

REPORT IN COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

1. Declaration of Compliance with Corporate Governance Principles

As Türkiye Newspaper completed its 40th year in publishing life, the newspaper's owner İhlas Gazetecilik A.Ş. initiated compliance works regarding Corporate Management Principles before the public offering. Within this scope, the Company rearranged its Board of Directors and set up its Shareholder Relations Unit. In order for the partnership to fulfil the liabilities arising from the capital market legislation, and to ensure coordination in corporate management practices after the public offering, Alper Korkmaz acquired the "Advanced Level Certificate for Capital Market Activities" and was appointed Shareholder Relations Unit Coordinator.

Within the scope of Corporate Management Principles, all annual reports prepared and the corporate website are maintained in compliance with these principles. The Shareholder Relations Unit keeps all the shareholders informed through the website, which is continuously maintained at an up to date status.

One third of the Board of Directors, in which the Chairman of the Board of Directors is different from the Chief Executive Officer, consists of Independent Members. In the Corporate Management Committee, one of the committees created within the Board of Directors, Orhan Tanışman was commissioned as Chairman and Mehmet Remzi Esen, who is an independent member, was commissioned as a Member. Dođuş Bektaş Başkan and Nazmi Örs were commissioned in the Audit Committee, which is formed entirely of Independent Members.

Our Company has participated in training courses, seminars and panel discussions in order to improve compliance with the principles and follow developments in Corporate Governance.

There are no conflicts of interest arising from any matters of discordance with Corporate Management Principles.

Nuh Albayrak
Member of the Board of Directors
and Editor-in-Chief

Ümit Künar
Executive Member of the Board
of Directors Responsible for
Financial Affairs

SECTION I - SHAREHOLDERS

2. Shareholders Relations Unit

The Company's Shareholder Relations Unit was established according to the Board of Directors' decision No. 2010-06, dated 19.03.2010.

In order to ensure coordination in corporate management practices after the public offering, Alper Korkmaz was appointed Shareholder Relations Unit Coordinator as of 08.09.2010. Alper Korkmaz also holds the "Advanced Level Certificate for Capital Market Activities". In the Shareholder Relations Unit, Murat Kayalı was assigned manager and Sinan Yılmaz was assigned as the other employee.

Contact information of the Shareholder Relations Unit is as follows:

Name and Last Name	Title	Telephone	E-Mail
Alper Korkmaz	Coordinator	(0212) 454 3447	alper.korkmaz@tg.com.tr
Murat Kayalı	Manager	(0212) 454 3015	murat.kayali@tg.com.tr
Sinan Yılmaz	Personnel	(0212) 454 3437	sinan.yilmaz@tg.com.tr

By the end of December 2010 e-mails received at this contact address were answered, and questions from domestic and international investors have also been answered.

The Unit performed an active role in the preparation of the Company's Annual Report. By this way investors are kept fully informed of developments. The Company's Investor Relations Unit updates the corporate website in line with developments and changes in the corporate organization and in accordance with the Corporate Governance Principles issued by the CMB. Since then, it has been updated in accordance with principles.

3. The Use of the Shareholders' Right to Obtain Information

Information requests received from shareholders are generally responded to via e-mail and telephone. The majority of incoming questions were related to Stock Market performance and the content of the replies included information that was not publicly announced and of confidential nature in commercial terms, while remaining in conformity with the Capital Markets Board legislation and the Turkish Code of Commerce.

The website provided as a service for shareholders is at www.ihlasgazetecilik.com.tr and is continuously updated by the Shareholder Relations Unit.

The appointment of a private auditor was not regulated in the articles of incorporation and there were no demands for such.

4. General Assembly Information

Decisions made by the Board of Directors for the General Assembly Meeting, the date, location and agenda items regarding the meeting are announced to the public through the Public Disclosure Platform (KAP) within the structure of the Istanbul Stock Exchange, through the Turkey Trade Registry Gazette and through two national newspapers.

The balance sheet, income statement and annual report are kept available for inspection by shareholders 21 days prior to the meeting date of the General Assembly Meeting on the Company website, under the Financial Affairs Coordinator and Shareholder Relations Unit.

After being registered and shared with the public, proceedings of the General Assembly Meeting are kept available on the Company website and at the Shareholder Relations Unit.

No provisions were included in the articles of association stating that a General Assembly resolution was required for major issues e.g. division, sale, purchase, leasing of substantial assets.

There were 4 General Assembly Meetings held during the year 2010 and 100% participation was achieved.

- In the Extraordinary General Meeting dated 11.02.2010, an amendment was made in the Company Main Contract's article on capital, stock share lots and concessions.
- In the Extraordinary General Meeting of Group A Privileged Shareholders dated 29.03.2010, the Company Main Contract's articles regarding the subject and the purpose were amended.
- The scope of the Ordinary General Assembly Meeting dated 21.04.2010 included the selection of the members of the Board of Directors, transition to the registered capital system and the results of the accounting period of 2009.
- In the Extraordinary General Meeting of Group A Privileged Shareholders dated 21.04.2010, privileged shareholders endorsed the decisions taken by the ordinary shareholders.

5. Voting Rights and Minority Rights

In the Ordinary and the Extraordinary General Assembly Meetings of İhlas Gazetecilik A.Ş., group A shareholders have 100 vote rights for each share they possess.

The affiliated companies have no participations in the Company.

Minority interests are not represented in the management and no method of cumulative voting is provided in the Articles of Association of İhlas Gazetecilik A.Ş.

6. Profit Distribution Policy and Date of Profit Distribution

The Board of Directors of the Company aims at stable dividend distribution for as long as circumstances allow. However, the authority of arbitration on dividend distribution in accordance with Turkish Commercial Code belongs to the General Assembly. Within this context, the "net distributable profit for the period" calculated by taking the financial statements prepared to the standard specified by the Capital Markets Board into consideration, will be subject to distribution at the ratio determined by the Capital Markets Board, if an

obligation of distribution is imposed by the Capital Markets Board for companies whose shares are traded on the Stock Exchange. However, if an obligation of distribution is not imposed by the Capital Markets Board for companies whose shares are traded on the Stock Exchange, it will be subject to distribution at the ratio determined by the General Assembly. Profit distribution is described in detail in the 29th and 30th articles of our main contract.

a) The portion of revenue that should be legally set aside according to the Turkish Trade Act, Tax Procedural Law, Capital Markets Law, Principles of the Capital Markets Board and related articles of the Company's articles of association is set aside. Once set aside, the distributable revenue is determined.

b) Profit will be allocated in proportion with the minimum profit share amount designated by the Capital Markets Board, by taking our Company's investment and financing plans, strategic objectives, fund requirements arising from the working capital and the interests of the shareholders into consideration. Arising needs of the Company's growth trend, profitability, strategic objectives, investment projects and net working capital will also be taken into consideration. The related articles of the Turkish Trade Act, Tax Procedural Law, Capital Markets Law, Principles of the Capital Markets Board and related articles of the Company's articles of association will be complied with. Bearing in mind the potential profit share of the Company, the Executive Board can always decide to share more than the minimum profit allocation amount and propose this to the Board of Directors for approval.

c) Once the profit sharing decision is made, it is up to the Executive Board to decide on the method. It can be either cash and / or opt for a bonus share. This is then proposed to the Board of Directors for approval.

d) A grant in profit allocation is not in question. The profit is distributed equally between all existing shareholders no matter what the issuance and acquisition dates may be.

e) There is no article in the articles of association on profit allocation to managers and employees.

f) The shared profit will be distributed within legal regulations and article 30 of the Company's articles of association following the approval of the General Assembly of Shareholders and on the date decided once again by the Board of Directors.

g) Referring to article 29 of the articles of association, if the Board of Directors authorizes the Executive Board, and with the decision of the Executive Board, it is possible to give advance profit share to our partners.

h) The management informs the public on donations and charity work made during the year and those that are planned to be made at the end of the year. Moreover, donations made and grants given are also included in the Board of Directors' Annual Report which is disclosed to the public in three-month intervals.

Profit Distribution Policy has not yet been submitted for shareholders' information at the General Assembly.

The 29th and 30th articles of our main contract are as follows;

DETECTION AND DISTRIBUTION OF PROFIT

Article - 29:

A. Dividend

Dividend is designated based on the Turkish Trade Act, Capital Markets Law and generally accepted accounting principles. Dividend is the amount left at the end of the accounting year and shown in the annual financial statement after sums such as general expenses and diverse depreciations that must be paid by the Company are deducted. Taxes that must be paid by the corporate body are deducted from the revenue determined at the end of the accounting year. Deficit from previous years, if any, is also deducted from that amount. What is left is allocated according to the following:

Primary Legal Reserve

a. A legal reserve of five percent (5%) of the net profit is separated up to one fifth of the paid-in capital.

First Dividend

b. A first dividend is separated at a rate decided by the Capital Markets Board from the amount remaining after the sum described in paragraph (a) is deducted from the profit.

Second Dividend

c. The General Assembly is authorized to decide whether to allocate some or all of the amount remaining once the sums of dividend described in paragraphs (a) and (b) are deducted from the net profit, or to set aside an auxiliary reserve.

Secondary Legal Reserve

d. One tenth of the amount of the profit remaining, after 5% of the paid-up capital is set aside from the sum decided to be allocated to shareholders and other participants, is set aside as secondary legal reserve according to the third sub clause of the second paragraph of article 466 of the Turkish Trade Act.

e. Before the legal reserves that must be put aside according to law, and before the first dividend is distributed in cash and / or as shares, it cannot be decided to separate reserves, endorse profit for the next year and allocate dividend to preferred shareholders, owners of participation, constituent and redeemed shares, members of the Executive Board, officials, clerks, employees, foundations of any sort and individuals and / or institutions of this sort.

f. If not contravening the 15th/last article of the Capital Markets Law, if necessary explanations are given and on condition that donations made during the year are presented to the knowledge of the members of the Board of Directors, it is possible to set aside part of the dividend for members of the Executive Board, officials, clerks, employees, foundations of any sort and individuals and/or institutions of this sort.

g. Dividend is distributed equally to all existing shares by the accounting period no matter what their issuance and acquisition dates may be.

h. The type and the date of the profit allocation are decided by the Board of Directors upon the proposal of the Executive Board. It complies with the articles of Capital Markets Law.

B. Advance Dividend

If authorized by the Board of Directors and complying with article 15 of Capital Markets Law and other communiqués of the Capital Markets Board, the Executive Board can distribute advance dividend limited to the related year. The authorization of distributing dividend, given

to the Executive Board by the Board of Directors, is limited to the year that the authorization is given. Before the advance dividend of a previous year is fully entered into account, no extra or new advance dividend can be distributed.

DATE FOR PROFIT DISTRIBUTION

Article 30:

The date of the profit distribution is decided by the Board of Directors upon the proposal of the Executive Board. It complies with the articles of the Capital Markets Law.

7. Transfer of Shares

According to the 8th article of the Company's main contract, Group A shareholders have the prioritized share purchase rights in the transfers of Group A registered shares. In addition, transfers of Group A shares are subject to endorsement by the Board of Directors.

In the subject of the transfer of B Group shares issued to the bearer, there are no restrictions. These shares can be transferred freely under condition of being in accordance with the Turkish Commercial Code.

SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. The Company Information Policy

The Informing Policy of İhlas Gazetecilik A.Ş. will be submitted for shareholders' information in the first General Assembly meeting to be held. The information policy included in the Corporate Management Principles Compliance Report is announced to the public through the periodical activity reports and on the Company's corporate website under the title "Corporate Management".

Purpose

The main purpose of the information policy is to ensure the transmission of the necessary information and explanations excluded by the scope of trade secrets, to shareholders, employees, customers, creditors and other related parties in a manner that is timely, accurate, complete, understandable, and accessible in the easiest way, at the lowest cost and under equal conditions.

In order to follow an active and transparent information policy, İhlas Gazetecilik A.Ş. performs its informing and public disclosure activities, including all kinds of necessary financial information, other explanations and notifications within the framework of the relevant legislation in the Turkish Commercial Code and especially the regulations of the Capital Markets Board (SPK) and Istanbul Stock Exchange (İMKB) while remaining within the context of Generally Accepted Accounting Principles.

Responsibility

The Board of Directors is responsible for creating, reviewing and updating the information policy. The Corporate Management Committee makes recommendations to the Board of Directors and related units about the information policy. The information policy presented to the shareholders at the General Assembly is disclosed to the public on the Company website.

Informing Tools and Methods

Tools and methods used by the Company in order to inform and notify the public in accordance with Capital Markets Board (SPK), Istanbul Stock Exchange (İMKB) regulations and the Turkish Commercial Code (TTK) provisions are listed below.

- 1- Special case announcements transmitted to the Public Disclosure Platform within the Istanbul Stock Exchange (İMKB) in accordance with the relevant notification of the Capital Markets Board (SPK),
- 2- The corporate website (www.ihlasgazetecilik.com.tr),
- 3- Financial Statements and their Footnotes, Independent Audit Report, Statements and Annual Reports declared on the Public Disclosure Platform and on the Company website,
- 4- Notices and announcements made by means of the Turkey Trade Registry Gazette and daily newspapers,
- 5- Press releases made to the written and visual media in addition to data distribution companies such as Reuters and Forex,
- 6- Investor meetings, informational and promotional documents prepared for investors,
- 7- Registration statements, communiqués, announcements and other documents that are required to be prepared in accordance with Capital Market Regulations,
- 8- Meetings with Capital Market participants that are either face to face or via teleconferencing.

Financial statements are subject to independent audit, based on independent audit standards published by the Capital Markets Board and submitted for the approval of the Board of Directors following the approval of the Audit Committee. It is presented to the Board of Directors' endorsement after being approved by the Audit Committee. After the attestation is signed by the authorized members of the Board of Directors, financial statements are disclosed to the public.

Following the approval of the Board of Directors, financial statements and their footnotes, as well as independent audit reports and their annexes are submitted to the Public Disclosure Platform in electronic form for publication in line with CMB and ISE regulations. Financial statements and their footnotes are also submitted through an electronic environment via KAP (Public Disclosure Platform) Submission.

Individuals Authorized to Make Statements

All special case statements of İhlas Gazetecilik A.Ş. are made within the scope of the Capital Markets Board's Communiqué on Principles Regarding Public Disclosure of Special Cases (Series: VIII, No: 54). Special case announcements are prepared within the structure of the Financial Affairs Coordinatorship, with the signatures of the related Members of the Board of

Directors, and are disclosed to the public through the Public Disclosure Platform (KAP) and the Company website.

News and Rumors in the Market

News and rumors about the Company appearing in media organs and in the public are followed by our Investor Relations Unit on an up-to-date basis.

When news or rumors appear in media organs and/or in the public regarding our Company, and in the event that they are of a degree of significance such that they affect the investment decisions of investors or influence the value of capital market instruments, and which had not been disclosed by individuals authorized to represent our Company (other than information already disclosed to the public through special situation announcements, prospectuses, circular notes, proclamation texts approved by the Board, financial reports and other public disclosure documents), necessary explanations shall be provided by the associates in pursuance with Article 18 “Confirmation of News and Rumors” of the Communiqué on whether such news and / or rumors are true or sufficient.

However, no special situation announcement shall be made if the information in such news and / or rumors is composed of information which had been disclosed through special situation announcements, circular notes, prospectuses, promulgation texts approved by the Board and financial reports and did not include any additional information.

Announcement of Expectations

Our Company may announce its expectations from time to time in compliance with its Information Policy. In written documents in which expectations are stated, the assumptions that such expectations are based on, and the motives they were prepared in accordance with, shall also be explained. Such explanations shall clearly state that the actual results may differ from expectations due to possible risks, uncertainties or various other reasons. Future-oriented information included in public disclosures shall be explained along with the grounds that the forecasts are based on, as well as statistical data. Information shall not include groundless or exaggerated projections, shall not be misleading and shall be associated with the Company’s financial status and results of its operations.

In public disclosures, in the event that forecasts and their grounds stated in regular financial statements and reports are not realized or understood not to be realized, revised information, statements and reports along with their grounds shall be immediately disclosed to the public.

Expectations shall be announced only by those persons authorized to issue public disclosures and by explicitly expressing the above stated warnings or by making reference to a written document (such as press release, information document, explanation formerly made within the framework of the Capital Markets Legislation, etc.) which is already disclosed to the public.

In the event that there is a significant change in the Company’s financial status and/or operations or in cases in which it is expected that a significant change will take place in the near future, public disclosure is made within the framework of the Company’s Public Disclosure Policy, provided that provisions stated in related regulations are preserved.

Internal Information and Non-Disclosure

Press statements to the written and visual media can only be made under the responsibility of the Executive Board Member responsible for Fiscal Affairs. Apart from this member, unless specially assigned, none of the Company employees may respond to questions from participants of the capital market. Incoming information requests are forwarded to the Shareholder Relations Unit. Within the scope of information management, information regarding the Company's management, legal status and Company projects, other than those set by legislation, are announced to the public through explanations made by appointed managers and Members of the Board of Directors.

Public Announcements by Insiders with Access to Information

People with access to information of a nature that may affect the value of the Company's capital market tools may be specified as the Board of Directors, Members of the Board of Directors and people involved in senior management as they also have access to insider information. When providing a balance between the policies of full and complete public disclosure, transparency of activities and preserving the Company and investor benefits, it is very important that all Company employees and managers comply with the legal regulations regarding the use of inside information. In this respect, the names of those with access to inside information are published in an updated list at the Company website under the title Corporate Management. None of the employees or managers has the right to use any insider information regarding the Company directly or indirectly. Moreover, they are aware of all restrictions about the nature of this information and the legal regulations, in addition to behaving in compliance with these restrictions and prohibitions.

The Company website and its content

The website address of İhlas Gazetecilik A.Ş. is www.ihlasgazetecilik.com.tr. Miscellaneous information that may be requested about the Company is comprehensively included on the Internet address in question. Information disclosed to the public is also published on the website to ensure that everyone may access the same information simultaneously. The website is updated in line with developments and includes a section called "investor relations" in which minimum points predicated by the Capital Markets Boards are included. The Shareholder Relations Unit keeps all the shareholders informed through the website, which is continuously maintained at an up to date status.

9. Special Situation Disclosures

All information on exceptional situations given after our Company was listed on the Istanbul Stock Exchange in 2010 complies with the Capital Markets Board's communiqué on the principles regarding the explanation of exceptional situations to the public (Serial VII, No: 54). By the end of December 2010 we made 18 exceptional occasion explanations. These explanations made by our Company were prompt and complete and the Capital Markets Board did not request for further explanation.

10. The Company Website and Its Content

Our Company website is www.ihlasgazetecilik.com.tr. Miscellaneous information that may be requested about our Company is comprehensively included on the Internet address in question. Our website is updated in line with developments and includes a section called "Investor Relations" in which minimum points predicated by the Capital Markets Boards are included. Our work on continuous dialogue with investors, and expanding disclosures, is ongoing.

11. Announcement of Individuals who are Ultimate Controlling Shareholders

The Company's shareholding structure is disclosed on the website free from indirect participation relationships. All changes are immediately displayed in the tables.

12. Announcement of Persons Who Have Access to Inside Information

The list of persons who have access to inside information are:

Name	Title
Dr. Enver Ören	Partner of the Company
Ahmet Mücahid Ören	Chairman of the Board and Partner of the Company
M. Muammer Gürbüz	Deputy Chairman of the Board, CEO and Partner of the Company
Nuh Albayrak	Board Member, Editor-in-Chief and Partner of the Company
Ümit Künar	Executive Board Member Responsible for Financial Affairs
Mustafa R. Selçuk	Board Member
Orhan Tanışman	Board Member
Mehmet Remzi Esen	Independent Board Member
Nazmi Örs	Independent Board Member
Doğuş Bektaş	Independent Board Member
Salih Sağlam	Auditor
Alper Korkmaz	Investor Relations Unit Coordinator
Murat Kayalı	Investor Relations Unit Manager
Sinan Yılmaz	Investor Relations Unit Officer
Oğuz Fatih Topal	Accountant
Umut Bilen	Secretary to the Board
Şükrü Yavuz	Pür Bağımsız Denetim YMM A.Ş., Responsible Partner Chief Auditor
Hüseyin Perviz Pür	Pür Bağımsız Denetim YMM A.Ş., Responsible Partner Chief Auditor
Ercan Çardak	Pür Bağımsız Denetim YMM A.Ş., Chief Auditor
Uğur Yıldırım	Pür Bağımsız Denetim YMM A.Ş., Chief Auditor
Nilgün Karataş	Pür Bağımsız Denetim YMM A.Ş., Auditor
Şeref Özçelik	Pür Bağımsız Denetim YMM A.Ş., Auditor
Funda Songül Mantarcı	Pür Bağımsız Denetim YMM A.Ş., Assistant Auditor
Faruk Çardak	Pür Bağımsız Denetim YMM A.Ş., Assistant Auditor
Mustafa Tunca	Pür Bağımsız Denetim YMM A.Ş., Assistant Auditor
Özkan Yavuz	Pür Bağımsız Denetim YMM A.Ş., Assistant Auditor

SECTION III - STAKEHOLDERS

13. Informing Stakeholders

Corporate management practices of İhlas Gazetecilik A.Ş. guarantee the stakeholders' rights defined by legislations, legal regulations and mutual agreements. Company employees, partners and any third parties or organizations carrying on a business relationship with the Company may submit all suggestions or violations of this nature directly to Company authorities.

During the reporting period, all requests and questions from stakeholders were responded to by the related units and the e-mail address ihlasgazetecilik@tg.com.tr was used as the most effective response point.

14. Participation of Stakeholders in the Management

Considering stakeholders, İhlas Gazetecilik A.Ş., continuously improves the quality of products and services to meet customer expectations. During the reporting period, recommendations received through the official e-mail address were taken into consideration and transferred to the relevant units. Works regarding stakeholders' participation in management are ongoing.

15. Human Resources Policy

Our Company's human resources policy is as follows:

Our Vision

İhlas Gazetecilik is an organization with global and strategically oriented thinking; focused on the environment, society and customers; respecting resources, targeting efficiency, commanding scientific and integrated business practices, emphasizing compromise, change and sharing. Thus, for a contemporary Human Resources Management, the Company tries to recruit employees who share and practice these values. In parallel with the developments in management and organizational sciences and human resources management, both in Turkey and the world, the Company aims to maintain a competitive edge among its competitors; to introduce and employ a modern management system in the framework of a progressive vision in line with corporate culture and values.

Our Basic Policy

- Adjusting the organizational structure of İhlas Gazetecilik to ensure it is dynamic and open to change, without diverting from its visions and objectives
- To ensure an efficient and productive workforce working under the guidance of the Company's main objectives, developing all systems in terms of individual and team performance within the context of process development, improving employees' professional skills to support their own performance, the corporate performance and for their career enhancement.

- Adherence to democratic principles of recruitment by not discriminating between candidates based on religion, language, sex or race during search, selection or during their employment.
- Preference to take disciplinary and regulatory measures rather than impose prohibitions
- Recruitment of employees to İhlas Gazetecilik who have outstanding academic credentials, are ethically conscious, demonstrate high emotional intelligence, display no behavioral problems, are open to dynamism and changes, able to think positively, exhibit superior delegation skills and relate to corporate values.

Functional Policy

- To set up a friendly atmosphere so that all employees will contribute to the Company,
- To treat all employees equally and fairly,
- To provide all employees with equal opportunities so that they can contribute to the company, to the team they work in, and will self-improve to the utmost level,
- To help all employees utilize their skills, mental capacities and value production in the direction of corporate objectives,
- To establish and update systems that offer opportunities to employees for career development in the Company (or subsidiaries), by bearing in mind the needs of the company, individual talents and professional goals,
- To establish and update performance and pay systems in accordance with the structure of the Company; carrying out performance, career and salary appraisals in the fairest way,
- To make sure that employees will have clear and explicit information about how their role, capacities, authorities, responsibilities and work contribute to the main objectives of the Company,
- To notify all employees in advance about a system to be introduced and decisions about targets,
- To achieve multi-dimensional interaction and communication during Human Resources Management practices,
- To collect, sort and update all information, files and administrative data concerning employees,
- To establish an all-embracing and integrative corporate culture,
- To organize social and cultural activities that will prompt feelings owning up to the corporate culture and increase morale/motivation,
- To revise human resources systems steadily to catch up with the developments in the world, while remaining loyal to beliefs / values of the Company,
- To extend training activities in a fair manner, within a certain budget and system to develop personal skills of employees,
- To introduce necessary regulations and drafting procedures so all employees will have the same rights and their performance will be facilitated,
- To offer assistance as soon as possible in case of any personal problems that may befall employees.

16. Information concerning Customers and Suppliers

For our Company which operates in the written media, customer (readers, advertisers, outsourced newspapers and other printing jobs) satisfaction is extremely important. To this end, qualified publishing and the importance granted to social responsibilities are especially prioritized.

The most important raw material in the Company's production is paper. Paper is obtained from suppliers abroad.

Newspapers, their attachments, and outsource printing for the market are produced in the Company's printing facilities in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon.

Every effort is made to ensure customer satisfaction.

17. Social Responsibility

Our Company strives to achieve the objective of improving quality of life, supporting economic development and remaining in compliance with laws, environment, consumers, regulations on public health and ethical principles in its operations. Our Company has been following social works for the environment, its region and the general public, while envisaging supporting and leading the appropriate projects.

During the period, no harm was done to the environment. Similarly, there were no conditions present that required an environmental impact assessment report about our Company.

18. The Structure and Composition of the Board of Directors and Independent Members

Ahmet Mücahid Ören	Chairman of the Board (Non-Executive Member)
M. Muammer Gürbüz	Deputy Chairman of the Board and CEO (Executive Member)
Nuh Albayrak	Board Member and Editor-in-Chief (Executive Member)
Ümit Künar	Board Member and Executive Director Responsible for Financial Affairs (Executive Member)
Mustafa R. Selçuk	Board Member (Non-Executive Member)
Orhan Tanışman	Board Member and Corporate Management Committee Chairman (Non-Executive Member)
Mehmet Remzi Esen	Board Member and Corporate Management Committee Member (Independent Member)
Doğuş Bektaş	Board Member and Audit Committee Chairman (Independent Member)
Nazmi Örs	Board Member and Audit Committee Member (Independent Member)

Our Board of Directors consists of 9 members including 3 executive, 3 non-executive and 3 independent members. Accordingly, one third of the Members of the Board of Directors have executive duties and one third of the Board is made up of independent members.

Mehmet Remzi Esen, Doğuş Bektaş and Nazmi Örs, Independent Members of the Board, submitted their statements of independence (copied below) to the General Assembly they were elected on April 21, 2010.

STATEMENT OF INDEPENDENCE

I declare that in the past two years, there has not been any direct or indirect relationship of interest between İhlas Yayın Holding A.Ş. (the Company) or subsidiaries and myself, my spouse or relatives to the third degree with respect to employment, capital or commerce; I have not taken part in the independent auditing process in the past two years; I am independent according to criteria stated in the regulations, contracts and the Corporate Governance Principles issued by the Capital Markets Board.

Mehmet Remzi Esen

STATEMENT OF INDEPENDENCE

I declare that in the past two years, there has not been any direct or indirect relationship of interest between İhlas Yayın Holding A.Ş. (the Company) or subsidiaries and myself, my spouse or relatives to the third degree with respect to employment, capital or commerce; I have not taken part in the independent auditing process in the past two years; I am independent according to criteria stated in the regulations, contracts and the Corporate Governance Principles issued by the Capital Markets Board.

Doğuş Bektaş

STATEMENT OF INDEPENDENCE

I declare that in the past two years, there has not been any direct or indirect relationship of interest between İhlas Yayın Holding A.Ş. (the Company) or subsidiaries and myself, my spouse or relatives to the third degree with respect to employment, capital or commerce; I have not taken part in the independent auditing process in the past two years; I am independent according to criteria stated in the regulations, contracts and the Corporate Governance Principles issued by the Capital Markets Board.

Nazmi Örs

19. Qualifications of Board Members

In principle, candidates for the Membership of the Board are chosen among those with a high level of knowledge and skill, qualified and with a certain experience. Those who have committed any crime against Capital Markets Law, insurance laws, banking laws, money laundering laws and laws on loans and / or those who have served more than five years incarceration, apart from convictions on negligence, may not become Member of the Board. Also, those who have been sentenced to penal service for debt fraud, extortion, bribe, theft, fraud, forgery of legal documents, abuse of trust for service, fraudulent bankruptcy, conspiracy to fix tenders and purchasing, revealing state secrets, and fiscal evasion through counterfeit. Those, going five years back from the date that they are chosen to the Board, convicted of one of the above crimes, must immediately resign from their duty and they cannot be re-elected in the following five years.

A Board Member is chosen from among qualified people with knowledge about the Company's field of activity and with experience gained through working in the public or private sector.

Besides the general characteristics described above, the minimum requirements sought in a candidate for Board Membership candidacy are as follows:

a- Being able to read and analyze financial tables,

b- Having fundamental information of the legal regulations that daily and long-term activities of the Company are subject to,

c- Possessing the capacity and determination to attend all meetings of the Board that are planned to be held within the related accounting year.

The minimum requirements for Executive Board candidacy are not listed in the articles of association. However, the established practice is that those, as stated in Capital Markets Board Corporate Management Principles Part IV articles 3.1.1, 3.1.2 and 3.1.5, with a high level of knowledge and skill, qualified, with a certain experience and university qualification may be chosen as members. All members of our Executive Board possess the minimum requirements.

Although minimum qualities required from board members are not specified in the Articles of Association, conventionally: As stated in the CMB Corporate Governance Principles, Section IV, articles 3.1.1, 3.1.2 and 3.1.5, board members should possess a high level of knowledge and skills, be qualified for the position, possess the appropriate experience and background, have no previous financial criminal convictions, be knowledgeable about the company's fields of activity and management and preferably hold university degrees. All board members have these minimum qualifications.

20. Mission, Vision and Strategic Targets of the Company

Mission: The main target of İhlas Gazetecilik is to provide accurate news and information to its readers and other clients and give them honest comments and evaluations, and also to present the highest quality in the print services it offers. The main duty of the Company's directors has always been to manage the Corporation and Newspaper in a manner that protects its independence, which is fundamental, and provides the highest profit possible for shareholders.

Vision: İhlas Gazetecilik stands out with its qualified publishing, quality print, the value placed on its employees and the care in social responsibilities in order to reach its targets. The vision is to maintain its support for social works in the future just as in the past and keep being a pioneer in this field.

Strategic Targets: The strategic targets of İhlas Gazetecilik are to provide a consumer oriented system; develop special products aimed at the reader; produce content with traditional brands; closely follow developments in technology; to diversify and enlarge distribution channels by using management methods; prepare information and entertainment products and tools for individuals and cooperate with the world's leading media corporations.

21. Risk Management and Internal Control Mechanism

An Audit Committee was formed in the Board of Directors and works regarding the setting up of an Internal Audit Department were initiated. Regarding the effective implementation of Internal Audit in our Company, the process time frames will be determined, procedures will be prepared and implementation will be commenced.

22. Authorities and Responsibilities of the Board Members and Company Executives

The Company is represented and managed by the Board of Directors.

For documents given by or agreements to be made by the Company to be valid, a signature of an authority with the power to represent and bind the Company must be present beneath the Company title. The signatures to represent and bind the Company are assigned and determined by the General Assembly.

The Board of Directors selects a President from among its members and a Deputy Chairman to stand in for him in case of his absence.

The Board of Directors holds the right to establish as many committees or commissions as needed from its members to overview the process of operations, to make the necessary preparations for requests, to report on all important issues and especially on the issuing of the balance sheet, in addition to observing the implementation of the decisions taken.

If required by the Company operations, Members of the Board of Directors may select Executive Members or Members and assign them a portion of the related works.

The Board of Directors may also represent and bind the Company through assigning managers.

The Board of Directors keeps the necessary books, issues the balance sheet of the determined business year in accordance with the provisions of the law, and presents the balance sheet for review by shareholders at least 21 days before the General Assembly meeting.

Aside from the balance sheet, the Board of Directors issues a report at the end of each year which shows the Company's commercial, financial and economic status in addition to a summary of the business and operations performed. In the report, the Board of Directors also prepares a proposal regarding the determination of the amount of earnings to be distributed, as well as the amount that constitutes the reserve fund, and presents this report and proposal to the General Assembly. The report and the proposal documents are respectfully submitted for review by the shareholders at least 21 days before the General Assembly meeting.

The members of the Board of Directors perform the necessary operations to ensure compliance with Corporate Management Principles that already are or will be published by the Capital Markets Board.

The management rights and the representation authorities of the Board of Directors of the Company are not identified in the Articles of Association. However, they are specified with legislation, ethical principles and procedures within the Company.

For any documents given by or agreements to be made by the Company to be authentic, a signature of an authority or authorities with the power to represent and bind the Company must be present beneath the Company title. When representing and binding the Company, Ahmet Mücahid Ören is authorized with an individual and detached signature as the Chairman of the Board of Directors, and any two Members of the Board of Directors M. Muammer Gürbüz, Nuh Albayrak, Ümit Künar and Mustafa R. Selçuk are authorized with joint signatures.

Company executives perform their duties correctly and transparently, and are accountable and responsible for their performance. Executives comply with laws and regulations, the

Company's Articles of Association, and Company rules and policies in the performance of their duties, and inform the Board of Directors accordingly.

23. Principles for the Activities of the Board of Directors

The agenda of the Board of Directors Meeting consists of items that are requested by the Members of the Board of Directors, demands of the Company managers and the recommendations of the committees. As required by the Articles of Association, the Board of Directors meets at least once a month. The actual participation of the Members of the Board of Directors is secured in all of the Board of Directors Meetings.

The Board of Directors Secretariat is authorized to organize and announce the Board of Directors' meeting agenda and serve notices for the call to meetings; to inform the Board of Directors members and to draw up all documents related to the Board of Directors. Umut Bilen acts as the Secretary for the Board of Directors. Board members are invited to attend meetings by the Board of Directors Secretariat via e-mail or telephone, informing Board members of the venue, date and time of the meeting.

As of the end of December 2010, the Board of Directors held 28 meetings with a 85% participation rate. There was no objection which was required to be recorded as at the meetings.

Questions forwarded at the meetings are not recorded. Members of the Board of Directors members are not entitled to preferential votes and / or veto rights.

24. Prohibition of Transactions and Competition with the Company

Prohibition for transactions with the Company was not applied to Board of Directors members at the end of December 2010 and yet no resulting conflict of interest occurred concerning this policy.

25. Rules of Ethics

With the start of our public offering studies, the following rules of ethics have been developed by the Board of Directors for the Company and its employees. These rules of ethics have been announced to Company employees and publicized on the website in accordance with the Company's information policy.

Our Board of Directors believes that the capital markets are, first and foremost, based on trust and therefore rules of ethics are of high importance, and on top these rules of ethics lie the supremacy of the law and the defense of this supremacy. The Company's General Manager, the Chief Financial Officer and Accounting Finance Executives are assumed to:

- draw up complete, fair, true, timely and understandable disclosures in all reports and documentation publicized or submitted to the authorities of the capital market where the Company is a member thereof,
- comply with all the laws, regulations and principles binding the Company individually and the Company's relations with its shareholders,

- ensure compliance with the essence as well as the letter of these rules of ethics; and to expend effort to promote the development of a company culture which forms the basis of compliance with laws and company policies in all activities.

In addition to these,

Individuals within the Company who are in a position to possess knowledge regarding the financial statements, which nevertheless is not yet public, are expected to keep such information confidential in accordance with the rules of ethics.

Our employees:

- are honest and reliable people who give due care to, and make no compromise on ethical and moral values;
- perform their duties in their units or departments for the benefit of the Company zealously and objectively in a disciplined and careful manner, in compliance with the principles of confidentiality;
- fulfill their duties in the best possible manner to enhance the Company's profitability and market share;
- are always reasonable and considerate in their language, manners and the way they are attired;
- are aware of the significance of proper relations between subordinates – top management and customers in business life, and organize themselves accordingly;
- have a positive impact on the people they address both within and outside the Company with their respectful, moderate, modest, active and positive attitudes;
- meticulously comply with the laws, professional principles and the concerned regulations;
- take the most effective, sound and appropriate decisions for the Company by evaluating different ideas, perspectives and suggestions with a conciliatory attitude;
- refrain from political, religious, ethnic arguments involving discrimination; and all unlawful activities;
- possess the knowledge and experience that the job they are performing requires, and demonstrate continuous effort to develop their general knowledge, professional knowledge and skills. Employees should fulfill their responsibilities in the best possible manner with all these qualifications and values.

Publishing Principles of Türkiye Newspaper;

- As can be understood from the carefully chosen anniversary of April 22, proudly bearing the name of our country, Türkiye Newspaper deems the protection of democracy, to which it is bonded at the heart, as its principal duty.
- Türkiye Newspaper publishes what supports the independence and indivisible integrity of the Turkish Republic Government and national benefits.
- Türkiye Newspaper places uncompromising value on its readers' trust, Türkiye Newspaper exerts the maximum effort to preserve the common belief that, "if it is written in Türkiye Newspaper then it is a fact".
- Türkiye Newspaper is a family newspaper.
- Türkiye Newspaper contributes to develop forbearance and tolerance of different opinions.
- Türkiye Newspaper adopts a journalistic character that is objective, follows press ethics and principles and is tied closely to international and contemporary values.

- Türkiye Newspaper, which believes positive news is news too, publishes with a “glass half full” perspective for economic stability.
- Türkiye newspaper follows a publishing policy allowing understandable and peaceful reading by different social groups and ages.
- Türkiye Newspaper stays away from any type of relationship based on special interest.
- Türkiye Newspaper never offends anyone based on race, sex, religious beliefs, language, social ranking and physical handicap in its publications.
- Türkiye Newspaper does not accept anyone as ‘guilty’ before being proven so by court ruling and never uses insulting nicknames or statements.
- Türkiye Newspaper does not take part in anyone’s private life. Information given in confidentiality is never shared.
- Türkiye Newspaper respects the right of reply of individuals and corporations.

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

In accordance with Corporate Management Principles, a Corporate Management Committee and an Audit Committee were formed within the structure of the Company's Board of Directors. Committee members are composed of non-executive Members of the Board of Directors.

Distribution and qualifications of committee members are as follows:

Corporate Governance Committee Chairman: Orhan Tanışman

Corporate Governance Committee Member : Mehmet Remzi Esen (Independent Member)

Audit Committee Chairman : Doğuş Bektaş (Independent Member)

Audit Committee Member : Nazmi Örs (Independent Member)

“Committees act within the scope of their authorities and responsibilities and make recommendations to the Board of Directors. The final decision however, lies with the Board of Directors.” Committees shall act by following this procedure. During the operating period of the year 2010, the Audit Committee has held two meetings and all the decisions of recommendation that resulted from these meetings were adopted by the Board of Directors.

27. Financial Benefits for the Board of Directors

No payments are made to the members of the Board of Directors other than the rights and benefits designated by the General Assembly. Remunerations are paid to executive Board of Directors members however, for their executive duties.

No performance based payment method exists which reflects performance within the Company.

The Company does not extend loans or make available credits to members of the Board of Directors and Company managers.

No credits have been made available under the name of personal credit via the mediation of third persons, and no guarantees have been given such as surety in favor.