

**DOĐAN ŐİRKETLER GRUBU HOLDİNG A.Ő.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2006  
TOGETHER WITH AUDITOR'S REVIEW REPORT**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR'S REVIEW REPORT  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2006**

To the Board of Doğan Şirketler Grubu Holding A.Ş

1. We have reviewed the accompanying consolidated interim balance sheet of Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding") at 30 June 2006 and the related consolidated interim statement of income for the period then ended in accordance with the limited review standards issued by the Capital Market Board ("CMB"). Our work on the consolidated interim balance sheet and the consolidated interim statement of income was limited compared to the work performed in accordance with generally accepted auditing standards for the year-end financial statements. Our work covered mainly analytical review, gathering information and various audit techniques in accordance with the limited review standards, on the basis of our understanding of the consolidated interim financial statements preparation system. Accordingly, our report should not be considered comparable to an independent full scope audit report.
2. Accordingly, in the above-mentioned unaudited consolidated interim financial statements, no material disagreement was noted with generally accepted accounting standards issued by the CMB (see note 2).

We draw attention to the following matters:

3. As explained in Note 44, as an outcome of a sector-wide inspection, the Energy Market Regulatory Authority ("EMRA") Control Board criticised certain dealership practices of 26 companies in the sector and accordingly imposed and notified administrative fines to the joint venture companies of Doğan Holding, Petrol Ofisi A.Ş. ("POAŞ") and Erk Petrol Yatırımları A.Ş. ("Erk Petrol"), amounting to YTL498,7 million and YTL100,7 million, respectively. Subsequently, those joint venture companies publicly announced that they would take legal action for the cancellation of these fines. If the fines are upheld at the conclusion of this legal action, the impact on the consolidated financial statements of Doğan Holding will be in the amount of YTL316 million, calculated using Doğan Holding's total proportion of ownership interest of 52,73% in POAŞ. Discussions among the parties and legal consultations are still in progress as at the date of this report and therefore, there is uncertainty on the final outcome of this matter. No provision has been made in the accompanying consolidated financial statements due to this uncertainty.

4. As explained in Note 2.6, subsequent to the issuance of financial statements of Türk Dış Ticaret Bankası A.Ş. (“Dışbank”) at 31 December 2004, adjustments have been made to the provision for loan losses related to the credit cards. The effect of these adjustments pertaining to 2004 financial year was to reduce the retained earnings by YTL 16,9 million and was reflected to consolidated interim financial statements by a reduction in the 2005 opening retained earnings.
5. As explained in Note 2.6, subsequent to the issuance of financial statements of POAŞ, a Joint Venture of Doğan Holding, at 31 December 2004, adjustments were made to the acquisition costs of certain fixed assets for the application of Tax Law No.5024. The effect of these adjustments pertaining to 2004 financial year which were realized after the issuance of 31 December 2004 consolidated financial statements amounted to YTL 44,9 million (YTL 19,8 million with the Holding’s ownership interest) and were reflected to the consolidated interim financial statements through reductions in 2005 opening retained earnings and deferred tax assets.
6. Additional paragraph for convenience translation into English:

As of 30 June 2006, the accounting principles described in Notes 2 (defined as CMB Accounting Standards) to the accompanying financial statements differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board mainly with respect to the application of inflation accounting, presentation of the basic financial statements and the notes to them. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with IFRS.
7. As explained in Note 2.4 to the consolidated financial statements, US dollar (“USD”) amounts shown in the accompanying consolidated financial statements have been included solely for the convenience of the reader and are translated from New Turkish lira (“YTL”), as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TL exchange rate of YTL1,6029=USD1,00 for purchases of USD on 30 June 2006. Thus, US dollar amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as at 30 June 2006. Such translations should not be construed as a representation that the YTL amounts have been or could be converted into USD at this or any other rate.

Başaran Nas Serbest Muhasebeci  
Mali Müşavirlik Anonim Şirketi  
a member of  
PricewaterhouseCoopers

Haluk Yalçın, SMMM

Istanbul, 8 September 2006

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2006

CONTENTS	PAGE
CONSOLIDATED BALANCE SHEETS.....	1-2
CONSOLIDATED STATEMENTS OF INCOME.....	3
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY.....	4
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	5-71
NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS.....	5-8
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS.....	9-14
NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	14-24
NOTE 4 CASH AND CASH EQUIVALENTS.....	25
NOTE 5 MARKETABLE SECURITIES.....	26-27
NOTE 6 BORROWINGS.....	27-28
NOTE 7 TRADE RECEIVABLES AND PAYABLES.....	29-30
NOTE 8 LEASING RECEIVABLES AND PAYABLES.....	30
NOTE 9 TRANSACTIONS AND BALANCES WITH RELATED PARTIES.....	31
NOTE 10 OTHER RECEIVABLES AND PAYABLES.....	32
NOTE 11 BIOLOGICAL ASSETS.....	33
NOTE 12 INVENTORIES.....	33
NOTE 13 CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING.....	33
NOTE 14 DEFERRED TAX ASSETS AND LIABILITIES.....	34-35
NOTE 15 OTHER CURRENT - NON CURRENT ASSETS AND LIABILITIES.....	35-36
NOTE 16 FINANCIAL ASSETS.....	36
NOTE 17 GOODWILL / NEGATIVE GOODWILL.....	37
NOTE 18 INVESTMENT PROPERTY.....	38
NOTE 19 PROPERTY, PLANT AND EQUIPMENT.....	39-41
NOTE 20 INTANGIBLE ASSETS.....	42
NOTE 21 ADVANCES RECEIVED.....	43
NOTE 22 RETIREMENT PLANS.....	43
NOTE 23 PROVISIONS.....	43-44
NOTE 24 MINORITY INTERESTS.....	45
NOTE 25 CAPITAL/ADJUSTMENT TO SHARE CAPITAL.....	45
NOTE 26 CAPITAL RESERVES.....	46
NOTE 27 PROFIT RESERVES.....	46
NOTE 28 RETAINED EARNINGS.....	47
NOTE 29 FOREIGN CURRENCY POSITION.....	48-49
NOTE 30 GOVERNMENT GRANTS.....	49
NOTE 31 PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES.....	49-51
NOTE 32 BUSINESS COMBINATIONS.....	51-52
NOTE 33 SEGMENT REPORTING.....	52-60
NOTE 34 SUBSEQUENT EVENTS.....	61
NOTE 35 DISCONTINUED OPERATIONS.....	61-63
NOTE 36 OPERATING INCOME.....	63
NOTE 37 OPERATING EXPENSES.....	64
NOTE 38 OTHER INCOME/EXPENSES AND PROFIT/LOSSES.....	64
NOTE 39 FINANCIAL EXPENSES.....	65
NOTE 40 GAINS/(LOSSES) ON NET MONETARY POSITION.....	65
NOTE 41 TAXES ON INCOME.....	66-68
NOTE 42 EARNING PER SHARE.....	68
NOTE 43 STATEMENTS OF CASH FLOW.....	69-70
NOTE 44 DISCLOSURE OF OTHER MATTERS.....	71
NOTE 45 INSURANCE TECHNICAL RESERVES.....	71

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**CONSOLIDATED BALANCE SHEETS AT 30 JUNE 2006 AND 31 DECEMBER 2005**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

	Notes	30 June 2006 USD(*)	<i>Reviewed</i> 30 June 2006	31 December 2005
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	4	1.370.032.003	2.196.024.297	899.303.906
Marketable securities, net	5	49.897.083	79.980.035	58.770.595
Trade receivables, net	7	827.196.990	1.325.914.056	1.406.289.934
Leasing receivables, net	8	-	-	-
Due from related parties, net	9	3.900.795	6.252.585	6.432.396
Other receivables, net	10	36.582.039	58.637.350	75.489.542
Biological assets, net	11	24.706	39.601	80.988
Inventories, net	12	281.283.038	450.868.581	638.141.667
Construction contract receivables, net	13	-	-	-
Deferred tax assets	14	-	-	-
Other current assets	15	63.728.782	102.150.864	86.669.574
<b>Total current assets</b>		<b>2.632.645.436</b>	<b>4.219.867.369</b>	<b>3.171.178.602</b>
<b>Non-current assets</b>				
Trade receivables, net	7	7.666.076	12.287.953	15.356.530
Leasing receivables, net	8	-	-	-
Due from related parties, net	9	-	-	-
Other receivables, net	10	2.229.138	3.573.086	3.339.207
Inventories	12	-	-	18.969.002
Financial assets, net	16	2.848.208	4.565.392	4.977.219
Goodwill/negative goodwill, net	17	1.056.389.180	1.693.286.216	2.808.941.225
Investment properties, net	18	25.457.165	40.805.290	43.283.096
Property, plant and equipment, net	19	794.717.806	1.273.853.172	1.594.978.694
Intangible assets, net	20	123.043.711	197.226.764	201.367.839
Deferred tax assets	14	49.317.396	79.050.854	131.397.349
Other non-current assets	15	2.581.157	4.137.336	13.127.794
<b>Total non-current assets</b>		<b>2.064.249.837</b>	<b>3.308.786.063</b>	<b>4.835.737.955</b>
<b>Total assets</b>		<b>4.696.895.273</b>	<b>7.528.653.432</b>	<b>8.006.916.557</b>

The consolidated financial statements for the six-month period ending 30 June 2006, have been approved by the Board of Directors on 8 September 2006 and have been signed on behalf of the Board of Directors.

(\*) As explained in the Note 2.4 to the interim consolidated financial statements, USD amounts shown in these interim consolidated financial statements have been included solely for the convenience of the reader and are translated from YTL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official YTL exchange rate. Thus, USD amounts do not form a part of the interim consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as at 30 June 2006.

The accompanying notes form an integral part of these interim consolidated financial statements.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**CONSOLIDATED BALANCE SHEETS AT 30 JUNE 2006 AND 31 DECEMBER 2005**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

	Notes	30 June 2006 USD(*)	Reviewed 30 June 2006	31 December 2005
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Short-term borrowings, net	6	155.435.896	249.148.198	340.118.291
Current portion of				
long-term borrowings, net	6	83.992.159	134.631.032	334.502.680
Leasing payables, net	8	5.012.760	8.034.953	8.288.506
Other financial liabilities, net	10	157.922.715	253.134.320	719.088.782
Trade payables, net	7	674.204.678	1.080.682.678	976.428.801
Due to related parties, net	9	2.470.007	3.959.174	4.650.170
Insurance technical reserves	45	82.434.603	132.134.425	114.392.306
Advances received	21	7.461.559	11.960.133	4.267.368
Construction progress billings, net	13	-	-	-
Provisions	23,41	64.895.974	104.021.757	52.966.554
Deferred tax liabilities	14	-	-	-
Other current liabilities, net	15	17.225.594	27.610.905	26.115.209
<b>Total current liabilities</b>		<b>1.251.055.945</b>	<b>2.005.317.575</b>	<b>2.580.818.667</b>
<b>Non-current liabilities</b>				
Long-term borrowings, net	6	775.512.653	1.243.069.232	1.319.053.329
Leasing payables, net	8	11.307.185	18.124.287	14.496.705
Other financial liabilities, net	10	60.605	97.144	136.908.444
Trade payables, net	7	148.196.958	237.544.904	362.404.223
Due to related parties, net	9	-	-	-
Insurance technical reserves	45	-	-	-
Advances received	21	7.986.100	12.800.920	40.861.774
Provisions	23	15.358.103	24.617.504	27.119.217
Deferred tax liabilities	14	19.260.838	30.873.197	121.923.791
Other non-current liabilities, net	15	15.998	25.643	-
<b>Total non-current liabilities</b>		<b>977.698.440</b>	<b>1.567.152.831</b>	<b>2.022.767.483</b>
<b>Total liabilities</b>		<b>2.228.754.385</b>	<b>3.572.470.406</b>	<b>4.603.586.150</b>
<b>MINORITY INTERESTS</b>				
Doğan family members	24,33	42.373.174	67.919.960	72.398.218
Other	24,33	403.240.075	646.353.516	719.318.867
<b>Total minority interest</b>	<b>24</b>	<b>445.613.249</b>	<b>714.273.476</b>	<b>791.717.085</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	25	458.723.693	735.288.208	735.288.208
Treasury shares	25	-	-	-
Capital reserves	26	704.242.308	1.128.829.996	1.128.829.996
Share premium		393.209	630.275	630.275
Share cancellation gains		-	-	-
Revaluation fund		-	-	-
Financial assets fair value reserve		-	-	-
Inflation adjustment to shareholders' equity	27	703.849.099	1.128.199.721	1.128.199.721
Profit reserves	27	199.581.844	319.909.738	92.016.282
Legal reserves		7.069.157	11.331.152	7.915.090
Statutory reserves		-	-	-
Extraordinary reserves		7.329.731	11.748.826	82.871.964
Other reserves		185.580.514	297.467.006	5.587.343
Investment and property sales income to be added to the capital		-	-	-
Translation reserve		(397.558)	(637.246)	(4.358.115)
Current year profit		475.764.974	762.603.677	636.356.508
Retained earnings	28	184.214.818	295.277.931	19.122.328
<b>Total shareholders' equity</b>		<b>2.022.527.637</b>	<b>3.241.909.550</b>	<b>2.611.613.322</b>
<b>Total liabilities, minority interests and shareholders' equity</b>		<b>4.696.895.271</b>	<b>7.528.653.432</b>	<b>8.006.916.557</b>

Commitments and contingent liabilities

31

(\*) As explained in the Note 2.4 to the interim consolidated financial statements, USD amounts shown in these interim consolidated financial statements have been included solely for the convenience of the reader and are translated from YTL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official YTL exchange rate. Thus, USD amounts do not form a part of the interim consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as at 30 June 2006.

The accompanying notes form an integral part of these interim consolidated financial statements.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**CONSOLIDATED INTERIM STATEMENTS OF INCOME  
FOR THE PERIODS ENDED 30 JUNE**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

	Notes	1 January - 30 June 2006 USD(*)	Reviewed 1 January - 30 June 2006	Not reviewed 1 April - 30 June 2006	Reviewed 1 January - 30 June 2005	Not reviewed 1 April - 30 June 2005
<b>Operating income</b>						
Sales (net)	36	4.193.167.954	6.721.228.914	3.427.340.245	3.322.630.550	1.811.790
Cost of sales (-)		(3.810.904.955)	(6.108.499.552)	(3.077.205.043)	(3.006.204.654)	(1.608.558.374)
<b>Gross operating profit</b>		<b>382.262.999</b>	<b>612.729.362</b>	<b>350.135.202</b>	<b>316.425.896</b>	<b>203.231.675</b>
Operating expenses (-)	37	(228.988.119)	(367.045.056)	(184.759.799)	(213.311.364)	(113.671.059)
<b>Net operating profit</b>		<b>153.274.880</b>	<b>245.684.306</b>	<b>165.375.403</b>	<b>103.114.532</b>	<b>89.560.616</b>
Other income and profits	38	652.620.566	1.046.085.506	845.139.391	73.181.599	45.865.876
Other expenses and losses (-)	38	(94.344.866)	(151.225.386)	(93.094.366)	(87.132.616)	(44.416.775)
Financial (expenses)/income, net	39	(203.062.152)	(325.488.324)	(304.771.994)	(1.628.750)	27.616.697
<b>Operating profit</b>		<b>508.488.428</b>	<b>815.056.102</b>	<b>612.648.434</b>	<b>87.534.765</b>	<b>118.626.414</b>
Gain on net monetary position	40	-	-	-	-	-
<b>Income before taxes and minority interests</b>		<b>508.488.428</b>	<b>815.056.102</b>	<b>612.648.434</b>	<b>87.534.765</b>	<b>118.626.414</b>
Minority interests	24	(30.457.284)	(48.819.981)	23.279.024	(27.076.132)	(27.729.777)
<b>Income before taxes</b>		<b>478.031.144</b>	<b>766.236.121</b>	<b>635.927.458</b>	<b>60.458.633</b>	<b>90.896.637</b>
Taxes on income	41	(2.266.170)	(3.632.444)	7.829.539	(47.084.126)	(48.679.258)
<b>Net income from continuing operations</b>		<b>475.764.974</b>	<b>762.603.677</b>	<b>643.756.997</b>	<b>13.374.507</b>	<b>42.217.379</b>
Net income from discontinued operations before minority interests	35	-	-	-	80.583.212	60.419.574
Minority interests related to discontinued operations	24	-	-	-	(10.286.209)	(3.388.037)
<b>Net income</b>		<b>475.764.974</b>	<b>762.603.677</b>	<b>643.756.997</b>	<b>83.671.510</b>	<b>99.248.916</b>
Weighted average number of shares with face value of YTL 1 each		735.288.208	735.288.208	735.288.208	735.288.208	735.288.208
Basic and diluted earnings per share (USD)/(YTL)	42	0,65	1,04	0,88	0,11	0,13
- continuing operations		0,65	1,04	0,88	0,02	0,06
- discontinued operations		-	-	-	0,09	0,07

(\*) As explained in the Note 2.4 to the interim consolidated financial statements, USD amounts shown in these interim consolidated financial statements have been included solely for the convenience of the reader and are translated from YTL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official YTL exchange rate. Thus, USD amounts do not form a part of the interim consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as at 31 December 2005.

The accompanying notes form an integral part of these interim consolidated financial statements.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE PERIODS ENDED 30 JUNE**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

	Share Capital	Share premium	Inflation adjustment to shareholders' equity	Translation reserves	Financial assets fair value reserve	Legal reserves	Extra ordinary reserves	Other reserves	Net income for the period	Retained earnings/ (Accumulated deficit)	Total shareholders' equity
<b>Balances at 31 December 2004 as previously reported</b>	<b>735.288.208</b>	<b>630.275</b>	<b>1.128.199.721</b>	<b>(42.417.829)</b>	<b>-</b>	<b>7.915.090</b>	<b>82.871.964</b>	<b>5.587.343</b>	<b>239.285.805</b>	<b>(186.290.322)</b>	<b>1.971.070.255</b>
Change in accounting policy (Note 2.6)	-	-	-	-	23.811.453	-	-	-	23.737.305	(47.548.758)	-
<b>Balances at 31 December 2004 as restated</b>	<b>735.288.208</b>	<b>630.275</b>	<b>1.128.199.721</b>	<b>(42.417.829)</b>	<b>23.811.453</b>	<b>7.915.090</b>	<b>82.871.964</b>	<b>5.587.343</b>	<b>263.023.110</b>	<b>(233.839.080)</b>	<b>1.971.070.255</b>
Effect of corrections (Not 2.6)	-	-	-	-	-	-	-	-	-	(36.640.403)	(36.640.403)
Application of IFRS 3 - correction of opening negative goodwill (Notes 2.6 and 17)	-	-	-	-	-	-	-	-	-	6.322.111	6.322.111
<b>Balances at 1 January 2005</b>	<b>735.288.208</b>	<b>630.275</b>	<b>1.128.199.721</b>	<b>(42.417.829)</b>	<b>23.811.453</b>	<b>7.915.090</b>	<b>82.871.964</b>	<b>5.587.343</b>	<b>263.023.110</b>	<b>(264.157.372)</b>	<b>1.940.751.963</b>
Currency translation differences	-	-	-	(1.758.398)	-	-	-	-	-	-	(1.758.398)
Transfers	-	-	-	-	-	-	-	-	(263.023.110)	263.023.110	-
Financial assets fair value losses	-	-	-	-	(2.225.345)	-	-	-	-	-	(2.225.345)
Net income for the period	-	-	-	-	-	-	-	-	83.671.510	-	83.671.510
<b>Balances at 30 June 2005</b>	<b>735.288.208</b>	<b>630.275</b>	<b>1.128.199.721</b>	<b>(44.176.227)</b>	<b>21.586.108</b>	<b>7.915.090</b>	<b>82.871.964</b>	<b>5.587.343</b>	<b>83.671.510</b>	<b>(1.134.262)</b>	<b>2.020.439.730</b>
<b>Balances at 1 January 2006</b>	<b>735.288.208</b>	<b>630.275</b>	<b>1.128.199.721</b>	<b>(4.358.115)</b>	<b>-</b>	<b>7.915.090</b>	<b>82.871.964</b>	<b>5.587.343</b>	<b>636.356.508</b>	<b>19.122.328</b>	<b>2.611.613.322</b>
Currency translation differences	-	-	-	3.720.869	-	-	-	-	-	-	3.720.869
Dividend payment	-	-	-	-	-	-	(71.123.138)	-	-	(64.905.180)	(136.028.318)
Transfers	-	-	-	-	-	3.416.062	-	291.879.663	(636.356.508)	341.060.783	-
Net income for the period	-	-	-	-	-	-	-	-	762.603.677	-	762.603.677
<b>Balances at 30 June 2006</b>	<b>735.288.208</b>	<b>630.275</b>	<b>1.128.199.721</b>	<b>(637.246)</b>	<b>-</b>	<b>11.331.152</b>	<b>11.748.826</b>	<b>297.467.006</b>	<b>762.603.677</b>	<b>295.277.931</b>	<b>3.241.909.550</b>

The accompanying notes form an integral part of these interim consolidated financial statements.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS**

Doğan Şirketler Grubu Holding A.Ş. (“Doğan Holding” or the “Holding”) was established on 22 October 1980 as a corporation to coordinate the activities of and liaise between companies operating in different fields including media, energy, telecommunications, tourism, insurance, manufacturing and marketing and is registered in Turkey. Doğan Holding also provides financial and managerial advisory and internal audit services to its Subsidiaries and Joint Ventures operating in these fields.

Doğan Holding is registered with the Capital Markets Board (“CMB”) and its shares have been quoted on the Istanbul Stock Exchange (“ISE”) since 21 June 1993. At 30 June 2006, the shares quoted on the ISE represent 34,29% of the total shares. At 30 June 2006, the principal shareholders and their respective shareholdings in Doğan Holding are as follows (Note 25):

	%
Doğan family and companies owned by Doğan family	65,52
Listed on ISE	34,29
Aydın Doğan Vakfı	0,19
	<b>100,00</b>

The address of the registered office is as follows:

Altunizade, Oymacı Sokak No: 51  
Üsküdar 34662 İstanbul

The majority of Doğan Holding is organized in Turkey, and its operations are in three main business segments:

- Media
- Energy
- Other

Other operations mainly comprise of trade, tourism, telecommunications, manufacturing, insurance and construction, none of which is of a sufficient size to be reported separately.

As explained in Note 35, Doğan Holding signed an agreement to sell its Subsidiaries in finance segment, which is disclosed as a main business segment as of 31 December 2004 and before. These Subsidiaries are disclosed as discontinued operations (“Discontinued operations” or “Finance Segment”). Share transfer of related Subsidiaries was finalized at 4 July 2005.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)**

Doğan Holding has the following subsidiaries (the “Subsidiaries”). The natures of the business of the Subsidiaries are as follows:

<b>Name</b>	<b>Nature of business</b>	<b>Segment</b>
Hürriyet Gazetecilik ve Matbaacılık A.Ş. (“Hürriyet”)	Newspaper publishing	Media
Doğan Gazetecilik A.Ş. (“Doğan Gazetecilik”)	Newspaper publishing	Media
Yaysat Yayın Satış Pazarlama ve Dağıtım A.Ş. (“Yaysat”)	Distribution	Media
DYG İlan ve Reklam Hizmetleri A.Ş. (“DYG İlan”)	Advertising	Media
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. (“Doğan Ofset”)	Printing services	Media
Doğan Kitapçılık A.Ş. (“AD Kitapçılık”)	Book publishing	Media
Doğan Haber Ajansı A.Ş. (“DHA”)	News agency	Media
Doğan Basım ve Dağıtım İşleri A.Ş. (“Doğan Basım”)	Administrative services	Media
Milliyet Haber Ajansı A.Ş. (“Milha”)	News agency	Media
GPS Film Prodüksiyon A.Ş. (“GPS Film”)	TV broadcasting	Media
D Yapım Yayıncılık ve Reklamcılık A.Ş. (“D Yapım”)	Movie/TV Production	Media
Doğan İletişim Telekomünikasyon Elektronik Servis Hizmetleri Turizm ve Yayıncılık A.Ş. (“Doğan Online”)	Internet service provider	Media
Doğan Media International GmbH (“DMG”)	Newspaper publishing	Media
D Finans İnternet Bilgi Hizmetleri ve Ticaret A.Ş. (“D Finans”)	Internet services	Media
Doğan Müzik Yapım ve Ticaret A.Ş. (“DMC”)	Music and entertainment	Media
D Market Elektronik Hizmetler ve Ticaret A.Ş. (“D Market”)	Internet services	Media
Hürriyet Gazetecilik ve Matbaacılık A.Ş. Zweigniederlassung Deutchshland (“Hürriyet Zweigniederlassung”)	Newspaper printing	Media
Doğan Daily News Gazetecilik ve Matbaacılık A.Ş. (“Doğan Daily News”)	Newspaper publishing	Media
Doğan Dağıtım Satış ve Pazarlama A.Ş. (“Doğan Dağıtım”)	Distribution	Media
Milliyet İnternet Hizmetleri ve Ticaret A.Ş. (“Milliyet İnternet”)	Internet services	Media
Milliyet Verlags und Handels GmbH (“Milliyet Verlags”)	Newspaper publishing	Media
DTV Haber ve Görsel Yayıncılık A.Ş. (“Kanal D”)	TV broadcasting	Media
Doğan TV ve Radyo Yayıncılık A.Ş. (“Doğan TV”)	TV broadcasting	Media
Hür-Bim Bilgisayar ve Teknik Hizmetler A.Ş. (“Hürbim”)	Information technology	Media
Alp Görsel Yayıncılık A.Ş. (“Alp Görsel”)	TV broadcasting	Media
Bravo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. (“Bravo TV”)	TV broadcasting	Media
Fun Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. (“Fun TV”)	TV broadcasting	Media
Galaksi Radyo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. (“Galaksi Radyo”)	Radio broadcasting	Media
Foreks Yayıncılık ve Reklamcılık A.Ş. (“Hür FM”)	TV broadcasting	Media
İşıl Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. (“İşıl TV”)	TV broadcasting	Media
Kanalspor Televizyon ve Radyo Yayıncılık A.Ş. (“Kanalspor”)	TV broadcasting	Media
Milenyum Televizyon Yayıncılık ve Yapımcılık A.Ş. (“Milenyum TV”)	TV broadcasting	Media
Radyo Kulübü Uluslararası Programlar A.Ş. (“D Radyo”)	Radio broadcasting	Media
Hürriyet Radyo Prodüksiyon ve Yayın A.Ş. (“Radyo Foreks”)	Radio broadcasting	Media
Tempo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. (“Tempo TV”)	TV broadcasting	Media
TV 2000 Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. (“TV 2000”)	TV broadcasting	Media
DS Servis ve İdari Hizmetler ve Ticaret A.Ş. (“DS Servis”)	Administrative service	Media

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)**

<b>Name</b>	<b>Nature of business</b>	<b>Segment</b>
Yenibir İnsan Kaynakları Hizmetleri ve Danışmanlık A.Ş. ("Yenibir")	Internet services	Media
Egeser Servis ve İdari Hizmetler ve Ticaret A.Ş. ("Egeser")	Administrative service	Media
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. ("Hürservis")	Administrative service	Media
Hür Medya İlançılık ve Reklamcılık Ticaret A.Ş. ("Hürmedya")	Administrative service	Media
Medyanet İletişim Reklam Pazarlama ve Turizm A.Ş. ("Medyanet A.Ş.")	Marketing	Media
Katalog Yayın ve Tanıtım Hizmetleri A.Ş. ("Katalog")	Guide Publishing	Media
Altın Kanal Televizyon ve Radyo Yayıncılık A.Ş. ("Altın TV")	TV broadcasting	Media
Doğa Televizyon ve Radyo Yayıncılık A.Ş. ("Doğa TV")	TV broadcasting	Media
Popüler Televizyon ve Radyo Yayıncılık A.Ş. ("Popüler TV")	TV broadcasting	Media
Stil Televizyon ve Radyo Yayıncılık A.Ş. ("Stil TV")	TV broadcasting	Media
Doğan Medya International S.A. ("Kanal D Romanya")	TV broadcasting	Media
Doğan Müzik Kitap Mağazacılık Pazarlama A.Ş. ("DMK")	Retail	Media
Birleşik Birleşik Televizyon Reklam Pazarlama A.Ş. ("Birleşik")	Advertising	Media
Birpa Birleşik Reklam Pazarlama A.Ş. ("Birpa")	Retail	Media
Medyanet İletişim Reklam Pazarlama ve Ticaret Ltd. Şti. ("Medyanet Ltd.")	Marketing	Media
Doğan Telekomünikasyon Hizmetleri Satış ve Pazarlama A.Ş. ("Doğan Telekom")	Telecommunications	Media
Doğan Factoring Hizmetleri A.Ş. ("Doğan Factoring")	Factoring	Media
Doğan Elektronik Müzik Eğlence Dağıtım A.Ş. ("Doğan Elektronik Müzik")	Music and entertainment	Media
Doğan Elektronik Turizm Satış Pazarlama Hizmetleri ve Yayıncılık A.Ş. ("Doğan Elektronik Turizm")	Marketing	Media
Dipar Müzik Yapımcılığı Turizm Gıda Sanayi ve Ticaret A.Ş. ("Dipar Müzik")	Music and entertainment	Media
Emlaksimum Elektronik Yayıncılık ve Ticaret A.Ş. ("Emlaksimum")	Internet services	Media
Gayrimenkul Geliştirme ve Pazarlama Hizmetleri Ticaret A.Ş. ("Gayrimenkul Geliştirme")	Housing finance	Other
Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Milpa")	Trading	Other
Hürriyet Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Hürriyet Pazarlama")	Marketing	Other
Milanur İnşaat Pazarlama Turizm Sanayi ve Ticaret Limited Şirketi ("Milanur")	Construction	Other
Doğan Otomobilcilik Ticaret ve Sanayi A.Ş. ("Doğan Oto")	Trading	Other
Doğan Havacılık Sanayi ve Ticaret A.Ş. ("Doğan Havacılık")	Aviation	Other
Doğan Yayın Holding A.Ş. ("Doğan Yayın")	Investment	Other
Çelik Halat ve Tel Sanayi A.Ş. ("Çelik Halat")	Production	Other
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. ("Ditaş Doğan")	Production	Other
Milta Turizm İşletmeleri A.Ş. ("Milta Turizm")	Tourism	Other
D Telekomünikasyon Yatırımları A.Ş. ("D Telekomünikasyon")	Telecommunications	Other
Enteralle Handels GmbH ("Enteralle Handels")	Trading	Other
Doğan Organik Ürünler Sanayi ve Ticaret A.Ş. ("Doğan Organik")	Agriculture	Other
Doğan Elektronik Aracılık Hizmetleri Satış Pazarlama ve Yayıncılık A.Ş. ("Doğan Elektronik")	Marketing	Other
Satış Noktaları Ticaret ve Sanayi A.Ş. ("Satış Noktaları")	Distribution and marketing	Other
Doğan Müzayedecilik Satış ve Pazarlama A.Ş. ("Doğan Müzayedecilik")	Marketing	Other
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	Importation and exportation	Other
Orta Anadolu Otomotiv A.Ş. ("Orta Anadolu Otomotiv")	Automotive	Other
D-Tes Elektrik Enerjisi Toptan Satış A.Ş. ("D Tes")	Electricity Distribution	Other
Işıl İthalat İhracat Mümessillik A.Ş. ("Işıl İthalat İhracat")	Foreign Trade	Other
Ray Sigorta A.Ş. ("Ray Sigorta")	Insurance	Other
Zigana Elektrik Dağıtım Sanayi ve Ticaret A.Ş. ("Zigana")	Energy	Energy
Çelik Enerji Üretim A.Ş. ("Çelik Enerji")	Energy	Energy

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)**

Doğan Holding has the following Joint Ventures (the “Joint Ventures”). All Joint Ventures are registered in Turkey. The nature of the businesses and for the purpose of the accompanying consolidated financial statements, the respective business segments of the Joint Ventures and Joint Venture Partners are as follows:

<b>Name</b>	<b>Nature of business</b>	<b>Segment</b>	<b>Joint Venture partner</b>
Petrol Ofisi A.Ş. (“POAŞ”) (*)	Distribution of petroleum products	Energy	OMV Aktiengesellschaft (“OMV”)
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. (“Doğan Burda”)	Magazine publishing	Media	Burda GmbH
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. (“Doğan Egmont”)	Book Publishing	Media	Egmont
Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. (“Ultra Kablolu”)	Telecommunications	Media	Koç Holding A.Ş.
Süper Kanal Televizyon Video Radyo Basın Yapım Yayın Tanıtım ve Haber Hizmetleri A.Ş. (“Süper Kanal”)	TV broadcasting	Media	Erler Film A.Ş.
Eko Televizyon Yayıncılık A.Ş. (“CNN Türk”)	TV broadcasting	Media	Turner Broadcasting Int.
Dergi Pazarlama Planlama ve Ticaret A.Ş. (“DPP”)	Advertising	Media	Burda RCS Int. GmbH
İsedaş İstanbul Elektrik Dağıtım Sanayi ve Ticaret A.Ş. (“İsedaş”)	Energy	Energy	Çukurova Holding A.Ş.
Çağdaş Pazarlama Sistemleri A.Ş. in liquidation (“T.H. Çağdaş Pazarlama”)	Trade	Other	RT. Exports LLC- LBO
DB Popüler Dergiler Yayıncılık A.Ş. (“DB Popüler”)	Magazine publishing	Media	Acquisitions 2001 Ltd. Burda GmbH

(\*) POAŞ has a %52 share in Kıbrıs Türk Petrolleri Ltd. (“Kipet”), a 100% share in Petrol Ofisi International Oil Trading Ltd. (“PO International”), a 100% share in PO Petrofinance N.V. (“Petrofinance”), a %100 share in PO Oil Financing Ltd. (“PO Oil Financing”), a 99,96% share in Erk Petrol Yatırımları A.Ş. (“Erk Petrol”), a 99,83% share in Petrol Ofisi Alternatif Yakıtlar Toptan Satış A.Ş. (“PO Alternatif Yakıt”) and a 99,5% share in Petrol Ofisi Gaz İletim A.Ş. (“PO Gaz İletim”).

The number of employees of the Holding at 30 June 2006 is 12.399 (31 December 2005: 11.666).

For the purposes of the segmental information in these consolidated financial statements, Doğan Holding’s separate financial statements have been included in the “other” segment (Note 33).

All the Subsidiaries are registered in Turkey except for Hürriyet Zweigniederlassung, Milliyet Verlags, Entralle Handels, Doğan Media in Germany, Kanal D in Romania, Kipet in KKTC, PO International in Bahama Islands, Petrofinance in Holland and PO Oil Financing in Cayman Islands.

However, as the sales and the purchases of the Group are made and the assets of the Group are located mainly in Turkey, no geographic segmental information is considered necessary.

# CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2006

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

##### 2.1 Accounting standards

The interim financial statements of Doğan Holding have been prepared in accordance with the accounting and reporting principles published by the Capital Markets Board ("CMB"), namely "CMB Accounting Standards". The CMB published a comprehensive set of accounting principles in Communiqué No: XI-25 "The Accounting Standards in the Capital Markets" as 15 November 2003. In the aforementioned communiqué, it has been stated that applying the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") is accepted as an alternative to conform with the CMB Accounting Standards. These consolidated financial statements and the related notes have been presented in accordance with the formats required by the CMB with the announcement dated 10 December 2004.

Doğan Holding and its Subsidiaries and Joint Ventures registered in Turkey maintain their books of account and prepare their statutory financial statements ("Statutory Financial Statements") in accordance with the principles and obligations published by the CMB, Turkish Commercial Code (the "TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign Subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered.

##### 2.2 Financial reporting in hyperinflationary periods

With the decision taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards. Accordingly, effective from 1 January 2005, IAS 29 "Financial Reporting in Hyperinflationary Economies" issued by IASB is not applied in these consolidated financial statements.

##### 2.3 Translation of foreign Subsidiaries' financial statements

Financial statements of the foreign Subsidiaries are maintained in accordance with the laws and regulations in force in the countries in which they are registered, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with IFRS. The assets and liabilities of foreign Subsidiaries and associated companies are translated into New Turkish lira using the relevant foreign exchange rates prevailing at the period-end. The results of the foreign Subsidiaries and Associates are translated into New Turkish Lira using average exchange rate for the period. Exchange differences arising on retranslation of the opening net assets of foreign Subsidiaries and Associates arising from using period-end and average exchange rates are included in the shareholders' equity as translation reserve.

##### 2.4 US dollar convenience translation

US dollar ("USD") amounts shown in these interim consolidated financial statements have been included solely for the convenience of the reader and are translated from New Turkish lira ("YTL"), as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official YTL exchange rate of YTL 1,6029 = USD 1,00 for purchases of USD on 30 June 2006. Thus, US dollar amounts do not form a part of the interim consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as at 30 June 2006. Such translations should not be construed as a representation that the YTL amounts have been or could be converted into USD at this or any other rate.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.5 Group accounting**

- (a) These consolidated financial statements include the accounts of the parent company, Doğan Holding, its Subsidiaries and its Joint Ventures (collectively referred to as the “Group”) on the basis set out in sections (a) to (e) below. The financial statements of the companies included in the consolidation are based on the accounting principles and presentation basis applied by the Group in accordance with CMB Accounting Standards.
- (b) Subsidiaries are companies in which Doğan Holding has the power to control the financial and operating policies for the benefit of Doğan Holding either (a) through the power to exercise more than 50% of voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or by certain Doğan family members and companies whereby Doğan Holding exercises control over the voting rights of (but does not have the economic benefit of) the shares held by them; or (b) although not having the power to exercise more than 50% of the voting rights, through the exercise of actual dominant influence over the financial and operating policies. Proportion of ownership interest represents the effective shareholding of the Group through the shares held directly by Doğan Holding and indirectly by its Subsidiaries.

The table below sets out all Subsidiaries included in the scope of consolidation and shows their shareholding structure at 30 June 2006 and 31 December 2005:

Company name	Proportion of voting power held by Doğan Holding and its Subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Total proportion of ownership interest (%)	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Hürriyet	60,00	60,00	-	-	60,00	60,00	37,81	39,94
Doğan Gazetecilik	79,76	79,76	0,67	0,67	80,43	80,43	50,26	53,10
Yaysat	75,00	75,00	-	-	75,00	75,00	40,96	43,27
DYG İlan	100,00	100,00	-	-	100,00	100,00	51,60	54,51
Doğan Ofset	99,89	99,89	-	-	99,89	99,89	37,77	51,89
AD Kitapçılık	99,90	99,90	0,10	0,10	100,00	100,00	50,63	53,48
DHA	90,61	90,61	-	-	90,61	90,61	44,61	47,06
Doğan Basım	100,00	100,00	-	-	100,00	100,00	37,81	39,94
Milha	100,00	100,00	-	-	100,00	100,00	56,29	58,96
GPS Film	100,00	100,00	-	-	100,00	100,00	62,71	66,57
D Yapım	100,00	100,00	-	-	100,00	100,00	62,71	66,57
Doğan Online	60,00	60,00	40,00	40,00	100,00	100,00	37,81	39,94
DMG	97,66	97,66	2,34	2,34	100,00	100,00	50,47	53,32
D Finans	99,92	99,92	0,08	0,08	100,00	100,00	37,78	39,91
DMC	99,94	99,17	0,02	0,02	99,96	99,19	62,98	66,02
D Market	52,63	52,63	37,33	37,33	89,96	89,96	19,90	21,02
Hürriyet Zweigniederlassung	100,00	100,00	-	-	100,00	100,00	37,81	39,94
Doğan Daily News	94,25	94,25	-	-	94,25	94,25	35,63	62,74
Doğan Dağıtım	100,00	100,00	-	-	100,00	100,00	63,00	66,55
Milliyet İnternet	100,00	100,00	-	-	100,00	100,00	51,35	54,05
Milliyet Verlags	99,03	99,03	0,97	0,97	100,00	100,00	62,21	64,31
Kanal D	94,81	94,81	-	-	94,81	94,81	59,51	63,11
Doğan TV	99,51	100,00	-	-	99,51	100,00	62,71	66,57
Hürbim	99,92	99,92	-	-	99,92	99,92	62,66	66,52
Alp Görsel	100,00	100,00	-	-	100,00	100,00	63,02	66,57
Bravo TV	99,60	99,60	-	-	99,60	99,60	62,46	66,30
Fun TV	99,07	99,07	-	-	99,07	99,07	62,12	65,95
Galaksi Radyo	99,07	99,07	-	-	99,07	99,07	62,13	65,95
Hür FM	95,60	95,60	-	-	95,60	95,60	59,95	63,64
İşıl TV	100,00	100,00	-	-	100,00	100,00	62,71	66,57
Kanalspor	99,06	99,06	-	-	99,06	99,06	62,12	65,95

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

Company name	Proportion of voting power held by Doğan Holding and its Subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Total proportion of ownership interest (%)	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Milenyum TV	99,94	99,94	-	-	99,94	99,94	62,67	66,53
D Radyo	99,89	99,89	-	-	99,89	99,89	62,64	66,50
Radyo Foreks	99,89	99,89	-	-	99,89	99,89	62,64	66,50
Tempo TV	99,06	99,06	-	-	99,06	99,06	62,12	65,95
TV 2000	99,06	99,06	-	-	99,06	99,06	62,12	65,95
DS Servis	100,00	100,00	-	-	100,00	100,00	37,81	39,94
Yenibir	100,00	100,00	-	-	100,00	100,00	37,81	39,94
Egeser	100,00	100,00	-	-	100,00	100,00	37,81	39,94
Hürservis	100,00	100,00	-	-	100,00	100,00	37,81	39,94
Hürmedya	100,00	100,00	-	-	100,00	100,00	37,81	39,94
Medyanet A.Ş.	100,00	100,00	-	-	100,00	100,00	37,81	39,94
Katalog	100,00	100,00	-	-	100,00	100,00	63,02	66,57
Altın Kanal	100,00	100,00	-	-	100,00	100,00	62,71	66,57
Doğa TV	100,00	100,00	-	-	100,00	100,00	62,71	66,57
Popüler TV	100,00	99,99	-	-	100,00	99,99	62,71	66,57
Stil TV (1)	100,00	-	-	-	100,00	-	62,71	-
Kanal D Romanya (1)	97,00	-	2,00	-	99,00	-	49,08	-
DMK	99,98	99,98	-	-	99,98	99,98	63,01	66,56
Birmaş	100,00	100,00	-	-	100,00	100,00	62,61	66,46
Birpa	96,50	96,50	3,50	3,50	100,00	100,00	60,81	64,24
Medyanet Ltd.	97,00	97,00	-	-	97,00	97,00	36,68	38,74
Doğan Telekom	100,00	100,00	-	-	100,00	100,00	37,81	39,94
Doğan Factoring	100,00	100,00	-	-	100,00	100,00	62,10	65,54
Doğan Elektronik Müzik	99,99	99,99	0,01	0,01	100,00	100,00	37,81	39,94
Doğan Elektronik Turizm	100,00	100,00	-	-	100,00	100,00	37,81	39,94
Dipar Müzik	99,96	99,96	-	-	99,96	99,96	60,49	63,90
Emlaksimum (1)	99,80	-	0,10	-	99,90	-	38,18	-
Gayrimenkul Geliştirme (1)	96,00	-	4,00	-	100,00	-	78,25	-
Milpa	65,00	65,00	0,50	0,50	65,50	65,50	65,00	65,00
Hürriyet Pazarlama	97,47	97,43	2,53	2,57	100,00	100,00	97,46	38,91
Milanur	99,99	99,99	0,01	0,01	100,00	100,00	65,00	65,00
Doğan Oto	99,76	99,76	0,24	0,24	100,00	100,00	99,76	99,76
Doğan Havacılık	100,00	100,00	-	-	100,00	100,00	83,25	84,48
Doğan Yayın (2)	63,02	66,57	2,97	3,14	65,99	69,71	63,02	66,57
Çelik Halat	62,44	62,44	-	-	62,44	62,44	57,53	57,53
Ditaş Doğan	50,94	50,94	-	-	50,94	50,94	50,94	50,94
Milta Turizm	95,46	95,46	2,34	2,34	97,80	97,80	95,46	95,46
D Telekomünikasyon (3)	65,00	65,00	35,00	35,00	100,00	100,00	65,00	65,00
Enteralle Handels (3)	95,48	95,48	4,52	4,52	100,00	100,00	62,06	62,06
Doğan Organik	99,00	99,00	1,00	1,00	100,00	100,00	98,98	98,98
Doğan Elektronik	99,99	96,00	0,01	-	100,00	96,00	37,81	38,34
Satış Noktaları	100,00	100,00	-	-	100,00	100,00	63,01	66,56
Doğan Müzayedecilik	96,00	96,00	-	-	96,00	96,00	36,30	38,34
Doğan Dış Ticaret	100,00	100,00	-	-	100,00	100,00	62,58	66,10
Orta Anadolu Otomotiv	85,00	85,00	-	-	85,00	85,00	82,84	33,08
D Tes (3)	99,60	99,60	-	-	99,60	99,60	64,74	64,74
İşıl İthalat İhracat	96,70	96,70	-	-	96,70	96,70	60,51	63,92
Ray Sigorta	78,20	78,20	-	-	78,20	78,20	78,20	78,20
Zigana	65,00	65,00	4,99	4,99	69,99	69,99	65,00	65,00
Çelik Enerji	99,75	99,75	-	-	99,75	99,75	57,49	57,49

(1) These Subsidiaries were established during 2006.

(2) The disposal of the certain portion of this Subsidiary's shares during the period leads to decrease in Group's voting rights (Note 32).

(3) These Subsidiaries have been excluded from the scope of consolidation on the grounds of materiality.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

The balance sheets and the statements of income of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Doğan Holding and its Subsidiaries is eliminated against the related shareholders' equity. Intercompany transactions and balances between Doğan Holding and its Subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by Doğan Holding in its Subsidiaries are eliminated from shareholders' equity and income for the year, respectively.

Subsidiaries are consolidated from the date on which control is transferred to the Group and they are no longer consolidated from the date that control ceases. Accounting policies for Subsidiaries have been changed to ensure consistency with the policies adopted by the Group, where necessary.

- (c) Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Doğan Holding and one or more other parties. Doğan Holding exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or by certain Doğan family members and companies whereby Doğan Holding exercises control over the voting rights of (but does not have the economic benefit of) the shares held by them. The Group's interest in Joint Ventures is accounted for by way of proportionate consolidation. By this method, the Group includes its share of assets, liabilities, shareholders' equity, income and expenditure of each Joint Venture in the relevant components of the financial statements.

The table below sets out all Joint Ventures included in the scope of consolidation and shows their shareholding structure at 30 June 2006 and 31 December 2005:

Company name	Proportion of voting power held by Doğan Holding and its Subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Total proportion of ownership interest (%)	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005
POAŞ (*)	52,73	92,98	-	-	52,73	92,98	52,73	92,98
Doğan Burda	40,72	40,72	-	-	40,72	40,72	25,66	27,11
Doğan Egmont	50,00	50,00	-	-	50,00	50,00	31,51	33,29
Ultra Kablolu	50,00	50,00	-	-	50,00	50,00	31,51	33,29
Süper Kanal	49,00	49,00	-	-	49,00	49,00	30,73	32,62
CNN Türk	75,04	75,04	-	-	75,04	75,04	47,06	49,96
DPP	46,00	46,00	10,00	10,00	56,00	56,00	20,17	21,30
İsedaş	40,00	40,00	5,00	5,00	45,00	45,00	40,00	40,00
T.H. Çağdaş Pazarlama (**)	50,00	50,00	-	-	50,00	50,00	32,54	32,54
DB Popüler	40,72	40,72	-	-	40,72	40,72	40,72	40,72

(\*) POAŞ became a Joint Venture after sales of 34% of shares of POAŞ to OMV and the share sale agreement signed between Doğan Holding and OMV on 16 May 2006 (Note 32).

(\*\*) This Joint Venture of Doğan Holding has been excluded from the scope of consolidation on the grounds of materiality.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

- (d) Available-for-sale equity investments in which the Group, together with Doğan family members, has an interest below 20%, or above 20% over which the Holding does not exercise a significant influence, or which are immaterial and that do not have quoted market price in active markets and whose fair values cannot be measured reliably, are carried at cost less any provision for diminution in value (Note 16).

Available-for-sale equity investments in which the Group, together with Doğan family members, has an interest below 20% or over which the Holding does not exercise a significant influence and that have quoted market prices in active markets and whose fair values can be measured reliably are carried at fair value.

- (e) Results of Subsidiaries are included or excluded from their effective dates of acquisition and disposal, respectively.

The minority shareholders' share in the net assets and results for the year for Subsidiaries are separately classified in the consolidated balance sheets and statements of income as "minority interest".

Certain Doğan family members and companies controlled by them who are shareholders of Doğan Holding have interests in the share capital of certain Subsidiaries. In the consolidated financial statements, their interests are treated as minority interest and are not included in the Group's net assets and profits attributable to shareholders of Doğan Holding.

**2.6 Comparative information, changes in accounting policies and restatement of prior period financial statements**

Comparative figures are reclassified, where necessary, to conform to changes in presentation in the 30 June 2006 so that the reclassification will result in a more appropriate presentation of events or transactions.

IAS 39 – Financial Instruments: Regulations and Measurement has been revised effective from the annual period beginning on or after 1 January 2005. In accordance with the revised standard, gains and losses on available-for-sale financial assets should be directly recognised in equity until the financial assets is derecognized.

The Group changed its accounting policy on available-for-sale financial assets as required by IAS 39. Accordingly, the Group applied the accounting policy change retrospectively, and the gains and losses recognized on the statements of income until 31 December 2004 are adjusted to statements of equity and restated as if the new accounting policy mentioned above had always been in use.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

Subsequent to the issuance of the financial statements of POAŞ, a joint venture of Doğan Holding at 31 December 2004 that became a subsidiary during 2005 with Doğan Holding's acquisitions, adjustments have been made to the acquisition costs of certain fixed assets for the application of Tax Law No. 5024. The effect of these adjustments pertaining to 2004 financial year which were realised after the issuance of 31 December 2004 consolidated financial statements, amounted to YTL 44.877.447 (YTL 19.769.703 with the Holding's ownership interest) and were reflected to the consolidated financial statements through reductions in 2005 opening retained earnings and deferred tax assets.

Subsequent to the issuance of financial statements of Dışbank at 31 December 2004, a Subsidiary classified as discontinued operations, adjustments have been made to the provision for loan losses related to the credit cards. The effect of these adjustments pertaining to 2004 financial year were reflected to the consolidated financial statements by the reductions in the 2005 openings discontinued operations' originated loans, minority interests and retained earnings amounting to YTL 38.500.000, YTL 10.079.300 and YTL 16.870.700 respectively and an increase in 2005 opening discontinued operations' deferred tax assets amounting to YTL 11.550.000.

The Group also excluded the amount of negative goodwill arising from the prior periods' acquisitions from the consolidated financial statements and adjusted in the opening retained earnings according to the International Financial Reporting Standard 3 ("IFRS 3") "Business Combinations".

**2.7 Offsetting**

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Accounting policies for Subsidiaries and Joint Ventures have been changed to ensure consistency with the policies adopted by the Group, where necessary. The significant accounting policies, other than Group accounting which is described in Note 2.5, followed in the preparation of consolidated financial statements for the six-month period ended 30 June 2006 are summarized below:

**3.1 Related parties**

For the purpose of these consolidated financial statements, shareholders, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them and Joint Ventures are considered and referred to as Related Parties (Note 9).

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

---

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.2 Marketable securities / Investments**

The Group classifies its marketable securities and investments as trading, held-to-maturity and available-for-sale.

“Trading investments” are either acquired for generating a profit from short-term fluctuations in price or dealer’s margin, or are securities included in a portfolio in which a pattern of short-term profit making exists. Trading securities are initially recognized at cost of purchase including the transaction costs. Trading securities are subsequently re-measured at fair value. All related realized and unrealized gains and losses are included in the “financial income”. Dividends received are recognized as dividend income in the consolidated statement of income.

Debt securities with fixed maturity, where management has both the intent and the ability to hold to the maturity excluding the financial assets classified as originated loans and advances to customers, are classified as “held-to-maturity investments”. Held-to-maturity investments are initially recognized at cost and subsequently are carried at amortized cost using the effective yield method.

Investment securities other than held-to-maturity and trading investments are classified as “available-for-sale investments”. These are included in non-current assets unless management has the intention of holding these investments for less than 12 months from the balance sheet date, or unless they will need to be sold to raise operating capital, in which case they are included in current assets. The appropriate classification of investments is determined at the time of the purchase and re-evaluated by management on a regular basis. Available-for-sale investments are initially recognized at cost. Available-for-sale investments are subsequently re-measured at fair value. Unrealized gains and losses arising from the changes in the fair values of available-for-sale investments are accounted directly in shareholders’ equity rather than consolidated statement of income.

Available-for-sale equity investments in which the Group, together with Doğan family members, has an interest below 20%, or above 20% over which the Holding does not exercise a significant influence, or which are immaterial and that do not have quoted market price in active markets and whose fair values cannot be measured reliably, are carried at cost, which includes the restatement of this cost before 1 January 2005 to the equivalent purchasing power at balance sheet day, less any provision for diminution in value.

All purchases and sales of investments are recognized on the trade date.

**3.3 Sale and repurchase agreements**

Securities purchased under agreements to resell (“reverse repo”) are recorded as reverse repurchase agreements (Note 4). The difference between sales and repurchase prices is treated as interest and amortized over the life of reverse repo agreements using the effective yield method.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

---

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.4 Trade receivables and provision for doubtful receivables**

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Trade receivables that deferred financial income is netted-off and calculated by discounting amounts that will be collected of trade receivables recorded in the original invoice value in the subsequent periods using the effective yield method. Short duration receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant (Note 7).

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.

**3.5 Factoring receivables**

Factoring receivables that are created by way of providing money directly to third parties are recorded net of provisions and are carried at amortized cost. The level of the provision is based on management's evaluation of the portfolio including such factors as the volume and character of receivables, past pattern of losses and general economic conditions. The movement in provision made during the year is charged against the income for the year. Receivables that cannot be recovered are written-off and charged against the provision for losses. These receivables are written-off after all the necessary legal proceedings have been completed and the amount of the loss is finally determined. Recoveries of amounts previously provided for are treated as a reduction of the charge for provision for factoring receivables for the year.

**3.6 Inventories**

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventory are materials, labour and an appropriate amount of factory overheads. Cost of inventories is determined on the moving weighted average basis and weighted average basis. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses (Note 12).

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

---

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.7 Investment properties**

Buildings and land held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services, or for administrative purposes or sale in the ordinary course of business, are classified as investment property. Investment properties are carried at cost less accumulated depreciation. Investment properties (except land) are depreciated on a straight-line basis. Depreciation is calculated on the values of investment properties (Note 18). The depreciation periods for investment property, which approximate the economic useful lives of such assets, are 50 years.

Investment properties are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use.

**3.8 Property, plant and equipment**

Property, plant and equipment are carried at cost less accumulated depreciation. Property, plant and equipment are depreciated on a straight-line basis (Note 19).

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

Land improvements	2 - 50 years
Buildings	4 - 50 years
Machinery and equipment	2 - 28 years
Motor vehicles	2 - 17 years
Furniture and fixtures	2 - 50 years
Leasehold improvements	3 - 25 years
Other fixed assets	1 - 50 years

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use.

Gains or losses on disposals of property, plant and equipment with respect to their restated amounts are included in the other income and expense accounts, as appropriate.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

---

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.9 Leases**

*Financial Lease*

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments under “property, plant and equipment”; payables resulting from the financial lease are recorded at “financial lease obligations”. Property, plant and equipment acquired under finance leases are depreciated over the useful life of the asset. Financial lease obligations are recorded in the consolidated financial statements at the purchase cost of related property, plant and equipment. Lease payments are treated as comprising capital and interest elements. The capital element is treated as reducing the capitalized obligation under the lease and the interest element is charged to the statement of income.

*Operational Lease*

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

**3.10 Goodwill / (Negative goodwill) and amortization**

Goodwill and negative goodwill arising on consolidation, indicating the difference between the purchase price and the attributable share of the Group in the fair value of the underlying net assets of the company acquired, are capitalized and amortized using the straight-line method over the useful life until 31 December 2004, if the acquisition is before 31 March 2004. Within framework of IFRS 3 “Business Combinations”, amortisation accounting is not applied for goodwill related to the acquisitions after 31 March 2004, and the carrying value of goodwill is reviewed and adjusted for permanent impairment where it is considered necessary (Note 17). Any negative goodwill arising from the acquisitions after 31 March 2004 is recorded as income in the related period. According to IFRS 3, goodwill associated with the transactions before 31 March 2004 will not be amortized starting from the beginning of the first annual period beginning on or after 31 March 2004 and it will be reviewed annually for impairment. The carrying amount of negative goodwill arising from prior periods, which was presented in the consolidated financial statements, is adjusted to retained earnings as of 1 January 2005, in accordance with IFRS 3.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

---

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.11 Intangible assets**

Intangible assets, other than goodwill, comprise territorial and cable broadcasting permissions and licenses, brand name, acquired computer software, intellectual property, trademarks and other identified rights. They are recorded at their acquisition cost and amortised using the straight-line method over their estimated useful lives for a period 5 to 20 years (except territorial and cable broadcasting permissions and licenses) from the date of acquisition and amortisation expenses are recorded at "Other Operating Expenses" at consolidated statements of income. Territorial and cable broadcasting permissions and licenses are not amortised because of their unlimited useful lives. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount. The right of marina usage held by the Subsidiary, Milta Turizm, is amortized in 49 years in accordance with the agreement signed with Privatization Administration (Note 20).

Costs associated with developing computer software programs and development of the services rendered are generally expensed as incurred. However, cost associated with identifiable and unique products, which will be controlled by the Group and have future economic benefits extending beyond one year, are recognized as an intangible asset. They are recorded at acquisition cost and amortized on a straight-line basis over their estimated economic lives for the period not exceeding 10 years from date of acquisition (Note 20).

Programme rights are initially recognized at acquisition cost or production cost when the Group controls, in substance, the respective assets and the risks and rewards attached to them (Note 20).

Programme rights include both in-house productions and co-productions, whether in progress or scheduled for transmission and are stated at the lower of cost and net realizable value. Consumption is based on the expected number of transmissions over the life of the contract, in order to balance the cost of consumption with the benefits received. The rates of consumption applied for broadcasting rights are the following:

-Soaps, in-house productions, domestic series, game shows, music shows, children's programmes, sport programmes and other events and documentaries are fully consumed upon the first transmission and the current year charge is included as cost of sales in the consolidated statement of income.

-Foreign movies, foreign series and domestic films are recognized at the acquisition cost of the broadcasting right and they are amortized upon the number of transmissions over the life of the contract.

Intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

---

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.12 Programme stocks**

Programme stocks comprise internal and external productions that have been produced but not yet broadcasted. Current programme stocks are recognized at acquisition or production cost and they are not subject to amortization. These programmes are charged to income upon the first transmission and included as cost of sales in the consolidated statement of income (Note 15).

**3.13 Deferred income taxes**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used to determine deferred income tax.

The principal temporary differences arise from the differences between the carrying amount and the tax bases of property, plant and equipment, intangible assets, inventory and leasing receivables, provision for employment termination benefits and tax losses carried forward.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and deferred tax assets and liabilities are offset accordingly (Note 14).

**3.14 Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation or a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

**3.15 Borrowings and borrowing costs**

Borrowings are recognized initially at proceeds received, net of transaction costs incurred. Bank borrowings are subsequently stated at amortized cost using the effective yield method; any difference between the proceeds and redemption value is recognized in the consolidated statement of income over the period of the borrowings.

**3.16 Eurobonds**

Eurobonds are recognized initially at fair value, being their issue proceeds net of transaction costs incurred. Eurobonds are subsequently stated at amortized cost using the effective yield method; any difference between the proceeds and redemption value is recognized in the consolidated income statement over the period of the Eurobonds.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

---

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.17 Murabaha syndication**

Murabaha syndication, a type of stock purchase on a term basis, is recognized initially at proceeds received, net of transaction costs incurred. Murabaha syndication is subsequently stated at amortized cost using the effective yield method; any difference between the proceeds and redemption value is recognized in the consolidated income statement over the period of the Murabaha syndication.

**3.18 Insurance technical reserves**

*Claims and claim provisions*

The claims provision is the total estimated ultimate cost of settling all claims arising from events which have occurred up to the end of the accounting period. Claims provision is determined in accordance with expert reporting or first evaluation of insure and experts.

Incurred but not reported claims (IBNR) are also provided for under claim provisions.

*Unearned premiums reserve*

Unearned premiums set aside to provide for the period of risk extending beyond the date of the balance sheets, calculated on accrued premium on a daily basis for the policies in force.

**3.19 Employment termination benefits**

Employment termination benefits represent the present value of the estimated total reserve of the future probable obligation, that arise on retirement of the employees, employees who achieves the retirement age and for employees whose employment is terminated without due cause, are called up for military service or dies, calculated in accordance with the Turkish Labour Law and Press Labour Laws for the companies in the media segment (Note 23).

**3.20 Share capital and dividends**

Ordinary shares are classified as equity. Pro-rata capital increases to existing shareholders are accounted for at par value as approved. Dividends on ordinary shares are recognized in equity in the period in which they are declared.

**3.21 Revenue recognition**

Revenues are recognized on an accrual basis at the time deliveries or acceptances are made, the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group, at the fair value of consideration received or receivable. Net sales represent the invoiced value of goods shipped less sales returns and commission, excluding sales taxes. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized as "financial income" on a time proportion basis that takes into account the effective yield on the asset.

Premium income on non-life insurance services represents premiums on policies written during the year, net of cancellations.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

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**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.22 Research and development costs**

Research and development costs are recognized as an expense in the consolidated statement of income in the period in which they are incurred.

**3.23 Barter agreements**

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction which generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. If the fair value of the goods or services received are not measured reliably, the revenue is measured at the fair value of the goods or services supplied, adjusted by the amount of any cash or cash equivalents transferred.

**3.24 Cash and cash equivalents**

Cash and cash equivalents include cash and amounts due from banks, and highly liquid investments with maturity periods of less than three months.

**3.25 Financial instruments and financial risk management**

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Risk management is carried out by individual Subsidiaries and Joint Ventures under policies approved by their Board of Directors.

**Currency risk**

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to local currency. These risks are monitored and limited by the analysis of the foreign currency position.

**Interest rate risk**

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets.

These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

**Funding risk**

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

---

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Credit risk**

These risks are monitored by limiting the aggregate risk to any individual counterparty. The credit risk is generally highly diversified due to the large number of entities comprising the customer basis.

***Fair value of financial instruments***

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

The following methods and assumptions are used in the estimation of the fair value of the financial instruments for which it is practicable to estimate fair value:

***Monetary assets***

The fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate carrying value.

The fair values of certain financial assets carried at cost, including cash and cash equivalents are considered to approximate their respective carrying values due to their short-term nature.

The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be their fair values.

The values of trading securities, available-for-sale securities and held-to-maturity securities, which have been determined by reference to market value, are considered to approximate fair values.

***Monetary liabilities***

The fair value of customer deposits, funds borrowed and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings which, in principle, are at variable rates and denominated in foreign currencies are translated at year-end exchange rates; accordingly their carrying values approximate their fair values.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

---

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.26 Earnings per share**

Earnings per share disclosed in the consolidated statement of income are determined by dividing net income by the weighted average number of shares outstanding during the year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares in existence during the year has been adjusted in respect of bonus share issued without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year, as if the event had occurred at the beginning of the earliest period reported (Note 42).

**3.27 Discontinued operations**

Discontinued operations are the part of a Group which either are classified as held-for-sale or have been disposed of and whose activities and cash flows can be treated separable from the Group's whole activities and cash flows. Discontinued operations; represent separate business or geographical segment, are parts of the plans to sell or dispose thereof, or is a Subsidiary acquired for selling. The Group's discontinued operations have been valued with the lower of the book values of related asset and liabilities of the discontinued operations, or market values thereof net of costs incurred to dispose of them (Note 35).

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 4 - CASH AND CASH EQUIVALENTS**

The breakdown of cash and cash equivalents at 30 June 2006 and 31 December 2005 are as follows:

	<b>30 June 2006</b>	<b>31 December 2005</b>
Cash	1.547.175	1.557.622
Banks		
- demand deposits	50.418.856	69.127.762
- time deposits	2.116.644.406	815.940.615
- blocked bank accounts	21.468.711	12.027.157
- reverse repurchase agreements	5.945.149	650.750
	<b>2.196.024.297</b>	<b>899.303.906</b>

At 30 June 2006, interest rates for local currency time deposits are between 10% and 22% (31 December 2005: 10-19%) and interest rates for foreign currency time deposits are between 1% and 6% (31 December 2005: 1-5%). Interest rate for reverse repurchase agreements, which are all short-term with periods of less than three months, are between 4% and 17% (31 December 2005: 13-15%).

At 30 June 2006, YTL 2.268.917 (31 December 2005: YTL 6.484.467) of the deposits have been provided to collateralise the bank borrowings obtained by the Group and the related parties. YTL 267.765 (31 December 2005: YTL 46.020) of the deposits have been provided to collateralise the remittance commission obtained from the Group's campaign participants.

At 30 June 2006, YTL 6.747.739 (31 December 2005: YTL 5.400.000) of the deposits represent the credit card receivables of the Group and are held in blocked bank accounts.

At 30 June 2006, Ray Sigorta, operating in the insurance sector, have deposit amounting to YTL 12.184.290 (31 December 2005: YTL 96.670) pledged by a government bank for the receivables of insurees in favour of the Undersecretariat of Treasury and the Northern Cyprus Ministry of Finance as required by Insurance Supervisory Law.

Cash and cash equivalents included in the consolidated statements of cash flows at 30 June 2006, 31 December 2005 and 31 December 2004 are as follows:

	<b>30 June 2006</b>	<b>31 December 2005</b>	<b>31 December 2004</b>
Cash and amounts due from banks (excluding accrued interest) (Note 43)	2.133.113.119	777.152.948	737.720.975

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 5 - MARKETABLE SECURITIES**

The breakdown of marketable securities at 30 June 2006 and 31 December 2005 is as follows:

	<b>30 June 2006</b>	<b>31 December 2005</b>
Trading securities	68.230.083	26.663.959
Securities held-to-maturity	11.749.952	32.106.636
	<b>79.980.035</b>	<b>58.770.595</b>

**a) Trading Securities**

The breakdown of trading securities at 30 June 2006 and 31 December 2005 is as follows:

	<b>30 June 2006</b>	<b>31 December 2005</b>
Treasury bills	37.385.465	-
Corporate bonds	24.043.500	-
Equity stocks	6.431.363	7.370.899
Government bonds	-	17.725.328
Other	369.755	1.567.732
	<b>68.230.083</b>	<b>26.663.959</b>

The interest rates for treasury bills held at 30 June 2006 for local currency are between 22% and 23% (31 December 2005: the interest rates for government bonds for local currency 14%-15%).

At 30 June 2006, the total amount of the corporate bonds is in foreign currency with an interest rate of 7 % (31 December 2005: None).

Equity stocks of the Subsidiaries and Joint Ventures held by the Group classified under trading securities at 30 June 2006 and 31 December 2005 are as follows:

	<b>30 June 2006</b>	<b>31 December 2005</b>
POAŞ	5.734.256	6.672.589
Ray Sigorta	249.187	250.390
	<b>5.983.443</b>	<b>6.922.979</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 5 - MARKETABLE SECURITIES (Continued)**

**b) Securities held-to-maturity**

The breakdown of securities held-to-maturity at 30 June 2006 and 31 December 2005 is as follows:

	<b>30 June 2006</b>	<b>31 December 2005</b>
Government bonds	-	16.133.252
Treasury bills	11.749.952	15.973.384
	<b>11.749.952</b>	<b>32.106.636</b>

At 30 June 2006, investment securities held-to-maturity amounting to YTL 10.718.626 (31 December 2005: YTL 21.224.684) have been pledged by a government bank in favour of the Undersecretariat of the Treasury and the Northern Cyprus Ministry of Finance for the legal requirements of the Group's insurance companies.

The interest rates for government bonds and treasury bills held to maturity at 30 June 2006 varies between 14% and 18% (31 December 2005: 14%-18%).

At 30 June 2006, the net unrealised gain on investment securities held-to-maturity amounts to YTL 1.545.882 (31 December 2004: YTL 1.785.829).

The breakdown of debt securities, classified as held-to-maturity, as per their maturities at 30 June 2006 and 31 December 2005 is as follows:

	<b>30 June 2006</b>	<b>31 December 2005</b>
1-30 days	-	9.925.751
31-90 days	5.057.921	-
91 days - 1 year	6.692.031	22.180.885
	<b>11.749.952</b>	<b>32.106.636</b>

**NOTE 6 - BORROWINGS**

Breakdown of bank borrowings at 30 June 2006 and 31 December 2005 is as follows:

	<u>30 June 2006</u>			<u>31 December 2005</u>		
	YTL	Foreign currency	Total	YTL	Foreign currency	Total
<b>Short-term bank borrowings</b>						
Bank borrowings	61.273.048	187.875.150	249.148.198	61.250.974	278.867.317	340.118.291
Short-term portion of long-term borrowings	16.079.962	95.846.141	111.926.103	-	215.327.834	215.327.834
Murabaha syndication	-	8.715.545	8.715.545	-	96.957.790	96.957.790
Eurobond	-	13.989.384	13.989.384	-	22.217.056	22.217.056
<b>Total short-term bank borrowings</b>	<b>77.353.010</b>	<b>306.426.220</b>	<b>383.779.230</b>	<b>61.250.974</b>	<b>613.369.997</b>	<b>674.620.971</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 6 – BORROWINGS (Continued)**

	30 June 2006			31 December 2005		
	YTL	Foreign currency	Total	YTL	Foreign currency	Total
<b>Long-term bank borrowings</b>						
Bank borrowings	- 1.104.149.904		1.104.149.904	- 1.098.708.570		1.098.708.570
Eurobond	- 138.919.328		138.919.328	- 220.344.759		220.344.759
<b>Total long-term bank borrowings</b>	<b>- 1.243.069.232</b>		<b>1.243.069.232</b>	<b>- 1.319.053.329</b>		<b>1.319.053.329</b>

The redemption schedules of long-term borrowings at 30 June 2006 and 31 December 2005 are summarised below:

	30 June 2006	31 December 2005
2007	58.723.176	180.026.033
2008	127.037.845	109.728.784
2009 and after	1.057.308.211	1.029.298.512
	<b>1.243.069.232</b>	<b>1.319.053.329</b>

As of 30 June 2006, interest rates for local currency bank borrowings are between 0% and 20% (31 December 2005: 0%-24%), and for foreign currency bank borrowings 0% to 10% (31 December 2005: 3%-9%).

**Eurobond**

The issue and sale procedures of Eurobond performed by PO Oil Financing Limited, a Subsidiary of POAŞ, were completed by 22 July 2004 and the Eurobond issued with a nominal value of USD 175.000.000 (USD 92.278.990 with the Holding's ownership interest) is registered at Luxembourg Stock Exchange. The Eurobond issued has a maturity of five years; beginning on 22 July 2004 and maturing on 22 July 2009. The Eurobond has a fixed interest rate of 9,75% and the interest will be paid semi-annually. At 30 June 2006, the short-term and the long-term amortized cost of the bonds held outside the Group calculated using the effective yield method amounts to YTL 26.529.792 (YTL 13.989.384 with the Holding's ownership interest) and YTL 263.449.808 respectively (YTL 138.919.328 with the Holding's ownership interest). (31 December 2005: YTL 22.217.056 and YTL 220.344.759).

**Murabaha syndication**

POAŞ signed a murabaha syndication agreement at 15 July 2004 for an amount of USD 92.500.000 (USD 48.776.038 with the Holding's ownership interest), at which Citi Islamic Bank E.C, and Kuvейt Türk Evkaf Finans Kurumu A.Ş. participated and Citi Islamic Investment Bank E.C was also the agent. The murabaha syndication has a fixed interest rate and a maturity date of 14 July 2006. The effective fixed interest rate is 6,89%.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 7 - TRADE RECEIVABLES AND PAYABLES**

	<b>30 June 2006</b>	<b>31 December 2005</b>
<b><u>Short-term trade receivables</u></b>		
Trade receivables, net of unearned finance income	1.021.789.779	980.028.298
Notes receivables, net of unearned finance income	373.491.641	507.442.752
Deposits and guarantees given	2.122.502	4.900.348
Other	317.109	592.391
	<b>1.397.721.031</b>	<b>1.492.963.789</b>
Less: provision for doubtful receivables	(71.806.975)	(86.673.855)
	<b>1.325.914.056</b>	<b>1.406.289.934</b>
<b><u>Long-term trade receivables</u></b>		
Trade receivables, net of unearned finance income	5.116.654	8.340.490
Notes receivables, net of unearned finance income	6.079.484	5.659.740
Deposits and guarantees given	1.091.815	1.356.300
	<b>12.287.953</b>	<b>15.356.530</b>
Movement of the provisions for doubtful receivables for the six-month period ended 30 June 2006 and 2005 is as follows:		
	<b>2006</b>	<b>2005</b>
1 January	86.673.855	45.493.095
Increase in provision	8.548.540	6.591.952
Collections	(11.423.722)	(2.613.607)
The effect of consolidating POAŞ by using the proportionate consolidation method (Note 2.5.c)	(11.991.698)	-
Decrease in Joint Venture ownership rate	-	(797.766)
<b>30 June</b>	<b>71.806.975</b>	<b>48.673.674</b>
<b><u>Short-term trade payables:</u></b>		
Trade accounts payable, net of unincurred credit finance charges	1.070.291.697	964.442.597
Notes payable, net of unincurred credit finance charges	3.467.588	9.757.563
Deposits and guarantees received	5.531.932	224.966
Other	1.391.461	2.003.675
	<b>1.080.682.678</b>	<b>976.428.801</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)**

**Long-term trade payables**

	<b>30 June 2006</b>	<b>31 December 2005</b>
Trade accounts payable, net of unincurred credit finance charges (*)	229.277.553	354.597.348
Deposits and guarantees received	8.267.351	7.806.875
	<b>237.544.904</b>	<b>362.404.223</b>

(\*) The long-term trade payables of POAŞ, Joint Venture of the Group, mainly consists of letters of credit payable that stem from purchasing fuel-oil taken from different banks. At 30 June 2006, the letters of credit amounted to YTL 189.882.383 (USD 107.182.460; EUR 8.997.073) (31 December 2005: YTL 323.849.973, (USD 167.950.617, EUR 62.043.361) recognised in long-term trade payables. The long-term USD letters of credit weighted average interest rate is 6,81% (31 December 2005: 5,48%), the EUR letter of credits' weighted average interest rate is 4,86% (31 December 2005: 3,71%).

The redemption schedule of long-term payables is summarized below:

<b>Year</b>	<b>30 June 2006</b>	<b>31 December 2005</b>
2007	87.303.973	342.729.719
2008	118.506.731	10.008.851
2009 and after	31.734.200	9.665.653
	<b>237.544.904</b>	<b>362.404.223</b>

**NOTE 8 - LEASING RECEIVABLES AND PAYABLES**

**(i) Leasing receivables**

None. (31 December 2005: None)

**(ii) Leasing payables**

	<b>30 June 2006</b>	<b>31 December 2005</b>
Short term leasing payables	8.034.953	8.288.506
Long term leasing payables	18.124.287	14.496.705
	<b>26.159.240</b>	<b>22.785.211</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

**i) Amounts due from and due to related parties:**

<b>Due from related parties:</b>	<b>30 June 2006</b>	<b>31 December 2005</b>
D Yapı ve İnşaat Sanayi ve Ticaret A.Ş. ("D Yapı")	4.623.344	3.767.330
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv")	292.195	190.018
Biryay Satış Pazarlama ve Tic. A.Ş. ("Biryay")	-	2.147.000
Other	1.337.046	328.048
	<b>6.252.585</b>	<b>6.432.396</b>

**Due to related parties:**

D Yapı	3.318.104	3.874.915
Adilbey Holding A.Ş. ("Adilbey Holding")	316.055	455.002
D Tes	178.207	182.701
Other	146.808	137.552
	<b>3.959.174</b>	<b>4.650.170</b>

**Borrowings taken from related parties:**

Born Investment Holding Company S.A.	3.206.000	4.025.000
	<b>3.206.000</b>	<b>4.025.000</b>

**ii) Transactions with related parties:**

<b>Service and product purchases:</b>	<b>1 January - 30 June 2006</b>	<b>1 April - 30 June 2006</b>	<b>1 January - 30 June 2005</b>	<b>1 April - 30 June 2005</b>
Raw materials purchases	142.010.000	76.814.000	117.684.000	55.529.000
Other product and service purchases	31.449.508	29.468.818	2.566.249	1.776.190
	<b>173.459.508</b>	<b>106.282.818</b>	<b>120.250.249</b>	<b>57.305.190</b>

Raw material purchases consist of paper imported from related companies through Doğan Dış Ticaret.

**Service and product sales:**

Service and product sales	3.230.576	2.668.990	3.970.519	1.698.394
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**Financial income/(expense)**

Financial expenses from discontinued operations	-	-	(8.649.129)	(4.042.101)
Financial incomes from continuing operations	658.758	(9.670)	65.001	(6.212)
Financial expenses from continuing operations	(90.507)	326.390	(276.463)	(238.239)
	<b>568.251</b>	<b>316.720</b>	<b>(8.860.591)</b>	<b>(4.286.552)</b>

**Sales of fixed assets:**

Ortadoğu Otomotiv	10.050.000	50.000	-	-
Adilbey Holding	205.610	105.937	-	-
	<b>10.255.610</b>	<b>155.937</b>	<b>-</b>	<b>-</b>

**Purchases of fixed assets:**

Ortadoğu Otomotiv	203.502	9.918	-	-
	<b>203.502</b>	<b>9.918</b>	<b>-</b>	<b>-</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 10 - OTHER RECEIVABLES AND PAYABLES**

	<b>30 June 2006</b>	<b>31 December 2005</b>
<b>Other short-term receivables</b>		
Special Consumption Tax ("SCT") exemption (*)	20.299.528	36.347.168
Job advances	19.951.542	12.991.292
Advances given	7.820.148	10.172.809
Due from personnel	2.752.995	2.311.984
Receivables from Privatization Administration ("PA")	2.519.553	4.680.923
Other miscellaneous receivables	5.293.584	8.985.366
	<b>58.637.350</b>	<b>75.489.542</b>
<b>Other long-term receivables</b>		
Advances given	3.329.918	3.173.565
Other miscellaneous receivables	243.168	165.642
	<b>3.573.086</b>	<b>3.339.207</b>
<b>Other short-term liabilities</b>		
Taxes and withholdings payables	173.166.996	283.591.365
Liabilities arising from acquisition of POAŞ shares (**)	-	272.593.091
Fuel purchase certificates (***)	48.586.845	90.087.902
Compensation to be paid (****)	9.185.098	17.418.831
Payables to personnel	3.827.282	3.403.361
Other	18.368.099	51.994.232
	<b>253.134.320</b>	<b>719.088.782</b>
<b>Other long-term liabilities</b>		
Liabilities arising from acquisition of POAŞ shares (**)	-	136.731.834
Other long-term liabilities	97.144	176.610
	<b>97.144</b>	<b>136.908.444</b>

(\*) Special consumption tax is not collected on deliveries made to certain military institutions, embassies and petroleum searching companies and instead exemption certificates are obtained to use for the purchases from Türkiye Petrol Rafinerileri A.Ş ("Tüpraş"). The amount carried in the consolidated financial statements represents the amount of exemption certificates sent to Tüpraş but not used as of the date of the consolidated financial statements.

(\*\*) Total liability arisen from the acquisition of POAŞ shares fully paid by the Group on 19 April 2006; the Group has no liability arising from the acquisition of POAŞ shares as of 30 June 2006.

(\*\*\*) Fuel purchase certificates are issued and given to customers for future consumption. At 30 June 2006 and 31 December 2005, the amount of certificates carried in short-term liabilities represent the amount of certificates issued but not used by the customers as of the balance sheet date.

(\*\*\*\*) Compensation to be paid amounting to YTL 17.418.831 (YTL 9.185.098 with the Holding's ownership interest) represents the compensation and its related interests that has been collected from the defendant in connection with a case, that was judged as the receivable of POAŞ is YTL 9.680.936, handed over by the Supreme Court of Üsküdar Asliye Hukuk Mahkemesi for a second hearing. The case had not commenced as of the balance sheet date and therefore POAŞ included such amount as compensation to be paid in the consolidated financial statements due to uncertain outcome.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 11 - BIOLOGICAL ASSETS**

As of 30 June 2006, biological assets amount to YTL 39.601 (31 December 2005: YTL 80.988).

**NOTE 12 - INVENTORIES**

	<b>30 June 2006</b>	<b>31 December 2005</b>
<b><u>Short-term inventories</u></b>		
Finished goods and merchandise	343.438.252	548.872.030
Raw materials and supplies	33.193.585	48.745.728
Spares, supplies and advances	6.387.239	17.742.469
Promotion stocks	9.136.645	4.883.543
Semi-finished goods	6.295.592	6.808.024
Other inventories	55.597.391	16.770.034
	<b>454.048.704</b>	<b>643.821.828</b>
Provision for net realizable value	(3.180.123)	(5.680.161)
	<b>450.868.581</b>	<b>638.141.667</b>

Other inventories mainly consist of fuels in transit and lubricants.

**Long-term inventories**

Construction-in-progress inventories	-	18.969.002
<b>Total</b>	<b>-</b>	<b>18.969.002</b>

At 31 December 2005 long-term construction-in-progress inventories are the costs of the shopping mall construction at Istanbul Beylikdüzü; mainly the rough construction work, infrastructure, isolation and environment arrangement incurred in accordance with the construction agreement signed with D Yapı at 25 June 2004 and 3 January 2005. At 30 June 2006, the related construction work is completed and revenue is recognised following the deliveries of the independent parts.

**NOTE 13 - CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING**

Group has no construction contract receivables and construction progress billings (31 December 2005: None).

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 14 - DEFERRED TAX ASSETS AND LIABILITIES**

**Deferred Tax**

Doğan Holding, Subsidiaries and Joint Ventures recognize deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported for CMB Accounting Standards purposes and their statutory tax financial statements. In substance, differences arise from the differences in accounting periods for the recognition of income and expenses, in accordance with CMB Accounting Standards and tax legislation.

Subsidiaries and Joint Ventures calculate their deferred tax assets and liabilities on temporary differences by using the tax rates that are expected to be effective when those temporary differences are realised or settled.

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities provided at 30 June 2006 and 31 December 2005 using the enacted future tax rates is as follows:

	<b>Cumulative temporary differences</b>		<b>Deferred tax assets/(liabilities)</b>	
	<b>30 June 2006</b>	<b>31 December 2005</b>	<b>30 June 2006</b>	<b>31 December 2005</b>
Net difference between the tax base and the carrying value of property, plant and equipment, intangible assets and inventories	135.668.441	295.113.372	(28.697.926)	(89.186.859)
Other	29.333.332	26.271.507	(5.866.665)	(7.881.452)
<b>Deferred tax liabilities</b>	<b>165.001.773</b>	<b>321.384.879</b>	<b>(34.564.591)</b>	<b>(97.068.311)</b>
Tax losses carried forward	275.896.634	209.889.507	54.918.962	63.642.495
Provision for doubtful receivables	37.634.469	33.758.086	7.526.894	10.127.426
Reserve for employment termination benefits	24.420.973	27.119.217	4.770.242	8.018.099
Deferred financial income of trade receivables	13.394.048	12.764.891	4.029.077	4.127.738
Investment incentive allowance	463.727	27.773.260	92.745	6.263.515
Other	57.021.692	47.433.174	11.404.328	14.362.596
<b>Deferred tax assets</b>	<b>408.831.543</b>	<b>358.738.135</b>	<b>82.742.248</b>	<b>106.541.869</b>
<b>Deferred tax assets, net</b>			<b>48.177.657</b>	<b>9.473.558</b>

Due to the fact that Subsidiaries and Joint Ventures, which are independent taxpayers, have represented the net amount of deferred tax assets and liabilities in their financial statements in accordance with CMB Accounting Standards; the effects of the mentioned net-offs have been reflected to the consolidated financial statements of the Holding. Temporary differences and deferred tax assets and liabilities mentioned above have been prepared according to their gross amounts.

The Holding did not recognize the deferred tax assets as of 30 June 2006 for the tax losses carried forward amounting to YTL 77.902.597 (31 December 2005: YTL 110.177.426) as there is an uncertainty about the future taxable profit that will be available against which these deferred tax assets can be utilised.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 14 - DEFERRED TAX ASSETS AND LIABILITIES (Continued)**

Movements for net deferred taxes for the six-month interim periods ended 30 June 2006 and 2005 are as follows:

	<b>2006</b>	<b>2005</b>
1 January	9.473.558	145.543.385
Classification related to discontinued operations	-	(60.811.398)
Effect of change in Joint Venture ownership rate	-	(1.968.007)
Charge for the period (Note 41)	21.342.986	(23.418.101)
The effect of consolidating POAŞ by using the proportionate consolidation method (Note 2.5.c)	17.361.113	-
Effect of change in accounting policy (Notes 2.6)	-	(19.769.703)
<b>30 June</b>	<b>48.177.657</b>	<b>39.576.176</b>

**NOTE 15 - OTHER CURRENT/NON CURRENT ASSETS AND LIABILITIES**

**Other current assets**

	<b>30 June 2006</b>	<b>31 December 2005</b>
Prepaid expenses	28.349.451	29.189.290
Prepaid taxes and funds	20.038.433	14.634.450
Deferred acquisition costs	18.289.105	15.690.247
Value Added Tax ("VAT") receivable	14.660.324	15.391.610
Programme stocks	8.703.823	5.537.986
Income accruals	8.110.574	3.686.773
Other current assets	3.999.154	4.316.218
	<b>102.150.864</b>	<b>88.446.574</b>

Impairment for programme stocks

	-	(1.777.000)
	<b>102.150.864</b>	<b>86.669.574</b>

**Other non-current assets**

	<b>30 June 2006</b>	<b>31 December 2005</b>
Prepaid expenses	3.985.506	13.040.355
Other non-current assets	151.830	87.439
	<b>4.137.336</b>	<b>13.127.794</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 15 - OTHER CURRENT/NON CURRENT ASSETS AND LIABILITIES (Continued)**

**Other current liabilities**

	<b>30 June 2006</b>	<b>31 December 2005</b>
Provision for expenses	14.099.584	17.111.489
Deferred income	13.490.895	8.624.522
Other	20.426	379.198
	<b>27.610.905</b>	<b>26.115.209</b>

**Other non-current liabilities**

Other	25.643	-
	<b>25.643</b>	<b>-</b>

**NOTE 16 - FINANCIAL ASSETS**

As at 30 June 2006 and 31 December 2005, all financial assets are classified under securities available-for-sale and they are composed of unquoted shares and stated at their costs less any impairment. The details of these available-for-sale equity investments are as follows:

	<b>30 June 2006</b>		<b>31 December 2005</b>	
	<b>YTL</b>	<b>%</b>	<b>YTL</b>	<b>%</b>
Aks Televizyon Reklamcılık ve Filmcilik San. ve Tic. A.Ş.	2.922.593	9	2.922.593	9
D Tes (*)	532.744	100	532.744	100
Biryay	-	-	357.960	50
Other	1.110.055	-	1.163.922	-
	<b>4.565.392</b>		<b>4.977.219</b>	

(\*) This Subsidiary of Doğan Holding has not been consolidated due to grounds of materiality.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 17 - GOODWILL/NEGATIVE GOODWILL**

**Goodwill:**

	<b>2006</b>	<b>2005</b>
1 January	2.808.941.225	1.395.325.222
Additions (Note 32)	-	6.024.816
Disposals (*)	(61.338.096)	-
The effect of consolidating POAŞ by using the proportionate consolidation method (Note 2.5.c)	(1.054.316.913)	-
Disposal of the Joint Venture (**)	-	(78.973.068)
<b>30 June</b>	<b>1.693.286.216</b>	<b>1.322.376.970</b>

(\*) The effect of 6,25% and 34 % share sales of POAŞ and 5,34% share sales of Doğan.

(\*\*) The effect of %3,37 share sales of POAŞ.

**Negative goodwill:**

	<b>2006</b>	<b>2005</b>
1 January	-	(6.322.111)
Disposals (***)	-	6.322.111
<b>30 June</b>	<b>-</b>	<b>-</b>

(\*\*\*) The Group derecognised the negative goodwill arising from the prior periods' acquisitions amounted to YTL 6.322.111 by adjusting the opening retained earnings according to IFRS 3 (Note 2.6).

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

NOTE 18 - INVESTMENT PROPERTY

	1 January 2006	Additions	Disposals	30 June 2006
<b>Cost:</b>				
Land and land improvements	25.836.206	6.072.563	-	31.908.769
Buildings	19.960.969	-	(8.957.518)	11.003.451
Machinery and equipment				
about buildings	2.884.600	-	-	2.884.600
Furniture and fixtures	2.154.731	-	-	2.154.731
	<b>50.836.506</b>	<b>6.072.563</b>	<b>(8.957.518)</b>	<b>47.951.551</b>
<b>Accumulated depreciation:</b>				
Land and land improvements	136.415	1.229	-	137.644
Buildings	2.897.419	259.808	(709.782)	2.447.445
Machinery and equipment				
about buildings	2.588.068	23.937	-	2.612.005
Furniture and fixtures	1.931.508	17.659	-	1.949.167
	<b>7.553.410</b>	<b>302.633</b>	<b>(709.782)</b>	<b>7.146.261</b>
<b>Net book value</b>	<b>43.283.096</b>			<b>40.805.290</b>

	1 January 2005	Additions	Disposals	30 June 2005
<b>Cost:</b>				
Land and land improvements	46.264.193	451.256	-	46.715.449
Buildings	9.763.103	-	(1.565.775)	8.197.328
	<b>56.027.296</b>	<b>451.256</b>	<b>(1.565.775)</b>	<b>54.912.777</b>
<b>Accumulated depreciation:</b>				
Buildings	1.482.749	166.301	(125.281)	1.523.769
	<b>1.482.749</b>	<b>166.301</b>	<b>(125.281)</b>	<b>1.523.769</b>
<b>Net book value</b>	<b>54.544.547</b>			<b>53.389.008</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 19 – PROPERTY, PLANT AND EQUIPMENT**

Movement for property, plant and equipment and related depreciation for the six-month interim period ended 30 June 2006 is as follows:

	<b>1 January 2006</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (*)</b>	<b>Provisions for impairment</b>	<b>Effect of POAŞ share sales (**)</b>	<b>Currency translation differences</b>	<b>30 June 2006</b>
<b>Cost:</b>								
Land and land improvements	376.194.338	2.236.454	(16.302.815)	1.402.037	-	(138.668.511)	1.666.051	226.527.554
Buildings	459.428.959	223.927	(5.029.559)	402.722	-	(47.182.197)	3.508.720	411.352.572
Machinery and equipment	1.483.967.116	5.178.310	(759.475)	1.094.033	-	(289.355.809)	9.158.095	1.209.282.270
Motor vehicles	97.233.752	3.155.905	(4.876.555)	-	(3.781.609)	(5.821.697)	3.165	85.912.961
Furniture and fixtures	232.375.946	8.762.547	(2.294.305)	968.248	114.469	(9.953.392)	288.869	230.262.382
Leasehold improvement	212.965.072	42.935.905	(226.323)	323.443	-	(78.137.776)	-	177.860.321
Other fixed assets	360.079.926	54.361.866	(205.916)	8.966.197	-	(174.521.119)	-	248.680.954
Construction in progress	23.340.574	68.159.300	(296.197)	(15.299.242)	-	(13.164.199)	-	62.740.236
	<b>3.245.585.683</b>	<b>185.014.214</b>	<b>(29.991.145)</b>	<b>(2.142.562)</b>	<b>(3.667.140)</b>	<b>(756.804.700)</b>	<b>14.624.900</b>	<b>2.652.619.250</b>
<b>Accumulated depreciation:</b>								
Land and land improvements	43.594.187	3.600.136	(530.418)	-	-	(19.912.668)	-	26.751.237
Buildings	89.305.233	6.083.622	(1.681.598)	-	-	(5.068.853)	511.715	89.150.119
Machinery and equipment	1.092.777.922	38.055.851	(388.927)	-	-	(239.576.415)	2.779.115	893.647.546
Motor vehicles	41.986.634	4.317.371	(2.808.629)	-	-	(4.017.417)	897	39.478.856
Furniture and fixtures	179.313.316	8.375.522	(737.187)	-	-	(5.579.373)	163.303	181.535.581
Leasehold improvements	66.338.321	10.186.210	(336)	1.758	-	(11.962.919)	-	64.563.034
Other fixed assets	137.291.376	18.530.400	(134.935)	(1.758)	-	(72.045.378)	-	83.639.705
	<b>1.650.606.989</b>	<b>89.149.112</b>	<b>(6.282.030)</b>	<b>-</b>	<b>-</b>	<b>(358.163.023)</b>	<b>3.455.030</b>	<b>1.378.766.078</b>
<b>Net book value</b>	<b>1.594.978.694</b>							<b>1.273.853.172</b>

(\*) YTL 2.142.562 of transfer from property, plant and equipment is related with intangible assets (Note 20).

(\*\*) The effect of consolidating POAŞ by using the proportionate consolidation method (Note 2.5.c).

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 19 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

Movement for property, plant and equipment and related depreciation for the six-month interim period ended 30 June 2005 is as follows:

	1 January 2005	Additions	Disposals	Transfers	Impairment related to discontinued operations	Sales of subsidiaries(*)	Effect of change in participation rate(**)	Currency translation differences	Reclassification to discontinued operations	30 June 2005
<b>Cost:</b>										
Land and land improvements	202.627.474	2.038.166	-	132.225	-	-	(9.844.794)	(739.430)	(3.522.200)	190.691.441
Buildings	523.940.590	3.631.036	(82.192)	948.673	(28.048.899)	-	(4.317.843)	(1.550.042)	(82.811.978)	411.709.345
Machinery and equipment	1.147.979.141	2.944.560	(964.247)	14.663.509	-	(626.999)	(20.790.788)	(3.365.295)	(22.882.090)	1.116.957.791
Motor vehicles	90.491.592	3.385.428	(2.391.669)	2.185.589	-	(206.808)	(319.080)	(1.576)	(1.506.634)	91.636.842
Furniture and fixtures	493.052.385	8.140.275	(2.451.171)	2.730.206	(3.056.149)	(1.651.397)	(970.513)	(129.454)	(303.797.429)	191.866.753
Leasehold improvement	222.716.662	16.307.917	(3.119.193)	1.714.322	(1.782.848)	(227.103)	(2.301.752)	-	(119.099.822)	114.208.183
Other fixed assets	141.275.865	7.126.559	(116.018)	3.933.572	-	-	(9.684.799)	-	(19.452.170)	123.083.009
Construction in progress	13.304.122	35.080.691	(31.906)	(27.069.065)	-	-	(410.377)	-	-	20.873.465
	<b>2.835.387.831</b>	<b>78.654.632</b>	<b>(9.156.396)</b>	<b>(760.969)</b>	<b>(32.887.896)</b>	<b>(2.712.307)</b>	<b>(48.639.946)</b>	<b>(5.785.797)</b>	<b>(553.072.323)</b>	<b>2.261.026.829</b>
<b>Accumulated depreciation:</b>										
Land and land improvements	19.045.725	1.636.318	-	-	-	-	(1.081.605)	-	(135.813)	19.464.625
Buildings	100.768.803	6.487.400	(2.192)	-	-	-	(250.641)	(153.845)	(26.445.234)	80.404.291
Machinery and equipment	775.117.413	31.534.023	(649.295)	-	-	(166.738)	(16.465.803)	(910.356)	(907.444)	787.551.800
Motor vehicles	34.343.036	4.891.645	(1.697.428)	-	-	(52.552)	(222.636)	(597)	(1.485.110)	35.776.358
Furniture and fixtures	417.623.905	19.198.220	(2.033.458)	-	-	(658.144)	(523.269)	(72.478)	(285.916.200)	147.618.576
Leasehold improvement	130.901.638	16.232.927	(2.915.638)	-	-	(174.816)	(381.250)	-	(93.621.725)	50.041.136
Other fixed assets	57.658.081	13.027.543	(39.403)	-	-	-	(3.133.020)	-	(19.286.361)	48.226.840
	<b>1.535.458.601</b>	<b>93.008.076</b>	<b>(7.337.414)</b>	<b>-</b>	<b>-</b>	<b>(1.052.250)</b>	<b>(22.058.224)</b>	<b>(1.137.276)</b>	<b>(427.797.887)</b>	<b>1.169.083.626</b>
<b>Net book value</b>	<b>1.299.929.230</b>									<b>1.091.943.203</b>

(\*) The effect of merger of Doğan Produksiyon, a Subsidiary of the Group, with CNN Türk.

(\*\*) The effects of 3,37% share sales of POAŞ, 2,02% share sales of Doğan Burda and 2,92% share sales of CNN Türk in property, plant and equipment.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

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**NOTE 19 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

Machinery and equipment, furniture and fixtures, motor vehicles and leasehold improvements include finance leased assets amounting to YTL 64.901.395, YTL 2.499.349, YTL 1.686.445 and YTL 6.264.593 (31 December 2005: YTL 73.858.814, YTL 2.459.409, YTL 3.198.213 and YTL 9.315.711) respectively, at 30 June 2006. The accumulated depreciation related to finance leased assets amounts to YTL 40.150.278 at 30 June 2006 (31 December 2005: 53.847.873).

At 30 June 2006, mortgages on property, plant and equipment amount to YTL 24.403.412 (31 December 2005: YTL 36.252.007).

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 20 - INTANGIBLE ASSETS**

Movement for intangible assets and related amortization for the years ended 30 June 2006 and 2005 is as follows:

	1 January 2006	Additions	Disposals	Transfers (*)	Effect of POAŞ share sales (**)	Currency translation differences	30 June 2006
Cost	359.460.003	23.991.368	(403.550)	2.142.562	(7.854.052)	53.299	377.389.630
Accumulated amortization	(158.092.164)	(28.030.834)	108.490	-	5.888.669	(37.027)	(180.162.866)
<b>Net book value</b>	<b>201.367.839</b>						<b>197.226.764</b>

	1 January 2005	Additions	Disposals	Transfers	Impairment	Impairment related to discontinued operations	Sales of subsidiaries (***)	Effect of change in participation rate (****)	Currency translation differences	Reclassification to discontinued operations	30 June 2005
Cost	229.875.646	14.830.206	(1.364.355)	760.969	(258.389)	(204.059)	(798.594)	(890.813)	(65.455)	(41.536.447)	200.348.709
Accumulated amortization	(146.737.326)	(18.803.619)	309.689	-	-	-	480.432	663.334	18.448	28.187.447	(135.881.595)
<b>Net book value</b>	<b>83.138.320</b>										<b>64.467.114</b>

(\*) YTL 2.142.562 of transfer to intangible assets is related with property, plant and equipment (Note 20).

(\*\*) The effect of consolidating POAŞ by using the proportionate consolidation method (Note 2.5.c)

(\*\*\*) The effect of merger of Doğan Prodüksiyon, a Subsidiary of the Group, with CNN Türk.

(\*\*\*\*) The effects of 3.37% share sales of POAŞ, 2,02% share sales of Doğan Burda and 2,92% share sales of CNN Türk, the Joint Ventures of the Group.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

NOTE 21 - ADVANCES RECEIVED

	30 June 2006	31 December 2005
<b>Short-term advances</b>		
Order advances received	3.139.934	3.090.137
Other advances received	8.820.199	1.177.231
	<b>11.960.133</b>	<b>4.267.368</b>
<b>Long-term advances</b>		
Documented advances received from campaign participants	11.655.557	10.825.101
Cash advances received from campaign participants	1.090.193	29.910.899
Other advances received	55.170	125.774
	<b>12.800.920</b>	<b>40.861.774</b>

NOTE 22 - RETIREMENT PLANS

There is no retirement plan of the Group other than provision for employment termination benefits as explained in Note 23.

NOTE 23 - PROVISIONS

	30 June 2006	31 December 2005
<b>Short-term provisions</b>		
Provision for lawsuits (Note 31)	25.364.423	19.434.916
Tax provision (Note 41)	18.566.096	9.241.480
Provision for advertisements	24.386.972	19.456.000
Other	35.704.266	4.834.158
	<b>104.021.757</b>	<b>52.966.554</b>
<b>Long-term provisions</b>		
Provision for employment termination benefits	24.420.973	27.119.217
Long term debt provision	196.531	-
	<b>24.617.504</b>	<b>27.119.217</b>

There are no agreements for pension commitments other than the legal requirement as explained below:

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 23 - PROVISIONS (Continued)**

Under the Turkish Labour Law, the Holding is required to pay termination benefits to each employee who has completed one year of service and who achieves the retirement age (58 for women and 60 for men), whose employment is terminated without due cause, is called up for military service or who dies. Since the legislation was changed on 8 September 1999 there are certain transitional provisions relating to length of service prior to retirement. The amount as of 30 June 2006 payable consists of one month's salary limited to a maximum of YTL 1.770,62 (31 December 2005: YTL 1.727,15) for each year of service.

In addition, according to the Press sector regulations, companies should make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due cause. The maximum payable amount is 30 days' salary for each year.

Employment termination benefit is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Holding arising from the retirement of the employees.

CMB Accounting Standards requires actuarial valuation methods to be developed to estimate the Group's obligation under defined benefit plans. Accordingly the following actuarial assumptions have been used in the calculation of the total liability.

	<b>30 June 2006</b>	<b>31 December 2005</b>
Discount rate	5,49%	5,49%
Turnover rate to estimate the probability of retirement	93%	93%

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of YTL 1.815,28 at 1 July 2006 will be taken into consideration in calculating the reserve for employment termination benefit (1 January 2006: YTL 1.770,62).

Movements in the reserve for employment termination benefits during the periods ended 30 June 2006 and 2005 are as follows:

	<b>2006</b>	<b>2005</b>
1 January	27.119.217	30.054.866
The effect of consolidating POAŞ by using the proportionate consolidation method (Note 2.5.c)	(3.453.187)	-
Classification to discontinued operations	-	(8.625.000)
Effect of change in Joint Venture ownership rate (*)	-	(354.464)
Disposals	(3.132.063)	(1.264.350)
Change of the current period related to discontinued operations, net	-	(2.013.254)
Charge for the period	3.887.006	4.458.639
<b>30 June</b>	<b>24.420.973</b>	<b>22.256.437</b>

(\*) The effects of the change in Joint Venture participation rates in the current period.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 24– MINORITY INTERESTS**

Movements of the minority interests for the six-month period ended 30 June 2006 and 2005 are as follows:

	<b>2006</b>	<b>2005</b>
1 January	791.717.085	974.366.277
Effects of corrections (Note 2.6)	-	(10.079.300)
Currency translation differences	1.779.885	(1.604.328)
The effect of consolidating POAŞ by using the proportionate consolidation method (Note 2.5.c)	(102.152.077)	(6.032.091)
Minority interest arising from the acquisition of a new Subsidiary	-	(2.762.221)
Dividend payments	(25.653.728)	(4.996.176)
Other movements	(237.670)	673.158
Net income	48.819.981	37.362.341
<b>30 June</b>	<b>714.273.476</b>	<b>986.927.660</b>

**NOTE 25 - CAPITAL/ADJUSTMENT TO SHARE CAPITAL**

Doğan Holding adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of YTL 1 Doğan Holding's authorised, historical and paid-in share capital at 30 June 2006 and 31 December 2005 are as follows:

	<b>30 June 2006</b>	<b>31 December 2005</b>
Limit on registered share capital (historical)	2.000.000.000	2.000.000.000
Share capital	735.288.208	735.288.208

The shareholder structure of the Holding at 30 June 2006 and 31 December 2005 is summarised as follows:

	<b>Share %</b>	<b>30 June 2006</b>	<b>Share %</b>	<b>31 December 2005</b>
Adilbey Holding	52,00	382.349.868	52,00	382.349.868
Aydın Doğan	7,72	56.694.341	7,72	56.694.341
Işıl Doğan	1,64	12.092.273	1,64	12.092.273
Arzuhan D. Yalçındağ	1,04	7.653.914	1,04	7.653.914
Vuslat D. Sabancı	1,04	7.653.914	1,04	7.653.914
Hanzade V. Doğan	1,04	7.653.914	1,04	7.653.914
Y. Begümhan D. Faralyalı	1,04	7.653.914	1,04	7.653.914

**Total shares held by Doğan family  
and companies owned  
by Doğan family**

	<b>Share %</b>	<b>30 June 2006</b>	<b>Share %</b>	<b>31 December 2005</b>
<b>Total shares held by Doğan family and companies owned by Doğan family</b>	<b>65,52</b>	<b>481.752.138</b>	<b>65,52</b>	<b>481.752.138</b>
Istanbul Stock Exchange	34,29	252.131.806	34,29	252.131.806
Aydın Doğan Vakfı	0,19	1.404.264	0,19	1.404.264
	<b>100,00</b>	<b>735.288.208</b>	<b>100,00</b>	<b>735.288.208</b>
Adjustment to share capital		804.735.232		804.735.232
<b>Total share capital</b>		<b>1.540.023.440</b>		<b>1.540.023.440</b>

Adjustment to share capital represents the restatement effect of cash contributions to share capital at year-end equivalent purchasing power.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 26- CAPITAL RESERVES**

Capital reserves as of 30 June 2006 and 31 December 2005 is as follows:

	<b>30 June 2006</b>	<b>31 December 2005</b>
Share premium	630.275	630.275
Restatement difference of shareholders' equity	1.128.199.721	1.128.199.721
<b>Total capital reserves</b>	<b>1.128.829.996</b>	<b>1.128.829.996</b>

The restated amounts and restatement differences of the items disclosed with their historical amounts in Notes 25, 26 and 27 as of 30 June 2006 and 31 December 2005 are as follows:

	<b>30 June 2006</b>			<b>31 December 2005</b>		
	<b>Historical amount</b>	<b>Restated amount</b>	<b>Restatement difference</b>	<b>Historical amount</b>	<b>Restated amount</b>	<b>Restatement difference</b>
Share capital	735.288.208	1.540.023.440	804.735.232	735.288.208	1.540.023.440	804.735.232
Share premium	630.275	738.390	108.115	630.275	738.390	108.115
Legal reserves	11.331.152	38.786.856	27.455.704	7.915.090	35.370.794	27.455.704
Extraordinary reserves	11.748.826	258.967.365	247.218.539	82.871.964	330.090.503	247.218.539
Other reserves	297.467.006	346.149.137	48.682.131	5.587.343	54.269.474	48.682.131
	<b>1.056.465.467</b>	<b>2.184.665.188</b>	<b>1.128.199.721</b>	<b>832.292.880</b>	<b>1.960.492.601</b>	<b>1.128.199.721</b>

For the purposes of profit distribution in accordance with related CMB regulations, items of statutory shareholders' equity such as "Share Capital, Share Premium, Legal Reserves, Other Reserves, Special Reserves and Extraordinary Reserves" are presented at their historical amounts. The differences between the inflated and historical amounts of these items are presented in shareholders' equity as a total restatement difference.

The restatement difference of shareholders' equity can only be netted-off against prior years' losses and used as an internal source of capital increase where extraordinary reserves can be netted-off against prior years' losses, distribution of bonus shares and dividends to shareholders. Moreover, in the capital increases through own resources, the lower amount of amounts found as a result of CMB accounting standards applications and those in the statutory records will be taken as basis.

**NOTE 27 - PROFIT RESERVES**

Profit reserves at 30 June 2006 and 31 December 2005 are as follows;

	<b>30 June 2006</b>	<b>31 December 2005</b>
Legal reserves	11.331.152	7.915.090
Extraordinary reserves	11.748.826	82.871.964
Other reserves	297.467.006	5.587.343
Currency translation differences	(637.246)	(4.358.115)
<b>Total profit reserves</b>	<b>319.909.738</b>	<b>92.016.282</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 28 - RETAINED EARNINGS**

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

Public companies distribute dividends according to CMB regulations as follows:

In accordance with Communiqué XI No:25, effective from 1 January 2004, companies are obliged to distribute at least 30% of their distributable profit arising from the activity, which is calculated based on the financial statements prepared in accordance with accounting principles described in Note 2. Based on the decision of the General Assembly, the distribution of a minimum of 30% of the distributable profit can be made as cash or as bonus shares or as a combination of a certain percentage of cash and bonus shares.

In accordance with CMB regulation dated 25 February 2005 and decree 7/242, when calculating the net distributable consolidated profit, the net profit of Subsidiaries that have not agreed in the general assembly to distribute dividends over the current year profits, will be deducted from the net consolidated profit.

At the General Assembly Meeting of Doğan Holding on 30 May 2006, it is decided to pay cash dividends at a total amount of YTL136.028.318 which is composed of YTL71.123.138 of extraordinary reserves and YTL 64.905.180 of statutory net profit of 2005 fiscal year remained after accounting for the legal reserves amounting to YTL 3.416.062.

In accordance with the Communiqué No: XI-25, the shareholders' equity schedule, is as below:

	<b>30 June 2006</b>	<b>31 December 2005</b>
Share capital	735.288.208	735.288.208
Share premium	630.275	630.275
Legal reserves	11.331.152	7.915.090
Extraordinary reserves	11.748.826	82.871.964
Other reserves	297.467.006	5.587.343
Restatement difference of shareholders' equity (Note 26)	1.128.199.721	1.128.199.721
Foreign currency translation differences	(637.246)	(4.358.115)
Net income for the period	762.603.677	636.356.508
Retained earnings	295.277.931	19.122.328
<b>Total shareholders' equity</b>	<b>3.241.909.550</b>	<b>2.611.613.322</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 29 - FOREIGN CURRENCY POSITION**

Assets and liabilities denominated in foreign currency held by the Group at 30 June 2006 and 31 December 2005 are as follows:

	<b>30 June 2006</b>			<b>Total</b>
	<b>US\$</b>	<b>EURO</b>	<b>Other</b>	
<b><u>Assets:</u></b>				
Cash and cash equivalents	1.345.140.818	11.870.080	373.523	1.357.384.421
Marketable securities	24.043.500	-	-	24.043.500
Trade receivables and due from related parties	129.052.669	25.067.815	162.727	154.283.211
Inventories	2.045.434	120.431	15.747	2.181.612
Other current assets	3.944.165	9.541.652	2.091.939	15.577.756
Property, plant and equipment, net	13.798.008	21.773.623	-	35.571.631
Other non-current assets	289.797	763	-	290.560
<b>Total assets</b>	<b>1.518.314.391</b>	<b>68.374.364</b>	<b>2.643.936</b>	<b>1.589.332.691</b>
<b><u>Liabilities:</u></b>				
Short-term bank borrowings	130.691.409	57.183.741	-	187.875.150
Current portion of long-term bank borrowings	109.540.009	7.534.796	1.476.265	118.551.070
Advances received	80.723	1.203.997	66.018	1.350.738
Short-term trade payables and due to related parties	595.003.010	70.383.221	3.388.355	668.774.586
Other short-term trade payables	438.314	122.730	-	561.044
Other financial liabilities	57.577.411	1.523.524	-	59.100.935
Long-term bank borrowings	1.194.464.740	45.869.132	2.735.360	1.243.069.232
Long-term trade payables	177.610.899	32.710.004	-	210.320.903
<b>Total liabilities</b>	<b>2.265.406.515</b>	<b>216.531.145</b>	<b>7.665.998</b>	<b>2.489.603.658</b>
<b>Net foreign currency position</b>	<b>(747.092.124)</b>	<b>(148.156.781)</b>	<b>(5.022.062)</b>	<b>(900.270.967)</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 29 - FOREIGN CURRENCY POSITION (Continued)**

	<b>31 December 2005</b>			<b>Total</b>
	<b>US\$</b>	<b>EURO</b>	<b>Other</b>	
<b>Assets:</b>				
Cash and cash equivalents	213.248.776	145.933.529	53.969	359.236.274
Trade receivables and due from related parties	116.406.231	27.221.035	627.937	144.255.203
Inventories	483	2.815.386	1.341	2.817.210
Other current assets	2.163.867	833.062	1.318	2.998.247
Property, plant and equipment, net	-	6.667.500	-	6.667.500
Other non-current assets	501.961	1.143	-	503.104
<b>Total assets</b>	<b>332.321.318</b>	<b>183.471.655</b>	<b>684.565</b>	<b>516.477.538</b>
<b>Liabilities:</b>				
Short-term bank borrowings	242.769.929	35.465.306	632.082	278.867.317
Current portion of long-term bank borrowings	318.736.124	14.532.789	1.233.767	334.502.680
Advances received	416	127.265	-	127.681
Short-term trade payables and due to related parties	562.408.703	31.955.196	1.197.046	595.560.945
Other short-term trade payables	-	517.744	-	517.744
Other financial liabilities	299.946.146	865.608	-	300.811.754
Long-term bank borrowings	1.244.801.123	68.888.798	5.363.408	1.319.053.329
Long-term trade payables	231.240.716	100.754.736	-	331.995.452
Other financial liabilities	136.731.834	-	-	136.731.834
Advances received	3.562.230	13.591.073	-	17.153.303
<b>Total liabilities</b>	<b>3.040.197.221</b>	<b>266.698.515</b>	<b>8.426.303</b>	<b>3.315.322.039</b>
<b>Net foreign currency position</b>	<b>(2.707.875.903)</b>	<b>(83.226.860)</b>	<b>(7.741.738)</b>	<b>(2.798.844.501)</b>

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 30 June 2006; YTL 1,6029 = USD 1 and YTL 2,0095 = Euro 1 (31 December 2005: YTL 1,3418 = USD 1 and YTL 1,5875 = Euro 1).

**NOTE 30 - GOVERNMENT GRANTS**

	<b>30 June 2006</b>	<b>31 December 2005</b>
Investment incentive allowance	88.759.542	97.755.513

**NOTE 31 - PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES**

Commitments and contingencies, from which the management does not anticipate any significant losses or liabilities, are summarised below.

**a. Commitments given**

	<b>30 June 2006</b>	<b>31 December 2005</b>
Letters of guarantee	188.898.696	363.778.078
Guarantee notes	55.357.039	95.853.730
Subsidiary shares given as guarantee	-	328.879.869
	<b>244.255.735</b>	<b>788.511.677</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 31 -PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

The Group has provided bail and mortgages to third parties in the amounts of YTL 657.592.957 (31 December 2005: YTL 303.831.410) and YTL 16.211.112 (31 December 2005: YTL 28.059.707) respectively with respect to bank borrowings obtained. In addition, the Group have pledged mortgages amounting to YTL 8.192.300 (31 December 2005: YTL 8.192.300) in favour of the Treasury Undersecretariat and Northern Cyprus Ministry of Finance in accordance with the Insurance Audit Law.

**b. Barter agreements:**

The Group, as a common practice in the media segment, entered into Barter agreements. These agreements involve the exchange of goods or services without cash collections or payments. As of 30 June 2006, the Group has an advertisement commitment of YTL 5.043.000 (31 December 2005: YTL 15.324.000), and a right to obtain service and goods in the amount of YTL 8.772.000 (31 December 2005: YTL 18.585.000).

**c. Court cases:**

Law cases against the Group amount to YTL 108.405.060 at 30 June 2006 (31 December 2005: YTL 118.921.499).

A provision in the amount of YTL 25.364.423 (31 December 2004: YTL 19.434.916) was made at the end of the evaluation of the legal consultation regarding the legal, labour, trade and administrative lawsuits against the Company, and cases with similar nature (Note 23).

**d. Futures Contracts**

In connection with oil product inventories and import cargo purchases; for the purpose of regular income assurance and to avoid negative price movements, fair value hedging is done by using derivative instruments. For this purpose the futures contracts listed in the Intercontinental Exchange (ICE) in London are used.

While maturities of future contracts for the import cargos do not exceed 1 or 2 months, maturities of future contracts of stock on hand are longer. The maturities of all futures contracts used are less than one year. Any gains/losses arising from changes in the fair values of all other derivatives are recognised in the cost of goods sold.

	<u>30 June 2006</u>		<u>31 December 2005</u>	
	<b>Nominal</b>	<b>Fair Value</b>	<b>Nominal</b>	<b>Fair Value</b>
Stock on Hand	34.485.091	(4.362.491)	-	-
Cargo	27.693.198	(822.909)	20.741.598	622.394
	<b>62.178.289</b>	<b>(5.185.400)</b>	<b>20.741.598</b>	<b>622.394</b>

**e. Other:**

In accordance with the agreement dated 11 April 2005 mentioned in Note 35, warranties and declarations have been made to Fortis Bank by the Holding and other real and legal sellers (“Sellers”) regarding the financial structure of Dışbank, its employees, fundamental intellectual rights, current contractual relationships, compliance of operations with the legislation and ownership of shares. If the abovementioned warranties and declarations are not true, there are clauses for compensating Fortis Bank by the Sellers. Therefore Holding;

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 31 -PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

- Provided that the agreement conditions are met, and within some limits, Holding will be responsible for 80,33% of the part that corresponds to its share of losses that could arise due to the non- fulfilment of the Agreement's terms and/or collaterals given in the scope of this Agreement,
- Provided that the agreement conditions are met and within certain limits, Holding will be responsible if losses exceed EUR 100.000 on a single event basis or EUR 1.000.000 in total,
- Holding will not be held responsible for the losses and expenses that could rise prospectively regarding the Dışbank Mensupları Emekli Sandığı Vakfı and Dışbank Mensupları Güvenlik Vakfı.

Fortis Bank does not accept any responsibility due to grounds of materiality for tax lawsuits some of which are previously announced to public and for amounts related to loans under legal follow-up amounted USD 6.000.000 and YTL 4.178.006 at the closing date of Agreement.

The abovementioned responsibilities of Holding will end at the end of 5 years for the issues related with tax following 1 January 2006, and at 31 March 2007 for the issues that are not related with tax.

**NOTE 32 - BUSINESS COMBINATIONS**

**Significant acquisitions and disposals of the Group for the six-month interim period ended 30 June 2006:**

*Acquisitions:*

None.

*Disposals:*

The Group sold 6,25% of POAŞ shares with a nominal value of YTL 26.090.625 for a total amount of YTL 139.584.844 to Deutsche Bank on behalf of 32 institutional investors and 34% of POAŞ shares with a nominal value of YTL 141.933.000 for a total amount of YTL 1.528.089.200 (USD 1.054.000.000) to OMV. The total gain on these shares sales was calculated as YTL 760.335.603 and it has been included in "Other income" in the consolidated statements of income (Note 38). Controlling ownership of the Group on POAŞ decreased from 92,73% to 52,73% after the sale of these shares. POAŞ, which was a Subsidiary at 31 December 2005, became a Joint Venture of the Group in accordance with the share sale agreement signed with OMV on 16 May 2006.

At 15 February 2006, 32.478.952 shares of Doğan Yayın, with a nominal value of YTL 1 each, have been sold to Oz Management Ltd (nominal value of YTL 4.380.000), Lone Pine Capital LLC (nominal value of YTL 13.140.000), Maveric Capital Ltd (nominal value of YTL 8.745.784), Griffin Capital Management Ltd (nominal value of YTL 5.315.000), Shannon River Partners (nominal value of YTL 450.000) and Black River EMEA Eurasia Fund Ltd (nominal value of YTL 448.168) for a total amount of YTL 195.177.460. The total gain on this sale was calculated as YTL 140.096.214 and it has been included in "Other Income" in the consolidated statements of income (Note 38).

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 32 - BUSINESS COMBINATIONS (Continued)**

**Significant acquisitions and disposals of the Group for the six-month interim period ended 30 June 2005:**

*Acquisitions:*

The Group acquired 1,05% of the shares of Kanal D for YTL 6.861.500 at 10 January 2005 and therefore goodwill amounting to YTL6.024.816 has emerged.

The Group acquired 10,5% of the shares of Ray Sigorta for YTL 3.400.550 at 29 June 2005. The resulting negative goodwill of YTL 902.240 is reflected in "Other Income".

*Disposals:*

The shares of Doğan Yayın Holding, which has a share capital of YTL 552.000.000, corresponding to 0,23% of its share capital, have been sold on 7 February 2005 for an amount of YTL 4.987.527.

The shares of POAŞ, a Joint Venture of the Group, amounting to a nominal value of YTL 11.638.221 out of the total nominal share capital of YTL345.000.000 were sold to nine different foreign investors for a total consideration of YTL 52.371.995 over YTL 4,50 for a nominal value of YTL1 share in the Wholesale Market of ISE. Such sale resulted to a 3,37% reduction in the ownership interest of the Group in POAŞ.

**NOTE 33 - SEGMENT REPORTING**

**a) External Revenues**

	<b>1 January - 30 June 2006</b>	<b>1 April - 30 June 2006</b>	<b>1 January - 30 June 2005</b>	<b>1 April - 30 June 2005</b>
Media	981.634.981	542.476.647	735.500.878	404.760.686
Energy	5.327.875.693	2.680.050.625	2.266.968.565	1.270.502.263
Other	411.718.240	204.812.973	320.161.107	136.527.100
	<b>6.721.228.914</b>	<b>3.427.340.245</b>	<b>3.322.630.550</b>	<b>1.811.790.049</b>

**b) Operating profit/(loss)**

	<b>1 January - 30 June 2006</b>	<b>1 April - 30 June 2006</b>	<b>1 January - 30 June 2005</b>	<b>1 April - 30 June 2005</b>
Media	7.261.479	(14.490.078)	58.511.246	53.478.497
Energy	(108.309.196)	(170.245.152)	62.123.656	60.293.455
Other	916.103.819	797.383.664	(33.100.137)	4.854.462
	<b>815.056.102</b>	<b>612.648.434</b>	<b>87.534.765</b>	<b>118.626.414</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 33 - SEGMENT REPORTING (Continued)**

**c) Segmental analysis for the six-month period between 1 January and 30 June 2006**

	<b>Media</b>	<b>Energy</b>	<b>Other</b>	<b>Inter segment elimination</b>	<b>Total</b>
External revenues	981.634.981	5.327.875.693	411.718.240	-	6.721.228.914
Intra segment revenues	331.564.434	-	20.759.336	-	352.323.770
Inter segment revenues	17.103.462	4.352.413	170.487.261	-	191.943.136
<b>Combined revenues</b>	<b>1.330.302.877</b>	<b>5.332.228.106</b>	<b>602.964.837</b>	<b>-</b>	<b>7.265.495.820</b>
<b>Combined cost of sales</b>	<b>(1.002.756.426)</b>	<b>(4.992.428.151)</b>	<b>(549.418.056)</b>	<b>-</b>	<b>(6.544.602.633)</b>
Revenues	998.738.443	5.332.228.106	582.205.501	(191.943.136)	6.721.228.914
Cost of sales	(739.914.653)	(4.992.428.151)	(530.888.024)	154.731.276	(6.108.499.552)
<b>Gross profit</b>	<b>258.823.790</b>	<b>339.799.955</b>	<b>51.317.477</b>	<b>(37.211.860)</b>	<b>612.729.362</b>
Operating expenses	(173.370.267)	(173.069.462)	(59.119.383)	38.514.056	(367.045.056)
Other operating income/(expenses), net	1.231.906	5.578.219	889.741.523	(1.691.528)	894.860.120
Financial income (expenses), net	(97.655.519)	(290.022.598)	61.800.461	389.332	(325.488.324)
<b>Operating profit/(loss) before inter segment elimination</b>	<b>(10.970.090)</b>	<b>(117.713.886)</b>	<b>943.740.078</b>	<b>-</b>	<b>815.056.102</b>
Profit elimination due to inter segment elimination	18.231.569	9.404.690	(27.636.259)	-	-
<b>Operating profit/(loss) after inter segment elimination</b>	<b>7.261.479</b>	<b>(108.309.196)</b>	<b>916.103.819</b>	<b>-</b>	<b>815.056.102</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 33 - SEGMENT REPORTING (Continued)**

**c) Segmental analysis for the three-month period between 1April and 30 June 2006**

	<b>Media</b>	<b>Energy</b>	<b>Other</b>	<b>Inter segment elimination</b>	<b>Total</b>
External revenues	542.476.647	2.680.050.625	204.812.973	-	3.427.340.245
Intra segment revenues	183.657.529	-	3.344.538	-	187.002.067
Inter segment revenues	10.682.542	3.033.855	102.657.052	-	116.373.449
<b>Combined revenues</b>	<b>736.816.718</b>	<b>2.683.084.480</b>	<b>310.814.563</b>	<b>-</b>	<b>3.730.715.761</b>
<b>Combined cost of sales</b>	<b>(539.040.060)</b>	<b>(2.504.297.614)</b>	<b>(275.328.143)</b>	<b>-</b>	<b>(3.318.665.817)</b>
Revenues	553.159.189	2.683.084.480	307.470.025	(116.373.449)	3.427.340.245
Cost of sales	(391.907.798)	(2.504.297.614)	(273.786.425)	92.786.794	(3.077.205.043)
<b>Gross profit</b>	<b>161.251.391</b>	<b>178.786.866</b>	<b>33.683.600</b>	<b>(23.586.655)</b>	<b>350.135.202</b>
Operating expenses	(91.974.998)	(82.540.097)	(30.408.563)	20.163.859	(184.759.799)
Other operating income/(expenses), net	1.924.382	(8.924.678)	755.986.220	3.059.101	752.045.025
Financial income/(expenses), net	(95.555.790)	(263.092.247)	53.512.348	363.695	(304.771.994)
<b>Operating profit/(loss) before inter segment elimination</b>	<b>(24.355.015)</b>	<b>(175.770.156)</b>	<b>812.773.605</b>	<b>-</b>	<b>612.648.434</b>
Profit elimination due to inter segment elimination	9.864.937	5.525.004	(15.389.941)	-	-
<b>Operating profit/(loss) after inter segment elimination</b>	<b>(14.490.078)</b>	<b>(170.245.152)</b>	<b>797.383.664</b>	<b>-</b>	<b>612.648.434</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 33 - SEGMENT REPORTING (Continued)**

**c) Segmental analysis for the six-month period between 1 January and 30 June 2005**

	<b>Media</b>	<b>Energy</b>	<b>Other</b>	<b>Inter segment elimination</b>	<b>Total</b>
External revenues	735.500.878	2.266.968.565	320.161.107	-	3.322.630.550
Intra segment revenues	321.624.177	-	966.811	-	322.590.988
Inter segment revenues	3.575.785	1.547.741	138.152.087	-	143.275.613
<b>Combined revenues</b>	<b>1.060.700.840</b>	<b>2.268.516.306</b>	<b>459.280.005</b>	<b>-</b>	<b>3.788.497.151</b>
<b>Combined cost of sales</b>	<b>(834.319.998)</b>	<b>(2.143.435.358)</b>	<b>(423.474.706)</b>	<b>-</b>	<b>(3.401.230.062)</b>
Revenues	739.076.663	2.268.516.306	458.313.194	(143.275.613)	3.322.630.550
Cost of sales	(561.710.639)	(2.143.435.358)	(422.457.326)	121.398.669	(3.006.204.654)
<b>Gross profit</b>	<b>177.366.024</b>	<b>125.080.948</b>	<b>35.855.868</b>	<b>(21.876.944)</b>	<b>316.425.896</b>
Operating expenses	(125.048.128)	(57.603.018)	(46.824.845)	16.164.627	(213.311.364)
Other operating income/(expenses), net	(13.946.188)	12.889.467	(6.066.482)	(6.827.814)	(13.951.017)
Financial income/(expenses), net	8.937.339	(19.642.245)	11.398.994	(2.322.838)	(1.628.750)
<b>Operating profit/(loss) before inter segment elimination</b>	<b>47.309.047</b>	<b>60.725.152</b>	<b>(5.636.465)</b>	<b>(14.862.969)</b>	<b>87.534.765</b>
Profit elimination due to inter segment elimination	11.202.199	1.398.504	(27.463.672)	14.862.969	-
<b>Operating profit/(loss) after inter segment elimination</b>	<b>58.511.246</b>	<b>62.123.656</b>	<b>(33.100.137)</b>	<b>-</b>	<b>87.534.765</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 33 - SEGMENT REPORTING (Continued)**

**c) Segmental analysis for the three-month period between 1 April and 30 June 2005**

	<b>Media</b>	<b>Energy</b>	<b>Other</b>	<b>Inter segment elimination</b>	<b>Total</b>
External revenues	404.760.686	1.270.502.263	136.527.100	-	1.811.790.049
Intra segment revenues	149.067.243	-	145.407	-	149.212.650
Inter segment revenues	1.281.692	1.159.692	70.639.490	-	73.080.874
<b>Combined revenues</b>	<b>555.109.621</b>	<b>1.271.661.955</b>	<b>207.311.997</b>	<b>-</b>	<b>2.034.083.573</b>
<b>Combined cost of sales</b>	<b>(411.763.821)</b>	<b>(1.192.841.439)</b>	<b>(187.748.364)</b>	<b>-</b>	<b>(1.792.353.624)</b>
Revenues	406.042.378	1.271.661.955	207.166.590	(73.080.874)	1.811.790.049
Cost of sales	(288.774.810)	(1.192.841.439)	(187.013.732)	60.071.607	(1.608.558.374)
<b>Gross profit</b>	<b>117.267.568</b>	<b>78.820.516</b>	<b>20.152.858</b>	<b>(13.009.267)</b>	<b>203.231.675</b>
Operating expenses	(67.688.546)	(31.700.746)	(23.105.432)	8.823.665	(113.671.059)
Other operating income/(expenses), net	(11.695.425)	12.013.449	7.737.206	(6.606.129)	1.449.101
Financial income, net	10.443.927	180.037	18.464.425	(1.471.692)	27.616.697
<b>Operating profit before inter segment elimination</b>	<b>48.327.524</b>	<b>59.313.256</b>	<b>23.249.057</b>	<b>(12.263.423)</b>	<b>118.626.414</b>
Profit elimination due to inter segment elimination	5.150.973	980.199	(18.394.595)	12.263.423	-
<b>Operating profit after inter segment elimination</b>	<b>53.478.497</b>	<b>60.293.455</b>	<b>4.854.462</b>	<b>-</b>	<b>118.626.414</b>

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

NOTE 33 - SEGMENT REPORTING (Continued)

d) Segment assets employed

	30 June 2006	31 December 2005
<b><u>Total assets</u></b>		
Media	3.414.159.347	3.249.915.158
Energy	2.778.837.106	4.707.887.380
Other	5.898.535.253	5.094.272.203
<b>Total combined</b>	<b>12.091.531.706</b>	<b>13.052.074.741</b>
Less: segment elimination	(4.562.878.274)	(5.045.158.184)
<b>Total assets as per these consolidated financial statements</b>	<b>7.528.653.432</b>	<b>8.006.916.557</b>
<b><u>Net assets</u></b>		
Media	1.735.615.983	1.838.817.769
Energy	1.044.907.371	2.179.353.106
Other	5.043.153.983	3.879.705.736
<b>Total</b>	<b>7.823.677.337</b>	<b>7.897.876.611</b>
Less: segment elimination	(4.581.767.787)	(5.286.263.289)
<b>Shareholders' equity</b>	<b>3.241.909.550</b>	<b>2.611.613.322</b>
Minority interests	714.273.476	791.717.085
<b>Total net assets as per these consolidated financial statements</b>	<b>3.956.183.026</b>	<b>3.403.330.407</b>

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

NOTE 33 - SEGMENT REPORTING (Continued)

e) **Capital expenditures for property, plant and equipment, intangible assets and investment properties and depreciation and amortization charge**

	1 January - 30 June 2006	1 April - 30 June 2006	1 January - 30 June 2005	1 April - 30 June 2005
<u>Capital Expenditures</u>				
Discontinued operations	-	-	18.978.886	9.479.091
Media	75.807.248	52.362.922	46.065.842	20.351.888
Energy	92.842.209	45.470.438	20.280.537	12.411.837
Other	46.428.688	25.679.539	8.610.829	4.415.195
<b>Total</b>	<b>215.078.145</b>	<b>123.512.899</b>	<b>93.936.094</b>	<b>46.658.011</b>
<u>Depreciation and amortization charge</u>				
Discontinued operations	-	-	31.910.370	20.579.084
Media	65.974.076	28.343.569	52.960.701	26.254.523
Energy	42.814.227	18.878.246	17.438.932	9.001.476
Other	8.694.276	4.327.229	9.667.993	4.085.326
<b>Total</b>	<b>117.482.579</b>	<b>51.549.044</b>	<b>111.977.996</b>	<b>59.920.409</b>

Goodwill and amortization of goodwill have not been included in capital expenditures and depreciation charge.

f) **Interest in Joint Ventures**

Aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities and net income related to Joint Ventures, which are proportionately consolidated as explained under Note 2.5.c in these consolidated financial statements, are as follows on a combined basis:

	30 June 2006	31 December 2005
Current assets	1.172.918.769	36.773.718
Non-current assets	1.671.729.623	28.112.752
<b>Total assets</b>	<b>2.844.648.392</b>	<b>64.886.470</b>
Current liabilities	1.233.493.534	15.173.644
Non-current liabilities	524.506.118	8.196.842
Shareholders' equity	1.086.648.740	41.515.984
<b>Total liabilities and shareholders' equity</b>	<b>2.844.648.392</b>	<b>64.886.470</b>

  

	1 January - 30 June 2006	1 April - 30 June 2006	1 January - 30 June 2005	1 April - 30 June 2005
Revenues	5.373.958.694	5.356.715.570	2.316.451.717	1.305.943.656
Gross profit	5.346.224.632	5.341.681.900	134.931.055	86.210.569
Net (loss)/income	(67.267.003)	(64.821.645)	32.795.108	34.027.925

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

NOTE 33 - SEGMENT REPORTING (Continued)

g) Minority interests

	30 June 2006			31 December 2005		
	Doğan family	Other	Total	Doğan family	Other	Total
Media	16.212.502	448.429.396	464.641.898	21.905.320	460.375.062	482.280.382
Energy	-	(1.512.852)	(1.512.852)	-	146.879.615	146.879.615
Other	51.707.458	199.436.972	251.144.430	50.492.898	112.064.190	162.557.088
	<b>67.919.960</b>	<b>646.353.516</b>	<b>714.273.476</b>	<b>72.398.218</b>	<b>719.318.867</b>	<b>791.717.085</b>

h) Non-cash expenses

Significant non-cash expenses included in segment results are as follows:

	1 January - 30 June 2006			
	Media	Energy	Other	Total
Interest expense accrual	6.490.854	23.942.747	18.223.656	48.657.257
Impairment of property, plant and equipment	-	-	3.781.609	3.781.609
Reserve for employment termination benefits	2.376.727	415.266	1.095.013	3.887.006
Provision for doubtful receivables	4.044.076	2.537.203	1.967.261	8.548.540
Provision for lawsuits	455.109	6.692.577	284.083	7.431.769
	<b>13.366.766</b>	<b>33.587.793</b>	<b>25.351.622</b>	<b>72.306.181</b>

	1 April - 30 June 2006			
	Media	Energy	Other	Total
Interest expense accrual	(3.386.603)	14.107.915	7.830.398	18.551.710
Impairment of property, plant and equipment	-	-	3.781.609	3.781.609
Impairment of intangible assets	(798.861)	-	-	(798.861)
Reserve for employment termination benefits	1.615.553	156.178	594.575	2.366.306
Provision for doubtful receivables	3.601.152	317.344	70.933	3.989.429
Provision for lawsuits	380.814	6.692.577	284.083	7.357.474
Provision for net realizable value	(2.000)	-	-	(2.000)
	<b>1.410.055</b>	<b>21.274.014</b>	<b>12.561.598</b>	<b>35.245.667</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 33 - SEGMENT REPORTING (Continued)**

	<b>1 January - 30 June 2005</b>			
	<b>Media</b>	<b>Energy</b>	<b>Other</b>	<b>Total</b>
Interest expense accrual	3.617.696	7.047.975	3.929.902	14.595.573
Impairment of intangible assets	258.389	-	-	258.389
Reserve for employment termination benefits	749.599	145.832	1.071.446	1.966.877
Provision for doubtful receivables	3.885.085	1.474.948	1.231.919	6.591.952
Provision for lawsuits	5.935.194	-	-	5.935.194
Provision for net realizable value	425.000	-	-	425.000
Provision for impairment of programme stocks	700.000	-	-	700.000
	<b>15.570.963</b>	<b>8.668.755</b>	<b>6.233.267</b>	<b>30.472.985</b>

	<b>1 April - 30 June 2005</b>			
	<b>Media</b>	<b>Energy</b>	<b>Other</b>	<b>Total</b>
Interest expense accrual	2.061.624	(290.803)	(690.636)	1.080.185
Impairment of intangible assets	42.896	-	-	42.896
Reserve for employment termination benefits	979.585	213.226	498.360	1.691.171
Provision for doubtful receivables	3.273.242	323.637	1.231.633	4.828.512
Provision for lawsuits	204.346	-	-	204.346
Provision for net realizable value	115.000	-	-	115.000
Provision for impairment of programme stocks	485.000	-	-	485.000
	<b>7.161.693</b>	<b>246.060</b>	<b>1.039.357</b>	<b>8.447.110</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 34 - SUBSEQUENT EVENTS**

- i. In accordance with the decision of Board of Directors of POAŞ to establish a new refinery, a license application has been made to the Energy Market Regulatory Authority on 12 July 2006. This refinery is anticipated to be established in Ceyhan region with a production capacity of 10 million tonnes per year.
- ii. The Group concluded a memorandum of understanding (MoU) with Seat Pagine Gialle S.p.A. ("SEAT"), a leading catalogue company of Europe, regarding exploring together and setting-up a business plan in the field of catalogue production and marketing. If an agreement is reached on the relevant business plan, a company based in Turkey will be incorporated and the share capital of the company will be paid by the Group and SEAT evenly (50%, 50%). The core business of the company to be established will be the production and marketing of all kinds of paper, audio and electronic catalogues including telephone directories and other work catalogues.
- iii. The Board of Directors has decided to increase Doğan Holding's capital from YTL 735.288.208 to YTL 1.500.000.000 by transferring YTL 764.711.792 from retained earnings to capital. Doğan Holding's registered capital limit is not exceeded by this increase which is YTL 2.000.000.000. Doğan Holding applied to the CMB for the registration of the shares representing the increased capital on 28 July 2006.

**NOTE 35 - DISCONTINUED OPERATIONS**

At 2004, Doğan Holding decided to investigate various types of possibilities including Joint Venture, partnership and share transfer of Dışbank, due to the local and global developments in the banking sector. Doğan Holding and some other international banks continued their studies in the first quarter of 2005, and as stated in the declaration of Doğan Holding dated 28 March 2005, Doğan Holding has requested those international banks to finalise their work and to put forward their bids. Following the evaluation of the relevant bids, a share sale agreement ("agreement") was signed with Fortis Bank at 11 April 2005. Pursuant to this agreement;

- (1) 227.828.946.000 shares owned by Doğan Holding A.Ş representing 62,6% Dışbank's total capital;
- (2) 36.157.000.000 shares owned by Türk Dış Ticaret Bankası Members Pension Fund Foundation representing 9,93% of Dışbank's total capital;
- (3) 27.792.000.000 shares owned by Türk Dış Ticaret Bankası Pension Fund Foundation representing 7,64% of Dışbank's share capital;
- (4) 14.557.760.000 shares owned by Aydın Doğan representing 4,0% of Dışbank's total capital;
- (5) 4.645.800.000 shares owned by Arzuhan Yalçındağ representing 1,28% of Dışbank's total capital;
- (6) 4.645.800.000 shares owned by Vuslat Doğan Sabancı representing 1,28% of Dışbank's total capital;
- (7) 4.645.800.000 shares owned by Hanzade Doğan representing 1,28% of Dışbank's total capital;
- (8) 4.645.800.000 shares owned by Begümhan Doğan Faralyalı representing 1,28% of Dışbank's total capital;
- (9) 238.467.000 shares owned by İmre Barmanbek representing 0,06% of Dışbank's total capital

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 35 - DISCONTINUED OPERATIONS (Continued)**

(a total of 325.157.373.000 shares) were agreed to be transferred, on several preconditions and following the obtaining of the required permissions, and on the specific condition that shares in Ray Sigorta, owned by Dışbank, were sold to Doğan Holding.

The total purchase price of 325.157.373.000 shares, representing 89,34% of Dışbank's capital, the total shares of which are estimated to be worth EUR 985.000.000 were determined as EUR 880.025.533. Following the fulfilment of all the preconditions stated in the agreement, and the obtaining of the necessary permissions in accordance with the relevant legislation, the related shares were sold to Fortis Bank on 4 July 2005. The purchase price was adjusted for the differences in the consolidated equity figures of Dışbank at 31 December 2004 and 31 May 2005, and an additional payment in the amount of YTL 1.878.000 was made.

The table below sets out all Subsidiaries disclosed as discontinued operations and shows their shareholding structure:

<b><u>Company Name</u></b>	<b><u>Nature of business</u></b>	<b><u>Segment</u></b>	<b><u>Total ownership interest (%)</u></b>	<b><u>Effective partnership rate (%)</u></b>
1 - Türk Dış Ticaret Bankası A.Ş.	Banking	Finance	71,71	62,60
2 - Dış Ticaret Faktoring A.Ş.	Factoring	Finance	100,00	62,60
3 - Dış Ticaret Finansal Kiralama A.Ş.	Financial leasing	Finance	100,00	62,60
4 - Dış Yatırım Menkul Değerler A.Ş.	Brokerage	Finance	100,00	62,60
5 - Dış Portföy Yönetimi	Portfolio management	Finance	100,00	62,60
6 - Dış Holding Malta Limited	Banking	Finance	100,00	62,60
7 - Dışbank Malta Ltd.	Banking	Finance	100,00	62,60
8 - Dış Globus Malta	Banking	Finance	100,00	62,60
9 - Doğan Emeklilik A.Ş.	Insurance	Finance	100,00	62,60
10 - Dış Holding Nederland B.V.	Banking	Finance	100,00	62,60
11 - 3D Güvenlik Sistemleri ve Organizasyon Ticaret A.Ş.	Service	Other	99,00	61,97

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 35 - DISCONTINUED OPERATIONS (Continued)**

Results of the six-month period ended 30 June 2005 related to discontinued operations were accounted for as a single item in the consolidated statements of income with the titles "Net Income Related to Discontinued Operations". The details of related items are as follows:

	<b>30 June 2005</b>
<b>Revenues</b>	
Sales	612.877.000
Cost of sales	(517.877.000)
<b>Operating profit</b>	<b>95.000.000</b>
Other expenses, net	(36.032.000)
Net monetary position loss	-
<b>Income related to discontinued operations before taxes on income and minority interests</b>	<b>58.968.000</b>
Taxes on income	(8.171.331)
Minority interests	(37.000)
<b>Net income</b>	<b>50.759.669</b>
Consolidation eliminations	29.823.543
<b>Net income related to discontinued operations</b>	<b>80.583.212</b>

The summary of the statement of cash flow related to discontinued operations for the six-month interim periods ended 30 June 2005 is as follows:

	<b>30 June 2005</b>
Net cash inflows from operating activities	24.497.000
Net cash inflows from investing activities	37.570.000
Net cash outflows from financing activities	(113.674.000)
<b>Net decrease in cash and cash equivalents</b>	<b>(51.607.000)</b>

**NOTE 36 - OPERATING INCOME**

	<b>1 January - 30 June 2006</b>	<b>1 April - 30 June 2006</b>	<b>1 January - 30 June 2005</b>	<b>1 April - 30 June 2005</b>
Net domestic sales	6.574.791.136	3.343.452.397	3.229.363.222	1.758.780.430
Net foreign sales	146.437.778	83.887.848	93.267.328	53.009.619
<b>Net sales</b>	<b>6.721.228.914</b>	<b>3.427.340.245</b>	<b>3.322.630.550</b>	<b>1.811.790.049</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 37 - OPERATING EXPENSES**

	<b>1 January - 30 June 2006</b>	<b>1 April - 30 June 2006</b>	<b>1 January - 30 June 2005</b>	<b>1 April - 30 June 2005</b>
General administrative expenses	(113.620.432)	(52.017.424)	(89.384.128)	(42.340.584)
Selling, marketing and distribution expenses	(253.424.624)	(132.742.375)	(123.927.236)	(71.330.475)
<b>Operating expenses</b>	<b>(367.045.056)</b>	<b>(184.759.799)</b>	<b>(213.311.364)</b>	<b>(113.671.059)</b>

**NOTE 38 - OTHER INCOME/EXPENSES AND PROFIT/LOSSES**

Other operating income and expenses for the six-month interim periods ended 30 June 2006 and 2005 are as follows:

	<b>1 January - 30 June 2006</b>	<b>1 April - 30 June 2006</b>	<b>1 January - 30 June 2005</b>	<b>1 April - 30 June 2005</b>
<b>Other operating income:</b>				
Gain on sales of Subsidiaries (*)	900.431.817	767.568.679	-	-
Automatic sales income	84.329.140	46.051.363	23.512.807	13.876.002
Ship operating services income	11.179.937	6.039.872	5.447.375	5.176.884
Service income	7.062.562	3.195.035	10.602.083	5.106.418
Rent income	2.772.745	383.941	4.242.828	2.141.369
Commission income	996.732	354.312	5.803.301	3.196.467
Building administration income	595.581	579.343	4.476.822	1.731.912
Other operating income	38.716.992	20.966.846	19.096.383	14.636.824
	<b>1.046.085.506</b>	<b>845.139.391</b>	<b>73.181.599</b>	<b>45.865.876</b>

**Other operating expenses:**

(Loss)/gain from sales of Subsidiary and Joint Venture, net	-	-	(14.627.276)	515.530
Automatic sales expenses	(84.116.959)	(45.979.867)	(23.444.114)	(13.774.543)
Ship operating services expenses	(8.924.720)	(5.175.949)	(3.326.865)	(1.836.204)
Provision for doubtful receivables	(8.548.540)	(3.989.429)	(6.591.952)	(4.828.512)
Provision for lawsuits	(7.431.769)	(7.357.474)	(5.935.194)	(204.346)
Transport expenses	(2.247.964)	(719.477)	(7.226.689)	(3.542.702)
Other operating expenses	(39.955.434)	(29.872.170)	(25.980.526)	(20.745.998)
	<b>(151.225.386)</b>	<b>(93.094.366)</b>	<b>(87.132.616)</b>	<b>(44.416.775)</b>

(\*) YTL 140.096.214 of gain on sales of Subsidiaries is derived from share sales of Doğan Yayın and YTL 760.335.603 of gain on sales of Subsidiaries is derived from share sales of POAŞ.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 39 - FINANCIAL EXPENSES**

Financial income and expenses for the six-month interim periods ended 30 June 2006 and 2005 are as follows:

	<b>1 January - 30 June 2006</b>	<b>1 April - 30 June 2006</b>	<b>1 January - 30 June 2005</b>	<b>1 April - 30 June 2005</b>
<b>Financial income:</b>				
Interest income on bank deposits	75.256.683	42.952.077	22.944.442	7.155.524
Interest income on trading and investment securities	15.466.686	253.148	14.167.289	7.969.191
Due date difference on credit sales	8.855.144	4.185.909	10.537.247	5.003.172
Amortized cost valuation income	1.857.250	488.829	1.232.631	49.558
Foreign exchange gain, net	-	-	16.364.996	28.015.172
Other interest and commission	160.873	21.436	1.691.156	555.356
<b>Financial income</b>	<b>101.596.636</b>	<b>47.901.399</b>	<b>66.937.761</b>	<b>48.747.973</b>
<b>Financial expenses:</b>				
Foreign exchange losses , net	(270.337.818)	(264.759.154)	-	-
Interest expense on short-term and long-term borrowings	(151.118.742)	(86.920.218)	(59.104.478)	(17.574.316)
Due date difference on credit purchases	(642.027)	(442.139)	(564.597)	(112.906)
Other	(4.986.373)	(551.882)	(8.897.436)	(3.444.054)
<b>Financial expenses</b>	<b>(427.084.960)</b>	<b>(352.673.393)</b>	<b>(68.566.511)</b>	<b>(21.131.276)</b>
<b>Financial income/(expenses),net</b>	<b>(325.488.324)</b>	<b>(304.771.994)</b>	<b>(1.628.750)</b>	<b>27.616.697</b>

**NOTE 40 - GAINS/(LOSSES) ON NET MONETARY POSITION**

In accordance with the CMB regulation dated 18 March 2005 and decree 152-7642, the CMB has announced that the application of inflation accounting is no longer required for the year 2005. Thus, there is no "Monetary gain/loss" for the six-month period ended 30 June 2006 and 2005.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 41 - TAXES ON INCOME**

	<b>30 June 2006</b>	<b>31 December 2005</b>
Corporation and income taxes currently payable (Note 23)	18.566.096	9.241.480
Deferred tax assets, net (Note 14)	(48.177.657)	(9.473.558)
<b>Total</b>	<b>(29.611.561)</b>	<b>(232.078)</b>

Turkish tax legislation does not permit a parent company, its subsidiaries and its Joint Ventures to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006. Most of the articles of this new Law No. 5520 have come into force effective from 1 January 2006. Accordingly, corporation tax rate of the fiscal year 2006 is 20% (30 June 2005: 30%). Corporation tax is payable at a rate of 20% on the total income of the companies after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, investment allowance, etc) and corporate income tax deductions (such as research and development expenses deduction). (except for the withholding tax at the rate of 19,8% on the investment incentive allowance utilized within the scope of the Income Tax Law Transitional Article 61).

The Group classified the statutory goodwill arising from the legal mergers in POAŞ and Doğan Gazetecilik as a balancing account, which are neither assets nor liabilities in nature and did not apply inflation accounting in accordance with the Circular No.17 on Tax Procedural Law, related to inflation adjustment application dated 24 March 2005.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is to be declared by the 10th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In accordance with Tax Law No: 5024 "Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law" that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, the income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira. In accordance with the aforementioned law provisions, in order to apply inflation adjustment, cumulative inflation rate (SIS-WPI) over last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not fulfilled in the year 2006.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 15th of the fourth month following the close of the financial year to which they relate.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

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**NOTE 41 - TAXES ON INCOME (Continued)**

Tax returns are open for 5 years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses can not be carried back to offset profits from previous periods.

There are numerous exemptions in the Corporate Tax Law concerning the corporations. Those related to the Company are as follows:

Dividend income from participation in shares of capital of another full fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax.

The participation income of corporations participating in 10% or more of the capital of a limited liability or joint stock company which does not have its legal or business centre in Turkey (except for corporations whose principal activity is financial leasing or investment of marketable securities) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries are subject to corporate income tax, or alike, in their country of legal or business centre at the rate of at least 15% (at corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

A 75% portion of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realized.

Brokerage houses and real estate companies who are dealing with the trading and the leasing of the real estate can not benefit from this exemption.

The investment allowance exemption application which had been in force for a significant period of time was abolished by Law No.5479 dated 30 March 2006. However, in accordance with the temporary article 69 of the Income Tax Law, income and corporate taxpayers will be able to deduct the amounts below, discussed in paragraphs (a) and (b), from their income related to the years 2006, 2007 and 2008 as well as the investment allowance amounts they could not offset against 2005 gains which they were entitled as of 31 December 2005, in accordance with the legislation (including the provisions related to tax rates) in force as of 31 December 2005. Had the Group use the investment allowance exemption, the effective tax rate would have been 30%.

- a) In the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6th articles prior to the abrogation of Income Tax Law No. 193, with Law No. 4842.

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 41 - TAXES ON INCOME (Continued)**

- b) In the scope of the abolished 19th article of Income Tax Law No: 193, the investment allowance amounts to be calculated in accordance with the legislation in force at 31 December 2005 for investments which were started before 1 January 2006 and which display an economic and technical integrity.

Accordingly, abovementioned profits within trade income/loss are considered in the calculation of corporate income tax.

In additions to exemptions explained above, tax deductions specified in Corporation Tax Law Articles 8., 9., 10., and Income Tax Law article 40, are also considered in the assessment of the corporation tax base.

The taxes on income reflected to the consolidated statements of income for the six-month period ended 30 June 2006 and 2005, is summarised as follows:

	<b>1 January - 30 June 2006</b>	<b>1 April - 30 June 2006</b>	<b>1 January - 30 June 2005</b>	<b>1 April - 30 June 2005</b>
Current	(24.975.430)	(6.600.197)	(23.666.025)	(15.023.924)
Deferred (Note 14)	21.342.986	14.429.736	(23.418.101)	(33.655.334)
<b>Taxes on income</b>	<b>(3.632.444)</b>	<b>7.829.539</b>	<b>(47.084.126)</b>	<b>(48.679.258)</b>

**NOTE 42 – EARNINGS PER SHARE**

Earnings per share based on share groups are as follows:

	<b>1 January - 30 June 2006</b>	<b>1 April - 30 June 2006</b>	<b>1 January - 30 June 2005</b>	<b>1 April - 30 June 2005</b>
Net income related to continuing operations	762.603.677	643.756.997	13.374.507	42.217.379
Net income related to discontinued operations	-	-	70.297.003	57.031.537
Weighted average number of shares with face value of YTL1 each	735.288.208	735.288.208	735.288.208	735.288.208
Earnings per share (YTL)	1,04	0,88	0,11	0,13
- continuing operations	1,04	0,88	0,02	0,06
- discontinued operations	-	-	0,09	0,07

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 43 - STATEMENTS OF CASH FLOW**

	Notes	30 June 2006	30 June 2005
<b>Cash flows from operating activities</b>			
Net income before taxation on income and minority interest		815.056.102	176.326.308
<b>Adjustments to reconcile net income before taxation on income and minority interests to net cash from/(used in) operating activities:</b>			
Cash used in operations		(950.964.333)	(199.001.642)
Finance segment interest received		-	456.952.253
Finance segment interest paid		-	(219.107.147)
Taxes paid		(15.650.814)	(21.441.689)
Employment termination paid	23	(3.132.063)	(1.264.350)
<b>Net cash (used in)/from operating activities</b>		<b>(154.691.108)</b>	<b>192.463.733</b>
<b>Cash flows from investing activities:</b>			
Purchase of investment property	18	(6.072.563)	(451.256)
Purchase of property, plant and equipment	19	(185.014.214)	(78.654.632)
Purchase of intangible assets	20	(23.991.368)	(14.830.206)
Proceeds from sale of property, plant and equipment and other non-current assets		44.195.851	7.043.684
Increase in available-for-sale and held-to-maturity investments		(11.338.126)	(29.672.890)
Change in other non-current assets and liabilities		(6.860.866)	715.186
Acquisition of subsidiaries		-	(12.817.898)
Proceeds from disposal of Subsidiaries and Joint Ventures	32	1.862.851.504	57.359.522
Non-finance segment interest received		70.188.773	48.881.609
Net effect of change in minority interests	24	-	(10.079.300)
<b>Net cash from/(used in) investing activities</b>		<b>1.743.958.991</b>	<b>(32.506.181)</b>
<b>Cash flows from financing activities:</b>			
Proceeds of issuance of share capital to minority interests		-	1.509.999
Dividends paid to minority interests	24	(25.653.728)	(4.996.176)
Change in short term borrowings		(87.234.672)	49.224.183
Change in long term borrowings		176.249.415	(269.497.749)
Change in long term trade payables		1.549.153	(9.615.255)
Non-finance segment interest paid		(162.189.562)	(54.461.432)
Dividends paid		(136.028.318)	-
<b>Net cash used in financing activities</b>		<b>(233.307.712)</b>	<b>(287.836.430)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1.355.960.171</b>	<b>(127.878.878)</b>
Cash and cash equivalents at the beginning of year	4	777.152.948	737.720.975
Cash and cash equivalents at the end of the period related to discontinued operations		-	(493.341.000)
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>2.133.113.119</b>	<b>116.501.097</b>

Cash and cash equivalents amounting to YTL 21.468.711 (31 December 2005: YTL 12.027.157, 30 June 2005: YTL 10.709.666) are unavailable for use (Note 4).

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 43 - STATEMENTS OF CASH FLOW (Continued)**

**Cash used in operations**

	<b>30 June 2006</b>	<b>30 June 2005</b>
<b>Adjustments for:</b>		
Depreciation and amortisation (Notes 18, 19 and 20)	117.482.579	111.977.996
Reserve for employment termination benefits	3.887.006	4.438.111
Net interest expense/(income)	75.862.059	(218.255.503)
Translation reserve	(5.207.068)	1.332.802
Profit from the sales of property, plant and equipment	(11.943.940)	(2.729.862)
Valuation of derivative financial instruments	-	6.978.448
Provision for loan losses, net	-	34.444.352
(Gain)/loss on sales of Subsidiaries and Joint Ventures (Note 38)	(900.431.817)	14.627.276
Other provisions	49.450.072	(16.040.627)
Unrealized loss on investments	2.875.182	53.388.000
Impairment of property, plant and equipment and intangible assets (Notes 19 and 20)	3.667.140	33.350.344
	<b>(664.358.787)</b>	<b>23.511.337</b>
<b>Change in finance-segment working capital (excluding the effects of acquisitions and disposals):</b>		
Change in trading, available-for-sale and held-to-maturity investments, net	-	(2.041.808)
Change in placements with banks, net	-	233.086.284
Change in bank borrowings, net	-	(546.175.527)
Change in banking and customer deposits, net	-	87.020.428
Change in trade payables and due to related parties, net	-	(15.510.661)
Change in insurance technical reserve, net	-	(27.288.616)
Change in other current assets/liabilities, net	-	99.748.833
	-	<b>(171.161.067)</b>
<b>Changes in non-finance-segment working capital (excluding the effects of acquisitions and disposals):</b>		
Change in trading, available-for-sale and held-to-maturity investments, net	(10.241.208)	3.109.336
Change in bank deposits, net	49.661.898	24.629.388
Change in trade receivables and due from related parties, net	(422.452.036)	(124.609.597)
Change in inventories, net	(52.477.767)	(35.640.281)
Change in trade payables and due to related parties, net	560.254.108	90.410.104
Change in insurance technical reserve, net	17.742.119	17.299.298
Change in advances received, net	(20.368.089)	26.238.626
Change in other payables/receivables, net	(408.548.395)	(45.379.828)
Change in other current assets/liabilities, net	(176.176)	(7.408.958)
	<b>(286.605.546)</b>	<b>(51.351.912)</b>
<b>Cash used in operations</b>	<b>(950.964.333)</b>	<b>(199.001.642)</b>
<b>Reconciliation of the net income before taxation and minority interest in consolidated statements of cash flow:</b>		
Consolidated income before taxation on income and minority interest	815.056.102	87.534.765
Net income related to discontinued operations (Note 35)	-	80.583.212
Less: Taxes on income and minority interest related to discontinued operations (Note 35)	-	8.208.331
	<b>815.056.102</b>	<b>176.326.308</b>

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD ENDED 30 JUNE 2006**

(Amounts expressed in New Turkish Lira (YTL) unless otherwise indicated.)

**NOTE 44 - DISCLOSURE OF OTHER MATTERS**

As an outcome of a sector-wide inspection, the EMRA Control Board criticised certain dealership practices of 26 companies in the sector and accordingly imposed and notified administrative fines to the joint venture companies of Doğan Holding, POAŞ and Erk Petrol, amounting to YTL498,7 million and YTL100,7 million, respectively, with the decision No.B.62.0.ddb. 14.302/01/4328 dated 31 August 2006. The fines were levied in accordance with Law No.5015 (19th article, 2nd paragraph, 4th subparagraph of Section a) and the 19th article of the Petroleum Market Law “Communiqué about the administrative fines to be applied after 1 January 2005”, hereby underlining the right to take this decision to the State Council. If the fines are upheld at the conclusion of this legal action, the impact on the consolidated financial statements of Doğan Holding will be in the amount of YTL316 million, calculated using Doğan Holding’s total proportion of ownership interest of 52,73% in POAŞ. Discussions among the parties and legal consultations are still in progress as at the date of the preparation of these consolidated financial statements and therefore, there is uncertainty on the final outcome of this matter. No provision has been made in the accompanying consolidated financial statements due to this uncertainty (30 June 2005, 31 December 2005: None).

These financial statements are prepared and presented in accordance with the accounting and reporting principles issued by the CMB (Note 2), which differ from IFRS mainly with respect to the application of inflation accounting, presentation of the basic financial statements and the notes to them. Accordingly, these financial statements are not intended to present the financial position, results of operations and changes in the financial position and cash flows in accordance with IFRS.

**NOTE 45 - INSURANCE TECHNICAL RESERVES**

	<b>30 June 2006</b>	<b>31 December 2005</b>
Unearned premiums reserve, net of reinsurance	83.134.463	71.181.535
Claim provisions, net of reinsurance	41.530.166	36.120.195
Deferred commission income	7.469.796	7.090.576
<b>Insurance technical reserves - current</b>	<b>132.134.425</b>	<b>114.392.306</b>

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