

DOĐAN ŐİRKETLER GRUBU HOLDİNG A.Ő.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2006
TOGETHER WITH AUDITOR'S REPORT**

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Doğan Şirketler Grubu Holding A.Ş

1. We have audited the accompanying consolidated financial statements of Doğan Şirketler Grubu Holding A.Ş. (the "Company"), its subsidiaries and its joint ventures (together, the "Group") which comprise the consolidated balance sheet as of 31 December 2006, and the related consolidated statement of income, changes in shareholders' equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

2. The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the financial reporting standards issued by the Capital Markets Board ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards issued by the CMB. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting standards issued by the CMB (Note 2).

Emphasis of Matters

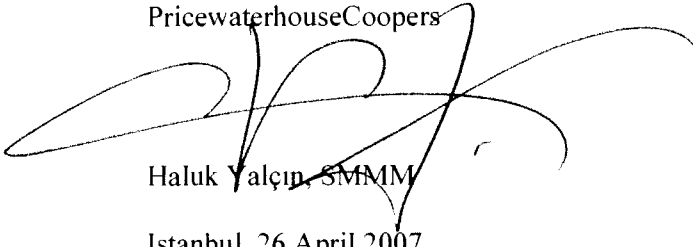
Without qualifying our opinion we draw attention to the following matters:

5. As explained in Note 31, as an outcome of a sector-wide inspection, the Energy Market Regulatory Authority ("EMRA") Control Board imposed administrative fines on the joint ventures of the Company, Petrol Ofisi A.Ş. ("POAŞ") and Erk Petrol Yatırımları A.Ş. ("Erk Petrol"), amounting to YTL 498,7 million and YTL 100,7 million, respectively, due to deliveries made to unlicensed dealers, along with 26 other companies in the sector. If the fines are upheld at the conclusion of this legal action, the impact on the Group's consolidated financial statements will be in the amount of YTL 316 million, calculated using the Company's total proportion of ownership interest of 52,73% in POAŞ. POAŞ and Erk Petrol have taken two different judicial actions for the cancellation of these fines and removal of the payment orders. The execution of fines was suspended by The Plenary Session of the Administrative Law Divisions of the Council of State on 25 January 2007. The lawsuits are still being discussed by the 13th Division of the Council of State substantially as at the date of this report. Therefore, no provision has been made in the accompanying consolidated financial statements due to the uncertainty of the final outcome of this matter.
6. As explained in Note 31, as an outcome of a tax inspection conducted in POAŞ, a joint venture in which 52,73% of shares are held by the Company, two tax assessments have been levied against POAŞ; the first for the payment of corporate tax amounting to YTL1,7 million and a tax penalty of YTL1,7 million for the year 2001 is due to the inclusion in the corporate tax base calculation of the foreign exchange losses and interest expenses in connection with the bank borrowings obtained for the acquisition of POAŞ shares by İş Doğan Petrol Yatırımları A.Ş. ("İş Doğan"), a former shareholder of POAŞ which merged with POAŞ on 27 December 2002 in accordance with the Turkish Commercial Code and Corporate Tax Law; the second is related to the years 2002 to 2006 for the payment of corporate tax amounting to YTL 625,5 million and a tax penalty of YTL 625,5 million concerning the tax losses of İş Doğan which were transferred to POAŞ despite the merged companies not operating in the same sector; together both tax assessments amount to a total corporate tax payment of YTL 627,2 million and a total tax penalty of YTL 627,2 million. As the temporary taxes amounting to YTL 265,5 million included in the tax assessments will be deducted, the total corporate tax payment levied amounts to YTL 361,7 million. On 6 March 2007, the Company announced to the public that if POAŞ is obliged to pay taxes which have arisen as a result of events that occurred before the sale of 34% of POAŞ shares by the Company to OMV Aktiengesellschaft ("OMV"), the other joint venture partner, the Company will also absorb the portion of liability belonging to the OMV shares. POAŞ has applied to the Arbitration Commission of the Presidency of the Revenue Administration for the total amount of the tax assessments and has filed a legal action for the total amount with the Istanbul Tax Court in accordance with Tax Law. There is uncertainty as to the final outcome of the legal actions and the judicial process is still in progress as at the date of this report. Therefore, no provision has been made in the accompanying consolidated financial statements due to the uncertainty of the final outcome of this matter.

Additional paragraph for convenience translation into English

7. The accounting principles described in Note 2 to the consolidated financial statements (defined as "CMB Accounting Standards") differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January and 31 December 2005 and presentation of basic financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers



Haluk Yalçın, SMMM

Istanbul, 26 April 2007

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY-31 DECEMBER 2006

CONTENTS	PAGE
CONSOLIDATED BALANCE SHEETS.....	1-2
CONSOLIDATED STATEMENTS OF INCOME	3
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY.....	4
CONSOLIDATED STATEMENT OF CASH FLOW	5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	6-82
NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS.....	6-9
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	10-20
NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	20-32
NOTE 4 CASH AND CASH EQUIVALENTS.....	32-33
NOTE 5 MARKETABLE SECURITIES	33-34
NOTE 6 BORROWINGS	35-36
NOTE 7 TRADE RECEIVABLES AND PAYABLES.....	37
NOTE 8 LEASING RECEIVABLES AND PAYABLES.....	37-38
NOTE 9 TRANSACTIONS AND BALANCES WITH RELATED PARTIES	38-39
NOTE 10 OTHER RECEIVABLES AND PAYABLES.....	39-40
NOTE 11 BIOLOGICAL ASSETS	40
NOTE 12 INVENTORIES.....	41
NOTE 13 CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING.....	41
NOTE 14 DEFERRED TAX ASSETS AND LIABILITIES.....	42-43
NOTE 15 OTHER CURRENT NON-CURRENT ASSETS AND OTHER CURRENT NON-CURRENT LIABILITIES	43-44
NOTE 16 FINANCIAL ASSETS	44
NOTE 17 GOODWILL/NEGATIVE GOODWILL	45
NOTE 18 INVESTMENT PROPERTY	45
NOTE 19 PROPERTY, PLANT AND EQUIPMENT	46-47
NOTE 20 INTANGIBLE ASSETS.....	48-49
NOTE 21 ADVANCES RECEIVED.....	50
NOTE 22 RETIREMENT PLANS	50
NOTE 23 PROVISIONS	50-51
NOTE 24 MINORITY INTERESTS	52
NOTE 25 CAPITAL/ADJUSTMENT TO SHARE CAPITAL	52
NOTE 26 CAPITAL RESERVES	53
NOTE 27 PROFIT RESERVES	53
NOTE 28 RETAINED EARNINGS	54
NOTE 29 FOREIGN CURRENCY POSITION	55-56
NOTE 30 GOVERNMENT GRANTS	57
NOTE 31 PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES	57-62
NOTE 32 BUSINESS COMBINATIONS.....	62-67
NOTE 33 SEGMENT REPORTING.....	67-72
NOTE 34 SUBSEQUENT EVENTS.....	73
NOTE 35 DISCONTINUED OPERATIONS.....	73-75
NOTE 36 OPERATING INCOME.....	76
NOTE 37 OPERATING EXPENSES.....	76
NOTE 38 OTHER INCOME/EXPENSES AND PROFIT/LOSSES.....	76
NOTE 39 FINANCIAL EXPENSES.....	77
NOTE 40 NET MONETARY POSITION GAIN/LOSSES	77
NOTE 41 TAXES ON INCOME.....	77-80
NOTE 42 EARNING PER SHARE.....	80
NOTE 43 STATEMENTS OF CASH FLOW	81
NOTE 44 DISCLOSURE OF OTHER MATTERS.....	82
NOTE 45 INSURANCE TECHNICAL RESERVES.....	82

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER

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

	Notes	2006 USD (*)	2006	Restated 2005
ASSETS				
Current assets				
Cash and cash equivalents	4	1.675.424.743	2.354.977.019	899.303.906
Marketable securities, net	5	21.030.997	29.561.169	58.770.595
Trade receivables, net	7	892.912.708	1.255.078.103	1.406.289.934
Leasing receivables, net	8	-	-	-
Due from related parties, net	9	5.566.344	7.824.053	6.432.396
Other receivables, net	10	47.320.087	66.513.114	75.489.542
Biological assets, net	11	67.446	94.802	80.988
Inventories, net	12	374.346.867	526.181.956	638.141.667
Construction contract receivables, net	13	-	-	-
Deferred tax assets	14	-	-	-
Other current assets	15	78.636.362	110.531.270	86.669.574
Total current assets		3.095.305.554	4.350.761.486	3.171.178.602
Non-current assets				
Trade receivables, net	7	5.699.770	8.011.597	15.356.530
Leasing receivables, net	8	-	-	-
Due from related parties, net	9	-	-	-
Other receivables, net	10	2.699.050	3.793.784	3.339.207
Inventories	12	-	-	18.969.002
Financial assets, net	16	3.125.814	4.393.644	4.977.219
Goodwill/negative goodwill, net	17	912.088.301	1.282.031.316	1.923.561.740
Investment properties, net	18	32.175.351	45.225.673	43.283.096
Property, plant and equipment, net	19	973.485.881	1.368.331.754	1.594.978.694
Intangible assets, net	20	521.305.588	732.747.134	1.387.275.006
Deferred tax assets	14	71.643.510	100.702.118	131.397.349
Other non-current assets	15	5.519.296	7.757.924	13.127.794
Total non-current assets		2.527.742.561	3.552.994.944	5.136.265.637
Total assets		5.623.048.115	7.903.756.430	8.307.444.239

The consolidated financial statements for the year ended at 31 December 2006, have been approved by the Board of Directors on 26 April 2007.

(*) As explained in the Note 2.4 to the consolidated financial statements, USD amounts shown in these 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 consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Markets Board ("CMB") as at 31 December 2006.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER

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

	Notes	2006 USD (*)	2006	Restated 2005
LIABILITIES				
Current Liabilities				
Short-term borrowings, net	6	119.694.982	168.243.267	340.118.291
Current portion of				
long-term borrowings, net	6	70.744.112	99.437.924	334.502.680
Leasing payables, net	8	11.399.861	16.023.644	8.288.506
Other financial liabilities, net	10	197.385.345	277.444.841	719.088.782
Trade payables, net	7	726.993.285	1.021.861.762	976.428.801
Due to related parties, net	9	3.627.257	5.098.472	4.650.170
Insurance technical reserves	45	97.680.607	137.299.861	114.392.306
Advances received	21	8.360.099	11.750.955	4.267.368
Construction progress billings, net	13	-	-	-
Provisions	23,41	67.484.606	94.856.362	52.966.554
Deferred tax liabilities	14	-	-	-
Other current liabilities, net	15	20.488.104	28.798.079	26.115.209
Total current liabilities		1.323.858.258	1.860.815.167	2.580.818.667
Non-current liabilities				
Long-term borrowings, net	6	857.408.064	1.205.172.775	1.319.053.329
Leasing payables, net	8	23.213.133	32.628.380	14.496.705
Other financial liabilities, net	10	2.207.015	3.102.180	136.908.444
Trade payables, net	7	314.710.823	442.357.533	362.404.223
Due to related parties, net	9	-	-	-
Insurance technical reserves	45	-	-	-
Advances received	21	1.225.719	1.722.871	40.861.774
Provisions	23	17.751.791	24.951.917	27.119.217
Deferred tax liabilities	14	117.081.175	164.569.299	477.695.941
Other non-current liabilities, net	15	-	-	-
Total non-current liabilities		1.333.597.720	1.874.504.955	2.378.539.633
Total liabilities		2.657.455.978	3.735.320.122	4.959.358.300
MINORITY INTEREST				
Doğan Family members	24,33	56.792.713	79.827.837	63.408.993
Other	24,33	497.345.358	699.068.635	630.005.629
Total minority interest	24	554.138.071	778.896.472	693.414.622
SHAREHOLDERS' EQUITY				
Share capital	25	1.067.159.932	1.500.000.000	735.288.208
Treasury shares	25	-	-	-
Capital reserves	26	631.813.677	888.077.304	1.410.061.137
Share premium		448.403	630.275	630.275
Share cancellation gains		-	-	-
Revaluation fund		165.110.584	232.079.437	281.231.141
Financial assets fair value reserve		-	-	-
Inflation adjustment to shareholders' equity	28	466.254.690	655.367.592	1.128.199.721
Profit reserves	27	15.139.232	21.279.706	88.789.597
Legal reserves		8.061.434	11.331.152	7.915.090
Statutory reserves		-	-	-
Extraordinary reserves		8.358.584	11.748.826	82.871.964
Special reserves		1.679.466	2.360.658	2.360.658
Investment and property sales income to be added to the capital	27	-	-	-
Translation reserve		(2.960.252)	(4.160.930)	(4.358.115)
Current year profit		634.340.668	891.629.243	457.884.350
Retained earnings	28	63.000.557	88.553.583	(37.351.975)
Total shareholders' equity		2.411.454.066	3.389.539.836	2.654.671.317
Total liabilities, minority interests and shareholders' equity		5.623.048.115	7.903.756.430	8.307.444.239

Commitments and contingent liabilities 31

(*) As explained in the Note 2.4 to the consolidated financial statements, USD amounts shown in these 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 consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as at 31 December 2006.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED 31 DECEMBER**

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

	Notes	2006 USD (*)	2006	Restated 2005
Operating income				
Sales, net	36	8.575.217.748	12.053.326.066	9.804.327.395
Cost of sales (-)		(7.778.840.875)	(10.933.938.734)	(8.970.889.328)
Gross operating profit		796.376.873	1.119.387.332	833.438.067
Operating expenses (-)	37	(618.537.009)	(869.415.620)	(641.690.703)
Net operating profit		177.839.863	249.971.712	191.747.364
Other income and profits	38	689.674.897	969.407.035	420.101.237
Other expenses and losses (-)	38	(87.210.133)	(122.582.563)	(112.722.557)
Financial expenses, net	39	(113.261.044)	(159.199.723)	(5.802.674)
Operating profit		667.043.584	937.596.461	493.323.370
Net monetary position gain /(loss)	40	-	-	-
Income before taxes and minority interests		667.043.584	937.596.461	493.323.370
Minority interests	24	(60.596.407)	(85.174.309)	(27.810.374)
Income before taxes		606.447.177	852.422.152	465.512.996
Taxes on income (-)	41	27.893.491	39.207.091	(77.925.649)
Net income from continuing operations		634.340.668	891.629.243	387.587.347
Net income from discontinued operations before minority interests	35	-	-	80.583.212
Minority interests related to discontinued operations	24	-	-	(10.286.209)
Net income		634.340.668	891.629.243	457.884.350
Weighted average number of shares with face value of YTL 1 each		1.500.000.000	1.500.000.000	1.500.000.000
Basic and diluted earnings per share (USD)/(YTL)	42	0,42	0,59	0,31
- continuing operations		0,42	0,59	0,26
- discontinuing operations		-	-	0,05

(*) As explained in the Note 2.4 to the consolidated financial statements, USD amounts shown in these 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 consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as at 31 December 2006.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER**

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

	Share Capital	Share premium	Inflation adjustment to shareholders' equity	Translation reserve	Financial assets fair value reserve	Revaluation fund	Legal reserves	Extraordinary reserves	Other reserves	Net income for the period	Retained earnings/Accumulated deficit	Total shareholders' equity
Balances at 1 January 2005												
- as previously reported	735,288,208	630,275	1,128,199,721	(42,417,829)	23,811,453	-	7,915,090	82,871,964	5,587,343	263,023,110	(264,157,372)	1,940,751,963
Effect of corrections (Note 2.6)	-	-	-	-	-	37,571,092	-	-	-	(15,983,013)	(21,638,740)	(50,661)
Balances at 1 January 2005												
- restated	735,288,208	630,275	1,128,199,721	(42,417,829)	23,811,453	37,571,092	7,915,090	82,871,964	5,587,343	247,040,097	(285,796,112)	1,940,701,302
Currency translation differences	-	-	-	(252,142)	-	-	-	-	-	-	-	(252,142)
Effects of sale of subsidiary on translation reserve	-	-	-	38,311,856	-	-	-	-	-	-	-	38,311,856
Effects of sale of subsidiary on financial assets fair value reserve	-	-	-	-	(23,811,453)	-	-	-	(3,226,685)	(23,737,305)	47,548,758	-
Transfers	-	-	-	-	-	(29,023,313)	-	-	-	(223,302,792)	255,552,790	-
The difference between the book value and purchase cost in the acquisition of minority shares of subsidiaries (restated) (Note 32.b.ii)	-	-	-	-	-	-	-	-	-	-	(51,102,548)	(51,102,548)
Revaluations due to the step acquisitions of subsidiaries (restated) (Note 2.6)	-	-	-	-	-	272,683,362	-	-	-	-	(3,554,863)	272,683,362
Financial assets fair value losses	-	-	-	-	-	-	-	-	-	-	-	(3,554,863)
Net income for the period (restated) (Note 2.6)	-	-	-	-	-	-	-	-	-	457,884,350	-	457,884,350
Balances at 31 December 2005												
- restated	735,288,208	630,275	1,128,199,721	(4,358,115)	-	281,231,141	7,915,090	82,871,964	2,360,658	457,884,350	(37,351,975)	2,654,671,317
Balances at 1 January 2006												
- restated	735,288,208	630,275	1,128,199,721	(4,358,115)	-	281,231,141	7,915,090	82,871,964	2,360,658	457,884,350	(37,351,975)	2,654,671,317
Currency translation differences	-	-	-	197,185	-	-	-	(71,123,138)	-	-	-	197,185
Dividend payment	-	-	-	-	-	-	-	-	-	-	-	-
The difference between the book value and purchase cost in the acquisition of minority shares of subsidiaries (Note 32.a.iii)	-	-	-	-	(49,151,704)	3,416,062	-	-	291,879,663	(457,884,350)	(20,929,591)	(20,929,591)
Transfers	764,711,792	-	(472,832,129)	-	-	-	-	-	(291,879,663)	-	211,740,329	-
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	-	-	891,629,243	-	891,629,243
Balances at 31 December 2006												
- restated	1,500,000,000	630,275	655,367,592	(4,160,930)	-	232,079,437	11,331,152	11,748,826	2,360,658	891,629,243	88,553,583	3,389,539,836

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEARS ENDED 31 DECEMBER**

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

	Notes	2006 USD (*)	2006	Restated 2005
Operating activities:				
Cash used in operations	43	40.400.874	56.787.468	411.080.197
Finance segment interest received		-	-	449.920.253
Finance segment interest paid		-	-	(228.683.147)
Taxes paid		(36.320.687)	(51.052.358)	(61.490.767)
Employment termination paid	23	(2.752.022)	(3.868.242)	(6.947.410)
Net cash from operating activities		1.328.165	1.866.868	563.879.126
Investing activities:				
Purchase of investment property	18	(5.986.440)	(8.414.540)	(2.517.508)
Purchase of property, plant and equipment	19	(274.056.172)	(385.213.355)	(270.972.417)
Purchase of intangibles	20	(47.068.241)	(66.159.119)	(36.735.045)
Proceeds from sale of property, plant and equipment, intangibles and investment property		49.637.005	69.769.774	61.110.892
Change in available-for-sale and held-to-maturity investments		415.179	583.575	7.534.359
Cash out flow for acquisition of subsidiaries and purchase of acquisition of minority shares of subsidiaries		(14.890.147)	(20.929.591)	(1.331.180.038)
Proceeds from disposal of POAŞ shares	32	1.186.449.946	1.667.674.044	52.371.995
Proceeds from disposal of Doğan Yayın shares	32	138.857.043	195.177.460	-
Proceeds from disposal of subsidiary share sales in finance segment		-	-	994.390.880
Non-finance segment interest received		156.170.182	219.512.808	107.140.478
Change in other non-current and long-term liabilities		(10.528.758)	(14.799.222)	(2.480.467)
Net cash (used in) / provided by investing activities		1.178.999.597	1.657.201.834	(421.336.871)
Financing activities:				
Proceeds of issuance of share capital to minority interests	24	1.422.880	2.000.000	3.518.924
Dividends paid to minority interests	24	(18.251.087)	(25.653.728)	(4.996.176)
Change in short term borrowings, net		(89.178.344)	(125.349.080)	(2.821.838)
Change in long term borrowings, net		98.429.823	138.352.959	231.586.693
Change in long term trade payables, net		146.814.015	206.361.780	318.009.054
Non-finance segment interest paid		(375.839.152)	(528.279.512)	(155.065.939)
Dividends paid		(96.775.980)	(136.028.318)	-
Net cash (used in) / provided by financing activities		(333.377.845)	(468.595.899)	390.230.718
Net increase in cash and cash equivalents		846.949.917	1.190.472.803	532.772.973
Cash and cash equivalents at the beginning of year	4	552.897.658	777.152.948	737.720.975
Cash and cash equivalents at the end of the period related to discontinued operations		-	-	(493.341.000)
Cash and cash equivalents at the end of the period	4	1.399.847.575	1.967.625.751	777.152.948

Cash and cash equivalents amounting to YTL 81.829.955 (31 December 2005: YTL 12.027.157) are unavailable for use (Note 4) as of 31 December 2006.

(*) As explained in the Note 2.4 to the consolidated financial statements, USD amounts shown in these 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 consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as at 31 December 2006.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 1 - ORGANIZATION 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 31 December 2006, the shares quoted on the ISE represent 34,29% of the total shares. (31 December 2005: %34,29) At 31 December 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
	100,00

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 continuing 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 the 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"). The share transfer of the related Subsidiaries was finalized on 4 July 2005.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Doğan Holding has the following subsidiaries (the "Subsidiaries"). The business nature of the Subsidiaries are as follows:

Name	Nature of business	Segment
Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet")	Newspaper publishing	Media
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. ("Hürriyet Medya")	Publishing and	Media
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	Administrative services	Media
Yaysat Yayın Satış Pazarlama ve Dağıtım A.Ş. ("Yaysat")	Printing services	Media
DYG İlan ve Reklam Hizmetleri A.Ş. ("DYG İlan")	Distribution	Media
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik")	Advertising	Media
Milliyet Haber Ajansı A.Ş. ("Milha")	Newspaper publishing	Media
Doğan Daily News Gazetecilik ve Matbaacılık A.Ş. ("Doğan Daily News")	News agency	Media
Hürriyet Gazetecilik ve Matbaacılık A.Ş. Zweigniederlassung Deutschland ("Hürriyet Zweigniederlassung")	Newspaper publishing	Media
Doğan Media International GmbH ("DMG")	Newspaper printing	Media
Milliyet Verlags und Handels GmbH ("Milliyet Verlags")	Newspaper publishing	Media
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım")	Newspaper publishing	Media
Doğan Haber Ajansı A.Ş. ("DHA")	Distribution	Media
Hür Medya İlanlık ve Reklamcılık Ticaret A.Ş. ("Hürmedya")	News agency	Media
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. ("Hürservis")	Administrative service	Media
Birpa Müşteri Hizmetleri ve Pazarlama A.Ş. ("Birpa")	Administrative service	Media
Milliyet İnternet Hizmet ve Ticaret A.Ş. ("Milliyet İnternet")	Retail	Media
Hür-Bim Görsel Yayıncılık A.Ş. ("Hürbim")	Internet services	Media
Katalog Yayın ve Tanıtım Hizmetleri A.Ş. ("Katalog")	Information technology	Media
D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım Reklamcılık")	Guide Publishing	Media
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	Movie/TV Production	Media
Hürriyet Radyo Prodüksiyon ve Yayın A.Ş. ("Radyo Foreks")	TV broadcasting	Media
Radyo Kulübü Uluslararası Programlar A.Ş. ("D Radyo")	Radio 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")	Radio broadcasting	Media
Doğan TV Holding A.Ş. ("Doğan TV")	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
Tempo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Tempo 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
Işıl Televizyon Yayıncılık A.Ş. ("Işıl TV")	TV broadcasting	Media
TV 2000 Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("TV 2000")	TV broadcasting	Media
Alp Görsel Yayıncılık A.Ş. ("Alp Görsel")	TV broadcasting	Media
Birleşik Birleşik Televizyon Reklam Pazarlama A.Ş., in liquidation ("Birleşik")	Advertising	Media
Doğa Televizyon ve Radyo Yayıncılık A.Ş. ("Doğa TV")	TV broadcasting	Media
Altın Kanal Televizyon ve Radyo Yayıncılık A.Ş. ("Altın Kanal")	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
Dinamik Televizyon ve Radyo Yayıncılık A.Ş. ("Dinamik TV")	TV broadcasting	Media
Elit Televizyon ve Radyo Yayıncılık A.Ş. ("Elit TV")	TV broadcasting	Media
Ekinoks Televizyon ve Radyo Yayıncılık A.Ş. ("Ekinoks TV")	TV broadcasting	Media
Fleks Televizyon ve Radyo Yayıncılık A.Ş. ("Fleks TV")	TV broadcasting	Media
Dönence Televizyon ve Radyo Yayıncılık A.Ş. ("Dönence TV")	TV broadcasting	Media
Planet Televizyon ve Radyo Yayıncılık A.Ş. ("Planet TV")	TV broadcasting	Media
Meridyen Televizyon ve Radyo Yayıncılık A.Ş. ("Meridyen TV")	TV broadcasting	Media
Doğan Prodüksiyon Hizmetleri A.Ş. ("Doğan Prodüksiyon")	TV broadcasting	Media

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Name	Nature of business	Segment
Deniz Televizyon ve Radyo Yayıncılık A.Ş. ("Deniz TV")	TV broadcasting	Media
Kutup Televizyon ve Radyo Yayıncılık A.Ş. ("Kutup TV")	TV broadcasting	Media
Trend Televizyon ve Radyo Yayıncılık A.Ş. ("Trend TV")	TV broadcasting	Media
Doğan TV Dijital Platform İşletmeciliği A.Ş. ("Doğan TV Digital")	TV broadcasting	Media
Doğan Müzik Kitap Magazacılık Pazarlama A.Ş. ("DMK")	Retail	
Doğan İletişim Elektronik Servis Hizmetleri Yayıncılık A.Ş. ("Doğan Online")	Internet service provider	Media
Emlaksimum Elektronik Yayıncılık ve Ticaret A.Ş. ("Emlaksimum")	Internet services	Media
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	Music and entertainment	Media
Yenibirış İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. ("Yenibir")	Internet services	Media
Doğan Factoring Hizmetleri A.Ş. ("Doğan Factoring")	Factoring	Media
Doğan Telekomünikasyon Hizmetleri Satış ve Pazarlama A.Ş. ("Doğan Telekom")	Telecommunications	Media
Doğan Platform Yatırımları A.Ş. ("Doğan Platform")	Investment	Media
D Yapım Yayıncılık ve Reklamcılık A.Ş. ("D Yapım")	Movie/TV Production	Media
D Finans İnternet Bilgi Hizmetleri ve Ticaret A.Ş. ("D Finans")	Internet services	Media
D Market Elektronik Hizmetler ve Ticaret A.Ş. ("D Market")	Internet services	Media
Doğan Portal ve Elektronik Ticaret A.Ş. ("Doğan Portal")	Investment	Media
Medyanet İletişim Reklam Pazarlama ve Turizm A.Ş. ("Medyanet A.Ş.")	Marketing	Media
Medyanet İletişim Reklam Pazarlama ve Ticaret Ltd. Şti. ("Medyanet Ltd.")	Marketing	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
D Elektronik Şans Oyunları ve Yayıncılık A.Ş. ("D Elektronik Şans Oyunları")	Marketing	Media
Dipar Müzik Yapımcılığı Turizm Gıda Sanayi ve Ticaret A.Ş. ("Dipar Müzik")	Music and entertainment	Media
Satış Noktaları Ticaret ve Sanayi A.Ş. in liquidation ("Satış Noktaları")	Distribution and marketing	Other
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	Foreign Trade	Other
İşıl İthalat İhracat Mümessillik A.Ş. ("İşıl İthalat İhracat")	Foreign Trade	Other
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")	Trade	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
Doğan Müzayedecilik Satış ve Pazarlama A.Ş. ("Doğan Müzayedecilik")	Marketing	Other
Orta Anadolu Otomotiv Ticaret ve Sanayi A.Ş. ("Orta Anadolu Otomotiv")	Trading	Other
D-Fes Elektrik Enerjisi Toptan Satış A.Ş. ("D Tes")	Energy	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 FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Doğan Holding has the following Joint Ventures (the "Joint Ventures"). 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:

Name	Nature of business	Segment	Joint venture partner
Petrol Ofisi A.Ş. ("POAŞ") (*)	Distribution of petroleum products	Energy	OMV Aktiengesellschaft ("OMV")
İsedaş İstanbul Elektrik Dağıtım Sanayi ve Ticaret A.Ş. ("İsedaş")	Energy	Energy	Tekfen İnşaat A.Ş. and Çukurova Holding A.Ş.
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
DB Popüler Dergiler Yayıncılık A.Ş. ("DB Popüler")	Magazine publishing	Media	Burda GmbH
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti ("Birey İK")	Internet services	Media	Doğan Portal and Elektronik Ticaret A.Ş.
Doğan Kitapçılık A.Ş. ("Doğan Kitapçılık")	Book Publishing	Media	Egmont
Çağdaş Pazarlama Sistemleri A.Ş. in liquidation ("T.H. Çağdaş Pazarlama")	Trade	Other	RT. Exports LLC- LBO Acquisitions 2001 Ltd.

(*) 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 31 December 2006 is 11.448 (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 and Joint Ventures are registered in Turkey except for Hürriyet Zweigniederlassung, Milliyet Verlags, Entralle Handels, DMG 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 FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Accounting standards

The 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 to 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 and the Uniform Chart of Accounts issued by the Ministry of Finance. These financial statements, that have been prepared in accordance with the CMB Accounting Standards, are prepared in New Turkish Lira based on historical cost except for financial assets and liabilities that are presented with their fair values.

2.2 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 CMB Accounting Standards. 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.

2.3 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 the IASB is not applied in consolidated financial statements.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

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

2.4 US dollar convenience translation

US dollar ("USD") amounts shown in the 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 1,4056 = USD 1,00 for purchases of USD on 31 December 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 31 December 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.

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"). 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. The result of operations of Subsidiaries, Joint Ventures and Associates are included or excluded in these consolidated financial statements subsequent to the date of acquisition or date of sale respectively. Where necessary, accounting policies for Subsidiaries, Joint Ventures and Associates have been changed to ensure consistency with the policies adopted by the Group.
- (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 (1) 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 (2) 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.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

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

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

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 (%)	
	2006	2005	2006	2005	2006	2005	2006	2005
Hürriyet	60.00	60.00	-	-	60.00	60.00	37.81	39.94
Hürriyet Medya (1)	100.00	100.00	-	-	100.00	100.00	37.81	39.94
Doğan Ofset	99.93	99.89	-	-	99.93	99.89	37.78	51.89
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 Gazetecilik	79.76	79.76	0.67	0.67	80.43	80.43	50.26	53.10
Milha	100.00	100.00	-	-	100.00	100.00	56.29	58.96
Doğan Daily News	94.25	94.25	-	-	94.25	94.25	35.63	62.74
Hürriyet								
Zweigniederlassung	100.00	100.00	-	-	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
Milliyet Verlags	99.03	99.03	0.97	0.97	100.00	100.00	62.21	64.31
Doğan Dağıtım	100.00	100.00	-	-	100.00	100.00	63.00	66.55
DHA	90.61	90.61	-	-	90.61	90.61	44.61	47.06
Hürmedya	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
Birpa	99.00	96.50	0.50	3.50	99.50	100.00	62.38	64.24
Milliyet İnternet	100.00	100.00	-	-	100.00	100.00	51.35	54.05
Hürbim	99.92	99.92	-	-	99.92	99.92	62.66	66.52
Katalog	100.00	100.00	-	-	100.00	100.00	63.02	66.57
D Yapım Reklamcılık (2)	100.00	100.00	-	-	100.00	100.00	62.71	66.57
Kanal D	94.81	94.81	-	-	94.81	94.81	59.45	63.11
Radyo Foreks	99.89	99.89	-	-	99.89	99.89	62.64	66.50
D Radyo	99.89	99.89	-	-	99.89	99.89	62.64	66.50
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
Doğan TV	99.51	100.00	-	-	99.51	100.00	62.71	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
Tempo TV	99.06	99.06	-	-	99.06	99.06	62.12	65.95
Kanalspor	99.06	99.06	-	-	99.06	99.06	62.12	65.95
Milenyum TV	99.94	99.94	-	-	99.94	99.94	62.67	66.53
İşıl TV	100.00	100.00	-	-	100.00	100.00	62.71	66.57
TV 2000	99.06	99.06	-	-	99.06	99.06	62.12	65.95
Alp Görsel	100.00	100.00	-	-	100.00	100.00	62.71	66.57
Birmaş	100.00	100.00	-	-	100.00	100.00	62.61	66.46
Doğa TV	100.00	100.00	-	-	100.00	100.00	62.71	66.57
Altın Kanal	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 (3)	100.00	-	-	-	100.00	-	62.71	-
Kanal D Romanya (3)	97.00	-	2.00	-	99.00	-	49.08	-
Dinamik TV (3)	100.00	-	-	-	100.00	-	62.71	-
Elit TV (3)	100.00	-	-	-	100.00	-	62.71	-
Ekinoks TV (3)	100.00	-	-	-	100.00	-	62.71	-
Fleks TV (3)	100.00	-	-	-	100.00	-	62.71	-
Dönence TV (3)	100.00	-	-	-	100.00	-	62.71	-
Planet TV (3)	100.00	-	-	-	100.00	-	62.71	-
Meridyen TV (3)	100.00	-	-	-	100.00	-	62.71	-
Doğan Prodüksiyon (3)	100.00	-	-	-	100.00	-	62.71	-
Deniz TV (3)	100.00	-	-	-	100.00	-	62.71	-
Kutup TV (3)	100.00	-	-	-	100.00	-	62.71	-
Trend TV (3)	100.00	-	-	-	100.00	-	62.08	-
Doğan TV Digital (3)	100.00	-	-	-	100.00	-	62.71	-
DMK	99.98	99.98	-	-	99.98	99.98	63.01	66.56
Doğan Online (4)	100.00	60.00	-	40.00	100.00	100.00	63.01	39.94
Emlaksimum (3)	99.80	-	0.10	-	99.90	-	38.18	-
DMC	99.94	99.17	0.02	0.02	99.96	99.19	62.67	66.02
Yenibir	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 Telekom	100.00	100.00	-	-	100.00	100.00	63.01	39.94
Doğan Platform (5)	100.00	100.00	-	-	100.00	100.00	63.01	39.94

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 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 (%)	
	2006	2005	2006	2005	2006	2005	2006	2005
D Yapım (6)	-	100.00	-	-	-	100.00	-	66.57
D Finans (7)	-	99.92	-	0.08	-	100.00	-	39.91
D Market (7)	-	52.63	-	37.33	-	89.96	-	21.02
Doğan Portal (8), (7)	-	100.00	-	-	-	100.00	-	39.94
Medyanet A.Ş. (7)	-	100.00	-	-	-	100.00	-	39.94
Medyanet Ltd. (9)	-	97.00	-	-	-	97.00	-	38.74
Doğan Elektronik Müzik (7)	-	99.99	-	0.01	-	100.00	-	39.94
Doğan Elektronik Turizm (7)	-	100.00	-	-	-	100.00	-	39.94
D Elektronik								
Şans Oyunları (3), (7)	-	-	-	-	-	-	-	-
Dıpar Müzik(9)	-	99.96	-	-	-	99.96	-	63.90
Satış Noktaları	100.00	100.00	-	-	100.00	100.00	63.01	66.56
Doğan Dış Ticaret	100.00	100.00	-	-	100.00	100.00	62.58	66.10
İşıl İthalat İhracat	96.70	96.70	-	-	96.70	96.70	60.51	63.92
Gayrimenkul Geliştirme (3)	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	87.13	84.48
Doğan Yayın (10)	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	62.44	57.53
Ditaş Doğan	50.94	50.94	-	-	50.94	50.94	50.94	50.94
Milta Turizm	97.42	95.46	-	2.34	97.42	97.80	97.42	95.46
D Telekomünikasyon (11)	65.00	65.00	35.00	35.00	100.00	100.00	65.00	65.00
Enteralle Handels (11)	95.48	95.48	4.52	4.52	100.00	100.00	62.06	62.06
Doğan Organik	90.00	99.00	10.00	1.00	100.00	100.00	89.99	98.98
Doğan Elektronik (7)	-	96.00	-	-	-	96.00	-	38.34
Doğan Müzayedecilik (9)	-	96.00	-	-	-	96.00	-	38.34
Orta Anadolu Otomotiv	85.00	85.00	-	-	85.00	85.00	82.84	33.08
D Tes (11)	99.60	99.60	-	-	99.60	99.60	64.74	64.74
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	62.33	57.49

- (1) The registered name of Doğan Basım ve Dağıtım İşleri A.Ş. was changed to Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. ("Hürriyet Medya") in 2006.
- (2) The registered name of GPS Film Prodüksiyon A.Ş. was changed to D Yapım Reklamcılık ve Dağıtım A.Ş. in 2006.
- (3) These Subsidiaries were established in 2006.
- (4) The shares of this subsidiary were purchased in 2006 (Note 32.a.iii).
- (5) The registered name of DS Servis ve İdari Hizmetler A.Ş. was changed to Doğan Platform Yatırımları A.Ş. in 2006.
- (6) These Subsidiaries were transferred to D Yapım Reklamcılık in 2006.
- (7) These Subsidiaries were sold in 2006.
- (8) The registered name of Egeser Servis ve İdari Hizmetler A.Ş. was changed to Doğan Portal ve Elektronik Ticaret A.Ş. in 2006.
- (9) These Subsidiaries were liquidated in 2006.
- (10) The disposal of a certain portion of this Subsidiary's shares during the period led to a decrease in the Group's voting rights (Note 32.a.ii).
- (11) 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 FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 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.

- (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 the way of proportionate consolidation. Through 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 31 December:

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 (%)	
	2006	2005	2006	2005	2006	2005	2006	2005
POAŞ (1)	52.73	92.98	-	-	52.73	92.98	52.73	92.98
İsedaş	40.00	40.00	5.00	5.00	45.00	45.00	40.00	40.00
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
DB Popüler	40.72	40.72	-	-	40.72	40.72	40.72	40.72
Birey İK (2)	50.00	-	-	-	50.00	-	25.13	-
Doğan Kitapçılık (3)	50.00	99.90	-	0.10	50.00	100.00	31.51	50.63
T.H. Çağdaş Pazarlama (4)	50.00	50.00	-	-	50.00	50.00	32.54	32.54

- (1) 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.a.i).
(2) This joint venture was purchased by Doğan Gazetecilik in 2006.
(3) This joint venture was purchased by Doğan Egmont in 2006.
(4) 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 FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 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 prices 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) 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 31 December 2006 so that the reclassification will result in a more appropriate presentation of events or transactions.

Completion of initial accounting determined provisionally for the purchase of POAŞ shares in 2005 and adjustments in the consolidated financial statements of previous periods:

As discussed in Note 32.b.i, Doğan Holding increased its controlling interest from 44.30% to 88.36% by the purchase of 44,06% of POAŞ shares on 2 September 2005 and obtained control over the financial and operational policies of POAŞ, which was controlled jointly before this purchase.

Since this transaction is one of the stages in which the acquisition of control was achieved, it had to be accounted for using the purchase method of accounting in accordance with IFRS 3 *Business Combinations* ("IFRS 3"); however as the fair values of identifiable assets, liabilities and contingent liabilities could be determined provisionally by the end of the period in which the transaction took place, 31 December 2005, the transaction was initially accounted for in the consolidated financial statements for the year ended 31 December 2005 using the provisional fair values.

In 2006, Doğan Holding finalized its study on the determination of the fair values of acquired identifiable assets, liabilities and contingent liabilities and accordingly completed the initial accounting in its consolidated financial statements at 31 December 2005. As a result of this study, the fair values of POAŞ's identifiable and separable intangible assets have been determined using the valuation techniques explained in IFRS 3, and have been initially recognised only in the consolidation purpose-prepared financial statements of POAŞ.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

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

The fair values of the above-mentioned intangible assets were neither determined or recognised in the consolidated financial statements while accounting for the acquisitions of control in the previous stages. Those acquisitions were conducted by Doğan Holding and İş Doğan – a joint venture of Doğan Holding subsequently merged with POAŞ – in the years 2000 and 2002, and inevitably, such fair values were included in each portion of goodwill calculated at the acquisition dates. Due to this fact, Doğan Holding has determined the fair values of the intangible assets acquired at the date of each acquisition to avoid the double-accounting that would arise by initially recognising the full fair values of the intangible assets at the same time as having the previously recognised goodwill carried in its consolidated financial statements.

Intangible assets and their fair values determined at the date of each acquisition are as follows;

	Fair values determined for purchases in 2005	Fair value determined for purchases in 2002(2)	Fair value determined for purchases in 2000 (1)
Dealership agreements	924.589.941	402.477.987	279.216.375
Brand	257.605.908	166.495.452	46.083.965
Customer agreements	75.793.000	75.793.000	75.793.000
Fair values of intangible assets acquired by business combinations	1.257.988.849	644.766.439	401.093.340

- (1) Purchase of 25,5% of shares from Privatization Administration ("PA") through İş Doğan on 21 July 2000.
- (2) Purchase of 12,9% of shares from PA through İş Doğan on 8 August 2002 and purchase of 9,75% of shares at aggregate by Doğan Holding and İş Doğan on various dates in November and December 2002.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

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

Goodwill calculated at each stage of the acquisition and amortization charges for the periods effected, due to the different economic lives estimated for goodwill and intangible assets, has been restated beginning from the earliest period presented, 1 January 2005, in the consolidated financial statements in accordance with IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors" using the fair values of intangible assets determined at each acquisition date. The consolidated financial statement line items restated and the amount of restatement accounted for as of 1 January 2005 are as follows:

	Restatements on consolidated financial statements as of 1 January 2005 increase/(decrease)
Goodwill (Note 17)	(124.354.361)
Intangible assets (Note 20)	185.527.910
Deferred tax liability (Note 14)	(61.224.210)
Restatement of net assets, net	(50.661)
Revaluation fund	37.571.092
Retained earnings	(21.638.740)
Net profit for the year ended 31 December 2004	(15.983.013)
Restatement on shareholders' equity, net	(50.661)

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

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

For each consolidated financial statement line item, the impact of the restatement due to the completion of the initial accounting determined provisionally for the purchase of 44,06% of POAŞ shares on 2 September 2005 and its resulting impact on the accounting of the subsequent purchase of 4,62% of POAŞ shares as of 31 December 2005 are as follows:

	Restatements on consolidated financial statements as of 31 December 2005 increase/(decrease)
Goodwill (Note 17)	(761.025.124)
Intangible assets (Note 20)	1.000.379.258
Deferred tax liability (Note 14)	(294.547.940)
Restatement of net assets, net	(55.193.806)
Restatement of minority interests	(98.302.463)
Revaluation fund	272.683.362
Retained earnings	(51.102.548)
Adjustments on 2005 net profit of the period:	
Other income and profits (Note 38) (1)	(122.467.949)
Operating expenses (Note 37) (2)	(93.017.328)
Taxes on income (Note 41) (3)	33.471.037
Minority interest profit/losses (Note 24) (4)	3.542.083
Restatement of shareholders' equity, net	43.108.657
Total restatement of minority interests and shareholders' equity, net	(55.193.806)

- (1) Reversal of provisionally recognised negative goodwill in the consolidated statement of income for the year ended 31 December 2005.
- (2) Amortisation charge of initially recognised intangible assets for the year ended 31 December 2005.
- (3) Reversal of deferred tax liabilities due to amortization of initially recognised intangible assets.
- (4) Minority interests related to the above-mentioned restatements.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

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

As discussed in Note 32.b.ii, Doğan Holding acquired 4,62% of shares of POAŞ between 14 October and 31 October 2005 by a tender offer, subsequent to the purchase of 44,06% of POAŞ shares. Consequently, the controlling interest of Doğan Holding over POAŞ increased from 88,36% to 92,98%. As Doğan Holding was the majority shareholder of POAŞ prior to the purchase of 4,62% of shares, there has been no change in the control and management power exercised over POAŞ after this tender offer. The difference between the carrying value and purchase cost of minority shares acquired, a negative difference amounting to YTL 11.260.825, was recognised in "Other operating income" as negative goodwill in the previously reported consolidated financial statements for the year ended 31 December 2005. Since the carrying value of the acquired minority shares had to be restated due to the above-mentioned restatement regarding the purchase of 44,06% of POAŞ shares, the accounting for the purchase of 4,62% of shares has also been restated and a recalculated positive difference amounting to YTL 51.102.548 has been deducted from the retained earnings in the shareholders' equity. The restatement impacts of the accounting for the purchase of 4,62% of shares have been disclosed together in the above table with the impact of restatement regarding the purchase of 44,36% of POAŞ shares.

As discussed in Note 32.a.i, Doğan Holding sold 6,25% and 34% of POAŞ shares to Deutsche Bank A.G. on behalf of 32 institutional investors and to OMV, respectively, for a total sales consideration of YTL 1.667.674.044 in 2006. Doğan Holding had previously reported the gain on the sale of such shares as YTL 760.335.603 in its interim consolidated financial statements for the six-month period ended 30 June 2006. This share sales gain has been recalculated due to the above-mentioned restatements, accordingly increased by YTL 1.287.045 and reported as YTL 761.622.648 in the consolidated financial statements for the year ended 31 December 2006.

2.7 Significant accounting estimates and decisions

The preparation of the consolidated financial statements requires the use of judgements and estimates which might affect the amounts of assets and liabilities, explanation of commitments and contingent liabilities which were reported as of the balance sheet date and the revenues and expenses which were reported throughout the period. Even though these judgements and estimates are based on the best estimates of the Company's management, the actual results might differ from them.

2.8 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 realize the asset and settle the liability simultaneously.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

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

2.9 Accounting policy for purchase of minority interests

The Group does not apply IFRS 3 "Business Combinations" standard when purchasing the minority interest from its Subsidiaries, in which the Group has already had the controlling power. In these cases, the Group accounts the related transactions using the "Economic Entity Model". Accordingly, the difference between the carrying amount of and the purchase price of the minority shares is recognised in the retained earnings of the shareholders' equity.

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 these consolidated financial statements are summarized for continuing and discontinued operations 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).

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. The Group has no held-to-maturity investments at 31 December 2006.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment securities other than held-to-maturity and financial assets as at fair value through profit and loss 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 the 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 less any provision for diminution in value.

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 the sales and repurchase prices is treated as interest and amortized over the life of reverse repo agreements using the effective yield method.

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 against and which are calculated by discounting the amounts that will be collected of trade receivables, are recorded at 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.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 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 on the 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).

3.6 Investment properties

Buildings and land held to earn rentals or for the 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 between 5 and 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.

3.7 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 - 39 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.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses for the repair and maintenance of property, plant and equipment are normally charged against income. They are, however, capitalised in exceptional cases if they result in an enlargement or substantial improvement of the respective assets.

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.

Other tangible assets mainly consist of tanks, stations and station equipment.

3.8 Leases

Financial lease

A tangible asset gained through financial leasing is capitalized at the lower of cost of the tax advantage of the asset at the beginning of the leasing period or the fair value after deducting incentives or the reduced minimum leasing payments on the date of leasing. The capital element is treated as a reduction in the capitalized obligation under the lease and the interest element is charged to the statement of income. The property, plant and equipment acquired under finance leases are depreciated over the useful life of the asset.

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.

3.9 Goodwill

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 the framework of IFRS 3 "Business Combinations", amortization accounting is not applied for goodwill related to 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).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Any negative goodwill arising from 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.

3.10 Intangible assets

Intangible assets 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 amortized using the straight-line method over their estimated useful lives for a period of 5 to 20 years (except territorial and cable broadcasting permissions and licenses) from the date of acquisition and amortization expenses are recorded as "Other Operating Expenses" in the consolidated statements of income. Territorial and cable broadcasting permissions and licenses are not amortized 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 rights to use a marina held by the Subsidiary, Milta Turizm, are amortized over 49 years in accordance with the agreement signed with the Privatization Administration (Note 20).

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

Useful lives of dealership and customer agreements, defined as intangible assets in the consolidated financial statements, which are acquired through the purchase of POAŞ shares, which is a joint venture of the Group under the energy segment, have been ascertained as 15 years. The valuation method used to determine the fair value has been taken into consideration while applying the declining balance method of depreciation on the intangible assets. As the brand of POAŞ, which is similarly included on the consolidated financial statements through the stated purchases, has an indefinite useful life, it is not subject to amortisation and has been examined for any loss in value.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 of income.

-Foreign movies, foreign series and domestic films are recognized at the acquisition cost of the broadcasting right and 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.

3.11 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).

3.12 Taxes

The tax provision for the period consists of current year tax and deferred tax. Current year tax liability consists of the tax liability calculated through the tax rates enacted as of the balance sheet date for the taxable profit of the profit and adjustment records related to previous year's tax liabilities.

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 consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as of the balance sheet date.

Significant temporary differences arise from the financial losses to be deducted, the provision of doubtful receivables, the provision of employment termination benefits, the restatement of property, plant and equipment and inventory over their historical cost, and from the differences in the tax bases.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred tax liabilities are recognized for all taxable temporary differences, whereas 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, related to income taxes levied by the same taxation authority, are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities (Note 14).

3.13 Provisions, contingent liabilities, contingent assets

If the Group has liabilities from previous events, will probably sell its economically beneficial assets to pay these liabilities and estimates the cost of the liabilities and if this estimation is reliable; a provision is provided for the related liabilities and the provision is displayed on the financial statements. Contingent liabilities are revaluated continuously to determine the sales probability of the economically beneficial assets. If economically beneficial assets are going to be sold for certain in the future for the payment of the items displayed as contingent liabilities, a provision is provided and displayed in the financial statements for the related contingent liabilities except for the reliable value estimation of the economically beneficial assets which cannot be performed at the time when the sales probability of the economically beneficial assets is made.

Although the payment of the contingent liabilities is certain and the value estimation of the economically beneficial assets is not reliable, the Group displays related liabilities in the footnotes.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.14 Financial liabilities

Financial liabilities are recognised initially at proceeds received, net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost using the effective yield method. Any difference between the proceeds and redemption value is recognised in the consolidated statements of income over the period of the borrowings.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 Eurobonds and Murabaha Syndication

Eurobonds and Murabaha Syndication, which is a kind of financial instrument for inventory purchases, on a term basis are recognized initially at their fair value, being their issue proceeds net of transaction costs incurred. Eurobonds and Murabaha Syndication are subsequently stated at amortised 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. The differences between the obtained Eurobond and the payback costs are recognized in the consolidated income statement over the periods of the maturities. The Group has no murabaha syndication as of 31 December 2006.

3.16 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 the first evaluation of insurance 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, are calculated on accrued premiums on a daily basis for the policies in force.

3.17 Employment termination benefits

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

3.18 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.

3.19 Foreign currency transactions

Foreign currency transactions during the period are translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish lira at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items are reflected to the consolidated statements of income.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.20 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 of Ray Sigorta on non-life insurance services represents premiums on policies written during the year, net of cancellations.

3.21 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.

3.22 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.

3.23 Liquid assets

Liquid assets include cash and amounts due from banks, and highly liquid investments with maturity periods of less than twelve months.

3.24 Cash and cash equivalents

Cash flow statements as an integral part of financial statements are prepared to inform users of financial statements regarding the change in Group's net assets, financial structure and the ability to guide cash flow amounts and timing according to changing conditions.

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with insignificant value risks when exchanged and original maturities of three months or less.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the 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. The Group has a net foreign currency open position due to the foreign currency denominated borrowings. 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 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.

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 realize in a current market exchange.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

3.26 Earnings per share

Earnings per share as indicated on the consolidated income statement are ascertained by dividing net profit to weighted average number of shares.

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).

In case of dividend payments, earnings per share will be determined by the current number of shares (1.500.000.000) rather than the weighted average of number of shares.

3.27 Discontinued operations

Discontinued operations are the part of the Group which either are classified as held-for-sale or have been disposed of and whose activities and cash flows can be treated as separable from the Group's activities and cash flows. Discontinued operations represent separate business or geographical segments, which are part of a plan to sell or dispose, or is a subsidiary acquired for selling. The Group's discontinued operations have been valued with the lower of the book values of the related asset and liabilities of the discontinued operations, or the 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 FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.28 Accounting of derivative financial instruments and hedging transactions

Fair value is used when derivative financial instruments are recorded for the first time and valued at fair value in the following periods. The gain/loss on the hedging transactions calculation method depends on the properties of the hedged transaction. On the date the derivative agreement is done, the Group determines the derivative instrument at fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability, or cash flow hedges when hedging the exposure to the variability in cash flows either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction. The Group uses various hedging instruments to preserve the value of its petroleum inventories and cargo imports, to ensure a constant flow of income, and to minimize adverse price movements (Note 31).

3.29 Minority interests

Minority interests represent the minority shareholders' share in the net assets and the results of the year for the Subsidiaries and are separately classified in the consolidated balance sheets and statements of income. When the losses applicable to the minority exceed the minority interest in the equity of the subsidiary, the excess loss and the further losses applicable to the minority are charged against the majority interest to the extent that the minority does not have a binding obligation.

3.30 Business combinations

The purchase method of accounting is used to account for the acquisition of subsidiaries. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill acquired in the acquisition of subsidiaries is not subject to amortization; instead it is subject to impairment once a year or more depending on the circumstances. As the initial accounting for a business combination shall only be determined provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the acquirer is accounts for the combination using those provisional values. Adjustments to the initial accounting after the completion of the initial accounting shall be recognized only to correct an error in accordance with 'IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors'.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

3.31 Impairment of assets

The Group reviews assets, except goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount in the consolidated statements of income. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.32 Change in accounting policies, accounting estimates and errors

Changes in accounting policies or determined accounting errors are applied retroactively and the financial statements of the previous year are adjusted. If changes in estimates are for only one period, changes are applied to the current year but if the changes in estimates are for the following periods, changes are applied both to the current and following years prospectively.

3.33 Deferred financial income/expenses

Deferred financial income/expenses represent financial income and expenses on futures sales and purchases. Throughout the sales in the credit and purchases period, income and expenses are computed using an effective interest rate and disclosed under financial income and expenses (Note 39).

NOTE 4 - CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents at 31 December are as follows:

	2006	2005
Cash	2.046.539	1.557.622
Banks		
- demand deposits	333.471.956	69.127.762
- time deposits	1.937.338.069	815.940.615
- blocked bank accounts	81.829.955	12.027.157
- reverse repurchase agreements	290.500	650.750
	2.354.977.019	899.303.906

At 31 December 2006, interest rates for local currency time deposits are between 15% and 22% (2005:10-19%), and interest rates for foreign currency time deposits are between 2% and 6% (2005: 1-5%). Reverse repurchase agreements are all short-term with periods of less than three months with an interest rate of 17% (2005: 13-15%).

At 31 December 2006, there is a blocked deposit of YTL 51.884.173 provided to collateralize the bank borrowings obtained by the Group and the related parties (2005: YTL 6.484.467).

At 31 December 2006, YTL 4.894.000 (2005: YTL 5.400.000) of cash and cash equivalents and credit card receivables and YTL 139 of the deposits are provided to collateralize the locker box service, are held in blocked bank accounts. YTL 113.090 (2005: YTL 46.020) of the deposits have been provided to collateralise the remittance commission obtained from the Group's campaign owners.

At 31 December 2006, Ray Sigorta, operating in the insurance sector, has deposits amounting to YTL 24.937.683 (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.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

Cash and cash equivalents included in the consolidated statements of cash flows at 31 December are as follows:

	2006	2005	2004
Liquid assets (up to 3 months)	1.946.956.660	745.573.565	663.816.879
Marketable securities (up to 3 months)	29.561.169	36.589.710	88.095.374
Accrued interest (-)	(8.892.078)	(5.010.327)	(14.191.278)
Cash and cash equivalents	1.967.625.751	777.152.948	737.720.975

NOTE 5 – MARKETABLE SECURITIES

The breakdown of marketable securities at 31 December is as follows:

	2006	2005
Financial assets as at fair value through profit or loss	29.561.169	26.663.959
Securities held-to-maturity	-	32.106.636
	29.561.169	58.770.595

a) Financial assets at fair value through profit and loss

The breakdown of financial assets at fair value through profit and loss at 31 December is as follows:

	2006	2005
Government bonds and treasury bills	23.056.445	17.725.328
Equity stocks	5.492.411	7.370.899
Other	1.012.313	1.567.732
	29.561.169	26.663.959

The interest rates for government bonds and treasury bills held at 31 December 2006 for local currency are between 16% and 25% (2005: 14-15%).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 5 – MARKETABLE SECURITIES (Continued)

Equity stocks of the Subsidiaries and Joint Ventures held by the Group classified under financial assets at fair value through profit and loss at 31 December are as follows:

	2006	2005
POAŞ	4.941.886	6.672.589
Ray Sigorta	288.912	250.390
	5.230.798	6.922.979

b) Securities held-to-maturity

The breakdown of securities held-to-maturity at 31 December is as follows:

	2006	2005
Government bonds	-	16.133.252
Treasury bills	-	15.973.384
	-	32.106.636

The Group has no investment securities held-to-maturity. (2005: According to the Insurance Control Law, investment securities held-to-maturity amounting to YTL 21.224.684 were 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 31 December 2005 were between 14% and 18% and the net unrealized gain on investment securities held-to-maturity amounted to YTL 1.785.829).

The breakdown of debt securities, classified as held-to-maturity, as per their maturities at 31 December are as follows:

	2006	2005
1-30 days	-	9.925.751
31-90 days	-	-
91 days - 1 year	-	22.180.885
	-	32.106.636

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 6 - BORROWINGS

The breakdown of bank borrowings at 31 December is as follows:

	2006			2005		
	YTL	Foreign currency	Total	YTL	Foreign currency	Total
Short-term bank borrowings						
Bank borrowings	38.505.360	129.737.907	168.243.267	61.250.974	278.867.317	340.118.291
Short-term portion of long-term borrowings	9.937.276	77.228.368	87.165.644	-	215.327.834	215.327.834
Murabaha syndication	-	-	-	-	96.957.790	96.957.790
Eurobond	-	12.272.280	12.272.280	-	22.217.056	22.217.056
Total short-term bank borrowings	48.442.636	219.238.555	267.681.191	61.250.974	613.369.997	674.620.971

	2006			2005		
	YTL	Foreign currency	Total	YTL	Foreign currency	Total
Long-term bank borrowings						
Bank borrowings	-	1.083.143.429	1.083.143.429	-	1.098.708.570	1.098.708.570
Eurobond	-	122.029.346	122.029.346	-	220.344.759	220.344.759
Total long-term bank borrowings	-	1.205.172.775	1.205.172.775	-	1.319.053.329	1.319.053.329

The redemption schedules of long-term borrowings at 31 December are summarized below:

Year	2006	2005
2007	-	180.026.033
2008	180.060.203	109.728.784
2009	449.449.695	435.251.566
2010 and after	575.662.877	594.046.946
	1.205.172.775	1.319.053.329

As of 31 December 2006, interest rates for local currency bank borrowings are between 0% and 24% (2005: 0-24%), and for foreign currency bank borrowings 0% to 9% (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) was registered at the 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 31 December 2006, the short-term and amortized cost of the bond held outside the Group calculated using the effective yield method amounts to YTL 23.273.434 (YTL 12.272.280 with the Holding's ownership interest) and the long-term cost amounts to 231.419.257 (YTL 122.029.346 with the Holding's ownership interest) (2005: YTL 22.217.056 and YTL 220.344.759).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 6 – BORROWINGS (Continued)

Murabaha Syndication

POAŞ signed a murabaha syndication agreement on 15 July 2004 for an amount of USD 92,5 million with Citi Islamic Investment Bank E.C, which took part as a regulator and an agent in the agreement and with the participation of Kuveyt Türk Evkaf Finans Kurumu A.Ş. Murabaha Syndication has a fixed interest rate and a maturity of 14 July 2006. The effective fixed interest rate is 6,89%. As of 31 December 2005, all of the murabaha syndication was short-term. In 2006 the syndication was paid and closed.

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	2006	2005
<u>Short-term trade receivables</u>		
Trade receivables, net of unearned finance income	957.001.577	980.028.298
Notes receivables, net of unearned finance income	388.152.092	507.442.752
Deposits and guarantees given	2.366.976	4.900.348
Other	223.201	592.391
	1.347.743.846	1.492.963.789
Less: provision for doubtful receivables	(92.665.743)	(86.673.855)
	1.255.078.103	1.406.289.934
<u>Long-term trade receivables</u>		
Trade receivables, net of unearned finance income	5.273.656	8.340.490
Notes receivables, net of unearned finance income	1.500.427	5.659.740
Deposits and guarantees given	1.237.514	1.356.300
	8.011.597	15.356.530

Movement of the provisions for doubtful receivables in the year are as follows:

	2006	2005
1 January	86.673.855	52.843.922
Increase in provision	31.077.624	26.913.462
Collections	(12.887.775)	(5.577.461)
Acquisition of Subsidiaries	-	13.291.698
Consolidation rate change effect	(12.197.961)	-
Decrease in Joint Venture ownership rate	-	(797.766)
31 December	92.665.743	86.673.855

(*) The effect of the proportional consolidation of Doğan Kitapçılık and POAŞ which were previously consolidated as subsidiaries before.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

<u>Short-term trade payables:</u>	2006	2005
Trade accounts payable, net of unincurred credit finance charges	990.491.630	964.442.597
Notes payable, net of unincurred credit finance charges	23.346.377	9.757.563
Deposits and guarantees received	2.085.411	224.966
Other	5.938.344	2.003.675
	1.021.861.762	976.428.801

Long-term trade payables

	2006	2005
Trade accounts payable, net of unincurred credit finance charges (*)	433.276.015	354.597.348
Deposits and guarantees received	9.081.518	7.806.875
	442.357.533	362.404.223

(*) The long-term trade payables of POAŞ, a Joint Venture of the Group, mainly consists of letters of credit payable that stem from purchasing fuel-oil taken from different banks. At 31 December 2006, the letters of credit (non-interest bearing) amounted to YTL 213.304.387 (USD 151.753.263) and the letters of credit (interest bearing) amounted to YTL 141.616.418 (USD 100.751.578) (2005: YTL 323.849.973 (USD 167.950.617, EUR 62.043.361)) with Doğan Holding's ownership interest recognized in long-term trade payables. The long-term USD letters of credit weighted average interest rate is 6,43% (2005: USD 5,48%, EUR 3,71%)

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

Year	2006	2005
2007	-	342.729.719
2008	205.349.604	10.008.851
2009	189.437.283	5.683.074
2010 and after	47.570.646	3.982.579
	442.357.533	362.404.223

NOTE 8 - LEASING RECEIVABLES AND PAYABLES

a) Leasing receivables and payables

(i) Leasing receivables

None (2005: None).

(ii) Leasing payables

	2006	2005
Short-term leasing payables	16.023.644	8.288.506
Long-term leasing payables	32.628.380	14.496.705
	48.652.024	22.785.211

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006

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

NOTE 8 - LEASING RECEIVABLES AND PAYABLES (Continued)

b) Operational leasing receivables and payables

None (2005: None).

NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

i) Amounts due from and due to related parties:

<u>Due from related parties:</u>	2006	2005
Doğan Elektronik	2.874.426	-
Doğan Portal	1.121.801	-
D Market	1.036.573	-
D Yapı ve İnşaat Sanayi ve Ticaret A.Ş. ("D Yapı")	731.426	3.767.330
Doğan Elektronik Turizm	628.762	-
Aydın Doğan Vakfı	303.829	272.012
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv")	190.034	190.018
Biryay	-	2.147.000
Other	937.202	56.036
	7.824.053	6.432.396

Due to related parties:

D Yapı	4.989.225	3.874.915
Ortadoğu Otomotiv	53.252	23.945
Adilbey Holding A.Ş. ("Adilbey Holding")	25.000	455.002
Other	30.995	296.308
	5.098.472	4.650.170

Borrowings taken from related parties:

Born Investment Holding Company S.A.	-	4.025.000
	-	4.025.000

ii) Transactions with related parties:

<u>Service and product purchases:</u>	2006	2005
Raw material purchases	299.402.000	237.732.000
Other product and service purchases	37.771.441	18.716.100
	337.173.441	256.448.100

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

<u>Service and product sales:</u>	2006	2005
Service and product sales	6.274.860	5.611.485
<u>Financial income and expenses:</u>		
Financial income from continuing operations	888.425	1.259.699
Financial expenses from continuing operations	(209.523)	(914.328)
Financial expenses from discontinued operations	-	(8.649.129)
	678.902	(8.303.758)
<u>Sales of fixed assets:</u>		
Ortadođu Otomotiv	10.050.000	-
Aydın Dođan Vakfı	1.497.556	-
Çamtepe İnşaat Yatırım Ticaret A.Ş. (*)	-	26.000.000
	11.547.556	26.000.000
<u>Purchases of fixed assets:</u>		
D Yapı (**)	31.879.858	-
Ortadođu Otomotiv	823.831	84.345
	32.703.689	84.345

(*) Hürriyet Gazetecilik ve Matbaacılık A.Ş., a Subsidiary, sold 23.373m² of land located in Şişli with a fair value of YTL 22.000.000 to a related party Çamtepe İnşaat Yatırım ve Ticaret A.Ş. for YTL 26.000.000.

(**) YTL 12.905.000 of the total amount YTL 31.879.858 consists of a printing facility built by Hürriyet, a subsidiary of the Group, in İzmir and the remaining YTL 18.974.858 consists of progress payment invoices of the Group's joint venture, POAŞ, related with the renewals of stations.

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

	2006	2005
Other short-term receivables		
Special Consumption Tax ("SCT") exemption (1)	30.833.554	36.347.168
Advances given	17.451.281	10.172.809
Job advances	6.694.462	12.991.292
Receivables from Privatization Administration ("PA")	2.432.099	4.680.923
Due from personnel	2.018.672	2.311.984
Other miscellaneous receivables	7.083.046	8.985.366
	66.513.114	75.489.542

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 10 - OTHER RECEIVABLES AND PAYABLES (Continued)

Other long-term receivables	2006	2005
Advances given	3.550.616	3.173.565
Other miscellaneous receivables	243.168	165.642
	3.793.784	3.339.207
Other short-term liabilities		
Taxes and withholdings payables	202.929.424	283.591.365
Fuel purchase certificates (2)	47.780.357	90.087.902
Compensation to be paid (3)	9.185.098	17.418.831
Payables to personnel	3.908.642	3.403.361
Liabilities arising from acquisition of POAŞ shares (4)	-	272.593.091
Other	13.641.320	51.994.232
	277.444.841	719.088.782
Other long-term liabilities		
Liabilities arising from acquisition of POAŞ shares (4)	-	136.731.834
Other long-term liabilities	3.102.180	176.610
	3.102.180	136.908.444

- (1) The Group receives Special Consumption Tax exemption for deliveries made to certain military institutions, embassies and petroleum searching companies, to be used through the purchases from Türkiye Petrol Rafinerileri A.Ş ("Tüpraş"). The amount carried in the consolidated financial statements corresponds to the exemptions sent to Tüpraş but not used as of the date of the consolidated financial statements.
- (2) Fuel purchase certificates are issued and given to certain customers for future consumption. At 31 December 2006 and 2005, the certificates shown in short-term liabilities are the certificates issued but not used as of the balance sheet date.
- (3) Compensation to be paid amounting to YTL 17.418.831 (YTL 9.185.098 with Doğan Holding's ownership interest) represents the compensation and its related interest that has been collected from the defendant in connection with a case, that was judged as a receivable of the Group 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 the Group has included such an amount as compensation to be paid in the consolidated financial statements due to the uncertain outcome.
- (4) The group has paid total liabilities arising from the acquisition of POAŞ shares at 19 April 2006. Therefore the Group has no liabilities arising from the acquisition of POAŞ shares.

NOTE 11 - BIOLOGICAL ASSETS

As of 31 December 2006, biological assets amount to YTL 94.802 (2005: YTL 80.988).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 12 - INVENTORIES

	2006	2005
<u>Short-term inventories</u>		
Finished goods and merchandise	376.187.675	548.872.030
Raw materials and supplies	58.017.092	48.745.728
Spares, supplies and advances	5.824.881	17.742.469
Promotion stocks	8.787.000	4.883.543
Semi-finished goods	11.207.154	6.808.024
Other inventories	71.565.251	16.770.034
	531.589.053	643.821.828
Provision for net realizable value	(5.407.097)	(5.680.161)
	526.181.956	638.141.667

Other inventories mainly consist of fuels in transit and lubricants.

Long-term inventories

Construction-in-progress inventories	-	18.969.002
Total	-	18.969.002

At 31 December 2005 long-term construction-in-progress inventories are the costs of the shopping mall construction at İstanbul 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 has been completed and the sales amounts booked to the consolidated statements of income following the delivering of the independent parts to their owners.

NOTE 13 - CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 14 - DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax

Doğan Holding, its 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.

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

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	2006	2005	2006	2005
Net differences between tax base and the carrying value of property, plant and equipment, intangible assets and inventories	782.478.767	1.481.020.539	(148.469.948)	(444.959.009)
Other	62.134.621	26.271.507	(12.374.971)	(7.881.452)
Deferred tax liabilities	844.613.388	1.507.292.046	(160.844.919)	(452.840.461)
Tax losses carried forward	308.333.112	209.889.507	61.449.126	63.642.495
Provision for doubtful receivables	58.323.676	33.758.086	11.664.737	10.127.426
Reserve for employment termination benefits	24.755.387	27.119.217	4.856.890	8.018.099
Difference between tax base and carrying value of leasing payables	12.655.170	198.782	4.883.684	59.635
Deferred financial income of trade receivables	12.119.685	12.764.891	2.423.937	4.127.738
Investment incentive allowance	70.000	27.773.260	21.000	6.263.515
Other	57.981.318	47.433.174	11.678.364	14.302.961
Deferred tax assets	474.238.348	358.936.917	96.977.738	106.541.869
Deferred tax liabilities, net			(63.867.181)	(346.298.592)

Due to the fact that Doğan Holding, its 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 Group. Temporary differences and deferred tax assets and liabilities mentioned above have been prepared according to their gross amounts.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 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 years ended 31 December are as follows:

	2006	2005
1 January	(346.298.592)	84.319.175
Effect of change in Joint Venture ownership rate	-	(1.968.008)
Acquisitions of subsidiaries	-	11.095.282
Consolidation rate change effect (1)	175.250.010	-
Deferred tax liability according to the increase in fair value of the intangible assets (2)	-	(328.018.976)
Sale of subsidiary	(12.731)	(61.550.703)
Effect of change in accounting policy (3)	-	(19.769.703)
Charge / (Loss) for the period (Note 41)	107.194.132	(30.405.659)
31 December	(63.867.181)	(346.298.592)

- (1) The effect of proportional consolidation of Doğan Kitapçılık and POAŞ which were previously consolidated as subsidiaries.
- (2) Deferred tax liability arising from the increases in fair value due to applying purchase method on the accounting of the purchases of POAŞ shares on the 2 September 2005.
- (3) Further to the issuance of the POAŞ's, (which had been a subsidiary in 2005 with the acquisitions and had been a joint venture as of 31 December 2004), consolidated financials as of 31 December 2004, adjustments have been made to the book value of certain fixed assets under Tax Procedural Law article 5024. The effect of these adjustments pertaining to the 2004 financial year and which were realised after the issuance of the 31 December 2004 consolidated financial statements amounting to YTL 44.877.447 (YTL 19.769.703 with Holding ownership interest rate) were reflected to the consolidated financials through a proportional reduction in the 2005 opening accumulated profits and deferred tax assets.

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

Other current assets

	2006	2005
Prepaid expenses	22.637.820	29.189.290
Value Added Tax ("VAT") receivable	21.116.227	15.391.610
Deferred acquisition costs	18.164.643	15.690.247
Programme stocks	16.436.059	5.537.986
Income accruals	13.802.481	3.686.773
Prepaid taxes and funds	13.487.488	14.634.450
Other current assets	5.527.552	4.316.218
	111.172.270	88.446.574
Impairment for programme stocks	(641.000)	(1.777.000)
	110.531.270	86.669.574

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

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

Other non-current assets

	2006	2005
Prepaid expenses	7.535.452	13.040.355
Other non-current assets	222.472	87.439
	7.757.924	13.127.794

Other current liabilities

Deferred income	15.322.429	8.624.522
Provision for expenses	12.809.138	17.111.489
Other	666.512	379.198
	28.798.079	26.115.209

NOTE 16 - FINANCIAL ASSETS

As of 31 December, the total amounts of the financial assets are classified under securities available-for-sale and are composed of unquoted shares. Available-for-sale equity investments that do not have quoted market values and whose fair values cannot be reliably measured are stated at their cost less any impairment. The details of those available-for-sale equity investments are as follows:

	2006		2005	
	YTL	%	YTL	%
Aks Televizyon Reklamcılık ve Filmcilik San. ve Tic. A.Ş.	2.922.593	9	2.922.593	9
D Tes (*)	507.330	100	532.744	100
Biryay	-	-	357.960	50
Other	963.721	-	1.163.922	-
	4.393.644		4.977.219	

(*) 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 FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2006**

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

NOTE 17 - GOODWILL/NEGATIVE GOODWILL

Goodwill:

	2006	2005
1 January	1.923.561.740	1.270.671.361
Additions (Note 32)	-	731.864.791
Disposals (*)	(641.530.424)	(79.273.912)
31 December	1.282.031.316	1.923.561.740

(*) The effect of the 6,25% and 34% share sales of POAŞ and 5,34% share sales of Doğan Yayın (2005: 3,37% share sales of POAŞ).

The Group also excluded the amount of negative goodwill amounting to YTL 6.322.111 as of 1 January 2005, arising from the prior periods' acquisitions from the consolidated financial statements and adjusted it in the opening retained earnings according to the International Financial Reporting Standards 3 ("IFRS 3") "Business Combinations".

NOTE 18 - INVESTMENT PROPERTY

	1 January 2006	Additions	Disposals	Transfers(*)	Impairment provisions	31 December 2006
Cost:						
Land and land improvements	25.836.206	8.414.540	-	4.096.555	-	38.347.301
Buildings	25.000.300	-	(8.957.522)	-	(1.806.439)	14.236.339
	50.836.506	8.414.540	(8.957.522)	4.096.555	(1.806.439)	52.583.640
Accumulated depreciation:						
Land and land improvements	136.415	2.458	-	-	-	138.873
Buildings	7.416.995	526.885	(724.786)	-	-	7.219.094
	7.553.410	529.343	(724.786)	-	-	7.357.967
Net book value	43.283.096					45.225.673

(*) Transfers of investment properties amounting to YTL 4.019.966 is related to property, plant and equipment (Note 19) and amounting to YTL 76.589 (Note 20) is related to intangible assets in total with a net book value of YTL 4.096.555.

	1 January 2005	Additions	Disposals	Transfers	Impairment provisions / (reversal)	31 December 2005
Cost:						
Land and land improvements	47.233.134	451.258	(22.000.000)	151.814	-	25.836.206
Buildings	11.244.361	2.066.250	(5.018.790)	13.893.159	2.815.320	25.000.300
	58.477.495	2.517.508	(27.018.790)	14.044.973	2.815.320	50.836.506
Accumulated depreciation:						
Land and land improvements	-	-	-	136.415	-	136.415
Buildings	1.482.749	329.999	(194.845)	5.799.092	-	7.416.995
	1.482.749	329.999	(194.845)	5.935.507	-	7.553.410
Net book value	56.994.746					43.283.096

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 19 – PROPERTY, PLANT AND EQUIPMENT

Movement in property, plant and equipment and related depreciation for year ended 31 December 2006 is as follows:

	1 January 2006	Classifications (1)	Additions	Disposals	Transfers (2)	Impairment provision / (reversal)	Disposal of Subsidiary (3)	Control rate change effect (4)	Foreign currency translation differences	31 December 2006
Cost:										
Land and land improvements	376.194.338	5.273.431	2.345.640	(17.236.927)	3.987.761	-	-	(138.668.510)	1.042.269	232.938.002
Buildings	459.428.959	34.806	504.967	(5.335.972)	23.556.796	-	-	(47.182.197)	2.195.029	433.202.388
Machinery and equipment	1.483.967.116	(5.226.104)	23.558.084	(14.585.843)	83.866.933	-	(82.477)	(289.355.809)	5.744.132	1.287.886.032
Motor vehicles	97.233.752	119.198	8.224.332	(10.090.322)	17.152.783	(4.579.740)	-	(5.821.697)	-	102.238.306
Furniture and fixtures	232.375.946	67.089	25.215.160	(12.605.367)	5.392.896	1.300.004	(2.289.407)	(10.175.756)	122.710	239.403.275
Leasehold improvement	212.965.072	42.186	65.893.966	(479.869)	13.650.157	-	(188.560)	(78.137.776)	-	213.745.176
Other fixed assets	360.079.926	(381.230)	72.220.049	(1.915.997)	17.284.183	-	-	(174.521.119)	-	272.765.812
Construction in progress	23.340.574	-	187.251.157	(1.533.894)	(168.911.475)	-	-	(13.164.199)	-	26.982.163
	3.245.585.683	(70.624)	385.213.355	(63.784.191)	(4.019.966)	(3.279.736)	(2.560.444)	(757.027.063)	9.104.140	2.809.161.154
Accumulated depreciation:										
Land and land improvements	43.594.187	2.559	6.592.361	(871.185)	-	-	-	(19.912.668)	-	29.405.254
Buildings	89.305.233	11.992	12.262.826	(1.707.376)	-	-	-	(5.068.853)	341.402	95.145.224
Machinery and equipment	1.092.777.922	(99.148)	72.340.552	(9.525.015)	-	-	(11.680)	(239.576.415)	1.704.606	917.610.822
Motor vehicles	41.986.634	105.291	10.637.530	(6.114.430)	-	-	-	(4.017.417)	-	42.597.608
Furniture and fixtures	179.313.316	25.786	21.679.539	(10.841.301)	-	-	(807.102)	(5.693.377)	66.552	183.743.413
Leasehold improvements	66.338.321	234	22.737.228	(144.482)	-	-	(37.031)	(11.962.919)	-	76.931.351
Other fixed assets	137.291.376	(48.141)	30.391.428	(193.557)	-	-	-	(72.045.378)	-	95.395.728
	1.650.606.989	(1.427)	176.641.464	(29.397.346)	-	-	(855.813)	(358.277.027)	2.112.560	1.440.829.400
Net book value	1.594.978.694									1.368.331.754

(1) Classifications between property, plant and equipment are performed through reviewing property, plant and equipment under the Energy segment within the year.

(2) Transfer amounting to YTL 4.019.966 is related to investment property (Note 18).

(3) The Group has disposed all of its shares in Doğan Portal ve Elektronik Ticaret A.Ş. at 27 December 2006. As a result of this transaction, Doğan Portal and the other Subsidiaries owned indirectly over Doğan Portal were excluded from the consolidation scope, and balances related to this transaction have been disclosed in the "Disposal of Subsidiary" column of the movement schedule.

(4) The effect of proportional consolidation of Doğan Kitapeitlik and POAŞ which were consolidated as subsidiaries before.

Machinery and equipment, furniture and fixtures, motor vehicles and leasehold improvements include finance leased assets amounting to YTL 52.543.478, YTL 2.499.348, YTL 1.629.298 and YTL 15.656.627 respectively, at 31 December 2006. The accumulated depreciation related to finance leased assets amounts to YTL 47.216.675 at 31 December 2006.

At 31 December 2006, mortgages on property, plant and equipment amount to YTL 23.899.682.

The Group has disposed of its aircraft for USD 21.100.470 as of 31 March 2007 classified in motor vehicles. There is an impairment provision related with the aircraft amounting to YTL 4.579.740 as of 31 December 2006.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005

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

NOTE 19 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Movement in property, plant and equipment and related depreciation for the year ended 31 December 2005 is as follows:

	1 January 2005	Additions	Acquisitions (1)	Disposals	Transfers (2)	Sale of subsidiary (3)	Effect of change in participation rate (4)	Foreign currency translation differences	31 December 2005
Cost:									
Land and land improvements	202.615.419	12.539.046	163.357.239	(1.853.840)	13.781.308	(3.522.200)	(9.844.794)	(877.840)	376.194.338
Buildings	523.750.590	4.875.471	63.127.243	(2.679.178)	(2.833.510)	(110.860.877)	(4.317.843)	(1.632.937)	459.428.959
Machinery and equipment	1.132.378.822	30.328.336	366.205.860	(5.844.636)	21.438.074	(34.903.787)	(20.790.788)	(4.844.765)	1.483.967.116
Motor vehicles	89.125.807	6.299.516	6.178.623	(5.858.390)	4.496.061	(2.686.990)	(319.080)	(1.795)	97.233.752
Furniture and fixtures	524.626.412	12.930.058	19.224.774	(9.027.356)	2.359.650	(316.579.532)	(970.513)	(187.547)	232.375.946
Leasehold improvement	223.592.432	70.251.336	39.561.094	(4.513.259)	8.170.262	(121.795.041)	(2.301.752)	-	212.965.072
Other fixed assets	166.938.315	16.719.599	160.986.810	(3.628.509)	48.200.680	(19.452.170)	(9.684.799)	-	360.079.926
Construction in progress	13.306.315	117.029.055	6.814.715	(3.058.275)	(110.098.844)	-	(410.377)	(242.015)	23.340.574
	2.876.334.112	270.972.417	825.456.358	(46.463.443)	(14.486.319)	(609.800.597)	(48.639.946)	(7.786.899)	3.245.585.683
Accumulated depreciation:									
Land and land improvements	19.033.670	8.439.708	17.850.534	(375.892)	(136.415)	(135.813)	(1.081.605)	-	43.594.187
Buildings	100.768.803	15.164.358	3.109.093	(1.829.182)	(1.279.516)	(26.445.234)	(250.641)	67.552	89.305.233
Machinery and equipment	774.819.941	74.916.466	274.171.274	(3.021.287)	(2.588.068)	(7.041.998)	(16.465.803)	(2.012.603)	1.092.777.922
Motor vehicles	34.255.424	9.905.197	4.021.923	(4.084.956)	-	(1.888.318)	(222.636)	-	41.986.634
Furniture and fixtures	446.656.743	26.683.033	8.487.193	(9.321.985)	(1.931.508)	(290.758.316)	(523.269)	21.425	179.313.316
Leasehold improvement	131.549.770	26.043.173	6.697.766	(3.247.091)	-	(94.324.047)	(381.250)	-	66.338.321
Other fixed assets	57.658.081	50.663.345	52.170.231	(780.899)	-	(19.286.361)	(3.133.021)	-	137.291.376
	1.564.742.432	211.815.280	366.508.014	(22.661.292)	(5.935.507)	(439.880.087)	(22.058.225)	(1.923.626)	1.650.606.989
Net book value	1.311.591.680								1.594.978.694

(1) The effects of POAŞ's 44,06% share purchase (POAŞ became a subsidiary) and purchases of Işıl İthalat İhraçat, Star TV Ticari ve İktisadi Bütünlüğü and Dipar Müzik in property, plant and equipment.

(2) YTL 8.109.466 of net transfer from property, plant and equipment is related with investment property (Note 18) and remaining net transfer of YTL 441.346 is related with intangible assets (Note 20).

(3) Effect of merger of Doğan Prodüksiyon, a subsidiary of the Group, with CNN Türk and sales of subsidiaries, classified as discontinued operations (Note 1) and D Turizm in property, plant and equipment.

(4) 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.

Machinery and equipment, furniture and fixtures, motor vehicles and leasehold improvements include finance leased assets amounting to YTL 73.858.814, YTL 2.459.409, YTL 3.198.213 and YTL 9.315.711 respectively, at 31 December 2005. The accumulated depreciation related to finance leased assets amounts to YTL 53.847.873 at 31 December 2005.

At 31 December 2005, mortgages on property, plant and equipment amount to YTL 36.252.007.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 20 – INTANGIBLE ASSETS

Movement in intangible assets and related amortization for the year 2006 is as follows:

	1 January 2006	Classifications	Additions	Disposals	Transfers (3)	Sale of subsidiary (4)	Control rate change effect (5)	Foreign currency translation differences	31 December 2006
Cost:									
Dealership agreements (1)	924.589.941	-	-	-	-	-	(437.053.665)	-	487.536.276
Brand (1)	257.605.908	-	-	-	-	-	(121.770.313)	-	135.835.595
Customer agreements (1)	75.793.000	-	-	-	-	-	(35.827.351)	-	39.965.649
Royalty (2)	78.983.840	-	-	-	-	-	-	-	78.983.840
Broadcast licence (2)	57.405.920	-	-	-	-	-	-	-	57.405.920
Other	198.179.605	70.624	15.277.566	(6.005.101)	(76.589)	(3.922.980)	(7.935.698)	64.333	195.651.760
	1.592.558.214	70.624	15.277.566	(6.005.101)	(76.589)	(3.922.980)	(602.587.027)	64.333	995.379.040
Accumulated amortization:									
Dealership agreements	68.494.478	-	108.365.456	-	-	-	(61.846.769)	-	115.013.165
Customer agreements	3.587.204	-	17.517.550	-	-	-	(6.459.377)	-	14.645.377
Royalty	482.679	-	3.962.548	-	-	-	-	-	4.445.227
Other	157.609.485	1.427	8.909.855	(3.440.865)	-	(1.445.607)	(5.930.927)	55.385	155.758.753
	230.173.846	1.427	138.755.409	(3.440.865)	-	(1.445.607)	(74.237.073)	55.385	289.862.522
Programme rights	24.890.638	-	-	-	-	-	-	-	27.230.616
Net book value	1.387.275.006	-	-	-	-	-	-	-	732.747.134

Movement for programme rights in 2006:

	1 January 2006	Additions	Disposals	Amortization	Impairment movement	31 December 2006
Programme rights	24.890.638	50.881.553	(9.834.043)	(38.707.532)	-	27.230.616

(1) These intangible assets are included in the consolidated financial statements following the acquisition of POAŞ shares.

(2) These intangible assets are included in the consolidated financial statements following the acquisition of "Star TV İktisadi ve Ticari Bütünlüğü" from Savings Deposit Insurance Fund at 17 November 2005.

(3) YTL 76.589 of transfer is related with investment property (Note 18).

(4) The Group has disposed all of its shares in Doğan Portal ve Elektronik Ticaret A.Ş. at 27 December 2006. Due to this transaction, Doğan Portal and the other Subsidiaries owned indirectly by Doğan Portal were not consolidated. Changes to fixed assets due to this transaction are shown as a disposal of the subsidiary.

(5) Effects of proportional consolidation management of POAŞ and Doğan Kitapçılık which are consolidated as Subsidiaries.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 20 – INTANGIBLE ASSETS (Continued)

Movement for intangible assets and related amortization for the year 2005 is as follows:

	1 January 2005	Additions	Acquisitions	Disposals	Transfers (3)	Sale of subsidiary (4)	Consolidation rate change effect	Fair value increase (1)	Foreign currency translation differences	31 December 2005
Cost:										
Dealership agreements (1)	177.292.440	-	225.185.547	-	-	-	-	522.111.954	-	924.589.941
Brand (1)	73.341.247	-	93.154.205	-	-	-	-	91.110.456	-	257.605.908
Customer agreements (1)	33.386.817	-	42.406.183	-	-	-	-	-	-	75.793.000
Royalty (2)	-	-	78.983.840	-	-	-	-	-	-	78.983.840
Broadcast licence (2)	-	-	57.405.920	-	-	-	-	-	-	57.405.920
Other	220.799.351	13.619.991	14.187.256	(4.636.414)	441.346	(44.962.042)	(890.813)	-	(379.070)	198.179.605
	504.819.855	13.619.991	511.322.951	(4.636.414)	441.346	(44.962.042)	(890.813)	613.222.410	(379.070)	1.592.558.214
Accumulated amortization:										
Dealership agreements	79.101.325	85.541.065	122.122.035	-	-	-	-	(218.269.947)	-	68.494.478
Customer agreements	19.391.269	7.476.263	29.569.728	-	-	-	-	(52.850.056)	-	3.587.204
Royalty	-	482.679	-	-	-	-	-	-	-	482.679
Other	171.431.946	9.200.951	9.253.580	(1.409.828)	-	(30.130.041)	(663.334)	-	(73.789)	157.609.485
	269.924.540	102.700.958	160.945.343	(1.409.828)	-	(30.130.041)	(663.334)	(271.120.003)	(73.789)	230.173.846
Programme rights	27.034.548									24.890.638
Net book value	261.929.863									1.387.275.006

Movement for programme rights in 2006:

	1 January 2005	Additions	Acquisitions	Disposals	Amortization	Impairment movement	31 December 2005
Programme rights	27.034.548	23.115.054	5.541.032	(3.063.000)	(24.694.620)	(3.042.376)	24.890.638

(1) These intangible assets are included in the consolidated financial statements following the acquisition of POAŞ shares. Since the acquisition of 44,06% of POAŞ shares at 2 September 2005 is accounted with the purchase method according to IFRS 3 "Business Combinations", the book values of these intangible assets are restated with their fair values as of 2 September 2005 (Note 2.6).

(2) These intangible assets are included in the consolidated financial statements after the acquisition of "Star TV İktisadi ve Ticari Bütümlüğü" from Savings Deposit Insurance Fund at 17 November 2005.

(3) YTL 441.346 transfer to intangible assets is related with property, plant and equipment (Note 19).

(4) The effect of consolidating POAŞ in accordance with the proportionate consolidation method.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 21 - ADVANCES RECEIVED

	2006	2005
<u>Short-term advances</u>		
Order advances received	2.433.582	3.090.137
Other advances received	9.317.373	1.177.231
	11.750.955	4.267.368
<u>Long-term advances</u>		
Documented advances received from campaign participants	1.689.637	10.825.101
Cash advances received from campaign participants	-	29.910.899
Other advances received	33.234	125.774
	1.722.871	40.861.774

Documented advances received from campaign participants in long-term advances as of 31 December 2006 amounting to YTL 1.689.637 are related to the construction of the Automall Project of the Subsidiary of the Group, Hürriyet Pazarlama, in İstanbul Beylikdüzü. Documented advances received from campaign participants as long-term advances as of 31 December 2005 amounting to YTL 10.825.101 and cash advances amounting to YTL 29.910.899 are related to the construction and other campaigns of the Subsidiary of the Group, Milpa, in İstanbul Beylikdüzü.

NOTE 22 - RETIREMENT PLANS

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

NOTE 23 - PROVISIONS

	2006	2005
<u>Short-term provisions</u>		
Provision for lawsuits (Note 31)	34.389.178	19.434.916
Tax provision (Note 41)	26.176.164	9.241.480
Provision for advertisements (*)	19.882.134	19.456.000
Other	14.408.886	4.834.158
	94.856.362	52.966.554

(*) Advertisement expense accruals are related to the advertisement liabilities undertaken by the Group due to the acquisition of Star TV.

YTL 2.529.000 of the provision for lawsuits is in connection with two lawsuits against Hürriyet (2005: YTL 5.194.000) regarding the tax and penalties declared by the Presidency of the Tax Administration on various dates.

Long-term provisions

Provision for employment termination benefits	24.755.387	27.119.217
Long-term debt provision	196.530	-
	24.951.917	27.119.217

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 23 – PROVISIONS (Continued)

Termination benefits provision

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, who 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 31 December 2006 payable consists of one month's salary limited to a maximum of YTL 1.857,44 (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 five 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.

	2006	2005
Discount rate	5,71%	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 1.960,69 at 1 January 2007 will be taken into consideration in calculating the reserve for employment termination benefits (1 January 2006: YTL 1.770,62).

Movements in the reserve for employment termination benefits during the periods ended 31 December are as follows:

	2006	2005
1 January	27.119.217	30.054.866
Acquisitions	-	8.981.668
Sale of Subsidiary	(56.546)	(8.153.649)
The effect of consolidation rate change (*)	(3.476.647)	-
Effect of change in Joint Venture ownership rate	-	(354.464)
Disposals	(3.868.242)	(6.947.410)
Current year charge	5.037.605	3.538.206
31 December	24.755.387	27.119.217

(*) The effect of the proportional consolidation of Doğan Kitapçılık and POAŞ which were previously consolidated as subsidiaries.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 24- MINORITY INTERESTS

Movements of the minority interests for the years ended 31 December are as follows:

	2006	2005
1 January	693.414.622	974.366.277
Effects of corrections	-	(10.079.300)
Currency translation differences	1.635.569	(895.385)
Capital increase	2.000.000	3.518.924
Sales of subsidiaries	(17.274.284)	(355.017.021)
Minority interest arising from the acquisition of a new subsidiary	-	49.257.560
Dividend payments	(25.653.728)	(4.996.176)
Sale/(purchase) of Group companies shares	39.689.888	(836.840)
Other movements	(89.904)	-
Net income	85.174.309	38.096.583
31 December	778.896.472	693.414.622

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 authorized, historical and paid-in share capital as of 31 December are as follows:

	2006	2005
Limit on registered share capital (historical)	2.000.000.000	2.000.000.000
Share capital	1.500.000.000	735.288.208

The shareholder structure of the Holding as of 31 December are summarized as follows:

	Share %	2006	Share %	2005
Adilbey Holding	52,00	780.000.000	52,00	382.349.868
Aydın Doğan	7,72	115.657.386	7,72	56.694.341
Işıl Doğan	1,64	24.668.435	1,64	12.092.273
Arzuhan Yalçındağ	1,04	15.614.109	1,04	7.653.914
Vuslat Doğan Sabancı	1,04	15.614.109	1,04	7.653.914
Hanzade V. Doğan	1,04	15.614.109	1,04	7.653.914
Y. Begümhan Doğan Faralyalı	1,04	15.614.109	1,04	7.653.914
Total shares held by Doğan Family and companies owned by Doğan Family	65,52	982.782.257	65,52	481.752.138
Istanbul Stock Exchange	34,29	514.353.021	34,29	252.131.806
Aydın Doğan Vakfı	0,19	2.864.722	0,19	1.404.264
	100,00	1.500.000.000	100,00	735.288.208
Adjustment to share capital		331.903.103		804.735.232
Total share capital		1.831.903.103		1.540.023.440

Adjustment to share capital represents the restatement effect of cash contributions to share capital at year-end equivalent purchasing power. Within a YTL 2.000.000.000 registered share capital, Doğan Holding has increased its capital from YTL 735.288.208 to YTL 1.500.000.000 by transferring YTL 764.711.792 (with a rate of 104%) from retained earnings to share capital. The transfer to capital amounting to YTL 764.711.792 is from adjustment to share capital amounting to YTL 472.832.129 and remaining is from share sales profit of subsidiary amounting to YTL 291.879.663.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 26 - CAPITAL RESERVES

Capital reserves as of 31 December are as follows

	2006	2005
Restatement difference of shareholders' equity	655.367.592	1.128.199.721
Revaluation fund (Note 2.6)	232.079.437	281.231.141
Share premium	630.275	630.275
Total capital reserves	888.077.304	1.410.061.137

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

	2006			2005		
	Historical amount	Restated amount	Restatement difference	Historical amount	Restated amount	Restatement difference
Share capital	1.500.000.000	1.831.903.103	331.903.103	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	2.360.658	51.042.789	48.682.131	2.360.658	51.042.789	48.682.131
	1.526.070.911	2.181.438.503	655.367.592	829.066.195	1.957.265.916	1.128.199.721

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 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 its 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 the basis.

NOTE 27 - PROFIT RESERVES

Profit reserves as of 31 December are as follows:

	2006	2005
Legal reserves	11.331.152	7.915.090
Extraordinary reserves	11.748.826	82.871.964
Other reserves	2.360.658	2.360.658
Currency translation differences	(4.160.930)	(4.358.115)
Total profit reserves	21.279.706	88.789.597

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 27 - PROFIT RESERVES (Continued)

YTL 761.622.648 amounted gain derived from POAŞ share sales in 2006 is classified under "Other Income/Expenses and Profit/Losses" (Note 38) account at consolidated income statement prepared in accordance with CMB Accounting Standards. Abovementioned share sales gain, that was decided to be added to share capital by the Company's management, will be followed under shareholders' equity section, "Investment and property sales income to be added to the capital" account at consolidated financial statements that will be issued for the period after sales transaction according to CMB's 6 October 2006 dated B.02.1.SP.K.0.13.-1863 numbered article. This amount will be taken into consideration as an allowance item for the determination of distributable profit for the year 2006.

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/25, effective from 1 January 2004, companies are obliged to distribute at least 20% 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 20% of the distributable profit can be made as cash or as bonus share or as a combination of a certain percentage of cash and bonus shares.

In accordance with the CMB's decision No 7/242 dated 25 February 2005 when calculating the net consolidate distributable profit in accordance with CMB regulations (provided that legal reserves are made from statutory records pursuant to the Commercial Code), net period profits can be transferred to the consolidated financial statements by subsidiaries which have not made a board decision of profit distribution.

At the General Assembly Meeting of Doğan Holding which took place on 30 May 2006, it was decided to appropriate the legal reserve amounting to YTL 3.416.062 of the net profit of the statutory records for the year 2005 and the cash distribution of YTL 136.028.318, composed of the remaining net profit after the legal reserve is appropriated amounting to YTL 64.905.180 and an additional YTL 71.123.138 from the extraordinary reserves.

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

	2006	<i>Restated</i> 2005
Share capital	1.500.000.000	735.288.208
Share premium	630.275	630.275
Legal reserves	11.331.152	7.915.090
Revaluation fund	232.079.437	281.231.141
Extraordinary reserves	11.748.826	82.871.964
Other reserves	2.360.658	2.360.658
Restatement difference of shareholders' equity (Note 26)	655.367.592	1.128.199.721
Foreign currency translation differences	(4.160.930)	(4.358.115)
Net income for the period	891.629.243	457.884.350
Retained earnings	88.553.583	(37.351.975)
Total shareholders' equity	3.389.539.836	2.654.671.317

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

(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 as of 31 December 2006 are as follows:

	2006			Total
	US\$	Euro	Other	
Assets:				
Current assets				
Cash and cash equivalents	1.373.149.411	25.796.211	265.021	1.399.210.643
Trade receivables and due from related parties	111.001.477	28.782.263	157.552	139.941.292
Inventories	20.914	4.236.955	48.397	4.306.266
Other current assets	5.023.072	191.800	-	5.214.872
Total current assets	1.489.194.874	59.007.229	470.970	1.548.673.073
Non-current assets				
Trade receivables and due from related parties	1.689.637	34.225	-	1.723.862
Property, plant and equipment, net	491.960	-	-	491.960
Other non-current assets	310.214	703	-	310.917
Total non-current assets	2.491.811	34.928	-	2.526.739
Total foreign currency assets	1.491.686.685	59.042.157	470.970	1.551.199.812
Liabilities:				
Short-term liabilities				
Short-term borrowings	123.978.797	5.759.110	-	129.737.907
Current portion of long-term borrowings	81.524.710	6.893.746	1.082.192	89.500.648
Advances received	8.742.950	555.450	-	9.298.400
Short-term trade payables and due to related parties	638.255.923	42.875.580	1.513.532	682.645.035
Other short-term trade payables	-	1.299.590	267	1.299.857
Other financial liabilities	14.113.076	943.462	-	15.056.538
Total short-term liabilities	866.615.456	58.326.938	2.595.991	927.538.385
Long-term liabilities				
Long-term borrowings	1.124.580.615	78.716.074	1.876.086	1.205.172.775
Long-term trade payables	364.519.745	13.234.803	-	377.754.548
Other long-term liabilities	-	80.355	-	80.355
Total long-term liabilities	1.489.100.360	92.031.232	1.876.086	1.583.007.678
Total foreign currency liabilities	2.355.715.816	150.358.170	4.472.077	2.510.546.063
Net foreign currency position	(864.029.131)	(91.316.013)	(4.001.107)	(959.346.251)

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 29 - FOREIGN CURRENCY POSITION (Continued)

Assets and liabilities denominated in foreign currency held by the Group as of 31 December 2005 are as follows:

	2005			Total
	US\$	Euro	Other	
Assets:				
Current assets				
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
Total current assets	331.819.357	176.803.012	684.565	509.306.934
Non-current assets				
Property, plant and equipment, net	-	6.667.500	-	6.667.500
Other non-current assets	501.961	1.143	-	503.104
Total non-current assets	501.961	6.668.643	-	7.170.604
Total assets	332.321.318	183.471.655	684.565	516.477.538
Liabilities:				
Short-term liabilities				
Short-term borrowings	242.769.929	35.465.306	632.082	278.867.317
Current portion of long-term 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
Total short-term liabilities	1.423.861.318	83.463.908	3.062.895	1.510.388.121
Long-term borrowings	1.244.801.123	68.888.798	5.363.408	1.319.053.329
Advances received	3.562.230	13.591.073	-	17.153.303
Long-term trade payables	231.240.716	100.754.736	-	331.995.452
Other financial liabilities	136.731.834	-	-	136.731.834
Total long-term liabilities	1.616.335.903	183.234.607	5.363.408	1.804.933.918
Total foreign currency liabilities	3.040.197.221	266.698.515	8.426.303	3.315.322.039
Net foreign currency position	(2.707.875.903)	(83.226.860)	(7.741.738)	(2.798.844.501)

The following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 December 2006; YTL 1,4056 = USD 1 and YTL 1,8515 = Euro 1 (2005: YTL 1,3418 = USD 1 and YTL 1,5875 = Euro 1).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 30 - GOVERNMENT GRANTS

	2006	2005
Investment incentive allowance	86.691.151	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 summarized below.

a. Commitments given	2006	2005
Letters of guarantee	337.640.639	363.778.078
Subsidiary shares given as guarantee	91.300.000	328.879.869
Guarantee notes	16.376.636	95.853.730
	445.317.275	788.511.677

The Group provided bail and mortgages to third parties in the amounts of YTL 533.115.996 (2005: YTL 303.831.410) and YTL 15.707.382 (2005: YTL 28.059.707) respectively with respect to bank borrowings obtained. In addition, the Group pledged mortgages amounting to YTL 8.192.300 (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, enters into barter agreements. These agreements involve the exchange of goods or services without cash collections or payments. As of 31 December 2006, the Group has an advertisement commitment of YTL 2.230.000 (2005: YTL 15.324.000), and a right to obtain service and goods in the amount of YTL 4.026.000 (2005: YTL 18.585.000).

c. Court cases:

Law cases against the Group amount to YTL 156.899.949 at 31 December 2006 (2005: YTL 118.921.499).

Provision in the amount of YTL 34.389.178 (2005: YTL 19.434.916) was recorded after consideration of the legal consultations and past experiences regarding the legal, labour, trade and administrative lawsuits against the Group, and cases of a similar nature (Note 23).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

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

d. Futures contracts

A fair value hedge is applied for the Group's oil inventories and import cargo purchases; for the purpose of regular income assurance and avoiding negative price movements, by using various derivative instruments. While contracts, whose maturities are one or two months, are used for the import cargos, for the stocks on hand future contracts, whose maturities are longer, are used. The maturities of all futures contracts used are less than 1 year. Any gains/losses arising from changes in the fair value of all other derivatives are included in the cost of goods sold.

	2006		2005	
	Nominal	Change in fair value	Nominal	Change in fair value
Cargo	18.285.215	1.530.417	20.741.598	622.394
	18.285.215	1.530.417	20.741.598	622.394

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 the Holding;

- Provided that the agreement conditions are met, and within some limits, the Holding will be responsible for 70,07% 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 the agreement,
- Provided that the agreement conditions are met and within certain limits, the Holding will be responsible if losses exceed EUR 100.000 on a single event basis or EUR 1.000.000 in total,
- The 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 were previously announced to the public and for amounts related to loans under legal follow-up amounting to USD 6.000.000 and YTL 4.178.006 at the closing date of the agreement.

The abovementioned responsibilities of the Holding will come to an end in five years for the issues related with tax starting from 1 January 2006, and by 31 March 2007 for the issues that are not related to tax.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

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

Penalty imposed by the Energy Market Regulatory Authority

The Energy Market Regulatory Authority ("EMRA") Control Board imposed administrative fines (the "EMRA fines") on the joint ventures of Doğan Holding, POAŞ and Erk Petrol, amounting to YTL 498.693.080 and YTL 100.738.860 (with Doğan Holding's ownership interest YTL 262.965.107 and YTL 53.120.459) respectively, with its Notifications No.25049 and 25057 dated 31 August 2006 on the grounds that deliveries were made to unlicensed dealers. POAŞ and Erk Petrol have taken two different judicial actions in order to employ their legal rights for the cancellation of the fines and removal of the payment orders.

Status of Cancellation request of the EMRA fines

In line with the regulations, POAŞ and Erk Petrol filed legal actions with the 13th Division of Council of State on 18 September 2006 for the cancellation and a stay of execution of the EMRA fines. On 17 November 2006, the 13th Division of Council of State ruled for the stay of execution of a YTL 11.431.360 (with Doğan Holding's ownership interest YTL 6.027.853) portion of the total fine of POAŞ and rejected the request for the stay of execution of YTL 487.261.720 (with Doğan Holding's ownership interest YTL 256.937.254). Similarly a stay of execution of YTL 1.428.920 (with Doğan Holding's ownership interest YTL 753.482) portion of the total fine of Erk was ruled and the request for the stay of execution of YTL 99.309.940 (with Doğan Holding's ownership interest YTL 52.366.977) was rejected.

On 7 December 2006, POAŞ and Erk Petrol appealed against the ruling of the 13th Division of Council of State to the Plenary Session of the Administrative Divisions of the Council of State, denying the motion for stay of execution of administrative fines imposed on POAŞ and Erk Petrol.

On 25 January 2007, the Plenary Session of Administrative Divisions of Council of State suspended the execution of all of the fines imposed on POAŞ and Erk Petrol. The reasoned decision regarding the stay of execution was communicated to POAŞ and Erk Petrol on 28 February 2007.

The stay of the execution has been granted on two reasons. These are:

- 1) The transfer of fuels to unlicensed dealers should be evaluated as "Disobeying legal obligations" which is mentioned in the third item of the 19th clause of Petroleum Market Law, instead of violation of the second item of the 7th clause.
- 2) Fines should be imposed by taking the beginning date of violation as the notification date of EMRA, which is 12 April 2005, instead of 20 March 2005.

Applying a fine separately for each dealer to which shipments are made; imposing a single fine by considering fuel supply to unlicensed dealers as a single action; beginning from the date of fuel supply that is subjected to fine; whether it is lawful to impose a fine since there is no regulation restraining distribution license owners from supplying fuel to their own unlicensed dealers; and the amount of fines for shipments: are also included in the decision. Case has still been discussed by the 13th Department of the State Council substantially.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

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

Status of Cancellation request of payment orders

The second judicial process was started with Istanbul Administrative Court for the cancellation of the payment orders and the stay of the execution of the payment orders, notified to POAŞ and Erk Petrol by Boğaziçi Tax Office on 2 November 2006, issued for the EMRA fines.

Simultaneously, POAŞ and Erk Petrol applied to the Ministry of Finance for payment of the fines on an installment basis to avoid cash out flows during the judicial process and since the approval of this claim required submission of guarantee, collateral of 8 real estate at an amount of YTL 204.892.000 (with Doğan Holding's ownership interest YTL 108.041.296) and inventory amounting to YTL 280.960.086 (with Doğan Holding's ownership interest YTL 148.152.646) for POAŞ and 33 real estate at an amount of YTL 89.053.744 (with Doğan Holding's ownership interest YTL 46.958.798) and inventory amounting to YTL 11.267.870 (with Doğan Holding's ownership interest YTL 5.941.644) for Erk Petrol are given as guarantee in order for acceptance of its application for payment on installment basis. The Ministry of Finance has accepted fines being paid in 18 monthly installments, starting in December 2006 with the first two being in smaller amounts. YTL 5.206.721 (with Doğan Holding's ownership interest YTL 2.745.548) has been paid (YTL 2.966.229 (with Doğan Holding's ownership interest YTL 1.564.118) through off-setting and the remaining YTL 2.240.491 (with Doğan Holding's ownership interest YTL 1.181.430) in cash) as the December 2006 installment.

Consistent with the decision of the 13th Division of Council of State, the Istanbul 7th Administrative Court decided to grant a stay of execution for the YTL 11.431.360 and YTL 1.428.920 out of the total amount of payment order, but rejected the request for a stay of execution concerning the remainder of the payment orders. Notification of the decision was received on 16 January 2007. Following this decision, an application was filed with the Istanbul District Administrative Court for the annulment of the rejection decision and for a motion for stay of execution for the total amount of payment order.

Following the decision of the Plenary Session of the Administrative Divisions of Council of State, the Istanbul District Administrative Court has ruled for the acceptance of POAŞ's and Erk Petrol's motion for a stay of execution without guarantee, after the annulment of the decision of the Istanbul 7th Administrative Court for the denial of the request for a stay of execution. Payments were not made after the first instalment as executions of the payment orders were suspended.

Uncertainty over the judicial process and final decision of the court cases continues as of the approval date of the consolidated financial statements for the year ended 31 December 2006. Accordingly, no provision has been provided for this matter in the accompanying consolidated financial statements.

Tax penalties

On 27 December 2002, POAŞ merged with its majority shareholder, İş Doğan, in accordance with the Turkish Commercial Code article No.451, Corporate Tax Law articles No.37, 38 and 39 and by approval of the CMB numbered 61/1705 and dated 24 December 2002. As a result of this legal merger, the assets and liabilities of İş Doğan were transferred to POAŞ and İş Doğan was dissolved.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

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

In June 2002, İş Doğan requested a refund of the withholding taxes paid on bank transactions from Üsküdar Tax Office which it received by giving guarantees. A tax inspection was conducted with respect to the claim made by İş Doğan for the refund of withholding taxes paid. The tax assessments, imposed for the years 2001 and 2002, in relation with the review for 2001 were notified to POAŞ on 27 December 2006.

Due to the reason that financial expenses (foreign exchange losses and interest losses) related to the purchase of POAŞ shares are not to be deducted from the tax base and losses arising from the stated expenses are not to be transferred to POAŞ, the tax review report based on the 2001 review contains the following statements:

- 1) Corporate tax in the amount of YTL 1.534.472 and the fund allowance in the amount of YTL 153.447 that were errorously refunded to İş Doğan should be additionally assessed,
- 2) A tax penalty in the same amount should be imposed,
- 3) The guarantees given by İş Doğan should be taken into consideration in relation to the assessments made,
- 4) İş Doğan has no tax losses carried forward, and
- 5) The tax loss carried forward (negative tax base) of İş Doğan from the 2002 fiscal year should be considered as YTL 17.205.865.

POAŞ filed a legal action with the İstanbul Tax Court for YTL 1.687.919 in corporate tax and the YTL 1.687.919 tax penalty imposed on İş Doğan for the year 2001, and for the limited tax review report for the year 2002. The Company has also filed an application for arbitration with the Ministry of Finance for the 2001 corporate tax and tax penalty.

Tax assessments amounting to YTL 217.513.442 of corporate tax and YTL 217.513.442 of tax penalty, related to İş Doğan's limited tax review reports for 2002, were notified to POAŞ on 7 February 2007 by Boğaziçi Corporate Tax Office. However, on 12 March 2007, the tax assessments are withdrawn with the adjustment records prepared by Boğaziçi Corporate Tax Office.

As of that date, tax review reports for the years 2002, 2003, 2004, 2005 and 2006 and notifications for the tax assessment amounting to YTL 359.992.521,20 for corporate tax, YTL 265.516.081,76 for temporary taxes and a tax penalty amounting to YTL 625.508.602,96 were levied against POAŞ based on the 2002 review with the claim that the tax losses related to İş Doğan shall not to be transferred to POAŞ as the merging companies operate in different sectors. The total amount of tax assessment is calculated as YTL 359.992.521,20 along with a tax penalty of YTL 625.508.602,96 since YTL 265.516.081,76 of temporary taxes can be written off against corporate tax by law.

POAŞ filed a legal action with the Istanbul Tax Court for corporate tax and the tax penalty notifications related to the years 2002, 2003, 2004, 2005 and 2006 and also filed an application for arbitration to the Ministry of Finance.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

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

The view of the Group's management on tax disputes is as follows:

- 1) There are several tax rulings issued by Ministry of Finance stating that finance expenses incurred in relation to the acquisition of subsidiary shares should be tax deductible and thus the stance of Ministry of Finance is consistent.
- 2) Moreover, it has been accepted in tax verdicts that the finance expenses incurred in relation to the acquisition of subsidiary shares are to be tax deductible.
- 3) It is clearly stated in the 5th article of the New Corporate Tax Law No.5520 effective from June 2006 that the finance expenses incurred for the acquisition of subsidiary shares are tax deductible.
- 4) Losses acquired due to İş Doğan are normally to be deducted within Corporate Tax Law as the merger has been performed with all required approvals and full compliance with Corporate Tax Law.

Expert opinions point out that the practice adopted by POAŞ is in line with related articles of Tax Law and the opinion of Ministry of Finance as evidenced in tax rulings.

On 6 March 2007, Doğan Holding announced to the public that in relation to the payment of corporate tax and the tax penalty OMV, the other joint venture partner of POAŞ, will not be exposed to any additional possible tax liabilities which have arisen as a result of events that occurred before the sale date, and if POAŞ is obliged to pay taxes Doğan Holding will absorb the portion of liability belonging to the OMV shares.

Uncertainty over the judicial process and final decision of the court cases continues as of the announcement date of the consolidated financial statements for the year ended 31 December 2006. Accordingly, no provision has been provided for this matter in the accompanying financial statements.

NOTE 32 - BUSINESS COMBINATIONS

Additions to goodwill during the years ended 31 December have been recorded as a result of the transactions below:

	2006	2005
Goodwill arising from purchase of POAŞ shares (b.i)	-	486.914.598
Goodwill arising from Star TV Ticari ve İktisadi Bütünlüğü acquisition (b.iii)	-	238.925.377
Goodwill arising from purchase of Kanal D shares (b.iv)	-	6.024.816
	-	731.864.791

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 32 - BUSINESS COMBINATIONS (Continued)

a) Significant acquisitions and disposals of subsidiaries and joint venture shares during the year ended 31 December 2006:

a.i The Group sold POAŞ shares with a nominal value of YTL 26.090.625, corresponding to 6,25% of POAŞ capital, a total amount of YTL 139.584.844 through an accelerated institutional placing (32 institutional investors) led by Deutsche Bank and with a nominal value of YTL 141.933.000, corresponding to 34% of POAŞ capital, a total amount of YTL 1.528.089.200 (USD 1.054.000.000) to OMV. The total gain on these sales is YTL 761.622.648 and is classified as "Other income" in the consolidated statements of income (Note 38). The direct interest of the Group in POAŞ will fall from 92,98%, at 31 December 2005, to 52,73% at 31 December 2006. POAŞ, which was a subsidiary at 31 December 2005, became a joint venture according to the share sale agreement signed with OMV on 16 May 2006.

a.ii On 15 February 2006, 32.478.952 shares of Doğan Yayın Holding A.Ş. with a nominal value of YTL 1 each, representing the capital to be issued in the amount of YTL 32.478.952, have been sold to investors in the amounts of YTL 4.380.000 to Oz Management Ltd, YTL 13.140.000 to Lone Pine Capital LLC, YTL 8.745.784 to Maveric Capital Ltd, YTL 5.315.000 to Griffin Capital Management Ltd, YTL 450.000 to Shannon River Partners and YTL 448.168 to Black River EMEA Eurasia Fund Ltd for a total amount of YTL 195.177.460. Total gain on this sale is YTL 140.096.214 and is classified as "Other Income" in consolidated statements of income (Note 38).

a.iii The Group acquired 40% of the shares of Doğan Online, a subsidiary for which 60% of shares were already held by the Group in 2006 with a purchase consideration of YTL 20.929.591. The Group accounted for the total purchase consideration of YTL 20.929.591 in retained earnings since the carrying value of held minority shares in Doğan Online and the other Subsidiaries controlled indirectly over Doğan Online by the Group were nil.

b) Significant acquisitions and disposals of the Group as of 31 December 2005:

b.i Purchase of POAŞ shares

The Holding purchased T. İş Bankası A.Ş.'s YTL 150.099.673 nominal valued (A/B) group shares, Camiş Yatırım Holding A.Ş.'s YTL 16.905.378 nominal valued (A/B) group shares and Camiş Madencilik A.Ş.'s YTL 16.905.378 nominal valued (A/B) group shares in POAŞ share capital, a total of YTL 183.910.429 nominal valued (A/B) group shares (44,06% of POAŞ share capital) for USD 616.000.000 with a share sales agreement signed on 2 September 2005. With this transaction, the Holding's share in POAŞ's capital increased from 44,30% to 88,36%. The share transfer amount was specified by a bargaining procedure by considering the 2005 ISE price development. As a result of a mutual agreement, different prices for A and B group shares have not been calculated. USD 316.000.000 of the purchase consideration was paid in cash as of 2 September 2005 and the remaining amount was decided to be paid according to the payment schedule outlined in the sales agreement as stated below:

Maturity	YTL equivalent	Amount (USD)
2 September 2006	33.545.000	25.000.000
2 September 2007	33.545.000	25.000.000
2 September 2008	67.090.000	50.000.000
2 September 2009	134.180.000	100.000.000
2 September 2010	134.180.000	100.000.000
	402.540.000	300.000.000

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 32 - BUSINESS COMBINATIONS (Continued)

Compound interest will be applied to the annual interest rate of LIBOR+1% to instalments for the period between the share transfer date and payment date and interest will be paid together with instalments. Pledge and usufruct rights were established on all shares subject to sale as a guarantee for the part of the share purchase cost that will be paid in instalments.

An additional agreement was signed at 6 January 2006, revising the payment schedule which was signed on 2 September 2005. At the signing date of the new agreement, a principle payment of USD 100.000.000 was made by the Holding and the payment schedule was revised. After this payment, the Holding made an early principle payment amounting to USD 100.000.000 at 27 January 2006. With the abovementioned payments, the payment schedule for the remaining debt is presented below:

Maturity	YTL equivalent	Amount (USD)
2 September 2008	26.836.000	20.000.000
2 September 2009	53.672.000	40.000.000
2 September 2010	53.672.000	40.000.000
	134.180.000	100.000.000

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 32 - BUSINESS COMBINATIONS (Continued)

b.i Purchase of POAS shares (continued)

Together with the additional agreement, the prohibition of the POAŞ share transfer to third parties within 180 days after 2 September 2005, the date of the first agreement, has been abolished.

Net assets acquired and goodwill arising from the purchase of POAŞ share are as follows:

	<i>Restated (*)</i> Goodwill arising from purchase of POAŞ share
Total cash consideration	821.990.400
Less: net assets acquired at fair value	(335.075.802)
Goodwill	486.914.598
Current assets	713.693.340
Non-current assets	915.632.243
Current liabilities	(831.050.610)
Non-current liabilities	(461.746.138)
Minority interest	(1.453.033)
Fair value of net assets	335.075.802
Goodwill	486.914.598
Total cash consideration	821.990.400
Less: Cash and cash equivalents in subsidiaries acquired	(51.561.196)
Cash outflow on acquisition	770.429.204

(*) In accordance with IFRS 3, Business Combinations, the Holding finalized the allocation of costs related to the purchase of 44,06% of POAŞ shares, by recognizing identifiable assets, liabilities and contingent liabilities of POAŞ at their fair values. Since the abovementioned fair values were determined provisionally at the end of the period that the transaction occurred, the consolidated financial statements as of 31 December 2005 have been restated by making the necessary adjustments retrospectively in order to finalize the temporary accounting in the consolidated financial statements of 31 December 2005 (Note 2.6).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 32 - BUSINESS COMBINATIONS (Continued)

b.ii Doğan Holding decided to collect the publicly held shares of POAŞ amounting to a nominal value of YTL 48.586.587 through a tender offer between 14 October 2005 and 31 October 2005. The shareholders holding the shares with the nominal value of YTL 19.285.118, who represent 4,62% of POAŞ's share capital, participated in this tender offer announced by the Holding and paid a total of YTL 87.940.138 for the abovementioned shares. After this call, shares with a nominal value of YTL 388.148.531 that represents 92,98% of POAŞ's YTL 417.450.000 amounted paid capital belong to the Holding, shares with a nominal value of YTL 33,81 that represents 0,0008% belong to Doğan Enerji Yatırımları Sanayi ve Ticaret and the remaining part, 7,02% is publicly quoted. The finalisation of the tender offer did not change POAŞ's management and control as the Holding was the major shareholder of POAŞ before the call. Negative goodwill amounting to YTL 11.260.825 arising from the difference between the fair value and the purchase price of the minority shares acquired was classified in "Other Operating Income" in the previously reported financial statements at 31 December 2005. The accounting for that transaction has been rearranged due to the change in the fair value of minority shares due to the adjustments related with the purchase of 44,06% POAŞ shares. The difference of YTL 51.102.548 is accounted in the retained earnings in shareholders' equity.

b.iii Acquisition of Star TV Ticari ve İktisadi Bütünlüğü

According to the transfer and delivery agreement signed with the Savings and Deposits Insurance Fund (SDIF) at 17 November 2005, Işıl TV acquired "Star TV Ticari ve İktisadi Bütünlüğü" in consideration of YTL 414.388.000 (USD 306.500.000) on 17 November 2005 resulting in goodwill amounting to YTL 238.925.377 (Note 17). Net assets gained upon the acquisition are as follows:

	Goodwill arising from Star TV Ticari ve İktisadi Bütünlüğü acquisition
Total purchase cost	414.388.000
Less: net assets acquired at fair value	(175.462.623)
Goodwill	238.925.377
Current assets	-
Non-current assets	198.330.558
Current liabilities	(19.456.310)
Non-current liabilities	(3.411.625)
Minority interest	-
Fair value of net assets	175.462.623
Goodwill	238.925.377
Cash outflow on acquisition	414.388.000

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 32 - BUSINESS COMBINATIONS (Continued)

- b.iv** The Group acquired 1,05% of the shares of Kanal D for YTL 6.861.500 as at 10 January 2005 and therefore goodwill amounting to YTL6.024.816 has emerged (Note 17).
- b.v** 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".
- b.vi** The 0,23% shares of Doğan Yayın Holding, which has share capital of YTL 552.000.000, have been sold on 7 February 2005 for an amount of YTL 4.987.527.
- b.vii** The shares of POAŞ were sold to nine different foreign investors for a total consideration of YTL 52.371.995 over YTL 4.5 for a nominal value of YTL1 per share in the Wholesale Market of the ISE. Such a sale resulted in a 3,37% reduction in ownership interest of the Group in POAŞ.
- b.viii** As disclosed in Note 35, the Group finalized the sale of Subsidiaries on 4 July 2005, which were classified as discontinued operations. The sale gain according to this transaction amounted to YTL 352.054.478 has been classified under "Other Income" in the consolidated statements of income (Note 38).

NOTE 33 - SEGMENT REPORTING

a) External Revenues

	2006	2005
Media	2.065.939.785	1.616.254.602
Energy	9.278.212.596	7.595.890.671
Other	709.173.685	592.182.122
	12.053.326.066	9.804.327.395

b) Operating profit

	2006	2005
Media	77.249.106	124.962.755
Energy	37.730.260	109.063.396
Other	822.617.095	259.297.219
	937.596.461	493.323.370

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 33 - SEGMENT REPORTING (Continued)

c) Segmental analysis for the year ended 31 December 2006:

	Media	Energy	Other	Inter segment elimination	Total
External revenues	2.065.939.785	9.278.212.596	709.173.685	-	12.053.326.066
Intra segment revenues	991.413.859	-	54.310.062	-	1.045.723.921
Inter segment revenues	42.818.571	10.198.781	373.267.185	-	426.284.537
Combined revenues	3.100.172.215	9.288.411.377	1.136.750.932	-	13.525.334.524
Combined cost of sales	(2.459.101.547)	(8.691.182.127)	(1.031.641.780)	-	(12.181.925.454)
Revenues	2.108.758.356	9.288.411.377	1.082.440.870	(426.284.537)	12.053.326.066
Cost of Sales	(1.620.459.975)	(8.691.182.127)	(1.004.005.750)	381.709.118	(10.933.938.734)
Gross profit	488.298.381	597.229.250	78.435.120	(44.575.419)	1.119.387.332
Operating expenses	(396.131.527)	(400.984.688)	(118.522.962)	46.223.557	(869.415.620)
Other operating income/(expenses), net	(13.764.846)	(27.464.747)	893.820.313	(5.766.248)	846.824.472
Financial income/(expenses), net	(40.599.724)	(163.011.915)	40.293.806	4.118.110	(159.199.723)
Operating profit/(loss) before inter segment elimination	37.802.284	5.767.900	894.026.277	-	937.596.461
Profit elimination due to inter segment elimination	39.446.822	31.962.360	(71.409.182)	-	-
Operating profit/(loss) after inter segment elimination	77.249.106	37.730.260	822.617.095	-	937.596.461

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 33 - SEGMENT REPORTING (Continued)

d) Segmental analysis for the year ended 31 December 2005;

	Media	Energy	Other	Inter segment elimination	Total
External revenues	1.616.254.602	7.595.890.671	592.182.122	-	9.804.327.395
Intra segment revenues	563.948.190	-	1.887.030	-	565.835.220
Inter segment revenues	16.534.302	7.081.879	291.785.196	-	315.401.377
Combined revenues	2.196.737.094	7.602.972.550	885.854.348	-	10.685.563.992
Combined cost of sales	(1.716.332.365)	(7.185.038.277)	(817.529.779)	-	(9.718.900.421)
Revenues	1.632.788.904	7.602.972.550	883.967.318	(315.401.377)	9.804.327.395
Cost of sales	(1.252.094.271)	(7.185.038.277)	(814.929.754)	281.172.974	(8.970.889.328)
Gross profit	380.694.633	417.934.273	69.037.564	(34.228.403)	833.438.067
Operating expenses	(277.956.672)	(291.345.350)	(122.690.334)	50.301.653	(641.690.703)
Other operating income/(expenses), net	(23.516.020)	25.269.348	336.293.402	(30.668.050)	307.378.680
Financial income/(expenses), net	18.309.706	(52.359.459)	28.515.248	(268.169)	(5.802.674)
Operating profit before Inter-segment elimination	97.531.647	99.498.812	311.155.880	(14.862.969)	493.323.370
Profit elimination due to Inter-segment elimination	27.431.108	9.564.584	(51.858.661)	14.862.969	-
Operation profit after Inter-segment elimination	124.962.755	109.063.396	259.297.219	-	493.323.370

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005

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

NOTE 33 - SEGMENT REPORTING (Continued)

e) Segment assets

	2006	2005
<u>Total assets</u>		
Media	5.388.294.949	3.249.915.158
Energy	3.301.472.269	5.008.415.062
Other	5.780.647.338	5.094.272.203
Total	14.470.414.556	13.352.602.423
Less: segment elimination	(6.566.658.126)	(5.045.158.184)
Total assets as per these consolidated financial statements	7.903.756.430	8.307.444.239
<u>Net assets</u>		
Media	3.765.790.123	1.838.817.769
Energy	1.357.620.191	2.222.411.101
Other	5.060.640.143	3.879.705.736
Total	10.184.050.457	7.940.934.606
Less: segment elimination	(6.794.510.621)	(5.286.263.289)
Shareholders' equity	3.389.539.836	2.654.671.317
Minority interests	778.896.472	693.414.622
Total net assets as per these consolidated financial statements	4.168.436.308	3.348.085.939

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 33 - SEGMENT REPORTING (Continued)

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

	2006	2005
<u>Purchases</u>		
Media	223.736.193	100.737.441
Energy	157.738.797	897.575.495
Other	78.312.024	24.797.939
Discontinued operations	-	18.978.886
Total	459.787.014	1.042.089.761
<u>Depreciation and amortization charge</u>		
Media	137.610.414	101.810.634
Energy	196.582.687	188.298.702
Other	20.440.647	17.521.151
Discontinued operations	-	31.910.370
Total	354.633.748	339.540.857

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

g) 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 2.6.c in these consolidated financial statements, are as follows on a combined basis:

	2006	2005
Current assets	1.537.460.277	36.773.718
Non-current assets	1.707.125.096	28.112.752
Total assets	3.244.585.373	64.886.470
Current liabilities	1.200.475.492	15.173.644
Non-current liabilities	766.875.315	8.196.842
Shareholders' equity	1.277.234.566	41.515.984
Total liabilities and shareholders' equity	3.244.585.373	64.886.470
	2006	2005
Revenues	9.375.855.106	3.417.999.813
Gross profit	630.904.073	322.903.118
Net income/(loss)	123.814.677	46.512.645

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 33 - SEGMENT REPORTING (Continued)

h) Minority interests

	2006			2005		
	Doğan Family	Other	Total	Doğan Family	Other	Total
Media	25.127.992	484.082.613	509.210.605	21.905.320	460.375.062	482.280.382
Energy	-	1.029.687	1.029.687	-	146.879.615	146.879.615
Other	54.699.845	213.956.335	268.656.180	41.503.673	22.750.952	64.254.625
	79.827.837	699.068.635	778.896.472	63.408.993	630.005.629	693.414.622

i) Non-cash expenses

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

	2006			
	Media	Energy	Other	Total
Interest expense accrual	16.502.594	13.848.584	710.267	31.061.445
Provision for lawsuits	5.502.001	36.705.579	970.347	43.177.927
Provision for doubtful receivables	8.843.000	17.732.860	4.501.764	31.077.624
Reserve for employment termination benefits	2.931.021	1.248.538	858.046	5.037.605
Impairment of intangible assets	-	-	4.579.740	4.579.740
Provision for net realizable value	2.644.000	-	149.608	2.793.608
Provision for impairment of investment property	1.806.439	-	-	1.806.439
Provision for impairment of programme stocks	641.000	-	-	641.000
	38.870.055	69.535.561	11.769.772	120.175.388

	2005			
	Media	Energy	Other	Total
Interest expense accrual	7.124.427	8.337.195	12.061.364	27.522.986
Provision for doubtful receivables	12.284.829	4.041.035	10.587.598	26.913.462
Provision for lawsuits	8.093.171	2.074.509	-	10.167.680
Provision for impairment of programme stocks	4.442.000	-	-	4.442.000
Reserve for employment termination benefits	2.174.693	118.755	1.244.758	3.538.206
Impairment of intangible assets	3.042.376	-	-	3.042.376
Provision for net realizable value	563.000	-	92.939	655.939
	37.724.496	14.571.494	23.986.659	76.282.649

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 34 - SUBSEQUENT EVENTS

- a. The group has purchased the 67.29% of the shares of the Trader Media East Limited company which has been traded in London Stock Exchange as Global Depository Receipt (GDR), through the Group's subsidiary Hürriyet Invest BV located in Holland, as of 23 March 2007 by voluntary call option (with a nominal value of 0,16USD each, total 50.000.000 shares) paying for each share 10 USD. The group has paid 336.450.000 USD for the 67.29 % of the shares as of 30 March 2007.

TME group's main business lines are real estate, automotive, human resources, daily and weekly publishing and websites and publishing classified advertisements. TME mainly operates in Russia and several Eastern European countries like Poland, Hungary, Croatia, Ukraine, Belarus, Lithuania, and Kazakhstan.

- b. The Group has come to an agreement for the cash sales of 90.854.185 shares with a nominal value of 1 YTL each, amounting to EUR 375.000.000 representing 25% of the shared capital of Doğan TV, to Dreiundvierzigste Media Vermögensverwaltungsgesellschaft mbH (DMV), an associate of Axel Springer AG. The transfer of the shares took place on 2 January 2007 after the necessary legal permissions were taken.
- c. The Group signed an agreement on 19 March 2007 with an international investment group Kardan N.V. along with TBIH Financial Services Group N.V. ('TBIH') where the main capital is owned by Austria's leading insurance company Wiener Staedtische Versicherung AG Vienna Insurance Group regarding the sale of 58,2% shares of the 78,2% capital of the Group's Subsidiary Ray Sigorta amounting to USD 81,48 million. Consequently, the Group has the option to sell 20% of the capital of Ray Sigorta to TBIH in 2010 and 2011.
- d. The Group's LPG filling and storage facility in Aliğa has been registered within the scope of the Company's existing LPG Distribution License by the decision of EMRA and thereby the Company, which could regionally distribute Auto LPG, has obtained the right for national distribution.
- e. Processes regarding the tax dispute and fines imposed by EMRA after the balance sheet date are disclosed in detail in Note 31.

NOTE 35 - DISCONTINUED OPERATIONS

As of 31 December 2006, the Group has no discontinued operations.

For the year ended 31 December 2005:

In 2004, Doğan Holding decided to investigate various types of possibilities including a joint venture, partnership and share transfer of Dışbank, due to the local and global developments in the banking sector. Doğan Holding and 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 requested that those international banks finalize their work and put forward their bids. Following the evaluation of the relevant bids, a share sale agreement ("agreement") was signed with Fortis Bank on 11 April 2005.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 35 - DISCONTINUED OPERATIONS (Continued)

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 (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:

<u>Company Name</u>	<u>Nature of business</u>	<u>Segment</u>	<u>Total ownership interest (%)</u>	<u>Effective partnership rate (%)</u>
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 FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 35 - DISCONTINUED OPERATIONS (Continued)

Results of the year ended 31 December 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 as of 31 December 2005 are as follows:

	2005
Sales	612.877.000
Cost of sales	(517.877.000)
Operating profit	95.000.000
Other expenses, net	(36.032.000)
Income related to discontinued operations before taxes on income and minority interests	58.968.000
Tax	(8.171.331)
Minority interests	(37.000)
Net income	50.759.669
Consolidation eliminations	29.823.543
Net income related to discontinued operations	80.583.212

Summary of cash flow table for discontinued operations for the year ended 31 December 2005:

	2005
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)
Net decrease in cash and cash equivalents	(51.607.000)

Subsequent to the issuance of the financial statements of Dışbank, a Subsidiary of Doğan Holding acquired by Fortis Bank as of 4 July 2005, adjustments have been made to the provision for loan losses related to the credit cards after the issuance of the financial statements at 31 December 2004. The effect of these adjustments pertaining to the 2004 financial year were reflected to the consolidated financial statements by the reductions in the 2005 opening discontinued operations' originated loans, minority interests and retained earnings amounting to YTL 38.500.000, YTL 10.079.300 (Note 24) and YTL 16.870.700 respectively and an increase in the 2005 opening discontinued operations' deferred tax assets amounting to YTL 11.550.000.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005

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

NOTE 36 - OPERATING INCOME

	2006	2005
Net domestic sales	11.801.230.972	9.527.502.899
Net foreign sales	252.095.094	276.824.496
Net sales	12.053.326.066	9.804.327.395

NOTE 37 - OPERATING EXPENSES

	2006	2005
Selling, marketing and distribution expenses	(533.429.352)	(255.111.977)
General administrative expenses	(335.986.268)	(386.578.726)
Operating expenses	(869.415.620)	(641.690.703)

NOTE 38 - OTHER INCOME/EXPENSES AND PROFIT/LOSSES

	2006	2005
Other operating income:		
Gain on sales of Subsidiaries (*)	901.718.862	352.510.325
Fixed asset sales gain	14.751.914	4.195.210
Gain on acquisition of Subsidiary (Note 32)	-	902.126
Other operating income	52.936.259	62.493.576
	969.407.035	420.101.237
Other operating expenses:		
Provision for lawsuits	(43.177.927)	(10.167.680)
Provision for doubtful receivables	(31.077.624)	(26.913.462)
Loss from sales of Subsidiary and Joint Venture, net	-	(13.406.195)
Other operating expenses	(48.327.012)	(62.235.220)
	(122.582.563)	(112.722.557)

(*) YTL 140.096.214 of the gain on sales of Subsidiaries is derived from the share sales of Doğan Yayın and the YTL 761.622.648 of the gain on sales of Subsidiaries is derived from the share sales of POAŞ. As of 31 December 2005, YTL 352.054.478 of the gain of sales of subsidiaries is derived from the sales of subsidiaries classified as discontinued operations by the Group.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 39 - FINANCIAL EXPENSES

Financial income and expenses for the years ended 31 December are as follows:

	2006	2005
Financial income:		
Interest income on bank deposits	221.608.730	82.413.775
Foreign exchange gain, net	57.798.481	24.726.703
Due date difference on credit sales	19.387.113	17.917.955
Amortized cost valuation income	5.204.095	9.267.976
Other interest and commissions	1.589.026	3.849.089
Financial income	305.587.445	138.175.498
Financial expenses:		
Interest expense on short-term and long-term borrowings	(439.225.059)	(128.177.846)
Due date difference on credit purchases	(10.383.981)	(1.558.579)
Other	(15.178.128)	(14.241.747)
Financial expenses	(464.787.168)	(143.978.172)
Financial expenses, net	(159.199.723)	(5.802.674)

NOTE 40 - NET MONETARY POSITION GAIN/(LOSSES)

As declared by the Capital Markets Board on 18 March 2005 with Act 152-7642, inflation accounting is no longer required. Consequently, "Net Monetary Position Gain/(Losses)" is not booked in the consolidated financial statements for the years ended 31 December 2006 and 2005.

NOTE 41 - TAXES ON INCOME

	2006	2005
Corporation and income taxes currently payable (Note 23)	26.176.164	9.241.480
Deferred tax assets, net (Note 14)	63.867.181	346.298.592
Total	90.043.345	355.540.072

Turkish tax legislation does not permit a parent company, its subsidiaries and 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.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 41 - TAXES ON INCOME (Continued)

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, the corporation tax rate of the fiscal year 2006 is 20% (31 December 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 (like research and development expenses deduction).(Except for 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 is neither an asset nor liability in nature and did not apply inflation accounting in accordance with Circular No.17 of Tax Procedural Law dated 24 March 2005, related to the inflation adjustment application.

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 Procedural Law, Income Tax Law and Corporate Tax Law" that was published in the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, 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's provisions, in order to apply inflation adjustment, the cumulative inflation rate (SIS-WPI) over the 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.

Tax returns are open for five 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 five years. Tax losses cannot be carried back to offset profits from previous periods.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 41 - TAXES ON INCOME (Continued)

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 the 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 being subject to corporate income tax, or alike, in their country of legal or business centre at the rate of at least 15% (at the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

Turkish Corporate Tax Law No.5422 related with "Capital Gains Exemption for Sale of Participation Shares and Real Estates" has been amended by Law No.5520 effective from 1 January 2006.

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 for more than two full years is 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 leasing of real estate cannot benefit from this exemption.

The investment allowance 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 temporary article 69 of the Income Tax Law, income and corporate taxpayers can deduct the following amounts 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 were present as of 31 December 2005, in accordance with the legislation (including the provisions related to tax rates) in force as of 31 December 2005. The effective tax rate will be 30% in the case of applying the investment allowance exemption. The Group calculated the tax provision using the rate 30% for its Subsidiaries and Joint Ventures that applied this exemption.

- 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.
- 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.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 41 - TAXES ON INCOME (Continued)

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

In additions to the 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 income statement for the years ended 31 December 2006 and 2005, are summarized below:

	2006	2005
Current	(67.987.041)	(47.519.990)
Deferred (Note 14)	107.194.132	(30.405.659)
Taxes on income	39.207.091	(77.925.649)

The reconciliation of the taxation on income in the consolidated income statement for the year ended 31 December 2006 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income are as follows:

Income before tax and minority interests	937.596.461
Tax calculated at 20% tax rate	(187.519.292)
Difference due to the different tax rates applicable in different countries	(825.351)
Expenses not deductible for tax purposes	(12.388.316)
Income not subject to tax	151.989.246
Tax rate change	98.181.852
Utilization of previously unrecognized tax losses	(3.910.157)
Tax losses for which no deferred income tax asset was recognized	(7.977.626)
Other	1.656.735
Current year tax income	39.207.091

NOTE 42 – EARNINGS PER SHARE

Earnings per share based on share groups are as follows:

	2006	2005
Net income related to continuing operations	891.629.243	387.587.347
Net income related to discontinued operations	-	70.297.003
Weighted average number of shares with face value of YTL 1 each	1.500.000.000	1.500.000.000
Earning per share (YTL)	0,59	0,31
- continuing operations	0,59	0,26
- discontinued operations	-	0,05

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 43 - STATEMENTS OF CASH FLOW

	2006	2005
Profit before tax and minority interest	937.596.461	582.114.913
Adjustments for:		
Depreciation and amortization (Notes 18, 19 and 20)	354.633.748	339.540.857
Provision for employment termination benefits (Note 23)	5.037.605	3.538.206
Net interest expense/(income)	217.616.329	(206.447.021)
Translation reserve	(4.689.355)	17.891.742
Profit from the sales of property, plant and equipment (Note 38)	(14.751.914)	(4.195.210)
Valuation of derivative financial instruments	-	6.596.508
Provision for loan losses, net	-	(38.500.000)
Gain on sales of shares of subsidiary and joint ventures (Note 38)	(901.718.862)	(352.510.325)
Loss on sales of shares of subsidiary and joint venture (Note 38)	-	13.406.195
Other provisions	16.800.725	(41.872.239)
Impairment of property, plant and equipment, intangible assets and investment properties (Notes 18, 19 and 20)	5.086.175	227.056
Negative goodwill arising from the acquisition of subsidiary (Note 38)	-	(902.126)
	615.610.912	318.888.556
Changes in non-finance-segment working capital (excluding the effects of acquisitions and disposals):		
Change in through profit and loss, available-for-sale and held-to-maturity financial assets, net	27.358.287	45.229.923
Change in bank deposits	(276.708.258)	(21.707.143)
Change in trade receivables and due from related parties, net	(326.559.118)	(210.327.547)
Change in inventories, net	(130.073.317)	(56.151.804)
Change in trade payables and due to related parties, net	502.572.490	(77.863.588)
Change in insurance technical reserve	22.907.555	34.693.737
Change in advances received	(31.655.316)	22.352.212
Change in other payables/receivables	(346.665.767)	355.965.851
	(558.823.444)	92.191.641
Cash used in operations	56.787.468	411.080.197
Reconciliation of the net income before taxation and minority interest in consolidated statements of cash flow:		
Consolidated income before taxes and minority interest	937.596.461	493.323.370
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
	937.596.461	582.114.913

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2006 AND 2005**

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

NOTE 44 - DISCLOSURE OF OTHER MATTERS

None (2005: None).

NOTE 45 - INSURANCE TECHNICAL RESERVES

	2006	2005
Unearned premiums reserve, net of reinsurance	80.445.094	71.181.535
Claim provisions, net of reinsurance	47.270.763	36.120.195
Deferred commission income	9.584.004	7.090.576
Insurance technical reserves - current	137.299.861	114.392.306

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