

Corporate Governance

Corporate Governance Principles Compliance Report for 2005

1. Declaration of Compliance to Corporate Governance Principles

Hürriyet is focusing on the full adoption of the Corporate Governance Principles first published by the Capital Markets Board in July of 2003 and revised in 2005, and will continue to conduct business in conformity with these principles in the future.

The Company considers the document entitled "Corporate Governance Principles," published by Capital Markets Board in July of 2003 to be a set of rules that should be followed in full. Thus, important steps were initiated in 2003 to comply with all the Corporate Governance Principles mentioned within the document.

The Company's main achievements regarding corporate governance, in line with the CMB document, during 2005 were as follows:

- In light of the CMB Corporate Governance Principles and the relevant CMB legislation, on December 12, 2005, the Company Board of Directors decided to make the following changes to its Articles of Association. It amended Articles 3, 4, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41 and 42. It decided to include an Interim Article 1 in the same document, as well as abolish Articles 43, 44, 45, 46, 47, 48, 49, 50, 51, 52 and 54. Furthermore, it decided to change the number of Article 53 to become Article 42. Beyond this, it decided to submit these issues for approval at the first General Assembly. The draft for amending the Articles of Association was approved by the CMB through its letter No. B.02.1.SP.K.0.13-609/5049 dated April 4, 2006.

The major changes introduced by these amendments to the Articles of Association are as follows:

- The maximum amount of registered capital of the Company was raised from YTL 500 million to YTL 800 million.
- The nominal value of stocks was changed from TL 1,000 to YTL 1. The total number of shares has changed consequent to this amendment and it was decided that for each 1,000 shares each having a nominal value of TL 1,000, one share having a nominal value of YTL 1 will be given.
- The shares representing the capital were registered and monitored.
- At least 1/3 of the members should be independent members, who possess the qualifications stated under the Corporate Governance Principles by the Capital Market Board.
- A Board Secretariat, Executive Board, Audit Committee, and Corporate Governance Committee should be constituted which report to the Board of Directors, the members of which should possess the qualifications stated under the Corporate Governance Principles.
- To exercise minority rights, it is sufficient to represent 5% of the capital, rather than 10%.
- The Company management should fully comply with the CMB Corporate Governance Principles, any failure of which should be explained in the Annual Report citing the reasons for and consequences of such failures.
- Every three months, the Company will announce its operational results to the public. Following this announcement, the Investor Relations Unit will meet with investors, answer any questions, and provide all necessary explanation and information.
- The Company has redesigned its corporate website at www.hurriyetkurumsal.com to ensure that stakeholders are able to get detailed, regular, and continuous information on the activities of the Company and be able to access any data concerning the Company. The goal is to fulfill all the responsibilities of a publicly held company in providing full public disclosure and achieving transparency. The website is being designed to improve investor relations in order to meet future requirements.
- The Corporate Governance Committee, which will work under the Board of Directors, has been constituted.

The CMB Principles that could not be completely accomplished have been stated in the Compliance Report in full detail and it is believed that this will not lead to any conflict of interest.

Deputy Chairman of the Board of Directors
Mehmet Ali Yalçındağ



Member of the Board of Directors
Vuslat Doğan Sabancı



SECTION I - SHAREHOLDERS

2. Investor Relations Unit

2.1. All the provisions of the relevant legislation, the Articles of Association, and other Company policies related to the use of shareholders' right are being followed, and every precaution is being taken to ensure the free exercise of these rights.

2.1.1. With regard to efforts to harmonize with the Corporate Governance Principles, an "Investors Relations Unit" was established under the control of the CEO to observe all relationships between the Company and its shareholders. It also serves to guarantee the shareholders' information rights. The main duties of this Unit are as follows:

- To ensure that shareholder records are secure, properly kept, and updated
- To meet the written information requests by all shareholders, within the scope of relevant legislation
- To observe that the Board of Directors' meetings are held in full accordance with all the relevant procedures
- To prepare documents which are submitted to the shareholders at the General Shareholder Meetings
- To take the necessary precautions to ensure that the minutes of the meetings are kept properly
- To observe and ensure that all matters concerning public disclosures take place pursuant to all legal provisions. (The Investor Relations Unit pays particular attention to utilizing electronic communication means, as well as the Company's website, for this process.)

2.1.2. Under the umbrella of the Company's "Investor Relations Unit", the following will cooperate closely to achieve the best results:

- Corporate Governance – Investor Relations Director Inci Şencan
- Doğan Yayın Holding A.Ş. Capital Markets and Corporate Governance Coordinator Murat Doğu
- Doğan Yayın Holding A.Ş. Legal Coordinator Erem Yücel
- Doğan Yayın Holding A.Ş. Investor Relations Coordinator Alpay Güler
- Financial Affairs Director Halil Özkan and his personnel

2.1.3. Of the Company's stock, 40% is listed and traded on the Istanbul Stock Exchange (ISE), 92% of which is owned by foreign investors. The Company is among the leaders in the stock market with regard to foreign ownership. Because of this position, the Company is frequently invited to participate in meetings hosted by foreign corporate investors.

2.1.4. In the year 2005, the Company replied in a timely manner to more than 100 shareholder inquiries, in complete conformity with legislation by the Capital Markets Board.

2.1.5. In 2005, the Company met requests concerning old stocks and coupons without delay.

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2.1.6. Maximum attention is given to replying to inquiries while abiding by all relevant legislation, as well as the Articles of Association. To the best of the Company's knowledge, no written or verbal complaints concerning the exercise of shareholder rights were received during 2005, nor were there any official investigations against the Company.

3. Utilization of the Information Rights of Shareholders

3.1. There is no discrimination against the shareholders in the use of their rights to obtain and examine information.

3.1.1. All the necessary information and documents to ensure the proper use of shareholders' rights is supplied impartially via the corporate website at www.hurriyetkurumsal.com for the use of shareholders.

3.1.2. The Articles of Association do not contain any provision concerning an individual's right to appoint a "special auditor."

3.2. In order to increase the rights of shareholders to obtain information, any data that might possibly affect the use of these rights is submitted to shareholders instantly via the electronic media.

4. Information regarding General Assembly Meetings

4.1. All Company stocks are registered. The transfer and change of these stocks is subject to Item 14 of the Articles of Association.

4.2. In the Articles of Association, no particular period is specified for the recording of the Registered Shareholders in the stock ledger with regard to their participation in the General Assembly Meeting.

4.3. Prior to the General Assembly Meeting, an information document citing the agenda is prepared and announced to the public.

4.3.1. Along with legislative provisions, an announcement is given about the General Assembly Meeting at least three weeks in advance via the website and newspapers to achieve the maximum participation by the shareholders.

4.3.2. In all announcements, CMB Principles are closely followed.

4.3.3. Following the announcement of the General Assembly Meeting, the following documents are made accessible for all shareholders at the Company's Head Office, as well as at the branches: The Annual Report, financial statements and reports, dividend distribution proposals, the agenda of the General Assembly Meeting, any documents supporting the agenda, and the recent version of the Articles of Association, plus any amendment texts and their rationale.

4.3.4. No important changes in the Company's management or operational organization were made in the previous accounting period, nor are any changes foreseen for the upcoming period. In the event of any such change, a proper announcement will be made to the public pursuant to all legislative provisions.

4.3.5. Prior to the General Assembly Meeting, proxy statement forms are made available to those wishing to be represented by proxy.

4.3.6. Prior to the General Assembly Meeting, the voting procedure is announced to shareholders via the website and newspapers.

4.3.7. In 2005, there were no requests from shareholders to append an agenda item.

4.4. The meeting procedures for the General Assembly Meeting ensure the maximum participation of the shareholders.

4.4.1. General Assembly Meetings are held in such a manner as to prevent any inequalities among the shareholders, as well as in a manner most economical to them.

4.4.2. General Assembly Meetings may be held at the Company's Head Office or, subject to prior announcement, in another location in Istanbul as specified by the Board of Directors.

4.4.3. The venue where the General Assembly Meeting is to be held will be in proper condition so as to ensure the fullest participation of all shareholders.

4.4.4. Ordinary General Assembly Meetings are to be held within the legal time limits following their announcement. The Ordinary General Assembly Meeting to discuss the year 2004 activities was held on April 11, 2005, within the legal time frame after the announcement. For this fiscal year, financial statements were announced at the end of the 14th week following the end of the accounting period. The Ordinary General Assembly Meeting to discuss 2005 activities is scheduled for May 1, 2006. In this regard, this is being implemented in full accordance with the relevant Capital Markets legislation, hence with the Corporate Governance Principles.

4.5. In the General Assembly meeting the issues included on the agenda are conveyed in an unbiased, detailed, clear, and legible manner, and the shareholders are given the opportunity to explain their ideas, ask questions, and discuss related issues in a healthy environment.

4.5.1. The Minutes of the General Assembly are available on the website (www.hurriyetkurumsal.com).

4.5.2. One General Assembly Meeting was held in 2005. In the Ordinary General Assembly Meeting dated April 11, 2005 where 2004 operations were discussed, out of a total of 416,742,560,099 Company shares, 60.03% or 250,193,126,533 shares were represented. During the meeting, no new suggestions or questions on agenda items were raised by the shareholders.

4.6. The Articles of Association do not contain any provisions concerning the adoption of resolutions by the General Assembly regarding such important issues as the split-off or the sale, purchase, or leasing of substantial amounts of corporate assets yet. However, on resolutions regarding the sale or purchase of substantial amounts of corporate assets, the resolution of the Board of Directors, as well as the signature of the Chairperson, is required. The approval of the CMB has been obtained for the amendments of the Articles of Association and the amendments have been submitted for approval by the Ordinary General Assembly meeting to be held on May 1, 2006.

5. Voting Rights and Minority Rights

5.1. Within the Company, any and all actions that may compromise the use of voting rights are strictly avoided. Each shareholder is provided with the opportunity to exercise his or her voting right in the most appropriate and convenient way.

5.2. Neither privileged shares, nor group differentiation, exist within the Company.

5.3. Within the Company, each share is granted one voting right.

5.4. Within the Company, no provisions have been adopted which would postpone the right to vote for a given period following the acquisition of a share.

5.5. Within the Articles of Association, there is no provision preventing voting by proxy by a non-shareholder.

5.6. No cross shareholdings exist within the Company's capital structure.

5.7. Minority rights have been granted to shareholders who hold 5% of the capital.

5.8. Utmost care is given to exercising minority rights within the Company. There was no criticism or complaint expressed to the Company in this regard during 2005.

5.9. The practice of cumulative voting has not been adopted in the Articles of Association.

6. The Profit Distribution Policy and the Time of Profit Distribution

6.1. The Company's dividend distribution policy has been constituted in accordance with all relevant Capital Markets legislation and the provisions of the Articles of Association.

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6.2. Distribution of dividends should be performed within the period prescribed by the legislation and as soon as possible after each General Assembly Meeting.

6.3. According to the Company's Articles of Association, the Board of Directors is entitled to distribute dividends in advance, provided that the Board of Directors is authorized by the General Assembly in this regard and that it complies with Article 15 of the Capital Market Law and the regulations issued by the Capital Markets Board. The authorization granted by the General Assembly to the Board of Directors to distribute dividends in advance is restricted to the corresponding year of the Board's authorization. Until dividends paid in advance from the previous year are fully settled, further dividends in advance cannot be granted nor can dividend distribution decisions be made.

6.4. With a special event announcement on September 29, 2003, the Company's main shareholder, Doğan Yayın Holding A.Ş., announced to the public the dividend distribution policy of its affiliates, whose shares are traded on the ISE. Accordingly:

A long-term cash dividend distribution policy is targeted

At least 50% of the distributable net profit of the corresponding accounting period shall be subject to distribution

The dividend distribution quotient is determined in accordance with the financial positions of the affiliates

This dividend distribution policy shall be maintained if no extraordinary developments take place in the economy

6.5. The Company's dividend distribution policy is stated in its Annual Report and is announced to the public through its website.

7. Transfer of Shares

The Articles of Association does not contain any provisions to impede the free transfer of shares by the shareholders.

PART II – PUBLIC DISCLOSURE AND TRANSPARENCY

8. Disclosure Policy of the Company

8.1. A "disclosure policy" has been prepared for providing necessary information to the public and announced on the Company's web site. Anyone may access the "Public Disclosure Policy" from the Company's website at www.hurriyetkurumsal.com.

8.2. "The Corporate Governance – Investor Relations Unit" has been set up to monitor and supervise all issues pertaining to public disclosure. Questions originating from outside the Company are answered by the CEO, the CFO (depending on the content of question), or by the "Business Improvement and Investor Relations Coordinator" and/or the "Investor Relations Director," acting within their knowledge and limits of authorization. When answering queries, the utmost care is taken to avoid any violation of the rules of equal rights to obtain information.

8.3. Apart from those specified by the relevant legislation, data distribution companies and the website are utilized in making public disclosures.

8.4. Forward looking information is disclosed together with all the relevant underlying statistical data and evidence associated with the Company's financial position and its operational results. Only the CEO and CFO of the Company may make such disclosures.

8.5. In accordance with the relevant Capital Markets legislation, members of the Board of Directors, executives, and shareholders who directly or indirectly own 5% of the Company's capital are required to disclose all transactions they have performed regarding the Company's capital market instruments.

8.5.1. Within the scope of this issue, the Company announced no transactions or special events in 2005.

8.5.2. In addition to a public announcement being made in case of this eventuality, such information will also be made available to the public via the Company website.

8.5.3. The Company does not have any derivative instruments based on its stock.

8.6. The members of the Board of Directors, executives, and shareholders who directly or indirectly own at least 5% of the Company's capital must immediately disclose information about the purchase and/or sale of capital market instruments of other Group Companies or any other company with whom they maintain a material commercial relationship.

8.7. In 2005, there were no commercial and/or non-commercial transactions taking place between the Company and other companies in which 5% or more of their capital was owned by, or which (without taking into consideration the aforementioned amount) was controlled by, or in which the management was affected by, the members of the Board of Directors, the executives, and/or the shareholders who directly or indirectly own 5% of the capital.

8.8. The 2005 financial statements and notes to the financial statements were prepared on a consolidated basis and in accordance with International Financial Reporting Standards (IFRS), audited by independent auditors pursuant to International Auditing Standards (IAS), and disclosed to the public.

8.9. The 2005 Annual Report is prepared in accordance with all relevant capital market legislation, and provisions and principles thereof.

9. Special Event Announcements

9.1. The Company abides by all the relevant Capital Markets legislation, provisions, and principles thereof in making public disclosures.

9.1.1. In 2005, a total of 20 event announcements were made. Regarding public disclosures in 2005, the Capital Markets Board and/or the Stock Exchange Administration raised no notifications, amendments, or requests for additional special event announcements.

9.1.2. All special event announcements made to the Stock Exchange are signed by the Chief Financial Manager and the Chief Financial Officer. Announcements to the public are prepared in close cooperation with the Audit Committee.

9.2. Since the Company's capital market instruments are not listed and/or traded on foreign exchanges, no additional disclosures are required.

10. Company Website and Website Content

10.1. In accordance with the CMB Principles, the Company's website (www.hurriyetkurumsal.com) is actively used as a means of public disclosure.

10.1.1. The content and layout of the website have been designed in Turkish in accordance with CMB Principles. The English version will be created as soon as possible.

10.1.2. Developments on the website are ongoing.

11. Public Disclosure of Ultimate Controlling Individual Shareholder/Shareholders

11.1. Changes in the Company's capital structure and/or management control are disclosed to the public in accordance with all relevant Capital Market legislation and Capital Markets Board regulations.

11.2. The names of the ultimate controlling individual shareholder/shareholders are disclosed to the public in a table format on the website and in the Annual Report in an effort to allow them to be listed independent of indirect shareholding relationships.

11.3. According to the information available, shareholders have not entered into any agreements to have a controlling vote regarding the management of the Company.

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12. Public Announcement of People Who Can Access Insider Information

In order to deter insider trading, all the necessary measures and precautions have been taken. The list of executives who potentially possessed price-sensitive information within the year 2005 was prepared and submitted to the CMB. The names and positions of individuals with access to information of a sensitive nature regarding trade secrets are stated below:

Aydın Doğan	Chairman of the Board
Mehmet Ali Yalçındağ	Vice-Chairman of the Board
Vuslat Doğan Sabancı	Member of Board of Directors/Chief Executive Officer
Ertuğrul Özkök	Member of Board of Directors/Member of Executive Board
İmre Barmanbek	Member of Board of Directors/Chief Auditing Officer
Soner Gedik	Member of Board of Directors/Member of Audit Committee
Cem Kozlu	Member of Board (Independent)
Kai Diekmann	Member of Board (Independent)
Ahmet Toksoy	Chief Financial Officer/Member of Executive Board
Ayşe Sözeri Cemal	Chief Advertising Officer/Member of Executive Board
Sinan Köksal	Chief Marketing Officer/Member of Executive Board
Murat Doğu	Member of Corporate Governance Committee
Alpay Güler	DYH Investor Relations Coordinator and Financial Consultant
Ahmet Özer	Business Improvement and Investor Relations Coordinator
Halil Özkan	Financial Affairs Manager
Cem Baykara	Finance Manager
Şükran Yiğit	Budget Manager
H. Sancak Basa	Human Resources Manager
İnci Şencan	Financial Control/Investor Relations Manager
Korhan Kurtoğlu	Chief Financial Officer Assistant
S. Serdar Giral	Internal Audit Manager
Fuat Arslan	Member of Audit Board
Mehmet Yörük	Member of Audit Board
Cansen Başaran Symes	Independent Auditor
Gökhan Yüksel	Independent Auditor
Mustafa Aydemir	Independent Auditor
Çiğdem Havalı	Independent Auditor
Cansel Ekmekçi	Independent Auditor
Sabire Dağlı	Independent Auditor
Affan Yıldırım	Independent Auditor
Savaş Bekar	Certified Public Accountant
Özer Koçak	Certified Public Accountant
Hüseyin Küçük	Independent Public Accountant
Ertan Ayhan	Circulation Control
Erdem Tecer	Circulation Control
Emre Beşli	Circulation Control
Tolga Kirelli	Circulation Control
Selim Güvenç	Circulation Control
Fevzi Keçeci	Circulation Control
Uğur Sağlam	Circulation Control
Alper Çelik	Circulation Control
Güzide Aslı Köylü	Circulation Control

SECTION III - STAKEHOLDERS

13. Disclosure to Stakeholders

Disclosure to stakeholders and investors is made in accordance with the Capital Markets Law, CMB Regulations, and corporate governance principles via tools that are predetermined. The management is encouraged to join different social organizations formed by the shareholders. Effective participation in such endeavors, together with the advertisers, helps to understand their needs and to ensure sustainable growth and financial strength.

14. Participation of Stakeholders in the Management

The Board of Directors, the Management Committees, and the Executive Board at their periodic meetings evaluate any information received from the above-mentioned shareholders and proposals and policies for solutions are continuously developed.

15. Human Resources Policy

15.1. Within the Company, the human resources policy has been carefully documented in written format. Employees of the Company are knowledgeable and competent and easily learn the Company's culture. Furthermore, they also possess a highly developed sense of business ethics, honesty, coherence, and openness to change. They know how to integrate the Company's future with their own.

15.2. In accordance with the human resource policies, the principle of providing equal opportunity employment to individuals of similar backgrounds and conditions is considered during recruitment and career planning.

15.2.1. All recruitment criteria are documented in written format and are applied in practice.

15.2.2. Each employee is treated on equal grounds with regard to education and promotion. Training is designed to enhance the knowledge, skills and attitude of each employee.

15.3. Decisions or developments within the Company that may affect employees are shared in electronic format through the "Intranet" to enhance communications.

15.4. Studies regarding job descriptions and definitions of performance and reward criteria are ongoing. The initial phase of these studies has been completed.

15.5. Working conditions within the Company have been designed to meet the highest safety and security standards, as well as to ensure the highest possible efficiency.

15.6. There are no trade union personnel within the Company.

15.7. There is no discrimination among the employees and all are treated on an equal basis. In this area, no complaints have been made to the Board of Directors and/or the Management Committees.

15.8. Employee relations within the Company are managed by the Human Resources Director, Sancak Basa.

16. Customer and Supplier Relations

Hürriyet, a pioneer in the field of print media, believes that satisfying readers and advertisers is of great importance. For this reason, quality publishing and social responsibilities are taken very seriously. With this objective in mind, Doğan Yayın Holding's Core Principles and Hürriyet's Editorial Principles are clearly stated on the website and are enforced at the highest level.

The Company's most important raw material used during production is printing paper. The paper is provided by Doğan Dış Ticaret ve Mümessilik A.Ş., a subsidiary of Doğan Holding.

The newspapers and their supplements are printed at the Company-owned Doğan Printing Centers located in Istanbul, Ankara, Izmir, Adana, Antalya, and Trabzon.

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The printing of supplements on first quality pulp paper is subcontracted to Doğan Ofset A.Ş., also a subsidiary of the Group.

Doğan Dağıtım A.Ş. facilitates the nationwide distribution of newspapers in Turkey.

An important part of the Company's income comes from advertisement revenue. Every effort is made to guarantee advertiser satisfaction. Advertisements that are not published according to the customer's complete satisfaction, for any reason, are compensated for as soon as possible.

17. Social Responsibility

As an integral part of its role in Turkey's modernization process, Hürriyet believes it should do its part in helping alleviate social problems.

Hürriyet's social responsibility work is described in detail in the section of the Annual Report entitled, "Social Responsibility, the Environment, and Donations."

During 2005, no lawsuits were brought against the Company with regard to harming the environment.

Environmental Health and Safeguarding Environment

Hürriyet is sensitive to and aware of its responsibilities regarding environmental health and safeguarding the environment, both at its printing facilities and administrative buildings.

Hürriyet's work in this area is described in detail in the section of the Annual Report entitled, "Social Responsibility, the Environment, and Donations."

SECTION IV – BOARD OF DIRECTORS

18. The Structure, Formation of the Board, and Independent Members

18.1. The composition and election of the Board of Directors are subject to the Turkish Commercial Code and relevant provisions stated in the Articles of Association. In order to comply with the principles of the Capital Markets Board:

18.1.1. The Company is governed and represented by the Board of Directors, which consists of eight members elected from among the shareholders at the General Assembly Meeting.

18.1.2. There are two Independent Members on the Board of Directors and more than half of the members of the Board of Directors have no executive powers in the Company.

18.2. The members of the Board of Directors and their positions are stated below:

Aydın Doğan	Chairman of the Board	Non-Executive
Mehmet Ali Yalçındağ	Vice-Chairman of the Board	Non-Executive
Vuslat Doğan Sabancı	Member	Executive
Ertuğrul Özkök	Member	Executive
Soner Gedik	Member	Non-Executive
Imre Barmanbek	Member	Non-Executive
Cem M. Kozlu	Member	Independent Member
Kai Diekmann	Member	Independent Member

18.2.1. Twenty-five percent of the Board of Directors is comprised of Independent Members. Even though there are two independent members, this number is below the required one-third ratio specified by the Principles. Efforts are continuing to raise the number of Independent Members to three.

18.2.2. The Chairman and the Chief Executive Officer of the Company are different individuals.

18.2.3. Seventy-five percent of the Board of Directors consists of non-executive persons.

18.2.4. Cem Kozlu, who has been appointed as one of the Independent Members of the Board of Directors works as a Consultant in the Northern Asia, Eurasia, and Middle East Group of the Coca Cola Company. Prior to joining the Coca Cola Company, Mr. Kozlu served as a Member of Parliament for four years and as the Chairman of Turkish Airlines. He has written four books on economics and business, one of which is a university textbook on International Marketing.

18.2.5. Regarding the employment of the Board Members outside the Company, there are no set rules and/or restrictions.

18.3. Since it is clear to the Board of Directors that the Independent Members fulfill the criteria outlined in the Principles of the Capital Markets Board, no further written statements have been requested. As of the date of this report, no conditions have occurred which would cause any of the Members of the Board of Directors to lose their independent status.

19. The Qualifications of the Members of the Board

19.1. The Board of Directors is composed in a manner to ensure effectiveness at the highest level. The qualifications for the Members of the Board of Directors have been determined in the draft for amending the Articles of Association, which was approved by the CMB through its letter No. B.02.1.SP.K.0.13-609/5049 dated April 4, 2006.

Accordingly, in principle:

19.1.1. The Members of the Board of Directors shall be elected from those individuals having basic knowledge of the legal environment regarding operations and transactions of the Company's line of business, who are professional and experienced in management, and have the ability to review the financial statements, preferably possessing appropriate university degrees.

19.1.2. In order to meet its obligations and duties every year, the Board of Directors may designate members responsible for financial, monetary, and legal issues. It may simultaneously delegate part of its duties by assigning executive directors who shall oversee the implementation of the Board's resolutions.

20. Mission and Vision of the Company and Strategic Objectives

20.1. Primary aim: The primary aim of Hürriyet Newspaper is to provide accurate news and information, as well as honest analyses and assessments to all Turkish-speaking people around the globe. In order to accomplish this objective, the main task of the directors of Hürriyet and its subsidiaries is to manage the Company in such a way that both the Company and the Newspaper maintain their independence, which constitutes a basic corporate principle, plus leading the Company to provide the highest possible value to its shareholders.

20.2. Future goal: Hürriyet's goal for the future is to maintain its market leadership position and support for Turkey's efforts toward modernization through high-quality publishing, employee appreciation, and awareness and fulfillment of its public responsibilities. As it has proven in the past, its position of supporting the public will continue to drive its goals in the future.

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20.3. Strategic objectives: Hürriyet's strategy involves providing high quality customer service, developing reader-oriented specialty products, producing content via traditional brands, closely following changes in technology, and diversifying and enlarging content distribution channels by using creative methods. In addition to this, the Company's strategy includes tailoring information and educational products and tools to individuals, diversifying and enlarging its sales and distribution channels, and cooperating with the world's leading media enterprises.

The Board of Directors and the Management are constantly reviewing Hürriyet's position in line with its strategic objectives. In regular and frequent Board meetings, the Company reviews its market position and devises new targets and strategies.

21. Risk Management, Risk Factors, and Internal Control

The Financial Affairs, Accounting, Budget, and Internal Control Departments manage financial risk under the authority and responsibility of the Group's Financial Presidency. Along with the financial risk, the observation and reporting of the operational risks in the affiliated companies is under the management of the Group's Financial Presidency.

The Internal Control Department aims to introduce a systematic approach to improve the efficiency of existing risk management, as well as control and corporate governance functions, based on a thorough evaluation, to enable the Company to reach its goals. The Internal Control Department carries out its activities regularly in accordance with the relevant legislation. The main duties of the Internal Control Department are to prepare independent reports on the efficiency and effectiveness of operations, the reliability of financial statements, and compliance with the by-laws and rules approved by the management. Its duties also include reviewing current internal control mechanisms, creating an effective internal control mechanism, and informing the management of the related activities.

The Audit Committee also reports its observations of any problems concerning the risk management and internal control mechanism.

21.1. Interest rate risk: Hürriyet and its subsidiaries have interest rate exposure due to the interest sensitivity of some of its assets and payables. These risks are managed by balancing the interest-sensitive assets and payables with each other.

21.2. Funding risk: The current and future borrowing requirements are covered through sufficient funding commitments from lending institutions with high quality lending capacities.

21.3. Loan risk: The possession of financial assets brings along the risk of the other party's failure to fulfill the agreement conditions. These risks are kept in check by limiting the loan amount per borrower. The high number of borrowers and the variety of their fields of activity diversifies the loan risk.

21.4. Exchange rate risk: Hürriyet and its subsidiaries are prone to exchange rate risk due to fluctuations in the exchange rates used in the conversion of FX borrowings into Turkish currency. This risk is monitored through foreign currency position analysis (Notes to 2005 Consolidated Financial Statements, Note 29).

22. The Members of the Board of Directors and the Authorities and Responsibilities of Management

The duties and responsibilities of the Members of the Board of Directors and the Executives are explicitly separate and distinct. These have been listed in the Annual Report and are announced to the general public.

23. The Principles of Operation for the Board of Directors

23.1. In order for the Members of the Board of Directors to fulfill their duties, they are provided with the right information at the right time.

23.2. The Board of Directors makes separate decisions for the approval of the financial statements and notes to financial statements, the Independent Audit Report, the Corporate Governance Compliance Report, and the Annual Report.

23.3. Board meetings are organized by the Chairman, the Deputy Chairman, and the Chief Executive Officer, who is also a member of the Board. Communication among Board Members is facilitated by the Board of Directors' Secretariat.

23.4. In 2005, there were 12 meetings of the Board of Directors and resolutions were approved unanimously.

23.5. The meetings of the Board of Directors are planned and facilitated effectively and efficiently. Accordingly,

23.5.1. The Board of Directors meets at least once every month, as well as when a requirement arises.

23.5.2. As a rule, the Board of Directors meets when requested by the Chairman, the Deputy Chairman, or the CEO, who is also a member of the Board of Directors. The Board of Directors decides upon the meeting date. In case the Chairman or Deputy Chairman does not call for a meeting upon the request of one of the Board Members, then the Members shall have the right to call for a Board meeting.

23.5.3. Calls for meetings include the agenda and all relevant information and documents.

23.5.4. As a rule, the meetings of the Board of Directors take place at the Corporate Headquarters. However, upon a decision by the Board of Directors, the meetings can be held in a different location.

23.5.5. Generally, Members of the Board are required to meet in person; however, it is also possible to participate via remote access. Written opinions of the Members who cannot attend the meetings in person are conveyed to other Members.

23.6. A Board of Directors' Secretariat reporting to the Chairman has been established to serve all Members of the Board, as well as to document the Board meetings properly.

23.7. The meeting and travel expenses of the Board of Directors, special study requests concerning duties, and related expenses are covered by the general budget without any restriction.

23.8. According to the Articles of Association, the Members of the Board of Directors do not hold weighted voting and/or veto rights.

24. Restrictions on Conducting Business and Competing with the Company

In the Ordinary General Assembly Meeting in 2005, the Members of the Board of Directors were delegated with the authority to conduct business with and compete against the Company.

In 2005, no Board Member, Executive, or controlling shareholder including those who may have access to insider information, conducted business on behalf of their own names in the Company's line of business.

Corporate Governance

Corporate Governance Principles

Compliance Report for 2005

25. Ethical Rules

The "Values" announced on the website comply with the Annual Report and the "Publishing Principles" determined and announced to the public.

In addition to these rules, Doğan Yayın Holding determined, adopted, and announced to the public "The Rules of Behavioral Conduct," according to which all Doğan Media Group personnel should comply. The "Doğan Holding Publication Rules" and "The Rules of Behavioral Conduct" can be accessed at the Doğan Yayın Holding website (www.dmg.com.tr).

26. The Number, Structure, and Independence of the Committees Constituted by the Board of Directors

26.1. In line with the Company's current position and requirements, an Audit Committee and a Corporate Governance Committee were established to ensure that the Board of Directors properly fulfills its duties and responsibilities.

26.2. Information regarding the Audit Committee is stated below:

26.2.1. The Audit Committee consists of the following members:

Name	Title	Explanation
Imre Barmanbek	Chairperson	Board Member / Non-Executive
Soner Gedik	Member	Board Member / Non-Executive

26.2.2. The Chairperson of the Audit Committee is not an Independent Member of the Board of Directors. However, her position complies with Capital Markets Board Regulations because she is a Non-Executive Member.

26.2.3. The Board of Directors of the Company convened on April 14, 2005 and resolved that Imre Barmanbek and Soner Gedik, Members of the Board who are concurrently the Committee Members Responsible for Auditing, would be reelected and authorized to fulfill the duties stipulated in the Capital Markets Board Communiqué Series X, No. 16.

26.2.4. All members of the Audit Committee are Non-Executive Members of the Board of Directors.

26.2.5. In its actions, the Audit Committee follows the provisions stipulated in the Capital Markets Board regulations and as stated by the Corporate Governance Principles. In this regard, in 2005:

The Company's financial statements and their notes as well as the independent audit report for the past year were reviewed prior to their public disclosure and a meeting was held with the Independent Audit Company.

The Company's independent audit contract was revised.

26.3. Information regarding the Corporate Governance Committee are stated below:

26.3.1. Through the decision of the Board of Directors No. 2005/18 dated April 14, 2005, it was resolved that the Corporate Governance Committee shall consist of a chairperson and members whose names are indicated below.

Name	Title	Explanation
Cem Kozlu	Chairperson	Board Member / Non-Executive
Murat Doğu	Member	Non-Executive
Ahmet Özer	Member	Business Development and Investor Relations Director / Non-Executive
İnci Şencan	Member	Financial Control and Investor Relations Director / Non-Executive

26.3.2. Murat Doğu, Member of the Corporate Governance Committee, is also the Chairman of the DYH Corporate Governance Committee.

27. Financial Rights Granted to the Board of Directors

27.1. The Chairman, the Deputy Chairman, and the Members of the Board of Directors are granted remuneration as decided upon by the General Assembly. The decision regarding this remuneration, including the CEO's salary, is based on the time Board Members spend in the meetings, as well as the time involved in pre and post-meeting preparations and duties assumed. Moreover, the attendance fee to be paid to the Board Members for each meeting is also decided upon by the General Assembly.

27.2. In the Ordinary General Assembly Meeting for 2005 dated April 11, 2005 it was unanimously decided that the Chairman of the Board of Directors shall be paid a monthly fee of YTL 6,000, the Deputy Chairman shall be paid a monthly fee of YTL 5,000, and Members of the Board shall be paid YTL 4,000 each. Furthermore, it was decided that Independent Members Cem M. Kozlu and Kai Georg Diekmann shall each be paid a monthly fee in the YTL amount corresponding to US\$ 5,000. There is no bonus mechanism based on performance for the Members of the Board of Directors.

In 2005, no loans or credits were granted by the Company to any of the Board Members or Executives, whether directly or indirectly.