



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

**BOARD OF DIRECTORS QUARTERLY REPORT FOR THE PERIOD
ENDING 31 MARCH 2010**

www.hurriyetcorporate.com

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(1 January – 31 March 2010 Period)

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A. Information Related to Hürriyet Gazetecilik ve Matbaacılık A.Ş.

1. Operations, organization and communication information

Hürriyet Gazetecilik ve Matbaacılık A.Ş. (“Hürriyet” or “the Company”) has been established in 1960 and registered in Turkey. The company who has activities in the areas of newspaper, printing, advertisement and internet publishing, has 7 printing plants in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon and Germany. On 29 March 2007, the company has purchased 67,30% shares of Trader Media East Limited (“TME”) through its subsidiary Hürriyet Invest B.V. established in the Netherlands. TME is a classified advertising company operating in Russia, CIS and Central Eastern European (CEE) countries through daily and weekly newspapers, magazines and internet sites mainly in the real estate, automotive and human resources sectors. The majority shareholder of Hürriyet is Doğan Yayın Holding A.Ş. established within the constitution of Doğan Şirketler Grubu Holdings A.Ş. (“Doğan Holding”).

The address of the registered office is as follows:

Hürriyet Medya Towers
34212 Güneşli, Istanbul / Turkey

The company is registered to the Capital Market Board (“CMB”) and since 1992 its shares are in transaction in the Istanbul Stock Exchange (“ISE”). 40 % of the company capital is in the circulation in the ISE. 25,02 % of the shares of TME are in transaction in the London Stock Exchange as GDR.

Communication Information:

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2. Board of Directors

With the decision of the Company's Board of Directors dated 24 June 2009 and numbered 2009/45, the names, surnames and the qualifications of the members of our Board of Directors are as follows:

Name Surname	Title	Explanation
Aydın Doğan	Chairman	Non-Executive
Vuslat Doğan Sabancı	Vice-Chairman	Executive
Mehmet Ali Yalçındağ	Member	Non-Executive
Ertuğrul Özkök	Member	Executive
Soner Gedik	Member	Non-Executive
Ahmet Toksoy	Member	Executive
Cem M. Kozlu	Member	Independent
Kai Diekmann	Member	Independent
H. Hasan Yılmaz	Member	Independent

The detailed C.V's of the members of the Board of Directors can be found in our corporate website www.hurriyetcorporate.com.

3. Audit Committee

With the decision of the Company's Board of Directors dated 24 June 2009 and numbered 2009/45, Hakkı Hasan Yılmaz and Soner Gedik among the members of the Board of Directors are elected as members for the Audit Committee and the mentioned committee is authorised to fulfil the tasks determined by the conditions of announcement of the Capital Market Board Serial: X numbered 22.

The Audit Committee has presented to the Board of Directors, on 11 May 2010, their decision stating that the financial tables and reports for the interim period of 1 January – 31 March 2010 reflects the reality; the accounting principles of the company are convenient to IFRS and CMB standards and they are correct.

4. Corporate Governance Committee

With the decision of the Company's Board of Directors dated 24 June 2009 and numbered 2009/45, the members of the Corporate Governance Committee and their duties are as follows:

Name Surname	Title	Explanation
Cem Kozlu	The President	Independent member of Board of Directors
H. Hasan Yılmaz	Member	Independent member of Board of Directors
Murat Doğu	Member	Non-Executive

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5. Board of Auditors

In the Ordinary General Assembly Meeting of our Company on the 24 June 2009, in accordance with the Turkish Trade Law, Mehmet Yörük and Fuat Arslan are elected as the auditors for the activity period of the year 2009. Our auditors are not company partners and they are not part of the Executive Board.

6. Company Managers

Names, surnames and the titles of the managers in charge during 1 January – 31 March 2010 period are as follows:

Name Surname	Title
Vuslat Doğan Sabancı	Chairman, Executive Board
Kadri Enis Berberoğlu	Editor in Chief
Ayşe Sözeri Cemal	Head of Advertising Group
Dursun Ali Yılmaz	Head of Financial Affairs Group
Ahmet Özer	Head of Internet Group
Ayçin Bayraktaroğlu	Head of Marketing Group
Ahmet N. Dalman	Head of IT Group

7. Capital Structure

The registered maximum capital limit of our company as of 31 March 2010 is TL 800 million, and the issued capital of our company is TL 552 million.

60% of our company shares belongs to Doğan Yayın Holding A.Ş. and the shares representing 40% of our capital are in transaction in the ISE. As of 31 March 2010, 6,56% of the shares in free float belongs to Doğan Yayın and 11,09% to main partner Doğan Holding.

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B. Main developments for the period 1 January – 31 March 2010.

Main Factors Effecting the Business Performance	31.03.2010 (1Q10)	31.03.2009 (1Q09)
Average daily net sales (Hürriyet newspaper)	464,000	491,000
Average page numbers (Hürriyet newspaper)	77	65
Newsprint utilised (tons)	19,910	17,239
Average newsprint price (USD/ton)	577	912
Inflation (year-on-year CPI change)	9,6 %	7,9 %
GDP growth (1Q 2010 estimated)	12,0%	-4,3%
USD/YTL (average)	1.5022	1.6478
USD/YTL increase (compared to the same period of previous year)	-8.9%	37.9%

At the meeting hold on 8 February 2010, our Board of Directors resolved to accept the declaration presented by Aydın Dogan, Chairman of the Board of Directors of our Company, on demand for his resignation from his office; effective from the Ordinary General Meeting on 26 May 2010 where our our 2009 operating results will be discussed. It was also resolved that Vuslat Dogan Sabanci, currently performing her task as Vice Chairman of the Board of Directors and Chairman of Executive Board, to assume duty as the Chairman of the Board of Directors; effective from the Ordinary General Meeting on 26 May 2010. It was resolved that the resignation of Vuslat Dogan Sabanci from her office as Chairman of Executive Board that she is performing presently, will be accepted and Hakki Hasan Yilmaz will be appointed as Chairman of Executive Board, effective from the Ordinary General Meeting on 26 May 2010.

Mr. Ahmet Toksoy, who has been acting as our Company's Board of Directors' Member, Executive Committee Member and Head of Financial Affairs Group, has been assigned as Head of Audit and Risk Management of the Dogan Sirketler Grubu Holding A.S. as of 8 February 2010. In this framework, Mr. Ahmet Toksoy's functions as Executive Committee Member and Head of the Financial Affairs Group in our Company have been concluded, whereas his Board of Directors' membership shall continue until the Ordinary General Meeting to be held.

Mr. Dursun Ali Yilmaz, previously Financial and Administrative Affairs Coordinator of Dogan Yayin Holding, has been appointed as our Company's Head of Financial Affairs Group (CFO) and Executive Committee Member as of 16 March 2010.

Our Board of Directors has resolved to present the assignment of DRT Bagimsiz Denetim ve Serbest Muhasebeci Mali Musavirlik A.S. as independent audit firm, in accordance with the provisions of the "Communiqué On the Independent Audit Standards in the Capital Market" number 22, Serial:X of the Capital Markets Board (CMB) as well as the Orders of the CMB related to the subject, in the independent audit of our Company's financial tables of the interim fiscal term 01.01.2010-30.06.2010 as well as the annual financial tables of the term 01.01.2010-31.12.2010, to the approval of our shareholders in the Ordinary General Meeting to be held.

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C. Activities for the 1 January – 31 March 2010 Interim Accounting Period

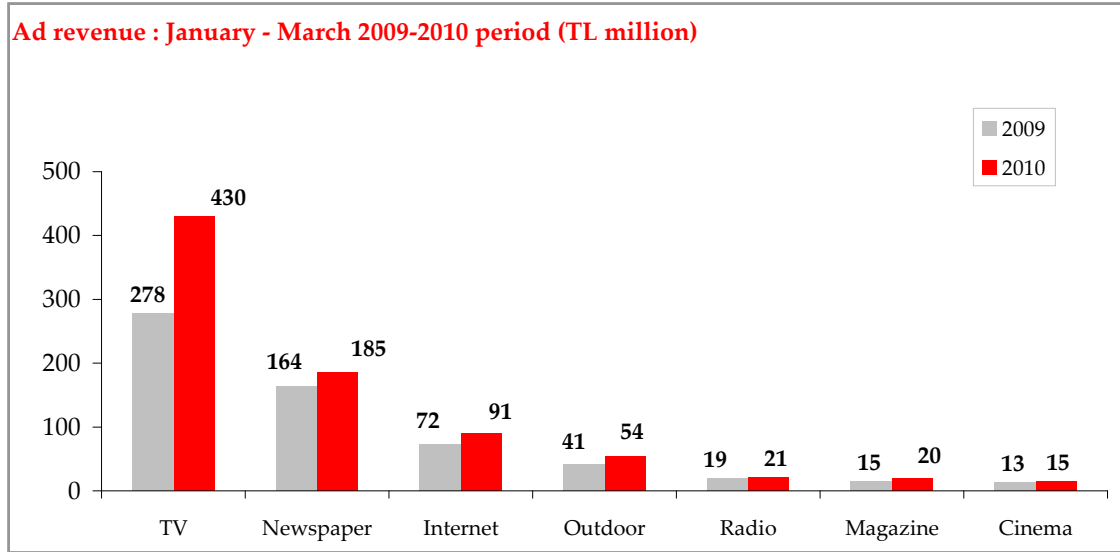
1. Advertising

1.1 Ad Sector in Turkey

It's estimated that the ad market in Turkey grew to TL 815 million in the first quarter of 2010, from TL 601 million during the same period of last year, which represents an increase of 36%.

The highest increase in this period was realized in TV segment. Ad revenues of TVs is estimated to have increased by 55% to amount to TL 430 million in the first quarter of 2010, compared to TL 278 million in the first quarter of 2009.

During this period, there has been a revenue growth in all advertising segments. The estimated revenue increase is 12% for newspapers¹, 36% for magazines and 11% for radio.



Source: Dogan Yayin Holding Research

1.2 Ad Revenue of Hürriyet Group

Ad revenue of Hurriyet Group² increased by 20% in the first quarter of 2010, and amounted to TL 74.1 million, compared to TL 61.7 million in the first quarter of 2009.

¹ The newspaper advertising revenue is estimated taking into account the 28 newspapers that are being forecasted, out of 45 national newspapers.

² Hurriyet Group consists of newspapers (Hurriyet, Referans and Hurriyet Daily News) and internet.

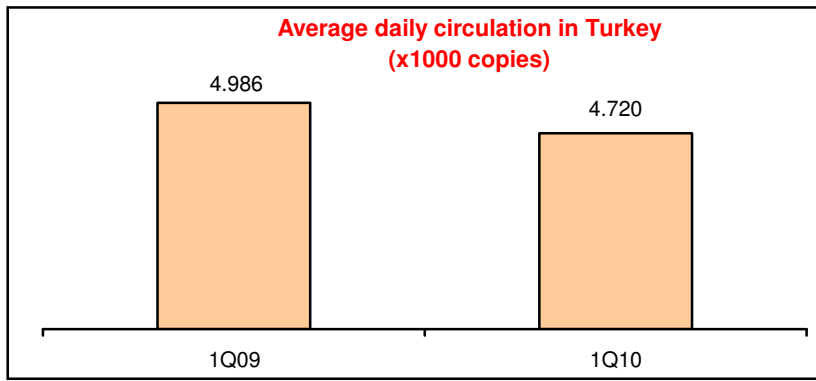
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1.3 Ad Revenue of TME

TME has realised TL 37.2 million of ad revenue in 1Q10, compared to TL 45.0 million in 1Q09. This corresponds to a decline of 17.5%.

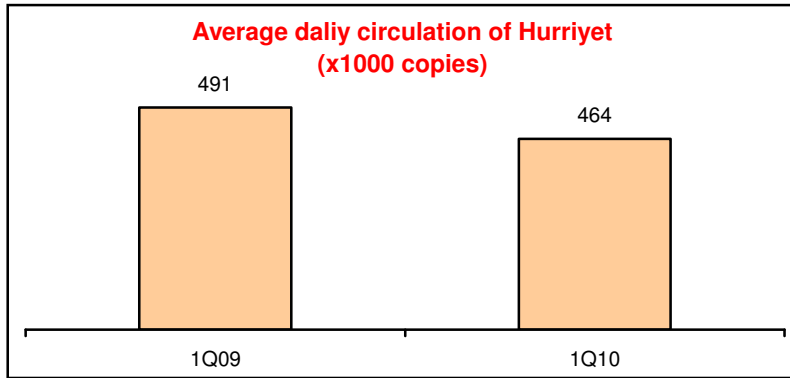
2. Circulation of Newspapers

2.1 Circulation in Turkey



According to Press Advertising Agency data, the average daily net newspaper sales in Turkey, which was 4.986.000 in the first 3 months of 2009 declined to 4.720.000 in the first 3 months of 2010. This represents a 5.3% decline in national circulation.

2.2 Circulation of Hürriyet



In the first 3 months of 2009, Hürriyet's average daily circulation was 491,000, and its market share was 9.8%. In the first 3 months of 2010, on the other hand, Hürriyet's daily circulation declined by 5.6% compared to the same period of last year and averaged out at 464.000. Hürriyet market share remained stable at 9.8% in 1Q10.

During the first quarter of 2010, there has been no change in Hürriyet newspaper cover prices.

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Circulation revenue of Hurriyet rose to TL 23.8 million in 1Q10, from TL 19.5 million in 1Q09, representing an increase of 22.2%.

2.3 Circulation Revenue of TME

The circulation revenue of TME declined by 11.2% in the first quarter of 2010 and amounted to TL 6.1 million, compared to TL 6.9 million in the first three months of 2009

3. Earnings before interest, tax and depreciation (EBITDA)

The consolidated earnings before interest, tax and depreciation (EBITDA), which was TL 25.0 million in the first quarter of 2009, declined to TL 23.4 million in the first quarter of 2010. TL 3.6 million of the EBITDA in 1Q10 stemmed from TME operations (TL 6.8 million in 1Q09).

Consolidated EBITDA (TL million)	1Q10	1Q09	change (%)
NET SALES	177.6	174.0	2.1%
-Ad revenue	100.0	98.5	1.5%
-Internet revenue (online)	11.3	8.3	36.1%
-Circulation revenue	29.9	26.4	13.3%
-Printing revenue	26.4	28.7	-8.0%
-Other revenues	10.0	12.1	-17.4%
COST OF GOODS SOLD	-112.8	-122.9	-8.2%
OPERATING EXPENSES	-65.3	-51.8	25.8%
OTHER OPERATING INCOME/EXPENSES (NET)	-3.4	-1.0	-
OPERATING PROFIT	-3.9	-1.6	-
EBITDA	23.4	25.0	-6.4%
EBITDA Margin	13.2%	14.4%	-

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D. Summarised Financial Results and Profitability

1. Main Financial Indicators

According to the consolidated balance sheet and consolidated income tables dated 31 March 2010 of our company, **not audited by the independent auditors**, main financial indicators are as follows:

Main Financial indicators (million TL)	31.03.2010	31.03.2009
Current assets	503.7	540.3
Non-current assets	1,316.3	1,389.2
Total assets	1,820.0	1,929.5
Short-term liabilities	461.1	328.4
Long-term liabilities	425.2	769.1
Majority interest	933.8	832.0
Net sales	177.7	174.0
Operating profit	-3.9	-1.6
Net profit/ loss	-1.3	-49.8

2. Financial Ratios

According to the data of the first three months of the last two years, the ratios related to the financial structure and the profitability of the company have been realised as follows:

Financial ratios	31.03.2010	31.03.2009
Current ratio (Current assets/short-term liabilities)	1.09	1.65
Net sales /total assets	0.10	0.09
Foreign assets/ shareholder's equity	0.95	1.32
Operating loss/ total assets	0.002	0.001
Operating loss/ net sales	0.02	0.01
Gross profit margin	0.36	0.29

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E. Subsequent Events

The permissions of the Capital Markets Board and the Ministry of Industry and Commerce related to the amendment of the Company's Articles of Incorporation, articles 9, 10, 13, 20, 21, 26, 29 and the Provisional Clause 1 having been obtained as of 19 April 2010, they shall be presented to the approval of the general assembly during the Ordinary General Meeting to be held on 26 May 2010.

Settlement has been reached related to the supplementary Tax Audit Reports comprising the original tax amounting to 22.569.005,-TL and the fine for loss of tax revenue amounting to 22.569.005,-TL for the fiscal term 2005, which has been served to our Company by the Revenue Controllers of the Ministry of Finance. Accordingly, the original tax and its tax have been determined as 8.000.000,-TL. The said amount, together with its default interest has been paid as of 6 May 2010.

The Company's Board of Directors has convened on April 30, 2010 and has adopted the following resolution related to the distribution of profit of the year 2009:

- According to our Company's consolidated financial statements of the fiscal term Jan.1, 2009 – Dec.31, 2009, which have been prepared in the framework of the provisions of the Communiqué Serial: XI No:29 of the Capital Markets Board and consistent with the International Financial Reporting Standards, the principles of presentation of which have been determined pursuant to the Resolutions of the Capital Markets Board in this matter, which have undergone independent audit; since, considering together the "term's tax expenditure", "deferred tax revenue" as well as the minority interest, a "Consolidated Net Term Loss" of 35.079.806,-TL has been seen to have arisen; upon provision to be made for the "II. Series Legal Reserves" amounting to 2.760.000,-TL pursuant to article 466 of the Turkish Commercial Code, a cash profit distribution pro rata 10% of our issued capital and amounting to 55.200.000,-TL of the amount having accumulated in the "profits of the former year" shall be realized and this circumstance shall be presented to the approval of the General Meeting.
- It shall be determined that in our Company's fiscal term Jan.1, 2009 – Dec.31, 2009, the "net term profit" in our financial records kept in the framework of the Turkish Commercial Code and the Tax Procedure Law amounts to 53.815.037,-TL; and that upon provision to be made from this amount for "I. Series Legal Reserves" amounting to 1.084.189,-TL and upon deduction of the "loss of former year" amounting to 32.131.261,-TL, the "distributable net term profit" shall be determined as 20.599.588,-TL; upon addition of 37.360.412,-TL, which is in the "extraordinary reserves", to the "distributable net term profit" and upon provision being made for the "II. Series Legal Reserves" amounting to 2.760.000,-TL pursuant to article 466 of the Turkish Commercial Code from this amount, a cash profit distribution pro rata 10% of our issued capital and amounting to 55.200.000,-TL shall be made and this circumstance shall be presented to the approval of the General Meeting.

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TME, a subsidiary of our Company, has signed a 5-year maturity loan with one year grace period, in the amount of USD 70 million, as of 23 April 2010, to be used for the repayment of the existing bank loan.