

**2004
Operations**

2004 Operations

Hürriyet has combined the effects of rapid economic growth in 2004 with successful management resulting in an increase of its advertising market share. Overall, Hürriyet's total advertising revenue has grown by 47% in 2004.

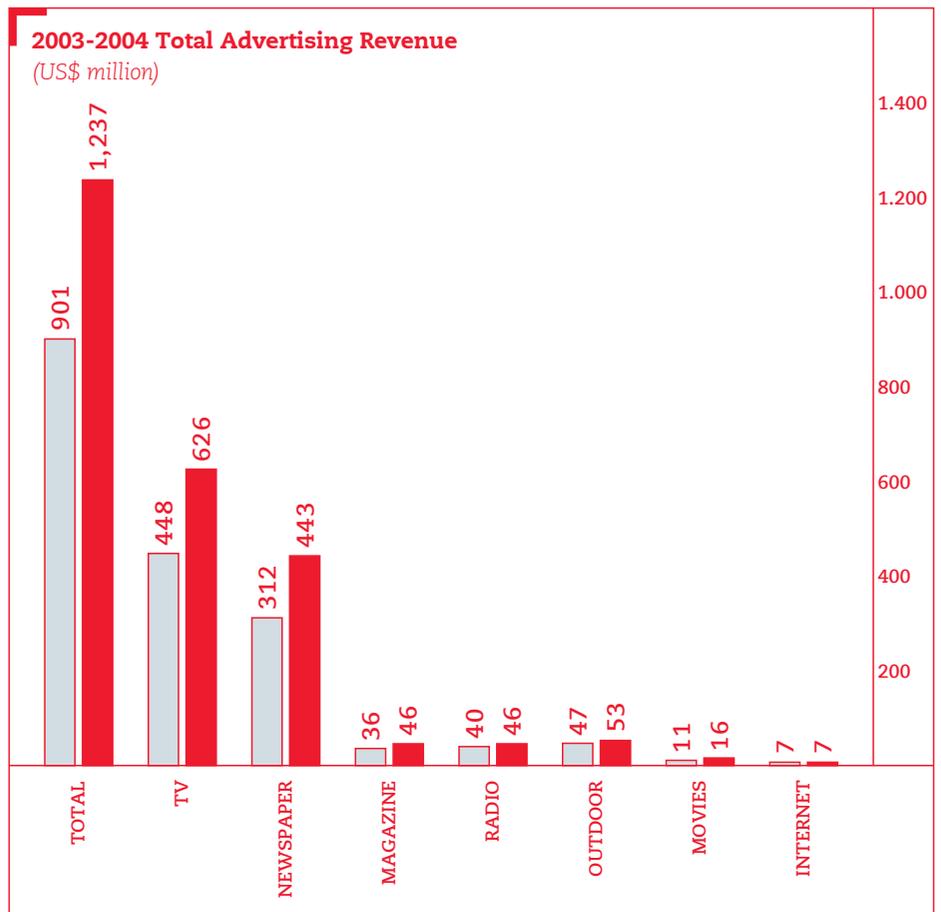
Hürriyet: The leader of the media sector in 2004

Turkey's rapid economic growth in 2004 was reflected in consumer spending thereby increasing advertising budgets. At the end of the year, total advertising market had reached approximately US\$ 1,237 million, a 37% increase over that of the previous year. While the advertising market share for television commercials reached 51%, the share of newspaper advertising has increased by 1%, to 36%. Nonetheless, over the past year, the newspaper advertising market has risen from US\$ 312 million to US\$ 443 million.

Provided that economic growth continues, it is expected that total advertising spending in 2005 will reach US\$ 1.5 billion.

Hürriyet, which benefited from the effects of rapid growth through successful management, increased its advertising market share. Overall, Hürriyet increased its total advertising revenue by 47% in 2004.

2003-2004 Total Advertising Revenue
(US\$ million)

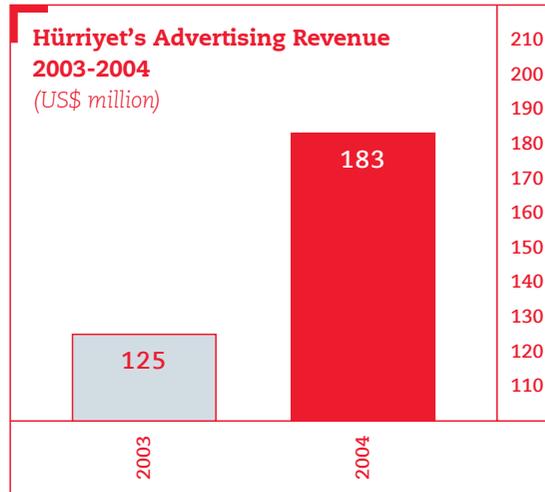


To communicate to the advertising world that newspapers are the best means of advertising, Hürriyet organized the second “Red Awards.”



Advertising revenue as a source for investments

The increase in advertising spending in 2004 primarily came from the automotive industry, textile, construction, communication, information technology and beverage sectors. Hürriyet kept its number one position in human resources advertising and classified ads.



In 2004, Hürriyet's total revenue from special projects amounted to US\$ 6,461,767. Of this amount, US\$ 1,513,206 came from 28 private-label newspapers (18 company-specific newspapers and 10 industry-specific newspapers) and the balance is from sponsorship and special projects.

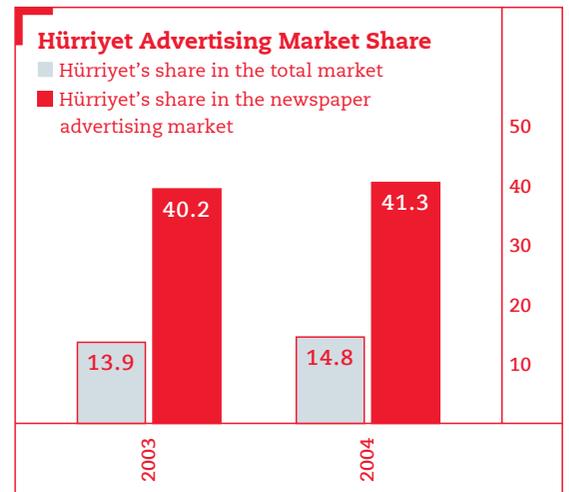
To communicate to the advertising world that newspapers are the best means of advertising, Hürriyet organized the second “Red Awards.” As the first and only contest involving press advertisements in Turkey, “Red” has had the continuing support of the entire sector in its second year as a total of 830 press advertisements from 85 advertising agencies entered the contest.

Maintaining its market share of advertising revenue and raising the advertising unit price are among Hürriyet's business targets for the coming years. To accomplish this, Hürriyet will develop specific projects aimed at increasing newspaper advertising.

Additionally, Hürriyet plans to monitor the choice of venue made by advertisers, to inform the sales team of its findings and develop projects regarding sales strategies accordingly.

Hürriyet's advertising market share is 41.3%

As has been the case in the past, Hürriyet was the media organization with the largest advertising market share in 2004. Hürriyet's share in the total advertising market has risen to 14.8% - an increase of 0.9 points. Its share in the newspaper advertising market rose to 41.3% - an increase of 1.1 points.

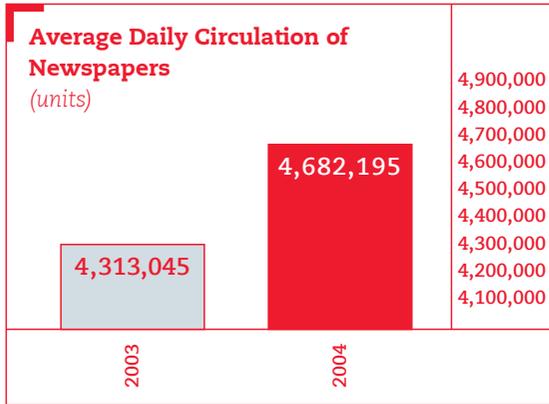


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Despite limitations imposed on newspapers' marketing and promotional activities by legal regulations passed in mid-2003, Hürriyet reached a circulation of 495,000 - an increase of 7.60%.

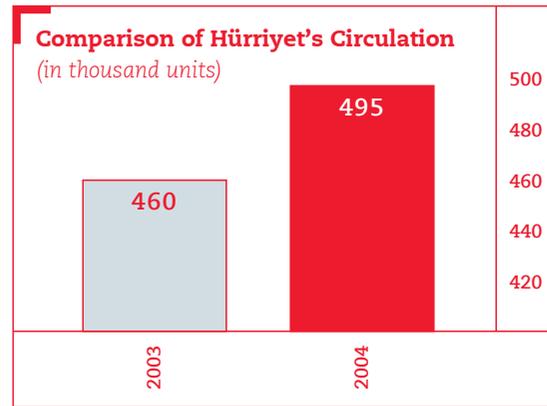
Sales as a competitive advantage

According to the data gathered by the Press Advertising Organization, the average net sales of daily newspapers all over the country has increased by 8.56% and totaled 4,682,195 in 2004; this figures previously stood at 4,313,045 in 2003. The reasons for this increase include the diminishing effect of Turkey's 2001 economic crisis, the fact that segmentation among newspapers has become fully visible and low-price newspaper options were available to readers.



Hürriyet aims to retain its reader profile along and to maintain its leading position in the market, therefore, it maintains its price level and does not employ a competitive pricing policy to raise its circulation. Despite the limitations brought upon the marketing and promotional activities of newspapers by the legal regulations passed in mid-2003, Hürriyet achieved a circulation of 495,000 - an increase of 7.6% to reach a market share of 10.9%.

During 2004, Hürriyet did not increase the price of weekday editions due in large part to the decrease in the inflation rates and the stabilization of



the economy. On August 22, 2004, Hürriyet raised the price for its Sunday edition -from YKR 35 to YKR 40.

Hürriyet now reaches its readers through 23,400 sales points in 81 cities, districts and other residential areas throughout the country. Of this total, 66.3% takes place in Turkey's three largest cities; Istanbul, Ankara and Izmir. In comparison to its weekday circulation, sales of Hürriyet go up by 80,000 on Saturdays and 260,000 on Sundays.

Hürriyet's goal is to maintain its status as the best-selling newspaper and will continue to be the daily with the highest value. The following measures will be taken to ensure the accomplishment of this goal:

- Maintain the continuity of a profitable selling price
- Implement the practice of a special weekend price
- Put out new supplements that increase sales turnover without creating loss
- Undertake product differentiation to contribute to an increase in the turnover
- Increase interaction with the reader so as to develop a more comprehensive database.

In the belief that it is indispensable that the publishing business to embrace life in all of its dimensions, Hürriyet prepares supplements and regional newspapers that add value to the lives of its readers and provide new opportunities for advertisers.



Supplements addressing a diverse audience

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■ Kelebek was re-published in 2004 and is one of Hürriyet's most important trademark supplements. With its emergence into the market in March of 2004, Kelebek filled a gap and has made a significant contribution to Hürriyet's circulation (approximately 35,000 additional sales).

■ These supplements are important factors that distinguish Hürriyet in the Turkish media. Hürriyet's supplement İK has reinforced Hürriyet's leadership in the field of human resources; it not only addresses professionals seeking to expand in their lives, but it also impacts institutions. It has also succeeded in becoming an important advertising medium.

■ Putting an emphasis on rich content, Hürriyet Sunday has been developed to maintain the Newspaper's leading position in the sector. The importance of its role is evident from the fact that based on Sunday sales, Hürriyet is by far the best-selling newspaper in Turkey.

■ Utilizing this approach, in 2004 Hürriyet continued to release supplements addressing the needs and interests of diverse groups. Among them, the Travel supplement aims to become a domestic and international travel/culture guide for its readers, as well as an effective advertising vehicle for the tourism sector. Ever since its first issue was published, Travel has been well-received by Hürriyet readers, reaching an audience of 1,032,000 each week.

■ Gaining momentum in the automotive industry, Hürriyet released its Auto Life supplement in 2003, thus targeting an emerging advertising potential. With a look at the world of automobiles from both male and female perspectives, Auto Life's vivid content includes everything from novelties in the automotive industry to motor sports and commercial vehicles to financial services. Every week Auto Life reaches 1,212,000 readers.

■ The share of regular weekly supplements in the total advertising revenue has risen to 21.2% in 2004, up from 19.7% the previous year.

■ By publishing supplements that increase turnover without incurring loss, Hürriyet will continue to offer its readers new choices as it grows in value.

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In its effort to increase the quality of production through modernization, Hürriyet has continued making investments at the same pace as in previous years. It continues to obtain investment incentive certificates for future investments.

Investments shaping the vision for the future

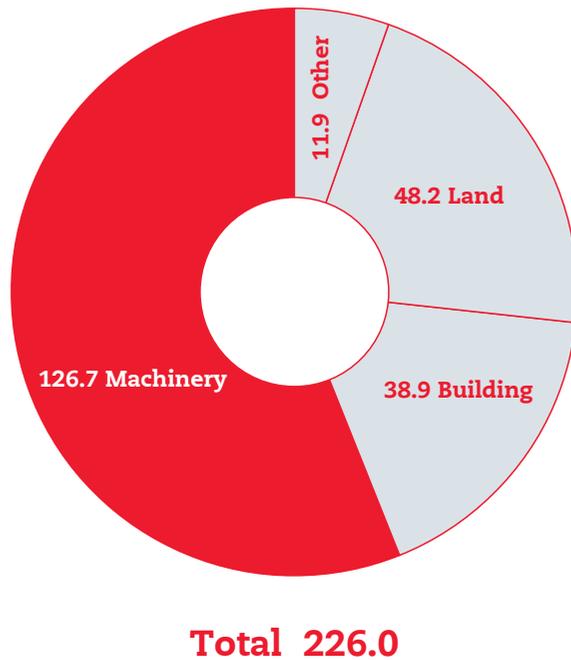
Hürriyet has accomplished a significant portion of its investments. Ongoing projects aim at increasing productivity. Through investments made in template-typesetting, automatic stapling and folding systems, the printing facilities in Istanbul were fully equipped in 2003. At the same time, film preparation machines were purchased due to the increase in the number of published newspaper pages.

These investments have enabled Hürriyet to achieve faster and more modern mass production as well as to respond appropriately to its advertisers' colored ad requirements. Newly acquired machinery was installed at the Esenyurt Printing Facilities, a project that began in 1999 and was completed in 2000. In the two years that followed, Hürriyet began production with its two Man Colorman printing presses, equipment manufactured with the latest technology for use by high-circulation newspapers. These machines have the capability to print a total of sixty-four pages, forty of which can be printed in color. With the folding apparatus attached, it is possible to print two different newspapers simultaneously, each with a total of sixty-four pages.

In an effort to increase the quality of production through modernization, Hürriyet continued making investments at the same pace as in previous years. It continues to obtain investment incentive certificates for future investments. A total of US\$ 19,188,893 in 2004 has been invested in the printing facilities primarily in Adana, Istanbul, Ankara, Izmir and Antalya. The investment incentive certificates obtained in 2002 and in September 2004 were used to import machines totaling US\$ 10,653,005.

Investments in the Last Eight Years (1997 - 2004)

(US\$ million)



The DPCs, which create operational synergy among Doğan Yayın Holding newspapers, also play an important role in cutting expenses through their ability to actualize large paper purchases and provide storage for all the Group's newspapers.



Printing Centers Capacity Utilization Ratio (%)

DPC- ISTANBUL	86
DPC-ANKARA	84
DPC-IZMIR	90
DPC-TRABZON	62
DPC-ANTALYA	58
DPC-ADANA	93
DPC-FRANKFURT	65

Printing as a part of Total Quality Management

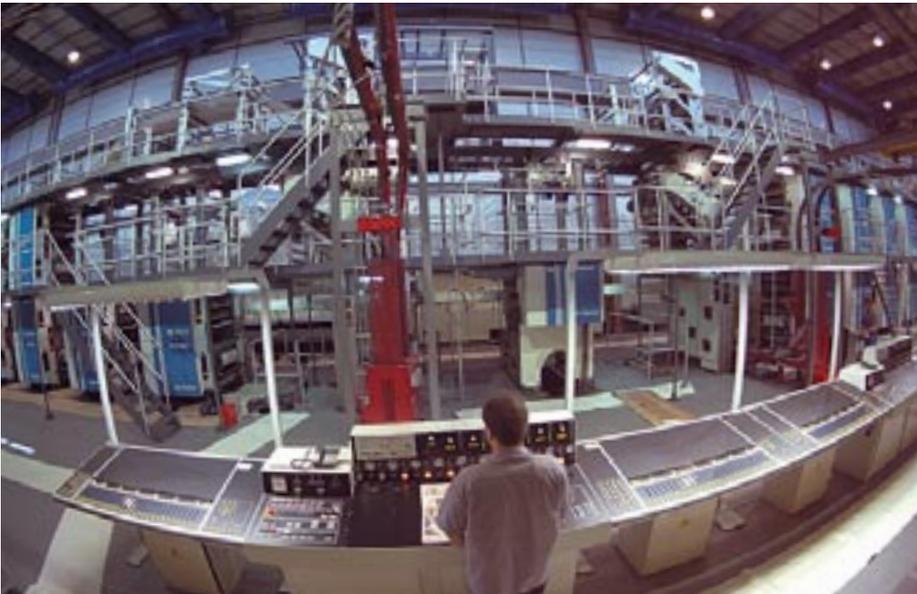
The DPCs, which create operational synergy between Doğan Yayın Holding newspapers, also play an important role in cutting expenses through their ability to actualize large paper purchases and provide storage for all the Group's newspapers.

Hürriyet is printed by facilities operating under the umbrella of the Doğan Printing Center (DPC). In Turkey, printing is done in Istanbul, Ankara, Izmir, Antalya, Adana and Trabzon and in Germany in the Frankfurt facility. Doğan Yayın Holding, with its growing printing capability, combined the separate printing centers of Hürriyet and Milliyet in order to attain maximum efficiency and low-cost production and printing. In 1996, the printing facilities of the newspapers Hürriyet and Milliyet in Trabzon were combined and renamed Doğan Printing Center. The same process was repeated in Ankara, Izmir, Antalya, Adana and finally in Istanbul, thus joining all printing operations under the DPC umbrella.

In addition to Hürriyet and its supplements, these printing facilities provide services to other companies both within the Group and outside. They, therefore, contribute to the turnover and profitability of the Company. In 2004, the DPCs' total revenue amounted to YTL 102.2 million.

The calculations are made on the basis of a 16-hour per day printing capacity for the printing presses.

The DPCs provide innovative leadership in Turkey with regard to their stable growth and flexible, high-quality and productive work principles. They use 240,000 tons of paper annually and are among the most renowned facilities in the international newspaper industry.



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The Istanbul DPC, with its 17,000-m² enclosed area, is the largest in Turkey in terms of capacity and is ranked second largest in Europe.

The most important reason for the 26% rise in DPC revenue in the last year was the increase in the circulation and number of pages of Hürriyet and the other newspapers owned by the Group. This is also a major factor for the rise in DPC revenue now making up an approximate 22% share in Hürriyet's total revenue.

Production Category	2004 Total number of pages	2003 Total Number of Pages	Increase %
Main Newspaper	17,332,157,094	11,950,853,825	45.03
Contracted Jobs	22,396,593,956	19,577,617,508	14.4
TOTAL	39,728,751,050	31,528,471,333	26.0

The Istanbul DPC, with its 17,000-m² enclosed area, is the largest in Turkey in terms of capacity; it is ranked the second largest in Europe. The facility features two Man Colorman printing presses, possessing the capacity to print 85,000 copies per hour, each totaling sixty-four pages, including forty in color. The Istanbul DPC also has three Goss HT-70 printing presses. The Man printing presses are also linked to the Müller Martini "insert" system, a novel technological development allowing for the insertion of up to six inserts or supplements during or after the printing process.

The facility is also furnished with the Computer-to-Plate (CTP) system, an innovative technological method that allows for the direct plating of the pages received from the editors and marking the first time this system was used in

Turkey. This facility is equipped to handle the flawless, automatic plating of 4,800 templates per day, making the Istanbul DPC number one in the world in terms of the number of CTP templates produced at a single location.

Also at the Istanbul DPC, printed paper or commercial inserts can be placed in newspaper copies during or after printing by the available insert system. Up to six inserts can be simultaneously placed into copies. A total of 200 tons of printed matter can be stored on the facility's 350 rolls.

Due to the modernization of the Company's printing centers, waste was a minimal average of 5.22% in 2004.

Investments as required by market conditions and competition will also continue in future years.

With an average daily circulation of 130,000-140,000, Hürriyet is both the best-selling Turkish newspaper in Europe and one of the best-selling foreign daily newspapers on the continent.



Access beyond borders: Operations in Europe

As Turkey's only paper with global access, Hürriyet operates in Europe through its office in Mörfelden Walldorf, a town near Frankfurt, Germany and its huge printing facility there, a branch of the DPC. Hürriyet, meeting the need for news and comments of Turkish people living in Western Europe, is also an important source of news for regional events, owing to its strong network of reporters in these countries.

With an average daily circulation of 130,000-140,000, Hürriyet is both the best-selling Turkish newspaper in Europe as well as the one of the best-selling foreign daily newspapers on the continent.

Hürriyet's availability abroad is not limited to countries in Western Europe. In addition to its distribution from 20,000 sales locations in Germany, Hürriyet reaches another 24 countries at 30,000 locations across Europe through the Axel-Springer distribution network. Today, Hürriyet is read throughout the continent, all the way from England to Romania and from the countries of Scandinavia to Italy; it also reaches as far as Canada.

The Hürriyet-USA daily which had been printed in Germany and sent to USA has been printed in New York as of November 1, 2004. At the same time, it is also published daily in several other states other than New York.

Hürriyet manages its operations abroad under the umbrella of DMG International, which was founded in 1999 to function as Doğan Yayın Holding's gateway to Europe. The Company oversees most of DYH's publications and broadcasting targeting Turkish people living in Europe. It also plays an important role in enhancing DYH's relationship and communication with Europe's leading media companies. With an average daily circulation of 165,000 across Europe via Hürriyet, Milliyet and Fanatik, DMG International raises the banner for DYH as a market leader on the continent.

In addition to DMG International publications, the printing facilities produce the Germany edition of the international finance newspaper, The Wall Street Journal Europe, the American newspaper Stars&Stripes and Sportwelt, the German sports paper. With these foreign publications, the total number of newspapers produced at the printing facilities amount to 215-235 thousand units.

The advertising revenue of Hürriyet Europe newspaper totaled € 6.6 million in 2003 and € 6.5 million in 2004.

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With its rich filling content, an average of almost two million monthly visitors and 90 million hits, Hürriyetim is the leading Internet publication in Turkey and among the foremost in Europe.

Internet services with a global approach

Among Hürriyet's major business aims is to maintain its leading status not only in the printed press but in the Internet news sector as well. For this reason the Hürriyet online was founded on January 1, 1997. Following the adoption of the name Hürriyetim in December 1999, Hürriyet became one of the first newspapers to be Internet accessible. In October 2000, hurriyetim.com.tr shed its status as merely the Internet version of the Hürriyet newspaper and began serving as a 24-hour news portal reporting the day's events around the clock.

Formerly operating as a division of Hürriyet Gazetecilik ve Matbaacılık A.Ş., Hürriyetim became a Hürriyet affiliated company called Hürriyet Internet Hizmetleri ve Ticaret A.Ş. on January 1, 2001.

With its rich content, an average of nearly two million monthly visitors and 90 million hits, Hürriyetim is the leading Internet publication in Turkey and among the foremost in Europe. In 2004, Hürriyetim overall revenue accrued from content services to companies outside the Group, from banner sales and from special projects such as the Green Card and Mobile Hürriyetim totaled YTL 1,355,910.

In 2005, Hürriyetim plans to develop and implement new and creative approaches, including making the website more user-friendly by renewing the content management infrastructure and developing interactive tools for it.

Human resources subject to performance analysis

As a result of the Search Conferences organized at the beginning of 2003, the Company established the Human Resources Committee, for the purpose of development and restructuring. In executing the project, the team, comprised of employees from the Media Group, Treasury, Information Systems, Advertising, Payroll and Human Resources, inspected all aspects of operations in the human resources processes, determined shortcomings, generated creative solutions and began the implementation process. This took place in twelve meetings that lasted a total of 35 hours. In this context, the team updated Job Descriptions and Organizational Charts, created a new Performance Evaluation System, assessed and renovated the Search and Recruitment Processes and evaluated the Training Management.

The Search Conference also was instrumental in the formation of the Communications Committee and to implement necessary improvements in the human resources processes. The basis of this human resources enhancement project included dealing with such issues as the lack of information-sharing within the Company, the lack of communication, the insufficient appreciation of employees and the lack of a fair system of wages.

In the update of job descriptions phase, Division heads had meetings with all groups in order to ensure the greatest possible employee participation. These meetings, lasting a total of 130 hours, resulted in the renewal of the format of job descriptions, including the rectification of its shortcomings and bringing the system into full compliance with all amendments in the labor laws in 2003. Thus, the renewed job descriptions now fully address the requirements of both business demands and performance criteria for all employees.



Established to facilitate success and create high-quality human resources with high performance, the Performance Evaluation System is expected to measure Performance Highlights and Competencies, including individual, functional and administrative competencies. This system will allow individual employees to evaluate themselves, as well as assessment by their supervisors and colleagues. The biannual performance evaluation system forms the basis of the Wage Management and Rewards System, Career Planning and Training Management.

The overall goal is to establish competitive and egalitarian recruitment and an employment system that produces quality work with the appropriate human resources. Toward this end, a new electronic system called the Question Bank has been set up to support Recruitment Management. This system will be extended to the entire Company; it aims to fairly and accurately evaluate the general cultural and professional knowledge of the applicants by means of an exam given prior to the initial interview for each position.

Comprehensive training sessions were organized in 2004, primarily for the Media Group. Plans for training all groups are in place for 2005.

In 2004, the systems designed in 2003 as parts of the enhancement program for Human Resources started to be implemented. These systems include recruitment and employment, performance evaluation, fair wages and training systems. The designing phase of performance evaluation system was completed in April, 2004 and tested in some pilot divisions during May 2004 and implemented throughout the corporation in December 2004. In January 2005, the results of the performance evaluation system for the first time were reflected in an increase in wages.

The performance evaluation system developed by Doğan Yayın Holding for all of its subsidiaries is based on Hürriyet's performance evaluation system. Two officers from Hürriyet's Human Resources Department joined the project team organized within the scope of this study. With the new system constituted throughout entire Doğan Yayın Holding, all terms of reference and organizational structure are redefined in the Holding-wide deployed personnel system.

The test bank system, completed in 2003, was initially used for the selection of Economy Correspondence and then for the Intelligence Correspondence positions, producing very successful results. Of the employees hired utilizing this test bank, 90% are still continuing to work at the Holding's enterprises.

Together with an HR consultation company, an efficiency and workload study has been initiated. The service contracts of the employees at all establishments affiliated with Hürriyet's Human Resources Department are renewed pursuant to the amended labor law.

The terms of reference and organizational structure of other establishments affiliated to Hürriyet's Human Resources Department have been updated.

Company-wide human resources reporting standards have been restructured at Hürriyet; the initial implementation was carried out in January 2005. These standards will be implemented at all related establishments within a planned period.

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Hürriyet

On September 18, 2005, Hürriyet started a campaign in collaboration with Contemporary Education Foundation (Çağdaş Eğitim Vakfı) and the Governorship of Istanbul, to prevent domestic violence. The campaign “Stop Domestic Violence!” also won an award in the category of Social Responsibility Project in the 2004 Creativity Awards organized by DYH.

Comprehensive projects of social responsibility

As an integral part of its role in Turkey's modernization process, Hürriyet believes it should do its part in attending to social problems. Hürriyet's illustrious history is replete with examples of campaigns that support this position. In 1983, a fund raising campaign was conducted to help the families of the 96 people who died in the mine explosion at Kozlu, Zonguldak. Likewise, the “You Add a Brick, too” campaign was organized to help heal the devastation of the August 17, 1999 earthquake, the largest aid operation ever organized in Turkey.

“Stop Domestic Violence!” campaign

Globally, one out of four females and one male out of six will become a victim of domestic violence at some time in their life. According to the data collected by the government's Family Studies Organization in Turkey, physical violence is seen in one family out of three while verbal abuse occurs in one out of two families. Women and children are the most frequent victims of serious and violent abuse.

Hürriyet sees domestic violence as a fundamental social problem that can neither be tolerated nor accepted as an ordinary phenomenon. The harm it does to family members is impossible to erase without years of intervention. Aside from this, the goal of the “Stop Domestic Violence!” campaign is to uncover the source of domestic violence throughout the family, especially with regard to women and children, to contribute to establishment of non-violent families and to invite all the social groups to say “Stop Domestic Violence!”

On October 18, 2004, the first meeting of the “Stop Domestic Violence!” campaign was held in the Çetin Emeç Hall at Hürriyet Media Towers. Hürriyet's Chief Executive Officer Vuslat Doğan Sabancı and Editor-in-Chief Ertuğrul Özkök discussed Hürriyet's reason for targeting this situation which constitutes a serious social problem in Turkey.

The campaign was created to take a public stance against domestic violence - a crucial problem the world over - and to initiate social transformation from such a position.

Mobile Classrooms offer Training Sessions in Istanbul

Within the scope of this campaign, Hürriyet organized an Assistance Program to help improve communication within families in collaboration with Contemporary Education Foundation and the Governorship of Istanbul. During the first stage, training sessions for participants, male and female, were provided in a specially redesigned bus that served as a mobile classroom in Gaziosmanpaşa, Ümraniye, Kağıthane and Bakırköy districts. These sessions covered a whole array of topics; comprehensive description of domestic violence, the influences of violence on family members, the differences between men and women with respect to domestic violence, alternative problem-solving methods without resorting to violence, the concept of the good and powerful husband/father, anger control, the Family Protection Law and ways of coping with violence. At the end of training session, each participant was given special buttons, a method enabling the participants to help convey such information to others and attract more visitors to the mobile classroom.

Erroneous beliefs about Domestic Violence

As part of the campaign, a booklet titled Domestic Violence – Erroneous Beliefs was produced with contributions and suggestions by the Advisory Board involving, among other members, Nazan Moroğlu, the former president of the Association of Istanbul Women's Organizations and Vildan Yirmibeşoğlu; the president of the Provincial Board of Human Rights in the Governorship of Istanbul. This booklet was prepared by Psychologist Nevin Dölek and Consultant Psychologist Neylan Özdemir. It contains information about the erroneous beliefs regarding domestic violence and offers suggestions and problem-solving methods other than violence to cope with domestic problems that often lead to violence.



One of the most significant parts of the campaign was a training project held in collaboration with Hürriyet, Contemporary Education Foundation and the Governorship of Istanbul.



Campaign's website

On the campaign's website, in-depth information, sources and news about domestic violence and up-to-date information about the campaign are available. The site, aiming to be a platform about domestic violence, has had many visitors and emails sent by people who have personally suffered from violence or who have witnessed it in their neighborhood.

Assistance Program to Help Improve Marital Relationships

This program has reached 1,500 people from the Gaziosmanpaşa, Ümraniye, Bakırköy and Kağıthane districts in just its first three months and has been much appreciated by local authorities. The municipalities and non-governmental organizations from Istanbul and its surroundings are asking about possible expansion of the program. The training sessions and the campaign will continue during 2005.

"Stop Domestic Violence!" campaign in Europe

The campaign also reached the European press, appearing in two newspapers in Holland as a model program from Turkey. This campaign triggered by Hürriyet in Turkey has also started in Germany and in other parts of Europe as well. On February 12, Hürriyet Europe's printing facilities near Frankfurt hosted young volunteers who were instructed in a special training seminar given by the Turkish campaign team and specialists from Germany.

"Let Our Schools Not Be Destroyed" campaign

More recently, the need to increase public awareness was once again made apparent by the tragic earthquake in Bingöl on May 1, 2003 which resulted in the deaths of 82 innocent children. Following this disaster, Hürriyet launched the "Let Our Schools Not Be Destroyed" campaign in association with the National Education Foundation

as well as several universities. The purpose of this drive was to help take precautionary measures against the destruction of schools during possible future earthquakes and to ensure that this subject stays in the public eye. Within the framework of this campaign earthquake reinforcement projects were undertaken at 130 school buildings in high-risk earthquake-prone regions.

Project and the Methodology

Turkey has 60,000 schools, of which 35,000 are elementary schools attended by a total of 16 million students. The basic problem is that there is often very little knowledge about the earthquake sturdiness of these schools, especially in light of the tragedy in Bingöl where 82 children lost their lives in what was basically a medium-strength earthquake.

The primary goal of Hürriyet's campaign is designed to provide the following aid (in 30 cities) to the 190 regional elementary boarding schools and elementary schools with boarding facilities:

- soil surveys
- earthquake resistance testing for buildings
- reinforcement of buildings that need to be strengthened
- renovation of buildings that need to be reinforced
- demolition of buildings which have outlasted their economic life-span (that is, which cannot be salvaged by reinforcements) and the construction of new buildings

Result

The project has since been handed over to the Ministry of Education; the main responsibility of Hürriyet and other individuals and groups who have supported this venture has come to an end. The Ministry of Education has taken on this trust and responsibility; the necessary tests, improvements and renovations are ongoing. Hürriyet, with its strong sense of journalistic

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Hürriyet's paid-in capital was increased by 70% from YTL 245,142,682 to YTL 416,742,560 by means of a capital increase through issuance of bonus shares.

Strong profits command financial ratios

Financial strength, profitability and payment performance ratios, the measures reflecting the Company's overall financial performance, calculated on past two years' data and in accordance with the CMB Communiqué Series XI, No. 25, are as follows:

	2004	2003
Current Ratio (Current Assets / Short-term Liabilities)	2.92	2.58
Asset Turnover (Net Sales / Total Assets)	0.57	0.56
Total Liabilities / Shareholders' Equity	0.41	0.38
Financial Expenses / Total Assets	0.03	0.06
Operating Profit / Total Assets	0.09	0.06
Operating Profit / Net Sales	0.15	0.12
Net Operating Profit / Net Sales	0.13	0.03
Gross Profit Margin	0.35	0.33

Information about capital structure

The registered capital ceiling of the Company as of December 31, 2004, was YTL 500,000,000; its paid-in capital is YTL 416,742,560.

The Company has increased its registered capital ceiling from YTL 250,000,000 to YTL 500,000,000 by the authorization Number 58/143 dated November 14, 2003 by the Capital Markets Board and a resolution of its Extraordinary General Shareholders Meeting held on January 15, 2004. This decision necessitated the following changes in the Articles of Association: Article 11 - Registered Capital; Article 10 - Capital Increases and Decreases; Article 14 - Transfer and Change of Shares; Article 34 - Fees; Article 36 - Provisions to be Applied and; Article 38 - Notification of the Meetings to the Ministry of Trade and the Commissary's Attendance. The increase in the capital ceiling of the Company as well as the associated amendments made in the Articles of Association has been registered and

announced through the Trade Registry Gazette No. 5978 dated January 29, 2004.

The Company distributed to its shareholders an amount of YTL 24,518,945, constituting 50% of its distributable net profit for the 2003 period (YTL 47,094,534), as cash dividends (TL 100.02 per share of TL 1.000 in nominal value). An amount of YTL 526,414 from the remaining profit was spared as second legal reserves and YTL 23,899,990 as extraordinary reserves in accordance with the Article 466/2 of the Turkish Commercial Code. With the resolution of Board of Directors on June 22, 2004, Number 28 and the authorization given by the Capital Markets Board on July 13, 2004, Number 111/848, the Company's paid-in capital amounting to YTL 245,142,682 was increased to YTL 416,742,560 (at a rate of 70%) by an additional YTL 171,599,878.

The major shareholder of Hürriyet Gazetecilik ve Matbaacılık A.Ş. is Doğan Yayın Holding A.Ş. holding 60% of the shares.



Donations and aids

The following table presents the Company's 2004 donations to several foundations and associations in an effort to contribute to public welfare:

(YTL)	
Aydın Doğan Foundation	1,082,638
Kelkit Vocational High School	531,000
"Let Our Schools Not Be Destroyed" Campaign	150,000
Atatürk University Kelkit Vocational School	145,356
Other public welfare establishments and associations	134,109
Total	2,043,103

Values not included in consolidated financial statements

Values not included in consolidated financial statements prepared in accordance with IFRS are the following:

Guarantees and commitments given	147,647,672
Mortgages given	43,012,500
Letters of guarantee given	1,915,631
Bonds given	202,223
Collateral bonds given	1,714
Total	192,779,740
Insured value of assets	217,539,452
Letters of guarantee received	10,822,362
Total	228,361,814

Personnel movements

The total number of employees was 1,615 in 2003; it increased to 2,428 during 2004.

Employees' net wages are increased twice a year; in January 2004, the net increase was 6.5% and 5.7% in July 2004.

The amount of employment termination indemnity liability of the Company, calculated on the basis of the gross wages of its staff subject to the laws Number 1475 and 5953 (212) and in accordance with the CMB Communiqué Series XI, Number 25, was YTL 7,054,348.

2004 Operations

Profit distribution proposal and conclusion

With the decision on February 25, 2005 and of Number 7/242, the Capital Markets Board (CMB) set the basis for the distribution of 2004 profits for the corporations subject to the Capital Market Law.

Considering the Turkish Commercial Code, Capital Market Legislation and CMB regulations, Corporate Tax, Income Tax and other legislation, the relevant article of the Articles of Association relating to profit distribution and the profit distribution policy for the subsidiaries where the majority shareholder is Doğan Yayın Holding as announced on September 29, 2003, the Company decided to distribute in cash 50% of the net distributable profit for 2004.

Allowing for corporate tax payables, deferred tax provisions and minority profits and in accordance with CMB Communiqué Series: XI, Number: 25, consolidated net profit for the year in financial statements prepared in accordance with International Financial Reporting Standards (IFRS) is YTL 27,200,087. Net distributable profit for the year is YTL 24,981,084; it is found after first legal reserves amounting to YTL 1,936,990 is deducted in accordance with the Article 446/1 of the Turkish Commercial Law. An additional amount of YTL 282,013 is also deducted in the consolidated financial statements, which represents the profits of the subsidiaries that have not yet concluded their General Assemblies regarding profit distribution. The net profit for the year in legal records is YTL 38,739,806.

Hence, the Company has decided to propose to the Ordinary General Assembly Meeting the distribution of YTL 12,490,542, 50% of YTL 24,981,084 calculated as distributable net profit for the year, as cash dividends while sparing the remaining balance of YTL 12,490,542 as extraordinary reserves.

The profit shall be distributed in the following way:

of every share with YTL 1 nominal value, dividends will be paid at a rate of 3% of paid-in capital.

1. Net YTL 0.029972 for full-fledged taxpayers
2. Gross YTL 0.029972 and net YTL 0.02697 for real persons and establishments exempt from taxes
3. Gross YTL 0.029972 and net YTL 0.02697 for limited liability real persons and limited liability establishments

These amounts, presented here only for demonstration purposes, to be paid per share of YTL 1 nominal value will be rounded off to whole numbers as YKR during profit distribution.

Balance Sheet and Income Statement for the year 2004 and the proposal to discharge the Board Members and Statutory Auditors off their liabilities are presented to the approval of the General Assembly.

Performance of Hürriyet's shares

Hürriyet's stocks have created value over the ISE-100 Index for its investors since going public in 1992. As a result, Hürriyet's stock rank first within the most popular stocks among foreign investors.

By the end of 2004, 40% of Hürriyet's stocks have been offered to the public; 85% of these stocks are internationally owned. Non-publicly traded stocks (60%) belong to Doğan Yayın Holding A.Ş.

Among the newspapers published in Turkey, Hürriyet has the strongest financial structure and is the first and only media company in Turkey to receive a credit rating from an international rating agency. With a credit rating of B+ (stable outlook) in long-term foreign currency, a B+ (positive outlook) in long-term domestic currency and a national rating of A+ (Tur) assigned by FitchRatings, Hürriyet has emerged as one of Turkey's most successful businesses in terms of creditworthiness.

Hürriyet's Market Value February 1992 - February 2005 (End-of-Month Closing Prices)

