

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
UNAUDITED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH INTERIM PERIOD ENDED 31 MARCH 2008

<b>CONTENTS</b>	<b>PAGE</b>
<b>CONSOLIDATED BALANCE SHEETS .....</b>	<b>1-2</b>
<b>CONSOLIDATED STATEMENTS OF INCOME .....</b>	<b>3</b>
<b>CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY .....</b>	<b>4</b>
<b>CONSOLIDATED STATEMENTS OF CASH FLOW .....</b>	<b>5</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....</b>	<b>6-102</b>
NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS .....	6-10
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS .....	11-37
NOTE 3 BUSINESS COMBINATIONS.....	38-39
NOTE 4 JOINT VENTURES .....	40-41
NOTE 5 SEGMENT REPORTING .....	42-47
NOTE 6 CASH AND CASH EQUIVALENTS .....	48
NOTE 7 FINANCIAL INVESTMENTS .....	49-50
NOTE 8 BORROWINGS AND FINANCIAL LIABILITIES .....	50-54
NOTE 9 OTHER FINANCIAL LIABILITIES .....	54
NOTE 10 TRADE RECEIVABLES AND PAYABLES .....	55-57
NOTE 11 OTHER RECEIVABLES AND PAYABLES .....	58-59
NOTE 12 RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS .....	60
NOTE 13 INVENTORIES .....	60
NOTE 14 BIOLOGICAL ASSETS .....	60
NOTE 15 CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING .....	60
NOTE 16 INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD.....	60-61
NOTE 17 INVESTMENT PROPERTY .....	61
NOTE 18 PROPERTY, PLANT AND EQUIPMENT .....	62-63
NOTE 19 INTANGIBLE ASSETS.....	64-66
NOTE 20 GOODWILL .....	66-67
NOTE 21 GOVERNMENT GRANTS .....	67
NOTE 22 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	67-73
NOTE 23 COMMITMENTS .....	74
NOTE 24 PROVISION FOR EMPLOYMENT TERMINATION BENEFITS .....	75-76
NOTE 25 RETIREMENT PLANS .....	76
NOTE 26 OTHER ASSETS AND LIABILITIES .....	77
NOTE 27 EQUITY .....	78-80
NOTE 28 SALES AND COST OF SALES .....	81
NOTE 29 RESEARCH AND DEVELOPMENT, MARKETING, SELLING AND DISTRIBUTION AND GENERAL ADMINISTRATIVE EXPENSES .....	81
NOTE 30 EXPENSES BY NATURE .....	82
NOTE 31 OTHER INCOME AND EXPENSES .....	82-83
NOTE 32 FINANCIAL INCOME.....	84
NOTE 33 FINANCIAL EXPENSES .....	84
NOTE 34 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS.....	84
NOTE 35 TAX ASSETS AND LIABILITIES .....	85-91
NOTE 36 EARNINGS PER SHARE .....	91
NOTE 37 RELATED PARTY DISCLOSURES .....	92-93
NOTE 38 FINANCIAL RISK MANAGEMENT .....	94-100
NOTE 39 FINANCIAL INSTRUMENTS.....	101
NOTE 40 SUBSEQUENT EVENTS.....	101
NOTE 41 DISCLOSURE OF OTHER MATTERS.....	102
NOTE 42 CONSOLIDATED CASH FLOW STATEMENTS - CASH USED IN OPERATIONS .....	102

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

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

**UNAUDITED CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2008 AND  
31 DECEMBER 2007**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

	<b>Notes</b>	<b>31 March 2008 USD (*)</b>	<i>Unaudited</i> <b>31 March 2008</b>	<b>31 December 2007</b>
<b>ASSETS</b>				
<b>Current assets</b>		<b>3.908.220</b>	<b>4.988.843</b>	<b>4.592.591</b>
Cash and cash equivalents	6	2.054.579	2.622.670	2.351.634
Financial investments	7	18.653	23.811	24.458
Trade receivables				
- Due from related parties	37	14.678	18.737	18.621
- Other trade receivables	10	1.051.562	1.342.319	1.369.334
Other receivables	11	37.304	47.618	60.370
Inventories	13	550.552	702.780	576.646
Biological assets	14	133	170	75
Other current assets	26	176.925	225.844	187.066
Subtotal		3.904.386	4.983.949	4.588.204
Non-current assets held for sale	34	3.834	4.894	4.387
<b>Non-current assets</b>		<b>3.701.828</b>	<b>4.725.383</b>	<b>4.475.858</b>
Trade receivables	10	11.724	14.966	8.264
Other receivables	11	2.466	3.148	2.280
Financial investments	7	7.213	9.207	6.080
Investments accounted for by the equity method	16	6.776	8.649	21.842
Investment properties	17	40.132	51.228	48.563
Property, plant and equipment	18	1.141.554	1.457.194	1.423.913
Intangible assets	19	1.071.588	1.367.882	1.247.261
Goodwill	20	1.290.443	1.647.250	1.542.921
Deferred income tax assets	35	60.611	77.370	84.437
Other non-current assets	26	69.323	88.489	90.297
<b>TOTAL ASSETS</b>		<b>7.610.048</b>	<b>9.714.226</b>	<b>9.068.449</b>

The consolidated interim financial statements for the three-month period ended 31 March 2008 have been approved by the Board of Directors at 6 June 2008.

- (\*) As explained in the Note 2.1.3 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 Market Board (“CMB”) as at 31 March 2008.

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.**

**UNAUDITED CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2008 AND  
31 DECEMBER 2007**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

	Notes	31 March 2008 USD (*)	<i>Unaudited</i> 31 March 2008	31 December 2007
<b>LIABILITIES</b>				
<b>Current liabilities</b>		<b>1.432.060</b>	<b>1.828.024</b>	<b>1.676.880</b>
Borrowings and financial liabilities	8	427.805	546.093	355.126
Trade payables				
- Due to related parties	37	2.735	3.491	2.903
- Other trade payables	10	637.825	814.183	851.512
Other payables	11	212.145	270.803	299.273
Current income tax liabilities	35	8.613	10.994	29.028
Provisions	22	67.812	86.562	66.169
Other current liabilities	26	75.125	95.898	72.869
<b>Non-current liabilities</b>		<b>2.304.313</b>	<b>2.941.456</b>	<b>2.428.213</b>
Borrowings and financial liabilities	8	1.488.296	1.899.810	1.569.679
Other financial liabilities	9	20.619	26.320	17.850
Trade payables	10	460.813	588.228	495.432
Other payables	11	85.734	109.439	44.911
Provisions	22	570	728	671
Provisions for employment benefits	24	22.193	28.330	26.726
Deferred income tax liabilities	35	226.088	288.601	272.944
<b>SHAREHOLDERS' EQUITY</b>		<b>3.873.675</b>	<b>4.944.746</b>	<b>4.963.356</b>
<b>Equity attributable to equity holders of the company</b>	<b>27</b>	<b>2.951.421</b>	<b>3.767.489</b>	<b>3.757.575</b>
Share capital		1.175.088	1.500.000	1.500.000
Adjustment to share capital		260.010	331.903	331.903
Share premium		494	630	630
Revaluation fund		137.716	175.794	185.652
Translation reserve		1.309	1.671	(21.505)
Restricted reserves		608.997	777.385	777.385
Retained earnings		778.197	993.368	588.266
(Loss)/profit for the period		(10.390)	(13.262)	395.244
Minority interests		922.254	1.177.257	1.205.781
<b>TOTAL LIABILITIES</b>		<b>7.610.048</b>	<b>9.714.226</b>	<b>9.068.449</b>

Commitments 23

(\*) As explained in the Note 2.1.3 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 31 March 2008.

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.**

**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME  
FOR THE 1 JANUARY - 31 MARCH 2008 AND 2007 INTERIM PERIODS**

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

	Notes	31 March 2008 USD (*)	Unaudited 31 March 2008	Unaudited 31 March 2007
<b>Operating income</b>				
Sales	28	1.998.003	2.550.451	2.101.880
Cost of sales (-)	28-30	(1.797.420)	(2.294.407)	(1.947.941)
<b>Gross profit</b>		<b>200.583</b>	<b>256.044</b>	<b>153.939</b>
Marketing, selling and distribution expenses (-)	29-30	(97.248)	(124.137)	(94.140)
General and administrative expenses (-)	29-30	(97.287)	(124.187)	(102.052)
Other income	31	11.812	15.078	618.061
Other expenses (-)	31	(16.162)	(20.631)	(267.225)
<b>Operating profit</b>		<b>1.698</b>	<b>2.167</b>	<b>308.583</b>
Financial income	32	187.622	239.500	203.160
Financial expenses (-)	33	(247.600)	(316.061)	(149.400)
<b>(Loss)/profit before income taxes</b>		<b>(58.280)</b>	<b>(74.394)</b>	<b>362.343</b>
<b>Taxation on income</b>		<b>35</b>	<b>(11.816)</b>	<b>(27.469)</b>
- Current income tax for the period		(14.195)	(18.121)	(32.798)
- Deferred tax income		2.379	3.037	5.329
<b>(Loss)/profit for the period</b>		<b>(70.096)</b>	<b>(89.478)</b>	<b>334.874</b>
<b>Allocation of profit for the period</b>				
Attributable to minority interests	27	(59.707)	(76.216)	199.566
Attributable to equity holders of the company		(10.389)	(13.262)	135.308
(Loss)/earnings per share for profit attributable to equity holders of the company	36	(0,01)	(0,01)	0,09

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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.**

**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR 1 JANUARY - 31 MARCH 2008 AND 2007 INTERIM PERIODS**

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

	Share capital	Adjustment to share capital	Share premium	Revaluation fund	Translation reserve	Restricted reserves	Retained earnings	Net profit/(loss) for the period	Equity attributable to equity holders of the company	Minority interests	Total shareholders' equity
<b>Balances at 1 January 2007</b>	<b>1.500.000</b>	<b>331.903</b>	<b>630</b>	<b>232.079</b>	<b>(4.161)</b>	<b>11.331</b>	<b>426.128</b>	<b>891.629</b>	<b>3.389.539</b>	<b>778.896</b>	<b>4.168.435</b>
Transfers	-	-	-	(11.607)	-	761.623	141.613	(891.629)	-	-	-
Currency translation differences	-	-	-	-	(1.466)	-	-	-	(1.466)	(241)	(1.707)
Capital increase	-	-	-	-	-	-	-	-	-	164	164
Business combinations	-	-	-	-	-	-	-	-	-	151.118	151.118
Net profit for the period	-	-	-	-	-	-	-	135.308	135.308	199.566	334.874
<b>Balances at 31 March 2007</b>	<b>1.500.000</b>	<b>331.903</b>	<b>630</b>	<b>220.472</b>	<b>(5.627)</b>	<b>772.954</b>	<b>567.741</b>	<b>135.308</b>	<b>3.523.381</b>	<b>1.129.503</b>	<b>4.652.884</b>
<b>Balances at 1 January 2008</b>	<b>1.500.000</b>	<b>331.903</b>	<b>630</b>	<b>185.652</b>	<b>(21.505)</b>	<b>777.385</b>	<b>588.266</b>	<b>395.244</b>	<b>3.757.575</b>	<b>1.205.781</b>	<b>4.963.356</b>
Transfers	-	-	-	(9.858)	-	-	405.102	(395.244)	-	-	-
Currency translation differences	-	-	-	-	23.176	-	-	-	23.176	49.554	72.730
Dividend payment of subsidiaries	-	-	-	-	-	-	-	-	-	(1.862)	(1.862)
Net profit for the period	-	-	-	-	-	-	-	(13.262)	(13.262)	(76.216)	(89.478)
<b>Balances at 31 March 2008</b>	<b>1.500.000</b>	<b>331.903</b>	<b>630</b>	<b>175.794</b>	<b>1.671</b>	<b>777.385</b>	<b>993.368</b>	<b>(13.262)</b>	<b>3.767.489</b>	<b>1.177.257</b>	<b>4.944.746</b>

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.**

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR 1 JANUARY - 31 MARCH 2008 AND 2007 INTERIM PERIODS**

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

	Notes	31 March 2008 USD (*)	Unaudited 31 March 2008	Unaudited 31 March 2007
<b>Operating activities:</b>				
Cash (used in)/provided by operations	42	(288.404)	(368.149)	190.823
Taxes paid		(28.324)	(36.155)	(25.423)
Employment termination benefit paid	24	(1.058)	(1.350)	(1.390)
<b>Net cash (used in) / provided by operating activities</b>		<b>(317.786)</b>	<b>(405.654)</b>	<b>164.010</b>
<b>Investing activities:</b>				
Purchase of investment property	17	(2.243)	(2.863)	-
Purchase of property, plant and equipment	18	(49.816)	(63.590)	(92.900)
Purchase of intangibles	19	(26.816)	(34.230)	(35.912)
Proceeds from sale of property, plant and equipment, intangibles and investment property		2.941	3.754	37.521
Change in financial investments and investments accounted for by the equity method		7.886	10.066	45
Cash out flow for acquisition of subsidiaries		(23.986)	(30.618)	(435.385)
Proceeds from disposal of subsidiary shares		-	-	694.313
Interests received		48.541	61.962	100.349
Change in other non-current assets and long-term liabilities		41.175	52.560	(445)
<b>Net cash (used in) / provided by investing activities</b>		<b>(2.318)</b>	<b>(2.959)</b>	<b>267.586</b>
<b>Financing activities:</b>				
Proceeds of issuance of share capital to minority interests		-	-	164
Dividends paid to minority interests		(1.459)	(1.862)	-
Change in short term borrowings, net		155.668	198.710	(58.393)
Change in long term borrowings, net		404.885	516.836	289.382
Change in long term trade payables, net		7.460	9.523	(2.666)
Interest paid		(44.657)	(57.005)	(10.215)
<b>Net cash provided by financing activities</b>		<b>521.897</b>	<b>666.202</b>	<b>218.272</b>
<b>Net increase in cash and cash equivalents</b>		<b>201.793</b>	<b>257.589</b>	<b>649.868</b>
Cash and cash equivalents at the beginning of the period		1.752.700	2.237.322	1.967.625
<b>Cash and cash equivalents at the end of the period</b>		<b>1.954.493</b>	<b>2.494.911</b>	<b>2.617.493</b>

Cash and cash equivalents amounting to YTL 10.995 (31 December 2007:YTL 11.372, 31 Mart 2007:YTL 177.609) are unavailable for use as of 31 March 2008 (Note 6).

(\*) As explained in the Note 2.1.3 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 March 2008.

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

Doğan Şirketler Grubu Holding A.Ş. (“Doğan Holding”, “Holding” or the “Company”) 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 March 2008, the shares quoted on the ISE represent 34,29% of the total shares (31 December 2007: 34,29%). At 31 March 2008, the principal shareholders and their respective shareholdings in Doğan Holding are as follows (Note 27):

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

The address of the registered office is as follows:

Altunizade, Oymacı Sokak No: 51  
Üsküdar 34662 İstanbul

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

- Media
- Energy
- Other

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

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

<b>Company Name</b>	<b>Country</b>	<b>Nature of business</b>	<b>Segment</b>
Hürriyet Gazetecilik ve Matbaacılık A.Ş. (“Hürriyet”)	Turkey	Newspaper publishing	Media
Doğan Daily News Gazetecilik ve Matbaacılık A.Ş. (“Doğan Daily News”)	Turkey	Newspaper publishing	Media
Doğan Gazetecilik A.Ş. (“Doğan Gazetecilik”)	Turkey	Newspaper publishing	Media
Bağımsız Gazeteciler Yayıncılık A.Ş. (“Bağımsız Gazeteciler”)	Turkey	Newspaper publishing	Media
Kemer Yayıncılık ve Gazetecilik A.Ş. (“Kemer Yayıncılık”)	Turkey	Newspaper publishing	Media
Milliyet Verlags und Handels GmbH (“Milliyet Verlags”)	Germany	Newspaper publishing	Media
Doğan Media International GmbH (“DMG”)	Germany	Newspaper publishing	Media
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. (“Hürriyet Medya Basım”)	Turkey	Publishing and administrative services	Media
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. (“Doğan Ofset”)	Turkey	Printing services	Media
DYG İlan ve Reklam Hizmetleri A.Ş. (“DYG İlan”)	Turkey	Advertising	Media
Mozaik İletişim Hizmetleri A.Ş. (“Mozaik”)	Turkey	Advertising	Media
Milliyet Haber Ajansı A.Ş. (“Milha”)	Turkey	News agency	Media
Doğan Haber Ajansı A.Ş. (“Doğan Haber”)	Turkey	News agency	Media
Yaysat Yayın Satış Pazarlama ve Dağıtım A.Ş. (“Yaysat”)	Turkey	Distribution	Media
Doğan Dağıtım Satış, Pazarlama ve Matbaacılık A.Ş. (“Doğan Dağıtım”)	Turkey	Distribution	Media
Smile Dağıtım A.Ş. (“Smile Dağıtım”)	Turkey	Distribution	Media
Doğan Dış Ticaret ve Mümessillik A.Ş. (“Doğan Dış Ticaret”)	Turkey	Foreign trade	Media
İşıl İthalat ve İhracat Mümessillik A.Ş. (“İşıl İthalat İhracat”)	Turkey	Foreign trade	Media
Referans Yayın Dağıtım ve Kurye Hizmetleri A.Ş. (“Referans”)	Turkey	Distribution and courier services	Media
Emlaksimum Elektronik Yayıncılık ve Ticaret A.Ş. (“Emlaksimum”)	Turkey	Internet services	Media
Milliyet İnternet Hizmet ve Ticaret A.Ş. (“Milliyet İnternet”)	Turkey	Internet services	Media
Yenibirış İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. (“Yenibir”)	Turkey	Internet services	Media
Kemer Yayıncılık Pazarlama, Sanayi ve Ticaret A.Ş. (“Kemer Pazarlama”)	Turkey	Internet services	Media
TME Teknoloji Proje Geliştirme Planlama ve Yazılım A.Ş. (“TME Teknoloji”)	Turkey	Software services	Media
Hürriyet Zweigniederlassung GmbH (“Hürriyet Zweigniederlassung”)	Germany	Newspaper printing	Media
Hürriyet Invest BV (“Hürriyet Invest”)	Netherlands	Investment	Media
Trader Media East Ltd. (“TME”)	Jersey	Investment	Media
Trader Hungary Tanacsado Kft	Hungary	Investment	Media
International Ssuarts Holding B.V.	Netherlands	Investment	Media
Mirabridge International B.V.	Netherlands	Investment	Media
TCM Croatia Holding B.V.	Netherlands	Investment	Media
Trader Classified Media Croatia Holdings B.V.	Netherlands	Investment	Media
Trader East Holdings B.V.	Netherlands	Investment	Media
TCM Adria d.o.o.	Croatia	Investment	Media
TME Management (France) SAS	France	Investment	Media
Ssuarts Holding GmbH	Austria	Investment	Media
OOO Rektcentr	Russia	Investment	Media
Ssuarts Trading Ltd	Ukraine	Investment	Media
Publishing House Pennsylvania Inc	United States of America	Investment	Media
Smile Holding A.Ş. (“Smile Holding”)	Turkey	Investment	Media
Doğan Platform Yatırımları A.Ş. (“Doğan Platform”)	Turkey	Investment	Media
Doğan Yayın Holding A.Ş. (“Doğan Yayın”)	Turkey	Investment	Media
Fairworld International Limited (“Fairworld”)	England	Foreign trade	Media
Falcon Purchasing Services Ltd. (“Falcon”)	England	Foreign trade	Media
Marchant Resources LTD. (“Marchant”)	British Virgin Islands	Charity	Media
Oglasnik d.o.o.	Croatia	Newspaper and internet publishing	Media
Expressz Magyarorszag Rt	Hungary	Newspaper and internet publishing	Media
Szuperinfo Magyarorszag Kft	Hungary	Newspaper and internet publishing	Media
Siodemka Sp. Z.o.o.	Poland	Newspaper and internet publishing	Media
Trader.com (Polska) Sp. Z.o.o.	Poland	Newspaper and internet publishing	Media
SP Belpronto OOO	Belarus	Newspaper and internet publishing	Media
OOO Pronto Rostov	Belarus	Newspaper and internet publishing	Media
SP Bel Pronto OOO BYR	Russia	Newspaper and internet publishing	Media
OOO Pronto Aktobe	Russia	Newspaper and internet publishing	Media
ZAO Avtotehsnab	Russia	Newspaper and internet publishing	Media
OOO Novoprint	Russia	Newspaper and internet publishing	Media
OOO Balt-Pronto Kaliningrad	Russia	Newspaper and internet publishing	Media
OOO Delta-M	Russia	Newspaper and internet publishing	Media

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

<b>Company Name</b>	<b>Country</b>	<b>Nature of business</b>	<b>Segment</b>
OOO Gratis	Russia	Newspaper and internet publishing	Media
OOO Pronto Baikal	Russia	Newspaper and internet publishing	Media
OOO Pronto DV	Russia	Newspaper and internet publishing	Media
OOO Pronto Ivanovo	Russia	Newspaper and internet publishing	Media
OOO Pronto Kaliningrad	Russia	Newspaper and internet publishing	Media
OOO Pronto Kazan	Russia	Newspaper and internet publishing	Media
OOO Pronto Krasnodar	Russia	Newspaper and internet publishing	Media
OOO Pronto Krasnojarsk	Russia	Newspaper and internet publishing	Media
OOO Pronto Nizhnij Novgorod	Russia	Newspaper and internet publishing	Media
OOO Pronto Novosibirsk	Russia	Newspaper and internet publishing	Media
OOO Pronto Oka	Russia	Newspaper and internet publishing	Media
OOO Pronto Petersburg	Russia	Newspaper and internet publishing	Media
OOO Pronto Samara	Russia	Newspaper and internet publishing	Media
OOO Pronto Stavropol	Russia	Newspaper and internet publishing	Media
OOO Pronto UlanUde	Russia	Newspaper and internet publishing	Media
OOO Pronto Vladivostok	Russia	Newspaper and internet publishing	Media
OOO Pronto Volgograd	Russia	Newspaper and internet publishing	Media
OOO Pronto-Moscow	Russia	Newspaper and internet publishing	Media
OOO Tambukan	Russia	Newspaper and internet publishing	Media
OOO Utro Peterburga	Russia	Newspaper and internet publishing	Media
OOO Pronto Astrakhan	Russia	Newspaper and internet publishing	Media
OOO Pronto Kemerovo	Russia	Newspaper and internet publishing	Media
OOO Pronto Server	Russia	Newspaper and internet publishing	Media
OOO Pronto Smolensk	Russia	Newspaper and internet publishing	Media
OOO Pronto Tula	Russia	Newspaper and internet publishing	Media
OOO Pronto Voronezh	Russia	Newspaper and internet publishing	Media
OOO Tambov-Info	Russia	Newspaper and internet publishing	Media
OOO Pronto Obninsk	Russia	Newspaper and internet publishing	Media
OOO Pronto Komi	Russia	Newspaper and internet publishing	Media
Informacia Vilnusa	Lithuania	Newspaper and internet publishing	Media
ZAO Pronto Akzhol	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto-Akmola	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto Atyrau	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto Aktau	Kazakhstan	Newspaper and internet publishing	Media
SP Pronto Kiev	Ukraine	Newspaper and internet publishing	Media
Internet Posao d.o.o.	Croatia	Internet Publishing	Media
Moje Delo spletni marketing d.o.o	Slovenia	Internet Publishing	Media
Bolji Posao d.o.o. Serbia	Serbia	Internet Publishing	Media
Bolji Posao d.o.o. Bosnia	Bosnia	Internet Publishing	Media
RU.com OOO	Russia	Internet Publishing	Media
OOO Partner-Soft	Russia	Internet Publishing	Media
E-Prostir	Ukraine	Internet Publishing	Media
Expressz Garancia Kőzpont Kft	Hungary	Marketing	Media
Hürriyet Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. (“Hürriyet Pazarlama”)	Turkey	Marketing	Other
OOO Optoprint	Russia	Publishing services	Media
OOO Pronto Print	Russia	Publishing services	Media
OOO Rosprint	Russia	Publishing services	Media
OOO Rosprint Samara	Russia	Publishing services	Media
Impress Media Marketing BVI	Russia	Publishing	Media
Impress Media Marketing LLC	Russia	Publishing	Media
OOO Pronto TV	Russia	TV broadcasting	Media
Doğan TV Holding A.Ş. (“Doğan TV”)	Turkey	TV broadcasting	Media
DTV Haber ve Görsel Yayıncılık A.Ş. (“Kanal D”)	Turkey	TV broadcasting	Media
Işıl Televizyon Yayıncılık A.Ş. (“Işıl TV” veya “Star TV”)	Turkey	TV broadcasting	Media
Alp Görsel İletişim Hizmetleri A.Ş. (“Alp Görsel”)	Turkey	TV broadcasting	Media
Fun Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. (“Fun TV”)	Turkey	TV broadcasting	Media
Tempo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. (“Tempo TV”)	Turkey	TV broadcasting	Media
Kanalspor Televizyon ve Radyo Yayıncılık A.Ş. (“Kanalspor”)	Turkey	TV broadcasting	Media
Milenyum Televizyon Yayıncılık ve Yapımcılık A.Ş. (“Milenyum TV”)	Turkey	TV broadcasting	Media
TV 2000 Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. (“TV 2000”)	Turkey	TV broadcasting	Media

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

<b>Company Name</b>	<b>Country</b>	<b>Nature of business</b>	<b>Segment</b>
Moda Radyo ve Televizyon Yayıncılık Ticaret A.Ş. (“Moda Radyo”)	Turkey	TV broadcasting	Media
Popüler Televizyon ve Radyo Yayıncılık A.Ş. (“Popüler TV”)	Turkey	TV broadcasting	Media
D Yapım Reklamcılık ve Dağıtım A.Ş. (“D Yapım Reklamcılık”)	Turkey	TV broadcasting	Media
Bravo Televizyon Yayıncılık Yayıncılık Sanayi ve Ticaret A.Ş. (“Bravo TV”)	Turkey	TV broadcasting	Media
Doğa Televizyon ve Radyo Yayıncılık A.Ş. (“Doğa TV”)	Turkey	TV broadcasting	Media
Altın Kanal Televizyon ve Radyo Yayıncılık A.Ş. (“Altın Kanal”)	Turkey	TV broadcasting	Media
Stil Televizyon ve Radyo Yayıncılık A.Ş. (“Stil TV”)	Turkey	TV broadcasting	Media
Dinamik Televizyon ve Radyo Yayıncılık A.Ş. (“Dinamik TV”)	Turkey	TV broadcasting	Media
Elit Televizyon ve Radyo Yayıncılık A.Ş. (“Elit TV”)	Turkey	TV broadcasting	Media
Trend Televizyon ve Radyo Yayıncılık A.Ş. (“D Çocuk”)	Turkey	TV broadcasting	Media
Ekinoks Televizyon ve Radyo Yayıncılık A.Ş. (“GS TV”)	Turkey	TV broadcasting	Media
Dönence Televizyon ve Radyo Yayıncılık A.Ş. (“Dönence TV”)	Turkey	TV broadcasting	Media
Fleks Televizyon ve Radyo Yayıncılık A.Ş. (“Fleks TV”)	Turkey	TV broadcasting	Media
Meridyen Televizyon ve Radyo Yayıncılık A.Ş. (“Meridyen TV”)	Turkey	TV broadcasting	Media
Planet Televizyon ve Radyo Yayıncılık A.Ş. (“Planet TV”)	Turkey	TV broadcasting	Media
Deniz Televizyon ve Radyo Yayıncılık A.Ş. (“HD TV”)	Turkey	TV broadcasting	Media
Doğan Prodüksiyon Hizmetleri A.Ş. (“Doğan Prodüksiyon”)	Turkey	TV broadcasting	Media
Doğan TV Digital Platform İşletmeciliği A.Ş. (“Doğan TV Dijital”)	Turkey	TV broadcasting	Media
Kutup Televizyon ve Radyo Yayıncılık A.Ş. (“Kutup TV”)	Turkey	TV broadcasting	Media
Galaksi Radyo Televizyon Yayıncılık Yayıncılık Sanayi ve Ticaret A.Ş. (“Galaksi TV”)	Turkey	TV broadcasting	Media
Hür-Bim Görsel Yayıncılık A.Ş. (“Hürbim”)	Turkey	TV broadcasting	Media
Koloni Televizyon ve Radyo Yayıncılık A.Ş. (“Koloni TV”)	Turkey	TV broadcasting	Media
Atılgan Televizyon ve Radyo Yayıncılık A.Ş. (“Atılgan TV”)	Turkey	TV broadcasting	Media
Atmosfer Televizyon ve Radyo Yayıncılık A.Ş. (“Atmosfer TV”)	Turkey	TV broadcasting	Media
Gümüş Televizyon ve Radyo Yayıncılık A.Ş. (“Gümüş TV”)	Turkey	TV broadcasting	Media
Platin Televizyon ve Radyo Yayıncılık A.Ş. (“Platin TV”)	Turkey	TV broadcasting	Media
Yörünge Televizyon ve Radyo Yayıncılık A.Ş. (“Yörünge TV”)	Turkey	TV broadcasting	Media
Lapis Televizyon ve Radyo Yayıncılık A.Ş. (“Lapis Televizyon”)	Turkey	TV broadcasting	Media
Safir Televizyon ve Radyo Yayıncılık A.Ş. (“Safir Televizyon”)	Turkey	TV broadcasting	Media
Tematik Televizyon ve Radyo Yayıncılık A.Ş. (“Tematik TV”)	Turkey	TV broadcasting	Media
Akustik Televizyon ve Radyo Yayıncılık A.Ş. (“Akustik TV”)	Turkey	TV broadcasting	Media
Ametist Televizyon ve Radyo Yayıncılık A.Ş. (“Ametist TV”)	Turkey	TV broadcasting	Media
Süper Kanal TV Video Radyo Basın Yapım Yayın Tanıtım ve Haber Hizmetleri A.Ş. (“Süperkanal”)	Turkey	TV broadcasting	Media
Uydu İletişim Basın Yayın A.Ş. (“Uydu”)	Turkey	TV broadcasting	Media
Mobil Teknolojileri Araştırma Geliştirme A.Ş. (“Mobil”)	Turkey	TV broadcasting	Media
Matis Reklam ve Pazarlama A.Ş. (“Matis TV”)	Turkey	TV broadcasting	Media
Yonca Reklam ve Pazarlama A.Ş. (“Yonca TV”)	Turkey	TV broadcasting	Media
Doğan Media International S.A. (“Kanal D Romanya”)	Romania	TV broadcasting	Media
ZAO NPK	Russia	Call center	Media
Kisokos Directory kereskedelme es Szolgaltato kft	Hungary	Discontinued operations	Media
Radyo Kulübü Uluslararası Programlar A.Ş. (“D Radyo”)	Turkey	Radio broadcasting	Media
Hürriyet Radyo Prodüksiyon ve Yayın A.Ş. (“Hürriyet Radyo”)	Turkey	Radio broadcasting	Media
Foreks Yayıncılık ve Reklamcılık A.Ş. (“CNN Türk Radyo”)	Turkey	Radio broadcasting	Media
Doğan Müzik Yapım ve Ticaret A.Ş. (“DMC”)	Turkey	Music and entertainment	Media
İnteraktif Medya Hizmetleri Geliştirme Paz. ve Tic. A.Ş. (“İnteraktif Medya”)	Turkey	Interactive services	Media
Doğan Müzik Kitap Mağazacılık Pazarlama A.Ş. (“DMK”)	Turkey	Retail	Media
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. (“Hürservis”)	Turkey	Retail	Media
Smile Pratik Ödeme Sistemleri A.Ş. (“Smile Pratik”)	Turkey	Payment systems	Media
Smile Tedarik ve Ticaret A.Ş. (“Smile Tedarik”)	Turkey	Logistics	Media
Smile Sigorta Aracılık Hizmetleri A.Ş. (“Smile Sigorta”)	Turkey	Insurance	Media
Birpa Müşteri Hizmetleri ve Pazarlama A.Ş. (“Birpa”)	Turkey	Customer services	Media
Doğan İletişim Elektronik Servis Hizmetleri ve Yayıncılık A.Ş. (“Doğan Online”)	Turkey	Internet service provider	Media

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

<b>Company Name</b>	<b>Country</b>	<b>Nature of business</b>	<b>Segment</b>
Doğan Factoring Hizmetleri A.Ş. (“Doğan Factoring”)	Turkey	Factoring	Media
Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. (“Milpa”)	Turkey	Trading	Other
Milanur İnşaat Pazarlama Turizm Sanayi ve Ticaret Limited Şirketi (“Milanur”)	Turkey	Construction	Other
Doğan Otomobilcilik Ticaret ve Sanayi A.Ş. (“Doğan Oto”)	Turkey	Trading	Other
Enteralle Handels GmbH (“Enteralle Handels”)	Germany	Trading	Other
Orta Anadolu Otomotiv Ticaret ve Sanayi A.Ş. (“Orta Anadolu Otomotiv”)	Turkey	Trading	Other
Doğan Havacılık Sanayi ve Ticaret A.Ş. (“Doğan Havacılık”)	Turkey	Aviation	Other
Çelik Halat ve Tel Sanayi A.Ş. (“Çelik Halat”)	Turkey	Production	Other
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. (“Ditaş Doğan”)	Turkey	Production	Other
Milta Turizm İşletmeleri A.Ş. (“Milta Turizm”)	Turkey	Tourism	Other
Doğan Organik Ürünler Sanayi ve Ticaret A.Ş. (“Doğan Organik”)	Turkey	Agriculture	Other
D-Tes Elektrik Enerjisi Toptan Satış A.Ş. (“D Tes”)	Turkey	Energy	Other
Zigana Elektrik Dağıtım Sanayi ve Ticaret A.Ş. (“Zigana”)	Turkey	Energy	Other
Çelik Enerji Üretim A.Ş. (“Çelik Enerji”)	Turkey	Energy	Other
Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. (“Doğan Enerji”)	Turkey	Energy	Other
D-Yapı Romanya	Romania	Real Estate	Other

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 5).

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 INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

##### 2.1 *Basis of presentation*

##### 2.1.1 **Financial Reporting Standards**

The Capital Markets Board of Turkey (“CMB”) regulates the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”). This Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes the Communiqué No: XI-25 “The Financial Reporting Standards in the Capital Markets”. According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards (“IAS/IFRS”) endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board (“IASB”) are announced by Turkish Accounting Standards Board (“TASB”), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/TFRS”) issued by the TASB which are in line with the aforementioned standards shall be considered.

With the decision taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards the application of inflation accounting is no longer required. Accordingly, the Group did not apply IAS 29 “Financial Reporting in Hyperinflationary Economies” issued by IASB in its financial statements for the accounting periods starting 1 January 2005.

Within the scope of CMB’s Communiqué No: XI-29 and its announcements clarifying this communiqué the consolidated financial statements have been prepared in accordance with the CMB’s Financial Reporting Standards which are based on IAS/IFRS, as the differences of IAS/IFRS, adopted by the European, from those published by IASB have not yet been announced by TASB as of the date of these financial statements. Consolidated financial statements and accompanying notes have been presented in accordance with the format, recommended to be implemented by CMB through its announcement dated 17 April 2008, and by including the mandatory information. As per CMB’s Communiqué No: XI-29 and its announcements clarifying this communiqué enterprises are obliged to present the hedging rate of their total foreign exchange liability and total export and import amounts in the notes to the financial statements. In this regard, such presented mandatory information is explained in notes with the consolidated financial statements of previous periods.

Doğan Holding and its subsidiaries, joint ventures and associates registered in Turkey maintain their books of account and prepare their statutory financial statements in YTL in accordance with the Turkish Commercial Code (the “TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign subsidiaries prepare their statutory financial statements in accordance with the laws and regulations in force in the countries in which they are registered.

These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB Financial Reporting Standards.

# CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

##### 2.1.2 Financial statements of subsidiaries operating in foreign countries

Financial statements of subsidiaries that are operating in foreign countries are prepared in accordance with the laws and regulations in force in the countries in which they are registered in and required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Group’s accounting policies.

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

##### 2.1.3 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 1,2765 = USD 1,00 on 31 March 2008. 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 March 2008. 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.

##### 2.1.4 Consolidation principles

- (a) These consolidated financial statements include the accounts of the parent company, Doğan Holding, its Subsidiaries and its Joint Ventures. 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 and Joint Ventures 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 and Joint Ventures 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 INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands 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 March 2008 and 31 December 2007 as follows:

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 (%)	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Hürriyet	60,21	60,21	-	-	60,21	60,21	37,94	37,94
Doğan Daily News	94,25	94,25	-	-	94,25	94,25	35,76	35,76
Doğan Gazetecilik	91,77	91,77	0,52	0,52	92,29	92,29	43,97	43,97
Bağımsız Gazeteciler (1)	100,00	-	-	-	100,00	-	43,96	-
Kemer Yayıncılık (1)	99,98	-	-	-	99,98	-	43,96	-
Milliyet Verlags	99,03	99,03	0,97	0,97	100,00	100,00	57,55	57,55
DMG	99,71	99,41	0,29	0,59	100,00	100,00	52,19	47,91
Hürriyet Medya Basım	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Doğan Ofset	99,93	99,93	-	-	99,93	99,93	37,92	37,92
DYG İlan	100,00	100,00	-	-	100,00	100,00	48,47	48,47
Mozaik (3)	100,00	100,00	-	-	100,00	100,00	62,58	62,58
Milha	100,00	100,00	-	-	100,00	100,00	52,08	52,08
Doğan Haber	99,16	99,04	-	-	99,16	99,04	49,33	49,33
Yaysat	75,00	75,00	-	-	75,00	75,00	40,99	40,99
Doğan Dağıtım	100,00	100,00	-	-	100,00	100,00	63,00	63,00
Smile Dağıtım	100,00	100,00	-	-	100,00	100,00	63,02	63,02
Doğan Dış Ticaret	100,00	100,00	-	-	100,00	100,00	62,58	62,58
İşıl İthalat İhracat	96,70	96,70	-	-	96,70	96,70	60,51	60,51
Referans	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Emlaksimum	99,80	99,80	0,10	0,10	99,90	99,90	38,03	38,03
Milliyet İnternet	100,00	100,00	-	-	100,00	100,00	48,62	48,62
Yenibir	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Kemer Pazarlama (1)	99,96	-	-	-	99,96	-	43,94	-
TME Teknoloji (2)	100,00	-	-	-	100,00	-	37,94	-
Hürriyet								
Zweigniederlassung	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Hürriyet Invest	100,00	100,00	-	-	100,00	100,00	37,94	37,94
TME	67,30	67,30	-	-	67,30	67,30	25,45	25,45
Trader Hungary								
Tanacsado Kft	100,00	100,00	-	-	100,00	100,00	25,45	25,45
International Ssuarts								
Holding B.V.	100,00	100,00	-	-	100,00	100,00	25,45	25,45
Mirabridge								
International B.V.	100,00	100,00	-	-	100,00	100,00	25,45	25,45
TCM Croatia Holding BV	100,00	100,00	-	-	100,00	100,00	25,45	25,45
Trader Classified								
Media Croatia								
Holdings B.V.	100,00	100,00	-	-	100,00	100,00	25,45	25,45
Trader East Holdings B.V.	100,00	100,00	-	-	100,00	100,00	25,45	25,45
TCM Adria d.o.o.	100,00	100,00	-	-	100,00	100,00	25,45	25,45
TME Management	100,00	100,00	-	-	100,00	100,00	25,45	25,45
Ssuarts Holding GmbH	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Rektcentr	100,00	100,00	-	-	100,00	100,00	25,45	25,45
Ssuarts Trading Ltd	55,00	55,00	-	-	55,00	55,00	14,00	14,00
Publishing House								
Pennsylvania Inc	100,00	100,00	-	-	100,00	100,00	25,45	25,45
Smile Holding	100,00	100,00	-	-	100,00	100,00	63,02	63,02
Doğan Platform	100,00	100,00	-	-	100,00	100,00	63,01	63,01

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands 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 (%)	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Doğan Yayın	63,02	63,02	2,97	2,97	65,99	65,99	63,02	63,02
Fairworld	100,00	100,00	-	-	100,00	100,00	62,58	62,58
Falcon	100,00	100,00	-	-	100,00	100,00	62,58	62,58
Marchant	100,00	100,00	-	-	100,00	100,00	60,51	60,51
Oglasnik d.o.o.	100,00	100,00	-	-	70,00	70,00	17,81	17,81
Expressz								
Magyarország Rt	100,00	100,00	-	-	100,00	100,00	25,45	25,45
Szuperinfo								
Magyarország Kft	100,00	100,00	-	-	100,00	100,00	25,45	25,45
Siodemka Sp. Z.o.o.	100,00	100,00	-	-	100,00	100,00	25,45	25,45
Trader.com	100,00	100,00	-	-	100,00	100,00	25,45	25,45
SP Belpronto OOO	60,00	60,00	-	-	60,00	60,00	15,27	15,27
OOO Pronto Rostov	100,00	100,00	-	-	100,00	100,00	25,45	25,45
SP Belpronto OOO BYR	60,00	60,00	-	-	60,00	60,00	15,27	15,27
OOO Pronto Aktobe	80,00	80,00	-	-	80,00	80,00	16,28	16,28
ZAO Avtotehsnab	100,00	100,00	-	-	100,00	100,00	21,63	21,63
OOO Novoprint	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Balt-Pronto								
Kaliningrad	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Delta-M	55,00	55,00	-	-	55,00	55,00	14,00	14,00
OOO Gratis	90,00	90,00	-	-	90,00	90,00	22,90	22,90
OOO Pronto Baikal	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Pronto DV	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Pronto Ivanovo	86,00	86,00	-	-	86,00	86,00	21,88	21,88
OOO Pronto Kaliningrad	95,00	95,00	-	-	95,00	95,00	24,18	24,18
OOO Pronto Kazan	72,00	72,00	-	-	72,00	72,00	18,32	18,32
OOO Pronto Krasnodar	80,00	80,00	-	-	80,00	80,00	20,36	20,36
OOO Pronto Krasnojarsk	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Pronto Nizhnyj Novgorod	90,00	90,00	-	-	90,00	90,00	22,90	22,90
OOO Pronto Novosibirsk	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Pronto Oka	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Pronto Petersburg	51,00	51,00	-	-	51,00	51,00	12,98	12,98
OOO Pronto Samara	89,90	89,90	-	-	89,90	89,90	22,88	22,88
OOO Pronto Stavropol	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Pronto UlanUde	90,00	90,00	-	-	90,00	90,00	22,90	22,90
OOO Pronto Vladivostok	90,00	90,00	-	-	90,00	90,00	22,90	22,90
OOO Pronto Volgograd	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Pronto-Moscow	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Tambukan	85,00	85,00	-	-	85,00	85,00	21,63	21,63
OOO Utro Peterburga	55,00	55,00	-	-	55,00	55,00	14,00	14,00
OOO Pronto Astrakhan	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Pronto Kemerovo	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Pronto Server	90,00	90,00	-	-	90,00	90,00	22,90	22,90
OOO Pronto Smolensk	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Pronto Tula	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Pronto Voronezh	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Tambov-Info	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Pronto Obninsk	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Pronto Komi	70,00	70,00	-	-	70,00	70,00	17,81	17,81

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands 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 (%)	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Informatcia Vilnusa	100,00	100,00	-	-	100,00	100,00	25,45	25,45
ZAO Pronto Akzhol	80,00	80,00	-	-	80,00	80,00	20,36	20,36
OOO Pronto-Akmola	100,00	100,00	-	-	100,00	100,00	25,45	25,45
OOO Pronto Atyrau	100,00	100,00	-	-	100,00	100,00	20,36	20,36
OOO Pronto Aktau	100,00	100,00	-	-	100,00	100,00	20,36	20,36
SP Pronto Kiev	50,00	50,00	-	-	50,00	50,00	12,72	12,72
Internet Posao d.o.o.	100,00	100,00	-	-	100,00	100,00	12,47	12,47
Moje Delo spletni Marketing d.o.o	100,00	100,00	-	-	100,00	100,00	14,00	14,00
Bolji Posao d.o.o. Serbia	55,00	55,00	-	-	55,00	55,00	14,00	14,00
Bolji Posao d.o.o. Bosnia	55,00	55,00	-	-	55,00	55,00	14,00	14,00
RU.com OOO	100,00	100,00	-	-	100,00	100,00	14,00	14,00
OOO Partner-Soft	90,00	90,00	-	-	90,00	90,00	22,90	22,90
E-Prostir	50,00	50,00	-	-	50,00	50,00	12,72	12,72
Expressz Garancia Kőzpont Kft	100,00	100,00	-	-	100,00	100,00	25,45	25,45
Hürriyet Pazarlama	99,95	97,47	0,05	2,53	100,00	100,00	99,94	97,46
OOO Optoprint	100,00	100,00	-	-	100,00	100,00	14,00	14,00
OOO Pronto Print	54,00	54,00	-	-	54,00	54,00	13,74	13,74
OOO Rosprint	60,00	60,00	-	-	60,00	60,00	15,27	15,27
OOO Rosprint Samara	59,50	59,50	-	-	59,50	59,50	15,14	15,14
Impress Media Marketing BVI	100,00	100,00	-	-	100,00	100,00	17,44	17,44
Impress Media Marketing LLC	100,00	100,00	-	-	100,00	100,00	17,44	17,44
OOO Pronto TV	70,00	70,00	-	-	70,00	70,00	17,81	17,81
Doğan TV	74,51	74,51	-	-	74,51	74,51	46,96	46,96
Kanal D	94,81	94,81	-	-	94,81	94,81	44,52	44,52
Işıl TV	100,00	100,00	-	-	100,00	100,00	46,96	46,96
Alp Görsel	100,00	100,00	-	-	100,00	100,00	46,96	46,96
Fun TV	95,25	94,52	-	-	95,25	94,52	44,73	44,38
Tempo TV	95,25	94,52	-	-	95,25	94,52	44,67	44,38
Kanalspor	95,25	94,52	-	-	95,25	94,52	44,67	44,38
Milenyum TV	99,94	99,94	-	-	99,94	99,94	46,93	46,93
TV 2000	98,34	98,34	-	-	98,34	98,34	46,12	46,14
Moda Radyo	86,67	86,67	6,67	6,67	93,34	93,34	40,70	40,70
Popüler TV	96,00	95,38	1,33	1,54	97,33	96,92	45,02	44,79
D Yapım Reklamcılık	100,00	100,00	-	-	100,00	100,00	46,96	46,96
Bravo TV	99,60	99,60	-	-	99,60	99,60	46,71	46,77
Doğa TV	96,00	95,38	1,33	1,54	97,33	96,92	45,08	44,79
Altın Kanal	99,35	99,35	0,22	0,22	99,57	99,57	46,65	46,65
Stil TV	98,81	98,81	-	0,79	98,81	99,60	46,34	46,40
Dinamik TV	99,74	99,74	-	0,13	99,74	99,87	46,78	46,83
Elit TV	98,73	98,73	-	0,64	98,73	99,37	46,30	46,36
D Çocuk	99,12	100,00	-	-	99,12	100,00	46,48	43,63
GS TV	99,57	99,57	0,29	0,29	99,86	99,86	46,69	46,75
Dönence TV	96,00	95,38	2,67	3,08	98,67	98,46	45,02	44,79
Fleks TV	97,86	97,86	1,43	1,43	99,29	99,29	45,89	45,95
Meridyen TV	99,98	95,38	0,01	3,08	99,99	98,46	46,90	44,79
Planet TV	99,47	99,47	0,35	0,35	99,82	99,82	46,65	46,71
Deniz TV	99,72	99,72	-	-	99,72	99,72	46,77	46,82

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands 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 (%)	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Doğan Prodüksiyon	100,00	100,00	-	-	100,00	100,00	46,96	46,96
Doğan TV Digital	98,42	98,42	1,05	1,05	99,47	99,47	46,16	46,21
Kutup TV	99,69	99,69	0,21	0,21	99,90	99,90	46,75	46,81
Galaksi TV	99,07	99,07	-	-	99,07	99,07	46,46	46,52
Hürbim	99,92	99,92	-	-	99,92	99,92	46,92	46,92
Koloni TV	86,67	84,62	6,67	7,69	93,34	92,31	40,70	39,73
Atılgan TV	86,67	84,62	6,67	7,69	93,34	92,31	40,70	39,73
Atmosfer TV	86,67	84,62	3,33	3,85	90,00	88,47	40,64	39,73
Gümüş TV	92,86	92,86	1,79	1,79	94,65	94,65	43,55	43,60
Platin TV	91,30	91,30	2,17	2,17	93,47	93,47	42,82	42,87
Yörünge TV	97,06	97,06	0,74	0,74	97,80	97,80	45,52	45,57
Lapis Televizyon	90,00	88,46	3,33	3,85	93,33	92,31	42,26	41,54
Safir Televizyon	90,00	88,46	3,33	3,85	93,33	92,31	42,26	41,54
Tematik TV	90,00	88,46	3,33	3,85	93,33	92,31	42,26	41,54
Akustik TV	99,95	88,46	0,02	3,85	99,97	92,31	46,91	41,54
Ametist TV	99,95	88,46	0,02	3,85	99,97	92,31	46,93	41,54
Süper Kanal	96,80	96,00	-	-	96,80	96,00	45,40	45,08
Uydu	52,00	40,00	38,67	48,33	90,67	88,33	24,42	18,78
Mobil	75,00	75,00	-	-	75,00	75,00	35,22	35,22
Matis TV (2)	100,00	-	-	-	100,00	-	46,96	-
Yonca TV (2)	100,00	-	-	-	100,00	-	46,96	-
Kanal D Romanya	74,90	74,90	-	-	74,90	74,90	39,09	35,89
ZAO NPK	100,00	100,00	-	-	100,00	100,00	25,45	25,45
Kisokos Directory kereskedelmi es Szolgaltato kft	100,00	100,00	-	-	100,00	100,00	25,45	25,45
D Radyo	97,22	95,57	-	-	97,22	95,57	45,65	44,88
Hürriyet Radyo	97,22	99,89	-	-	97,22	99,89	45,65	46,90
CNN Türk Radyo	95,60	95,60	-	-	95,60	95,60	44,89	44,89
DMC	99,94	99,94	0,02	0,02	99,96	99,96	46,93	46,93
İnteraktif Medya	75,00	75,00	-	-	75,00	75,00	35,22	35,22
DMK	100,00	100,00	-	-	100,00	100,00	63,02	63,02
Hürservis	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Smile Pratik	100,00	100,00	-	-	100,00	100,00	63,02	63,02
Smile Tedarik	100,00	100,00	-	-	100,00	100,00	63,02	63,02
Smile Sigorta	99,99	99,99	-	-	99,99	99,99	63,01	63,01
Birpa	99,95	99,95	0,02	0,02	99,97	99,97	62,98	62,98
Doğan Online	100,00	100,00	-	-	100,00	100,00	63,01	63,01
Doğan Factoring	100,00	100,00	-	-	100,00	100,00	62,11	62,11
Milpa	65,00	65,00	0,50	0,50	65,50	65,50	65,00	65,00
Milanur	100,00	99,99	-	0,01	100,00	100,00	65,01	65,00
Doğan Oto	99,76	99,76	0,24	0,24	100,00	100,00	99,76	99,76
Enteralle Handels	95,48	95,48	4,52	4,52	100,00	100,00	62,06	62,06
Orta Anadolu Otomotiv	85,00	85,00	-	-	85,00	85,00	84,95	82,84
Doğan Havacılık	100,00	100,00	-	-	100,00	100,00	86,97	86,97
Çelik Halat	66,28	66,28	-	-	66,28	66,28	66,28	66,28
Ditaş Doğan	53,33	53,33	-	-	53,33	53,33	53,33	53,33
Milta Turizm	98,29	98,29	-	-	98,29	98,29	98,29	98,29
Doğan Organik	94,50	90,00	5,50	10,00	100,00	100,00	94,49	89,99

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands 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 (%)	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007
D Tes	99,60	99,60	-	-	99,60	99,60	64,74	64,74
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	66,23	66,22
Doğan Enerji	99,99	99,99	-	-	99,99	99,99	99,99	99,99
D-Yapı Romanya (1)	100,00	-	-	-	100,00	-	100,00	-

- (1) These subsidiaries were acquired in 2008.  
(2) These subsidiaries were established in 2008.  
(3) The registered name of Birmaş Birleşik Televizyon Reklam Pazarlama A.Ş changed to Mozaik İletişim Hizmetleri A.Ş. in 2008.

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.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

- (d) Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings over which the Group generally has between 20% and 50% of the voting rights; which Doğan Holding, its Subsidiaries and its Joint Ventures own by means of the voting rights they have along with the voting rights arising from the shares Doğan family holds; or over which the Group has significant influence, but no controlling power. Unrealised gains on transactions between the Group and its associated undertakings are eliminated to the extent of the Group's interest in the associated undertakings; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Equity accounting is discontinued when the carrying amount of the investment in an associated undertaking reaches zero, unless the Doğan Holding has incurred obligations or guaranteed obligations in respect of the associated undertaking or significant influence of the Company ceases. The carrying amount of the investment at the date when significant influence ceases is regarded as cost thereafter (Note 16).

The table below sets out the associates accounted for using the equity method of accounting, the proportion of voting power held by Doğan Holding and its subsidiaries and effective ownership interests at 31 March 2008 and 31 December 2007:

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 (%)	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Ray Sigorta A.Ş. ("Ray Sigorta")	20,00	20,00	-	-	20,00	20,00	20,00	20,00

- (e) 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 Group does not exercise a significant influence, or which are immaterial and that do not have quoted market price in active markets and whose fair values cannot be measured reliably, are carried at cost less any provision for diminution in value (Note 7).

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.

- (f) The minority shareholders' share in the net assets and results for the period 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.

## CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

### DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

#### NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

##### 2.1.5 Comparative information, changes in accounting policies and restatement of prior period financial statements

Where necessary, comparative figures have been reclassified to conform to the changes in presentation of consolidated financial statements in the current period.

- The sale of the newspapers through the subscription system, which were presented as gross in the consolidated statement of income for the period ended 31 March 2007, have been reclassified in order to result in a more appropriate presentation with the consolidated statement of income for the period ended 31 March 2008. As a result of this reclassification, sales and cost of sales for the period ended 31 March 2007 has been decreased by YTL 20.050. The reclassification has no effect on the reported net profit (please refer to Note 2.2.33 for critical accounting judgements).
- Group has restated 31 March 2007 segment reporting information to conform consolidated financial statements in the current period. (Note 5)
- As of 31 March 2008, Group has early adopted IFRS 8 “Operating Segments” standard (it has been started from the period ended 31 December 2007) that will be effective for the periods beginning on or after 1 January 2009 and accordingly restated 31 March 2007 segment reporting information to conform comparative financial statements. As a result of abovementioned restatement, companies at “Media” and “Other” segments were reclassified in respect to management reporting (Note 1). This restatement has no effect on reported net profit for the period (Note 5).
- Group has presented financial statements in thousands of New Turkish Lira (“YTL”) as of 31 March 2008, in order to conform comparative financial statements, 31 December 2007 financial statements and related notes have been converted from New Turkish Lira (“YTL”) to thousands of YTL.
- Trade receivables: The items amounting to YTL 3.981, included in “Leasing receivables” at 31 December 2007, have been reclassified to “Trade receivables” in the current period.
- Other receivables: The items amounting to YTL 23.980, included in “Trade receivables” at 31 December 2007, have been reclassified to “Other receivables” in the current period.
- Other current assets: The items amounting to YTL 18.241, included in “Inventories”, and the items amounting to YTL 41.495, included in “Other receivables” at 31 December 2007, have been reclassified to “Other current assets” in the current period.
- Non current assets held for sale: The items amounting to YTL 4.387, included in “Other non-current assets” at 31 December 2007, have been reclassified to “assets held for sale in the current period.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

**2.1.5 Comparative information, changes in accounting policies and restatement of prior period financial statements (Continued)**

- Other long term receivables: The items amounting to YTL 2.007, included in “Long-term Trade Receivables” at 31 December 2007, have been reclassified to “Other Receivables” in the current period.
- Long term trade receivables: The items amounting to YTL 4.196, included in “Leasing receivables” at 31 December 2007, have been reclassified to “Trade receivables” in the current period.
- Other non-current assets: The items amounting to YTL 1.906, included in “Property, plant and equipment” and the items amounting to YTL 3.169, included in “Other receivables” at 31 December 2007, have been reclassified to “Other non-current assets” in the current period.
- Borrowings: The items amounting to YTL 15.212, included in “Leasing receivables” and the items amounting to YTL 15.853, included in “Trade payables” at 31 December 2007, have been reclassified to “Borrowings” in the current period.
- Long-term borrowings: The items amounting to YTL 27.501, included in “Leasing payables”, the items amounting to YTL 103.432, included in “Other payables” and the items amounting to YTL 83.272, included in “Trade payables” at 31 December 2007, have been reclassified to “Long-term borrowings” in the current period.
- Other payables: The items amounting to YTL 4.295, included in “Advances received” at 31 December 2007, have been reclassified to “Other payables” in the current period.
- Other current liabilities: The items amounting to YTL 13.827, included in “Other financial liabilities” at 31 December 2007, have been reclassified to “Other current liabilities” in the current period.
- Current income tax liabilities: The items amounting to YTL 29.028, included in “Provisions” at 31 December 2007, have been reclassified to “Current income tax liabilities” in the current period.
- Other long-term payables: The items amounting to YTL 40.485, included in “Advances received” at 31 December 2007, have been reclassified to “Other payables” in the current period.
- Provision for employment benefits: The items amounting to YTL 26.726, included in “Provisions” at 31 December 2007, have been reclassified to “Provision for employment benefits” in the current period.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

**2.1.5 Comparative information, changes in accounting policies and restatement of prior period financial statements (Continued)**

- Financial investments: The items amounting to YTL 6.080, included in “Financial assets” at 31 December 2007, have been reclassified to “Financial investments” in the current period.
- Investments accounted for by the equity method: The items amounting to YTL 21.842, included in “Financial assets” at 31 December 2007, have been reclassified to “Investments accounted for by the equity method” in the current period.
- Adjustment to share capital: The items amounting to YTL 331.903, included in “Inflation adjustment to shareholders’ equity” at 31 December 2007, have been reclassified to “Adjustment to share capital” in the current period.
- Restricted reserves: The items amounting to YTL 15.762, included in “Legal reserves” and the items amounting to YTL 761.623, included in “Investment and property sales income to be added to the capital” at 31 December 2007, have been reclassified to “Restricted reserves” in the current period.
- Retained earnings: The items amounting to YTL 323.465, included in “Inflation adjustment to shareholders’ equity”, the items amounting to YTL 11.748, included in “Extraordinary reserves” and the items amounting to YTL 2.361, included in “Other reserves” at 31 December 2007, have been reclassified to “Retained earnings” in the current period.

**2.1.6 Significant accounting estimates and decisions**

The preparation of the consolidated financial statements requires the use of judgments 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 judgments and estimates are based on the best estimates of the Company’s management, the actual results might differ from them.

**2.1.7 Offsetting**

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

**2.2 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 2.1.4, followed in the preparation of these consolidated financial statements are summarized below:

## CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

### DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

#### NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

##### 2.2.1 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 37).

##### 2.2.2 Marketable securities and Financial Investments

Group classifies its marketable securities and financial investments as “financial assets at fair value through profit or loss” and “available-for-sale investments”.

“*Financial assets at fair value through profit or loss*” 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, independent from acquisition reason. 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.

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

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

##### 2.2.3 Sale and repurchase agreements

Securities purchased under agreements to resell (“reverse repo”) are recorded as reverse repurchase agreements (Note 6). The difference between sales and repurchase prices is treated as interest and amortized over the life of reverse repo agreements using the effective yield method.

## CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

### DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

#### NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

##### 2.2.4 Trade receivables and provision for doubtful receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Trade receivables that deferred financial income is netted-off and calculated by discounting amounts that will be collected of trade receivables recorded in the original invoice value in the subsequent periods using the effective yield method. Short duration receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant (Note 10).

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.

##### 2.2.5 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventory are purchase costs and other costs necessary to prepare the asset for its intended use. Cost of inventories is determined on the moving weighted average basis and weighted average basis. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses (Note 13).

##### 2.2.6 Investment properties

Buildings and land held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services, or for administrative purposes or sale in the ordinary course of business, are classified as investment property. Investment properties are carried at cost less accumulated depreciation. Investment properties (except land) are depreciated on a straight-line basis. Depreciation is calculated on the values of investment properties (Note 17). 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.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

**2.2.7 Property, plant and equipment**

Property, plant and equipment is carried at cost less accumulated depreciation. Property, plant and equipment are depreciated on a straight-line basis (Note 18).

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	2 - 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 is 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.

Costs to property plant and equipment are included in the asset’s carrying amount or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statements during the financial period in which they were incurred.

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 equipments.

**2.2.8 Leases**

***Financial Lease***

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 the leasing. The capital element is treated as a reduction to 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.

## CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

### DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

#### NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

##### 2.2.8 Leases (Continued)

###### *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.

##### 2.2.9 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 framework of IFRS 3 “Business Combinations”, amortization accounting is not applied for goodwill related to the acquisitions after 31 March 2004, and the carrying value of goodwill is reviewed and adjusted for permanent impairment where it is considered necessary (Note 20).

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 the acquisitions after 31 March 2004 is recorded as income in the related period. According to IFRS 3, goodwill associated with the transactions before 31 March 2004 will not be amortized starting from the beginning of the first annual period beginning on or after 1 January 2005 and it will be reviewed annually for impairment. The carrying amount of negative goodwill arising from prior periods, which was presented in the consolidated financial statements, is adjusted to retained earnings as of 1 January 2005, in accordance with IFRS 3.

## CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

### DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

#### NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

##### 2.2.10 Intangible assets

Intangible assets comprise brand names, customer lists, terrestrial broadcasting permissions and licenses (frequency rights), other identified rights, computer software and television programme rights. The right of marina usage held by the Subsidiary, Milta Turizm, is amortized in 49 years in accordance with the agreement signed with Privatization Administration (Note 19).

Useful lives of certain brand names of the media segment are determined to be infinite (Note 19). Infinite lived intangible assets are not amortized and tested annually for impairment.

The terrestrial frequencies are limited in Turkey, accordingly, since 1994 no new national broadcasting company is allowed to operate. However, in the current practice, national broadcasting companies started broadcasting prior to 1994 continue to operate. The Turkish Radio and Television Supreme Council (“RTÜK”) has not yet conducted a tender for terrestrial broadcasting permissions and licences (frequency rights). The subsidiaries of the Group operating in media segment currently do not have any conflicts or disagreements with RTÜK. Therefore, it has been concluded that terrestrial broadcasting permissions and licenses (frequency rights) have an infinite useful life. Infinite lived intangible assets are not amortized and tested annually for impairment.

Estimated useful lives of the finited lived intangible assets for the media segment are as follows:

	Years
Trademark	20
Customer lists	9 - 18
Other intangible assets	5 - 20

Useful lives acquired through the purchase of POAŞ shares, which is a joint venture of the Group under the energy segment, along with dealer and customer agreements of intangible assets in the consolidated financial statements 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 equity 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 in the value assessment.

## CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

### DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

#### NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

Television programme rights are carried at cost less accumulated amortization (Note 19).

Programme rights include Group’s in-house productions and acquired broadcasting rights. These rights are amortized as discussed below:

- Soaps, in-house productions, domestic serials, game shows, music shows, child programmes, sport programmes and other events and documentaries are fully amortized upon the first transmission and are associated with cost of sales.
- Domestic and foreign movies and foreign series are amortized by taking into consideration the number of broadcast runs acquired.

Intangible assets are disclosed with their net value which is acquisition cost less accumulated amortization.

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.

##### 2.2.11 Programme stocks

Programme stocks comprise internal and external productions that have been produced but not yet broadcasted. These programmes are charged to income statement upon the first transmission and included as cost of sales in the consolidated statement of income (Note 26).

##### 2.2.12 Taxes

Tax provision for the period consists of current year tax and deferred tax. Current year tax liability consists of tax liability which is calculated through the tax rates enacted by the balance sheet date of taxable profit of the profit and adjustment records related to previous year 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 by 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 of tax bases.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

**2.2.12 Taxes (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 35).

**2.2.13 Provisions, contingent assets and liabilities**

If the Group has liabilities from previous events, will probably sells 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.

Assets resulted from previous events and existence of these assets confirmed with realization of one or more uncertain events which are not wholly controlled by the Group are assessed as contingent assets. If the probability of economical beneficial assets introduction to the entity is assessed as high, contingent assets are displayed in the notes.

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.

**2.2.14 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 INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

---

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

**2.2.15 Eurobonds**

Eurobonds are recognized initially at their fair value, being their issue proceeds net of transaction costs incurred. Eurobonds 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.

**2.2.16 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.

**2.2.17 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 24).

**2.2.18 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.

**2.2.19 Foreign currency transactions**

*Functional currency*

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in New Turkish Lira, which is the functional currency of the Group.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

*Foreign currency transactions and balances*

Income and expenses arising in foreign currencies have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into YTL at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated statement of income.

*Foreign Group companies*

The results of Group undertakings using a measurement currency other than YTL are first translated into New Turkish lira by using the average exchange rate for the period. The assets and liabilities of such Group undertakings are translated into YTL by using the closing rate at the balance sheet date. Differences arising on retranslation of the opening net assets of such Group undertakings and differences between the average and period-end rates are included in currency translation reserve as a separate item in the shareholders’ equity.

A significant portion of the Group’s foreign operations are performed in Russia, Europe and Eastern Europe countries (Note 5). Foreign currencies and exchange rates at 31 March 2008 and 31 December 2007 are summarized below:

<b>Country</b>	<b>Currency unit</b>	<b>31 March 2008</b>	<b>31 December 2007</b>
Euro zone	Euro	2,0156	1,7102
Russia	Ruble	0,0540	0,0475
Hungary	Forint	0,0078	0,0067
Croatia	Kuna	0,2757	0,2335
Ukraine	Grivna	0,2504	0,2266
Romania	Ley	0,5373	0,4465
England	Pound	2,5483	2,3259
Georgia	Lari	0,8682	0,6582
Bahamas	Bahamian Dollar	1,3285	1,1764

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

---

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

**2.2.20 Revenue recognition**

**a) Media segment**

Revenues include the invoiced value of sales of goods and services. Revenues are recognized on an accrual basis at the time deliveries or acceptances are made and risk and benefits are transferred, 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 the consideration received or receivable. Net sales represent the invoiced value of goods shipped less sales returns and commission.

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 interest income on a time proportion basis that takes into account the effective yield on the asset (Note 28).

***Revenues from advertisements***

Revenue from advertisement is recognized on an accrual basis at the time of broadcasting or printing the advertisement in the related media at the invoiced values.

***Revenues from newspaper and magazine sales***

Revenue from newspaper and magazine sales is recognized on an accrual basis at the time of delivery of the newspapers by the distribution company to the dealer at the invoiced values.

***Revenues from printing services***

Income from printing arises from printing services given to third parties other than Group companies by using Group’s printing facilities. Related income is recognized on an accrual basis at the time of services given.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

**2.2.20 Revenue recognition**

**b) Energy segment**

Revenue is recognized on accrual basis at the fair value of the amount obtained or to be obtained based on the assumptions that delivery is realized, the income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is probable. Net sales are calculated after the sales returns and sales discounts are deducted.

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- The Group transfers the significant risks and rewards of ownership of the goods to the buyer,
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity,
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Accounting policy regarding the accounting of Special Consumption Tax (“SCT”) which is required to be paid upon declaration to T.C. Ministry of Finance as an outcome of the sale of imported goods is through adding SCT amounts on sales and cost of sales respectively, this has not effect on gross and net profit.

**c) Other segment**

Revenue is recognized on the invoiced amount on an accrual basis at the time of deliveries or acceptances are made. Net sales represent the invoiced value of goods shipped less sales returns and commission. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using the effective yield method. 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.

***Other revenues***

Interest income is recognized on a time proportion basis and income accrual is ascertained by taking effective and remaining maturity interest rates into account.

Dividend income from investments is recognized when the shareholders’ rights to receive payment have arisen.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

**2.2.21 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.

**2.2.22 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.

**2.2.23 Liquid Assets**

Cash and cash equivalents include cash and amounts due from banks, and short-term, highly liquid investments, which have insignificant risk of value in exchange with maturity periods of less than 12 months.

**2.2.24 Cash and cash equivalents**

Cash flow statements as integral part of financial statements are prepared so as 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 the changing conditions.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with insignificant risk of value in exchange and original maturities of 3 months or less and marketable securities with original maturities of less than 3 months.

**2.2.25 Earnings per share**

Earnings per share disclosed in the consolidated statements of income are determined by dividing net profit by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“Bonus Shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, such Bonus Share issuances are regarded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by giving retroactive effect to the issuances of the shares without consideration (Note 36).

In case of dividend payment, earning per share is determined on existing number of shares (1.500.000.000) rather than the weighted average numbers of shares.

## CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

### DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

#### NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

##### 2.2.26 Segment reporting

As of 31 December 2007, Group has early adopted IFRS 8 “Operating Segments” standard that will be effective for the periods beginning on or after 1 January 2009. Industrial segment is an operational group that provides products and services which are exposed to different risks and benefits other than other industrial segments and for management reporting purposes, is composed of three main groups, namely “Media”, “Energy” and “Other”.

##### 2.2.27 Accounting of derivative financial instruments and hedging transactions

###### a) *Derivative financial instruments*

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 22).

###### b) *Accounting for put-options*

Under the terms of certain share purchase agreements, the Group may commit to acquire the interests owned by minority shareholders in subsidiaries, if these minority interests wish to sell their share of interests.

IAS 32, “Financial Instruments: Disclosure and Presentation”, requires the value of such put option to be presented as a financial liability on the balance sheet for the discounted value of the expected exercise price of this option, notwithstanding the ability of the Company to settle part of these obligations with its own shares and not cash. In addition, the share of minority shareholders in the net asset of the company subject to the put option is presented in “other financial liabilities” instead of “minority interests” in the consolidated balance sheet. The Group presents, on initial recognition, the difference between the exercise price of the option and the carrying value of the minority interests first as a reduction of minority interest and then as additional goodwill. The discount amount is recognized in financial expense in the subsequent period whereas any subsequent change in the fair value of the commitment is accounted for as goodwill (Note 20).

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

**2.2.28 Minority interests**

Minority interests present the shares of minority shareholders in the net assets and the results of the period for the Subsidiaries and are separately disclosed 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 except to the extent that the minority has a binding obligation to, and is able to make good the losses.

**2.2.29 Business combinations**

The purchase method of accounting is used to account for the acquisition of subsidiaries. If the acquisition cost is higher than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as goodwill. Goodwill recognised in a business combination is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. 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 acquirer’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 acquisition cost is lower than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as income in the related period.

**2.2.30 Impairment of assets**

The Group reviews all assets except goodwill at each balance sheet date in order to see if there is a sign of impairment on the stated asset. If there is such a sign, carrying amount of the stated asset will be compared with the net realizable value which is the higher of value in use and fair value less cost to sell. Impairment exists if the carrying value of an asset or a cash generating unit including the asset is greater than its value in use or fair value less cost to sell. Impairment losses are recognized in the consolidated income statement.

**2.2.31 Change in accounting policies, accounting estimates and errors**

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

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

**2.2.32 Deferred financial income/expenses**

Deferred financial income/expenses represent financial income and expenses on futures sales and purchases. Throughout the sales and purchases in the credit and purchases period, income and expenses are computed using an effective interest rate method and disclosed under financial income and expenses (Note 32 and 33).

**2.2.33 Critical Accounting Estimates, Assumptions and Judgements**

**a) Critical accounting estimates and assumptions**

**Media segment:**

Group estimates that the useful lives of brand names and territorial broadcasting permissions and licenses (frequency rights) are infinite as further discussed in Note 2.2.10. If these intangible assets' useful lives had been finite (in case of useful lives of 20 years) amortization charge would have increased by YTL 4.162 and loss before income taxes from continuing operations would have increased by YTL 4.162.

Group amortizes finite lived brand names and customer lists over their useful lives discussed in Note 2.2.10.

If the useful lives of brand names and customer lists differ from the management's estimates by 10%, the effects on the financial statements for the three-month interim period ended would be as follows:

- if the useful lives had been higher by 10%, amortization would have decreased by YTL 501 and loss before income taxes from continuing operations would have decreased by YTL 501 or,
- if the useful lives had been lower by 10%, amortization would have increased by YTL 605 and loss before income taxes from continuing operations would have increased by YTL 605.

**Energy segment:**

Group estimates the useful lives of trademarks of energy segment are infinite as further discussed in Note 2.2.10. If these intangible assets' useful lives had been finite (in case of useful lives of 20 years), amortization charge would have increased by YTL 1.723 and loss before taxes from continuing operations would have increased by YTL 1.723.

## CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

### DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

#### NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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

##### *b) Critical accounting judgements*

Group presents sales of prepaid phone cards (prepaid minutes) related with mobile telecommunication services and newspaper and magazine sales (excluding transactions with related parties and newspapers distributed through subscription system) as gross.

Management believes that the decision to record revenue gross versus net is a matter of professional judgement that is dependent upon the relevant facts and circumstances. Management evaluated the following factors and indicators in coming to the conclusion:

- The Group has latitude, within economic constraints, to set the selling price with the customer,
- The Group has general inventory risk. The Group purchases the newspapers and magazines from suppliers and sells them to its dealers through its distribution network. The Group returns the newspapers and magazines returned by its dealers to the original supplier. The general inventory risk is carried approximately for a week for newspaper and magazine sales,
- The Group has the credit risk associated with the transaction.

##### **2.2.34 Recent changes in CMB Financial Reporting Standards**

The standard that is not yet effective as of 31 March 2008 and has been early adopted by the Group is discussed below:

As of 31 December 2007, the Group has early adopted IFRS 8 “Operating Segments” that will be effective for the periods beginning on or after 1 January 2009 and reclassified the companies under “Media” and “Other” segments in respect to management reporting (Note 1 and Note 2.1.4).

The changes that are not yet effective by 31 March 2008, but expected to have significant impact on the Group’s consolidated financial statements when effective is discussed below:

IAS 27 “Consolidated and Separate Financial Statements” is revised in January 2008. The revised IAS 27 is effective for annual periods beginning on or after 1 July 2009.

The revised IAS 27 requires the entities to apply the “Economic Entity Model” for changes in a parent’s ownership interest in a subsidiary that do not result in the loss of control. The previous IAS 27 allowed the entities to apply the “Parent Company Model” or the “Economic Entity Model”.

The “Economic Entity Model” requires changes in a parent’s ownership interest in a subsidiary that do not result in the loss of control to be accounted for within equity.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 3 - BUSINESS COMBINATIONS**

The details of the business combinations during the three-month periods ended 31 March 2008 and 2007 are as follows:

**1 January - 31 March 2008**

***Vatan Newspaper***

Doğan Gazetecilik, a subsidiary of the Group, acquired 40,16% shares of Bağımsız Gazeteciler, which owns Vatan Gazetesi brand and its franchise right, in consideration of YTL 8.534 (USD 7,2 million) and 100% shares representing the capital of Kemer Yayıncılık ve Gazetecilik A.Ş., which has a 59,84% shareholding in the share capital of Bağımsız Gazeteciler, taking into account the fact that almost all of Kemer Yayıncılık ve Gazetecilik A.Ş.’s assets are composed of its participation in Bağımsız Gazeteciler, in consideration of YTL 12.719 (USD 10,8 million) on 13 March 2008.

Group accounted for the acquisition provisionally (as permitted by IFRS 3 “Business Combinations”) as at 31 March 2008. The fair value study and purchase price allocation is in progress and will be completed within one year as allowed by IFRS 3.

The fair values of acquired identifiable assets, liabilities, contingent liabilities and cost of acquisition are as follows:

Current assets	23.302
Non-current assets	61.459
Current liabilities	(115.311)
Non-current liabilities	(12.769)
<b>Fair value of net assets</b>	<b>(43.319)</b>
Less: cost of acquisition	21.253
<b>Goodwill (Note 20)</b>	<b>(64.572)</b>

If the acquisition transaction, the details of that are given above, had taken place on 1 January 2008, revenue of the Group would have been YTL 2.566.904 and loss attributable to equity holders of the Group would have been YTL 17.881.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 3 - BUSINESS COMBINATIONS (Continued)**

Group acquired 2,5% and 0,27% of the shares of Hürriyet Pazarlama and POAŞ respectively in 2008. Goodwill amounting to YTL 5.080 arose as a result of these transactions since Group chose “Parent Company Model” for business combinations (Note 20).

**1 January - 31 March 2007**

***Trader Media East (“TME”)***

Hürriyet, a subsidiary of the Group, acquired 67,3% of the shares of TME in consideration of YTL 435.385 on 29 March 2007. The provisional purchase price allocation during 31 March 2007 resulted in goodwill amounting YTL 556.539. The provisional purchase price allocation as at 31 March 2007 was subsequently completed at 31 December 2007 and the amount of goodwill is revised to YTL 240.237.

The statement of income of TME has been included in the consolidated statement of income after 31 March 2007.

The fair values of acquired identifiable assets, liabilities, contingent liabilities and cost of acquisition are as follows:

Current assets	55.838
Non-current assets	187.755
Current liabilities	(248.004)
Non-current liabilities	(61.549)
Minority interests	(55.194)
<b>Fair value of net assets</b>	<b>(121.154)</b>
Less: cost of acquisition	435.385
<b>Goodwill (Note 20)</b>	<b>556.539</b>

If the acquisition transaction of TME had taken place on 1 January 2007, revenue of the Group would have been YTL 2.181.880 and profit attributable to equity holders of the Group would have been YTL 133.524.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 4 - JOINT VENTURES**

Doğan Holding has the following joint ventures (the “Joint Ventures”). The countries the Joint Ventures are registered in, the nature of their businesses and the respective business segments of the Joint Ventures and Joint Venture Partners are as follows:

<b>Joint Ventures</b>	<b>Country</b>	<b>Nature of business</b>	<b>Segment</b>	<b>Joint venture partner</b>
Petrol Ofisi A.Ş. (“POAŞ”) (*)	Turkey	Distribution of petroleum products	Energy	OMV Aktiengesellschaft (“OMV”)
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. (“DB”)	Turkey	Magazine publishing	Media	Burda GmbH
DB Popüler Dergiler Yayıncılık A.Ş. (“DB Popüler”)	Turkey	Magazine publishing	Media	Burda GmbH
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. (“Doğan Egmont”)	Turkey	Magazine publishing	Media	Egmont
Dergi Pazarlama Planlama ve Ticaret A.Ş. (“DPP”)	Turkey	Planning	Media	Burda RCS Int. GmbH
Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. (“Ultra Kablolu”)	Turkey	Telecommunication	Media	Koç Holding A.Ş.
Eko TV Televizyon Yayıncılık A.Ş. (“CNN Türk”)	Turkey	TV broadcasting	Media	Turner Broadcasting Inc.
Doğan Teleshopping Pazarlama ve Ticaret A.Ş. (“Doğan Teleshopping”)	Turkey	TV broadcasting	Media	Television Française 1
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti (“Birey İK”)	Turkey	Internet services	Media	Doğan Portal ve Elektronik Ticaret A.Ş.
Katalog Yayın ve Tanıtım Hizmetleri A.Ş. (“Katalog”)	Turkey	Guide publishing	Media	Seat Pagine Gialle SPA
Turner Doğan Prodüksiyon ve Satış A.Ş. (“Turner”)	Turkey	Radio broadcasting	Media	Turner Broadcasting Inc.
DD Konut Finansman A.Ş. (“DD Konut Finansman”)	Turkey	Housing finance	Other	Deutsche Bank AG
Aslancık Elektrik Üretim ve Ticaret Ltd. Şti. (“Aslancık Elektrik”)	Turkey	Energy	Other	Doğuş Holding A.Ş. Doka Elektrik Üretim A.Ş. and Anadolu Endüstri Holding A.Ş.
Boyabat Elektrik Üretim ve Ticaret Ltd. Şti. (“Boyabat Elektrik”)	Turkey	Energy	Other	Doğuş Holding A.Ş. Unit Investment N.V. and Doğuş İnşaat ve Ticaret A.Ş.
İsedaş İstanbul Elektrik Dağıtım Sanayi ve Ticaret A.Ş. (“İsedaş”)	Turkey	Energy	Energy	Tekfen İnşaat A.Ş. and Çukurova Holding A.Ş.

(\*) POAŞ has 52% shares in Kıbrıs Türk Petrolleri Ltd. (“Kipet”), 100% shares in PO Petrofinance N.V. (“Petrofinance”), 100% shares in PO Oil Financing Ltd. (“PO Oil Financing”), 99,96% shares in Erk Petrol Yatırımları A.Ş. (“Erk Petrol”), 99,89% shares in Petrol Ofisi Alternatif Yakıtlar Toptan Satış A.Ş. (“PO Alternatif Yakıt”), 100% shares in PO Georgia LLC (“PO Georgia”), 99,99% shares in Petrol Ofisi Akdeniz Rafinerisi Sanayi ve Ticaret A.Ş. (“Petrol Ofisi Akdeniz”) and 99,75% shares in Petrol Ofisi Gaz İletim A.Ş. (“PO Gaz İletim”) (All the subsidiaries of POAŞ are registered in Turkey except for Kipet in KKTC, Petrofinance in Holland and PO Oil Financing in Cayman Islands). As of 31 August 2007, the operations of PO International were ceased and those operations previously held by PO International are performed by POAŞ.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOT 4 - JOINT VENTURES (Continued)**

The table below sets out the Joint Ventures, the proportion of voting power held by Doğan Holding, its subsidiaries and Doğan family and effective ownership interests at 31 March 2008 and 31 December 2007:

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 (%)	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007
POAŞ (1)	53,77	53,50	-	-	53,77	53,50	53,77	53,50
DB	42,58	40,72	-	-	42,58	40,72	26,83	25,66
DB Popüler	42,58	40,72	-	-	42,58	40,72	26,82	40,72
Doğan Egmont	50,00	50,00	-	-	50,00	50,00	31,51	31,51
DPP	46,00	46,00	10,00	10,00	56,00	56,00	20,18	20,17
Ultra Kablolu	50,00	50,00	-	-	50,00	50,00	31,51	31,51
CNN Türk	75,04	75,04	-	-	75,04	75,04	35,24	47,06
Doğan Teleshopping	50,00	50,00	-	-	50,00	50,00	23,48	23,48
Birey İK	50,00	50,00	50,00	-	100,00	50,00	21,98	25,13
Katalog	50,00	100,00	-	-	50,00	100,00	31,51	63,02
Turner Reklam	49,99	49,99	-	-	49,99	49,99	23,47	23,47
DD Konut Finansman	47,00	96,00	4,00	4,00	51,00	100,00	38,31	78,25
Aslancık Elektrik	25,00	25,00	-	-	25,00	25,00	25,00	25,00
Boyabat Elektrik	33,0	33,00	-	-	33,00	33,00	33,00	33,00
İsedaş	40,00	40,00	5,00	5,00	45,00	45,00	40,00	40,00

(1) 0,27% shares of this joint venture were acquired in 2008.

The aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities and net revenues of joint ventures included in the consolidated financial statements by using the proportionate consolidation method are as follows:

	31 March 2008	31 December 2007
Current assets	1.585.735	1.398.762
Non-current assets	1.819.111	1.794.738
<b>Total assets</b>	<b>3.404.846</b>	<b>3.193.500</b>
Current liabilities	751.599	866.194
Non-current liabilities	1.162.354	835.751
Equity	1.490.893	1.491.555
<b>Total liabilities and equity</b>	<b>3.404.846</b>	<b>3.193.500</b>
	<b>31 March 2008</b>	<b>31 March 2007</b>
Revenues	1.846.394	1.418.587
Gross profit	118.361	77.604
Net loss for the period	(25.659)	(120.782)

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 5 - SEGMENT REPORTING**

**a) External Revenues**

	<b>31 March 2008</b>	<b><i>Restated</i> 31 March 2007</b>
Media (*)	669.809	494.658
Energy	1.823.120	1.397.852
Other (*)	57.522	209.370
	<b>2.550.451</b>	<b>2.101.880</b>

**b) Loss/(profit) before income taxes**

	<b>31 March 2008</b>	<b><i>Restated</i> 31 March 2007</b>
Media (*)	(119.302)	524.629
Energy	(44.345)	(226.981)
Other (*)	89.253	64.695
	<b>(74.394)</b>	<b>362.343</b>

(\*) Since the Group has early adopted IFRS 8 “Operating Segments” standard that will be effective for the periods beginning on or after 1 January 2009, accordingly segmental information was restated for “Media” and “Other” segments, reported as of 31 March 2007, was restated due to comparative principle.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 5 - SEGMENT REPORTING (Continued)**

**c) Segmental analysis for the three-month period as of 31 March 2008:**

	<b>Media (*)</b>	<b>Energy</b>	<b>Other</b>	<b>Inter segment elimination</b>	<b>Total</b>
External revenues	669.809	1.823.120	57.522	-	2.550.451
Intra segment revenues	487.003	-	1.462	-	488.465
Inter segment revenues	1.741	1.424	9.489	-	12.654
<b>Total revenues</b>	<b>1.158.553</b>	<b>1.824.544</b>	<b>68.473</b>	<b>-</b>	<b>3.051.570</b>
<b>Total cost of sales</b>	<b>(957.795)</b>	<b>(1.710.465)</b>	<b>(65.195)</b>	<b>-</b>	<b>(2.733.455)</b>
Revenues	671.550	1.824.544	67.011	(12.654)	2.550.451
Cost of sales	(528.578)	(1.710.465)	(64.883)	9.519	(2.294.407)
<b>Gross profit</b>	<b>142.972</b>	<b>114.079</b>	<b>2.128</b>	<b>(3.135)</b>	<b>256.044</b>
Marketing, selling and distribution expenses	(80.665)	(41.602)	(2.525)	655	(124.137)
General administrative expenses	(80.412)	(28.265)	(18.019)	2.509	(124.187)
Other (expenses)/income, net	(5.617)	855	(762)	(29)	(5.553)
Financial income	53.058	57.045	129.397	-	239.500
Financial expenses	(155.443)	(146.664)	(13.954)	-	(316.061)
<b>Operating (loss)/profit -before inter segment elimination</b>	<b>(126.107)</b>	<b>(44.552)</b>	<b>96.265</b>	<b>-</b>	<b>(74.394)</b>
Profit/(loss) elimination due to inter segment elimination	(6.805)	207	(7.012)	-	-
<b>Operating (loss)/profit after inter segment elimination</b>	<b>(119.302)</b>	<b>(44.345)</b>	<b>89.253</b>	<b>-</b>	<b>(74.394)</b>

(\*) Doğan Yayın is the parent company of “Media” segment. Since Doğan Yayın has significant influence over Gayrimenkul and Doğan Hava, these subsidiaries are accounted for using the equity method by Doğan Yayın while they are consolidated on a line-by-line basis by the Group. These subsidiaries are classified under “Other” segment by the Group.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 5 - SEGMENT REPORTING (Continued)**

**d) Segmental analysis for the three-month period as of 31 March 2007;**

	<i>Restated Media (*)</i>	<i>Energy</i>	<i>Restated Other</i>	<i>Inter segment elimination</i>	<i>Total</i>
External revenues	494.658	1.397.852	209.370	-	2.101.880
Intra segment revenues	408.087	-	1.596	-	409.683
Inter segment revenues	2.397	911	12.402	-	15.710
<b>Total revenues</b>	<b>905.142</b>	<b>1.398.763</b>	<b>223.368</b>	<b>-</b>	<b>2.527.273</b>
<b>Total cost of sales</b>	<b>(763.961)</b>	<b>(1.326.969)</b>	<b>(218.284)</b>	<b>-</b>	<b>(2.309.214)</b>
Revenues	497.055	1.398.763	221.772	(15.710)	2.101.880
Cost of sales	(414.968)	(1.326.969)	(217.886)	11.882	(1.947.941)
<b>Gross profit</b>	<b>82.087</b>	<b>71.794</b>	<b>3.886</b>	<b>(3.828)</b>	<b>153.939</b>
Marketing, selling and distribution expenses	(61.357)	(32.840)	(4.102)	4.159	(94.140)
General administrative expenses	(47.217)	(33.333)	(21.325)	(177)	(102.052)
Other income/(expenses), net	596.873	(247.833)	1.545	251	350.836
Financial income	43.426	69.388	90.333	13	203.160
Financial expenses	(23.244)	(54.574)	(71.164)	(418)	(149.400)
<b>Operating profit/(loss) - before inter segment elimination</b>	<b>590.568</b>	<b>(227.398)</b>	<b>(827)</b>	<b>-</b>	<b>362.343</b>
(Loss)/profit elimination due to inter segment elimination	(65.939)	417	(65.522)	-	-
<b>Operating profit/(loss) after inter segment elimination</b>	<b>524.629</b>	<b>(226.981)</b>	<b>64.695</b>	<b>-</b>	<b>362.343</b>

(\*) Doğan Yayın is the parent company of “Media” segment. Since Doğan Yayın has significant influence over Gayrimenkul and Doğan Hava, these subsidiaries are accounted for using the equity method by Doğan Yayın while they are consolidated on a line-by-line basis by the Group. These subsidiaries are classified under “Other” segment by the Group.

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 5 - SEGMENT REPORTING (Continued)

e) Segment assets

	31 March 2008	31 December 2007
<b><u>Total assets</u></b>		
Media	4.342.715	4.064.148
Energy	3.333.349	3.145.880
Other	2.126.452	1.900.196
<b>Total</b>	<b>9.802.516</b>	<b>9.110.224</b>
Less: segment elimination	(88.290)	(41.775)
<b>Total assets per consolidated financial statements</b>	<b>9.714.226</b>	<b>9.068.449</b>
<b><u>Net assets</u></b>		
Media	1.854.880	1.910.626
Energy	1.440.390	1.458.243
Other	1.810.617	1.450.131
<b>Total</b>	<b>5.105.887</b>	<b>4.819.000</b>
Less: segment elimination	(1.338.398)	(1.061.425)
<b>Shareholders' equity</b>	<b>3.767.489</b>	<b>3.757.575</b>
Minority interests	1.177.257	1.205.781
<b>Total net assets per consolidated financial statements</b>	<b>4.944.746</b>	<b>4.963.356</b>

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 5 - SEGMENT REPORTING (Continued)

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

	1 January - 31 March 2008	<i>Restated</i> 1 January - 31 March 2007
<b><u>Capital Expenditures</u></b>		
Media	120.721	232.457
Energy	28.461	40.521
Other	11.271	30.551
<b>Total</b>	<b>160.453</b>	<b>303.529</b>

**Depreciation and amortization charge**

Media	50.725	39.048
Energy	33.533	34.787
Other	5.846	6.442
<b>Total</b>	<b>90.104</b>	<b>80.277</b>

g) **Minority interests**

	<u>31 March 2008</u>			<u>31 December 2007</u>		
	Doğan Family	Other	Total	Doğan Family	Other	Total
Media	94.870	1.051.464	1.146.334	93.377	1.079.057	1.172.434
Energy	-	111	111	-	276	276
Other	3.626	27.186	30.812	6.900	26.171	33.071
	<b>98.496</b>	<b>1.078.761</b>	<b>1.177.257</b>	<b>100.277</b>	<b>1.105.504</b>	<b>1.205.781</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

**NOTE 5 - SEGMENT REPORTING (Continued)**

**h) Non-cash expenses**

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

	<b>31 March 2008</b>			
	<b>Media</b>	<b>Energy</b>	<b>Other</b>	<b>Total</b>
Interest expense accrual	20.755	1.345	10	22.110
Provision for doubtful receivables	1.555	238	932	2.725
Provision for employment termination benefits	748	375	380	1.503
Provision for lawsuits	243	-	823	1.066
	<b>23.301</b>	<b>1.958</b>	<b>2.145</b>	<b>27.404</b>

  

	<b>31 March 2007</b>			
	<b>Media</b>	<b>Energy</b>	<b>Other</b>	<b>Total</b>
Interest expense accrual	10.735	8.114	652	19.501
Provision for lawsuits	363	2.661	123	3.147
Provision for doubtful receivables	1.564	13.590	3.414	18.568
Provision for employment termination benefits	2.022	413	934	3.369
Impairment of inventories	371	-	177	548
	<b>15.055</b>	<b>24.778</b>	<b>5.300</b>	<b>45.133</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

**NOTE 6 - CASH AND CASH EQUIVALENTS**

The breakdown of cash and cash equivalents at 31 March 2008 and 31 December 2007 are as follow:

	<b>31 March 2008</b>	<b>31 December 2007</b>
Cash	7.642	26.678
Banks		
- demand deposits	98.687	76.571
- time deposits	2.503.896	2.237.013
- blocked bank deposits	10.995	11.372
- reverse repurchase agreements	1.450	-
	<b>2.622.670</b>	<b>2.351.634</b>

At 31 March 2008, interest rates for YTL time deposits are between 12% and 18% (31 December 2007: 12%-19%) and interest rates for foreign currency time deposits are between 3% and 7% (31 December 2007: 2%-7%). As of 31 March 2008, reverse repurchase agreements are all short-term with periods of less than three months with an interest rate of 17% (31 December 2007: None).

Cash and cash equivalents amounting to YTL 10.914 (31 December 2007: YTL 9.892) at 31 March 2008 consists of credit card slip receivables. These receivables are blocked by banks approximately for one month period with respect to the agreements made. As of 31 March 2008, YTL 81 of the deposits are provided to collateralize the remittance commission obtained from the Group's campaign owners (31 December 2007: YTL 6).

At 31 March 2008, Group does not have blocked deposits that are provided to collateralize the letter of credit purchases (31 December 2007: YTL 1.474).

Cash and cash equivalents included in the consolidated statements of cash flows at 31 March 2008, 31 December 2007 and 31 December 2006 as follows:

	<b>31 March 2008</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
Liquid assets up to 3 months	2.457.723	2.197.101	1.946.957
Marketable securities up to 3 months	47.622	48.916	29.561
Accrued interest (-)	(10.434)	(8.695)	(8.893)
<b>Cash and cash equivalents</b>	<b>2.494.911</b>	<b>2.237.322</b>	<b>1.967.625</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

**NOTE 7 - FINANCIAL INVESTMENTS**

**a) Short term financial investments**

The analysis of financial assets as at fair value through profit and loss at 31 March 2008 and 31 December 2007 is as follows:

	<b>31 March 2008</b>	<b>31 December 2007</b>
Government bonds and treasury bills	19.720	21.255
Equity stocks	4.091	2.839
Other	-	364
	<b>23.811</b>	<b>24.458</b>

Maturity analysis of financial assets as at fair value through profit and loss at 31 March 2008 and 31 December 2007 is as follows:

	<b>31 March 2008</b>	<b>31 December 2007</b>
Up to 3 months	4.091	3.209
3 to 12 months	1.675	2.094
More than 12 months	18.045	19.155
	<b>23.811</b>	<b>24.458</b>

As of 31 March 2008, best purchase price on actual orders by the end of the second session 31 March 2008 are undertaken on determination of the fair value of government bonds and treasury bills. As of 31 March 2008, effective interest rate of government bonds and treasury bills is 18% (31 December 2007: 18%).

**b) Non-current financial investments**

	<b>31 March 2008</b>	<b>31 December 2007</b>
Available-for-sale investments, net	9.207	6.080
	<b>9.207</b>	<b>6.080</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

**NOTE 7 - FINANCIAL INVESTMENTS (Continued)**

**Available-for-sale financial investments**

	<b>31 March 2008</b>		<b>31 December 2007</b>	
	<b>YTL</b>	<b>%</b>	<b>YTL</b>	<b>%</b>
Aks Televizyon Reklamcılık ve Filmcilik Sanayi ve Ticaret A.Ş.	2.923	9	2.923	9
Marbleton Property Fund L.P	5.406	9	2.272	9
D Tes	123	100	123	100
Other	755	-	762	-
	<b>9.207</b>		<b>6.080</b>	

**NOTE 8 - BORROWINGS AND FINANCIAL LIABILITIES**

<b>Short term financial liabilities:</b>	<b>31 March 2008</b>	<b>31 December 2007</b>
Short-term bank borrowings	306.720	192.991
Short-term portion of long-term borrowings	206.506	131.070
Interest bearing payables to suppliers	17.410	15.853
Financial lease liabilities	15.457	15.212
<b>Total</b>	<b>546.093</b>	<b>355.126</b>

<b>Long term financial liabilities:</b>	<b>31 March 2008</b>	<b>31 December 2007</b>
Long-term bank borrowings	1.657.731	1.355.474
Financial liabilities related with options	115.249	103.432
Interest bearing payables to suppliers	95.317	83.272
Financial lease liabilities	31.513	27.501
<b>Total</b>	<b>1.899.810</b>	<b>1.569.679</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

**NOTE 8 - BORROWINGS AND FINANCIAL LIABILITIES (Continued)**

**i. Borrowings**

Breakdown of borrowings and eurobonds at 31 March 2008 and 31 December 2007 are as follows:

	<b>31 March 2008</b>			<b>31 December 2007</b>		
	<b>YTL</b>	<b>Foreign currency</b>	<b>Total</b>	<b>YTL</b>	<b>Foreign currency</b>	<b>Total</b>
<b>Short-term borrowings and eurobond</b>						
Short-term borrowings	165.333	141.387	306.720	125.303	67.688	192.991
Short-term portion of long-term borrowings	6.370	198.428	204.798	125	126.790	126.915
Eurobond	-	1.708	1.708	-	4.155	4.155
<b>Total short-term borrowings and eurobond</b>	<b>171.703</b>	<b>341.523</b>	<b>513.226</b>	<b>125.428</b>	<b>198.633</b>	<b>324.061</b>

	<b>31 March 2008</b>			<b>31 December 2007</b>		
	<b>YTL</b>	<b>Foreign currency</b>	<b>Total</b>	<b>YTL</b>	<b>Foreign currency</b>	<b>Total</b>
<b>Long-term borrowings and eurobond</b>						
Long-term borrowings	334.798	1.202.822	1.537.620	400	1.246.028	1.246.428
Eurobond	-	120.111	120.111	-	109.046	109.046
<b>Total long-term borrowings and eurobond</b>	<b>334.798</b>	<b>1.322.933</b>	<b>1.657.731</b>	<b>400</b>	<b>1.355.074</b>	<b>1.355.474</b>

The redemption schedules of long-term borrowings and eurobonds at 31 March 2008 and 31 December 2007 are summarized below:

<b>Year</b>	<b>31 March 2008</b>	<b>31 December 2007</b>
2009	655.195	626.010
2010	402.857	274.751
2011	260.892	147.940
2012 and over	338.787	306.773
<b>Total</b>	<b>1.657.731</b>	<b>1.355.474</b>

Weighted average of effective interest rates for YTL, USD and EUR short-term borrowings are 16%, 7% and 6%, respectively (31 December 2007: 16%, 7% and 6%).

Weighted average of effective interest rates for USD and EUR long-term borrowings are 7% and 6%, respectively (31 December 2007: 7% and 5%).

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

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**NOTE 8 - BORROWINGS AND FINANCIAL LIABILITIES (Continued)**

At 31 March 2008, the amount of borrowings with floating interest rates is YTL 1.534.662 (31 December 2007: YTL 1.104.778).

The floating rate bank borrowings denominated in USD which represents a significant portion of total bank borrowings of the Group, have interest rates fluctuating between Libor + 1,4% and Libor + 2,8% (London Interbank Offered Rate).

Hürriyet, a subsidiary of the Group, obtained a long-term bank borrowing amounting to USD 240,9 million in order to partially finance the acquisition of TME shares in 2007, and Doğan TV, a subsidiary of the Group, obtained a long-term bank borrowing amounting to 146,7 million in order to partially finance the acquisition of Star TV Ticari ve İktisadi Bütünlüğü in 2005 and for financing its working capital needs in 2007 and 2006. The Group have to meet general commitments and financial covenants with respect to these long-term borrowings (financial covenants mainly related to ratio of earnings before interest, taxes and depreciation and amortization (“EBITDA”) to net debt amount). Unless these covenants are met, the financial institution may immediately demand the repayment of the borrowings totally or partially with accumulated interest. Companies meet these financial covenants.

All the shares held in TME by Hürriyet (67,3% shares of TME) were pledged for the borrowings to financial institutions. Hürriyet meets these financial covenants.

In addition, TME signed a facility agreement amounting to USD 200 million for financing its investments. A part of this agreement amounting to USD 144,8 million has been obtained at 31 December 2007.

**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 (USD 94.094 with the Holding’s ownership interest) is registered at Luxembourg Stock Exchange. The Eurobond issued has a maturity of five years; beginning on 22 July 2004 and maturing on 22 July 2009. The Eurobond has a fixed interest rate of 9,75% and the interest will be paid semi-annually. As of 31 March 2008, short-term portion of the bonds amount to YTL 3.177 (with Doğan Holding’s ownership interest YTL 1.708) and long-term portion of the bonds amount to YTL 223.388 (with Doğan Holding’s ownership interest YTL 120.111) (31 December 2007: YTL 7.766 (with Doğan Holding’s ownership interest YTL 4.155) and YTL 203.823 (with Doğan Holding’s ownership interest YTL 109.046)).

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

**NOTE 8 - BORROWINGS AND FINANCIAL LIABILITIES (Continued)**

**ii) Financial liabilities related with options:**

At 19 November 2007 during the capital increase of Doğan Gazetecilik, the Group sold 22.000.000 shares each having face value of YTL 1 and corresponding to 28% of Doğan Gazetecilik's, a subsidiary, share capital which is 78.000, to Deutsche Bank AG in ISE Wholesale Market in consideration of USD 4 per share, by limiting the existing shareholders' share purchase rights.

There are put and call option agreements between Doğan Yayın Holding and Deutsche Bank AG upon the shares of Doğan Gazetecilik. According to the call option agreement, the Group has the call option from Deutsche Bank AG for 19.800.000 shares of Doğan Gazetecilik, and according to the put option agreement, Deutsche Bank AG has the put option to Doğan Holding A.Ş. for 22.000.000 shares of Doğan Gazetecilik. Maturities of both agreements are 5 years 3 months and end at 19 February 2013. It is possible to use the call option before maturity. In this case, the values of shares that are subject to the call option at the exercise date will be determined according to calculations.

According to the put option agreement mentioned above, since the Group has a liability of giving another entity cash or another financial asset (in the case the put option is exercised by Deutsche Bank AG), USD 88 million is presented as a financial liability in the consolidated financial statements. As per the put option agreement, the put option exercise price will be calculated by considering the initial price and the interest rate of Libor + 2%.

**iii) Financial leasing payables**

The Group acquired property, plant and equipment through finance leases.

The redemption schedules of long-term leasing payables at 31 March 2008 and 31 December 2007 are summarized below:

	<b>31 March 2008</b>	<b>31 December 2007</b>
2009	15.624	13.291
2010	7.605	6.367
2011	5.228	4.559
2012 and over	3.056	3.284
<b>Total</b>	<b>31.513</b>	<b>27.501</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

**NOTE 8 - BORROWINGS AND FINANCIAL LIABILITIES (Continued)**

**iv) Interest bearing payables to suppliers:**

Interest bearing payables to suppliers are related to the machinery and equipment purchases of Hürriyet, a subsidiary of the Group. Effective interest rates of long-term trade payables in USD, EUR, CHF are 5,3%, 4,8% and 3,9%, respectively (31 December 2007: USD 5,5%, EUR 4,7%, CHF 3,8%).

The maturity analysis of long-term interest bearing payables to suppliers at 31 March 2008 and 31 December 2007 is as follows:

	<b>31 March 2008</b>	<b>31 December 2007</b>
2009	19.690	20.361
2010	19.647	16.410
2011	19.275	16.070
2012	18.974	15.814
2013 and over	17.731	14.617
<b>Total</b>	<b>95.317</b>	<b>83.272</b>

Interest bearing payables to suppliers have floating interest rates and YTL 105.574 (31 December 2007: YTL 97.719) of the borrowings will be repriced within 6 months.

**NOTE 9 - OTHER FINANCIAL LIABILITIES**

The details of other financial liabilities at 31 March 2008 and 31 December 2007 are as follows:

<b>Other long-term financial liabilities:</b>	<b>31 March 2008</b>	<b>31 December 2007</b>
Financial liabilities due to put options (Note 22)	26.320	17.850
	<b>26.320</b>	<b>17.850</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

**NOTE 10 - TRADE RECEIVABLES AND PAYABLES**

	<b>31 March 2008</b>	<b>31 December 2007</b>
<b><u>Short-term trade receivables</u></b>		
Trade receivables, net of unearned finance income	1.069.308	1.084.183
Notes receivables and cheques, net of unearned finance income	395.183	403.160
Other	297	279
	<b>1.464.788</b>	<b>1.487.622</b>
Less: provision for doubtful receivables (-)	(122.469)	(118.288)
	<b>1.342.319</b>	<b>1.369.334</b>
<b><u>Long-term trade receivables</u></b>		
Trade receivables, net of unearned finance income	14.396	7.956
Notes receivables and cheques, net of unearned finance income	570	308
	<b>14.966</b>	<b>8.264</b>

As of 31 March 2008, YTL 5.032 (31 December 2007: YTL 3.981) of short-term trade receivables consists of financial leasing receivables. Smile Dağıtım A.Ş. ("Smile Dağıtım"), a subsidiary of the Group, allows its dealers to use the furniture and fixtures acquired by means of financial leasing. With respect to the clauses indicated in the agreements between Smile Dağıtım and its dealers, the rent transaction between the parties is considered as financial lease. All of the financial lease receivables of the Group at 31 March 2008 and 31 December 2007 reflect the rent receivables from the dealers.

At 31 March 2008, YTL 6.068 (31 December 2007: YTL 4.196) of short-term trade receivables consist of financial leasing receivables.

Movement of the provisions for doubtful receivables for the three-month period ended 31 March is as follows:

	<b>2008</b>	<b>2007</b>
1 January	118.288	92.666
Increase in provision	2.725	18.568
Collections	(2.639)	(6.847)
Business combinations	4.892	3.568
Currency translation differences	(536)	-
Change in consolidation scope	(261)	-
<b>31 March</b>	<b>122.469</b>	<b>107.955</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

**NOTE 10 - TRADE RECEIVABLES AND PAYABLES (Continued)**

*Aging analysis of trade receivables*

As of 31 March 2008, trade receivables of YTL 233.206 (31 December 2007: YTL 128.550) were past due but not impaired as doubtful receivables. The Group does not foresee any collection risk for receivables less than one month overdue due to sector dynamics and circumstances. Media and Other segments trade receivables that are overdue for over a month and Energy segment trade receivables that are overdue for over 90 days are restructured and a due date difference is charged. The Group does not expect collection risk since there are guarantee notes, guarantee cheques, mortgages and bails obtained for these receivables. The existence of overdue trade receivables is sector characteristic as described above and was similar in previous periods.

At 31 March 2008 the Group has letters of guarantee, guarantee notes, guarantee cheques, insurance, cash guarantees and mortgages amounting to YTL 155.018 (31 December 2007: YTL 158.974).

Aging of past due receivables at 31 March 2008 and 31 December 2007 as follows:

	<b>31 March 2008</b>	<b>31 December 2007</b>
Up to 3 months	185.197	98.731
3 to 6 months	20.786	18.345
Over 6 months	27.223	11.474
	<b>233.206</b>	<b>128.550</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

**NOTE 10 - TRADE RECEIVABLES AND PAYABLES (Continued)**

**Short-term trade payables**

	<b>31 March 2008</b>	<b>31 December 2007</b>
Trade payables, net of unincurred credit finance charges (*)	799.709	827.989
Notes payable, net of unincurred credit finance charges	14.047	22.215
Other	427	1.308
	<b>814.183</b>	<b>851.512</b>

**Long-term trade payables**

	<b>31 March 2008</b>	<b>31 December 2007</b>
Trade payables, net of unincurred credit finance charges (*)	588.228	495.432
	<b>588.228</b>	<b>495.432</b>

(\*) There are letter of credits, purchased from several banks, of POAŞ, joint venture of the Group, in short and long-term trade payables due to fuel purchases.

At 31 December 2007, the non-interest bearing letters of credit amounts to YTL 201.042 (USD 157.495) (31 December 2007: YTL 110.981 (USD 95.287)). The interest bearing letters of credit (interest bearing) amounts to YTL 88.654 (USD 69.444) and weighted average interest rate is 6,15% (31 December 2007: YTL 141.129 (USD 121.172) with interest rates of 5,52% respectively).

The long-term USD letters of credit (non-interest bearing) amounts to YTL 518.505 (USD 406.193) (31 December 2007: YTL 416.548 (USD 357.644)). Letters of credit (interest-bearing) amounts to YTL 69.251 (USD 54.251) and weighted average interest rate is 6,29% (31 December 2007: YTL 67.353 (USD 57.828) with interest rate 6,31%).

Non-interest bearing letter of credits are recognized at fair value at initial recognition. In subsequent periods these letter of credits are measured at amortized cost, using the effective interest rate method. Effective interest rates used for long-term and short-term non-interest bearing letters of credit are 5,07% and 5,80% respectively (31 December 2007: 5,25% and 5,78%).

The redemption schedules of long-term trade payables are summarized below:

	<b>31 March 2008</b>	<b>31 December 2007</b>
2009	386.544	364.506
2010 and over	201.684	130.926
	<b>588.228</b>	<b>495.432</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

**NOTE 11 - OTHER RECEIVABLES AND PAYABLES**

	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>Other short-term receivables</b>		
Deposits and guarantees given (1)	24.052	23.980
Special Consumption Tax ("SCT") Exemption (2)	9.403	22.155
Receivables from Privatization Administration ("PA")	2.472	2.454
Other miscellaneous receivables	11.691	11.781
	<b>47.618</b>	<b>60.370</b>
<b>Other long-term receivables</b>		
Deposits and guarantees given	2.542	2.007
Other miscellaneous receivables	606	273
	<b>3.148</b>	<b>2.280</b>

- (1) YTL 23.243 of the short-term deposits and guarantees given represents the guarantees for future transactions and realized future trading losses. (31 December 2007: YTL 23.964)
- (2) SCT exemption amount consists of exemption certificates, obtained for SCT exempted good deliveries and could be used in purchases from Türkiye Petrol Rafinerileri A.Ş. ("Tüpraş") but not be used yet.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

**NOTE 11 - OTHER RECEIVABLES AND PAYABLES (Continued)**

	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>Other short-term liabilities</b>		
Taxes and withholding payables	178.799	196.380
Fuel purchase certificates (1)	34.503	55.697
Payables to personnel	22.009	15.483
Order advances received	10.399	2.196
Liabilities related to business combinations (2)	10.209	-
Deposits and guarantees received	525	2.099
Other	14.359	27.418
	<b>270.803</b>	<b>299.273</b>
<b>Other long-term liabilities</b>		
Advances received (3)	86.699	40.485
Deposits and guarantees received	11.141	-
Other long-term liabilities	11.599	4.426
	<b>109.439</b>	<b>44.911</b>

- (1) At 31 March 2008 and 31 December 2007, the fuel purchase certificates shown in current liabilities are the certificates issued but not used by the customers.
- (2) USD 10 million of the cost of acquisition, details of which are explained in Note 3 and amounts to USD 18 million in total, was paid in cash and the remaining USD 8 million corresponding to YTL 10.209 is classified in other payables.
- (3) At 31 March 2008 long-term advances received amounting to YTL 61.122 is related with the construction of Automall Project of Hürriyet Pazarlama subsidiary of the Group in İstanbul Bağcılar (31 December 2007: YTL 40.425).

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

**NOTE 12 - RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR OPERATIONS**

None (31 December 2007: None).

**NOTE 13 - INVENTORIES**

	<b>31 March 2008</b>	<b>31 December 2007</b>
Finished goods and merchandise	424.845	427.785
Raw materials and supplies (*)	185.449	101.952
Semi-finished goods	54.948	9.331
Promotion stocks	14.928	9.837
Other inventories	27.780	29.769
	<b>707.950</b>	<b>578.674</b>
Less: provision for impairment on inventories	(5.170)	(2.028)
	<b>702.780</b>	<b>576.646</b>

(\*) At 31 March 2008, land cost for construction of D Yapı Romanya, a subsidiary of the Group, amounting to YTL 98.548 is represented as raw material and suppliers.

Other inventories mainly consist of fuel in transit and lubricants.

**NOTE 14 - BIOLOGICAL ASSETS**

As of 31 March 2008, biological assets amount to YTL 170 (31 December 2007: YTL 75).

**NOTE 15 - CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING**

Group has no construction contract receivables and construction progress billings (31 December 2007: None).

**NOTE 16 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD**

**Associates**

	<b>31 March 2008</b>		<b>31 December 2007</b>	
	<b>YTL</b>	<b>%</b>	<b>YTL</b>	<b>%</b>
Ray Sigorta	8.649	20	8.426	20
Boyabat Elektrik Üretim ve Ticaret Ltd. Şti.	-	-	13.416	33
	<b>8.649</b>		<b>21.842</b>	

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish Lira (YTL) unless otherwise indicated. Currencies other than YTL are expressed in thousands otherwise indicated.)

**NOTE 16 - INVESTMENTS VALUED BY EQUITY METHOD (Continued)**

The movements in associates during the periods ended 31 March 2008 and 2007 are as follows:

	<b>2008</b>	<b>2007</b>
1 January	21.842	-
Reclassification in consolidation scope	(13.416)	-
Share of gains of associates	223	-
<b>31 March</b>	<b>8.649</b>	<b>-</b>

**NOTE 17 - INVESTMENT PROPERTY**

	<b>1 January 2008</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 March 2008</b>
<b>Cost:</b>				
Land and land improvements	32.629	315	-	32.944
Buildings	31.339	2.548	-	33.887
	<b>63.968</b>	<b>2.863</b>	<b>-</b>	<b>66.831</b>
<b>Accumulated depreciation:</b>				
Land and land improvements	148	1	-	149
Buildings	15.257	197	-	15.454
	<b>15.405</b>	<b>198</b>	<b>-</b>	<b>15.603</b>
<b>Net book value</b>	<b>48.563</b>			<b>51.228</b>
	<b>1 January 2007</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 March 2007</b>
<b>Cost:</b>				
Land and land improvements	38.347	-	(97)	38.250
Buildings	14.236	-	(641)	13.595
	<b>52.583</b>	<b>-</b>	<b>(738)</b>	<b>51.845</b>
<b>Accumulated depreciation:</b>				
Land and land improvements	139	1	-	140
Buildings	7.219	105	-	7.324
	<b>7.358</b>	<b>106</b>	<b>-</b>	<b>7.464</b>
<b>Net book value</b>	<b>45.225</b>			<b>44.381</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 18 - PROPERTY, PLANT AND EQUIPMENT**

Movement for property, plant and equipment and related depreciation for the three-month period ended 31 March 2008 is as follows:

	<b>1 January 2008</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Business combinations</b>	<b>Change in consolidation scope</b>	<b>Currency translation differences</b>	<b>31 March 2008</b>
<b>Cost:</b>								
Land and land improvements	245.008	8.302	-	-	-	474	1.689	255.473
Buildings	418.767	460	(300)	-	-	688	4.458	424.073
Machinery and equipment	1.313.329	6.790	(302)	288	-	1.632	9.425	1.331.162
Motor vehicles	100.737	3.076	(642)	-	416	40	293	103.920
Furniture and fixtures	242.229	7.387	(1.481)	8	1.039	67	2.049	251.298
Leasehold improvements	287.415	2.749	(365)	17.836	733	898	43	309.309
Other fixed assets	286.704	3.912	(1.320)	1.368	-	1.419	-	292.083
Construction in progress	26.260	30.914	(793)	(19.500)	5	62	123	37.071
	<b>2.920.449</b>	<b>63.590</b>	<b>(5.203)</b>	<b>-</b>	<b>2.193</b>	<b>5.280</b>	<b>18.080</b>	<b>3.004.389</b>
<b>Accumulated depreciation:</b>								
Land and land improvements	36.870	1.353	-	-	-	166	-	38.389
Buildings	96.321	2.940	(245)	-	-	52	686	99.754
Machinery and equipment	927.117	17.822	(127)	-	-	1.384	3.924	950.120
Motor vehicles	34.934	3.608	(496)	-	-	23	66	38.135
Furniture and fixtures	174.700	4.733	(338)	-	-	46	734	179.875
Leasehold improvements	101.338	7.813	(90)	-	-	184	11	109.256
Other fixed assets	125.256	5.888	(102)	-	-	624	-	131.666
	<b>1.496.536</b>	<b>44.157</b>	<b>(1.398)</b>	<b>-</b>	<b>-</b>	<b>2.479</b>	<b>5.421</b>	<b>1.547.195</b>
<b>Net book value</b>	<b>1.423.913</b>							<b>1.457.194</b>

Machinery and equipment, furniture and fixtures, motor vehicles and leasehold improvements include finance leased assets amounting to YTL 47.991 YTL 411 YTL 921 and YTL 26.411 respectively, at 31 March 2008. The accumulated depreciation related to finance leased assets amounts to YTL 49.538 at 31 December 2007.

At 31 March 2008, mortgages on property, plant and equipment amounts to YTL 16.388 (31 December 2007: YTL 13.917) (Note 23).

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 18- PROPERTY, PLANT AND EQUIPMENT (Continued)**

Movement for property, plant and equipment and related depreciation for the three-month period ended 31 March 2007 is as follows:

	<b>1 January 2007</b>	<b>Additions</b>	<b>Business combinations (1)</b>	<b>Disposals</b>	<b>Transfers (2)</b>	<b>Impairment (reverser)/ provision</b>	<b>Currency translation differences</b>	<b>31 March 2007</b>
<b>Cost:</b>								
Land and land improvements	232.938	47	192	(15)	1.118	-	(62)	234.218
Buildings	433.202	392	4.718	(99)	2.397	-	(111)	440.499
Machinery and equipment	1.287.886	1.805	17.082	(7.120)	823	-	(313)	1.300.163
Motor vehicles	102.238	8.258	1.560	(47.266)	37.674	-	-	102.464
Furniture and fixtures	239.403	5.094	6.421	(1.447)	81	208	(7)	249.753
Leasehold improvements	213.745	3.753	316	(716)	27.188	-	-	244.286
Other fixed assets	272.766	20.696	-	(146)	(34.323)	-	-	258.993
Construction in progress	26.982	52.855	1.884	(594)	(34.962)	-	-	46.165
	<b>2.809.160</b>	<b>92.900</b>	<b>32.173</b>	<b>(57.403)</b>	<b>(4)</b>	<b>208</b>	<b>(493)</b>	<b>2.876.541</b>
<b>Accumulated depreciation:</b>								
Land and land improvements	29.405	1.308	-	(9)	-	-	-	30.704
Buildings	95.145	2.959	-	(8)	-	-	(22)	98.074
Machinery and equipment	917.611	16.920	-	(3.474)	-	-	(116)	930.941
Motor vehicles	42.598	4.066	-	(17.610)	-	-	-	29.054
Furniture and fixtures	183.743	4.208	-	(1.293)	-	-	(4)	186.654
Leasehold improvements	76.931	5.948	-	(155)	-	-	-	82.724
Other fixed assets	95.396	5.780	-	(143)	-	-	-	101.033
	<b>1.440.829</b>	<b>41.189</b>	<b>-</b>	<b>(22.692)</b>	<b>-</b>	<b>-</b>	<b>(142)</b>	<b>1.459.184</b>
<b>Net book value</b>	<b>1.368.331</b>							<b>1.417.357</b>

(1) Trader Media East Limited (“TME”) is acquired during 2007 by a subsidiary of the Group, Hürriyet. Amounts related to this acquisition are shown under “Business combinations” column.

(2) Transfer amounting to YTL 4 is related to intangible assets (Note 19).

Machinery and equipment, furniture and fixtures, motor vehicles and leasehold improvements include finance leased assets amounting to YTL 53.147, YTL 2.499, YTL 1.629, and YTL 16.491 respectively, at 31 March 2007. The accumulated depreciation related to finance leased assets amounts to YTL 48.939 at 31 March 2007.

At 31 March 2007, mortgages on property, plant and equipment amounts to YTL 11.405 (31 December 2006: YTL 23.900).

Group has disposed its aircraft for USD 21.100 as of 31 March 2007 classified in motor vehicles.

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.  
NOTES TO THE REVIEWED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 19 - INTANGIBLE ASSETS**

Movement for intangible assets and related amortization for the three-month periods ended 31 March 2008 and 2007 is as follows:

	1 January 2008	Additions	Business combinations	Disposals	Change in consolidation scope	Currency translation differences	31 March 2008
<b>Cost:</b>							
Dealer contracts	492.981	-	-	-	2.465	-	495.446
Brand names of energy segment	137.821	-	-	-	689	-	138.510
Customer contracts	40.336	-	-	-	202	-	40.538
Customer list	252.682	-	-	-	-	31.535	284.217
Brand names of media segment	368.752	-	57.347	-	-	37.404	463.503
Terrestrial broadcasting permission and license	57.406	-	-	-	-	-	57.406
Other	240.395	6.543	230	(587)	60	5.468	252.109
	<b>1.590.373</b>	<b>6.543</b>	<b>57.577</b>	<b>(587)</b>	<b>3.416</b>	<b>74.407</b>	<b>1.731.729</b>
<b>Accumulated amortization:</b>							
Dealer contracts	190.626	16.135	-	-	953	-	207.714
Customer contracts	23.338	1.583	-	-	117	-	25.038
Customer list	11.834	3.961	-	-	-	1.487	17.282
Brand names of media segment	9.346	1.311	-	-	-	114	10.771
Other	167.001	3.133	-	(157)	36	2.189	172.202
	<b>402.145</b>	<b>26.123</b>	<b>-</b>	<b>(157)</b>	<b>1.106</b>	<b>3.790</b>	<b>433.007</b>
Programme rights	59.033						69.160
<b>Net book value</b>	<b>1.247.261</b>						<b>1.367.882</b>

Movement for programme rights in 2008:

	1 January 2008	Additions	Disposals	Amortisation	Currency translation differences	31 March 2008
Programme rights	59.033	27.687	-	(19.626)	2.066	69.160

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.  
NOTES TO THE REVIEWED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 19 - INTANGIBLE ASSETS (Continued)**

	1 January 2007	Additions	Business combinations	Disposals	Transfers (3)	Currency translation differences	31 March 2007
<b>Cost:</b>							
Dealer contracts (1)	487.536	-	-	-	-	-	487.536
Brand names of energy segment (1)	135.836	-	-	-	-	-	135.836
Customer contracts (1)	39.966	-	-	-	-	-	39.966
Brand names of media segment (2)	78.984	-	129.747	-	-	-	208.731
Terrestrial broadcasting permission and license (2)	57.406	-	-	-	-	-	57.406
Other	195.652	5.030	12.797	(432)	4	(5)	213.046
	<b>995.380</b>	<b>5.030</b>	<b>142.544</b>	<b>(432)</b>	<b>4</b>	<b>(5)</b>	<b>1.142.521</b>
<b>Accumulated depreciation:</b>							
Dealer contracts	115.013	18.631	-	-	-	-	133.644
Customer contracts	14.645	2.142	-	-	-	-	16.787
Brand names of media segment	4.445	996	-	-	-	-	5.441
Other	155.759	2.021	-	(83)	-	(3)	157.694
	<b>289.862</b>	<b>23.790</b>	<b>-</b>	<b>(83)</b>	<b>-</b>	<b>(3)</b>	<b>313.566</b>
Programme rights	27.231						42.921
<b>Net book value</b>	<b>732.749</b>						<b>871.876</b>

	1 January 2007	Additions	Disposals	Amortisation	31 March 2007
Movement for programme rights in 2007:					
Programme rights	27.231	30.882	-	(15.192)	42.921

(1) These intangible assets are included in the consolidated financial statements after the acquisition of POAŞ, Joint Venture of the Group, shares.

(2) These intangible assets are included in the consolidated financial statements after the acquisition of “Star TV İktisadi ve Ticari Bütünlüğü” from Savings Deposit Insurance Fund at 17 November 2005, and the acquisition of Trader Media East Ltd. by a subsidiary of the Group, Hürriyet in 2007.

(3) YTL 4 of transfer is related with tangible assets (Note 18).

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 19 - INTANGIBLE ASSETS (Continued)**

*Intangible assets with infinite useful lives*

As at 31 March 2008, it is determined that brand names for media segment with carrying value of YTL 300.430 and brand name of the energy segment amounting to YTL 138.510 have infinite useful lives (31 December 2007: YTL 265.966 brand name of the media segment and YTL 137.821 brand name of the energy segment). The utilization period of brand names with infinite useful life, as expected by the Group, is determined based on the stability of the industry, changes in market demands as to the products and services provided through assets, control period over the assets and legal or similar restrictions on their utilization.

The terrestrial frequencies are limited in Turkey; accordingly, since 1994 no new national broadcasting company is allowed to operate, and in the current practice, national broadcasting companies started broadcasting prior to 1994 continue to operate. RTÜK has not yet conducted a tender for terrestrial broadcasting permissions and licences (frequency rights). The subsidiaries of the Group operating in media segment currently do not have any conflicts or disagreements with RTÜK or any other governmental authority regarding frequency usage. Therefore, it has been concluded that terrestrial broadcasting permissions and licenses (frequency rights) amounting to YTL 57.406 have an infinite useful life.

**NOTE 20 - GOODWILL**

The movements in goodwill at during the three-month periods ended 31 March 2008 and 2007 are as follows:

	<b>2008</b>	<b>2007</b>
1 January	1.542.921	1.282.031
Business combinations (Note 3)	69.652	556.539
Currency translation differences	28.987	-
Other (*)	5.690	-
<b>31 March</b>	<b>1.647.250</b>	<b>1.838.570</b>

(\*) Relates to the changes in fair value of put options (Note 2.2.27).

Doğan Gazetecilik, a subsidiary of the Group, acquired 40,16% shares of Bağımsız Gazeteciler, which owns Vatan Gazetesi brand and its franchise right, in consideration of YTL 8.534 (USD 7,2 million) on 13 March 2008; and 100% shares representing the capital of Kemer Yayıncılık ve Gazetecilik A.Ş., which has a 59,84% shareholding in the share capital of Bağımsız Gazeteciler, taking into account the fact that almost all of Kemer Yayıncılık ve Gazetecilik A.Ş.’s assets are composed of its participation in Bağımsız Gazeteciler in consideration of YTL 12.719 (USD 10,8 million). As explained in details in Note 3, the acquisition resulted in a goodwill amounting to YTL 64.572.

Group acquired, 2,5%, and 0,27% of the shares of Hürriyet Pazarlama and POAŞ, shares in 2008. Since the Group applies the “Parent Company Model” for business combinations, these transactions resulted in a goodwill amounting to YTL 5.080.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 20 - GOODWILL (Continued)**

Hürriyet, a subsidiary of the Group acquired 67,3% of shares of Trader Media East Limited (“TME”) on 29 March 2007. TME mainly operates in classified ad publishing business through its daily and weekly newspapers, magazines and websites those are foremost focused on real estate, automotive and human resources and mainly operates in Russia and Eastern Europe countries. As further discussed in Note 3, at 31 March 2007 the acquisition accounted with temporary results resulted in goodwill amounting to YTL 556.539.

**NOTE 21 - GOVERNMENT GRANTS**

None (31 December 2007: None).

**NOTE 22 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>Short-term provisions</b>		
Provision for lawsuits	28.078	26.847
Provision for withholding tax	13.922	13.922
Advertisement expense accruals (1)	12.274	11.906
Provision for unused vacations	6.754	6.083
Provision for commission of advertising agencies	5.988	-
Other	19.546	7.411
	<b>86.562</b>	<b>66.169</b>

(1) Advertisement expense accruals are related to the advertisement liabilities assumed by the Group through acquisition of Star TV Ticari ve İktisadi Bütünlüğü.

	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>Long-term Provisions</b>		
Other provisions	728	671
	<b>728</b>	<b>671</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 22 - PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

**a) Court cases:**

Law cases against the Group amounting to YTL 139.817 at 31 March 2008 (31 December 2007: YTL 126.335).

Provision in the amount of YTL 28.078 (31 December 2007: YTL 26.847) was recorded after consideration of the legal consultations and past experiences regarding the legal, labour, trade and administrative lawsuits against the Group.

The lawsuit filed with the claim for refund of the infrastructure investments by Ultra Kablolü to Turksat was concluded against Ultra Kablolü at Ankara 1st Commercial Court of First Instance; however, it was appealed by Ultra Kablolü to be sent to the relevant division of the Supreme Court of Appeals. Amount of infrastructure investments included in consolidated financial statements as of 31 March 2008 is YTL 3.786 (31 December 2007: 4.647), and since the lawsuit for these tangible assets is continuing, no provision for impairment has been made.

Lawsuit, filed by a company delivering agency services for a TV contest planned to be organized by Milenyum TV, a subsidiary of the Group; claimed that the agent incurred losses due to cancellation of the contest and demanded a compensation amounting to EUR 6.000, is continuing at Brussels Commercial Court, therefore no provision has been provided in the consolidated financial statements at 31 March 2008.

**b) Derivatives, future contracts, and options of share purchases**

**i) Futures contracts**

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 1 or 2 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 derivatives are taken to the cost of goods sold (Note 26).

	<u>31 March 2008</u>		<u>31 December 2007</u>	
	<b>Nominal</b>	<b>Change in fair value</b>	<b>Nominal</b>	<b>Change in fair value</b>
Inventory	148.868	(12.228)	150.735	(13.827)
	<b>148.868</b>	<b>(12.228)</b>	<b>150.735</b>	<b>(13.827)</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 22 - PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

**ii) Options of Share Purchases**

In accordance with the acquisition of Impress Media Marketing LLC by OOO Pronto Moscow, a subsidiary of Hürriyet, in January 2007, OOO Pronto Moscow is committed to purchase (if minority shareholders prefer to exercise their put option) minority’s shares of 31,5% without having a time constraint and depending on realization of various clauses. The price of the commitment calculated using valuation methods as of 31 March 2008 is YTL 8.458 (31 December 2007: YTL 4.159) (Note 9).

In accordance with the acquisition of 70% shares of Oglasnik d.o.o, a subsidiary of Hürriyet, Oglasnik d.o.o is committed to purchase (if minority shareholders prefer to exercise their put option) minority’s shares of 30%. The price of the commitment calculated using valuation methods as of 31 March 2008 is YTL 10.139 (31 December 2007: YTL 7.446) and the commitment is valid until July 2009 (Note 9).

Hürriyet, a subsidiary of the Group has acquired 55% of the shares of Moje Delo d.o.o. which operates in Slovenia. The Group has determined the upper limit of net profit payable as EUR 1 million and stipulated to pay out before 30 June 2008. The Group has offered to minority shareholders right to sell valid between January 2009 and January 2012 and right to buy valid between January 2011 and January 2014. Fair values of the named options will be determined after the calculation over net financial liability and EBITDA of Moje Delo. Fair value of the put option as of 31 March 2008 is YTL 7.723 (31 December 2007: YTL 6.245) (Note 9).

Changes in the value of the put options are associated with goodwill.

Pricing of the put options (sell options for minority interests) will be performed over the revenues or EBITDA amounts of the related companies.

Put options have been shown under “Other long-term financial liabilities” in the consolidated balance sheet as of 31 March 2008.

**iii) Derivative instruments**

TME, a subsidiary of the Group, entered into collar and cap agreements in 2007 to hedge the interest rate risk. Accordingly, at the value and due dates defined in the agreements, if the LIBOR rate is below the floor rate, the Group compensates for the difference between floor rate and the actual rate to the counter bank. Similarly, if the LIBOR rate is above the ceiling rate, the counter bank compensates for the difference to the Group.

The details of the collar and cap agreements that are valid as of 31 March 2008 are as follows:

<b>Agreement</b>		<b>Libor floor rate</b>	<b>Libor ceiling rate</b>	<b>USD</b>	<b>Due date</b>
Cap	ABN Amro Bank NV	-	%5,50	37.000	May 2010
Collar	BNP Paribas	%4,77	%5,50	20.000	November 2009
Collar	ABN Amro Bank NV	%2,80	%5,50	17.000	November 2009

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 22 - PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

**c) Other:**

**i) Contingent liabilities regarding the sale of Türk Dış Ticaret Bankası A.Ş.:**

Doğan Holding entered into share sell-purchase agreement with Fortis Bank regarding its Subsidiary Türk Dış Ticaret Bankası A.Ş. (“Dışbank”) on 11 April 2005. On the completion of the terms of the sale-purchase agreement and achievement of required permissions within the related legislations framework, 277.828.946.000 shares representing 62,6% of Dışbank’s capital are handed over to Fortis Bank on 4 July 2005.

In accordance with the stated agreement 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.

The responsibilities of Holding has ended as of 31 March 2007 except for the issues related with tax, and its responsibilities related with tax will come to an end as of 1 January 2011.

Fortis Bank does not accept any responsibility due to grounds of materiality for tax lawsuits some of which are previously announced to public and for amounts related to loans under legal follow-up amounted USD 6.000 and YTL 4.178 at the closing date of Agreement.

**ii) Penalty Imposed by the Energy Market Regulatory Authority:**

With its Notifications No: 25049 and 25057, both dated 31 August 2006, the Energy Market Regulatory Authority (EMRA) imposed administrative fines on POAŞ and Erk Petrol, Joint Ventures of the Group, amounting to YTL 498.693 and YTL 100.739 (with Doğan Holding’s ownership interest YTL 268.138 and YTL 54.165) respectively for deliveries 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 payment orders.

***Request for Cancellation of EMRA Fine Process***

In line with the regulations, POAŞ and Erk Petrol filed court cases with the 13th Division of Council of State on 18 September 2006 for the cancellation of the EMRA resolution and the stay of execution of the fines. On 17 November 2006, 13th Division of Council of State ruled for the stay of execution of YTL 11.431 (with Doğan Holding’s ownership interest YTL 6.146) portion of the total fine of POAŞ and rejected the request for stay of the execution for YTL 487.262 (with Doğan Holding’s ownership interest YTL 261.992). Similarly stay of YTL 1.429 (with Doğan Holding’s ownership interest YTL 768) portion of the total fine of Erk was ruled for and request for the stay of execution of YTL 99.310 (with Doğan Holding’s ownership interest YTL 53.397) was rejected.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 22 - PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

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

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

Stay of the execution has been grounded on two reasons. These are;

- 1) Transfer of fuels to unlicensed dealers should be evaluated as “Disobeying legal obligations” which is mentioned in third item of 19th clause of Petroleum Market Law, instead of violation of second item of 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 fine separately for each dealer to which shipments made; imposing a single fine by considering fuel supply to unlicensed dealers as a single action; beginning date of fuel supply that is subjected to fine; whether it is lawful to impose a fine since there is not a regulation that restrains distribution license of owners from supplying fuel to their own unlicensed dealers; and amount of fines for shipments are also included in the decision. The case is still in the discussion process by 13th Department of the State Council.

***Request for Cancellation of Payment Orders Process***

In the second judicial process, lawsuits were filed with Istanbul Administrative Court for the cancellation of the payment orders and the suspension of the execution, upon the communication of the payment orders issued for fines imposed by EMRA to the Company and Erk by Boğaziçi Tax Office on 2 November 2006.

Simultaneously, POAŞ and Erk Petrol applied to the Ministry of Finance for payment in installments of the administrative fines to avoid cash-out flows during the judicial process and since the approval of this claim required submission of guarantee, 8 real-estates amounting YTL 204.892 (with Doğan Holding’s ownership interest YTL 110.167) and inventory amounting YTL 280.960 (with Doğan Holding’s ownership interest YTL 151.067) are given as guarantee for POAŞ and 33 real-estates amounting YTL 89.054 (with Doğan Holding’s ownership interest YTL 47.883) and inventory amounting YTL 11.268 (with Doğan Holding’s ownership interest YTL 6.059) are given as guarantee for Erk Petrol. Ministry of Finance has accepted that the fines to be paid in 18 monthly installments, starting in December 2006 and the first two being in smaller amounts. YTL 5.207 (with Doğan Holding’s ownership interest YTL 2.800) has been paid (YTL 2.966 (with Doğan Holding’s ownership interest YTL 1.595) through set-off and the remaining YTL 2.241 (with Doğan Holding’s ownership interest YTL 1.205) in cash) as the December 2006 installment.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 22 - PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

Consistent with the decision of the 13th Division of Council of State, İstanbul 7. Administrative Court decided to grant a stay of execution for YTL 11.431 (with Doğan Holding’s ownership interest YTL 6.146 and YTL 768) portion of the payment orders for POAŞ and YTL 1.429 portion of the payment orders for Erk Petrol but rejected the request for 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 at İstanbul District Administrative Court for the annulment of the rejection decision and for motion for stay of the total payment order.

Following the decision of the Plenary Session of the Administrative Divisions of Council of State, İstanbul District Administrative Court has ruled for the acceptance of POAŞ and Erk Petrol’s motion for stay without guarantee, after the annulment of the decision of the İstanbul 7. Administrative Court for the denial of the request for stay. Payments were not made after 1. installment, because execution of the payment orders was suspended.

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 period ended 31 March 2008. Accordingly, no provision has been provided for this matter in the consolidated financial statements

**iii) Commitments and contingent liabilities related to the sales agreement of Doğan TV shares:**

The Group signed an agreement with Axel Springer relating to the sale of 25% shares of Doğan TV Holding A.Ş. (formerly known as “Doğan TV Radyo Yayın Yapım ve Haber Ajansı A.Ş.”) on 15 January 2007.

With respect to the share sales/purchase agreement, 90.854.185 shares, 25% of share capital of Doğan TV Holding A.Ş., were sold to Axel Springer AG for an amount of EUR 375 million (YTL 694.313) (this amount is defined as “initial sales price”). Gain on sale of subsidiary shares amounting to YTL 601.201 with respect to this transaction is included in other income for the year ended 31 March 2007 (Note 31).

EUR 375 million, which is defined as initial sales price above, is subject to change based on to the circumstances explained below.

As per the agreement, the initial sales price will be revised according to the “initial public offering” of the shares of Doğan TV Holding A.Ş. or “not”.

In the event that shares of Doğan TV Holding A.Ş are offered to public offering until the end of 2011, if the difference between the fair value of 25% shares held by Axel Springer determined by the public offering price (which will be determined by using the quarterly average share price after initial public offering) exceeds the final sales price (final sales price will be calculated by adding the interest accruing on the initial sales price taking Eurolibor basis until the public offering plus the initial sales price), the excess shall be by Axel Springer and the Group evenly.

## CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

### DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

#### NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

#### NOTE 22 - PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

If the fair value is less than the final sales price, the difference will be compensated to Axel Springer by the Group.

In the event that shares of Doğan TV Holding A.Ş. are not offered to public until the end of 2011, if the fair value Doğan TV Holding A.Ş. determined by the valuation techniques is less than the final sales price, the difference will be compensated to Axel Springer by the Group.

Finally, in the event that public offering of shares of Doğan TV Holding A.Ş is realized between 1 January 2012 and 31 December 2012, if Axel Springer sells all or a part of its shares in the public offering, the positive value that could arise due to sales transaction will be distributed evenly between Axel Springer and the Group.

#### iv) Vatan Newspaper

Doğan Gazetecilik, a subsidiary of the Group, acquired 40,16% shares of Bağımsız Gazeteciler, which owns Vatan Gazetesi brand and its franchise right, in consideration of YTL 8.534 (USD 7,2 million) on 13 March 2008; and 100% shares representing the capital of Kemer Yayıncılık ve Gazetecilik A.Ş., which has a 59,84% shareholding in the share capital of Bağımsız Gazeteciler, taking into account the fact that almost all of Kemer Yayıncılık ve Gazetecilik A.Ş.’s assets are composed of its participation in Bağımsız Gazeteciler, in consideration of YTL 12.719 (USD 10,8 million) (Note 3).

Taking into account that acquirer entity will strengthen its prevalent position in the market and in view of the matters argued in the defence of the bankrupt company, the Competition Authority permitted the transaction via its decision taken on 10 March 2008 following the application made to the Competition Board regarding the above mentioned transactions, provided that:

- following two years after obtainment of permission, brand name Vatan Gazetesi and franchise rights will be transferred by releasing them of any obligations and debts, to persons or entities excluding Doğan Group, or an enterprise Doğan Group directly or indirectly controls (which has already been established, or which is to be established), and the relevant transfer is subject to approval of Competition Authority regardless of the deficiencies in the Communiqué No.1997/1;
- if the brand Vatan Gazetesi and its franchise right cannot be sold under the above-mentioned conditions within two years from the date on which the permission is given, the brand and franchise right will be sold via tender under the supervision of Competition Authority within two months from the end of the second year;
- if the brand and franchise right cannot be sold during this tender process, Doğan Group continues to own the brand Vatan Gazetesi and its franchise right for three years following the tender; Doğan Group meets the liabilities necessary for the brand’s legal existence; Doğan Group does not use the said brand name and franchise on any periodicals; Doğan Group evaluates any demands or requests as being subject to the approval of Competition Board pursuant to article 4.1 in the case of any demand towards the said brand and franchise right during the relevant period; and Doğan Group possesses all kinds of usage rights on the brand, if the brand and franchise right cannot be still sold after this period expires.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 23 - COMMITMENTS AND CONTINGENT LIABILITIES**

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

**Commitments given**

	<b>31 March 2008</b>	<b>31 December 2007</b>
Letters of guarantee (*)	476.816	410.467
Subsidiary shares given as a guarantee	124.949	124.949
Guarantee notes	6.338	7.419
	<b>608.103</b>	<b>542.835</b>

The Group provided bail and mortgages to third parties in the amounts of YTL 435.062 (31 December 2007: YTL 298.810) and YTL 16.388 (31 December 2007: YTL 13.917).

(\*) Letter of guarantees is related to the guarantee given to Türkiye Futbol Federasyonu (“TFF”) about broadcasting rights of Turkish 1. Super League by Doğan TV, a subsidiary of the Group. The letter of guarantee has been drawn back from TFF and given back to the relevant bank on 7 March 2008.

Doğan TV, a subsidiary of Group, has given letter of guarantee amounting to EUR 136,5 million to UEFA (Union Européenne de Football Association or Union of European Football Associations) for broadcasting rights of UEFA Champions League, UEFA Super Cup and UEFA Cup matches.

**Barter agreements:**

The Group, as a common practice in the media segment, entered into Barter agreements. These agreements involve the exchange of goods or services without cash collections or payments. As of 31 March 2008, the Group has an advertisement commitment of YTL 31.859 (31 December 2007: YTL 4.969), and a right to obtain service and goods in the amount of YTL 16.455 (31 December 2007: YTL 9.295).

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 24 - EMPLOYMENT BENEFITS**

	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>Long Term Provisions</b>		
Provision for employment termination benefits	28.330	26.726
	<b>28.330</b>	<b>26.726</b>

**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, is called up for military service or who dies. Since the legislation was changed on 23 May 2002 there are certain transitional provisions relating to length of service prior to retirement. The amount as of 31 March 2008 payable consists of one month’s salary limited to a maximum of YTL 2,09 (31 December 2007: 2,03 YTL) for each year of service.

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

IAS 19 “Employee Benefits” requires that actuarial valuation methods be developed to estimate the employee termination benefit provision. The following actuarial assumptions have been used in the calculation of the total provision.

	<b>31 March 2008</b>	<b>31 December 2007</b>
Discount rate	5,71%	5,71%
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 2,09 at 1 January 2008 will be taken into consideration in calculating the reserve for employment termination benefit (1 January 2007: YTL 1,96).

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 24 - EMPLOYMENT BENEFITS (Continued)**

Movements in the reserve for employment termination benefits during the periods ended 31 March 2008 and 2007 are as follows:

	<b>2008</b>	<b>2007</b>
1 January	26.726	24.755
Change in scope of consolidation	25	-
Disposals	(1.350)	(1.390)
Current year charge	1.503	3.369
Business combinations	1.426	8
<b>31 March</b>	<b>28.330</b>	<b>26.742</b>

**NOTE 25 - RETIREMENT PLANS**

None (31 December 2007: None).

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 26- OTHER CURRENT/NON CURRENT ASSETS AND OTHER CURRENT/NON  
CURRENT LIABILITIES**

	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>Other current assets</b>		
Value Added Tax (“VAT”) receivable	61.566	49.377
Advances given	69.617	59.736
Prepaid expenses	45.760	39.225
Income accruals	21.273	9.590
Programme stocks	10.927	13.474
Special consumption tax to be offset	7.809	7.585
Tax receivables	4.975	4.702
Prepaid taxes and funds	3.482	3.555
Other current assets	769	156
	<b>226.178</b>	<b>187.400</b>

Impairment for programme stocks	(334)	(334)
	<b>225.844</b>	<b>187.066</b>

	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>Other non-current assets</b>		
Advances given and prepayments (1)	76.304	74.316
Prepaid expenses	12.045	13.893
Other non-current assets	140	2.088
	<b>88.489</b>	<b>90.297</b>

(1) As of 31 March 2008, advances given and prepayments amounting to YTL 71.571 consists of the prepayments made by Doğan TV for UEFA Championship qualifying matches, UEFA Cup qualifying matches, UEFA Cup home matches and preferential right of sales of season tickets of certain Turkcell Super League teams.

	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>Other current liabilities</b>		
Provision for expenses	54.229	28.074
Deferred income	28.228	22.627
Mark to market expense accruals (Note 22)	12.228	13.827
Provision for broadcasted programs	1.213	7.958
Other current liabilities	-	383
	<b>95.898</b>	<b>72.869</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 27 - SHAREHOLDERS’ EQUITY**

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 capitals at 31 March 2008 and 31 December 2007 are as follows

	<b>31 March 2008</b>	<b>31 December 2007</b>
Limit on registered share capital (historical)	2.000.000	2.000.000
Share capital	1.500.000	1.500.000

The shareholder structures of the Holding at 31 March 2008 and 31 December 2007 are summarized as follows:

	<b>Share %</b>	<b>31 March 2008</b>	<b>Share %</b>	<b>31 December 2007</b>
Adilbey Holding	52,00	780.000	52,00	780.000
Aydın Doğan	7,72	115.658	7,72	115.658
Işıl Doğan	1,64	24.668	1,64	24.668
Arzuhan Yalçındağ	1,04	15.614	1,04	15.614
Vuslat Doğan Sabancı	1,04	15.614	1,04	15.614
Hanzade V. Doğan	1,04	15.614	1,04	15.614
Y. Begümhan Doğan Faralyalı	1,04	15.614	1,04	15.614
<b>Total Doğan family and companies owned by Doğan family</b>	<b>65,52</b>	<b>982.782</b>	<b>65,52</b>	<b>982.782</b>
İstanbul Stock Exchange	34,29	514.353	34,29	514.353
Aydın Doğan Vakfı	0,19	2.865	0,19	2.865
	<b>100,00</b>	<b>1.500.000</b>	<b>100,00</b>	<b>1.500.000</b>
Adjustment to share capital		331.903		331.903
<b>Total share capital</b>		<b>1.831.903</b>		<b>1.831.903</b>

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

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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**NOTE 27 - SHAREHOLDERS' EQUITY (Continued)**

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.

The aforementioned amounts shall be classified in "Restricted Reserves" in accordance with CMB Financial Reporting Standards. As of 31 March 2008, restricted reserves assorted from profit amounting to YTL 777.385 is composed of first legal reserve amounting to YTL 15.762 and Investment and property sales income to be added to the capital amounting to YTL 761.623 (The gain on sales of POAŞ share sales amounting to YTL 761.623 is decided to be added to capital by the Company management at 2006. Related sales gain is reclassified to investment and property sales income till to be added to the capital as restricted reserves assorted from profit in the consolidated financial statements, according to the CMB decision taken on 6 October 2006 numbered B.02.1.SPK.0.13.-1863) (31 December 2007: YTL 777.385, YTL 15.762 and YTL 761.623, respectively).

The inflation adjustment differences arising at the initial application of inflation accounting which are recorded under "accumulated losses" could be netted off from the profit to be distributed based on CMB profit distribution regulations. In addition, the aforementioned amount recorded under "accumulated losses" could be netted off with the income for the period, if any, undistributed prior period profits, and inflation adjustment differences of extraordinary reserves, legal reserves and capital, respectively.

In addition, "Capital, Share Premiums, Legal Reserves, Special Reserves and Extraordinary Reserves" were recorded at their statutory carrying amounts and the inflation adjustment differences related to such accounts were recorded under "inflation adjustment differences" at the initial application of inflation accounting. "Equity inflation adjustment differences" could have been utilised only in issuing bonus shares and offsetting accumulated losses, carrying amount of extraordinary reserves could have been utilised in issuing bonus shares, cash dividend distribution and offsetting accumulated losses.

In accordance with the Communiqué No:XI-29 and related announcements of CMB, effective from 1 January 2008, "Share capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amounts. The valuation differences arised due to implementing the communique (such as inflation adjustment differences) shall be disclosed as follows:

- if the difference is arising due to the inflation adjustment of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment To Share Capital";
- if the difference is due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilised in dividend distribution or capital increase yet, it shall be classified under "Retained Earnings".

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 27 - SHAREHOLDERS’ EQUITY (Continued)**

Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Capital adjustment differences have no other use other than being transferred to share capital.

In accordance with the CMB decision no 7/242 dated 25 February 2005, in the event that the entire profit distribution amount calculated pursuant to the minimum profit distribution amount calculated over the net distributable profit found in accordance with CMB regulations can be covered by the distributable profit in the statutory records, it shall be distributed completely, and if the relevant amount cannot be covered by that amount, all of the net distributable profit in the statutory records shall be distributed. In the event that there is any period loss in financial statements or statutory records prepared in accordance with the CMB regulations, no profit shall be distributed.

In accordance with the decision of Capital Markets Board on 8 February 2008 no 4/138 the minimum profit distribution ratio shall be applied as 20% (31 December 2007: 20%) in relation to publicly-listed joint stock partnerships as of 1 January 2008.

At the General Assembly Meeting of Doğan Holding that took place at 15 May 2008, it is decided not to distribute a dividend for the period as no distributable profit arises in the consolidated financial statements prepared in accordance with IFRS.

In accordance with the abovementioned factors, the shareholders equity of the Group is as below:

	<b>31 March 2008</b>	<b>31 December 2007</b>
Share capital	1.500.000	1.500.000
Adjustment to share capital	331.903	331.903
Share premium	630	630
Revaluation fund	175.794	185.652
Translation reserve	1.671	(21.505)
Restricted reserves assorted from profit	777.385	777.385
- <i>Legal reserves</i>	15.762	15.762
- <i>Investment and property sales income to be added to the capital</i>	761.623	761.623
Retained earnings	993.368	588.266
- <i>Extraordinary reserves</i>	11.748	11.748
- <i>Other reserves</i>	2.361	2.361
- <i>Inflation adjustment differences to legal, extraordinary and other reserves, share premiums</i>	323.465	323.465
- <i>Retained earnings</i>	655.794	250.692
Net (loss)/profit for the period	(13.262)	395.244
<b>Total shareholders’ equity</b>	<b>3.767.489</b>	<b>3.757.575</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 28 - SALES AND COST OF SALES**

	<b>1 January- 31 March 2008</b>	<b>1 January- 31 March 2007</b>
Domestic sales	2.478.337	2.205.093
Foreign sales	278.733	79.419
Sales returns	(89.740)	(92.551)
Sales discounts	(116.879)	(90.081)
<b>Net sales</b>	<b>2.550.451</b>	<b>2.101.880</b>
Cost of sales (-)	(2.294.407)	(1.947.941)
<b>Gross profit</b>	<b>256.044</b>	<b>153.939</b>

*Revenue and cost of sales*

The analysis of operating revenue and cost of sales for the periods ended 31 March 2008 and 2007 are disclosed in Note 5 - Segment Reporting.

**NOTE 29 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND  
DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES**

	<b>1 January - 31 March 2008</b>	<b>1 January - 31 March 2007</b>
Selling, marketing and distribution expenses	124.137	94.140
General administrative expenses	124.187	102.052
<b>Operating expenses</b>	<b>248.324</b>	<b>196.192</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 30 - EXPENSES BY NATURE**

Cost of sales, marketing, selling and distribution expenses and general administrative expenses by nature for the interim periods ended 31 March 2008 and 2007 are as follows:

	<b>1 January - 31 March 2008</b>	<b>1 January - 31 March 2007</b>
Cost of trade goods sold	1.881.307	1.445.564
Personnel expenses	149.363	102.712
Raw material and supplies	118.823	107.976
General production overhead	105.127	83.392
Depreciation expense	90.104	80.277
Advertising expenses	29.180	17.204
Insurance technical reserves, premiums and commissions	-	158.503
Other	168.827	148.505
	<b>2.542.731</b>	<b>2.144.133</b>

**NOTE 31 - OTHER INCOME/EXPENSES**

	<b>1 January - 31 March 2008</b>	<b>1 January - 31 March 2007</b>
<b>Other income:</b>		
Provisions released	6.264	8.295
Gain on sales of property, plant and equipment and intangible assets	192	1.723
Gain on sales of subsidiaries (*)	-	601.201
Other income	8.622	6.842
	<b>15.078</b>	<b>618.061</b>

(\*) As of 31 March 2007, all of the gain on sale of subsidiaries amounting to 601.201 is derived from the share sales of Doğan TV, a subsidiary of the Group.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 31 - OTHER INCOME/EXPENSES(Continued)**

	<b>1 January - 31 March 2008</b>	<b>1 January - 31 March 2007</b>
<b>Other expenses:</b>		
Provision expense for tax dispute (1)	-	(238.824)
Fines and penalties paid	(4.171)	(66)
Provision for doubtful receivables	(2.725)	(18.568)
Commission expenses	(1.262)	(696)
Provision for lawsuits	(1.066)	(3.147)
Other expenses	(11.407)	(5.924)
	<b>(20.631)</b>	<b>(267.225)</b>

(\*) As of 27 December 2002, POAŞ merged with İş Doğan, which was the majority shareholder of POAŞ, in accordance with the Turkish Commercial Code article No:451 and Corporate Tax Law articles No:37, 38 and 39 after the approval the CMB has given at the meeting 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.

At 12 March 2007, tax review reports for the years 2002, 2003, 2004, 2005 and 2006 and notifications for the tax assessment amounting to YTL 359.993 for corporate tax liability, YTL 265.516 for prepaid tax liability and a tax penalty amounting to YTL 625.509 were communicated to POAŞ.

On the material disclosure performed by Doğan Holding at 6 March 2007 regarding the tax and the tax penalty, it has been declared that OMV, other joint venture of POAŞ, will not be exposed to any additional tax liability taking place before the date of the sale whereas if POAŞ faces such a burden, Doğan Holding will bear the entire liability burden of OMV.

The Company has filed an application for arbitration with Ministry of Finance for the above mentioned tax and tax penalty. Negotiations between the representatives of Ministry of Finance and the Company have been finalized through a settlement. In this context, a total of YTL 238.824 is paid regarding OMV’s liabilities together with Doğan Holding’s liabilities with the Holding’s ownership interest and is classified under “Tax Dispute provision expense” on other expenses in the consolidated financial statements as of 31 March 2008. Accordingly Doğan Holding has no outstanding liability related with this tax audit on POAŞ.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 32 - FINANCIAL INCOME**

Financial income and expenses for the three-month interim periods ended 31 March 2008 and 2007 are as follows:

	<b>1 January - 31 March 2008</b>	<b>1 January - 31 March 2007</b>
<b>Financial income:</b>		
Foreign exchange gain	172.649	90.814
Interest income on bank deposits	63.701	103.888
Due date difference on credit sales	2.104	553
Amortized cost valuation income	1.012	7.689
Other interest and commissions	34	216
<b>Financial income</b>	<b>239.500</b>	<b>203.160</b>

**NOTE 33 - FINANCIAL EXPENSE**

	<b>1 January - 31 March 2008</b>	<b>1 January - 31 March 2007</b>
<b>Financial expense:</b>		
Interest expense on short-term and long-term borrowings	(59.460)	(54.171)
Foreign exchange loss	(239.311)	(85.614)
Due date difference on credit purchases	(1.959)	(731)
Other	(15.331)	(8.884)
<b>Financial expenses</b>	<b>(316.061)</b>	<b>(149.400)</b>

**NOTE 34 - ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

Non-current assets held for sale amounting to YTL 3.808 relates to the announcement of TME, a subsidiary of Hürriyet, in September 2006 about the sale of brand name of Kisokos Directory Kereskedelmies Szolgaltato Kft. (“Kisokos”), a subsidiary of TME. An agreement related to the sale of the brand name of Kisokos was signed in May 2007 and the sales transaction will be completed until December 2008. In this respect, assets related with Kisokos are presented as non-current assets held for sale in the consolidated balance sheet at 31 March 2008 and 31 December 2007.

Non-current assets held for sale amounting to YTL 1.086 consists of houses and land acquired by Bağımsız Gazeteciler, a subsidiary of Doğan Gazetecilik, through barter agreements.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 35 - TAX ASSETS AND LIABILITIES**

	<b>31 March 2008</b>	<b>31 December 2007</b>
Corporate and income taxes payable	10.994	29.028
Deferred tax liabilities, net	211.231	188.507
<b>Total</b>	<b>222.225</b>	<b>217.535</b>

Group recognizes deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under CMB Financial Reporting Standards and their statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for CMB Financial Reporting Standards and tax purposes.

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred tax has been provided at 31 March 2008 and 31 December 2007 using the enacted tax rates, is as follows:

	<b>Cumulative temporary differences</b>		<b>Deferred tax assets/(liabilities)</b>	
	<b>31 March 2008</b>	<b>31 December 2007</b>	<b>31 March 2008</b>	<b>31 December 2007</b>
Difference between the tax base and carrying value of property, plant and equipment and intangible assets	1.458.363	1.499.908	(294.583)	(275.332)
Other	23.160	20.640	(5.243)	(5.621)
<b>Deferred tax liabilities</b>	<b>1.481.523</b>	<b>1.520.548</b>	<b>(299.826)</b>	<b>(280.953)</b>
Carry forward tax losses	305.926	325.565	60.427	64.395
Provision for doubtful receivables	51.468	52.793	10.169	10.449
Provision for employment termination benefits	28.330	26.726	5.588	5.246
Deferred financial income of trade receivables	8.748	7.197	1.750	1.439
Lease payables	8.134	9.153	2.278	2.484
Other	38.854	42.650	8.383	8.433
<b>Deferred tax assets</b>	<b>441.460</b>	<b>464.084</b>	<b>88.595</b>	<b>92.446</b>
<b>Deferred tax liabilities, net</b>			<b>(211.231)</b>	<b>(188.507)</b>

Due to the fact that Doğan Holding, Subsidiaries and Joint Ventures, which are independent tax payers, 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 INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)**

The Group recognized deferred income tax assets of YTL 305.926 for the three-month period ended 31 March 2008 (31 December 2007: YTL 325.565) over carry forward tax losses in the consolidated financial statements prepared in accordance with CMB Financial Reporting Standards. The maturities of these losses are as follows:

	<b>31 March 2008</b>	<b>31 December 2007</b>
2008	1.117	119.657
2009	1.357	1.357
2010	42.823	42.819
2011	69.976	69.969
2012 and after	190.653	91.763
<b>Total</b>	<b>305.926</b>	<b>325.565</b>

As of 31 March 2008, deferred tax rate is 20% for corporations operating in Turkey (31 December 2007: 20%).

As of 31 March 2008, tax rates (%) used on tax computations regarding the tax regulations per countries are as follows:

<b>Country</b>	<b>Tax rates (%)</b>	<b>Country</b>	<b>Tax rates (%)</b>
Germany	28,0	Ukraine	25,0
Romania	16,0	Hungary	16,0
England	30,0	Russia	24,0
Croatia	20,0		

Movements for deferred taxes and liabilities for the interim periods ended 31 March are as follows:

	<b>2008</b>	<b>2007</b>
1 January	(188.507)	(63.867)
Business combinations	(9.900)	(35.062)
Change in the scope of consolidation	(134)	-
Currency translation differences	(15.727)	-
Charge for the period	3.037	5.329
<b>31 March</b>	<b>(211.231)</b>	<b>(93.600)</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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**NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)**

*Turkey*

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.

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 2008 is 20% (31 December 2007: 20%). 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 14th 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 fiscal periods ended 31 March 2008 and 31 December 2007.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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**NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)**

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.

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).

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.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)**

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.

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 details of the effective tax laws in Russian Federation and Hungary where the Group performs a significant part of its operations are given below:

***Russian Federation***

The corporate tax rate effective in Russian Federation is 24% (31 December 2007: 24%).

Russian tax year is legal year and fiscal year ends other than the legal year end are not permitted. The income taxes over gains are calculated annually. Tax payments are made monthly or depending on tax payer’s choice, it can be made monthly or quarterly by using different calculation methods. Corporate tax declarations are given until 28th of March following the fiscal year closing.

According to Russian Federation’s tax system, financial losses can be carried forward for 10 years to be deducted from future taxable income Maximum amount that can be deducted in any year is limited to 30% of the taxable income (31 December 2007: 30%). Rights related to tax losses that have not been utilized in the related periods will be lost.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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**NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)**

Technically, tax refund is applicable; however a refund is generally obtained following a legal procedure.

Consolidated tax reporting or tax payment of parent companies or subsidiaries is not allowed.

Dividend payments that are paid to foreign shareholders are subject to 15% withholding tax.

***Hungary***

The corporate tax rate effective in Hungary is 16% (31 December 2007: 16%).

According to Hungarian tax system, carrying of fiscal losses does not generally have a time constraint. In order to carry the fiscal losses, the permission of tax authority is required, when the company has net losses before tax or when its net sales are less than the half of total of cost of net sales and operating expenses or when the company has losses in the last two fiscal years.

Effective from 1 January 2007, share premiums are exempted from tax if they have been held by the selling party for two years before the completion of the transaction.

Effective from 1 January 2008 this period has been reduced to one year. Capital losses and provisions for impairments from recorded shares are not treated as an allowance during the calculation of corporate tax.

Effective from 1 January 2004, the interest and royalty payments are not subject to withholding tax. Effective from 1 December 2006 dividend payments are not subject to withholding tax.

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)**

The taxes on income reflected to the consolidated income statement for the periods ended 31 March 2008 and 2007 are summarized below:

	<b>31 March 2008</b>	<b>31 March 2007</b>
Current	(18.121)	(32.798)
Deferred	3.037	5.329
<b>Taxes on income</b>	<b>(15.084)</b>	<b>(27.469)</b>

The reconciliation of the taxation on income in the consolidated income statement for the three-month periods ended 31 March 2008 and 2007 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income are as follows:

	<b>2008</b>	<b>2007</b>
(Loss)/profit before income taxes	(74.394)	362.343
Current income tax income/(expense) for the period calculated at 20% tax rate	14.879	(72.469)
Difference due to the different tax rates applicable in different countries	(166)	(104)
Expenses not deductible for tax purposes	(10.357)	(59.776)
Income not subject to tax	1.791	90.180
Utilization of previously unrecognized tax losses	1.780	9.387
Tax losses for which no deferred income tax asset was recognized	(21.054)	(45.636)
Adjustment effects	(3.544)	4.155
Tax effect of tax penalty settlement	(87)	47.765
Withholding tax related to the dividend payment in Russia	(824)	-
Other	2.498	(971)
<b>Taxation on income</b>	<b>(15.084)</b>	<b>(27.469)</b>

**NOTE 36 - EARNINGS PER SHARE**

Earnings per share based on share groups are as follows:

	<b>1 January- 31 March 2008</b>	<b>1 January- 31 March 2007</b>
Net (loss)/profit for the period	(13.262)	135.308
Weighted average number of shares with face value of YTL 1 each	1.500.000	1.500.000
<b>(Loss)/earning per share (YTL)</b>	<b>(0,01)</b>	<b>0,09</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 37 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

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

**Due from related parties:** **31 March 2008** **31 December 2007**

**Short term receivables**

Medyanet İletişim Reklam		
Pazarlama ve Turizm A.Ş. (“Medyanet”)	5.036	5.061
D Yapı ve İnşaat Sanayi ve Ticaret A.Ş. (“D Yapı”)	4.953	4.440
Doğan Portal ve Elektronik Ticaret A.Ş.	4.269	2.504
D Market Elektronik Hizmetler ve Ticaret A.Ş. (“D Market”)	1.487	1.131
Çankaya Bel Pet Limited Şirketi	736	426
Doğan Elektronik Aracılık Hizmetleri Satış Pazarlama ve Yayıncılık A.Ş.	23	2.963
D Elektronik Şans Oyunları ve Yayıncılık A.Ş. (“D Elektronik Şans Oyunları”)	470	455
Other	1.763	1.641
	<b>18.737</b>	<b>18.621</b>

**Due to related parties:**

D Yapı	1.717	1.577
Çevresel Kimya Sanayi ve Ticaret A.Ş.	-	739
Ray Sigorta	566	393
Other	1.208	194
	<b>3.491</b>	<b>2.903</b>

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 37 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

ii) Transactions with related parties:

<u>Service and product purchases:</u>	1 January - 31 March 2008	1 January - 31 March 2007
Raw materials purchases	-	73.312
Other product and service purchases	3.157	941
	<b>3.157</b>	<b>74.253</b>

The Group made its paper and other raw material purchases through the Doğan Dış Ticaret and İşıl İthalat İhracat from Fairworld International Limited (“Fairworld”), a related party until 30 June 2007 (a subsidiary beginning from 1 July 2007). Beginning from 1 July 2007, Fairworld is consolidated on a line-by-line basis and accordingly the intercompany transactions subsequent to this date are eliminated in consolidation.

<u>Service and product sales:</u>	1 January - 31 March 2008	1 January - 31 March 2007
Service and product sales	5.222	3.444

Financial income and expenses:

	1 January - 31 March 2008	1 January - 31 March 2007
Financial income	294	8
	<b>294</b>	<b>8</b>

Purchases of fixed assets:

D Yapı	210	55
D Market	12	101
Ortadoğu Otomotiv	-	802
	<b>222</b>	<b>958</b>

Benefits provided to board members and key management personnel

	1 January - 31 March 2008	1 January - 31 March 2007
To the Board members and key management personnel	5.776	4.467

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 38 - FINANCIAL RISK MANAGEMENT**

***Financial instruments and financial risk management***

The Group’s activities expose it to a variety of financial risks, these risks are interest rate risk, funding risk, credit risk, liquidity risk, foreign currency exchange rates, fair value interest rate risk and price risk. 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.

Financial risk management is carried out by each segment (Media, Energy and Other) and individual subsidiaries and joint ventures operating in these segments, within the limits of general principles approved by their Board of Directors.

**a) *Interest rate risk***

- Media

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing financial liabilities and long term trade payables. These exposures are managed using natural hedges that arise from offsetting interest rate sensitive assets and liabilities and by limited use of derivative instruments. (Note 23)

The exposure of the borrowings and long-term trade payables to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows for the Media segment:

Borrowings in the Media segment:

<b>Years</b>	<b>31 March 2008</b>	<b>31 December 2007</b>
Up to 6 months	1.239.690	1.082.077
6 to 12 months	201.482	7.477
1 to 5 years	-	176.802
	<b>1.441.172</b>	<b>1.266.356</b>

- Energy and Other

Financial liabilities of these segments expose them into interest rate risk. Financial liabilities on these segments are mainly borrowings at fixed rates.

Based on the current balance sheet as of 31 March 2008, if there is 1% decrease/ increase in the floating interest rates of financial liabilities for the Media, Energy and other segments of the Group and if the other variables are kept constant; the net loss before minority and taxation of the Group is going to increase/decrease by YTL 11.190 (31 December 2007: YTL 10.759).

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)**

**b) *Funding risk***

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

**c) *Credit risk***

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements.

**- Media**

Risks are monitored by credit ratings and by limiting the aggregate risk to any individual counterparty. As the entities comprising customer base are numerous and spread on different business areas, credit risk is diversified.

**- Energy**

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Collection risk mainly arises from trade receivables. The risk is managed through the credit limits up to the guarantees received from the dealers. The Group monitors the usage of the credit limits and evaluates customer credibility continuously through taking financial position of the customers with their past experiences and other aspects into consideration. Trade receivables are evaluated based on the Energy segment policies and procedures and presented net-off of provision for doubtful receivables accordingly.

**- Other**

The Group has adopted a policy of only dealing with creditworthy counterparties (excluding related parties) and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

**d) *Liquidity risk***

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by maintaining availability under committed credit lines for each segment of the Group.

As of 31 March 2008, the Group has bank borrowings amounting to YTL 1.899.810 (31 December 2007: YTL 1.569.679) (Note 8) and trade payables amounting to YTL 588.228 (31 December 2007: YTL 495.432) with a maturity over one year (Note 10).

The Group has liquid assets amounting to YTL 2.622.670 (31 December 2007: YTL 2.351.634).

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)**

*e) Foreign currency risk*

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

The Group is mainly exposed to foreign currency risk in USD and EUR, and the effect of other currencies is not material.

	<b>31 March 2008</b>	<b>31 December 2007</b>
Foreign currency assets	2.104.522	1.724.445
Foreign currency liabilities	3.271.860	2.836.068
<b>Net foreign currency position</b>	<b>(1.167.338)</b>	<b>(1.111.623)</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)**

Assets and liabilities denominated in foreign currency held by the Group as of 31 March 2008 are as follows:

	<b>31 March 2008</b>			
	<b>US\$</b>	<b>Euro</b>	<b>Other</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	1.638.490	80.806	41.132	1.760.428
Trade receivables	198.205	49.622	18.985	266.812
Inventories	483	801	449	1.733
Other current assets	33.131	3.049	27.361	63.541
<b>Total current assets</b>	<b>1.870.309</b>	<b>134.278</b>	<b>87.927</b>	<b>2.092.514</b>
<b>Non-Current assets</b>				
Trade receivables	10.680	-	-	10.680
Other non-current assets	320	459	549	1.328
<b>Total non-current assets</b>	<b>11.000</b>	<b>459</b>	<b>549</b>	<b>12.008</b>
<b>Total foreign currency assets</b>	<b>1.881.309</b>	<b>134.737</b>	<b>88.476</b>	<b>2.104.522</b>
<b>Liabilities:</b>				
<b>Short-term liabilities</b>				
Bank borrowings	328.007	63.223	37.464	428.694
Trade payables	371.636	45.507	26.035	443.178
Other financial liabilities	13.500	2.231	32.490	48.221
<b>Total short-term liabilities</b>	<b>713.143</b>	<b>110.961</b>	<b>95.989</b>	<b>920.093</b>
<b>Long-term liabilities</b>				
Bank borrowings	1.444.700	160.653	62.774	1.668.127
Trade payables	587.757	-	-	587.757
Other financial liabilities	94.222	1.661	-	95.883
<b>Total long-term liabilities</b>	<b>2.126.679</b>	<b>162.314</b>	<b>62.774</b>	<b>2.351.767</b>
<b>Total foreign currency liabilities</b>	<b>2.839.822</b>	<b>273.275</b>	<b>158.763</b>	<b>3.271.860</b>
<b>Net foreign currency position</b>	<b>(958.513)</b>	<b>(138.538)</b>	<b>(70.287)</b>	<b>(1.167.338)</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)**

Assets and liabilities denominated in foreign currency held by the Group as of 31 December 2007 are as follows:

	<b>31 December 2007</b>			
	<b>US\$</b>	<b>Euro</b>	<b>Other</b>	<b>Total</b>
<b><u>Assets:</u></b>				
Cash and cash equivalents	1.326.970	56.214	38.358	1.421.542
Trade receivables	194.747	37.444	19.455	251.646
Inventories	8.892	734	360	9.986
Other current assets	3.365	3.662	24.553	31.580
<b>Total current assets</b>	<b>1.533.974</b>	<b>98.054</b>	<b>82.726</b>	<b>1.714.754</b>
<b>Non-current assets</b>				
Trade receivables	4.410	4	-	4.414
Other non-current assets	5.277	-	-	5.277
<b>Total non-current assets</b>	<b>9.687</b>	<b>4</b>	<b>-</b>	<b>9.691</b>
<b>Total foreign currency assets</b>	<b>1.543.661</b>	<b>98.058</b>	<b>82.726</b>	<b>1.724.445</b>
<b><u>Liabilities:</u></b>				
<b>Short-term liabilities</b>				
Bank borrowings	292.202	37.092	23.039	352.333
Trade payables	417.257	54.300	29.155	500.712
Other short-term payables	33.514	-	-	33.514
<b>Total short-term liabilities</b>	<b>742.973</b>	<b>91.392</b>	<b>52.194</b>	<b>886.559</b>
<b>Long-term liabilities</b>				
Bank borrowings	1.358.707	99.388	7.446	1.465.541
Trade payables	412.090	22.001	32.055	466.146
Other financial liabilities	5.300	229	12.293	17.822
<b>Total long-term liabilities</b>	<b>1.776.097</b>	<b>121.618</b>	<b>51.794</b>	<b>1.949.509</b>
<b>Total foreign currency liabilities</b>	<b>2.519.070</b>	<b>213.010</b>	<b>103.988</b>	<b>2.836.068</b>
<b>Net foreign currency position</b>	<b>(975.409)</b>	<b>(114.952)</b>	<b>(21.262)</b>	<b>(1.111.623)</b>

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 March 2008; YTL 1,2765 = USD 1 and YTL 2,0156 = Euro 1 (31 December 2007: YTL 1,1647 = USD 1 and YTL 1,7102 = Euro 1).

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)**

YTL equivalent of import and exports for the three-month periods ended 31 March 2008 and 2007 are as follows:

	<b>31 March 2008</b>	<b>31 March 2007</b>
Total exports	582.796	210.066
Total imports	1.069.663	136.274
Total ratio of hedging of net foreign currency liability	-	-

At 31 March 2008, had the Euro weakened/strengthened by 5% against YTL, with all other variables held constant, net loss before taxation and minority interest for the year would have been YTL 6.967 higher/ lower (31 March 2007: YTL 4.631 higher/ lower), as a result of foreign exchange losses on translation of Euro denominated financial assets and liabilities.

At 31 March 2008, had the US Dollars weakened/strengthened by 5% against YTL, with all other variables held constant, net loss before taxation and minority interest for the year would have been YTL 47.926 lower/higher (31 March 2007: YTL 41.697 lower/higher), as a result of foreign exchange gains on translation of US Dollars denominated financial assets and liabilities.

**f) Price Risk**

- Energy

The Group is exposed to price risk due to the differences between petroleum product stocks value and the product prices traded in international commodity market which subsequently affects sales price adversely. In order to avoid the negative price fluctuations on sales price, the Group entered into fair value hedge contracts. Gain/loss arising from fair value hedging transactions is added to cost of goods sold.

**g) 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 are determined by the Group, using available market information and appropriate valuation methodologies for each segment of the Group. 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.

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:

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)**

*Monetary assets*

The fair values of balances denominated in foreign currencies, which are translated at the period index change 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 at their fair values.

*Monetary liabilities*

The fair value of bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

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

Trade payables are disclosed at their fair values.

***h) Capital risk management***

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. On the calculation of the total debt, the Group management takes short and long-term borrowings and trade payables into consideration. Cash and cash equivalents are calculated as liquid assets less than 3 months and marketable securities less interest rediscount (Note 6).

	<b>31 March 2008</b>	<b>31 December 2007</b>
Total debts	3.851.805	3.274.652
Less: Cash and cash equivalents	(2.494.911)	(2.237.322)
<b>Net debt</b>	<b>1.356.894</b>	<b>1.037.330</b>
<b>Equity</b>	<b>3.767.489</b>	<b>3.757.575</b>
<b>Total equity</b>	<b>5.124.383</b>	<b>4.794.905</b>
<b>Gearing ratio</b>	<b>26%</b>	<b>22%</b>

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

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

**NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008**

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

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**NOTE 39 - 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 and its subsidiaries and joint ventures, 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.

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

Financial assets

The fair value of the foreign currency denominated amounts, which are translated by using the Exchange rates prevailing at period-end, is considered to approximate their fair value.

The fair values of certain financial assets carried at cost including cash and due from banks, deposits with banks and other financial assets are considered to approximate their respective carrying values due to their short-term nature. The fair value of investment securities has been estimated based on the market prices at balance sheet dates.

The trade receivables are carried at amortized cost using the effective yield method less provision for doubtful receivables, and hence are considered to approximate their fair values.

Financial liabilities

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

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

Trade payables are stated at their fair values and accordingly their carrying amounts approximate their fair values.

**NOTE 40 - SUBSEQUENT EVENTS**

1. A Memorandum of Understanding (“MoU”) was signed between Doğan Yayın Holding, a subsidiary of the Group, and Lottomatica S.p.A., residing in Italy, on 30 April 2008 regarding participation together with a 50%-50% shareholding in the “İddaa” tender expected to be held in the forthcoming period, and establishing a consortium or incorporation of a company for this purpose.
2. Doğan Holding, in order to form and develop projects focused on real estate, has decided to buy the total shares of the company named TOV D-Yapı Real Estate Investment and Construction which is established in Ukraine and with totally paid UAH 51.500 nominal capital.

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**NOTE 41 - DISCLOSURE OF OTHER MATTERS**

None (31 December 2007: None).

**NOTE 42 - CONSOLIDATED CASH FLOW STATEMENTS - CASH USED IN OPERATIONS**

	Notes	31 March 2008	31 March 2007
(Loss)/profit before income taxes from continuing operations		(74.394)	362.343
<b>Adjustments:</b>			
Depreciation and amortization	17-18-19	90.104	80.277
Provision for employment termination benefits	24	1.503	3.369
Interest income, net	32-33	(4.241)	(49.717)
Currency translation differences		(19.840)	(1.355)
Loss/(profit) on sale of property, plant and equipment		481	(1.723)
Impairment of investment property, tangible and intangible assets	17-18-19	-	(208)
Provision for tax negotiations	31	-	238.824
Other provisions		20.810	36.107
Profit arising from the sale of Subsidiaries and Joint Ventures	31	-	(601.201)
		<b>14.423</b>	<b>66.716</b>
<b>Changes in working capital (excluding the effects of acquisitions and disposals):</b>			
Change in through profit and loss, available-for-sale and held-to-maturity financial assets, net		3.748	(28.203)
Change in bank deposits with maturities more than 3 months, net		(10.754)	243.290
Change in trade receivables and due from related parties, net		59.662	(13.421)
Change in inventories, net		(111.850)	80.791
Change in trade payables, net		(144.490)	(170.768)
Change in insurance technical reserves, net		-	(5.412)
Change in other payables/receivables, net		(178.888)	17.830
		<b>(382.572)</b>	<b>124.107</b>
<b>Net cash (used in)/provided by operating activities</b>		<b>(368.149)</b>	<b>190.823</b>