



Hürriyet
2004 Annual Report



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Hürriyet in Brief

Since 1948, Hürriyet has functioned as a school for the Turkish press. It is the symbol of impartial and independent journalism. It represents freedom of speech, social conscience and individual rights. All Hürriyet writers have created their devoted readers and they are all foremost opinion leaders in the country.

The end of the 1940s was a time when both social values and social systems were restructured and the Turkish Republic was transformed into a multi-party system. By the middle of the century, two world wars had ended, millions of people had died and the power of the atomic bomb had become part of our fears. This was also the same period when Western powers agreed upon the main principles for the establishment of NATO, the United Nations Council created the Bill of Human Rights, the Organization for European Economic Cooperation was founded and a proposition regarding the establishment of the European Council was made by Britain. In the midst of such historical events, the deprivation and impoverishment brought on by the war despite the distance it kept and striving to reinvigorate her closed economy, Turkey also struggled for social change. In such an environment, Hürriyet met its readers for the first time on May 11, 1948 and thus began writing about the history of Turkey. Since that day, and for the next 57 years without losing the first day's true spirit, Hürriyet has become an institution that lives by the slogan 'every morning a new day begins and rotary presses revolve.' It has become the most-read newspaper in Turkey and mirrors a diverse society. Hürriyet belongs to the future as a role model in the media sector with its steadfast principle of impartial, first-hand and correct reporting.

Hürriyet is the source of accurate reporting and honest news analysis for all Turkish-speaking people around the world. It is a free platform where diverse views are expressed in keeping with Core Values and Publishing Principles of Doğan Yayın Holding. Hürriyet has the largest staff of reporters and writers in Turkey and is supported by a wide news-gathering web provided by regional agencies located in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon. This journalistic network is made up of fifty-two offices and six hundred reporters in Turkey and abroad, all affiliated with Doğan News Agency, which works with the newspapers and TV stations owned by Doğan Yayın Holding.

Founded within the Doğan Yayın Holding conglomerate, Hürriyet's main enterprise is journalism. However, through affiliated firms and partnerships in and outside Turkey, Hürriyet is also active in other areas such as printing, distribution, Internet services, book publishing, advertising, TV production and marketing.

Hürriyet is printed in six cities in Turkey as well as in the Doğan Printing Center in Frankfurt,

Germany. Yaysat, a leading distribution company in Turkey specializing in printed material, is responsible for inland distribution of the newspaper. With a readership reaching more than 1.9 million people a day, 60% of Hürriyet's audience is made up of regular readers. More than 65% of Hürriyet's readers have completed higher education and belong to the high-income group.

In 2004, Hürriyet's average daily circulation was 460,000; with regards to both daily average net sales and advertising revenue, Hürriyet was the sector leader in Turkey. According to the 2004 data, Hürriyet commands a 14.8% share of total advertising revenue in Turkey and has a 41.3% share of total newspaper advertising revenue.

Among 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 score of B+ (stable outlook) in long-term foreign currency, a B+ (positive outlook) in long-term domestic currency and a national credit score of A+ (Tur) determined by FitchRatings, Hürriyet has emerged as one of Turkey's most successful businesses in terms of creditworthiness.

After going public in 1992, Hürriyet's shares were one of only a few high-return shares in the period between December 2001 and December 2004. With its ability to produce cash funds and its liquid financial structure, Hürriyet has shown a remarkable strength withstanding against fluctuations in the financial markets. According to closing prices of Hürriyet stock on the Istanbul Stock Exchange (ISE) at the end of 2004, its market value had increased 12.4% in terms of US dollars. Hürriyet is well-regarded by international investors, as 85% of its listed shares (which constitute 34% of the total shares) are internationally owned, a percentage that is one of the highest among companies participating in the ISE.

In 2004, Hürriyet's turnover was YTL 473 million, with a net profit of YTL 27 million and a paid-in capital of YTL 416.7 million.

Hürriyet's goal in the coming years is to be among the top 20 most reputable businesses in Turkey. Accordingly, Hürriyet aims to remain true to its concept of corporate governance and excellence in journalism by establishing and maintaining the highest standards. Hürriyet aspires to further distinguish itself in the eyes of its readership, become more accessible to the general public and focus on increasing the quality and efficiency of its workforce.

Financial Highlights

(YTL)

2004

2003

Total Current Assets	287,983,436	301,637,613
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Total Fixed Assets	549,891,104	516,602,240
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Total Assets	837,874,540	818,239,853
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Total Short-term Liabilities	98,667,019	117,086,066
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Total Long-term Liabilities	139,797,840	105,667,975
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Total Shareholders' Equity	583,017,868	580,900,593
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Net Sales	473,549,359	458,063,372
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Established in 1948, Hürriyet has become a leading newspaper and the best known media company in the country.

	2004	2003
Operating Profit	63,707,105	12,467,457
Profit before Taxes	65,647,379	45,626,584
Net Profit	27,200,087	58,652,105
Average Daily Net Sales (Unit)	495,000	460,000
Average Number of Pages (Page)	72.2	55.9
Paper Used (Tons)	81,689	57,828
Paper Price (US\$/ton)	563	501