | 44.342.893 | 17.797.444 |
| <u>Taxation from continuing operations</u> | | | | | |
| Current tax for the period | 30 | (13.930.280) | (10.774.860) | (31.268.466) | (11.912.441) |
| Deferred tax (expense)/income | 30 | (344.282) | 2.018.651 | 5.069.718 | 3.125.204 |
| (Loss)/profit from continuing operations | | (59.560) | 20.764.692 | 18.144.145 | 9.010.207 |
| <u>Discontinued operations</u> | | | | | |
| Discontinued operations income after tax | 29 | - | - | 59.189.458 | - |
| Net (loss)/profit for the period | | (59.560) | 20.764.692 | 77.333.603 | 9.010.207 |
| <u>Other comprehensive (loss)/income:</u> | | | | | |
| Change in translation reserves | | (20.332.766) | (1.556.796) | 28.831.032 | (35.354.959) |
| Other comprehensive (loss)/income after tax | | (20.332.766) | (1.556.796) | 28.831.032 | (35.354.959) |
| Total comprehensive (loss)/income | | (20.392.326) | 19.207.896 | 106.164.635 | (26.344.752) |
| Net (loss)/profit for the period | | (59.560) | 20.764.692 | 77.333.603 | 9.010.207 |
| <u>Allocation of net (loss)/income for the period</u> | | | | | |
| Attributable to minority interests | | (4.990.331) | 1.297.194 | 20.323.169 | (1.284.596) |
| Attributable to equity holders of the company | | 4.930.77 | 119.467.498 | 57.010.434 | 10.294.803 |
| <u>Allocation of net comprehensive (loss)/income for the period</u> | | | | | |
| Attributable to minority interests | | (9.629.372) | (252.819) | 26.455.891 | (5.955.683) |
| Attributable to equity holders of the company | | (10.762.954) | 19.460.715 | 79.708.744 | (20.389.069) |
| Earnings per share (Kr) | 31 | 1,06 | 4,19 | 12,39 | 2,24 |

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 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
AS AT 30 SEPTEMBER AND FOR THE NINE-MONTH INTERIM PERIODS ENDED

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated.)

| | Share Capital | Inflation adjustment to share capital | Share premiums | Translation reserves | Restricted reserves | Retained earnings | Net income/(loss) for the period | Minority interests | Total shareholders' equity |
|--|--------------------|---------------------------------------|----------------|----------------------|---------------------|--------------------|----------------------------------|--------------------|----------------------------|
| Balances at 1 January 2008 | 421.000.000 | 77.198.813 | - | (50.857.712) | 22.516.607 | 179.198.476 | 94.187.141 | 110.582.454 | 853.825.779 |
| Transfers | - | - | - | - | 4.793.575 | 89.393.566 | (94.187.141) | - | - |
| Capital increase | 39.000.000 | - | - | - | - | (39.000.000) | - | 1.820.327 | 1.820.327 |
| Subsidiaries' dividend payments to non-group companies | - | - | - | - | - | - | - | (6.514.966) | (6.514.966) |
| Total comprehensive income | - | - | - | 22.698.310 | - | - | 57.010.434 | 26.455.891 | 106.164.635 |
| Change in translation reserves | - | - | - | 22.698.310 | - | - | - | 6.132.722 | 28.831.032 |
| Net income for the period | - | - | - | - | - | - | 57.010.434 | 20.323.169 | 77.333.603 |
| Balances at 30 September 2008 | 460.000.000 | 77.198.813 | - | (28.159.402) | 27.310.182 | 229.592.042 | 57.010.434 | 132.343.706 | 955.295.775 |
| Balances at 1 January 2009 | 460.000.000 | 77.198.813 | - | (2.949.588) | 27.310.182 | 229.592.042 | (38.093.867) | 133.141.561 | 886.199.143 |
| Transfers | - | - | - | - | 406.354 | (38.500.221) | 38.093.867 | - | - |
| Capital increase | 92.000.000 | - | 76.944 | - | - | - | - | 910.152 | 92.987.096 |
| Subsidiaries' dividend payments to non-group companies | - | - | - | - | - | - | - | (3.516.946) | (3.516.946) |
| Total comprehensive income | - | - | - | (15.693.725) | - | - | 4.930.771 | (9.629.372) | (20.392.326) |
| Change in translation reserves | - | - | - | (15.693.725) | - | - | - | (4.639.041) | (20.332.766) |
| Net loss for the period | - | - | - | - | - | - | 4.930.771 | (4.990.331) | (59.560) |
| Balances at 30 September 2009 | 552.000.000 | 77.198.813 | 76.944 | (18.643.313) | 27.716.536 | 191.091.821 | 4.930.771 | 120.905.395 | 955.276.967 |

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
AT 30 SEPTEMBER AND FOR THE NINE-MONTH INTERIM PERIODS ENDED**

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated.)

| | Notes references | 30 September 2009 | 30 September 2008 |
|--|---------------------|----------------------|---------------------|
| Net income/(loss) for the period | | 4.930.771 | (2.179.024) |
| Minority interests | | (4.990.331) | 20.323.169 |
| Profit from discontinued operations | | - | 59.189.458 |
| Adjustments: | | | |
| Depreciation | 13,14 | 44.979.385 | 42.940.184 |
| Amortisation | 15 | 19.827.699 | 18.983.689 |
| Net loss on disposal of property, plant and equipment and intangible assets | | 490.581 | 259.008 |
| Taxation | 30 | 14.274.562 | 26.198.748 |
| Provision for employment termination benefits and unused vacation rights | | 3.503.158 | 3.134.686 |
| Actuarial gain | 20 | 2.867.446 | 2.278.257 |
| Income accruals | | 7.836.000 | (4.720.216) |
| Interest income | 27 | (26.128.568) | (21.391.831) |
| Interest expenses | 28 | 20.694.445 | 32.826.769 |
| Foreign exchange losses from bank borrowings | | 20.833.511 | 24.732.206 |
| Deferred income | | (932.339) | 520.967 |
| Gain on sale of discontinued operations | 29 | - | (58.675.805) |
| Provision for tax penalty | 18 | 15.209.000 | - |
| Provision for doubtful receivables | 9 | 7.050.286 | 4.572.186 |
| Loss from investments accounted for by the equity method | 12 | 7.512.541 | 5.693.145 |
| Provision for impairment of investment properties | | 43.731 | - |
| Provision expenses | | 472.217 | 198.240 |
| Cash flows from operating activities before changes in operating assets and liabilities | | 138.474.095 | 154.883.836 |
| Changes in operating assets and liabilities-net | 35 | 16.072.352 | (3.863.003) |
| Prepaid taxes collected from tax authorities | | 8.494.356 | - |
| Income taxes paid | | (5.431.579) | (27.943.824) |
| Doubtful receivables collected | 9 | 327.903 | 2.376.498 |
| Employment termination benefits paid | 20 | (3.082.212) | (1.376.484) |
| Net cash provided by operating activities | | 154.854.915 | 124.077.023 |
| Cash flow from investing activities: | | | |
| Purchases of investment properties | 13 | (10.396.782) | (15.929.520) |
| Purchases of property, plant and equipment | 14 | (35.333.434) | (19.341.908) |
| Purchases of intangible assets | 15 | (3.800.368) | (8.415.235) |
| Proceeds from sales of property, plant and equipment, intangible assets and investment properties | | 14.133.892 | 2.202.434 |
| Interests received | | 26.027.409 | 20.199.217 |
| Cash received from disposal of discontinued operations | | - | 66.141.473 |
| Acquisition of subsidiaries | | - | (631.162) |
| Share capital increase in associates | 12 | (16.723.846) | (2.890.897) |
| Net cash (used in)/provided by investing activities | | (26.093.129) | 41.334.402 |
| Cash used in financing activities: | | | |
| Proceeds of issuance of share capital to minority interests | | 910.152 | 1.820.327 |
| Dividends paid to minority interests | | (3.516.946) | (6.514.966) |
| Bank borrowings received | | - | 82.722.599 |
| Bank borrowings paid | | (227.783.559) | (74.805.341) |
| Change in trade payables to suppliers | | (3.048.301) | (5.460.881) |
| Interests paid | | (21.140.920) | (28.488.809) |
| Share premiums | | 76.944 | - |
| Increase in share capital | | 92.000.000 | - |
| Net cash used in financing activities | | (162.502.630) | (30.727.071) |
| Exchange gains/(losses) on cash and cash equivalents | | (1.988.111) | 1.807.119 |
| Change in cash and cash equivalents | | (35.728.955) | 136.491.473 |
| Cash and cash equivalents at the beginning of the period | 5 | 368.219.091 | 137.353.720 |
| Cash and cash equivalents at the end of the period | 5 | 332.490.136 | 273.845.193 |

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

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2009

(Amounts expressed in Turkish Lira (“TL”), 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. located in the Netherlands 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% share capital of the Company is circulated on the ISE. 25,02% capital of the TME is circulated on London Stock Exchange as Global Depository Receipts (“GDR”). GDR generally means the guaranteeing of a company’s shares, the making public of the certificates that can be transferred by negotiation, and their being listed in the stock exchange independent of company shares.

Subsidiaries

The name of 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. (“Yenibir”) | Turkey | Turkey | Internet publishing |
| Referans Yayın Dağıtım ve Kurye Hizmetleri A.Ş. (“Refeks”) | Turkey | Turkey | Advertisement |
| Doğan Haber Ajansı A.Ş. (“Doğan Haber”) | Turkey | Turkey | News agency |
| Doğan Daily News Gazetecilik ve Matbaacılık A.Ş. (“Doğan Daily News”) | Turkey | Turkey | Newspaper publishing |
| Emlaksimum Elektronik Yayıncılık ve Ticaret A.Ş. (“Emlaksimum”) | Turkey | Turkey | Internet publishing |
| TME Teknoloji Proje Geliştirme ve Yazılım A.Ş. | Turkey | Turkey | Software development |
| Hürriyet Zweigniederlassung GmbH. (“Hürriyet Zweigniederlassung”) | Germany | Europe | Newspaper publishing |
| Hürriyet Invest B.V. (“Hürriyet Invest”) | Netherlands | Europe | Investment |
| TME | Jersey | Europe | Investment |
| Oglasnik d.o.o. | Croatia | Europe | Newspaper and internet publishing |
| Oglasnik Nekretnine d.o.o. | Croatia | Europe | Newspaper and internet publishing |
| TCM Adria d.o.o. | Croatia | Europe | Investment |
| Internet Posao d.o.o. | Croatia | Europe | Internet publishing |
| Expressz Magyarorszag Rt | Hungary | Europe | Newspaper and internet publishing |
| Szuperinfo Magyarorszag Kft | Hungary | Europe | Newspaper and internet publishing |
| International Ssuarts Holding B.V. | Netherlands | Europe | Investment |
| Mirabridge International B.V. | Netherlands | Europe | Investment |
| Trader Classified Media Croatia Holdings B.V. | Netherlands | Europe | Investment |
| Trader East Holdings B.V. | Netherlands | Europe | Investment |
| Pronto Invest B.V. | Netherlands | Europe | Investment |
| Siodemka Sp. Z.o.o. | Poland | Europe | Newspaper and internet publishing |
| Ssuarts Holding GmbH | Austria | Europe | Investment |
| ZAO Pronto Akzhol | Kazakhstan | Russia and EE | Newspaper and internet publishing |

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT
AND FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2009**

(Amounts expressed in Turkish Lira (“TL”), unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries (Continued)

| Subsidiaries | Registered country | Geographic segment | Nature of business |
|-----------------------------------|---------------------------|---------------------------|-----------------------------------|
| 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 |
| Informatsia Vilnius | Lithuania | Russia and EE | Newspaper and internet publishing |
| OOO Pronto Rostov | Belarus | Russia and EE | Newspaper and internet publishing |
| ZAO Avtotehsnab | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Novoprint | Russia | Russia and EE | Newspaper and internet publishing |
| ZAO NPK | Russia | Russia and EE | Call center |
| OOO Balt-Pronto Kaliningrad | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Delta-M | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Gratis | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Pronto Baikal | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Pronto DV | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Pronto Ivanovo | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Pronto Kaliningrad | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Pronto Kazan | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Pronto Krasnodar | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Pronto Krasnojarsk | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Pronto 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 publishing |
| Pronto Soft | Russia | Russia and EE | Internet publishing |
| OOO Pronto Astrakhan | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Pronto Kemerovo | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Pronto Sever | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Pronto Smolensk | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Pronto Tula | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Pronto TV | Russia | Russia and EE | TV publishing |
| OOO Pronto Voronezh | Russia | Russia and EE | Newspaper and internet publishing |
| SP Belpronto OOO | Belarus | Russia and EE | Newspaper and internet publishing |
| OOO Tambov-Info | Russia | Russia and EE | Newspaper and internet publishing |
| Impress Media Marketing LLC | Russia | Russia and EE | Publishing |
| OOO Pronto Obninsk | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Pronto Komi | Russia | Russia and EE | Newspaper and internet publishing |
| OOO Rektcentr | Russia | Russia and EE | Investment |
| Impress Media Marketing BVI | Russia | Russia and EE | Publishing |
| SP Pronto Kiev | Ukraine | Russia and EE | Newspaper and internet publishing |
| Ssuarts Trading Ltd | Ukraine | Russia and EE | Investment |
| E-Prostir | Ukraine | Russia and EE | Internet publishing |
| Publishing House Pennsylvania Inc | USA | Russia and EE | Investment |
| OOO Optoprint | Russia | Russia and EE | Printing Services |
| RU.com OOO | Russia | Russia and EE | Internet publishing |
| SP Bel Pronto OOO BYR | Russia | Russia and EE | Newspaper and internet publishing |
| Mojo Delo spletni marketing d.o.o | Slovenia | Europe | Internet publishing |
| Bolji Posao d.o.o. Serbia | Serbia | Europe | Internet publishing |
| Bolji Posao d.o.o. Bosnia | Bosnia | Europe | Internet publishing |

The Company and its Subsidiaries (the “Group”) operate predominantly in media segment. The Group operates significantly in foreign countries after the acquisition of TME. Accordingly, the Group reports geographical segments in these consolidated financial statements (Note 4).

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(Amounts expressed in Turkish Lira (“TL”), 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 December 2005, the CMB has announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards. Accordingly, the Company did not apply IAS 29 “Financial Reporting in Hyperinflationary Economies” issued by IASB in its consolidated financial statements for the accounting periods starting 1 January 2005.

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

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 TL using the relevant foreign exchange rates prevailing at the balance sheet date. The results of the foreign Subsidiaries and Associates are translated into TL using average exchange rate for the period. Exchange differences arising on translation of the opening net assets of foreign Subsidiaries and Associates and arising from using closing and average exchange rates are included in the shareholders’ equity as currency translation differences. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

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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 (d) below. The financial statements of the companies included in the consolidation are based on historical cost of the statutory records and for the purpose of fair presentation in accordance with the accounting policies described in Note 2.1.1 and application of uniform accounting policies and presentations; adjustments and reclassifications.

(a) Subsidiaries

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

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

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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 30 September 2009 and 31 December 2008 are as follows:

| Subsidiaries | Proportion of voting power held by Hürriyet and its subsidiaries (%) | | Effective ownership interests (%) | |
|---|--|------------------|--------------------------------------|------------------|
| | 30 September 2009 | 31 December 2008 | 30 September 2009 | 31 December 2008 |
| Hürriyet Medya Basım | 99,99 | 99,99 | 99,99 | 99,99 |
| Doğan Ofset | 99,89 | 99,89 | 99,89 | 99,89 |
| Yenibir | 100,00 | 100,00 | 100,00 | 100,00 |
| Refeks | 100,00 | 100,00 | 100,00 | 100,00 |
| Doğan Haber | 50,01 | 50,01 | 50,01 | 50,01 |
| Doğan Daily News | 94,25 | 94,25 | 94,25 | 94,25 |
| Emlaksimum | 98,41 | 98,41 | 98,41 | 98,41 |
| Hürriyet Zweigniederlassung | 100,00 | 100,00 | 100,00 | 100,00 |
| Hürriyet Invest | 100,00 | 100,00 | 100,00 | 100,00 |
| TME | 67,30 | 67,30 | 67,30 | 67,30 |
| Oglasnik d.o.o. | 100,00 | 100,00 | 67,30 | 67,30 |
| Oglasnik Nekretnine d.o.o. | 100,00 | 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 Teknoloji Proje Geliştirme ve Yazılım Anonim Şirketi | 100,00 | 100,00 | 67,30 | 67,30 |
| Expressz Magyarorszag Rt (*) | 100,00 | 100,00 | 67,30 | 67,30 |
| Szuperinfo Magyarorszag 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 |
| Pronto Invest B.V. | 100,00 | 100,00 | 67,30 | 67,30 |
| Siodemka 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 |
| Informatsia Vilniusa | 100,00 | 100,00 | 67,30 | 67,30 |
| OOO Pronto Rostov | 100,00 | 100,00 | 67,30 | 67,30 |
| ZAO Avtotehsnab | 85,00 | 85,00 | 57,21 | 57,21 |
| OOO Novoprint | 100,00 | 100,00 | 67,30 | 67,30 |
| ZAO NPK | 100,00 | 100,00 | 67,30 | 67,30 |
| OOO Balt-Pronto Kaliningrad | 100,00 | 100,00 | 67,30 | 67,30 |
| OOO Delta-M | 55,00 | 55,00 | 37,02 | 37,02 |
| OOO Gratis | 90,00 | 90,00 | 60,57 | 60,57 |
| OOO Pronto Baikal | 100,00 | 100,00 | 67,30 | 67,30 |
| OOO Pronto DV | 100,00 | 100,00 | 67,30 | 67,30 |
| OOO Pronto Ivanovo | 86,00 | 86,00 | 57,88 | 57,88 |
| OOO Pronto Kaliningrad | 95,00 | 95,00 | 63,94 | 63,94 |
| OOO Pronto Kazan | 72,00 | 72,00 | 48,46 | 48,46 |

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

2.1.3 Consolidation principles (Continued)

(a) Subsidiaries (Continued)

| | Proportion of voting power held by Hürriyet and its subsidiaries (%) | | Effective ownership interests (%) | |
|-------------------------------------|--|------------------|--------------------------------------|------------------|
| | 30 September 2009 | 31 December 2008 | 30 September 2009 | 31 December 2008 |
| | OOO Pronto Krasnodar | 80,00 | 80,00 | 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 | 100,00 | 70,00 | 67,30 | 47,11 |
| OOO Rosprint Samara | 59,50 | 59,50 | 40,04 | 40,04 |
| OOO Tambukan | 85,00 | 85,00 | 57,21 | 57,21 |
| OOO Utro Peterburga | 55,00 | 55,00 | 37,02 | 37,02 |
| OOO Partner-Soft | 100,00 | 100,00 | 67,30 | 67,30 |
| Pronto 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 Sever | 90,00 | 90,00 | 60,57 | 60,57 |
| OOO Pronto Smolensk | 100,00 | 100,00 | 67,30 | 67,30 |
| OOO Pronto Tula | 100,00 | 100,00 | 67,30 | 67,30 |
| OOO Pronto TV | 70,00 | 70,00 | 47,11 | 47,11 |
| OOO Pronto Voronezh | 100,00 | 100,00 | 67,30 | 67,30 |
| SP Belpronto OOO | 60,00 | 60,00 | 40,38 | 40,38 |
| OOO Tambov-Info | 100,00 | 100,00 | 67,30 | 67,30 |
| Impress Media Marketing LLC | 100,00 | 100,00 | 67,30 | 67,30 |
| OOO Pronto Obninsk | 100,00 | 100,00 | 67,30 | 67,30 |
| OOO Pronto Komi | 70,00 | 70,00 | 47,11 | 47,11 |
| OOO Rektcentr | 100,00 | 100,00 | 67,30 | 67,30 |
| Impress Media Marketing BVI | 100,00 | 100,00 | 67,30 | 67,30 |
| SP Pronto Kiev | 50,00 | 50,00 | 33,65 | 33,65 |
| Ssuarts Trading Ltd | 55,00 | 55,00 | 37,02 | 37,02 |
| E-Prostir | 50,00 | 50,00 | 33,65 | 33,65 |
| Publishing House Pennsylvania Inc | 100,00 | 100,00 | 67,30 | 67,30 |
| OOO Optoprint | 100,00 | 100,00 | 67,30 | 67,30 |
| RU.com OOO | 100,00 | 100,00 | 67,30 | 67,30 |
| SP Bel Pronto OOO BYR | 60,00 | 60,00 | 40,38 | 40,38 |
| Moje Delo, spletni marketing, d.o.o | 100,00 | 100,00 | 67,30 | 67,30 |
| Bolji Posao d.o.o. Serbia | 100,00 | 100,00 | 37,02 | 37,02 |
| Bolji Posao d.o.o. Bosnia | 100,00 | 100,00 | 37,02 | 37,02 |

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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; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Net increases or decreases in the net assets of Associates are included in the consolidated financial statements in regards with the Group's share and classified under “Share of loss of investments accounted for by the equity method”.

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

The Associates and the proportion of ownership interests at 30 September 2009 and 31 December 2008 are as follows:

| Name | 30 September 2009 Direct and indirect control by Hürriyet and its Subsidiaries (%) | 31 December 2008 Direct and indirect control by Hürriyet and its Subsidiaries (%) |
|---|---|--|
| Doğan Media International GmbH (“Doğan Media”) | 42,42 | 42,42 |
| Yaysat Yayın Satış Pazarlama ve Dağıtım A.Ş. (“Yaysat”) | 25,00 | 25,00 |
| DYG İlan ve Reklam Hizmetleri A.Ş. (“DYG İlan”) | 20,00 | 20,00 |

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

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

(d) Minority interest

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

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

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

2.1.4 Offsetting

All items, significant in terms of content and amount, are stated separately in the consolidated financial statements even if they bear the same characteristics. Insignificant amounts or items displaying similar characteristics are stated collectively. As a consequence, situations that arise due to the content of transactions and events make offsetting necessary, as the stating of the transaction or event over the net values or recognizing 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 realized within the normal course of business, is accounted for over the net values, provided that they are related to the essence of the transaction or event.

2.1.5 Comparatives

In order to enable the determination of the consolidated financial position and performance trends, the Group's consolidated financial statements have been presented comparatively with the prior period. The Group presented the balance sheet as of 30 September 2009 comparatively with the balance sheet as of 31 December 2008 and presented the statement of income, statement of cash flows and statement of change in equity for the period 1 January- 30 September 2009 comparatively with the prior period 1 January - 30 September 2008.

Sales: The sales premiums given to advertisement agencies amounting TL 5.309.425 which were presented as “Marketing, selling and distribution expenses” in the consolidated statement of income for the nine-month period ended 30 September 2008 have been reclassified to “Sales” in the current period.

2.1.6 Amendments and interpretations to existing standards

a) Amendments and interpretations that are effective from the year 2009 and relevant to the Group's financial statements:

- IAS 1, “Presentation of financial statements” Significant changes in comprehensive income statements IAS 1 (Revised), “Presentation of financial statements” (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, “non-owner changes in equity”) in the statement of changes in equity, requiring “non-owner changes in equity” to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. Accordingly, the Group has presented comprehensive income statements for the nine-month periods ended 30 September 2009 and 2008.

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

2.1.6 Amendments and interpretations to existing standards (Continued)

- IAS 23 (Amendment), “Borrowing costs” (effective from 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs is removed. IAS 23 (Amendment) is applied by the Group, effectively starting from 1 January 2009.
- IFRS 8, “Operating segments” (effective from 1 January 2009). IFRS 8 replaces IAS 14, “Segment reporting”, and aligns segment reporting with the requirements of the US standard SFAS 131, “Disclosures about segments of an enterprise and related information”. The new standard requires a “management approach”, under which segment information is presented on the same basis as that used for internal reporting purposes. The group applies IFRS 8 (Amendment) effectively from 1 January 2009 however, the management approach adopted by the Group did not create a differentiation in segment reporting.

b) Amendments and interpretations that are effective from the year 2009 but not relevant to the Group’s financial statements:

- i) Amendments and interpretations which are mandatory for the accounting periods beginning on or after 1 January 2009

IAS 32, “Financial instruments: Presentation” Change in the disclosure of puttable financial instruments and obligations arising on liquidation

- IAS 39 “Financial instruments: Recognition and measurement” Changes in hedging instruments
- IFRS 1, (Amendment), “First-time adoption of International Financial Reporting Standards” Change in cost of investment in the first time adoption of IFRSs
- IFRS 2, (Amendment), “Share-based payment”
- IFRIC 15, “Agreements for the construction of real estate”
- IAS 40, (Amendment), “Investment property”
- IAS 31, (Amendment), “Interests in joint ventures”
- IAS 28, (Amendment), “Investments in associates”

- ii) Amendments and interpretations which are mandatory for the accounting periods beginning on or after 1 July 2009:

- IAS 27 (Amendment), “Consolidated and Separate Financial Statements”
- IFRS 3 (Amendment), “Business Combinations”
- IFRS 5 (Amendment), “Non-current Assets Held for Sale and Discontinued Operations”

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

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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 recognized at cost of purchase including the transaction costs and subsequently re-measured at fair value. All related realized and unrealized gains and losses are included in the statement of income.

2.2.3 Trade receivables and provision for doubtful receivables

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

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

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

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

2.2.4 Impairment of assets

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

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

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

| | EBITDA growth rate (%) (*) | Discount rate (%) |
|--|---------------------------------------|------------------------------|
| Russia and Commonwealth of Independent States | 3,90 | 14,3 |
| Hungary | 2,36 | 12,6 |
| Croatia | 2,17 | 13,2 |
| Eastern Europe | 1,75 | 11,6 |

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

2.2.5 Inventories

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

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

2.2.6 Investment properties

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

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 recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use. Investment properties are evaluated for any impairment and if carrying value of the investment property is higher than net recoverable amount, provision for impairment is established for the difference between the carrying and recoverable amount. Impairment is recorded to income statement at the same period.

2.2.7 Property, plant and equipment and depreciation

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

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

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

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

Repair and maintenance expenses are charged to the statement of income as they are incurred. Repair and maintenance expenses are capitalized 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 capitalized 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 capitalized and amortized using the straight-line method over the useful life until 31 December 2004, for the acquisitions before 31 March 2004. Within the framework of IFRS 3 - "Business Combinations" amortization 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 amortized starting from the beginning of the first annual period beginning on or after 31 March 2004 (1 January 2005) and are reviewed for impairment annually at year-ends (Note 16 and 2.2.27).

2.2.10 Intangible assets and amortization

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

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

Computer software and rights and other intangible assets are carried at their acquisition cost and amortized 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 recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized immediately in the statement of income.

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

2.2.11 Critical accounting estimates and judgements

Preparation of financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognized 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 TL 10.457.937 (30 September 2008: TL 10.837.304) and loss before tax and minority interests would have increased by TL 10.457.937 (30 September 2008: Income before tax and minority interests would have decreased by TL 10.837.304).

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

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

- Had the useful lives been higher by 10%, amortization charges would have decreased by TL 974.590 and loss before tax and minority interests would have decreased by TL 974.590 (30 September 2008: income before tax and minority interests would have increased by TL 1.530.798) or
- Had the useful lives been lower by 10%, amortization charges would have increased by TL 1.191.166 and loss before tax and minority interests would have increased by TL 1.191.166 (30 September 2008: income before tax and minority interests would have decreased by TL 1.569.014).

Impairment of assets

If the estimated post-tax discount rate applied to the discounted cash flows for the CGU in Hungary had been 1% higher than management's estimates, the Group would have recognised a further impairment against intangible assets by TL 4.067.357 and loss before tax and minority interests would have increased by TL 4.067.357.

2.2.12 Taxation on income

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

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

2.2.12 Taxation on income (Continued)

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

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

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

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

2.2.13 Borrowings

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

2.2.14 Employment termination benefits

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

2.2.15 Provisions

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

2.2.16 Share capital and dividends

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

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

2.2.17 Foreign currency transactions and translation

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in Turkish Lira, which is the functional currency of the Group.

Foreign currency transactions and balances

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

Foreign Group companies

The results of Group undertakings using a measurement currency other than TL are first translated into TL by using the average exchange rate for the period. The assets and liabilities of such Group undertakings are translated into TL by using the closing rate at the balance sheet date. Differences arising on retranslation of the opening net assets of such Group undertakings and differences between the average and period-end rates are included in currency translation reserve as a separate item in the shareholders' equity.

A significant portion of the Group's foreign operations are performed in Russia, Europe and Eastern Europe countries (Note 4). Foreign currencies and exchange rates at 30 September 2009 and 31 December 2008 are summarized below:

| <u>Country</u> | <u>Currency</u> | <u>30 September 2009</u> | <u>31 December 2008</u> |
|----------------|-----------------|--------------------------|-------------------------|
| Eurozone | Euro | 2,1603 | 2,1408 |
| Russia | Ruble | 0,0493 | 0,0516 |
| Hungary | Forint | 0,0080 | 0,0080 |
| Croatia | Kuna | 0,2960 | 0,2927 |
| Ukraine | Grivna | 0,1853 | 0,2011 |
| Romania | New Ley | 0,5161 | 0,5346 |

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

2.2.18 Revenue recognition

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

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

Revenues from advertisement:

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

Revenues from newspaper sale:

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

Revenues from printing services:

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

Newspaper sales returns:

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

Interest income:

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

Rental income:

Rental income is recognised on an accrual basis.

Other income:

Other income is recognised on an accrual basis.

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

2.2.19 Barter agreements

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

2.2.20 Earnings per share

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

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

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

2.2.21 Cash and cash equivalents

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

2.2.22 Subsequent events

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

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

2.2.23 Reporting of cash flows

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

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

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).

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

2.2.24 Accounting for put options

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

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

2.2.25 Assets held for sale and discontinued operations

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

2.2.26 Web page development costs

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

2.2.27 Business combinations

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

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

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

2.2.28 Segment reporting

The chief operating decision-maker of the Group is the Executive Committee. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. 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.

2.2.29 Derivative financial instruments

Derivative financial instruments, predominantly foreign currency interest swap agreements and foreign currency agreements are initially recognised at their historical costs plus the transaction costs. Derivative financial instruments are subsequently remeasured at their fair value. All derivative financial instruments are classified as financial assets carried at fair value through profit or loss. Fair value of derivative financial instruments is measured by using its market value or by applying discounted cash flows method. The fair value of the over-the-counter forward exchange transactions, are determined by comparing the forward exchange rate as of 30 September 2009 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 statement of income.

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

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

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NOTE 3 - BUSINESS COMBINATIONS

There are no significant business combinations as at 30 September 2009 and 2008 and for the nine-month interim periods ended.

NOTE 4 - SEGMENT REPORTING

a) Segmental analysis for the nine-month period between 1 January - 30 September 2009:

| | Turkey | Russia and EE | Europe | Total |
|--|--------------------|--------------------------|-------------------|--------------------|
| Sales | 376.679.814 | 150.539.193 | 51.695.461 | 578.914.468 |
| Cost of sales (-) | (260.664.195) | (73.726.627) | (36.424.761) | (370.815.583) |
| Gross operating profit | 116.015.619 | 76.812.566 | 15.270.700 | 208.098.885 |
| Marketing, selling and distribution expenses (-) | (40.676.900) | (9.103.225) | (4.851.297) | (54.631.422) |
| Losses from investments accounted for by equity method (-) | (7.512.541) | - | - | (7.512.541) |
| Net segment result | 67.826.178 | 67.709.341 | 10.419.403 | 145.954.922 |
| General administrative expenses (-) | | | | (109.945.087) |
| Other operating income | | | | 2.759.787 |
| Other operating expenses (-) | | | | (27.981.981) |
| Financial income | | | | 131.194.052 |
| Financial expense (-) | | | | (127.766.691) |
| Operating profit before tax from continued operations | | | | 14.215.002 |
| Tax expenses for the period (-) | | | | (13.930.280) |
| Deferred tax expense | | | | (344.282) |
| Net loss for the period from continued operations | | | | (59.560) |

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NOTE 4 - SEGMENT REPORTING (Continued)

b) Segmental analysis for the period between 1 July - 30 September 2009:

| | Turkey | Russia and EE | Europe | Total |
|--|-------------------|--------------------------|------------------|-------------------|
| Sales | 126.560.537 | 49.557.202 | 16.553.976 | 192.671.715 |
| Cost of sales (-) | (84.001.186) | (23.671.379) | (11.328.191) | (119.000.756) |
| Gross operating profit | 42.559.351 | 25.885.823 | 5.225.785 | 73.670.959 |
| Marketing, selling and distribution expenses (-) | (13.337.330) | (3.267.520) | (1.420.382) | (18.025.232) |
| Losses from investments accounted for by equity method, net (-) | (3.176.064) | - | - | (3.176.064) |
| Net segment result | 26.045.957 | 22.618.303 | 3.805.403 | 52.469.663 |
| General administrative expenses (-) | | | | (35.464.548) |
| Other operating income | | | | 421.110 |
| Other operating expense (-) | | | | (2.615.446) |
| Financial income | | | | 30.440.430 |
| Financial expense (-) | | | | (15.730.308) |
| Operating profit before tax from continued operations | | | | 29.520.901 |
| Tax expenses for the period (-) | | | | (10.774.860) |
| Deferred tax income | | | | 2.018.651 |
| Net income for the period from continued operations | | | | 20.764.692 |

c) Segmental analysis for the period between 1 January - 30 September 2008:

| | Turkey | Russia and EE | Europe | Total |
|---|--------------------|--------------------------|-------------------|--------------------|
| Sales | 447.910.460 | 240.982.180 | 70.095.724 | 758.988.364 |
| Cost of sales (-) | (283.746.190) | (113.572.177) | (43.623.816) | (440.942.183) |
| Gross operating profit | 164.164.270 | 127.410.003 | 26.471.908 | 318.046.181 |
| Marketing, selling and distribution expenses (-) | (64.356.805) | (18.980.827) | (9.999.655) | (93.337.287) |
| Losses from investments accounted for by equity method (-) | (5.693.145) | - | - | (5.693.145) |
| Net segment result | 94.114.320 | 108.429.176 | 16.472.253 | 219.015.749 |
| General administrative expenses (-) | | | | (126.688.136) |
| Other operating income | | | | 4.080.845 |
| Other operating expense (-) | | | | (7.823.718) |
| Financial income | | | | 78.056.341 |
| Financial expense (-) | | | | (122.298.188) |
| Operating profit before tax from continued operations | | | | 44.342.893 |
| Tax expenses for the period (-) | | | | (31.268.466) |
| Deferred tax income | | | | 5.069.718 |
| Net income for the period from continued operations | | | | 18.144.145 |

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(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

d) Segmental analysis for the period between 1 July- 30 September 2008:

| | Turkey | Russia and EE | Europe | Total |
|--|-------------------|--------------------------|-------------------|-------------------|
| Sales | 144.794.472 | 83.502.077 | 24.296.100 | 252.592.649 |
| Cost of sales (-) | (102.120.665) | (37.796.985) | (14.083.094) | (154.000.744) |
| Gross operating profit | 42.673.807 | 45.705.092 | 10.213.006 | 98.591.905 |
| Marketing, selling and distribution expenses (-) | (18.012.923) | (7.708.323) | (3.386.928) | (29.108.174) |
| Losses from investments accounted for by equity method (-) | (1.975.560) | - | - | (1.975.560) |
| Net segment result | 22.685.324 | 37.996.769 | 6.826.078 | 67.508.171 |
| General administrative expenses (-) | | | | (40.669.386) |
| Other operating income | | | | 777.294 |
| Other operating expense (-) | | | | (4.758.039) |
| Financial income | | | | 14.998.060 |
| Financial expense (-) | | | | (20.058.656) |
| Operating profit before tax from continued operations | | | | 17.797.444 |
| Tax expenses for the period (-) | | | | (11.912.441) |
| Deferred tax income | | | | 3.125.204 |
| Net income for the period from continued operations | | | | 9.010.207 |

e) Segment assets

| | 30 September 2009 | 31 December 2008 |
|---|--------------------------|-------------------------|
| Turkey | 940.772.349 | 959.466.845 |
| Russia and EE | 728.115.666 | 762.622.969 |
| Europe | 216.253.804 | 279.831.253 |
| | 1.885.141.819 | 2.001.921.067 |
| Unallocated assets | 18.660.529 | 42.112.287 |
| Investments accounted for by the equity method | 9.082.151 | 316.468 |
| Total assets per consolidated financial statements | 1.912.884.499 | 2.044.349.822 |

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NOTE 4 - SEGMENT REPORTING (Continued)

f) Segment liabilities

| | 30 September 2009 | 31 December 2008 |
|--|--------------------|----------------------|
| Turkey | 36.224.365 | 37.021.622 |
| Russia and EE | 23.111.776 | 23.869.382 |
| Europe | 29.829.099 | 30.617.363 |
| | 89.165.240 | 91.508.367 |
| Unallocated liabilities | 868.442.292 | 1.066.642.312 |
| Total liabilities per consolidated financial statements | 957.607.532 | 1.158.150.679 |

g) Depreciation and amortisation charges and capital expenditures

Capital expenditures (excluding business combinations):

| | 2009 | | 2008 | |
|---------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Turkey | 43.632.772 | 10.277.725 | 33.215.487 | 13.217.414 |
| Russia and EE | 3.671.017 | 1.358.598 | 5.931.514 | 3.165.935 |
| Europe | 2.226.795 | 732.614 | 4.544.390 | 1.227.677 |
| | 49.530.584 | 12.368.937 | 43.691.391 | 17.611.026 |

Depreciation and amortisation charges:

| | 2009 | | 2008 | |
|---------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Turkey | 36.117.475 | 12.433.704 | 37.315.463 | 13.665.764 |
| Russia and EE | 18.506.064 | 5.969.703 | 16.745.340 | 6.253.960 |
| Europe | 10.183.545 | 3.264.364 | 7.863.070 | 3.046.906 |
| | 64.807.084 | 21.667.771 | 61.923.873 | 22.966.630 |

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NOTE 4 - SEGMENT REPORTING (Continued)

h) Non-cash expenses:

| | 30 September 2009 | | | |
|---|--------------------------|--------------------------|------------------|-------------------|
| | Turkey | Russia and EE | Europe | Total |
| Provision for tax penalty (Note 18 and 26) | 15.209.000 | - | - | 15.209.000 |
| Interest expense accruals | 6.467.325 | 1.200.192 | 96.423 | 7.763.940 |
| Provision for doubtful receivables (Note 9 and 26) | 2.838.369 | 1.786.959 | 2.424.958 | 7.050.286 |
| Provision for employment termination benefits and unused vacation rights | 5.614.169 | - | - | 5.614.169 |
| Provision for impairment of investment property | 233.472 | - | - | 233.472 |
| Provision for lawsuits (Note 18) | 320.539 | - | - | 320.539 |
| | 30.682.874 | 2.987.151 | 2.521.381 | 36.191.406 |

| | 30 September 2008 | | | |
|---|--------------------------|--------------------------|------------------|-------------------|
| | Turkey | Russia and EE | Europe | Total |
| Provision for employment termination benefits and unused vacation rights | 5.412.943 | - | - | 5.412.943 |
| Interest expense accruals | 7.239.348 | 62.827 | 173.479 | 7.475.654 |
| Provision for doubtful receivables (Note 9 and 26) | 1.700.480 | 416.985 | 2.454.721 | 4.572.186 |
| Provision for lawsuits (Note 18) | 70.238 | - | - | 70.238 |
| | 14.423.009 | 479.812 | 2.628.200 | 17.531.021 |

NOTE 5 - CASH AND CASH EQUIVALENTS

The cash and cash equivalents at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|--------------------|--------------------------|-------------------------|
| Cash | 1.234.516 | 994.054 |
| Banks | | |
| - demand deposits | 33.473.439 | 20.827.847 |
| - time deposits | 298.580.934 | 348.438.613 |
| - blocked deposits | 250.936 | 65.451 |
| | 333.539.825 | 370.325.965 |

The Group has blocked deposits amounting to TL 250.936 (31 December 2008: TL 65.451).

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NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

Cash and cash equivalents included in the consolidated statements of cash flow at 30 September 2009 and 31 December 2008 is as follows:

| | 30 September 2009 | 31 December 2008 | 30 September 2008 | 31 December 2007 |
|-------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|
| Cash and banks | 333.539.824 | 370.325.965 | 276.460.823 | 137.938.512 |
| Less: Blocked deposits | (250.936) | (65.451) | (1.668.874) | (49.920) |
| Less: Interest accruals | (798.754) | (2.041.423) | (946.756) | (534.872) |
| Total | 332.490.134 | 368.219.091 | 273.845.193 | 137.353.720 |

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

| | 30 September 2009 | 31 December 2008 |
|------------|--------------------------|-------------------------|
| 0-1 month | 225.344.019 | 348.477.992 |
| 1-3 months | 73.469.391 | - |
| | 298.813.410 | 348.477.992 |

There are no time deposits with variable interest rates at 30 September 2009 and 31 December 2008. The effective interest rate for TL is 9,7% (31 December 2008: 21,4%). The effective interest rates of foreign currency denominated time deposits are 2,6% for USD and 2,5% for Euro (31 December 2008: USD: 6,3%, Euro: 6,8%).

NOTE 6 - FINANCIAL ASSETS

The details of financial assets at fair value through profit and loss at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|----------|--------------------------|-------------------------|
| Eurobond | 17.747.174 | - |
| | 17.747.174 | - |

As of 30 September 2009, effective interest rate for USD government bonds and treasury bills is 3,8% (31 December 2008: None).

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NOTE 6 - FINANCIAL ASSETS (Continued)

The details of long term financial assets at 30 September 2009 and 31 December 2008 are as follows:

| | Share % | 30 September 2009 | Share % | 31 December 2008 |
|--|------------|----------------------|------------|---------------------|
| Doğan Havacılık Sanayi ve Ticaret A.Ş. ("Doğan Havacılık") | 9,0 | 4.513.093 | 9,0 | 4.513.093 |
| Doğan Factoring Hizmetleri A.Ş. ("Doğan Factoring") | 5,0 | 736.422 | 5,0 | 736.422 |
| Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret") | 2,0 | 346.038 | 2,0 | 346.038 |
| Coats İplik Sanayi A.Ş. | 0,5 | 257.850 | 0,5 | 257.850 |
| Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. ("Hürservis") | 19,0 | 169.166 | 19,0 | 169.166 |
| Other | - | 188.502 | - | 137.268 |
| | | 6.211.071 | | 6.159.837 |
| Impairment on Doğan Havacılık | | (1.398.232) | | (1.164.760) |
| | | 4.812.839 | | 4.995.077 |

NOTE 7 - FINANCIAL LIABILITIES

The details of financial liabilities at 30 September 2009 and 31 December 2008 are as follows:

| Short-term financial liabilities: | 30 September 2009 | 31 December 2008 |
|--|--------------------------|-------------------------|
| Bank borrowings | 214.198.071 | 244.438.603 |
| Financial liabilities to suppliers | 26.841.757 | 28.530.162 |
| Lease payables | 2.726.809 | 2.692.644 |
| Total | 243.766.637 | 275.661.409 |
| Long-term financial liabilities: | 30 September 2009 | 31 December 2008 |
| Bank borrowings | 351.622.326 | 537.552.557 |
| Financial liabilities to suppliers | 84.734.776 | 86.094.672 |
| Lease payables | 2.243.496 | 4.290.663 |
| Total | 438.600.598 | 627.937.892 |

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NOTE 7 - FINANCIAL LIABILITIES (Continued)

Bank borrowings:

The details of bank borrowings at 30 September 2009 and 31 December 2008 are as follows:

| | Effective interest rate per annum (%) | | Original foreign currency | | TL | |
|--|--|---------------------|------------------------------|---------------------|----------------------|---------------------|
| | 30 September 2009 | 31 December 2008 | 30 September 2009 | 31 December 2008 | 30 September 2009 | 31 December 2008 |
| Short-term bank borrowings | | | | | | |
| - Euro | 2,8 | 4,8 | 34.198 | 1.772.924 | 73.878 | 3.795.474 |
| - USD | - | 5,9 | - | 1.195.817 | - | 1.808.434 |
| - CHF | - | 5,1 | - | 320.582 | - | 458.432 |
| - TL | - | - | 4.328.029 | 1.799.088 | 4.328.029 | 1.799.088 |
| Sub-total | | | | | 4.401.907 | 7.861.428 |
| Short-term portion of long-term bank borrowings | | | | | | |
| - USD | 2,8 | 4,5 | 120.562.841 | 149.664.115 | 178.674.128 | 226.337.042 |
| - Euro | 2,8 | 4,9 | 12.446.893 | 2.953.910 | 26.889.023 | 6.323.731 |
| - CHF | 2,4 | 5,1 | 2.965.955 | 2.738.742 | 4.233.013 | 3.916.402 |
| Sub-total | | | | | 209.796.164 | 236.577.175 |
| Total short-term bank borrowings | | | | | 214.198.071 | 244.438.603 |
| Long-term bank borrowings | | | | | | |
| - USD | 2,7 | 4,7 | 206.133.025 | 305.472.521 | 305.489.144 | 461.966.094 |
| - Euro | 3,6 | 5,3 | 20.479.630 | 32.446.832 | 44.242.145 | 69.462.178 |
| - CHF | 2,5 | 5,1 | 1.325.000 | 4.282.717 | 1.891.037 | 6.124.285 |
| Total long-term bank borrowings | | | | | 351.622.326 | 537.552.557 |

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NOTE 7 - FINANCIAL LIABILITIES (Continued)

Bank borrowings (Continued):

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

| Year | 30 September 2009 | 31 December 2008 |
|---------------|--------------------------|-------------------------|
| 2010 (*) | 28.302.724 | 156.687.824 |
| 2011 | 174.233.005 | 176.681.512 |
| 2012 | 110.540.953 | 144.318.584 |
| 2013 | 37.551.907 | 58.879.869 |
| 2014 and over | 993.737 | 984.768 |
| | 351.622.326 | 537.552.557 |

(*) Year 2010 on redemption schedule of long-term bank borrowings as of 30 September 2009 represents the period between 1 October 2010 - 31 December 2010.

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

| Period | 30 September 2009 | 31 December 2008 |
|----------------|--------------------------|-------------------------|
| Up to 6 months | 565.820.397 | 778.576.974 |
| 6-12 months | - | 3.414.186 |
| | 565.820.397 | 781.991.160 |

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

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

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

Furthermore, the Group committed that there will be no business combinations or disposals or sales of assets or liabilities in aggregate which may indicate a change in the control or in the major operations in one of the Group's Subsidiary, TME. Apart from the approved transactions, participation in any combinations, buying stocks and being part of any joint-venture are restricted.

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 2008: 33.649.091 unit).

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

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NOTE 7 - FINANCIAL LIABILITIES (Continued)

Bank borrowings (Continued):

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.

It has been determined that one of the covenants is under the required limit as per financial results of TME financial statements as of 30 September 2009 as defined in the senior credit agreement. The response of the Syndication Bank's is currently expected and the technical analysis is continued in this respect.

The Group's borrowings issued at variable interest amount to TL 555.879.081 at 30 September 2009 (31 December 2008: TL 682.526.838).

Lease payables:

Lease payables at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|---------------------------|--------------------------|-------------------------|
| Short-term lease payables | 2.726.809 | 2.692.644 |
| Long-term lease payables | 2.243.496 | 4.290.663 |
| | 4.970.305 | 6.983.307 |

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

| Year | 30 September 2009 | 31 December 2008 |
|-------------|--------------------------|-------------------------|
| 2010 (*) | 650.203 | 2.687.916 |
| 2011 | 1.564.131 | 1.572.833 |
| 2012 | 29.162 | 29.914 |
| | 2.243.496 | 4.290.663 |

(*) Year 2010 on redemption schedule of long-term lease payables as of 30 September 2009 represents the period between 1 October 2010 - 31 December 2010.

The effective interest rate for long term lease payables is 6,5% for USD and 5,0% for Euro (31 December 2008: USD: 6,5%, Euro: 5,0%).

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NOTE 7 - FINANCIAL LIABILITIES (Continued)

Financial liabilities to suppliers:

Short and long-term financial liabilities to suppliers are related with the purchase of machinery and equipment. The effective interest rates of long term financial liabilities to suppliers are 3,7% for USD, 2,9% for Euro and 1,6% for CHF (31 December 2008: USD: 3,4%, Euro: 4,5%, CHF: 3,0%).

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

| Year | 30 September 2009 | 31 December 2008 |
|---------------|--------------------------|-------------------------|
| 2010 (*) | 7.833.948 | 21.889.481 |
| 2011 | 24.721.518 | 21.985.081 |
| 2012 | 24.398.339 | 21.664.817 |
| 2013 | 21.415.713 | 18.633.226 |
| 2014 and over | 6.365.258 | 1.922.067 |
| | 84.734.776 | 86.094.672 |

(*) Year 2010 on redemption schedule of long-term financial liabilities to suppliers as of 30 September 2009 represents the period between 1 October 2010 - 31 December 2010.

The Group's long-term financial liabilities to suppliers issued at variable interest rates are amounting to TL 84.734.776 as of 30 September 2009 (31 December 2008: TL 86.094.672).

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

| Period | 30 September 2009 | 31 December 2008 |
|----------------|--------------------------|-------------------------|
| Up to 6 months | 111.295.586 | 113.654.109 |
| 6-12 months | 280.947 | 970.725 |
| | 111.576.533 | 114.624.834 |

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

NOTE 8 - OTHER FINANCIAL LIABILITIES

Other financial liabilities at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|--|--------------------------|-------------------------|
| Financial liabilities due to put options | | |
| Short-term (Note 19) | 12.574.770 | 13.686.315 |
| Long-term (Note 19) | 5.292.222 | 6.043.151 |
| | 17.866.992 | 19.729.466 |

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NOTE 9 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables net of unearned credit finance income at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|--|--------------------------|-------------------------|
| Trade receivables | 185.164.106 | 176.236.809 |
| Cheques and notes receivable | 4.911.427 | 8.682.318 |
| Receivables from credit cards | 673.108 | 312.739 |
| | 190.748.641 | 185.231.866 |
| Less: Unearned credit finance income | (1.190.697) | (1.540.031) |
| Less: Provision for doubtful receivables | (39.173.434) | (32.659.317) |
| Short-term trade receivables | 150.384.510 | 151.032.518 |

Long-term trade receivables net of unearned credit finance income at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|------------------------------------|--------------------------|-------------------------|
| Long-term trade receivables | - | 8.342.790 |
| Unearned credit finance income | - | (994.495) |
| Long-term trade receivables | - | 7.348.295 |

Trade receivables resulting from advertisement and publications, amounting to TL 100.649.206 (31 December 2008: TL 105.416.417) are followed up by Doğan Factoring Hizmetleri A.Ş. ("Doğan Factoring") in accordance with the factoring agreement signed between the Group and Doğan Factoring. The average due date of the Group's trade receivable followed up by Doğan Factoring is between 3 and 4 months (31 December 2008: 3-4 months). The unearned credit finance income related with the receivables followed up by Doğan Factoring is TL 762.378 (31 December 2008: TL 1.879.645) and the effective interest rate is 15% (31 December 2008: 19%).

The movements of provision for doubtful receivables are as follows:

| | 2009 | 2008 |
|---------------------------------------|-------------------|-------------------|
| 1 January | 32.659.317 | 23.199.576 |
| Additions during the period (Note 26) | 7.050.286 | 4.572.186 |
| Collections during the period | (327.903) | (2.376.498) |
| Currency translation differences | (208.266) | 862.404 |
| Disposal of discontinued operations | - | (422.177) |
| 30 September | 39.173.434 | 25.835.491 |

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NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)

Trade payables at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|---------------------------|--------------------------|-------------------------|
| Short-term trade payables | 38.811.512 | 38.813.109 |
| | 38.811.512 | 38.813.109 |

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other receivables at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|--------------------------------------|--------------------------|-------------------------|
| Receivables from tax authorities (*) | 2.216.189 | 15.975.462 |
| Deposits and guarantees given | 353.074 | 717.634 |
| | 2.569.263 | 16.693.096 |

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

Other long-term receivables at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|-------------------------------|--------------------------|-------------------------|
| Deposits and guarantees given | 697.007 | 300.753 |
| | 697.007 | 300.753 |

Other payables at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|--------------------------------------|--------------------------|-------------------------|
| Due to personnel | 6.245.232 | 5.498.759 |
| Taxes and funds payable | 6.922.096 | 5.851.429 |
| Social security withholdings payable | 3.131.570 | 3.026.814 |
| Deposits and guaranties received | 961.748 | 1.191.255 |
| | 17.260.646 | 15.568.257 |

Other long-term payables at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|----------------------------------|--------------------------|-------------------------|
| Deposits and guarantees received | 185.250 | 189.038 |
| | 185.250 | 189.038 |

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NOTE 11 - INVENTORIES

| | 30 September 2009 | 31 December 2008 |
|--------------------------------|--------------------------|-------------------------|
| Raw materials and supplies | 13.964.747 | 18.589.869 |
| Promotion stocks (*) | 5.533.736 | 3.769.347 |
| Semi-finished goods | 495.927 | 386.636 |
| Finished goods and merchandise | 465.027 | 1.184.173 |
| | 20.459.437 | 23.930.025 |
| Impairment on promotion stocks | (479.513) | (479.513) |
| | 19.979.924 | 23.450.512 |

(*) 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 30 September 2009 and 31 December 2008 are as follows:

| | Share % | 30 September 2009 | Share % | 31 December 2008 |
|-----------------|----------------|--------------------------|----------------|-------------------------|
| Doğan Media (*) | 42,42 | 8.764.447 | 42,42 | - |
| Yaysat | 25,00 | 225.906 | 25,00 | 224.731 |
| DYG İlan | 20,00 | 91.798 | 20,00 | 91.737 |
| | | 9.082.151 | | 316.468 |

The summary of Group's share of the financial statements of the investments accounted for by the equity method at 30 September 2009 is as follows:

| 30 September 2009 | Total assets | Total liabilities | Net sales | Net (loss)/income for the period |
|--------------------------|---------------------|--------------------------|-------------------|---|
| Doğan Media (*) | 29.955.364 | 21.190.917 | 41.405.619 | (7.513.710) |
| Yaysat | 244.245 | 18.339 | 122.275 | 1.175 |
| DYG İlan | 91.798 | - | 19.365 | (6) |
| | 30.291.407 | 21.209.256 | 41.547.259 | (7.512.541) |

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

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

| 31 December 2008 | Total assets | Total liabilities | Net sales (*) | Net (loss)/income for the period (*) |
|-------------------------|-------------------------|------------------------------|----------------------|---|
| Doğan Media | 28.644.684 | 28.663.897 | 40.604.992 | (5.900.973) |
| Yaysat | 405.904 | 181.173 | 554.383 | 207.940 |
| DYG İlan | 100.165 | 8.428 | 59.113 | (112) |
| | 29.150.753 | 28.853.498 | 41.218.488 | (5.693.145) |

(*) Represents net loss and net sales for the nine-month period ended as of 30 September 2008.

The movements in associates during the period are as follows:

| | 2009 | 2008 |
|----------------------------------|------------------|------------------|
| 1 January | 316.468 | 4.380.092 |
| Share capital increase | 16.723.846 | 2.890.897 |
| Loss from associates | (7.512.541) | (5.693.145) |
| Currency translation differences | (445.622) | 77.550 |
| 30 September | 9.082.151 | 1.655.394 |

NOTE 13 - INVESTMENT PROPERTY

The movements in investment property and related amortisations during the nine-month period ended 30 September 2009 are as follows:

| | 1 January 2009 | Additions | Disposals | Provision of impairment | Transfers | 30 September 2009 |
|----------------------------------|---------------------------|-------------------|---------------------|------------------------------------|------------------|------------------------------|
| Cost: | | | | | | |
| Land | 9.565.495 | - | - | - | - | 9.565.495 |
| Buildings | 12.803.169 | 10.396.782 | (13.721.112) | (43.731) | 2.075.428 | 11.510.536 |
| | 22.368.664 | 10.396.782 | (13.721.112) | (43.731) | 2.075.428 | 21.076.031 |
| Accumulated depreciation: | | | | | | |
| Buildings | 391.762 | 55.092 | - | - | - | 446.854 |
| | 391.762 | 55.092 | - | - | - | 446.854 |
| Net book value | 21.976.902 | | | | | 20.629.177 |

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NOTE 13 - INVESTMENT PROPERTY (Continued)

The fair value of the investment property has been determined as TL 34.045.936 at 30 September 2009 (31 December 2008: TL 34.180.558).

The movements in investment property and related amortisations during the nine-month period ended 30 September 2008 are as follows:

| | 1 January 2008 | Additions | Disposals | Provision of impairment | 30 September 2008 |
|----------------------------------|---------------------------|-------------------|------------------|------------------------------------|------------------------------|
| Cost: | | | | | |
| Land | 9.565.495 | - | - | - | 9.565.495 |
| Buildings | 3.444.900 | 15.929.520 | (660.000) | - | 18.714.420 |
| | 13.010.395 | 15.929.520 | (660.000) | - | 28.279.915 |
| Accumulated depreciation: | | | | | |
| Buildings | 318.307 | 52.560 | - | - | 370.867 |
| | 318.307 | 52.560 | - | - | 370.867 |
| Net book value | 12.692.088 | | | | 27.909.048 |

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NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment and related accumulated depreciation for the nine-month period ended 30 September 2009 are as follows:

| | 1 January 2009 | Currency translation differences | Additions | Disposals | Transfers | 30 September 2009 |
|---------------------------------|-----------------------|---|-------------------|--------------------|--------------------|--------------------------|
| Cost | | | | | | |
| Land and land improvements | 52.609.400 | (34.717) | 209.360 | - | 1.258 | 52.785.301 |
| Buildings | 265.032.446 | (371.559) | 509.253 | (157.423) | (2.107.228) | 262.905.489 |
| Machinery and equipments | 672.717.143 | (32.861) | 9.781.688 | (313.832) | 21.343.663 | 703.495.801 |
| Motor vehicles | 11.312.260 | (84.809) | 58.300 | (579.700) | - | 10.706.051 |
| Furniture and fixtures | 97.252.560 | (991.040) | 3.615.586 | (1.182.332) | 654.588 | 99.349.362 |
| Leasehold improvements | 25.036.022 | 3.552 | 133.294 | (36.066) | - | 25.136.802 |
| Other non current assets | 408.167 | (3.719) | 120.521 | - | - | 524.969 |
| Construction in progress | 2.593.055 | 6.678 | 20.905.432 | (125.448) | (22.585.564) | 794.153 |
| | 1.126.961.053 | (1.508.475) | 35.333.434 | (2.394.801) | (2.693.283) | 1.155.697.928 |
| Accumulated depreciation | | | | | | |
| Land and land improvements | 376.114 | - | 51.939 | - | - | 428.053 |
| Buildings | 57.650.434 | (147.612) | 4.330.666 | (27.077) | - | 61.806.411 |
| Machinery and equipments | 435.282.503 | (217.146) | 34.276.936 | (159.166) | - | 469.183.127 |
| Motor vehicles | 7.012.582 | (171.446) | 941.180 | (371.725) | - | 7.410.591 |
| Furniture and fixtures | 74.819.814 | (444.247) | 5.004.791 | (1.063.624) | - | 78.316.734 |
| Leasehold improvements | 22.500.100 | (307) | 284.352 | (28.226) | - | 22.755.919 |
| Other non current assets | 189.206 | (2.153) | 34.429 | - | - | 221.482 |
| | 597.830.753 | (982.911) | 44.924.293 | (1.649.818) | - | 640.122.317 |
| Net book value | 529.130.300 | | | | | 515.575.611 |

Net book value of the property, plant and equipment in machinery and equipment group obtained via financial leasing is amounting to TL 12.212.920 (31 December 2008: TL 13.888.186).

At 30 September 2009 there were liens amounting to TL 6.619.159 (31 December 2008: TL 6.559.411) and mortgages amounting to TL 14.041.950 (31 December 2008: TL 13.915.200). The depreciation charge for the nine-month period ended at 30 September 2009 amounting to TL 35.926.340 (30 September 2008: TL 30.361.010) has been included in cost of sales and TL 8.997.953 (30 September 2008: TL 12.579.174) has been included in operating expenses.

Transfers amounting to TL 2.075.428 is related to investment property and TL 617.855 is related to intangible assets.

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NOTE 14 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movements in property, plant and equipment and related accumulated depreciation for the nine-month period ended 30 September 2008 are as follows:

| | 1 January 2008 | Currency translation differences | Additions | Disposals | Transfers | Disposal of subsidiary | 30 September 2008 |
|---------------------------------|-----------------------|---|-------------------|--------------------|--------------------|-----------------------------------|--------------------------|
| Cost | | | | | | | |
| Land and land improvements | 52.246.932 | 323.561 | 4.593.638 | - | - | - | 57.164.131 |
| Buildings | 258.805.088 | 1.220.311 | 533.616 | - | - | - | 260.559.015 |
| Machinery and equipments | 644.183.292 | 2.195.028 | 2.869.971 | (23.159) | 11.253.964 | - | 660.479.096 |
| Motor vehicles | 9.750.872 | 126.180 | 1.427.011 | (217.202) | - | - | 11.086.861 |
| Furniture and fixtures | 92.068.472 | 970.391 | 6.055.002 | (1.248.634) | 17.114 | (2.749.806) | 95.112.539 |
| Leasehold improvements | 24.629.038 | 53.579 | 391.838 | - | 17.245 | (66.246) | 25.025.454 |
| Other non current assets | 325.592 | 16.656 | 2.122 | - | - | - | 344.370 |
| Construction in progress | 8.502.573 | 100.074 | 5.159.163 | (583.848) | (12.978.776) | (84.648) | 114.538 |
| | 1.090.511.859 | 5.005.780 | 21.032.361 | (2.072.843) | (1.690.453) | (2.900.700) | 1.109.886.004 |
| Accumulated depreciation | | | | | | | |
| Land and land improvements | 325.667 | - | 36.490 | - | - | - | 362.157 |
| Buildings | 51.139.088 | 130.104 | 4.293.139 | - | - | - | 55.562.331 |
| Machinery and equipments | 390.229.388 | 616.860 | 31.701.118 | - | - | - | 422.547.366 |
| Motor vehicles | 5.131.167 | 32.286 | 868.220 | (175.437) | - | - | 5.856.236 |
| Furniture and fixtures | 68.536.761 | 257.564 | 5.698.705 | (805.358) | - | (1.750.611) | 71.937.061 |
| Leasehold improvements | 22.171.037 | 17.978 | 261.353 | - | - | (28.216) | 22.422.152 |
| Other non current assets | 143.371 | 6.239 | 28.599 | - | - | - | 178.209 |
| | 537.676.479 | 1.061.031 | 42.887.624 | (980.795) | - | (1.778.827) | 578.865.512 |
| Net book value | 552.835.380 | | | | | | 531.020.492 |

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NOTE 15 - INTANGIBLE ASSETS

Movement of intangible assets and related accumulated amortization for the nine-month period ended 30 September 2009 is as follows:

| | 1 January 2009 | Additions | Disposals | Transfers | Currency translation differences | 30 September 2009 |
|---------------------------------|-----------------------|-------------------|------------------|------------------|---|--------------------------|
| Cost | | | | | | |
| Tradenames | 318.260.471 | - | - | - | (10.192.710) | 308.067.761 |
| Customer list | 274.413.483 | - | - | - | (9.639.073) | 264.774.410 |
| Software and rights | 41.071.047 | 2.718.249 | (208.557) | 67.452 | (430.029) | 43.218.162 |
| Internet domain names | 12.129.468 | 965.950 | - | 550.403 | (353.056) | 13.292.765 |
| Other intangible assets | 6.878.293 | 116.169 | - | - | (85.338) | 6.909.124 |
| | 652.752.762 | 3.800.368 | (208.557) | 617.855 | (20.700.206) | 636.262.222 |
| Accumulated depreciation | | | | | | |
| Tradenames | 14.610.793 | 909.092 | - | - | (23.813) | 15.496.072 |
| Customer list | 29.421.115 | 11.949.505 | - | - | (678.711) | 40.691.909 |
| Software and rights | 20.472.996 | 5.511.369 | (50.179) | - | (75.336) | 25.858.850 |
| Internet domain names | 1.039.278 | 741.457 | - | - | 108.486 | 1.889.221 |
| Other intangible assets | 6.021.218 | 716.276 | - | - | (72.866) | 6.664.628 |
| | 71.565.400 | 19.827.699 | (50.179) | - | (742.240) | 90.600.680 |
| Net book value | 581.187.362 | | | - | | 545.661.542 |

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NOTE 15 - INTANGIBLE ASSETS (Continued)

Movements of intangible assets and related accumulated amortisation for the nine-month period ended 30 September 2008 are as follows:

| | 1 January 2008 | Additions | Disposals | Currency translation differences | Disposal of subsidiaries | Transfers | 30 September 2008 |
|---------------------------------|-----------------------|-------------------|------------------|---|-------------------------------------|------------------|--------------------------|
| Cost | | | | | | | |
| Tradenames | 289.768.125 | 32.910 | - | 14.321.812 | (1.964.070) | - | 302.158.777 |
| Customer list | 252.681.895 | - | - | 10.122.627 | (310.375) | - | 262.494.147 |
| Software and rights | 23.876.159 | 6.402.709 | (709.800) | 1.423.058 | (1.283.209) | 1.685.725 | 31.394.642 |
| Internet domain names | 16.696.590 | 80.447 | - | 1.014.973 | (4.579.133) | - | 13.212.877 |
| Other intangible assets | 6.076.417 | 213.444 | - | 288.086 | - | - | 6.577.947 |
| | 589.099.186 | 6.729.510 | (709.800) | 27.170.556 | (8.136.787) | 1.685.725 | 615.838.390 |
| Accumulated depreciation | | | | | | | |
| Tradenames | 915.911 | 949.563 | - | (23.119) | - | - | 1.842.355 |
| Customer list | 11.833.877 | 12.672.164 | - | (199.157) | (215.913) | - | 24.090.971 |
| Software and rights | 12.264.010 | 3.701.798 | (406) | 708.416 | (1.052.575) | - | 15.621.243 |
| Internet domain names | 650.523 | 681.097 | - | 2.521 | (407.770) | - | 926.371 |
| Other intangible assets | 4.797.870 | 979.067 | - | 171.671 | - | - | 5.948.608 |
| | 30.462.191 | 18.983.689 | (406) | 660.332 | (1.676.258) | - | 48.429.548 |
| Net book value | 558.636.995 | | | | | | 567.408.842 |

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NOTE 15 - INTANGIBLE ASSETS (Continued)

Intangible assets with indefinite useful lives amounted to TL 284.037.109 at 30 September 2009 (31 December 2008: TL 292.613.040). 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 charges amounting to TL 19.827.699 for the nine-month interim period ended at 30 September 2009 have been included in operating expenses (30 September 2008: TL 18.983.689).

NOTE 16 - GOODWILL

The movements in goodwill during the nine-month period ended 30 September 2009 and 2008 are as follows:

| | 2009 | 2008 |
|-------------------------------------|--------------------|--------------------|
| 1 January | 236.449.857 | 236.129.473 |
| Additions | - | 625.961 |
| Currency translation differences | (8.974.989) | 11.547.922 |
| Disposal of discontinued operations | - | (191.961) |
| Other (*) | (346.201) | 4.402.201 |
| 30 September | 227.128.667 | 252.513.596 |

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

Goodwill is tested annually for impairment at year-ends 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 obtained six Investment Incentives Certificate for the imported equipments amounting to USD 24.700.361 and domestic equipments amounting to TL 151.800 due to the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 23, 27 and 31 July 2008. The agreements are valid for two years and equipment imported within the scope of the certificate is exempt from Customs Duty, Collective Housing Fund and VAT. The investments amounted to USD 18.800.769 within these certificates as at 30 September 2009.

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NOTE 18 -PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 30 September 2009 and 31 December 2008, short-term provisions are as follows:

| | 30 September 2009 | 31 December 2008 |
|-------------------------------|--------------------------|-------------------------|
| Provision for tax penalty | 15.209.000 | - |
| Provision for unused vacation | 6.351.601 | 4.558.785 |
| Provision for lawsuit | 2.493.353 | 2.172.814 |
| | 24.053.954 | 6.731.599 |

The tax inspection reports notified by the Ministry of Finance as of 7 August 2009 regarding the tax reviews of the prior financial periods of the Group consists a tax principal of TL 12.292.167 tax principal, a tax loss penalty of TL 18.438.250 and a special irregularity penalty of TL 165.000. The Group has proposed settlement after assessment from the Tax Office regarding the tax principals and penalties notified. The Group will file a lawsuit for the cancellation of related penalties if there was no settlement.

The Group believes that the practices criticized in the tax inspection reports are in conformity with legal arrangements and the communiques, circulars and tax rulings of the Ministry of Finance, and the Group decided to make use of all the legal rights including settlement against the aforementioned issues in the abovementioned Reports.

In accordance with the opinions of the Group's legal counsel and tax experts on the tax inspection reports, the Group management has accounted for a provision amounting to TL15.209.000, including the estimated late payment interest, in the consolidated interim financial statements at 30 September 2009 and for the nine-month period then ended. The provision was based on the Group management best estimate considering the opinions of the Group's legal counsel and tax experts. There is uncertainty about the process and outcome of such proceedings.

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

| | 2009 | 2008 |
|-----------------------------|------------------|------------------|
| 1 January | 4.558.785 | 2.582.860 |
| Additions during the period | 1.823.376 | 1.623.894 |
| Provisions terminated | (30.560) | - |
| 30 September | 6.351.601 | 4.206.754 |

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

| | 2009 | 2008 |
|-----------------------------|------------------|------------------|
| 1 January | 2.172.814 | 2.564.660 |
| Additions during the period | 320.539 | 70.238 |
| 30 September | 2.493.353 | 2.634.898 |

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NOTE 19 - COMMITMENTS

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

a) Guarantees given:

| | Currency | Original amount | 30 September 2009 | Original amount | 31 December 2008 |
|----------------------|------------------|----------------------------|------------------------------|----------------------------|-----------------------------|
| Letters of guarantee | TL | 3.868.899 | 3.868.899 | 4.047.743 | 4.047.743 |
| | Hungarian Forint | 58.700.000 | 470.769 | 58.700.000 | 468.746 |
| Financial notes | TL | 202.223 | 202.223 | 202.223 | 202.223 |
| Guarantee notes | TL | 1.714 | 1.714 | 1.714 | 1.714 |
| Guarantees given | TL | 3.008.529 | 3.008.529 | 3.008.529 | 3.008.529 |
| | Euro | 25.000 | 54.008 | 25.000 | 53.520 |
| | | | 7.606.142 | | 7.782.475 |

b) Commitments given:

The Group has blocked deposits amounting to TL 250.936 at 30 September 2009 (31 December 2008: TL 65.451) (Note 5) and has liens amounting to TL 6.619.159 related to the machinery and equipment, arising from the operations in Germany (31 December 2008: TL 6.559.411).

There are mortgages amounting to TL 14.041.950 on property plant and equipment as of 30 September 2009 (31 December 2008: TL 13.915.200) (Note 14).

c) Barter agreements:

Group, as is common practice in the media sector, has entered into barter agreements. These agreements involve the exchange of goods or services without cash collections or payments.

As of 30 September 2009, in connection with the barter agreements, the Group has TL 13.150.947 (31 December 2008: TL 7.209.486) of advertisement commitment and TL 4.364.921 (31 December 2008: TL 5.251.718) goods and services purchase rights.

d) Lawsuits against the Group:

The lawsuits against the Group amount to TL 30.728.925 (31 December 2008: TL 31.493.679). Group accounts for provisions in cases when there is a legal or valid liability resulting from past operations and it may be necessary for resources to flow out in order to fulfil these liabilities and when a reliable estimation can be made for the amount. As a result of these analyses, as of 30 September 2009 the Group has accounted for a provision of TL 2.493.353 for these lawsuits (31 December 2008: TL 2.172.814).

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NOTE 19 - COMMITMENTS (Continued)

d) Lawsuits against the Group (Continued):

| | 30 September 2009 | 31 December 2008 |
|-------------------------|--------------------------|-------------------------|
| Legal lawsuits | 22.327.895 | 23.117.282 |
| Labor lawsuits | 2.564.619 | 2.514.224 |
| Trade lawsuits | 3.786.813 | 3.858.640 |
| Administrative lawsuits | 1.143.702 | 1.072.186 |
| Tax lawsuits | 900.896 | 926.347 |
| Penal lawsuits | 5.000 | 5.000 |
| | 30.728.925 | 31.493.679 |

e) Derivative financial instruments:

i) Swap transactions in foreign exchange

The Group has made a Euro swap transaction regarding the last three installments of its long term bank credit agreement, explained in detail in Note 7 amounted to USD 240.850.000, due in 2012 and 2013 amounting to USD 80.283.333. As a result of such foreign currency swap transactions, gain amounted to TL 11.717.066 has been recognized as of 30 September 2009.

ii) Interest rate swap transactions

The Group entered into ten collar agreements totaling to USD 83.000.000 and purchased one CAP amounting to USD 37.000.000 to hedge the interest rate risk arising from borrowings as of 30 September 2009. The agreements have fixed floor and ceiling rates. Accordingly, at the dates defined in agreements, if the LIBOR rate is below the floor rate, the Group has to compensate for the difference between the floor rate and the actual rate. Similarly, if the LIBOR rate is above the ceiling rate, banks compensate for the difference to the Group.

As of 30 September 2009 fixed floor and ceiling rates change between 2,8% and 5,6% (31 December 2008: 2,8% - 5,6%) and the main floating interest rate is LIBOR.

Financial expense recognized during the period regarding these agreements amounted to TL 263.854 (30 September 2008: TL 251.561).

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 26,5% from owners without a time constraint, provided that certain conditions are met. The Group management assumed that 5,8% of the remaining minority shares of 26,5% will realize in the current year therefore is classified under short-term other financial liabilities. As of 30 September 2009, the short portion of the fair value of the put option is TL 924.768 (31 December 2008: TL 1.218.914), long term portion is TL 3.344.873 (31 December 2008: TL 4.405.330) according to various valuation techniques and assumptions.

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NOTE 19 - COMMITMENTS (Continued)

f) Put options (Continued):

The Group has granted a put option, on the remainder of 30% shares during the acquisition of 70% interest of the shares in its subsidiary Oglasnik d.o.o. located in Croatia. As of 30 September 2009, the fair value of this option is TL 11.650.002 according to various valuation techniques and assumptions and classified in "other short-term financial liabilities" (31 December 2008: TL 12.467.401). The option is exercisable until the end of 2009.

The Group has acquired a 55% interest in Moje Delo d.o.o. ("Moje Delo") in Slovenia. The Group paid an earn-out amounting to EUR 1 million during the period. The Group has granted to the selling shareholders a put option on the remainder of the shares exercisable from January 2009 to January 2012 and has a call option exercisable from January 2011 to January 2014. Exercise price shall be calculated based on EBITDA and the net financial debt of Moje Delo. The fair value of the put option is TL 1.947.349 as of 30 September 2009 (31 December 2008: TL 1.637.821) and classified in "other long-term financial liabilities".

NOTE 20 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

Provision for employment termination benefits at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|---|--------------------------|-------------------------|
| Provision for employment termination benefits | 13.209.985 | 11.744.969 |
| | 13.209.985 | 11.744.969 |

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 30 September 2009 the amount payable maximum TL 2.365,16 (31 December 2008: TL 2.173,18) 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.

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NOTE 20 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS (Continued)

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

| | 30 September 2009 | 31 December 2008 |
|---|--------------------------|-------------------------|
| Discount rate (%) | 6,26 | 6,26 |
| Turnover rate to estimate the probability of retirement (%) | 89 | 89 |

The principal assumption is that the maximum liability of TL 2.365,16 (31 December 2008: TL 2.173,18) 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 TL 2.365,16 (1 July 2008: TL 2.173,18) which is effective from 1 July 2009, has been taken into consideration in calculating the reserve for employment termination benefit of the Group. As of 30 September 2009, the salaries have been taken into consideration in calculation for the employees under the Regulations with regards to Employees Employed in the Press Sector.

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

| | 2009 | 2008 |
|---|-------------------|-------------------|
| 1 January | 11.744.969 | 10.115.141 |
| Current period service charge | 944.547 | 877.584 |
| Interest expenses | 735.235 | 633.208 |
| Payments during the period and provisions terminated | (3.082.212) | (1.376.484) |
| Actuarial gain | 2.867.446 | 2.278.257 |
| 30 September | 13.209.985 | 12.527.706 |

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

Other current assets at 30 September 2009 and 31 December 2008 is as follows:

| | 30 September 2009 | 31 December 2008 |
|-------------------------------------|--------------------------|-------------------------|
| Prepaid expenses (*) | 8.440.157 | 10.052.544 |
| Prepaid tax (Note 30) | 7.820.288 | 19.476.471 |
| Advances given to personnel | 4.721.900 | 4.134.020 |
| Value Added Tax ("VAT") receivables | 2.750.091 | 2.270.461 |
| Job advances | 1.807.452 | 1.359.241 |
| Income accruals | 894.439 | 8.730.439 |
| Advances given for purchases | 306.193 | 584.150 |
| Other | 3.661.126 | 4.808.997 |
| | 30.401.646 | 51.416.323 |

(*) Prepaid expenses are composed of the prepaid rents.

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

Other non-current assets at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|--|--------------------------|-------------------------|
| Advances given for put option liabilities | 1.512.790 | 451.725 |
| Advances given related to tangible asset purchases | 669.366 | 7.146.327 |
| Prepaid expenses | - | 710.168 |
| | 2.182.156 | 8.308.220 |

Other short-term liabilities at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|-----------------------|--------------------------|-------------------------|
| Deferred revenue | 9.618.060 | 9.310.846 |
| VAT payables | 6.159.191 | 4.021.327 |
| Expense accruals | 2.877.329 | 1.074.257 |
| Payables to personnel | 46.770 | 45.538 |
| Other | 1.055.778 | 1.037.154 |
| | 19.757.128 | 15.489.122 |

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 There are no privileged shares. The Company's historical authorised and paid-in share capital at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|---|--------------------------|-------------------------|
| Historical authorised and paid-in share capital | 552.000.000 | 460.000.000 |
| 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.

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NOTE 22 - SHAREHOLDERS' EQUITY (Continued)

The shareholding structure is as follows:

| | 30 September 2009 | Share (%) | 31 December 2008 | Share (%) |
|-----------------------------|--------------------------|------------------|-------------------------|------------------|
| Doğan Yayın | 367.416.016 | 66,56 | 305.624.000 | 66,44 |
| Doğan Holding | 61.200.274 | 11,09 | 23.920.000 | 5,20 |
| Publicly owned | 123.383.710 | 22,35 | 130.456.000 | 28,36 |
| | 552.000.000 | 100 | 460.000.000 | 100 |
| Adjustment to share capital | 77.198.813 | | 77.198.813 | |
| Total share capital | 629.198.813 | | 537.198.813 | |

As of 30 September 2009, 6,56% (31 December 2008: 6,44%) of publicly owned shares belong to Doğan Yayın which is the main shareholder of the Group, and 11,09% (31 December 2008: 5,20%) by Doğan Holding, which is the ultimate parent of the Group.

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

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

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

Due to tax principal and tax penalty notices communicated by the Tax Office, the shares that Doğan Yayın Holding A.Ş. has in the share capital of Hürriyet Gazetecilik ve Matbaacılık A.Ş. at a rate of 66,56% and which are maintained in the export/investment accounts of the Central Registry Institution and Intermediary Institution have been made inactive, accordingly their transfer has been restricted. As already announced to the public by Doğan Yayın Holding A.Ş., valuation work is still ongoing in relation to collateral designated by Doğan Yayın Holding A.Ş. for the purpose of removal of excess sequestration by Tax Office.

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NOTE 22 - SHAREHOLDERS' EQUITY (Continued)

As of 30 September 2009 and 31 December 2008, details of the restricted reserves of Hürriyet, equityholder of the Group, are as follows:

| Restricted reserves: | 30 September 2009 | 31 December 2008 |
|------------------------------------|--------------------------|-------------------------|
| 1. Composition restricted reserves | 23.067.690 | 23.067.690 |
| 2. Composition restricted reserves | 4.648.846 | 4.242.492 |
| | 27.716.536 | 27.310.182 |

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 "Share Capital, Share Premium, Legal Reserves, Statutory Reserves, Special Reserves 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.

Capital adjustment differences have no other use other than being transferred to share capital.

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.

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NOTE 22 - SHAREHOLDERS' EQUITY (Continued)

Dividend Payment

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

In accordance with the CMB Decision dated 9 January 2009, concerning distribution basis of net profit obtained from the operations of the year 2008, minimum profit distribution shall be applied as 20% for the companies quoted in the stock exchange (31 December 2008: 20%). According to the Board's decision and Communiqué IV No:27 issued by CMB regarding allocation basis of profit of publicly owned companies, the distribution of the relevant amount may be realised as cash or as bonus shares or partly as cash and bonus shares; and in the event that the first dividend amount to be specified is less than 5% of the paid-up capital, the relevant amount can be retained within the company. However, companies that made capital increases before distributing dividends related to the prior period and whose shares are therefore classified as "old" and "new" and that will distribute dividends from the profit made from 2008 operations are required to distribute the initial amount in cash.

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

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

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

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NOTE 23 - SALES AND COST OF SALES

Sales

| | 2009 | | 2008 | |
|------------------------------------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Advertising revenue | 365.541.565 | 119.807.983 | 548.482.485 | 176.329.551 |
| Circulation and offsetting revenue | 174.659.647 | 58.938.408 | 169.552.647 | 57.914.537 |
| Other | 38.713.256 | 13.925.324 | 40.953.232 | 18.348.561 |
| Net sales | 578.914.468 | 192.671.715 | 758.988.364 | 252.592.649 |
| Cost of sales | (370.815.583) | (119.000.756) | (440.942.183) | (154.000.744) |
| Gross profit | 208.098.885 | 73.670.959 | 318.046.181 | 98.591.905 |

Cost of sales

The details of cost of sales for the nine-months interim periods ended 30 September are as follows:

| | 2009 | | 2008 | |
|---|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Raw materials | 163.011.007 | 49.516.199 | 197.636.956 | 69.709.863 |
| <i>Paper</i> | 110.082.006 | 31.766.399 | 121.678.515 | 43.795.890 |
| <i>Printing and ink</i> | 38.985.962 | 13.378.496 | 56.820.084 | 19.566.287 |
| <i>Other</i> | 13.943.039 | 4.371.304 | 19.138.357 | 6.347.686 |
| Payroll | 112.831.164 | 38.088.396 | 127.914.431 | 46.385.755 |
| Depreciation and amortisation | 35.981.432 | 11.935.316 | 33.087.883 | 11.127.019 |
| Commissions | 12.215.499 | 3.942.993 | 23.385.929 | 7.962.043 |
| Distribution, storage and travel | 5.502.812 | 1.899.813 | 6.491.177 | 2.282.768 |
| Fuel, electricity, water and office expenses | 4.979.847 | 1.793.188 | 5.271.309 | 1.006.327 |
| Maintenance expenses | 4.597.152 | 1.612.156 | 5.185.738 | 1.728.464 |
| Packaging expenses | 4.257.533 | 1.534.793 | 4.351.396 | 1.319.795 |
| Rent expenses | 3.046.455 | 1.036.856 | 2.952.469 | 1.045.283 |
| Communication | 2.948.479 | 1.020.341 | 4.353.262 | 1.515.592 |
| News agency expenses | 2.265.008 | 797.412 | 2.055.590 | 904.788 |
| Other | 19.179.195 | 5.823.293 | 28.256.043 | 9.013.047 |
| | 370.815.583 | 119.000.756 | 440.942.183 | 154.000.744 |

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

a) Marketing, selling and distribution expenses:

| | 2009 | | 2008 | |
|------------------------------------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Advertisement | 18.045.185 | 5.717.738 | 42.235.058 | 13.213.954 |
| Transportation, storage and travel | 15.285.490 | 5.257.934 | 24.389.392 | 8.968.942 |
| Payroll | 7.582.821 | 2.546.189 | 7.817.402 | 2.578.615 |
| Promotion | 6.468.370 | 2.166.186 | 9.094.577 | 3.396.600 |
| Sponsorship | 1.104.673 | 282.561 | 1.590.632 | 272.461 |
| Outsourced services | 879.317 | 178.259 | 2.712.554 | 271.070 |
| Other | 5.265.566 | 1.876.365 | 5.497.672 | 406.532 |
| | 54.631.422 | 18.025.232 | 93.337.287 | 29.108.174 |

b) General administrative expenses:

| | 2009 | | 2008 | |
|---|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Payroll | 35.727.010 | 10.955.987 | 41.188.856 | 13.737.449 |
| Depreciation and amortisation | 28.530.705 | 9.525.502 | 28.294.207 | 9.474.627 |
| Consultancy | 13.908.085 | 4.571.268 | 15.922.073 | 5.556.665 |
| Rent | 9.613.105 | 3.002.551 | 10.472.857 | 3.339.865 |
| Fuel, electricity, water and office expenses | 4.879.268 | 1.597.113 | 9.107.533 | 2.840.999 |
| Transportation, storage and travel | 3.583.775 | 1.110.381 | 5.453.854 | 1.741.421 |
| Communication | 3.249.180 | 1.178.777 | 3.064.653 | 1.078.248 |
| Maintenance and repairment | 1.397.264 | 396.215 | 2.055.482 | 734.731 |
| Other | 9.056.695 | 3.126.754 | 11.128.621 | 2.165.381 |
| | 109.945.087 | 35.464.548 | 126.688.136 | 40.669.386 |

NOTE 25 - EXPENSES BY NATURE

The expenses as of 30 September 2009 and 2008 are disclosed based on the functions and the details are disclosed in Notes 23 and 24.

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NOTE 26 - OTHER OPERATING INCOME/EXPENSES

The details of other income and gains for the periods ended 30 September are as follows:

| | 2009 | | 2008 | |
|--------------------------------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Rent and building service fees | 1.866.243 | 609.185 | 2.923.733 | 679.400 |
| Provisions terminated | 381.388 | (267.156) | 855.211 | 15.932 |
| Other | 512.156 | 79.081 | 301.901 | 81.962 |
| | 2.759.787 | 421.110 | 4.080.845 | 777.294 |

The details of other expenses and losses for the periods ended 30 September are as follows:

| | 2009 | | 2008 | |
|--|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Provision for tax penalty (Note 18) | 15.209.000 | - | - | - |
| Provision for doubtful receivables (Note 9) | 7.050.286 | 1.042.584 | 4.572.186 | 2.456.790 |
| Loss on sale of property, plant and equipment | 1.574.253 | 144.651 | 259.008 | - |
| Aids and donations | 460.477 | 256.974 | 300.730 | 88.976 |
| Penalties and compensations paid | 451.783 | 451.783 | 715.492 | 715.492 |
| Provision for lawsuits (Note 18) | 320.539 | 320.539 | 70.238 | 70.238 |
| Other | 2.915.643 | 398.915 | 1.906.064 | 1.426.543 |
| Total | 27.981.981 | 2.615.446 | 7.823.718 | 4.758.039 |

NOTE 27 - FINANCIAL INCOME

The details of financial income for the periods ended 30 September are as follows:

| | 2009 | | 2008 | |
|---|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Foreign exchange income | 103.610.555 | 22.501.433 | 52.823.536 | 6.278.825 |
| Interest income | 16.240.508 | 4.483.042 | 11.037.163 | 4.336.613 |
| Credit finance income from receivables | 8.887.001 | 2.669.171 | 10.205.873 | 3.333.612 |
| Due date difference income | 1.433.507 | 438.743 | 2.689.684 | 854.776 |
| Interest income on financial assets at fair value through profit and loss, net | 1.001.059 | 348.041 | 148.795 | 74.480 |
| Other | 21.422 | - | 1.151.290 | 119.754 |
| | 131.194.052 | 30.440.430 | 78.056.341 | 14.998.060 |

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NOTE 28 - FINANCIAL EXPENSES

The details of financial expenses for the periods ended 30 September are as follows:

| | 2009 | | 2008 | |
|--|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Foreign exchange losses | 99.755.922 | 9.410.176 | 77.555.742 | 7.799.782 |
| Interest expenses on bank borrowings | 20.694.445 | 4.376.899 | 32.826.769 | 10.862.077 |
| Banking commission and factoring expenses | 2.756.357 | 1.125.196 | 3.063.486 | 1.289.511 |
| Other | 4.559.967 | 818.037 | 8.852.191 | 107.286 |
| | 127.766.691 | 15.730.308 | 122.298.188 | 20.058.656 |

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

As of 30 September 2009, the Group has no non-current assets held for sale and discontinued operations.

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

| | 1 January - 30 September 2008 | 1 July - 30 September 2008 |
|--|--|---------------------------------------|
| Sales | 6.188.464 | - |
| Cost of sales | (3.860.170) | - |
| Gross profit | 2.328.294 | - |
| Operating expenses | (1.804.266) | - |
| Other operating income | 18.161 | - |
| Financial expenses | (28.536) | - |
| Income from discontinued operations | 513.653 | - |
| Gain on sale of discontinued operations | 58.675.805 | - |
| Profit after tax from discontinued operations | 59.189.458 | - |

The Group has stopped classification of one of its Subsidiary incorporated in Hungary, Kisokos Directory Kereskedelmi es Szolgalto Kft. ("Kisokos") as discontinued operations in accordance with the decision take on 30 September 2008. Discontinued operations which were presented as an item on the face of financial statements as "Loss after tax from discontinued operations" at 30 September 2008 have been reclassified and restated in order to be consistent with the current period.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT
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(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 30 - TAX ASSETS AND LIABILITIES

| | 30 September 2009 | 31 December 2008 |
|--------------------------------------|--------------------------|-------------------------|
| Corporate and income taxes payable | 7.338.490 | 2.159.564 |
| Less: prepaid taxes (Note 21) | (7.820.288) | (19.476.471) |
| Tax receivables, net | (481.798) | (17.316.907) |
| Deferred tax liabilities | 142.379.649 | 152.434.565 |
| Deferred tax assets | (13.813.622) | (19.293.484) |
| Deferred tax liabilities, net | 128.566.027 | 133.141.081 |

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 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 2008: 20%).

The tax rates at 30 September 2009, 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 | Netherlands | 25,5 |
| Russia | 20,0 | Ukraine | 25,0 |
| Croatia | 20,0 | | |

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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 30 September 2009 and 31 December 2008 are as follows:

| | <u>Temporary differences</u> | | <u>Deferred tax assets/ (liabilities)</u> | |
|--|------------------------------|-----------------------------|---|-----------------------------|
| | 30 September 2009 | 31 December 2008 | 30 September 2009 | 31 December 2008 |
| Carry forward tax losses (*) | 18.384.494 | 52.161.867 | 2.984.059 | 9.986.699 |
| Difference between tax base and carrying value of trade receivables | 15.705.149 | 18.410.048 | 2.795.785 | 3.376.827 |
| Provision for employment termination benefits and unused vacation rights | 20.848.220 | 16.303.754 | 4.169.644 | 3.260.751 |
| Difference between tax base and carrying value of leasing payables | 7.040.179 | 6.976.631 | 1.971.250 | 1.953.457 |
| Deferred revenues | 1.272.476 | 1.250.152 | 254.495 | 250.031 |
| Other, net | 8.099.466 | 2.328.594 | 1.638.389 | 465.719 |
| Deferred tax assets | | | 13.813.622 | 19.293.484 |
| Difference between tax bases and carrying value of property, plant and equipment and intangibles | (724.148.640) | (688.508.892) | (141.082.415) | (148.228.187) |
| Other, net | (5.762.395) | (20.228.274) | (1.297.234) | (4.206.378) |
| Deferred tax liabilities | | | (142.379.649) | (152.434.565) |
| Deferred tax liabilities, net | | | (128.566.027) | (133.141.081) |
| Deferred tax assets: | | 30 September 2009 | 31 December 2008 | |
| Deferred tax asset to be recovered after more than 12 months | | 13.056.822 | 18.206.512 | |
| Deferred tax asset to be recovered within 12 months | | 756.800 | 1.086.972 | |
| Total | | 13.813.622 | 19.293.484 | |
| Deferred tax liabilities: | | 30 September 2009 | 31 December 2008 | |
| Deferred tax liability to be recovered after more than 12 months | | (141.576.847) | (151.855.668) | |
| Deferred tax liability to be recovered within 12 months | | (802.802) | (578.897) | |
| Total | | (142.379.649) | (152.434.565) | |

(*) Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. As of 30 September 2009, carry forward tax losses for which no deferred income tax asset was recognised amounted to TL 26.244.367 (31 December 2008: TL 22.897.094).

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NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

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

| | 30 September 2009 | 31 December 2008 |
|---------------|--------------------------|-------------------------|
| 2011 | 313.083 | 313.083 |
| 2012 | - | - |
| 2013 | - | 40.712.963 |
| 2014 and over | 18.071.411 | 11.135.821 |
| | 18.384.494 | 52.161.867 |

The movements in deferred tax liabilities for the nine-months period ended 30 September 2009 and 2008 are as follows:

| | 2009 | 2008 |
|---|--------------------|--------------------|
| 1 January | 133.141.081 | 153.284.770 |
| Deferred tax expense/(income) at the consolidated statement of income | 344.282 | (5.069.718) |
| Disposal of discontinued operations | - | (797.487) |
| Currency translation differences | (4.919.336) | 4.781.830 |
| 30 September | 128.566.027 | 152.199.395 |

The analysis of the tax expenses for the periods ended 30 September are as follows:

| | 2009 | | 2008 | |
|----------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Current | 13.930.280 | 10.774.860 | 31.268.466 | 11.912.441 |
| Deferred | 344.282 | (2.018.651) | (5.069.718) | (3.125.204) |
| | 14.274.562 | 8.756.209 | 26.198.748 | 8.787.237 |

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NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

The reconciliation of the taxation on income in the consolidated statement of income for the periods ended 30 September and the taxation on income calculated with the current tax rate over income before tax and minority interest is as follows:

| | 30 September 2009 | 30 September 2008 |
|--|--------------------------|--------------------------|
| Profit before tax and minority interests from continuing operations | 14.215.002 | 44.342.893 |
| Current period tax expense calculated at the effective tax rates of countries | 1.654.875 | 12.757.341 |
| Expenses not deductible for tax purposes | 7.327.746 | 8.008.051 |
| Taxable losses in the current period | 5.302.116 | 6.767.962 |
| Income not subject to tax | (437.044) | (6.273.313) |
| Withholding tax relating to dividend distribution | 1.427.087 | 3.237.434 |
| Other, net | (1.000.218) | 1.701.273 |
| Tax expense from continuing operations | 14.274.562 | 26.198.748 |

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

The details of the effective tax laws in 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 2008: 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 December 2008: 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.

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NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

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

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

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

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

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

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

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

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).

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NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

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, dated 9 April 2003 with No. 193 and Law No. 4842,
- b) In the scope of the abolished 19th article of Income Tax Law No: 193, the investment allowance amounts to be calculated in accordance with the legislation, the investments which were started before 1 January 2006 and which display an economic and technical integrity,

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

Accordingly, above mentioned 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 20% (31 December 2008: 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 December of the following year.

According to Russian Federation's tax system, losses may be carried forward for 10 years to be deducted from future taxable income. Starting from 2007 there is no limitation as to the maximum amount that can be deducted in each particular year. Maximum amount that can be deducted in any year is limited to 30% of the taxable income (31 December 2008: 30%). Rights related to tax losses that have not been utilized in the related periods will be lost.

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NOTE 30 - TAX ASSETS AND LIABILITIES (Continued)

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) are not permitted in Russia at present. Generally, dividend income payable to a foreign organisation is subject to withholding tax at 15%. This standard rate may, however, be reduced under the provisions of applicable double tax treaty.

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

Hungary

The corporate tax rate effective in Hungary is 16% (31 December 2008: 16%).

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

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

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

Croatia

The corporate tax rate effective in Croatia is 20% (31 December 2008: 20%).

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

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

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

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NOTE 31 – EARNINGS/(LOSS) PER SHARE

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

| | 2009 | | 2008 | |
|--|-----------------------------|--------------------------|-----------------------------|--------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Net (loss)/profit from continuing operations | (59.560) | 20.764.692 | 18.144.145 | 9.010.207 |
| Net (loss)/profit of minority shareholders from continuing operations | (4.990.331) | 1.297.194 | 20.323.169 | (1.284.596) |
| Net profit/(loss) for the period attributable to equity holders of the company | 4.930.771 | 19.467.498 | (2.179.024) | 10.294.803 |
| Weighted average number of ordinary shares in issue (with nominal value of TL 1 each) | 465.111.111 | 465.111.111 | 460.000.000 | 460.000.000 |
| Earnings/(loss) per share (Kr) | 1,06 | 4,19 | (0,47) | 2,24 |
| Net income from discontinuing operations | - | - | 59.189.458 | - |
| Weighted average number of ordinary shares in issue (with nominal value of TL 1 each) | 465.111.111 | 465.111.111 | 460.000.000 | 460.000.000 |
| Earnings per share (Kr) | - | - | 12,87 | - |
| Net (loss)/profit for the period | 4.930.771 | 19.467.498 | 57.010.434 | 10.294.803 |
| Weighted average number of ordinary shares in issue (with nominal value of TL 1 each) | 465.111.111 | 465.111.111 | 460.000.000 | 460.000.000 |
| Earnings per share (Kr) | 1,06 | 4,19 | 12,39 | 2,24 |

There are no differences for any of the periods between earnings/(loss) per share and diluted earnings/(loss) per share.

NOTE 32 - RELATED PARTY DISCLOSURES

i) Balances with related parties:

a) Short-term due from related parties:

| | 30 September 2009 | 31 December 2008 |
|--|-------------------|-------------------|
| Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik") | 5.760.216 | 10.180.754 |
| Medyanet A.Ş. ("Medyanet") | 5.272.801 | 3.081.240 |
| Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım") | 3.465.692 | 2.462.713 |
| Doğan TV Holding A.Ş. ("Doğan TV") | 2.561.897 | - |
| Milliyet Verlags und Handels GmbH ("Milliyet Verlags") | 1.807.174 | 1.151.197 |
| Katalog Yayın Tanıtım Hizmetleri A.Ş. ("Katalog") | 1.491.528 | 1.068.516 |
| Doğan Burda Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") | 1.176.120 | 1.099.608 |
| Bağımsız Gazeteciler Yayıncılık A.Ş. (Bağımsız Gazeteciler") | 1.017.181 | 9.144.437 |
| Doğan Media | 747.560 | 3.274.216 |
| Doğan Portal ve Elektronik Ticaret A.Ş. ("Doğan Portal") | 365.628 | 578.322 |
| Doğan Yayın | 317.299 | - |
| Doğan Müzik Kitapçılık A.Ş. ("DMK") | 35.157 | 2.794.431 |
| Other | 2.600.793 | 1.057.640 |
| | 26.619.046 | 35.893.074 |

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NOTE 32 - RELATED PARTY DISCLOSURES

b) Short-term due to related companies:

| | 30 September 2009 | 31 December 2008 |
|--|--------------------------|-------------------------|
| Işıl İthalat İhracat Mümessillik A.Ş. ("Işıl İthalat") | 654.110 | 2.148.488 |
| Doğan İletişim Elektronik Servis Hizmetleri ve Yayıncılık A.Ş. ("Doğan İletişim") | 570.432 | 202.401 |
| Petrol Ofisi A.Ş. ("Petrol Ofisi") | 180.922 | 126.372 |
| Doğan Dış Ticaret | 158.685 | 125.040 |
| Doğan Yayın | - | 1.960.599 |
| Milta Seyahat Acentası İşletmeciliği A.Ş. ("Milta") | - | 624.053 |
| D-Market Elektronik Hizmetleri Ticaret A.Ş. | - | 131.850 |
| DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D") | - | 120.576 |
| Other | 681.067 | 771.778 |
| | 2.245.216 | 6.211.157 |

c) Advances given to related parties:

| | 30 September 2009 | 31 December 2008 |
|-------------------|--------------------------|-------------------------|
| Doğan Dış Ticaret | - | 1.135.207 |
| | - | 1.135.207 |

ii) Significant transactions with related parties:

a) Significant service and product sales to related parties:

| | 2009 | | 2008 | |
|---|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Doğan Dağıtım | 68.103.237 | 24.215.123 | 59.026.846 | 20.857.713 |
| Doğan Gazetecilik | 22.062.576 | 7.216.565 | 21.358.633 | 6.868.482 |
| Doğan Media | 8.310.560 | 107.017 | 10.807.545 | 3.394.919 |
| Bağımsız Gazeteciler | 4.627.791 | 1.315.032 | 2.256.182 | 1.039.219 |
| Doğan Burda | 3.860.318 | 1.305.359 | 5.164.870 | 1.629.057 |
| Doğan TV | 3.329.790 | 953.451 | 2.996.167 | 1.089.318 |
| Medyanet | 2.567.129 | - | 2.701.534 | 982.885 |
| Doğan Yayın | 1.557.602 | 505.360 | 2.526.044 | 815.733 |
| Turner Doğan Prodüksiyon A.Ş. ("Turner") | 1.340.600 | 403.978 | 1.668.077 | 681.811 |
| Milliyet Verlags | 1.201.929 | - | 1.727.867 | 521.010 |
| Doğan İletişim | 810.245 | 202.854 | 873.464 | 362.762 |
| Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") | 712.879 | 248.332 | 876.012 | 248.654 |
| Eko TV | 320.751 | 50.915 | 984.115 | 5.175 |
| DMK | 273.044 | 207.598 | 839.563 | 257.887 |
| Petrol Ofisi | 244.913 | - | 938.445 | 32.523 |
| Smile Dağıtım A.Ş. ("Smile Dağıtım") | - | - | 580.586 | 43.651 |
| Other | 4.131.950 | 2.107.235 | 4.132.626 | 586.711 |
| | 123.455.314 | 38.838.819 | 119.458.576 | 39.417.510 |

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NOTE 32 - RELATED PARTY DISCLOSURES (Continued)

b) Significant service and product purchases from related parties:

| | 2009 | | 2008 | |
|--|-----------------------------|--------------------------|-----------------------------|--------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Doğan Dış Ticaret (*) | 55.077.980 | 15.363.595 | 50.817.964 | 12.350.502 |
| İşıl İthalat (*) | 42.928.402 | 11.938.880 | 57.172.779 | 22.635.712 |
| Doğan Dağıtım (**) | 12.444.590 | 4.451.420 | 19.562.873 | 7.763.117 |
| Doğan Yayın | 4.888.408 | 1.629.187 | 8.520.477 | 2.820.657 |
| Kanal D | 2.829.799 | 513.628 | 10.890.797 | 2.074.641 |
| Doğan İletişim | 1.930.192 | 715.765 | 1.380.309 | 544.050 |
| Star TV | 1.462.582 | 445.306 | 1.758.654 | 526.434 |
| Milta | 724.709 | - | 5.939.321 | 2.188.012 |
| Petrol Ofisi | 721.847 | - | 1.117.549 | 258.014 |
| D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım Reklamcılık") | 539.663 | 201.530 | 1.719.734 | 254.799 |
| Other | 2.531.579 | 483.673 | 4.793.099 | 871.408 |
| | 126.079.751 | 35.742.984 | 163.673.556 | 52.287.346 |

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

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

c) Other significant transactions with related parties:

| Other income: | 2009 | | 2008 | |
|----------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| İşıl İthalat | 609.882 | 203.294 | 609.882 | 203.294 |
| Doğan Dış Ticaret | 539.872 | 101.928 | 647.337 | 286.894 |
| Bağımsız Gazetecilik | 555.071 | 2.853 | - | - |
| Doğan Dağıtım | 443.818 | 151.561 | 390.648 | 107.373 |
| Doğan Burda | 361.478 | 121.345 | 385.435 | 137.185 |
| Doğan Yayın | 258.158 | 45.475 | - | - |
| Doğan Media | 205.952 | - | 239.907 | 78.073 |
| Doğan İletişim | 105.682 | 34.643 | - | - |
| Other | 816.432 | 114.131 | 737.928 | 347.363 |
| | 3.896.345 | 775.230 | 3.011.137 | 1.160.182 |

| Other expenses: | 2009 | | 2008 | |
|-------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Petrol Ofisi | 20.623 | - | - | - |
| Doğan Gazetecilik | - | - | 119.283 | - |
| Other | 3.824 | - | 221.123 | 143.405 |
| | 24.447 | - | 340.406 | 143.405 |

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NOTE 32 - RELATED PARTY DISCLOSURES (Continued)

| | 2009 | | 2008 | |
|--|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Purchase of property plant and equipment: | | | | |
| D-Market | 753.617 | 208.615 | 81.728 | 56.257 |
| Doğan Yayın | 47.560 | 2.485 | - | - |
| D Yapı | - | - | 228.428 | 18.318 |
| DOL | 2.601 | 2.601 | - | - |
| Other | 7.299 | 5.995 | 99.532 | 35.605 |
| | 811.077 | 219.696 | 409.688 | 110.180 |

| | 2009 | | 2008 | |
|----------------------------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Financial expenses: | | | | |
| Doğan Factoring | 809.905 | 302.025 | 669.948 | 197.830 |
| Doğan Yayın | 201.848 | 532 | - | - |
| Bağımsız Gazetecilik | 31.495 | - | - | - |
| | 1.043.248 | 302.557 | 669.948 | 197.830 |

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

| | 2009 | | 2008 | |
|---------------------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | 1 January - 30 September | 1 July - 30 September | 1 January - 30 September | 1 July - 30 September |
| Board of Directors | 2.151.476 | 754.347 | 1.867.316 | 670.507 |
| Executive dommittee | 1.931.733 | 1.477.019 | 1.479.942 | 1.094.582 |
| | 4.083.209 | 2.231.366 | 3.347.258 | 1.765.089 |

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NOTE 33 - FINANCIAL RISK MANAGEMENT

33.1 Financial Risk Management

(i) Interest rate risk

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

| | 30 September 2009 | 31 December 2008 |
|---|--------------------------|-------------------------|
| Financial instruments with fixed interest rate | | |
| Financial assets | | |
| - <i>Designated at fair value through profit or loss(*)</i> | 298.813.410 | 348.477.992 |
| Financial liabilities | 16.122.512 | 109.398.581 |
| Financial instruments with floating interest rate | | |
| Financial liabilities | 666.244.723 | 794.200.720 |

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

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

At 30 September 2009 had the interest rates on USD and Euro denominated borrowings been 100 basis point higher/lower with all other variables held constant, mainly as a result of higher/lower interest expense on floating rate borrowings; net loss for the period before tax and minority would have been higher/lower by TL 790.767 (30 September 2008: net income for the period before tax and minority would have been lower/higher TL 1.695.823).

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NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

(ii) Liquidity risk

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

| 30 September 2009 | Carrying value | Total contractual cash outflow | Less than 3 months | 3-12 months | 1-5 years | More than 5 years |
|---|----------------|--------------------------------|--------------------|-------------|-------------|-------------------|
| Non-derivative financial liabilities | | | | | | |
| Financial liabilities | 682.367.235 | 715.011.686 | 42.039.879 | 208.004.320 | 460.536.127 | 4.431.361 |
| Other financial liabilities | 17.866.992 | 17.866.992 | - | 12.574.770 | 5.292.222 | - |
| Trade payables | | | | | | |
| - Related party | 2.245.216 | 2.245.216 | 2.245.216 | - | - | - |
| - Other | 38.811.512 | 38.811.512 | 38.811.512 | - | - | - |
| Other payables | | | | | | |
| - Related party | - | - | - | - | - | - |
| - Other | 17.445.896 | 17.445.896 | 17.260.646 | - | 185.250 | - |
| 31 December 2008 | Carrying value | Total contractual cash outflow | Less than 3 months | 3-12 months | 1-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | | |
| Financial liabilities | 903.599.301 | 983.127.947 | 146.187.880 | 159.073.025 | 674.442.779 | 3.424.263 |
| Other financial liabilities | 19.729.466 | 20.567.280 | - | 14.215.620 | 6.351.660 | - |
| Trade payables | | | | | | |
| - Related party | 6.211.157 | 6.211.157 | 6.211.157 | - | - | - |
| - Other | 38.813.109 | 38.813.109 | 38.813.109 | - | - | - |
| Other payables | | | | | | |
| - Related party | - | - | - | - | - | - |
| - Other | 15.757.295 | 15.757.295 | 15.568.257 | - | 189.038 | - |

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NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

(ii) Liquidity risk (Continued)

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 nine-months.

The liquidity table demonstrates the Group's net financial liabilities in accordance with the redemption schedule. Such amounts are undiscounted future cash flows of financial liabilities of the Group. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 September 2009 the Group has long-term financial liabilities amounting to TL 351.622.326 (31 December 2008: TL 537.552.557) and long-term trade payables amounting to TL 84.734.776 (31 December 2008: TL 86.094.672) (Note 7). The Group has no marketable securities with a maturity over one year at 30 September 2009 (31 December 2008: None) (Note 6).

(iii) Credit Risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by limiting the aggregate risk to any individual counterparty. The credit risk is generally highly diversified due to the large number of entities comprising the customer bases.

Aging analysis for trade receivables:

As of 30 September 2009 there are trade receivables amounting to TL 55.498.098 (31 December 2008: TL 52.265.614) past due but not impaired. The Group does not foresee any collection risk for the delay up to one month due to the dynamics and circumstances of the market. The Group restructures its trade receivables and accordingly does not foresee any collection risk for its trade receivables by charging due date differences which are due over one month and/or holding collaterals such as mortgages, bails and guarantee letters.

As of 30 September 2009 and 31 December 2008, aging analysis for trade receivables that are past due but not impaired are as follows:

| | <u>30 September 2009</u> | | <u>31 December 2008</u> | |
|-------------|--------------------------|--------------------------|-------------------------|--------------------------|
| | <u>Related party</u> | <u>Other receivables</u> | <u>Related party</u> | <u>Other receivables</u> |
| 0-1 months | 1.370.142 | 16.874.896 | 833.543 | 18.023.894 |
| 1-3 months | 3.439.367 | 10.819.931 | 316.044 | 10.937.072 |
| 3-6 months | 3.170.836 | 6.110.584 | 957.279 | 5.800.697 |
| 6-12 months | 1.296.903 | 6.187.336 | 5.915.327 | 2.327.315 |
| 1-2 years | - | 6.228.103 | 2.639.937 | 4.514.506 |
| | 9.277.248 | 46.220.850 | 10.662.130 | 41.603.484 |

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NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

(iii) Credit Risk (Continued)

As of 30 September 2009 and 31 December 2008, aging analysis for trade receivables that are past due and impaired is as follows:

| | 30 September 2009 | 31 December 2008 |
|--------------------------------|--------------------------|-------------------------|
| <i>Impaired</i> | | |
| Past due 0 - 3 months | 1.988.384 | 2.873.413 |
| Past due 3 - 6 months | 2.056.531 | 914.567 |
| Past due 6 months and over | 35.128.519 | 28.871.337 |
| Less: Provision for impairment | (39.173.434) | (32.659.317) |
| | - | - |

There are no related party receivables that are past due and impaired. There are no trade receivables that are not due but impaired.

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NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

The Group's credit risk of financial instruments as of 30 September 2009 is as follows:

| 30 September 2009 | Trade receivables | | Other receivables | | Bank deposits | Derivative instruments |
|---|-------------------|--------------|-------------------|-----------|---------------|------------------------|
| | Related party | Other | Related party | Other | | |
| Maximum credit risk exposure as of balance sheet date | 26.619.046 | 150.384.510 | - | 3.266.270 | 332.305.309 | - |
| - <i>The part of maximum credit risk under guarantee with collateral</i> | - | 30.787.068 | - | - | - | - |
| A. Net book value of financial assets that are not past due/impaired | 17.341.798 | 104.163.660 | - | 3.266.270 | 332.305.309 | - |
| B. Net book value of financial assets that are negotiated, if not that will be accepted as past due or impaired | - | - | - | - | - | - |
| C. Carrying value of financial assets that are past due but not impaired | 9.277.248 | 46.220.850 | - | - | - | - |
| - <i>The part under guarantee with collateral</i> | - | 3.442.068 | - | - | - | - |
| D. Net book value of impaired asset | | | | | | |
| - Past due (gross carrying amount) | - | 39.173.434 | - | - | - | - |
| - Impairment (-) | - | (39.173.434) | - | - | - | - |
| - The part of net value under guarantee with collateral | - | - | - | - | - | - |
| - Not over due (gross carrying amount) | - | - | - | - | - | - |
| - Impairment (-) | - | - | - | - | - | - |
| - The part of net value under guarantee with collateral | - | - | - | - | - | - |
| E. Off-balance sheet items with credit risk | - | - | - | - | - | - |

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NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

The Group's credit risk of financial instruments as of 31 December 2008 is as follows:

| 31 December 2008 | Trade receivables | | Other receivables | | Bank deposits | Derivative instruments |
|---|-------------------|--------------|-------------------|------------|---------------|------------------------|
| | Related party | Other | Related party | Other | | |
| Maximum credit risk exposure as of balance sheet date | 35.893.074 | 158.380.813 | - | 16.993.849 | 369.331.911 | - |
| - <i>The part of maximum credit risk under guarantee with collateral</i> | - | 32.336.169 | - | - | - | - |
| A. Net book value of financial assets that are not past due/impaired | 25.230.944 | 116.777.329 | - | 16.993.849 | 369.331.911 | - |
| B. Net book value of financial assets that are negotiated, if not that will be accepted as past due or impaired | - | - | - | - | - | - |
| C. Carrying value of financial assets that are past due but not impaired | 10.662.130 | 41.603.484 | - | - | - | - |
| - <i>The part under guarantee with collateral</i> | - | 5.991.169 | - | - | - | - |
| D. Net book value of impaired asset | | | | | | |
| - Past due (gross carrying amount) | - | 32.659.317 | - | - | - | - |
| - Impairment (-) | - | (32.659.317) | - | - | - | - |
| - The part of net value under guarantee with collateral | - | - | - | - | - | - |
| - Not over due (gross carrying amount) | - | - | - | - | - | - |
| - Impairment (-) | - | - | - | - | - | - |
| - The part of net value under guarantee with collateral | - | - | - | - | - | - |
| E. Off-balance sheet items with credit risk | | | | | | |

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NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

(iv) Foreign currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to TL. 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 nine months. However, this policy should be revised by the management when deemed necessary, according to market conditions.

TL equivalents of assets and liabilities denominated in foreign currencies at 30 September 2009 and 31 December 2008 are as follows:

| | 30 September 2009 | 31 December 2008 |
|--------------------------------------|--------------------------|-------------------------|
| Assets | 222.603.011 | 318.394.991 |
| Liabilities | (740.743.828) | (964.275.645) |
| Net foreign currency position | (518.140.817) | (645.880.654) |

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 30 September 2009: TL 1,4820= USD 1 and TL 2,1603= Euro 1 (31 December 2008: TL 1,5123=USD 1 and TL 2,1469 TL=Euro 1).

| | 30 September 2009 | 31 December 2008 |
|--------------------------|--------------------------|-------------------------|
| Total export amount (TL) | - | - |
| Total import amount (TL) | - | - |

The Group uses financial instruments such as forward and option agreements to manage foreign currency risk arising on the Group's assets and liabilities denominated in foreign currencies as of 30 September 2009 and 31 December 2008 (Note 19 and 21). Assets denominated in foreign currency amounting TL 222.603.011 as of 30 September 2009, protected to 30% naturally by the existence of liabilities denominated in foreign currency amounting TL 740.743.828. Assets denominated in foreign currency amounting TL 318.394.991 as of 31 December 2008, protected to 33% naturally by the existence of liabilities denominated in foreign currency amounting to TL 964.275.645.

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NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

(iv) Foreign currency risk (Continued)

The table below summarizes the foreign currency position risk as of 30 September 2009 and 31 December 2008. The carrying amount of foreign currency denominated assets and liabilities of the Group are as follows:

30 September 2009

| | USD | | Euro | | Other | Total |
|---|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
| | Original amount | TL | Original amount | TL | TL | |
| Assets: | | | | | | |
| Cash and cash equivalents | 82.931.555 | 122.904.564 | 11.966.128 | 25.850.427 | 18.170.251 | 166.925.242 |
| Trade receivables | 133.681 | 198.115 | 2.537.997 | 5.482.834 | 10.200.066 | 15.881.015 |
| Financial investments | 11.975.151 | 17.747.174 | - | - | - | 17.747.174 |
| Other receivables and current assets | 1.271.259 | 1.884.006 | 9.604 | 20.748 | 18.637.632 | 20.542.386 |
| Other non-current assets | - | - | - | - | 1.507.194 | 1.507.194 |
| | 96.311.646 | 142.733.859 | 14.513.729 | 31.354.009 | 48.515.143 | 222.603.011 |
| Liabilities: | | | | | | |
| Short-term portion of long-term financial liabilities | 124.661.923 | 184.748.970 | 17.533.703 | 37.878.059 | 16.811.579 | 239.438.608 |
| Trade payables | 2.304.942 | 3.415.924 | 2.826.441 | 6.105.960 | 10.763.766 | 20.285.650 |
| Other payables and short-term liabilities | 1.193.482 | 1.768.740 | 341.846 | 738.490 | 34.548.384 | 37.055.614 |
| Long-term financial liabilities | 213.672.314 | 316.662.369 | 36.648.578 | 79.171.924 | 42.766.305 | 438.600.598 |
| Other non-current liabilities | 1.314.000 | 1.947.348 | - | - | 3.416.010 | 5.363.358 |
| | 343.146.661 | 508.543.351 | 57.350.568 | 123.894.433 | 108.306.044 | 740.743.828 |
| Net foreign currency position | (246.835.015) | (365.809.492) | (42.836.839) | (92.540.424) | (59.790.901) | (518.140.817) |

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NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

(iv) Foreign currency risk (Continued)

31 December 2008

| | USD | | Euro | | Other | Total |
|---|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
| | Original amount | TL | Original amount | TL | TL | |
| Assets: | | | | | | |
| Cash and cash equivalents | 137.313.859 | 207.659.749 | 17.939.468 | 38.404.813 | 19.503.111 | 265.567.673 |
| Trade receivables | 290.390 | 439.157 | 4.828.736 | 10.337.358 | 16.008.071 | 26.784.586 |
| Other receivables | 833.000 | 1.259.746 | 27.983 | 59.905 | 24.276.952 | 25.596.603 |
| Other current assets | - | - | 3.532 | 7.562 | 438.567 | 446.129 |
| | 138.437.249 | 209.358.652 | 22.799.719 | 48.809.638 | 60.226.701 | 318.394.991 |
| Liabilities: | | | | | | |
| Short-term portion of long-term financial liabilities | 156.669.806 | 236.931.747 | 8.960.838 | 19.183.363 | 17.036.836 | 273.151.946 |
| Trade payables | 1.962.371 | 2.967.695 | 3.826.839 | 8.192.497 | 11.527.070 | 22.687.262 |
| Other payables and short-term liabilities | 1.205.000 | 1.822.322 | 357.051 | 764.374 | 31.484.573 | 34.071.269 |
| Long-term financial liabilities | 315.354.463 | 476.910.554 | 44.617.768 | 95.517.718 | 55.509.621 | 627.937.893 |
| Other non-current liabilities | 1.140.000 | 1.724.022 | - | - | 4.703.253 | 6.427.275 |
| | 476.331.640 | 720.356.340 | 57.762.496 | 123.657.952 | 120.261.353 | 964.275.645 |
| Net foreign currency position | (337.894.391) | (510.997.688) | (34.962.777) | (74.848.314) | (60.034.652) | (645.880.654) |

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NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

(iv) Foreign currency risk (Continued)

The Group is exposed to foreign currency risk of USD, Euro and CHF.

30 September 2009

| | Profit/Loss | |
|---|--------------------------------------|--------------------------------------|
| | Foreign currency appreciation | Foreign currency depreciation |
| If the US dollar had changed by 10% against TL | | |
| USD net (liabilities)/assets | (39.827.701) | 39.827.701 |
| Hedging amount of USD | - | - |
| USD net effect-(loss)/income | (39.827.701) | 39.827.701 |
| If the EUR had changed by 10% against TL | | |
| Euro net (liabilities)/assets | (7.769.490) | 7.769.490 |
| Hedging amount of Euro | - | - |
| Euro net effect-(loss)/income | (7.769.490) | 7.769.490 |
| If the CHF had changed by 10% against TL | | |
| CHF denominated net (liabilities)/assets | (5.979.090) | (5.979.090) |
| Hedging amount of CHF | - | - |
| CHF net effect-(loss)/income | (5.979.090) | (5.979.090) |

31 December 2008

| | Profit/Loss | |
|---|--------------------------------------|--------------------------------------|
| | Foreign currency appreciation | Foreign currency depreciation |
| If the US dollar had changed by 10% against TL | | |
| USD net (liabilities)/assets | (56.311.728) | 56.311.728 |
| Hedging amount of USD | - | - |
| USD net effect-(loss)/income | (56.311.728) | 56.311.728 |
| If the EUR had changed by 10% against TL | | |
| Euro net (liabilities)/assets | (5.716.264) | 5.716.264 |
| Hedging amount of Euro | - | - |
| Euro net effect-(loss)/income | (5.716.264) | 5.716.264 |
| If the CHF had changed by 10% against TL | | |
| CHF denominated net (liabilities)/assets | (7.217.751) | 7.217.751 |
| Hedging amount of CHF | - | - |
| CHF net effect-(loss)/income | (7.217.751) | 7.217.751 |

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NOTE 33 - FINANCIAL RISK MANAGEMENT (Continued)

33.2 Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

(i) Monetary assets

The fair value of the balances denominated in foreign currencies, which are translated by using the exchange rates prevailing at year-end, is considered to approximate carrying value.

The fair values of certain financial assets carried at cost where the fair values cannot be measured reliably, including cash and cash equivalents, are considered to approximate their respective carrying values due to their short-term nature and is negligible impairment risk of the receivables.

The carrying value of trade receivables measured at amortised cost using the effective interest method, less provision for impairment are assumed to approximate their fair values.

(ii) Monetary liabilities

The carrying values of trade payables are assumed to approximate their fair values. The carrying values of long-term borrowings (Note 7), trade payables to suppliers (Note 7) and other long term financial liabilities (Note 8) approximate their carrying values as the effect of the discounting is not material.

33.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders in accordance with the CMB regulations, issue new shares or sell assets to decrease borrowing. There are covenants related with the bank borrowings stated in Note 7 which the Group has to fulfil net debt/equity ratio as stated in the contracts' of the related bank borrowings.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT
AND FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2009**

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated.)

NOTE 34 - SUBSEQUENT EVENTS

As discussed in Note 18, the Group has been called for settlement for the tax inspection reports notified by the Ministry of Finance regarding the tax and the penalties notices of 2004, 2005 and 2006 (a tax principal of TL 12.292.167 tax principal, a tax loss penalty of TL 18.438.250 and a special irregularity penalty of TL 165.000). The Group will file a lawsuit for the cancellation of related penalties if no settlement is reached.

NOTE 35 - CASH FLOWS

The details of changes in operating assets and liabilities at consolidated statement of cash flows for the periods ended 30 September are as follows:

| | 30 September 2009 | 30 September 2008 |
|---|--------------------------|--------------------------|
| Change in blocked deposits and time deposits | (185.485) | (1.618.954) |
| Change in trade receivables and due from related parties | 11.479.874 | 8.787.389 |
| Change in financial investments | (17.747.174) | 2.093.720 |
| Change in inventories | 3.203.686 | 165.665 |
| Change in other current assets | 14.710.176 | (20.345.546) |
| Change in other financial liabilities | (1.120.180) | 6.899.478 |
| Change in trade payables and due to related parties | (3.967.538) | 849.601 |
| Change in other current liabilities | 3.523.379 | 3.384.642 |
| Change in other non-current assets | 6.175.614 | (4.078.998) |
| | 16.072.352 | (3.863.003) |

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