

DOĐAN ŐİRKETLER GRUBU HOLDİNG A.Ő.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

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

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

1. We have audited the accompanying consolidated financial statements of Doğan Şirketler Grubu Holding A.Ş. (the "Company"), its subsidiaries and joint ventures (collectively referred as, the "Group") which comprise the consolidated balance sheet as of 31 December 2009 and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Doğan Şirketler Grubu Holding A.Ş. as of 31 December 2009, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the financial reporting standards endorsed by the CMB (Note 2).

Emphasis of Matter

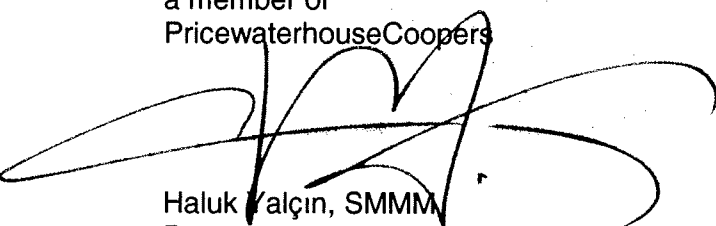
Without qualifying our opinion we draw attention to the following matter:

5. As discussed in Note 22 in detail, the prior financial periods of Doğan Yayın Holding A.Ş. and some of its subsidiaries in the Media Segment of the Group were subject to tax inspections. According to the tax inspection reports, such companies have been imposed to pay 4.996 million Turkish lira ("TL") in the form of income taxes and tax penalties. The Group has initiated legal proceedings and settlement negotiations to cancel the tax notifications and has filed lawsuits against the Tax Administration for tax notifications over which agreements have not been reached during the settlement negotiations phase. As also discussed in detail in Note 22, in accordance with the opinion of the Group's legal advisors and tax specialists, no provision has been made by the Group in the consolidated financial statements for the year ended 31 December 2009 for income taxes and tax penalties amounting to TL 4.037 million, as agreement has not been reached during the settlement negotiations and the outcome of the tax court of first instance is not certain. As of the date of this report, the legal proceedings initiated by the Group continue at several stages, and there is significant uncertainty as to the outcome of the legal proceedings for income taxes and tax penalties for which agreement has not been reached during the settlement negotiations and regarding which the outcome of the tax court of first instance is not certain.

Additional paragraph for convenience translation into English

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

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


Haluk Valçın, SMMM
Partner

Istanbul, 9 April 2010

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

CONTENTS	PAGE
CONSOLIDATED BALANCE SHEETS	1-2
CONSOLIDATED STATEMENTS OF INCOME.....	3
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	4
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY	5
CONSOLIDATED STATEMENTS OF CASH FLOW	6
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	7-117
NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS	7-11
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	12-41
NOTE 3 BUSINESS COMBINATIONS.....	41-44
NOTE 4 JOINT VENTURES	45-47
NOTE 5 SEGMENT REPORTING.....	47-52
NOTE 6 CASH AND CASH EQUIVALENTS.....	53
NOTE 7 FINANCIAL INVESTMENTS	54-55
NOTE 8 BORROWINGS	55-59
NOTE 9 OTHER FINANCIAL LIABILITIES	59
NOTE 10 TRADE RECEIVABLES AND PAYABLES.....	59-61
NOTE 11 OTHER RECEIVABLES AND PAYABLES.....	61-62
NOTE 12 RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS	62
NOTE 13 INVENTORIES	63
NOTE 14 BIOLOGICAL ASSETS	63
NOTE 15 CONSTRUCTION CONTRACT RECEIVABLES	63
NOTE 16 INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD.....	64
NOTE 17 INVESTMENT PROPERTY	65
NOTE 18 PROPERTY, PLANT AND EQUIPMENT	66-67
NOTE 19 INTANGIBLE ASSETS.....	68-70
NOTE 20 GOODWILL	70-71
NOTE 21 GOVERNMENT GRANTS	71
NOTE 22 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	72-84
NOTE 23 COMMITMENTS.....	84-85
NOTE 24 PROVISION FOR EMPLOYMENT TERMINATION BENEFITS	85-86
NOTE 25 RETIREMENT PLANS	86
NOTE 26 OTHER ASSETS AND LIABILITIES	87-88
NOTE 27 EQUITY.....	88-91
NOTE 28 SALES AND COST OF SALES	91
NOTE 29 RESEARCH AND DEVELOPMENT, MARKETING, SELLING AND DISTRIBUTION AND GENERAL ADMINISTRATIVE EXPENSES	92
NOTE 30 EXPENSES BY NATURE	92
NOTE 31 OTHER INCOME AND EXPENSES.....	93
NOTE 32 FINANCIAL INCOME	94
NOTE 33 FINANCIAL EXPENSES.....	94
NOTE 34 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS.....	94
NOTE 35 TAX ASSETS AND LIABILITIES	95-100
NOTE 36 EARNINGS / LOSS PER SHARE.....	100
NOTE 37 RELATED PARTY DISCLOSURES	101-102
NOTE 38 FINANCIAL RISK MANAGEMENT	102-114
NOTE 39 FINANCIAL INSTRUMENTS.....	114-115
NOTE 40 SUBSEQUENT EVENTS.....	115-116
NOTE 41 DISCLOSURE OF OTHER MATTERS.....	116
NOTE 42 CONSOLIDATED CASH FLOW STATEMENTS - CASH USED IN OPERATIONS	117

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER

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

	Notes	USD (*) 2009	2009	<i>Restated</i> 2008
ASSETS				
Current assets				
		2.852.797	4.295.457	5.619.622
Cash and cash equivalents	6	1.365.238	2.055.639	3.397.154
Financial investments	7	143.388	215.899	99.193
Trade receivables				
- Due from related parties	37	8.909	13.415	18.007
- Other trade receivables	10	720.882	1.085.432	1.133.200
Other receivables	11	10.847	16.332	35.990
Inventories	13	423.157	637.148	628.097
Biological assets	14	27	40	123
Other current assets	26	180.349	271.552	307.858
Non-current assets				
		3.486.332	5.249.370	4.988.845
Trade receivables	10	45.390	68.343	7.629
Other receivables	11	1.691	2.546	2.111
Inventories	13	73.529	110.713	121.341
Financial investments	7	18.308	27.567	1.264
Investments accounted for by the equity method	16	-	-	12.449
Investment properties	17	61.488	92.583	78.383
Property, plant and equipment	18	1.069.872	1.610.907	1.544.739
Intangible assets	19	870.992	1.311.453	1.317.761
Goodwill	20	1.139.384	1.715.569	1.612.165
Deferred income tax assets	35	47.319	71.248	118.561
Other non-current assets	26	158.359	238.441	172.442
TOTAL ASSETS				
		6.339.129	9.544.827	10.608.467

The consolidated financial statements for the year ended 31 December 2009 have been approved by the Board of Directors at 9 April 2010. These consolidated financial statements will be definitive following their approval in the General Assembly.

(*) 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 TL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TL 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 December 2009.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER

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

	Notes	USD (*) 2009	2009	<i>Restated</i> 2008
LIABILITIES				
Current liabilities		2.110.284	3.177.455	2.972.713
Borrowings and financial liabilities	8	899.637	1.354.585	1.098.211
Other financial liabilities	9	11.835	17.820	23.895
Trade payables				
- Due to related parties	37	294	442	1.616
- Other trade payables	10	834.806	1.256.967	1.313.609
Other payables	11	173.261	260.879	274.198
Current income tax liabilities	35	7.106	10.699	71.142
Provisions	22	89.500	134.760	83.659
Other current liabilities	26	93.845	141.303	106.383
Non-current liabilities		1.412.048	2.126.120	2.932.400
Borrowings and financial liabilities	8	978.497	1.473.323	2.035.388
Other financial liabilities	9	493	742	6.410
Trade payables	10	210.430	316.844	524.114
Other payables	11	47.404	71.376	77.939
Provisions	22	934	1.406	1.111
Provisions for employment benefits	24	24.174	36.399	30.308
Deferred income tax liabilities	35	150.116	226.030	257.130
SHAREHOLDERS' EQUITY		2.816.797	4.241.252	4.703.354
Equity attributable to equity holders of the company		2.307.302	3.474.105	3.851.032
Share capital	27	1.627.150	2.450.000	2.450.000
Adjustment to share capital	27	95.322	143.526	143.526
Share premium	27	418	630	630
Revaluation fund	27	83.946	126.398	146.218
Translation reserve	27	(4.691)	(7.063)	3.807
Restricted reserves	27	24.873	37.451	15.762
Retained earnings	27	556.071	837.276	1.022.944
Profit for the period		(75.787)	(114.113)	68.145
Minority interests		509.495	767.147	852.322
TOTAL LIABILITIES		6.339.129	9.544.827	10.608.467

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 TL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TL exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as at 31 December 2009.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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

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

	Notes	USD (*) 2009	2009	Restated 2008
Sales	28	6.851.632	10.316.502	12.500.316
Cost of sales (-)	28,30	(6.210.383)	(9.350.973)	(11.192.678)
Gross profit	28	641.249	965.529	1.307.638
Marketing, selling and distribution expenses (-)	29,30	(313.927)	(472.680)	(525.879)
General and administrative expenses (-)	29,30	(286.400)	(431.232)	(447.921)
Research and development expenses (-)	29,30	(595)	(896)	-
Other income	31	77.699	116.992	199.715
Other expenses (-)	31	(147.843)	(222.607)	(189.255)
Operating profit		(29.817)	(44.894)	344.298
Share of profit/(loss) investments accounted for by the equity method	16	(1.464)	(2.205)	1.623
Financial income	32	597.215	899.227	1.289.534
Financial expenses (-)	33	(699.091)	(1.052.621)	(1.658.657)
Loss before income taxes		(133.157)	(200.493)	(23.202)
Taxation on income	35	(76.923)	(115.823)	(57.102)
- Current income tax for the period		(62.791)	(94.545)	(126.396)
- Deferred tax (expenses)/income		(14.132)	(21.278)	69.294
Loss for the period		(210.080)	(316.316)	(80.304)
Allocation of loss for the period				
Attributable to minority interests		(134.293)	(202.203)	(148.449)
Attributable to equity holders of the company		(75.787)	(114.113)	68.145
(Loss)/Earnings per share for profit attributable to equity holders of the company	36	(0,03)	(0,05)	(0,03)

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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

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

	USD (*) 2009	2009	Restated 2008
Loss for the Period	(210.079)	(316.316)	(80.304)
<u>Other Comprehensive Expense/Income:</u>			
Change in Financial Assets Fair Value Reserve	8.272	12.456	-
Change in Translation Reserves	(11.569)	(17.420)	61.107
Other Comprehensive (Expense)/Income (after Income Tax)	(3.297)	(4.964)	61.107
Total Comprehensive Expense	(213.376)	(321.280)	(19.197)
Allocation of Total Comprehensive Expense			
Attributable to Minority Interests	(138.642)	(208.753)	(112.654)
Attributable to Equity Holders of the Company	(74.734)	(112.527)	93.457

(*) As explained in the Note 2.1.3 to the condensed 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 TL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TL exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as at 31 December 2009.

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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

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

	Note references	Share capital	Adjustment to share capital	Share premium	Financial assets fair value reserve	Non-current assets revaluation fund	Translation reserve	Restricted reserves	Retained earnings	Net profit for the period	Equity attributable to equity holders of the company	Minority interests	Total shareholders' equity
Balances at 1 January 2008		1.500.000	331.903	630	-	185.652	(21.505)	777.385	588.266	395.244	3.757.575	1.205.781	4.963.356
Transfers		-	-	-	-	(39.434)	-	-	434.678	(395.244)	-	-	-
Business combinations and consolidation rate change effect		-	-	-	-	-	-	-	-	-	(238.822)	-	(238.822)
Capital increase	27	950.000	(188.377)	-	-	-	-	(761.623)	-	-	5.298	-	5.298
Dividend payment of subsidiaries		-	-	-	-	-	-	-	-	-	(7.281)	-	(7.281)
Total comprehensive income		-	-	-	-	-	25.312	-	-	70.615	95.927	(112.654)	(16.727)
<i>Currency translation differences</i>		-	-	-	-	-	<i>25.312</i>	-	-	-	<i>25.312</i>	<i>35.795</i>	<i>61.107</i>
<i>Net profit/(loss) for the period</i>		-	-	-	-	-	-	-	-	<i>70.615</i>	<i>70.615</i>	<i>(148.449)</i>	<i>(77.834)</i>
Balances at 31 December 2008 (as previously reported)	27	2.450.000	143.526	630	-	146.218	3.807	15.762	1.022.944	70.615	3.853.502	852.322	4.705.824
IFRIC 13 restatement effect	2.1.5	-	-	-	-	-	-	-	-	(2.470)	(2.470)	-	(2.470)
Balances at 31 December 2008 (restated)		2.450.000	143.526	630	-	146.218	3.807	15.762	1.022.944	68.145	3.851.032	852.322	4.703.354
Balances at 1 January 2009 (as previously reported)		2.450.000	143.526	630	-	146.218	3.807	15.762	1.022.944	70.615	3.853.502	852.322	4.705.824
Restatement effect of Joint Venture	2.1.5	-	-	-	-	-	-	-	(19.400)	(2.470)	(21.870)	-	(21.870)
Balances at 1 January 2009 (restated)		2.450.000	143.526	630	-	146.218	3.807	15.762	1.003.544	68.145	3.831.632	852.322	4.683.954
Transfers		-	-	-	-	(32.276)	-	21.689	78.732	(68.145)	-	-	-
Increase in fair value of available-for-sale financial asset, net		-	-	-	12.456	-	-	-	-	-	12.456	-	12.456
Capital increase		-	-	-	-	-	-	-	-	-	-	72.396	72.396
Consolidation rate change effect		-	-	-	-	-	-	-	-	-	-	55.932	55.932
Dividend payment		-	-	-	-	-	-	-	(245.000)	-	(245.000)	(4.750)	(249.750)
Total comprehensive (expense)/income		-	-	-	-	-	(10.870)	-	-	(114.113)	(124.983)	(208.753)	(333.736)
<i>Currency translation differences</i>		-	-	-	-	-	<i>(10.870)</i>	-	-	-	<i>(10.870)</i>	<i>(6.550)</i>	<i>(17.420)</i>
<i>Net profit/(loss) for the period</i>		-	-	-	-	-	-	-	-	<i>(114.113)</i>	<i>(114.113)</i>	<i>(202.203)</i>	<i>(316.316)</i>
Balances at 31 December 2009	27	2.450.000	143.526	630	12.456	113.942	(7.063)	37.451	837.276	(114.113)	3.474.105	767.147	4.241.252

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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

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

	Notes	USD (*) 2009	2009	2008
Operating activities:				
Cash provided in operations	42	305.307	459.700	1.490.229
Taxes paid		(107.779)	(162.283)	(84.282)
Employment termination benefit paid	24	(7.266)	(10.940)	(10.258)
Net cash provided by/(used in) operating activities		190.262	286.477	1.395.689
Investing activities:				
Purchase of investment property	17	(24.512)	(36.907)	(25.409)
Purchase of property, plant and equipment	18	(207.282)	(312.105)	(326.708)
Purchase of intangibles	19	(139.870)	(210.603)	(174.050)
Proceeds from sale of property, plant and equipment, intangibles and investment property		43.827	65.990	47.020
Cash out flow for acquisition of subsidiaries		(14.877)	(22.400)	(234.351)
Proceeds from disposal of subsidiary and joint venture shares		19.702	29.666	66.508
Change in other non-current assets and long-term liabilities		(43.816)	(65.974)	(83.787)
Net cash used in investing activities		(366.828)	(552.333)	(730.777)
Financing activities:				
Proceeds of issuance of share capital to minority interests		48.081	72.396	5.298
Dividends paid to minority interests		(3.155)	(4.750)	(7.281)
Change in financial liabilities, net		(325.877)	(490.672)	498.032
Letter of credits paid in trade payables		(43.582)	(65.622)	(133.202)
Change in long term trade payables, net		(137.657)	(207.270)	44.808
Interest paid		(180.505)	(271.787)	(282.331)
Interest received		86.718	130.571	250.005
Dividends paid		(162.715)	(245.000)	-
Net cash provided by financing activities		(718.692)	(1.082.134)	375.329
Net increase in cash and cash equivalents		(895.258)	(1.347.990)	1.040.241
Cash and cash equivalents at the beginning of the period	6	2.246.600	3.382.706	2.342.465
Cash and cash equivalents at the end of the period	6	1.351.342	2.034.716	3.382.706

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

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

(Amounts expressed in thousands of Turkish lira (“TL”) unless otherwise indicated. Currencies other than TL 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 September 1980 as a corporation to coordinate the activities of and liaise between companies operating in different fields including media, energy, telecommunications, tourism, insurance, manufacturing and marketing and is registered in Turkey. Doğan Holding also provides financial and managerial advisory and internal audit services to its Subsidiaries and Joint Ventures operating in these fields.

Doğan Holding is registered with the Capital Markets Board (“CMB”) and its shares have been quoted on the Istanbul Stock Exchange (“ISE”) since 21 June 1993. At 31 December 2009, the shares quoted on the ISE represent 34,29% of the total shares (31 December 2008: 34,29%). At 31 December 2009, 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
	100,00

The address of the registered office is as follows:

Altunizade, Oymacı Sokak No: 15/1
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.

**CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
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DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

Company Name	Country	Nature of business	Segment
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 (“DMI”)	Germany	Newspaper publishing	Media
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. (“Hürriyet Medya Basım”)	Turkey	Publishing and administrative services	Media
Oglasnik Nekretnine d.o.o.	Croatia	Newspaper publishing	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. (“DHA”)	Turkey	News agency	Media
Yaysat Yayın Satış Pazarlama ve Dağıtım A.Ş. (“Yaysat”)	Turkey	Distribution	Media
Doğan Dağıtım Satış, Pazarlama Matbaacılık Ödeme Aracılık ve Tahsilat Sistemleri A.Ş. (“Doğan Dağıtım”) (1)	Turkey	Distribution	Media
Doğan Dış Ticaret ve Müessesilik A.Ş. (“Doğan Dış Ticaret”)	Turkey	Import and export	Media
İşil İthalat İhracat Müessesilik A.Ş. (“İşil İthalat İhracat”)	Turkey	Import and export	Media
Referans Yayın Dağıtım ve Kurye Hizmetleri A.Ş. (“Refeks”)	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
Yenibirleş 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”)	The Netherlands	Investment	Media
Trader Media East Ltd. (“TME”)	Jersey	Investment	Media
International Ssuarts Holding B.V.	The Netherlands	Investment	Media
Mirabridge International B.V.	The Netherlands	Investment	Media
Trader Classified Media Croatia Holdings B.V.	The Netherlands	Investment	Media
Trader East Holdings B.V.	The Netherlands	Investment	Media
Pronto Invest B.V.	The Netherlands	Investment	Media
TCM Adria d.o.o.	Croatia	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
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 (“Marchant”)	British Virgin Islands	Charity	Media
Oglasnik d.o.o.	Croatia	Newspaper and internet publishing	Media
Expressz Magyarorszag Rt (“Expressz Magyarorszag”)	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
SP Belpronto OOO	Belarus	Newspaper and internet publishing	Media
OOO Pronto Rostov	Belarus	Newspaper and internet publishing	Media

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Company Name	Country	Nature of business	Segment
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
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 Sever	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
Informatsia Vilniusa	Lithuania	Newspaper and internet publishing	Media
ZAO Pronto Akzhof	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 Herzegovania	Internet Publishing	Media
RU.com OOO	Russia	Internet Publishing	Media
OOO Partner-Soft	Russia	Internet Publishing	Media
Pronto Soft	Russia	Internet Publishing	Media
E-Prostir	Ukraine	Internet Publishing	Media
Prime Türk Europer GmbH (“Prime Türk”)	Germany	Marketing	Media
Osmose Media S.A (“Osmose Media”)	Luxembourg	Marketing	Media
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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Company Name	Country	Nature of business	Segment
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" or "Star TV")	Turkey	TV broadcasting	Media
Alp Görsel İletişim Hizmetleri A.Ş. ("Alp Görsel" or "D Smart")	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
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 Yapımcılık 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
Selenit Televizyon ve Radyo Yayıncılık A.Ş. ("Selenit 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. ("Ekinoks 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 Yapımcılık Sanayi ve Ticaret A.Ş. ("Galaksi TV")	Turkey	TV broadcasting	Media
Opal İletişim Hizmetleri A.Ş. ("Opal İletişim")	Turkey	TV broadcasting	Media
Koloni Televizyon ve Radyo Yayıncılık A.Ş. ("Koloni TV")	Turkey	TV broadcasting	Media
Atılğan Televizyon ve Radyo Yayıncılık A.Ş. ("Atılğan 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" or "CNN Türk")	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
İnci Televizyon ve Radyo Yayıncılık A.Ş. ("İnci TV")	Turkey	TV broadcasting	Media
Kuvars Televizyon ve Radyo Yayıncılık A.Ş. ("Kuvars TV")	Turkey	TV broadcasting	Media
Lal Televizyon ve Radyo Yayıncılık A.Ş. ("Lal TV")	Turkey	TV broadcasting	Media
Truva Televizyon ve Radyo Yayıncılık A.Ş. ("Truva TV")	Turkey	TV broadcasting	Media
Kayra Televizyon ve Radyo Yayıncılık A.Ş. ("Kayra TV")	Turkey	TV broadcasting	Media
Milas Televizyon ve Radyo Yayıncılık A.Ş. ("Milas TV")	Turkey	TV broadcasting	Media

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Company Name	Country	Nature of business	Segment
Doğan Media International S.A. (“Kanal D Romanya”)	Romania	TV broadcasting	Media
Anemon İletişim Hizmetleri A.Ş. (“Anemon”)	Turkey	TV broadcasting	Media
Yosun İletişim Hizmetleri A.Ş. (“Yosun”)	Turkey	TV broadcasting	Media
Denizati İletişim Hizmetleri A.Ş.	Turkey	TV broadcasting	Media
Protema Yapım Reklam ve Dağıtım A.Ş.	Turkey	TV broadcasting	Media
Doğan Teleshopping Pazarlama ve Ticaret A.Ş. (“Doğan Teleshopping”) (2)	Turkey	TV broadcasting	Media
ZAO NPK	Russia	Call center	Media
Radyo Kulübü Uluslararası Programlar A.Ş. (“D Radyo”)	Turkey	Radio broadcasting	Media
Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. (“Rapsodi 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
Pratik Ödeme Sistemleri A.Ş. (“Pratik Ödeme”)	Turkey	Distribution	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
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
Hürriyet Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. (“Hürriyet Pazarlama”)	Turkey	Marketing	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
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
SC D-Yapı Real Estate, Investment and Construction S.A. (“D Yapı Romanya”)	Romania	Real estate	Other
TOV D-Yapı Real Estate Investment and Construction (“TOV D-Yapı”)	Ukraine	Real estate	Other
D Stroy Limited Şirketi (“D Stroy”)	Russia	Real estate	Other
SC Doğan Hospitals Investments and Management SRL (“SC Doğan Hospitals”)	Romania	Real estate	Other
DHI Investment B.V. (“DHI Investment”)	The Netherlands	Investment	Other

(1) Legal merger of Smile Dağıtım A.Ş. (“Smile Dağıtım”), Pratik Ödeme Sistemleri A.Ş. (“Pratik Ödeme”), Smile Holding A.Ş. (“Smile Holding”), Smile Tedarik ve Ticaret A.Ş. (“Smile Tedarik”) and Smile Sigorta Aracılık Hizmetleri A.Ş. (“Smile Sigorta”) with Doğan Dağıtım has been realised in accordance with Turkish Commercial Code’s dictums as of 31 July 2009 and the articles of association and Company name of Doğan Dağıtım is amended and registered. As published in Turkey Trade Registry Gazette on 6 August 2009, the name of the Company is revised as Doğan Dağıtım Satış Pazarlama Matbaacılık Ödeme Aracılık ve Tahsilat Sistemleri A.Ş.

(2) 45% shares of Doğan Teleshopping, joint venture of Group as of 31 December 2008, has been acquired by Opal İletişim. As of October 2009, Doğan Teleshopping is accounted as a subsidiary of the Group following this acquisition.

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 CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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. The consolidated financial statements and accompanying notes to them have been presented in accordance with the CMB’s Communiqué No: XI-29 and its regulations with regard to preparation of financial statements by including the mandatory information. In this regard, necessary reclassifications have been made in the consolidated financial statements of previous periods (Note 2.1.5).

Doğan Holding and its Subsidiaries, Joint Ventures and Associates registered in Turkey maintain their books of account and prepare their statutory financial statements (“Statutory Financial Statements”) in TL 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 CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

(Amounts expressed in thousands of Turkish lira (“TL”) unless otherwise indicated. Currencies other than TL 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 and statements of comprehensive income.

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 Turkish lira (“TL”), as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TL exchange rate of TL 1,5057 = USD 1,00 on 31 December 2009. 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 31 December 2008. Such translations should not be construed as a representation that the TL 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 related 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 CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.1.4 Consolidation principles (Continued)

The table below sets out all Subsidiaries included in the scope of consolidation and shows their shareholding structure at 31 December 2009 and 2008 is as follows:

Subsidiaries	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 (%)	
	2009	2008	2009	2008	2009	2008	2009	2008
Hürriyet (1)	77,65	71,64	-	-	77,65	71,64	60,70	53,54
Doğan Daily News	94,25	94,25	-	-	94,25	94,25	57,20	50,46
Doğan Gazetecilik (1)	70,76	70,62	0,52	0,52	71,28	71,14	52,74	51,38
Bağımsız Gazeteciler	100,00	100,00	-	-	100,00	100,00	52,74	51,38
Kemer Yayıncılık	99,98	99,98	-	-	99,98	99,98	52,73	51,37
Milliyet Verlags	99,77	99,77	0,23	0,23	100,00	100,00	73,57	71,01
DMI	100,00	100,00	-	-	100,00	100,00	68,66	64,61
Hürriyet Medya Basım	100,00	100,00	-	-	100,00	100,00	60,69	53,54
Oglasnik								
Nekretnine d.o.o.	100,00	100,00	-	-	100,00	100,00	40,85	36,03
Doğan Ofset	99,93	99,93	-	-	99,93	99,93	60,65	53,50
DYG İlan	100,00	100,00	-	-	100,00	100,00	60,86	58,22
Mozaik	100,00	100,00	-	-	100,00	100,00	55,54	54,22
Milha	100,00	100,00	-	-	100,00	100,00	61,39	59,73
DHA	99,69	99,61	-	-	99,69	99,61	66,69	62,06
Yaysat	100,00	75,00	-	-	100,00	75,00	71,07	49,77
Doğan Dağıtım	100,00	100,00	-	-	100,00	100,00	74,53	72,74
Doğan Dış Ticaret	100,00	100,00	-	-	100,00	100,00	74,29	72,42
İşil İthalat İhracat	96,70	96,70	-	-	96,70	96,70	71,84	70,03
Refeks	100,00	100,00	-	-	100,00	100,00	60,70	53,54
Emlaksimum	99,80	99,80	0,10	0,10	99,90	99,90	60,53	53,44
Milliyet İnternet	100,00	100,00	-	-	100,00	100,00	52,76	51,40
Yenibir	100,00	100,00	-	-	100,00	100,00	60,70	53,54
Kemer Pazarlama	99,96	99,96	-	-	99,96	99,96	52,72	51,36
TME Teknoloji	100,00	100,00	-	-	100,00	100,00	60,69	53,54
Hürriyet								
Zweigniederlassung	100,00	100,00	-	-	100,00	100,00	60,70	53,54
Hürriyet Invest	100,00	100,00	-	-	100,00	100,00	60,70	53,54
TME	67,30	67,30	-	-	67,30	67,30	40,85	36,03
International Ssuarts								
Holding B.V.	100,00	100,00	-	-	100,00	100,00	40,85	36,03
Mirabridge								
International B.V.	100,00	100,00	-	-	100,00	100,00	40,85	36,03
Trader Classified								
Media Croatia								
Holdings B.V.	100,00	100,00	-	-	100,00	100,00	40,85	36,03
Trader East Holdings B.V.	100,00	100,00	-	-	100,00	100,00	40,85	36,03
Pronto Invest B.V.	100,00	100,00	-	-	100,00	100,00	40,85	36,03
TCM Adria d.o.o.	100,00	100,00	-	-	100,00	100,00	40,85	36,03
Ssuarts Holding GmbH (2)	-	100,00	-	-	-	100,00	-	36,03
OOO Rektcentr	100,00	100,00	-	-	100,00	100,00	40,85	36,03
Ssuarts Trading Ltd. (2)	-	55,00	-	-	-	55,00	-	19,82
Publishing House								
Pennsylvania Inc.	100,00	100,00	-	-	100,00	100,00	40,85	36,03
Doğan Platform	100,00	100,00	-	-	100,00	100,00	74,53	72,76
Doğan Yayın (1)	74,53	72,76	2,97	2,97	77,50	75,73	74,53	72,76
Fairworld	100,00	100,00	-	-	100,00	100,00	74,29	72,42
Falcon	100,00	100,00	-	-	100,00	100,00	74,29	72,42
Marchant	100,00	100,00	-	-	100,00	100,00	71,84	70,03
Oglasnik d.o.o.	100,00	100,00	-	-	100,00	100,00	40,85	36,03

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.1.4 Consolidation principles (Continued)

Subsidiaries	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 (%)	
	2009	2008	2009	2008	2009	2008	2009	2008
Expressz Magyarország Szuperinfo	100,00	100,00	-	-	100,00	100,00	40,85	36,03
Magyarország Kft (2)	-	100,00	-	-	-	100,00	-	36,03
Siodemka Sp. Z.o.o. (2)	-	100,00	-	-	-	100,00	-	36,03
SP Belpronto OOO	60,00	60,00	-	-	60,00	60,00	24,51	21,62
OOO Pronto Rostov	100,00	100,00	-	-	100,00	100,00	40,85	36,03
SP Belpronto OOO BYR	60,00	60,00	-	-	60,00	60,00	24,51	21,62
OOO Pronto Aktobe	80,00	80,00	-	-	80,00	80,00	26,14	23,06
ZAO Avtotehsnab	85,00	85,00	-	-	85,00	85,00	34,72	30,63
OOO Novoprint	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Balt-Pronto								
Kaliningrad	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Delta-M	55,00	55,00	-	-	55,00	55,00	22,47	19,82
OOO Gratis (2)	-	90,00	-	-	-	90,00	-	32,43
OOO Pronto Baikal	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto DV	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto Ivanovo	86,00	86,00	-	-	86,00	86,00	35,13	30,99
OOO Pronto Kaliningrad	95,00	95,00	-	-	95,00	95,00	38,81	34,23
OOO Pronto Kazan	72,00	72,00	-	-	72,00	72,00	29,41	25,95
OOO Pronto Krasnodar	80,00	80,00	-	-	80,00	80,00	32,68	28,83
OOO Pronto Krasnojarsk	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto Nizhnij Novgorod	90,00	90,00	-	-	90,00	90,00	36,76	32,43
OOO Pronto Novosibirsk	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto Oka	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto Petersburg	51,00	51,00	-	-	51,00	51,00	20,83	18,37
OOO Pronto Samara	89,90	89,90	-	-	89,90	89,90	36,72	32,39
OOO Pronto Stavropol	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto UlanUde	90,00	90,00	-	-	90,00	90,00	36,76	32,43
OOO Pronto Vladivostok	90,00	90,00	-	-	90,00	90,00	36,76	32,43
OOO Pronto Volgograd	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto-Moscow	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Tambukan	85,00	85,00	-	-	85,00	85,00	34,72	30,63
OOO Utro Peterburga	55,00	55,00	-	-	55,00	55,00	22,47	19,82
OOO Pronto Astrakhan	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto Kemerovo	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto Sever	90,00	90,00	-	-	90,00	90,00	36,76	32,43
OOO Pronto Smolensk	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto Tula	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto Voronezh	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Tambov-Info	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto Obninsk	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto Komi	70,00	70,00	-	-	70,00	70,00	28,59	25,22
Informatsia Vilniusa	100,00	100,00	-	-	100,00	100,00	40,85	36,03
ZAO Pronto Akzhol	80,00	80,00	-	-	80,00	80,00	32,68	28,83
OOO Pronto-Akmola	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto Atyrau	100,00	100,00	-	-	100,00	100,00	32,68	28,83
OOO Pronto Aktau	100,00	100,00	-	-	100,00	100,00	32,68	28,83
SP Pronto Kiev	50,00	50,00	-	-	50,00	50,00	20,42	18,02
Internet Posao d.o.o.	100,00	100,00	-	-	100,00	100,00	28,59	25,22
Moje Delo spletni Marketing d.o.o.	100,00	100,00	-	-	100,00	100,00	40,85	36,03
Bolji Posao d.o.o. Serbia	100,00	100,00	-	-	100,00	100,00	22,47	19,82
Bolji Posao d.o.o. Bosnia	100,00	100,00	-	-	100,00	100,00	22,47	19,82

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.1.4 Consolidation principles (Continued)

Subsidiaries	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 (%)	
	2009	2008	2009	2008	2009	2008	2009	2008
RU.com OOO	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Partner-Soft	100,00	100,00	-	-	100,00	100,00	40,85	36,03
Pronto soft	90,00	90,00	-	-	90,00	90,00	36,76	32,43
E-Prostir	50,00	50,00	-	-	50,00	50,00	20,42	18,02
Prime Türk	100,00	100,00	-	-	100,00	100,00	57,73	54,22
Osmose Media	100,00	100,00	-	-	100,00	100,00	57,73	54,22
OOO Optoprint	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto Print	54,00	54,00	-	-	54,00	54,00	22,06	19,46
OOO Rosprint	100,00	70,00	-	-	100,00	70,00	40,85	25,22
OOO Rosprint Samara	99,50	59,50	-	-	99,50	59,50	40,85	21,44
Impress Media								
Marketing BVI	100,00	100,00	-	-	100,00	100,00	40,85	36,03
Impress Media								
Marketing LLC	100,00	100,00	-	-	100,00	100,00	40,85	36,03
OOO Pronto TV	70,00	70,00	-	-	70,00	70,00	28,59	25,22
Doğan TV	74,51	74,51	-	-	74,51	74,51	55,54	54,22
Kanal D	94,81	94,81	-	-	94,81	94,81	52,65	51,40
İşıl TV	100,00	100,00	-	-	100,00	100,00	55,53	54,22
Alp Görsel	100,00	100,00	-	-	100,00	100,00	55,54	54,22
Fun TV	95,25	95,25	-	-	95,25	95,25	52,90	51,64
Tempo TV	95,25	95,25	-	-	95,25	95,25	52,85	51,59
Kanalspor	99,63	99,63	0,12	0,12	99,75	99,75	55,28	53,96
Milenyum TV	99,94	99,94	-	-	99,94	99,94	55,50	54,18
TV 2000	98,61	98,61	0,46	0,46	99,07	99,07	54,71	53,41
Moda Radyo	99,56	99,56	0,22	0,22	99,78	99,78	55,29	53,97
Popüler TV	96,00	96,00	1,33	1,33	97,33	97,33	53,26	52,00
D Yapım Reklamcılık	100,00	100,00	-	-	100,00	100,00	55,54	54,22
Bravo TV	99,60	99,60	-	-	99,60	99,60	55,26	53,95
Doğa TV	98,12	98,12	0,63	0,63	98,75	98,75	54,45	53,20
Altın Kanal	99,35	99,35	0,22	0,22	99,57	99,57	55,12	53,81
Stil TV	99,08	99,08	0,61	0,61	99,69	99,69	54,97	53,67
Selenit TV	99,74	99,74	0,13	0,13	99,87	99,87	55,34	54,02
Elit TV	98,73	98,73	0,64	0,64	99,37	99,37	54,78	53,47
D Çocuk	99,12	99,12	0,59	0,59	99,71	99,71	54,99	53,68
Ekinoks TV	99,80	99,80	0,13	0,13	99,93	99,93	55,37	54,06
Dönence TV	96,80	96,80	2,13	2,13	98,93	98,93	53,71	52,43
Fleks TV	98,18	98,18	1,21	1,21	99,39	99,39	54,47	53,18
Meridyen TV	99,98	99,98	0,01	0,01	99,99	99,99	55,48	54,16
Planet TV	99,47	99,47	0,35	0,35	99,82	99,82	55,19	53,88
HD TV	99,72	99,72	0,19	0,19	99,91	99,91	55,32	54,01
Doğan Prodüksiyon	100,00	100,00	-	-	100,00	100,00	55,54	54,22
Doğan TV Dijital	99,70	99,70	0,20	0,20	99,90	99,90	55,32	54,00
Kutup TV	99,69	99,69	0,21	0,21	99,90	99,90	55,31	53,99
Galaksi TV	99,07	99,07	-	-	99,07	99,07	54,97	53,66
Opal İletişim	99,92	99,92	-	-	99,92	99,92	55,49	54,17
Koloni TV	86,67	86,67	6,67	6,67	93,34	93,34	48,13	46,99
Atılğan TV	86,67	86,67	6,67	6,67	93,34	93,34	48,13	46,99
Atmosfer TV	86,67	86,67	3,33	3,33	90,00	90,00	48,08	46,94
Gümüüş TV	92,86	92,86	1,79	1,79	94,65	94,65	51,52	50,29
Platin TV	91,30	91,30	2,17	2,17	93,47	93,47	50,66	49,45
Yörünge TV	98,39	98,39	0,40	0,40	98,79	98,79	54,59	53,29
Lapis Televizyon	99,65	99,65	0,12	0,12	99,77	99,77	55,34	54,02
Safir Televizyon	90,00	90,00	3,33	3,33	93,33	93,33	49,93	48,75
Tematik TV	90,00	90,00	3,33	3,33	93,33	93,33	49,98	48,79

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.1.4 Consolidation principles (Continued)

Subsidiaries	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 (%)	
	2009	2008	2009	2008	2009	2008	2009	2008
Akustik TV	99,96	99,96	0,01	0,01	99,97	99,97	55,49	54,17
Ametist TV	99,96	99,96	0,01	0,01	99,97	99,97	55,51	54,19
Süper Kanal	99,53	99,53	0,23	0,23	99,76	99,76	55,22	53,91
Uydu	52,00	52,00	38,67	38,67	90,67	90,67	28,85	28,19
Mobil	75,00	75,00	-	-	75,00	75,00	41,65	40,66
Matis TV	100,00	100,00	-	-	100,00	100,00	55,53	54,22
Yonca TV	100,00	100,00	-	-	100,00	100,00	55,53	54,22
İnci TV	86,67	86,67	3,33	3,33	90,00	90,00	48,08	46,94
Kuvars TV	86,67	86,67	3,33	3,33	90,00	90,00	49,99	46,94
Lal TV	86,67	86,67	3,33	3,33	90,00	90,00	49,99	46,94
Truva TV	86,67	86,67	3,33	3,33	90,00	90,00	49,99	46,94
Kayra TV	86,67	86,67	3,33	3,33	90,00	90,00	49,99	46,94
Milas TV	86,67	86,67	3,33	3,33	90,00	90,00	49,99	46,94
Kanal D Romanya	74,90	74,90	-	-	74,90	74,90	51,43	48,39
Anemon (3)	99,99	-	-	-	99,99	-	55,53	-
Yosun (3)	99,99	-	-	-	99,99	-	55,53	-
Denizatu (3)	99,99	-	-	-	99,99	-	55,52	-
Protema Yapım (3)	99,99	-	0,01	-	100,00	-	55,53	-
Doğan Teleshopping	99,99	50,00	-	-	99,99	50,00	55,49	25,25
ZAO NPK	100,00	100,00	-	-	100,00	100,00	40,85	36,03
D Radyo	98,18	98,18	-	-	98,18	98,18	54,53	53,23
Rapsodi Radyo TV	97,22	97,22	-	-	97,22	97,22	53,99	52,71
CNN Türk Radyo	95,60	95,60	-	-	95,60	95,60	53,09	51,83
DMC	99,96	99,94	0,01	0,02	99,97	99,96	61,60	54,18
İnteraktif Medya	75,00	75,00	-	-	75,00	75,00	41,65	40,66
DMK	100,00	100,00	-	-	100,00	100,00	74,53	72,76
Hürservis	100,00	100,00	-	-	100,00	100,00	72,95	69,11
Birpa	99,98	99,95	0,01	0,02	99,99	99,97	74,52	72,72
Doğan Online	100,00	100,00	-	-	100,00	100,00	74,53	72,76
Doğan Factoring	100,00	100,00	-	-	100,00	100,00	74,08	72,05
Milpa	65,00	65,00	0,50	0,50	65,50	65,50	65,00	65,00
Hürriyet Pazarlama	99,94	99,94	0,05	0,05	99,99	99,99	99,94	99,94
Milanur	100,00	100,00	-	-	100,00	100,00	99,76	65,01
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	84,80	84,95
Doğan Havacılık	100,00	100,00	-	-	100,00	100,00	91,34	90,33
Çelik Halat (1)	78,69	78,46	-	-	78,69	78,46	78,69	78,46
Ditaş Doğan (1)	73,59	66,67	-	-	73,59	66,67	73,59	66,67
Milta Turizm	98,68	98,57	1,32	1,32	100,00	99,89	98,68	98,68
Doğan Organik	100,00	100,00	-	-	100,00	100,00	98,57	98,22
Zigana	84,91	84,91	-	-	84,91	84,91	84,91	84,91
Çelik Enerji	100,00	100,00	-	-	100,00	100,00	99,88	99,85
Doğan Enerji	100,00	99,99	-	-	100,00	99,99	100,00	99,99
D-Yapı Romanya	100,00	100,00	-	-	100,00	100,00	100,00	100,00
TOV D-Yapı	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D Stroy	100,00	100,00	-	-	100,00	100,00	100,00	100,00
SC Doğan Hospitals	100,00	100,00	-	-	100,00	100,00	100,00	100,00
DHI Investment (3)	100,00	-	-	-	100,00	-	100,00	-

- (1) The acquisition of a certain portion of this subsidiary's shares during the period led to an increase in Group's voting rights.
- (2) These subsidiaries were disposed or liquidated in 2009.
- (3) These subsidiaries were established in 2009.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

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

2.1.4 Consolidation principles (Continued)

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

- (c) Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Doğan Holding and one or more other parties. Doğan Holding exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself 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.
- (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 December 2009 and 2008:

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 (%)	
	2009	2008	2009	2008	2009	2008	2009	2008
Ray Sigorta A.Ş. ("Ray Sigorta") (*)		20,00		-		20,00		20,00

(*) 10% of shares in Ray Sigorta were sold to TBIH Financial Services Group N.V. on 1 September 2009. The remaining 10% shares of Ray Sigorta are carried at fair value in Available – for – Sale Financial Investments subsequent to this date (Note 7).

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.1.4 Consolidation principles (Continued)

- (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.

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 in the current period.

The consolidated financial statements of the Group are prepared comparatively to enable the determination of the trends of the financial position and performance. The Group presented the balance sheet at 31 December 2009 comparatively with the balance sheet at 31 December 2008, the consolidated statement of income for the year ended 31 December 2009 comparatively with the consolidated statement of income for the year ended 31 December 2008, consolidated statement of cash flow and consolidated statement of changes in shareholders’ equity for the period 1 January - 31 December 2009 comparatively with the related financial statements for the period 1 January – 31 December 2008.

- Further to the issuance of the consolidated financial statements of POAŞ, joint venture of the Group, adjustments according to 41-48th paragraphs of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” standard have been recorded due to a cross over of balance sheet items due to system implementation. Restatement has been made in the opening balances of 2009; consequence of this restatement “Inventory”, “Other Payables” and “Retained Earnings” have been decreased by TL 27.064, TL 7.664 and TL 19.400 respectively.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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)

- As explained in Note 2.3.b, beginning from 1 January 2009, the Group has adopted IFRIC 13 “Customer Loyalty Programs” interpretation, that is effective from 1 July 2008 and the consolidated financial statements as of 31 December 2008 have been restated to conform to the changes in presentation in the current period. Consequently, “Other Current Liabilities” at 31 December 2008 has increased by TL 3.088, “Deferred Income Tax Liabilities” and “Net Profit for the Period” have decreased by TL 618 and TL 2.470, respectively. “Sales”, “Other expenses”, “Deferred Tax Expense” at 31 December 2008 have decreased by TL 4.184, TL 1.096 and TL 618, respectively.
- Due date difference on credit purchases amounting to TL 26.851 which was presented as “Financial Income” by offsetting in due date difference on term sales in the the consolidated statement of income for the year ended 31 December 2008, has been reclassified to “Financial Expenses” and presented comparative with the consolidated financial statement for the year ended 31 December 2009.
- Goodwill impairment amounting to TL 20.425 which were presented as “General Administration Expenses” in the consolidated statement of income for the year ended 31 December 2008, have been reclassified to “Other Operating Expenses” in the consolidated statement of income for the year ended 31 December 2009.
- Due date difference on credit purchases amounting to TL 1.591 which was presented as “Financial Income” by offsetting in due date difference on term sales in the consolidated statement of income for the year ended 31 December 2008, has been reclassified to “Financial Expenses” and presented comparative with the consolidated financial statement for the year ended 31 December 2009.
- Impairment in property, plant and equipments amounting to TL 12.370 which was presented in “General administration expenses” in consolidated statement of income for the year ended 31 December 2008, have been reclassified to “Other operating expenses” in consolidated statement of income for the year ended 31 December 2009.
- Credit card slip receivables amounting to TL 34.072 which were presented in “Current trade receivables” at the consolidated balance sheet as of 31 December 2008, have been reclassified to “Cash and cash equivalents” at the consolidated balance sheet as of 31 December 2009.
- Land amounting to TL 97.762 which were presented as “Inventory” under “Current assets” within the scope of D Yapı Romanya shopping center project, subsidiary of Group, has been reclassified to “Inventory” under “Non-current assets” at the consolidated balance sheet at 31 December 2008.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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)

Turkish Lira

In accordance with the Article 1 of the Law numbered 5083 concerning the "Currency of the Republic of Turkey" and according to the Decision of the Council of Ministers dated 4 April 2007 and No: 2007/11963, the prefix "New" used in the "New Turkish Lira" and the "New Kuruş" will be removed as of 1 January 2009. When the prior currency, New Turkish Lira, values are converted into Turkish Lira ("TL") and Kuruş ("Kr"), 1 New Turkish Lira and New Kuruş shall be equivalent to TL 1 and Kr 1.

All references made to New Turkish Lira in laws, other legislation, administrative transactions, court decisions, legal transactions, negotiable instrument and other documents that produce legal effect as well as payment and exchange instruments shall be considered to have been made to TL at the conversion rate indicated as above. Consequently, effective from 1 January 2009, the TL replaces New Turkish Lira as a unit of account in keeping and presenting of the books, accounts and financial statements.

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:

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, Associates and Joint Ventures are considered and referred to as Related Parties (Note 37).

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

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 CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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).

Inventories related to Energy operating segment are valued at the lower of cost or net realisable value. Group management has identified that cost of inventories related to Energy operating segment is higher than their net realisable value as of 31 December 2009. The impairment calculation requires management to estimate the future cash flows expected to arise from sale of inventories and the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Based on the estimation made by Group management, no impairment provision has been identified on the cost of inventories related to Energy segment as of 31 December 2009 (2008:TL 37.256). Impairment related to inventories is recorded in cost of sales in consolidated statement of income.

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.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.2.6 Investment properties (Continued)

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.

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	2 - 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.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

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.

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.

Gain and loss related with the sales of a subsidiary includes associated carrying value of the goodwill.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

Trademark	20 - 25 years
Customer lists	9 - 18 years
Other intangible rights	5 - 20 years

Useful lives of intangible assets in the consolidated financial statements, acquired through the purchase of POAŞ shares, which is a joint venture of the Group under the energy segment, have been ascertained as 15 years. The valuation method used to determine the fair value has been taken into consideration while applying the declining balance method of depreciation on the intangible assets. As the brand 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.

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.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.2.10 Intangible assets (Continued)

- 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.

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.

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).

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

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.

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. As of 31 December 2009, there are no issued Eurobonds by the Group.

2.2.16 Accounting of share sales purchases from minority interest

The Group applies “Parent Company Model” (for purchase and sale transactions of subsidiary’s shares) for transactions when the control is not lost. Disposals to minority interests that are resulted in gains and losses, are recorded in the income statement (Note 31). Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary (Note 3 and Note 20).

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

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. Dividend income is recognised as income when right to obtain of dividend is generated. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

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 Turkish Lira, which is the reporting currency of the Group.

Foreign currency transactions and balances

Income and expenses arising in foreign currencies have been translated into TL at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL 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 TL are first translated into Turkish lira by using the average exchange rate for the period. The assets and liabilities of such Group undertakings are translated into TL 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.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.2.19 Foreign currency transactions (Continued)

A significant portion of the Group's foreign operations are performed in Russia, Europe and Eastern Europe countries. Foreign currencies and exchange rates at 31 December 2009 and 2008 are summarized below:

Country	Currency unit	2009	2008
Euro zone	Euro	2,1603	2,1408
Russia	Ruble	0,0493	0,0516
Hungary	Forint	0,0080	0,0080
Croatia	Kuna	0,2960	0,2927
Ukraine	Grivna	0,1853	0,2011
Romania	New Ley	0,5161	0,5346
England	Pound	2,3892	2,1924
Georgia	Lari	0,8975	0,9091

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 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 television, newspaper, magazine and other 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.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.2.20 Revenue recognition (Continued)

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.

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 Republic of Turkey 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.

Service and other revenues are 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.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.2.20 Revenue recognition (Continued)

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.

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

The Group provides advertising services in return for advertisement and other products and services. 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.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.2.25 Earnings / loss per share

Earnings/loss per share disclosed in the consolidated statements of income/(expense) are determined by dividing net profit/(loss) 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 (2.450.000.000) rather than the weighted average numbers of shares.

2.2.26 Segment reporting

As of 31 December 2008, Group has early adopted IFRS 8 “Operating Segments” standard that is 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

2.2.27.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 7).

2.2.27.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.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.2.27 Accounting of derivative financial instruments and hedging transactions (Continued)

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).

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.

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.

The Group applies "Parent Company Model" for purchase and sale transactions of a part or entire subsidiary's shares (Note 2.2.16).

2.2.30 Impairment of assets

The Group reviews all assets except goodwill and intangible assets with indefinite useful lives 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 net realizable value. Impairment losses are recognized in the consolidated income statement.

The Group reviews goodwill and intangible assets that have indefinite useful life for Media and Energy segments at 31 December 2009 in order to see if there is an impairment on the stated assets and assumptions and models of impairment test are explained at Note 20. Impairment test evaluates if there is a sign of impairment for assets related to abovementioned segments.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

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. Consolidated financial statements of the Group for the year ended 31 December 2008 are rearranged due to the adjustment of POAŞ; joint venture of the Group, as its details are explained in Note 2.1.5.

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

2.2.33.a) *Critical accounting estimates and assumptions*

Media segment:

(i) *Probable liabilities related to the share sales agreement signed with Commerz-Film GmbH*

The Group sold 90.854.185 shares, 25% of the share capital of Doğan TV Holding A.Ş., to Commerz-Film GmbH (formerly registered as Dreiundvierzigste Media Vermögensverwaltungsgesellschaft mbH), a 100% subsidiary of Axel Springer A.Ş., for EUR 375.000 (TL 694.312) (this amount is defined as "initial sales price") on 2 January 2007. According to the agreement the initial sales price will be revised according to the "initial public offering" ("IPO") of the shares of Doğan TV Holding A.Ş. or "not".

With the agreement signed on 19 November 2009 between Doğan Şirketler Grubu Holding A.Ş., Doğan Yayın Holding A.Ş., Doğan TV Holding A.Ş. and Commerz-Film GmbH; the dates that the recalculation of the initial sales prices will be based on are postponed for a four-year period without reservations.

Certain conditions at the agreement dated 19 November 2009 mentioned below will be effective after 19 February 2010.

- Axel Springer Group has the sales options for 3,3% of its shares in Doğan TV Holding A.Ş. amounting to EUR 50.000 after January 2013 and the other 3,3% of its shares amounting to EUR 50.000 after January 2014 to Doğan Şirketler Grubu Holding A.Ş. and Doğan Şirketler Grubu Holding A.Ş. has the commitment to purchase these shares. Axel Springer Group may exercise the sales options fully or partially.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.2.33 Critical Accounting Estimates, Assumptions and Judgements (Continued)

- Axel Springer Group has option to sell some or all of its shares in Doğan TV Holding A.Ş. with the higher of EUR 4,1275 per share or a fair value to be determined by specific valuation techniques and Doğan Şirketler Grubu Holding A.Ş. has a commitment to purchase these shares. In order to exercise this option the following conditions must be met.
 - Doğan TV Holding A.Ş. shares are not offered to the public by 30 June 2017,
 - Change of direct or indirect control over Doğan Şirketler Grubu Holding A.Ş., Doğan Yayın Holding A.Ş. or Doğan TV Holding A.Ş.,
 - Additions to the existing guarantees on Doğan Yayın Holding's assets or sequestration to the relevant assets that have significant unfavourable effects on the operations of Doğan Yayın Holding A.Ş.

In the agreement signed on 19 November 2009, it was also decided that there will be a cash capital increase in Doğan TV Holding A.Ş. TL equivalent to EUR 385.000, the increase will be performed by Doğan Yayın Holding and as a result of this Doğan TV Holding A.Ş. shares owned by Commerz-Film GmbH will be diluted to 19,9% from 25%. In January 2010 the capital increase of Doğan TV Holding A.Ş., amounting to TL 432.079 completed. As a result of the capital increase, the shares of Doğan Yayın Holding and Commerz-Film GmbH at Doğan TV Holding A.Ş were 77,5% and 22,1% respectively.

The Board of Directors of Doğan TV Holding A.Ş. made the above-mentioned capital increase decision in December 2009. The required applications were made and permission was obtained from Republic of Turkey Ministry of Industry and Trade at December 2009. Taking into account the principle of substance over form, Doğan Yayın Holding assessed capital advances, that would not be planned to payback as a part of the net investment at Doğan TV Holding A.Ş as of 31 December 2009.

The sales or purchase transactions (transaction with minorities) of a part of shares of subsidiaries that are under the control of Doğan Yayın Holding are accounted by using the "Parent Company Model". According to this, goodwill is calculated in share purchase transactions. As a result of the purchase of 2,9% of shares in Doğan TV Holding A.Ş. through premium capital increase explained above, goodwill amounting to TL 117.517 arose (Note 3).

EUR 375.000, which is defined above as the initial sales price, is subject to change based on to the circumstances explained below. As per the agreement, the initial sales price will be revised depending on the "initial public offering" of the shares of Doğan TV Holding A.Ş. as follows:.

In the event that shares of Doğan TV Holding A.Ş. are offered to public by 30 June 2017, if the fair value of 25% (currently 22.1%) of shares held by Axel Springer Group determined by the public offering price (which will be determined using the three-month average share price after the offering) is higher than the initial sales price including interest calculated from this difference (it will be calculated using 12 months Euro Libor rates on annual compound basis effective from 2 January 2007), the difference will be equally shared between Doğan Yayın Holding and Axel Springer. If the fair value is lower, the difference will be paid to Axel Springer Group by Doğan Yayın Holding.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.2.33 Critical Accounting Estimates, Assumptions and Judgements (Continued)

In the event that shares of Doğan TV Holding A.Ş. are not offered to the public by 30 June 2017, if the fair value of Doğan TV Holding A.Ş., as determined by specific valuation techniques as of 31 December 2015, is less than the initial sales price including interest calculated from this difference (it will be calculated using 12 months Euro Libor rates on annual compound basis effective from 2 January 2007), the difference will be paid to Axel Springer Group by Doğan Yayın Holding.

In the event that Doğan TV Holding A.Ş. shares are offered to the public between 30 June 2017 and 30 June 2020, any positive difference between the initial public offering value and the initial sales price remeasured as of 31 December 2015 (it will be remeasured using a 12 months Euro Libor rates on annual compound basis starting from 2 January 2007) including interest calculated from the difference (it will be calculated using 12 months Euro Libor rates on annual compound basis effective from 1 July 2017) will be shared equally, whereas no transaction will take place for any negative difference.

Doğan Yayın Holding has determined the current fair value of Doğan TV Holding A.Ş. as of the balance sheet date in order to identify whether it has any future financial liability or not regarding the above-mentioned issue.

Cash flow projections for Doğan TV Holding A.Ş. for the years 2010 to 2019 for the purpose of determination of fair value have been prepared, and the fair value of Doğan TV Holding A.Ş. has been calculated by discounting the above-mentioned cash flows. The CMB Financial Reporting Standards suggest that projections on the basis of valuations shall be made covering a budget period of 5 years. The Company management believes that 10 year projections will provide a better result, considering the current fluctuations in market conditions and those entities for which significant investments have been made within the Company are at the starting period of their operations.

The critical estimates and assumptions related to cash flow projections prepared in TL within the scope of fair value determinations of Doğan TV Holding A.Ş. are explained below:

	2009 - 2014	2014 - 2019
Revenue increase in the budgeted period (1)	%23,9	%12,5

The EBITDA margin for the year ended 31 December 2009 is negative 14% and the EBITDA margin assumptions for the budgeted period are as follows

	2009	2010	2012	2014	2016	2018
EBITDA margin (2)	-14%	4%	24%	36%	37%	36%

(1) Compound annual growth rate (CAGR)

(2) Earnings before interest, taxes, depreciation, and amortisation (EBITDA)

Cash flow projections are discounted with 13,5% as the rate of weighted average cost of capital, 13,5%.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.2.33 Critical Accounting Estimates, Assumptions and Judgements (Continued)

The fair value calculated through the discount rates and cash flow projections with significant assumptions mentioned above, there is no financial liability over the sale of 25% shares in Doğan TV Holding A.Ş. to Axel Springer Group.

(i) Useful Lives of Intangible Assets

Group estimates that the useful lives of brand names and territorial broadcasting permissions and licences (frequency rights) in Media Segment amounting to TL 286.386 (2008: TL 292.613) are infinite. If these intangible assets' useful lives had been finite (in case of useful lives of 20 years) the amortisation charge would have increased by TL 18.365 (2008: TL 17.501) and loss before income taxes from continuing operations would have increased by TL 18.365 (2008: TL 17.501).

a) Tax penalties and notices and ongoing tax cases

As explained in detail in Note 22, the Group has booked provision for tax penalties amounting to TL 58.480 in consolidated financial statements as of 31 December 2009 based on best estimate in accordance with the opinions of its legal advisors and tax specialists and settlement negotiations (Note 22 and Note 26).

b) Probable goodwill impairment

In accordance with the accounting policy mentioned in Note 2.2.9, the Group performs the goodwill impairment test every year. Recoverable amount of cash generating units is determined by using the calculation of value in use. Assumptions explained in Note 20 are made with regard to these calculations.

Energy segment:

(ii) Intangible assets with indefinite useful lives

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 TL 3.780 (2008: TL 3.780) and loss before taxes from continuing operations would have increased by TL 3.780 (2008: TL 3.780).

2.2.33.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:

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.2.33 Critical Accounting Estimates, Assumptions and Judgements (Continued)

- 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 Amendments in International Financial Reporting Standards

a) Standards, amendments and interpretations to existing standards that are in effective in beginning on and after 1 January 2009 and are relevant to the Group’s operations

IAS 1 (Amendment), “Presentation of financial statements” (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, “non-owner changes in equity”) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. In this regard, the Group has prepared and presented the comprehensive income statements for the period ended 31 December 2009 and 31 December 2008.

IAS 23 (Amendment), “Borrowing Costs” (effective from 1 January 2009). The amendment requires an entity to capitalize borrowing cost directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The option of immediately expensing those borrowing costs is removed. The Group applies the IAS 23 (Amendment) from 1 January 2009.

IAS 36 (Amendment), “Impairment of assets” (effective from 1 January 2009). The amendment is part of the IASB’s annual improvements project published in May 2008. Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group applies the IAS 36 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 January 2009.

IAS 38 (Amendment), “Intangible assets” (effective from 1 January 2009). The amendment is part of the IASB’s annual improvements project published in May 2008. A prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. The Group applies the IAS 38 (Amendment) from 1 January 2009.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.2.34 Amendments in International Financial Reporting Standards (Continued)

IAS 39 (Amendment), “Financial instruments: Recognition and measurement” (effective from 1 January 2009). The amendment is part of the IASB’s annual improvements project published in May 2008. This amendment clarifies that it is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is also amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition. The Group applies the IAS 39 (Amendment) from 1 January 2009.

IAS 32 (Amendment), “Financial instruments: Presentation” and IAS 1 (Amendment), “Presentation of Financial Statements” - “Optional sales financial instruments and the liabilities that occurred in the process of the liquidation” (effective from 1 January 2009). The amended standards require entities to classify puttable financial instruments or instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions. The Group applies IAS 32 (Amendment) and IAS 1 (Amendment) from 1 January 2009.

IFRIC 13, “Customer Loyalty Programs” (effective from 1 July 2008). In accordance with IFRIC 13, goods and services, sold in customer loyalty programs frame (such as shopping points or free products right), are accepted as multiple arrangement and consideration from sale transaction is recognized based on the fair value of the arrangement components. In 2008, POAŞ, Joint Venture of the Group, has introduced the customer loyalty program, PO Card. Until 31 December 2008, the Group accounted for the obligation by providing for the estimated future costs of supplying the awards. Award credits are accounted for as a separately identifiable component of the sales transactions in which they are granted (the initial sale) from 1 January 2009. The fair value of the consideration received or receivable in respect of the initial sale are allocated between the award credits and the other components of the sale. Granted award credits are accounted as deferred revenue and awards are recognized as revenue when they are delivered to customers.

(b) Standards, amendments and interpretations to existing standards that are effective as at 1 January 2009, are not relevant to the Group’s operations:

- IAS 19 (Amendment), “Employee Benefits”
- IFRS 1 (Amendment) “First time Adoption of IFRS”, and IAS 27 “Consolidated and separate financial statements”
- IFRS 2 (Amendment), “Share-based Payment”
- IFRIC 15, “Agreements for the Construction of Real Estates”
- IFRIC 16, “Hedges of a Net Investment in a Foreign Operation”

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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

2.2.34 Amendments in International Financial Reporting Standards (Continued)

(c) Standards, amendments and interpretations to existing that are effective as at 1 July 2009:

- IAS 27 (Amendment), "Consolidated and Separate Financial Statements"
- IAS 28 (Amendment), "Investments in Associates" (and consequential amendments to IAS 32, "Financial Instruments: Presentation", and IFRS 7, "Financial instruments: Disclosures")
- IAS 31 (Amendment), "Interests in Joint Ventures"
- IFRS 3 (Amendment), "Business Combinations"
- IFRS 5 (Amendment) "Non Current Assets Held for sale and Discontinued Operations"
- IFRIC 17, "Distributions of Non-cash Assets to Owners"
- IFRIC 18, "Transfers of Assets from Customers"

NOTE 3 - BUSINESS COMBINATIONS

The details of the business combinations during the years ended 31 December 2009 and 2008 are as follows:

1 Ocak - 31 Aralık 2009

Doğan TV Holding A.Ş.

In the agreement signed on 19 November 2009, it was also decided that there will be a cash capital increase in Doğan TV Holding A.Ş. TL equivalent to EUR 385.000, the increase will be performed by Doğan Yayın Holding and as a result of this Doğan TV Holding A.Ş. shares owned by Commerz-Film GmbH will be diluted to 19,9% from 25%. In January 2010 the capital increase of Doğan TV Holding A.Ş., amounting to TL 432.079 completed. As a result of the capital increase, the shares of Doğan Yayın Holding and Commerz-Film GmbH at Doğan TV Holding A.Ş were 77,5% and 22,1% respectively.

The Board of Directors of Doğan TV Holding A.Ş. made the above-mentioned capital increase decision in December 2009. The required applications were made and permission was obtained from Republic of Turkey Ministry of Industry and Trade at December 2009. Taking into account the principle of substance over form, Doğan Yayın Holding assessed capital advances, that would not be planned to payback as a part of the net investment at Doğan TV Holding A.Ş as of 31 December 2009.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

The sales or purchase transactions (transaction with minorities) of a part of shares of subsidiaries that are under the control of Doğan Yayın Holding are accounted by using the “Parent Company Model”. Accordingly, goodwill is calculated in share purchase transactions. As a result of the purchase of 2,9% of shares in Doğan TV Holding A.Ş. through premium capital increase explained above, goodwill amounting to TL 117.517 arose. The book values and the cost of acquisition of the acquired identifiable assets, liabilities and contingent liabilities which is accounted with the book value are as follows:

	Book Value
Net assets/(liabilities) owned by Doğan TV Holding A.Ş	(760.206)
Net assets/(liabilities) with regard to %2,9 purchased shares	(22.003)
Less: cost of acquisition	95.514
Goodwill	117.517

Doğan Teleshopping Pazarlama ve Ticaret A.Ş. (“Doğan Teleshopping”)

45% shares of Doğan Teleshopping, joint venture of Group as of 31 December 2008, are acquired by Opal İletişim with an amount of TL 409. Following the acquisition, Doğan Teleshopping is accounted as a subsidiary of the Group.

The goodwill resulted amounting to TL 2.262 from the purchase transaction, is impaired and accounted as expense at 31 December 2009.

Hürriyet Gazetecilik ve Matbaacılık A.Ş. ve Doğan Gazetecilik A.Ş.

Doğan Yayın Holding has acquired 0,12% and 0,14% publicly traded shares of Hürriyet and Doğan Gazetecilik, subsidiaries of Group, in consideration of TL 567 in 2009. Doğan Yayın Holding has chosen “Parent Company Model” as accounting policy for business combinations. According to this, profit amounting to TL 670 has been arose since net assets purchased are higher than the cost of acquisition (Note 31).

Other

Group purchased and consolidated 5,89%, 1,77%, 0,23% and 6,92% of the shares of Hürriyet, Doğan Yayın, Çelik Halat and Ditaş Doğan respectively during the period ended 31 December 2009. Since the Group has chosen “Parent Company Model” accounting policy for business combinations, negative goodwill amount of TL 38.283 as a result of these transactions. This negative goodwill amount was accounted in “Other income” (Note 31).

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

1 January - 31 December 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 TL 8.534 (USD 7.200) 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 TL 12.719 (USD 10.800) on 13 March 2008. The provisional purchase price allocation as at 31 March 2008 was subsequently completed at 30 June 2008. The acquisition resulted in goodwill amounting to TL 62.865.

The statement of income of Bağımsız Gazeteciler has been included in the consolidated statement of income after 31 March 2008.

The fair values of acquired identifiable assets, liabilities, contingent liabilities and cost of acquisition which were accounted permanently as of 30 June 2008 are as follows:

	Net book value	Fair value
Trade receivables (net)	15.371	15.371
Due from related parties (net)	3.558	3.558
Other receivables	103	103
Inventories (net)	1.511	1.511
Non-current assets held for sale	1.086	1.086
Other current assets	1.672	1.672
Property, plant and equipment	2.193	2.193
Intangible assets	230	1.929
Deferred income tax asset	1.690	1.690
Trademark	-	57.782
Borrowings	(20.645)	(20.645)
Trade payables (net) (*)	(3.590)	(3.590)
Other payables	(633)	(633)
Provisions	(2.082)	(2.082)
Other liabilities	(56)	(56)
Provision for employment termination benefits	(1.179)	(1.179)
Deferred income tax liabilities	(120)	(12.016)
Fair value of net assets	(891)	46.694
Less: cost of acquisition (*)		109.559
Goodwill		62.865

(*) Cost of acquisition includes trade payables to Group amounting to TL 88.306 in Bağımsız Gazeteciler solo financial statements as of the acquisition date, in addition to cash payment, details are explained above, amounting to TL 21.253.

If the acquisition transaction had taken place on 1 January 2008, revenue would have increased by TL 16.454 and profit attributable to equity holders of the Group would have decreased by TL 10.532.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Other

As of 6 June 2008 Group acquired 100% of Oglasnik Nekretnine d.o.o (“Nekretnine”) shares in cash consideration of TL 609. The Group recognised TL 626 positive goodwill for the assets acquired (Note 20).

Group acquired and consolidated 11,43%, 2,47%, 0,67%, 0,85%, 2,31%, 9,74%, 12,18% and 13,34% of the shares of Hürriyet, Hürriyet Pazarlama, POAŞ, Doğan Gazetecilik, DB, Doğan Yayın, Çelik Halat and Ditaş Doğan respectively during the year ended 31 December 2008. Since the Group has chosen “Parent Company Model” (Note 2.2.16) as accounting policy for business combinations, a goodwill amount of TL 15.495 (Note 20) arose at Hürriyet Pazarlama, POAŞ and Çelik Halat share acquisition and negative goodwill amount of TL 76.104 at Hürriyet, Doğan Gazetecilik, DB, Doğan Yayın and Ditaş Doğan share acquisition as a result of these transactions. This negative goodwill amount was accounted in “Other income” (Note 31).

Disposals:

As of 31 December 2008, the Group had sold the shares of Trader.com (Polska) Sp. Z.o.o, a subsidiary of the Group, located in Poland, sales gain amount was accounted in “Other income” item (Note 31).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

Joint Ventures	Country	Nature of business	Segment	Joint venture partner
Petrol Ofisi A.Ş. (“POAŞ”)	Turkey	Distribution of petroleum products	Energy	OMV Aktiengesellschaft (“OMV”)
Kıbrıs Türk Petrolleri Ltd. (“KİPET”)	Turkish Republic of Northern Cyprus	Distribution of petroleum products	Energy	OMV
PO Petrofinance N.V. (“Petrofinance”)	The Netherlands	Finance	Energy	OMV
PO Oil Financing Ltd. (“PO Oil Financing”)	Cayman Islands	Finance	Energy	OMV
Erk Petrol Yatırımları A.Ş. (“Erk Petrol”)	Turkey	Distribution of petroleum products	Energy	OMV
Petrol Ofisi Alternatif Yakıtlar Toptan Satış A.Ş.	Turkey	Distribution of petroleum products	Energy	OMV
PO Georgia LLC (“PO Georgia”)	Georgia	Distribution of petroleum products	Energy	OMV
Petrol Ofisi Akdeniz Rafinerisi Sanayi ve Ticaret A.Ş.	Turkey	Petroleum products	Energy	OMV
Petrol Ofisi Gaz İletim A.Ş. (“PO Gaz İletim”)	Turkey	Distribution of natural gas	Energy	OMV
Petrol Ofisi Arama Üretim Sanayi ve Ticaret A.Ş. (PO Arama Üretim)	Turkey	Establishing and operating refinery	Energy	OMV
Marmara Depoculuk Hizmetleri Sanayi ve Ticaret A.Ş. (“Marmara Depoculuk”)	Turkey	Warehousing	Energy	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. (“TNT”)	Turkey	TV broadcasting	Media	Turner Broadcasting Inc.
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti (“Birey İK”)	Turkey	Internet services	Media	Doğan Portal
Katalog Yayın ve Tanıtım Hizmetleri A.Ş. (“Katalog”) (2)	Turkey	Guide publishing	Media	Elektronik Ticaret A.Ş.
Turner Doğan Prodüksiyon ve Satış A.Ş. (“Turner Doğan”)	Turkey	Radio broadcasting	Media	Seat Pagine Gialle SPA
DD Konut Finansman A.Ş. (“DD Konut Finansman”)	Turkey	Housing finance	Other	Turner Broadcasting Inc.
Aslancık Elektrik Üretim ve Ticaret Ltd. Şti. (“Aslancık Elektrik”)	Turkey	Energy	Other	Deutsche Bank AG
D-Tes Elektrik Enerjisi Toptan Satış A.Ş. (“D Tes”)	Turkey	Energy	Other	Doğuş Holding A.Ş.
Boyabat Elektrik Üretim ve Ticaret Ltd. Şti. (“Boyabat Elektrik”)	Turkey	Energy	Other	Doka Elektrik Üretim A.Ş.
İsedaş İstanbul Elektrik Dağıtım Sanayi ve Ticaret A.Ş. (“İsedaş”)	Turkey	Energy	Other	Anadolu Endüstri Holding A.Ş.
Gas Plus Khalakan Ltd. (“Gas Plus Khalakan”)	Turkey	Energy	Other	Doğuş Holding A.Ş.
Gas Plus Erbil Ltd. (“Gas Plus Erbil”)	Turkey	Energy	Other	Unit Investment N.V.
				Tekfen İnşaat A.Ş.
				Çukurova Holding A.Ş.
				Newage Alzarooni Limited
				Newage Alzarooni Limited

(*) Since the existing economic overview is not supporting the original business expectations of Katalog, it is decided to close down the operations of the Company as of September 2009.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 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 December 2009 and 2008:

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 (%)	
	2009	2008	2009	2008	2009	2008	2009	2008
POAŞ	54,17	54,17	-	-	54,17	54,17	54,17	54,17
KIPET	28,17	28,17	-	-	28,17	28,17	28,17	28,17
Petrofinance	54,17	54,17	-	-	54,17	54,17	54,17	54,17
PO Oil Financing	54,17	54,17	-	-	54,17	54,17	54,17	54,17
Erk Petrol	54,15	54,15	-	-	54,15	54,15	54,15	54,15
PO Alternatif Yakıt	54,12	54,15	-	-	54,15	54,15	54,12	54,12
PO Georgia	54,17	54,17	-	-	54,17	54,17	54,17	54,17
Akdeniz Rafinerisi	54,17	54,17	-	-	54,17	54,17	54,17	54,17
PO Gaz İletim	54,04	54,04	-	-	54,04	54,04	54,04	54,04
PO Arama Üretim	54,15	-	-	-	54,15	-	54,15	-
Marmara Depoculuk (1)	48,74	-	-	-	48,74	-	48,74	-
DB	44,89	44,89	-	-	44,89	44,89	33,46	30,31
DB Popüler	44,87	44,87	-	-	44,87	44,87	33,44	30,30
Doğan Egmont	50,00	50,00	-	-	50,00	50,00	37,27	33,76
DPP	46,00	46,00	10,00	10,00	56,00	56,00	34,28	22,43
Ultra Kablolü	50,00	50,00	-	-	50,00	50,00	37,27	33,76
TNT	75,04	75,04	-	-	75,04	75,04	41,68	37,76
Birey İK	50,00	50,00	50,00	50,00	100,00	100,00	34,57	31,46
Katalog	50,00	50,00	-	-	50,00	50,00	37,27	33,76
Turner Doğan	49,99	49,99	-	-	49,99	49,99	27,76	25,15
DD Konut Finansman	47,00	47,00	4,00	4,00	51,00	51,00	47,00	39,37
Aslancık Elektrik	25,00	25,00	-	-	25,00	25,00	25,00	25,00
D Tes	25,00	25,00	-	-	25,00	25,00	25,00	25,00
Boyabat Elektrik	33,12	33,00	-	-	33,12	33,00	33,12	33,00
İsedaş	40,00	40,00	-	-	40,00	40,00	40,00	40,00
Gas Plus Khalakan (1)	50,00	-	-	-	50,00	-	50,00	-
Gas Plus Erbil (1)	50,00	-	-	-	50,00	-	50,00	-

(1) These joint ventures were established in 2009.

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:

	2009	2008
Current assets	1.903.123	1.925.967
Non-current assets	2.402.102	2.029.999
Total assets	4.305.225	3.955.966
Current liabilities	1.637.417	1.280.279
Non-current liabilities	867.605	1.093.503
Equity	1.800.203	1.582.184
Total liabilities and equity	4.305.225	3.955.966

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 4 - JOINT VENTURES (Continued)

	2009	2008
Revenues	7.873.671	9.402.882
Gross profit	600.575	682.697
Net profit for the period	94.098	46.729

NOTE 5 - SEGMENT REPORTING

a) External Revenues

	2009	2008
Media	2.432.465	2.873.647
Energy	7.630.669	9.307.914
Other	253.368	318.755
	10.316.502	12.500.316

b) (Loss)/Profit before income taxes

	2009	2008
Media	(368.264)	(428.435)
Energy	139.505	397
Other	28.266	404.836
	(200.493)	(23.202)

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 5 - SEGMENT REPORTING (Continued)

c) Segmental analysis for the year ended 31 December 2009;

	Media (*)	Energy	Other (*)	Inter segment elimination	Total
External revenues	2.432.465	7.630.669	253.368	-	10.316.502
Intra segment revenues	2.044.332	-	4.148	-	2.048.480
Inter segment revenues	2.686	5.195	20.618	-	28.499
Total revenues	4.479.483	7.635.864	278.134	-	12.393.481
Total cost of sales	(3.806.341)	(7.085.438)	(260.560)	-	(11.152.339)
Revenues	2.435.151	7.635.864	273.986	(28.499)	10.316.502
Cost of sales	(2.009.681)	(7.085.438)	(260.555)	4.701	(9.350.973)
Gross profit	425.470	550.426	13.431	(23.798)	965.529
Research and development expenses	-	(896)	-	-	(896)
Marketing, selling and distribution expenses	(300.212)	(164.029)	(9.969)	1.530	(472.680)
General administrative expenses	(295.658)	(102.865)	(55.066)	22.357	(431.232)
Other income/(expenses), net	(126.726)	(9.122)	30.289	(56)	(105.615)
Share of profit of investments accounted for by the equity method	-	-	(2.205)	-	(2.205)
Financial income	101.742	504.011	293.682	(208)	899.227
Financial expenses	(172.880)	(638.020)	(241.896)	175	(1.052.621)
(Loss)/profit before income taxes -before inter segment elimination	(368.264)	139.505	28.266	-	(200.493)

(*) Doğan Havaçılık, which is accounted for using the equity method by Doğan Yayın, parent company of Media Segment, is consolidated on a a line-by-line basis by the Group since it is controlled by the Group and it is reported in "Other" segment.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 5 - SEGMENT REPORTING (Continued)

d) Segmental analysis for the year ended 31 December 2008;

	Media (*)	Energy	Other (*)	Inter segment elimination	Total
External revenues	2.873.647	9.307.914	318.755	-	12.500.316
Intra segment revenues	2.362.359	-	3.358	-	2.365.717
Inter segment revenues	6.286	7.109	40.668	-	54.063
Total revenues	5.242.292	9.315.023	362.781	-	14.920.096
Total cost of sales	(4.298.252)	(8.662.615)	(317.193)	-	(13.278.060)
Revenues	2.879.933	9.315.023	359.423	(54.063)	12.500.316
Cost of sales	(2.213.128)	(8.662.615)	(317.194)	259	(11.192.678)
Gross profit	666.805	652.408	42.229	(53.804)	1.307.638
Marketing, selling and distribution expenses	(343.627)	(170.583)	(11.802)	133	(525.879)
General administrative expenses	(330.537)	(113.315)	(60.573)	56.504	(447.921)
Other income/(expenses), net	(26.873)	(15.593)	52.953	(27)	10.460
Share of profit of investments accounted for by the equity method	-	-	1.623	-	1.623
Financial income	204.750	429.913	666.128	(11.257)	1.289.534
Financial expenses	(598.953)	(782.433)	(285.722)	8.451	(1.658.657)
(Loss)/profit before income taxes -before inter segment elimination	(428.435)	397	404.836	-	(23.202)

(*) Doğan Havaçılık, which is accounted for using the equity method by Doğan Yayın, parent company of Media Segment, is consolidated on a a line-by-line basis by the Group since it is controlled by the Group and it is reported in "Other" segment.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 5 - SEGMENT REPORTING (Continued)

e) Segment assets

	2009	2008
<u>Total assets</u>		
Media	4.188.931	4.648.064
Energy	3.698.331	3.736.637
Other	1.673.395	2.230.076
Total	9.560.657	10.614.777
Less: segment elimination	(15.830)	(6.310)
Total assets per consolidated financial statements	9.544.827	10.608.467
<u>Net assets</u>		
Media	1.378.965	1.513.279
Energy	1.575.562	1.395.705
Other	1.343.354	1.891.624
Total	4.297.881	4.800.608
Less: segment elimination	(823.776)	(949.576)
Shareholders' equity	3.474.105	3.851.032
Minority interests	767.147	852.322
Total net assets per consolidated financial statements	4.241.252	4.703.354

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise indicated. Currencies other than TL 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**

	2009	2008
<u>Capital Expenditures</u>		
Media	256.436	343.069
Energy	178.974	161.562
Other	124.205	83.814
Total	559.615	588.445

Depreciation and amortization charge

Media	230.304	214.349
Energy	141.191	137.115
Other	24.112	25.170
Total	395.607	376.634

g) **Minority interests**

	2009			2008		
	Doğan Family	Other	Total	Doğan Family	Other	Total
Media	93.377	607.690	701.067	93.377	733.014	826.391
Energy	-	6.545	6.545	-	1.245	1.245
Other	6.900	52.636	59.536	6.900	17.786	24.686
	100.277	666.871	767.148	100.277	752.045	852.322

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 5 - SEGMENT REPORTING (Continued)

h) Non-cash expenses

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

	2009			
	Media	Energy	Other	Total
Provision for tax penalties	55.824	-	-	55.824
Provision for doubtful receivables	44.464	7.329	2.523	54.316
Provision for employment termination benefits	13.046	1.491	2.494	17.031
Impairment of goodwill	8.953	-	-	8.953
Provision for unused vacation	8.769	-	181	8.950
Interest accrual	8.521	-	-	8.521
Provision for lawsuits	8.158	-	259	8.417
Impairment of tangible assets	6.118	-	-	6.118
Impairment of inventories	3.544	-	262	3.806
Impairment of investment property	3.405	-	-	3.405
Interest expense accrual	-	1.220	-	1.220
Provision for impairment of programme stocks	1.185	-	153	1.338
	161.987	10.040	5.872	177.899

	2008			
	Media	Energy	Other	Total
Provision for doubtful receivables	49.824	9.003	2.651	61.478
Interest expense accrual	20.027	23.840	10	43.877
Impairment of inventories	3.672	37.256	-	40.928
Impairment of goodwill	29.861	-	-	29.861
Provision for lawsuits	16.666	3.542	325	20.533
Impairment of intangible assets	12.370	-	-	12.370
Provision for employment termination benefits	8.714	1.671	1.835	12.220
Provision for unused vacation	5.026	347	322	5.695
Impairment of investment property	5.197	-	-	5.197
Provision for impairment of programme stocks	3.214	-	-	3.214
	154.571	75.659	5.143	235.373

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 6 - CASH AND CASH EQUIVALENTS

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

	2009	2008
Cash	1.997	2.181
Banks		
- demand deposits	85.475	50.074
- time deposits	1.825.772	3.295.566
Blocked bank deposits	56.452	46.716
Reverse repurchase agreements	685	2.010
Liquid funds	84.804	570
Government bonds and treasury bills	454	37
	2.055.639	3.397.154

At 31 December 2009, interest rates for TL time deposits are between 0,50% and 12% (2008: 2%-22%) and interest rates for foreign currency time deposits are between 0,11% and 5,25% (2008: up to 8%). As of 31 December 2009, reverse repurchase agreements are all short-term with periods of less than three months with an interest rate between 9% and 9,50% (2008: 14%-22%).

All of the blocked bank deposits (2008: TL 46.629) at 31 December 2009 consists of credit card slip receivables. The average maturity of the related credit card slip receivables is less than one month.

Cash and cash equivalents included in the consolidated statements of cash flows at 31 December are disclosed below.

	2009	2008	2007
Cash and cash equivalents	2.055.639	3.397.154	2.351.161
Accrued interest (-)	(20.923)	(14.448)	(8.696)
Cash and cash equivalents	2.034.716	3.382.706	2.342.465

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 7 - FINANCIAL INVESTMENTS

a) Current financial investments

	2009	2008
Time deposits	113.963	-
Eurobond	37.651	-
Valuation of swap transactions (*)	22.346	22.953
Government bonds and treasury bills	18.363	18.918
Corporate bonds	15.098	15.219
Guarantee deposits for derivative transactions	8.456	-
Hedge foreign currency derivative instruments	22	8.194
Fair value of inventory future contracts (**)	-	33.896
Other	-	13
	215.899	99.193

(*) The Group has entered into swap contracts for USD 165.000 borrowing to hedge exchange rate (TL/USD) fluctuations and for USD 165.000 and Euro 955 borrowings to hedge interest rate changes.

(**) The Group has used derivative instruments for the purpose of regular gross profit margin and avoiding loss in value inventories. Financial instruments whose maturities are 1 or 2 months are used for the import cargos, for oil inventories contracts with longer maturities are used. The maturities of all contracts are less than 1 year. Any gains or losses arising from these transactions, are included in cost of goods sold.

	<u>2009</u>		<u>2008</u>	
	Nominal	Change in fair Value	Nominal	Change in fair value
Inventory	113.243	(2.631)	139.850	33.896
	113.243	(2.631)	139.850	33.896

Government bonds and treasury bills dominated in US Dollar and effective interest rate of government bonds and treasury bills is 3,80% . Average annual effective interest rate of US Dollar denominated time deposits ranged from 1% to 5,35% (2008: None). As of 31 December 2009 average annual effective interest rate of TL denominated time deposits is 7% (2008: None).

b) Non-current financial investments

	2009	2008
Available-for-sale financial assets	27.567	1.264
	27.567	1.264

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 7 - FINANCIAL INVESTMENTS (Continued)

Available-for-sale financial investments

	2009		2008	
	TL	%	TL	%
Ray Sigorta (*)	20.083	10	-	-
Marbleton Property Fund L.P (“Marbleton”)	14.908	9	5.406	9
Aks Televizyon Reklamcılık ve Filmcilik Sanayi ve Ticaret A.Ş. (“Show TV”)	2.923	9	2.923	9
Other	669		1.264	-
Less: provision for impairment (**)	(11.016)		(8.329)	
	27.567		1.264	

(*) 10% of shares in Ray Sigorta were sold to TBIH Financial Services Group N.V. on 1 September 2009. The remaining 10% shares of Ray Sigorta are carried at Istanbul Stock Exchange appreciation value over the sale price.

(**) Available for sale financial assets other than Ray Sigorta as of 31 December 2009 are initially recognized at cost and there is impairment on Marbleton amounted to TL 8.093 and on Aks TV amounted to TL 2.923 (31 December 2008: TL 5.406 and TL 2.923).

NOTE 8 – BORROWINGS

Short term financial liabilities:	2009	2008
Short-term bank borrowings	395.178	699.026
Short-term portion of long-term borrowings	921.184	342.987
Interest bearing payables to suppliers	25.787	28.530
Financial lease liabilities	12.436	27.668
	1.354.585	1.098.211
Long term financial liabilities:	2009	2008
Long-term bank borrowings	1.230.967	1.786.323
Financial liabilities related with options	151.300	139.350
Interest bearing payables to suppliers	77.615	86.095
Financial lease liabilities	13.441	23.620
	1.473.323	2.035.388

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 8 - BORROWINGS (Continued)

i) Borrowings

Breakdown of borrowings at 31 December are as follows:

	2009			2008		
	TL	Foreign currency	Total	TL	Foreign currency	Total
Short-term borrowings						
Short-term borrowings	231.105	164.073	395.178	345.851	353.175	699.026
Short-term portion of long-term borrowings	69.002	852.182	921.184	24.724	318.263	342.987
Total short-term borrowings	300.107	1.016.255	1.316.362	370.575	671.438	1.042.013

	2009			2008		
	TL	Foreign currency	Total	TL	Foreign currency	Total
Long-term borrowings						
Long-term borrowings	231.654	999.313	1.230.967	272.887	1.513.436	1.786.323
Total long-term borrowings	231.654	999.313	1.230.967	272.887	1.513.436	1.786.323

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

Years	2009	2008
2010	-	673.247
2011	513.664	559.333
2012	515.936	302.624
2013	152.420	197.912
2014 and over	48.947	53.207
	1.230.967	1.786.323

Weighted average of effective interest rates for TL, USD and EURO short-term borrowings are 13%, 5% and 4%, respectively (31 December 2008: 22%, 6% and 6%).

Weighted average of effective interest rates for TL, USD and EUR long-term borrowings are 13%, 5% and 3%, respectively (31 December 2008: 19%, 7% and 6%).

At 31 December 2009, the amount of borrowings with floating interest rates is TL 1.543.285 (31 December 2008: TL 1.679.289)

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 8 - BORROWINGS (Continued)

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 + 3,5% and Libor + 7,5% (London Interbank Offered Rate).

Hürriyet, a subsidiary of Group, obtained a long-term bank borrowing amounting to USD 240.900 in order to partially finance the acquisition of TME shares in 2007. The payable related with the borrowing is USD 187.300 as of 31 December 2009. Hürriyet has 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.

All of the TME shares held by Hürriyet (67,3% shares of the TME) were pledged to financial institutions in respect of the financial borrowings. Hürriyet committed not to enter any merger, split, restructuring process to change the partnership structure and activity of the TME. New mergers and the purchase of new shares, making new joint ventures contract of Hürriyet except permissible mergers and transactions have been restricted. Hürriyet meets these covenants as of 31 December 2009.

Furthermore, TME has signed a senior credit agreement which amounts to a total facility of USD 200.000. The Group has drawn USD 144.800 of the credit facility in 2007, the remaining part of the credit facility amounted USD 55.200 has been drawn in October 2008. The amount of bank borrowing liability is USD 88.900 as of 31 December 2009. Furthermore, if there are disposals or sells in aggregate in excess of the amount of 10% of the TME's consolidated net assets or if there is an equity movement resulting in 10% change in TME's consolidated net assets, TME shall repay and cancel the credit facility. TME has to abide the general commitments and financial conditions regarding to this credit. Otherwise, total or partial of the financial borrowing with its accumulated interest may be demanded by the financial institution. Since TME can not get the requirements for the credit agreement, it has classified the related bank credits amounting to USD 53.300 as short-term in the consolidated financial statements. However TME has made a preliminary long-term borrowing agreement with a different financial institution in order to pay the related bank borrowing (Note 40).

Share pledges:

11,3% shares of Doğan Yayın Holding (90.767.987 shares), 13,3% shares of Hürriyet (73.200.000 shares), 49% shares of Kanal D (24.500.000 shares) and 67,3% shares of TME (33.649.091 shares) were pledged to financial institutions in respect of the long-term borrowings of the Group.

ii) Financial liabilities related with options:

At 19 November 2007 during the capital increase of Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik") to TL 100.000, the Group sold 22.000.000 shares each having face value of TL 1 and corresponding to 28% of Doğan Gazetecilik's share capital amounting to TL 78.000, to Deutsche Bank AG in ISE Wholesale Market in consideration of USD 4 per share (initial price) (TL 4,73), by limiting the existing shareholders' share purchase rights.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 8 - BORROWINGS (Continued)

ii) Financial liabilities related with options (Continued):

There are put and call option agreements between Doğan Yayın Holding and Deutsche Bank AG upon the shares of Doğan Gazetecilik. According to call option agreement; Doğan Yayın Holding A.Ş. has call option of 21.945.000 shares of Doğan Gazetecilik from Deutsche Bank AG; according to put option agreement, Deutsche Bank AG has put option of 23.100.000 shares of Doğan Gazetecilik A.Ş. to Doğan Yayın Holding. Maturities of both agreements are 5 years 3 months and end at 19 February 2013. "Call" option can be exercised on any day after the date 19 November 2010. 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 Doğan Yayın Holding 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 88.000 is presented as a financial liability in the consolidated financial statements. According to put option contract, put option price will be calculated by taking into consideration of initial price and 6,46% interest rate.

iii) Financial leasing payables

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

The redemption schedules of long-term leasing payables at 31 December 2009 and 2008 are summarized below:

	2009	2008
2010	-	12.200
2011	7.060	6.143
2012	3.359	2.906
2013	1.923	1.550
2014 and over	1.099	821
	13.441	23.620

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 short and long-term trade payables in USD, EURO, CHF are 1,3%, 1,5% and 1,4%, respectively (2008: USD 3,4%, EURO 4,5%, CHF 3,0%). The maturity analysis of long-term interest bearing payables to suppliers at 31 December 2009 and 2008 is as follows:

	2009	2008
2010	-	21.889
2011	24.973	21.985
2012	24.650	21.665
2013	21.626	18.634
2014 and over	6.366	1.922
	77.615	86.095

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 8 - BORROWINGS (Continued)

Interest bearing payables to suppliers have floating interest rates. Changes in interest rate risk of financial obligations to suppliers and contractual repricing dates are as follows:

	2009	2008
Up to 6 months	103.121	113.654
6-12 months	281	971
Total	103.402	114.625

NOTE 9 - OTHER FINANCIAL LIABILITIES

The details of other financial liabilities at 31 December 2009 and 2008 is as follows:

Other short-term financial liabilities:	2009	2008
Financial liabilities due to put options (Note 22 b.i)	17.810	13.686
Fair value hedge transaction accruals (Note 7)	10	-
Guarantee deposit payables for derivative transactions	-	10.209
	17.820	23.895
Other long-term financial liabilities:	2009	2008
Financial liabilities due to put optionsg (Note 22 b.i)	742	6.043
Interest rate swap contracts	-	367
	742	6.410

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

	2009	2008
<u>Short-term trade receivables</u>		
Trade receivables, net of unearned finance income	1.033.948	1.014.828
Notes receivables and cheques, net of unearned finance income	273.603	295.251
	1.307.551	1.310.079
Less: provision for doubtful receivables (-)	(222.119)	(176.879)
	1.085.432	1.133.200

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 10 - TRADE RECEIVABLES AND PAYABLES (Continued)

<u>Long-term trade receivables</u>	2009	2008
Trade receivables, net of unearned finance income	66.353	7.349
Notes receivables and cheques, net of unearned finance income	1.990	280
	68.343	7.629

Movement of the provisions for doubtful receivables for the years ended as of 31 December is as follows:

	2009	2008
1 January	176.879	122.683
Increase in provision	54.316	61.478
Collections and cancelled provision	(8.559)	(17.849)
Business combinations	(265)	9.860
Currency translation differences	(252)	84
Change in consolidation scope	-	623
31 December	222.119	176.879

Short-term trade payables:

	2009	2008
Trade payables, net of unincurred credit finance charges (*)	1.251.302	1.297.491
Notes payable, net of unincurred credit finance charges	4.921	15.485
Other	744	633
	1.256.967	1.313.609

Long-term trade payables

	2009	2008
Trade payables, net of unincurred credit finance charges (*)	316.844	524.114
	316.844	524.114

(*) 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.

The non-interest bearing letters of credit amounts to TL 593.982 (USD 394.489) (31 December 2008: TL 677.864 (USD 448.234)). There are no interests bearing long-term letters of credits as of 31 December 2009 (31 December 2008: TL 93.151 (USD 61.596) and interest rate 6,31%).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 10 - TRADE RECEIVABLES AND PAYABLES (Continued)

The long-term USD letters of credit (non-interest bearing) amounts to 316.562 TL (USD 210.242) (31 December 2008: 523.773 TL (USD 346.342)). There are no interests bearing long-term letters of credits as of 31 December 2009 and 31 December 2008.

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 2,97% and 3,87% respectively (31 December 2008: 4,02% and 4,70%)

At 31 December 2009, the payment terms of TL 316.562 part of long term trade payables are in the second year. (31 December 2008: TL 501.325 in the second year, TL 22.789 in the third year).

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

	2009	2008
2010	-	501.325
2011	316.562	22.789
2012 and over	282	-
	316.844	524.114

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

	2009	2008
Other short-term receivables		
Special Consumption Tax ("SCT") Exemption (*)	7.231	30.339
Deposits and guarantees given	3.426	1.531
Other miscellaneous receivables	5.675	4.120
	16.332	35.990
Other long-term receivables		
Deposits and guarantees given	1.784	1.557
Other miscellaneous receivables	762	554
	2.546	2.111

(*) On deliveries made to certain military institutions, embassies and petroleum searching companies by POAŞ, joint venture of the Group, obtains Special Consumption Tax exemption to be used through the purchases from Tüpraş. The amount reflected in the consolidated financial statements corresponds to the exemption certificates sent to Tüpraş but not used as of the date of the consolidated financial statements.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 11 - OTHER RECEIVABLES AND PAYABLES (Continued)

	2009	2008
Other short-term liabilities		
Taxes and withholding payables	220.372	222.995
Order advances received	18.387	20.371
Payables to personnel	8.772	8.659
Deposits and guarantees received	1.113	1.084
Fuel purchase certificates (*)	-	3.661
Other	12.235	17.428
	260.879	274.198
Other long-term liabilities		
Advances received	39.122	49.351
Payables to Public Waterworks Administration (DSİ) (**)	18.934	15.137
Deposits and guarantees received	12.131	11.404
Other long-term liabilities	1.189	2.047
	71.376	77.939

(*) At 31 December 2009 and 2008, the fuel purchase certificates shown in current liabilities are the certificates issued for future consumption to customers but not used by the customers as of balance sheet date.

(**) Payables to DSİ are related with transfer of construction investment and water using right of Boyabat Hydroelectric Power Plant from DSİ to Boyabat Elektrik, the joint venture of the Group.

NOTE 12 - RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR OPERATIONS

None (2008: None).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 13 - INVENTORIES

	2009	2008
Short-term inventories		
Finished goods and merchandise	477.765	493.959
Raw materials and supplies	73.460	104.406
Semi-finished goods	41.354	9.049
Promotion stocks	16.959	13.175
Other inventories	36.975	49.709
	646.513	670.298
Less: provision for impairment on inventories	(9.365)	(42.201)
	637.148	628.097

Other inventories mainly consist of fuels and lubricants in transit.

Movement of impairment of inventories as of 31 December is as follows:

	2009	2008
1 January	42.201	2.028
Current year charge	3.806	40.928
Provision released	(36.642)	(755)
31 December	9.365	42.201

	2009	2008
Long-term inventories		
Finished goods and merchandise	110.713	121.341
	110.713	121.341

NOTE 14 - BIOLOGICAL ASSETS

As of 31 December 2009, biological assets amount to TL 40 (2008: TL 123).

NOTE 15 - CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING

Group has no construction contract receivables and construction progress billings (2008: None).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 16 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

Associates

	2009		2008	
	TL	%	TL	%
Ray Sigorta (*)	-	10	12.449	20
	-		12.449	

(*) 10% of shares in Ray Sigorta, investment with controlling rate of 20%, were sold to TBIH Financial Services Group N.V. on 1 September 2009. The remaining 10% shares of Ray Sigorta are carried at fair value in Available – for – sale Financial Investments (Note 7) subsequent to this date.

2008	Assets	Liabilities	Net Sales	Profit
Ray Sigorta	270.943	208.698	151.460	644

The movements in associates during the years ended as of 31 December are as follows:

	2009	2008
1 January	12.449	21.842
Reclassification in consolidation scope	(7.124)	(13.416)
Capital increase in associates	4.004	2.400
Share of gains/(losses) of associates	(2.205)	1.623
Sales of associates	(7.124)	-
31 December	-	12.449

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 17 - INVESTMENT PROPERTY

	1 January 2009	Additions	Disposals	Transfer (1)	Provision for impairment	31 December 2009
Cost:						
Land and land improvements	30.972	-	-	-	-	30.972
Buildings	63.414	36.907	(19.643)	1.111	(3.166)	78.623
	94.386	36.907	(19.643)	1.111	(3.166)	109.595
Accumulated Depreciation:						
Land and land improvements	159	2	-	-	-	161
Buildings	15.844	1.420	(413)	-	-	16.851
	16.003	1.422	(413)	-	-	17.012
Net book value	78.383					92.583

	1 January 2008	Additions	Disposals	Transfer (1)	Change in consolidation scope	Provision for impairment	31 December 2008
Cost:							
Land and land improvements	32.629	679	(3.298)	953	9	-	30.972
Buildings	31.339	24.730	(9.641)	21.393	790	(5.197)	63.414
	63.968	25.409	(12.939)	22.346	799	(5.197)	94.386
Accumulated Depreciation:							
Land and land improvements	148	3	-	-	8	-	159
Buildings	15.257	753	(905)	378	361	-	15.844
	15.405	756	(905)	378	369	-	16.003
Net book value	48.563						78.383

(1) Transfers amounting to TL 6.179 are related with tangible assets (Note 18).

(2) Transfers amounting to TL 21.968 are related with tangible assets (Note 18).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

Movement for property, plant and equipment and related depreciation for the year ended 31 December 2009 is as follows:

	1 January 2009	Additions	Disposals	Transfers (1)	Currency translation differences	Provision for impairment	31 December 2009
Cost:							
Land and land improvements	253.197	33.360	(1.225)	5.110	27	-	290.469
Buildings	413.778	20.974	(20.333)	130	(281)	-	414.268
Machinery and equipment	1.381.658	21.514	(10.490)	33.854	250	-	1.426.786
Motor vehicles	109.309	5.212	(6.316)	258	(16)	-	108.447
Furniture and fixtures	258.206	50.334	(6.292)	6.267	(1)	(6.273)	302.241
Leasehold improvements	376.416	4.138	(20.916)	31.620	1	(435)	390.824
Other fixed assets	351.987	4.971	(2.082)	45.379	-	-	400.255
Construction in progress	67.823	171.602	(12.443)	(125.922)	(17)	(862)	100.181
	3.212.374	312.105	(80.097)	(3.304)	(37)	(7.570)	3.433.471
Accumulated depreciation:							
Land and land improvements	41.559	11.429	(415)	-	-	-	52.573
Buildings	107.431	10.737	(11.751)	-	(145)	-	106.272
Machinery and equipment	998.337	75.449	(8.997)	-	(157)	-	1.064.632
Motor vehicles	50.064	15.123	(4.611)	-	(140)	-	60.436
Furniture and fixtures	185.647	25.511	(2.604)	-	(341)	(634)	207.579
Leasehold improvements	133.442	38.429	(17.229)	-	10	(75)	154.577
Other fixed assets	151.155	25.612	(272)	-	-	-	176.495
	1.667.635	202.290	(45.879)	-	(773)	(709)	1.822.564
Net bookvalue	1.544.739						1.610.907

(1) Transfers amounting to TL 1.111 are related to investment property (Note 17) and transfers amounting to TL 2.194 are related to intangible assets (Note 19).

Machinery and equipment, furniture and fixtures, motor vehicles and leasehold improvements include finance leased assets amounting to TL 7.963, TL 579, TL 429 and TL 28.726 respectively, at 31 December 2009. The accumulated depreciation related to finance leased assets amounts to TL 19.776 at 31 December 2009.

At 31 December 2009, mortgages on property, plant and equipment amounts to TL 20.661 (Note 23).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

(Amounts expressed in thousands of Turkish lira (“TL”) unless otherwise indicated. Currencies other than TL 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 year ended 31 December 2008 is as follows:

	1 January 2008	Additions	Disposals	Transfers (1)	Business combinations	Disposal of subsidiary(2)	Change in consolidation scope	Currency translation differences	Provision for Impairment	31 December 2008
Cost:										
Land and land improvements	245.008	4.905	(8.565)	8.343	-	-	1.195	2.311	-	253.197
Buildings	418.767	6.463	(1.050)	(17.593)	10	-	1.738	5.443	-	413.778
Machinery and equipment	1.313.329	47.106	(12.670)	20.429	1	-	4.116	9.347	-	1.381.658
Motor vehicles	100.737	10.110	(3.901)	1.069	518	-	102	674	-	109.309
Furniture and fixtures	244.135	29.754	(12.413)	912	1.185	(2.750)	439	1.280	(4.336)	258.206
Leasehold improvements	287.415	8.220	(3.648)	81.305	830	(66)	2.288	72	-	376.416
Other fixed assets	292.975	3.981	(1.458)	52.911	-	-	3.578	-	-	351.987
Construction in progress	26.260	216.169	(2.023)	(172.538)	(5)	(85)	157	(112)	-	67.823
	2.928.626	326.708	(45.728)	(25.162)	2.539	(2.901)	13.613	19.015	(4.336)	3.212.374
Accumulated depreciation:										
Land and land improvements	36.870	5.488	(1.216)	-	-	-	417	-	-	41.559
Buildings	96.321	11.014	(323)	(378)	-	-	132	665	-	107.431
Machinery and equipment	927.117	71.675	(7.274)	-	-	-	3.489	3.330	-	998.337
Motor vehicles	34.934	17.583	(2.742)	-	-	-	59	230	-	50.064
Furniture and fixtures	174.700	21.182	(9.370)	-	-	(1.751)	341	979	(434)	185.647
Leasehold improvements	101.338	33.513	(1.890)	-	-	(28)	482	27	-	133.442
Other fixed assets	125.256	24.456	(130)	-	-	-	1.573	-	-	151.155
	1.496.536	184.911	(22.945)	(378)	-	(1.779)	6.493	5.231	(434)	1.667.635
Net book value	1.432.090									1.544.739

(1) Transfers amounting to TL 21.968 are related to investment property (Note 17) and transfers amounting to TL2.816 are related to intangible assets (Note 19).

(2) The Group sold all the shares held in Trader.com (Polska) Sp. Z.o.o, an indirect subsidiary with a controlling rate of 100%, to the media group Agora SA resident in Poland on 25 June 2008 (Note 31).

Machinery and equipment, furniture and fixtures, motor vehicles and leasehold improvements include finance leased assets amounting to TL 51.036 TL 669 TL 848 and TL 29.749 respectively, at 31 December 2008. The accumulated depreciation related to finance leased assets amounts to TL 59.693 at 31 December 2008.

At 31 December 2008, mortgages on property, plant and equipment amounts to TL 15.364 (Note 23).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 19 - INTANGIBLE ASSETS

Movement for intangible assets and related amortization for the years ended at 31 December 2009 and 2008 are as follows:

	1 January 2009	Additions(**)	Disposal	Transfers (*)	Currency translation differences	31 December 2009
Cost:						
Dealer contracts	499.191	-	-	-	-	499.191
Brand names of energy segment	139.557	-	-	-	-	139.557
Customer contracts	40.844	-	-	-	-	40.844
Customers list	274.414	-	-	-	(7.112)	267.302
Brand names of media segment	440.239	-	-	-	(7.098)	433.141
Tenestrial broadcasting permission and license	57.406	23.500	-	-	-	80.906
Other	321.950	102.755	(19.551)	2.193	873	408.220
	1.773.601	126.255	(19.551)	2.193	(13.337)	1.869.161
Accumulated amortization:						
Dealer contracts	258.058	53.226	-	-	-	311.284
Customer contracts	30.010	4.449	-	-	-	34.459
Customers list	29.422	16.053	-	-	(334)	45.141
Brand names of media segment	10.672	3.565	-	-	(44)	14.193
Other	208.672	46.143	(6.551)	-	123	248.387
	536.834	123.436	(6.551)	-	(255)	653.464
Programme rights	80.994					95.756
Net book value	1.317.761					1.311.453

Movement for programme rights in 2009:

	1 January 2009	Additions	Disposals	Amortisation	Currency translation differences	Programme rights and provisions for impairment	31 December 2009
Programme rights	80.994	84.348	(59)	(68.459)	117	(1.185)	95.756

(*) Transfer amounting to TL 2.193 is related to tangible assets (Note 18)

(**) The amounts of Gas Plus Khalakan and Gas Plus Erbil oil research licences are TL 15.301 and TL 45.482 respectively.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 19 - INTANGIBLE ASSETS (Continued)

	1 January 2008	Additions	Business combinations	Disposal of subsidiaries (**)	Disposals	Transfers (*)	Impairment (***)	Change in consolidation scope	Currency translation differences	31 December 2008
Cost:										
Dealer contracts	492.981	-	-	-	-	-	-	6.210	-	499.191
Brand names of energy segment	137.821	-	-	-	-	-	-	1.736	-	139.557
Customer contracts	40.336	-	-	-	-	-	-	508	-	40.844
Customer list	252.682	-	-	(310)	-	-	-	-	22.042	274.414
Brand names of media segment	368.752	553	57.782	(1.964)	-	-	(12.370)	-	27.486	440.239
Terrestrial broadcasting permission and license	57.406	-	-	-	-	-	-	-	-	57.406
Other	240.395	90.396	1.957	(5.862)	(16.745)	2.816	-	217	8.776	321.950
	1.590.373	90.949	59.739	(8.136)	(16.745)	2.816	(12.370)	8.671	58.304	1.773.601
Accumulated amortization:										
Dealer contracts	190.626	65.031	-	-	-	-	-	2.401	-	258.058
Customer contracts	23.338	6.378	-	-	-	-	-	294	-	30.010
Customer list	11.834	17.584	-	(216)	-	-	-	-	220	29.422
Brand names of media segment	9.346	1.294	-	-	-	-	-	-	32	10.672
Other	167.001	40.620	-	(1.463)	(2.645)	-	-	151	5.008	208.672
	402.145	130.907	-	(1.679)	(2.645)	-	-	2.846	5.260	536.834
Programme rights	59.033									80.994
Net book value	1.247.261									1.317.761

Movement for programme rights in 2008 is as follows:

	1 January 2008	Additions	Disposals	Amortisation	Currency translation differences	Programme rights and provision for impairment	31 December 2008
Programme rights	59.033	83.101	-	(60.060)	2.134	(3.214)	80.994

(*) Transfer amounting to TL 2.816 is related to tangible assets (Note 18)

(**) The Group sold all the shares held in Trader.com (Polska) Sp. Z.o.o, an indirect subsidiary with a controlling rate of 100%, to the media group Agora SA resident in Poland on 25 June 2008 (Note 31).

(**) Impairment is related with trademarks with indefinite useful lives and licenses of the Group's subsidiary Expressz Magyarorszag Rt, which is located in Hungary.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 19 - INTANGIBLE ASSETS (Continued)

Intangible assets with infinite useful lives

As at 31 December 2009, it is determined that brand names for media segment with carrying value of TL 286.386 (2008: TL 292.613) and brand name of the energy segment amounting to TL 139.557 (2008: TL 139.557) have infinite useful lives. 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 licenses (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 TL 80.906 (2008: TL 57.406) have an infinite useful life.

NOTE 20 - GOODWILL

The movements in goodwill as of 31 December 2009 are as follows:

	2009	2008
1 January	1.612.165	1.542.921
Business combinations (Note 3)	119.779	78.986
Currency translation differences	(5.757)	24.552
Disposals	-	(192)
Goodwill impairment	(8.953)	(29.861)
Other	(1.665)	(4.241)
31 December	1.715.569	1.612.165

The changes in fair value of put options are shown as other (Note 2.2.27).

As a result of the premium capital increase amounting to a total of TL 432.079, Doğan Yayın Holding has acquired 2,9% of shares of Doğan TV Holding A.Ş. The acquisition resulted in goodwill amounting to TL 117.517.

45% shares of Doğan Teleshopping, joint venture of Group as of 31 December 2008, are acquired by Opal İletişim with an amount of TL 409 in October 2009. The goodwill amounting to TL 2.262 arose as a result of acquisition, is impaired and accounted as expense at 31 December 2009.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 20 - GOODWILL

31 December 2008

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 TL 8.534 (USD 7.200) 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, in consideration of TL 12.719 (USD 10.800). As explained in details in Note 3, the acquisition resulted in a goodwill amounting to TL 62.865.

Group acquired 11,43%, 2,48%, 0,67%, 0,85%, 2,31%, 9,74%, 12,18% and 13,34% of the shares of Hürriyet, Hürriyet Pazarlama, POAŞ, Doğan Gazetecilik, DB, Doğan Yayın, Çelik Halat and Ditaş Doğan shares during the year ended at 31 December 2008. Since the Group applies the “Parent Company Model” for business combinations, Hürriyet Pazarlama, POAŞ and Çelik Halat share purchases resulted in goodwill amounting to TL 15.495 recorded to consolidated financials.

TME, a subsidiary of Group, acquired all the shares of Oglasnik Nekretnine d.o.o (“Nekretnine”) in consideration of TL 609 on 6 June 2008. The acquisition resulted in goodwill amounting to TL 626.

Goodwill impairment test

Energy Segment

The Group is preparing its cash flow projections in USD based on the latest financial budget which is approved by the management. In preparing cash flows, for the next five years 5% per annum and for subsequent years zero percent per annum estimated growth rate was used as of 31 December 2009. The Company used a rate of 10,36% in order to discount cash flow projections. As a result of assessment, the recoverable amount of goodwill exceeded its carrying amount and there is no impairment as of 31 December 2009.

Media Segment

The Group is making the goodwill impairment test of media segment at the cash flow projections of visual and audio broadcastings which produce the lowest value of cash flow. As of 31 December 2009, cash flow projections of media segment have been prepared as covering the years 2010-2014 by using the EBITDA average of 21,8 %, the cash flows are brought to the present value by taking on discount with an interest rate of 13,5%.

NOTE 21 - GOVERNMENT GRANTS

None (2008: None).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	2009	2008
Short-term provisions		
Provision for lawsuits	45.260	31.573
Provision for tax penalty	32.447	2.656
Provision for withholding tax	24.995	20.905
Provision for unused vacations	24.389	16.997
Advertisement expense accruals	7.669	11.528
	134.760	83.659
Long-term Provisions		
Other provisions	1.406	1.111
	1.406	1.111

a. Court cases:

Law cases against the Group amounting to TL 72.292 at 31 December 2009 (2008: TL 120.217).

Provision in the amount of TL 45.260 (2008: TL 34.229) was recorded after consideration of the legal consultations and post experiences regarding the legal, labour, trade and administrative lawsuits against the Group.

b. Derivatives, future contracts, and options of share purchases

i) Options of Share Purchases

Subsidiaries of the Group, which were acquired majority shares, are committed to purchase (if minority shareholders prefer to exercise their put option) minority’s shares of 20,7% in Impress Media Marketing LLC without a time constraint and 30% in Oglasnik d.o.o until July 2009. The amount of the commitments calculated using valuation methods is TL 15.145 as of 31 December 2009 (31 December 2008: TL 18.089).

The Subsidiary of the Group has acquired 55% of the shares of Moje Delo d.o.o (“Moje Delo”) which operates in Slovenia and 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 value of the put option determined by valuation methods is TL 719 as of 31 December 2009 (31 December 2008: TL 1.637).

Put options have been disclosed as “Other current and non-current financial liabilities” in the consolidated balance sheets and changes in the fair value of the put options are associated with goodwill.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

i) Options of Share Purchases (Continued)

Pricing of the put options will be performed over the revenues or EBITDA amounts of the related companies.

Put options have been disclosed as “Other short and long-term financial liabilities” in the consolidated balance sheet as of 31 December 2009 and 2008.

ii) Derivative instruments

1) Derivative instruments against interest rate risk

As of 31 December 2009, TME, a subsidiary of the Group, entered into Collar and CAP agreements to hedge the interest rate risk amounted to USD 46.000 and USD 37.000, respectively (31 December 2008: Collar USD 83.000 and CAP USD 37.000). 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.

As of 31 December 2009 fixed floor and ceiling interest rates are between 3,0% and 5,6% (31 December 2008: 2,8% and 5,6%) and primarily floating interest rates are Libor.

2) Foreign currency swap agreements

The Group established a Euro swap transaction regarding to a bank loan amounting to USD 80.283 of long term bank borrowing amounting to USD 240.850 of which include three payments in 2012 and 2013 as of 31 December 2009. Profit amounting to TL 11.717 is recognized from foreign currency swap agreements as of 31 December 2009.

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 is handed over to Fortis Bank on 4 July 2005.

The responsibilities of Holding have ended as of 30 September 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 TL 4.178 at the closing date of Agreement. The tax penalty amounts which are in the responsibility of the Group are recorded at fines and penalties paid (Note 31).

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c. Other (Continued):

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, Joint Ventures of the Group, amounting to TL 498.693 and TL 100.739 (with Doğan Holding's ownership interest TL 270.165 and TL 54.775) respectively for deliveries made to unlicensed dealers. POAŞ and Erk have taken judicial actions in order to exercise their legal rights for the cancellation of the fines and removal of payment orders.

13th Division of Council, 7th and 8th Tax Courts denied the motion of the POAŞ and Erk for cancellation of the stay of execution of the fines. POAŞ and Erk 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. Plenary Session of Administrative Divisions of Council of State suspended the execution of all of the fines imposed against POAŞ and Erk.

Following the decision for stay of execution the cancellation of the fines and removal of payment orders have been decided. EMRA and Tax Court appealed the decision. POAŞ waits for the final decision of Council of State. Following the cancellation of the fines, the judicial process continues regarding the return of the guarantees given and the installments paid.

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

The Group sold 90.854.185 shares, 25% of the share capital of Doğan TV Holding A.Ş., to Commerz-Film GmbH (formerly registered as Dreiundvierzigste Media Vermögensverwaltungsgesellschaft mbH), a 100% subsidiary of Axel Springer A.Ş., for EUR 375.000 (TL 694.312) (this amount is defined as "initial sales price") on 2 January 2007. According to the agreement the initial sales price will be revised according to the "initial public offering" ("IPO") of the shares of Doğan TV Holding A.Ş. or "not".

With the agreement signed on 19 November 2009 between Doğan Şirketler Grubu Holding A.Ş., Doğan Yayın Holding A.Ş., Doğan TV Holding A.Ş. and Commerz-Film GmbH; the dates that the recalculation of the initial sales prices will be based on are postponed for a four-year period without reservations.

Certain conditions at the agreement dated 19 November 2009 mentioned below will be effective after 19 February 2010.

- Axel Springer Group has the sales options for 3,3% of its shares in Doğan TV Holding A.Ş. amounting to EUR 50.000 after January 2013 and the other 3,3% of its shares amounting to EUR 50.000 after January 2014 to Doğan Şirketler Grubu Holding A.Ş. and Doğan Şirketler Grubu Holding A.Ş. has the commitment to purchase these shares. Axel Springer Group may exercise the sales options fully or partially.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c. Other (Continued):

iii) Commitments and contingent liabilities related to the Doğan TV shares sales agreement (Continued):

- Axel Springer Group has option to sell some or all of its shares in Doğan TV Holding A.Ş with the higher of EUR 4,1275 per share or a fair value to be determined by specific valuation techniques and Doğan Şirketler Grubu Holding A.Ş. has a commitment to purchase these shares. In order to exercise this option the following conditions must be met.
 - Doğan TV Holding A.Ş. shares are not offered to the public by 30 June 2017,
 - Change of direct or indirect control over Doğan Şirketler Grubu Holding A.Ş, Doğan Yayın Holding A.Ş. or Doğan TV Holding A.Ş.,
 - Additions to the existing guarantees on Doğan Yayın Holding’s assets or sequestration to the relevant assets that have significant unfavourable effects on the operations of Doğan Yayın Holding A.Ş.

The initial price of EUR 375.000 defined in the agreement mentioned above will be revised depending on the “initial public offering” of the shares of Doğan TV Holding A.Ş. as follows:

In the event that shares of Doğan TV Holding A.Ş. are offered to public by 30 June 2017, if the fair value of 25% (currently 22.1%) of shares held by Axel Springer Group determined by the public offering price (which will be determined using the three-month average share price after the offering) is higher than the initial sales price including interest calculated from this difference (it will be calculated using 12 month Euro Libor rates on annual compound basis effective from 2 January 2007), the difference will be equally shared between Doğan Yayın Holding and Axel Springer. If the fair value is lower, the difference will be paid to Axel Springer Group by Doğan Yayın Holding.

In the event that shares of Doğan TV Holding A.Ş. are not offered to the public by 30 June 2017, if the fair value of Doğan TV Holding A.Ş., as determined by specific valuation techniques as of 31 December 2015, is less than the initial sales price including interest calculated from this difference (it will be calculated using 12 month Euro Libor rates on annual compound basis effective from 2 January 2007), the difference will be paid to Axel Springer Group by Doğan Yayın Holding.

In the event that Doğan TV Holding A.Ş. shares are offered to the public between 30 June 2017 and 30 June 2020, any positive difference between the initial public offering value and the initial sales price remeasured as of 31 December 2015 (it will be remeasured using a 12 month Euro Libor rates on annual compound basis effective from 2 January 2007) including interest calculated from the difference (it will be calculated using 12 month Euro Libor rates on annual compound basis effective from 1 July 2017) will be shared equally, whereas no transaction will take place for any negative difference.

The Group has determined the current fair value of Doğan TV Holding A.Ş. as of the balance sheet date in order to identify whether it has any future financial liability. As further discussed in Note 2.2.33, no financial liability over the sale of 25% of shares in Doğan TV Holding A.Ş. to Axel Springer AG has been identified.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c. Other (Continued):

iv) Vatan Newspaper

Doğan Gazetecilik, a subsidiary of Doğan Holding, acquired 40,16% shares of Bağımsız Gazeteciler, which owns Vatan Gazetesi brand and its franchise right, in consideration of TL 8.534 (USD 7.200) 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 TL 12.719 (USD 10.800) (Note 3). 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 mentioned 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.

Subsequent to the decision of the Competition Authority dated 26 September 2008 a lawsuit has been filed with the Council of State for the cancellation of the conditions of the decision applied to the Company and a stay of execution. In its decision dated 13 February 2009, the Council of State ruled for a stay of execution of the conditions in the decision of the Competition Authority dated 10 March 2008. Accordingly, the decision of the Competition Authority related to the share purchase of Bağımsız Gazeteciler and Kemer Yayıncılık by Doğan Gazetecilik A.Ş. is valid however the execution of case-related conditions in the decision has been stopped. On 16 September 2009, the objection of Competition Authority to the mentioned stay of execution decision has been declined by Administrative Divisions of Council of State.

In addition, the request for merger through the acquisition of Bağımsız Gazeteciler by Doğan Gazetecilik A.Ş. was disapproved at this stage by CMB due to the uncertainties in the legal action.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c. Other (Continued):

v) Tax penalty and law suits

Media segment:

Regarding the tax inspection of the 2004, 2005 and 2006 fiscal years, tax inspection reports served to Hürriyet, one of the subsidiaries of the Group, by the Revenue Controllers of the Revenue Administration Department of the Ministry of Finance, as of 7 August 2009, these comprise TL 12.292 tax base and TL 18.438 tax penalty.

Request for negotiation was raised for tax penalty and notification served to Hürriyet, subsidiary of the Group after tax assessment. Settlement negotiations about tax penalty and notification of Hürriyet realised in November 2009 concluded in disagreement.

Regarding the tax inspections related to the same periods, the revenue controllers of the Revenue Administration Department of the Ministry of Finance issued an additional tax inspection report on 15 March 2010 in which Hürriyet is imposed to pay income taxes amounting to TL 12.200 and temporary income tax amounting to TL 10.400 temporary tax (in total TL 22.600) and tax loss penalty amounting to TL 22.600. The Company has made a settlement with the Tax Office. According to the settlement, the income tax base and tax loss penalty was determined as TL 8.000. The related amount and the interest calculated from this amount will be paid in one month. The amount to the paid, with interest, is estimated to be TL 17.200, and a provision has been accounted for accordingly in the consolidated financial statements of Hürriyet for the year ended 31 December 2009 (Note 26).

Hürriyet, subsidiary of the Group believes that the practices subject to criticism in the tax inspection reports were in fact in conformity with legal requirements and the communiqués, circulars and tax rulings of Republic of Turkey Ministry of Finance, and all kind of legal rights, including settlement negotiations, shall be utilised against the claims contained in the mentioned reports.

As regards the tax base, tax penalty and estimated default interest included in the tax inspection reports, on the basis of the prudence principle, the management of Hürriyet, subsidiary of the Group, has made a provision of TL 15.600 in the financial statements as of 31 December 2009. The management of Hürriyet made the provision taking into account the views of tax experts and lawyers. There is always the probability of a discrepancy between the actual amounts and the provisions, depending on the latest developments.

The financial periods of 2003, 2004, 2005 and 2006 for Doğan Yayın, a subsidiary of the Group, have been inspected. According to the tax inspection reports, a tax penalty was calculated as TL 861.500 in total, of which TL 148.700 was the tax base and TL 712.800 the tax penalty; this was levied against Doğan Yayın in December 2008 and February 2009.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c. Other (Continued):

v) Tax penalty and law suits (Continued)

Media segment (Continued):

In the tax inspection reports, the following subjects were criticised according to corporate tax, value added tax and stamp tax.

- Although Doğan TV Holding A.Ş., a subsidiary of Doğan Yayın, sold shares representing 25% of its capital to Dreiundvierzigste Media Vermögensverwaltungsgesellschaft mbH (new name Commerz-Film GmbH), a 100% subsidiary of Axel Springer AG, and the transfer of the shares was completed on 02 January 2007 and accounted for accordingly, it was argued that the “exemption on the sales revenue of participation shares”, as specified by Article 5/1-e of the Corporate Tax Law, could not be benefited from, based on the argument that the sales transaction was performed in the year 2006 and should have been accounted in the records at the year 2006. The levied tax penalty charges are TL 772.500 in total, of which TL 115.300 is tax charges, TL 345.900 is tax penalty charges calculated as triple the corporate tax, and TL 311.300 is tax penalty charges calculated as triple the temporary tax, due to the deduction period being overdue.

Furthermore, in the period subject to tax inspection, total of TL 89.600 in total base tax and tax penalty has been requested, representing: TL 30.900, related to the rejection of the deduction from the corporate income of interest and foreign exchange expenses (financial expenses) related to loans used for the purchase of subsidiary shares, all of which, it is claimed, should be added to the corporate income in accordance with the last paragraph of Article 8 of Corporate Tax Law No. 5422; TL 13.700, related to the loss resulting from the sale of shares of Doğan Raks Satış Pazarlama ve Dağıtım A.Ş., which it is claimed should not have been deducted from corporate income; TL 28.300, related to the rejection of the application of value added tax exemption for subsidiary shares sale; and TL 16.100, related to other miscellaneous corporate, value added and stamp tax issues.

The Tax Administration has asked for collateral in the amount of TL 914.800 against the significant portion of the tax charges and their default interest. Accordingly, the Group gave 53,93% shares in one of its subsidiaries, Doğan TV Holding A.Ş., to the Tax Administration as collateral.

Furthermore, in addition to the bank accounts of Doğan Yayın, the Tax Administration has put shares of the Group’s subsidiaries representing 66,56% of capital in Hürriyet Gazetecilik ve Matbaacılık A.Ş., 70,76% in Doğan Gazetecilik A.Ş and the Group’s joint venture representing 44,89% of the capital of Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. and 45,40% of the capital of Doğan TV Holding A.Ş. under sequestration.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c. Other (Continued):

v) Tax penalty and law suits (Continued)

Media segment (Continued):

The legal cases opened by Doğan Yayın Holding A.Ş. (“Doğan Yayın”) against the request of collateral and the sequestrations of the Tax Administration at the first tax court concluded against Doğan Yayın (the stay of execution for the request of collateral does not produce legal effect as a result of sequestration applications). The objections are made to the Council of State in January 2010 by Doğan Yayın and the legal case closed in favour of Doğan Yayın and the execution of the sequestration was suspended.

The court trial in connection with the lawsuit brought against the Tax Administration in an attempt to cancel the income tax and tax penalty declarations regarding 2003, 2004, 2005 and 2006 financial periods submitted to Doğan Yayın Holding A.Ş. (TL 826.200 without interest as of declaration date) was made on 22 January 2010 whereas it was originally scheduled on 10 November 2009 however could not be made due to rejection of the judge by the Tax Administration.

The significant amount of the related lawsuits was concluded in favour of Doğan Yayın Holding A.Ş..

Accordingly, the legal case related to the cancellation of the tax assessments comprising the income tax amounting to TL 115.300 and tax penalty amounting to TL 657.200 in connection with the sale of Doğan TV Holding A.Ş. shares to a subsidiary of Axel Springer AG (Commerz-Film GmbH) concluded in favour of Doğan Yayın Holding A.Ş.

The Tax Administrative concluded against Doğan Yayın or in favour of Doğan Yayın for some legal cases whereas some other cases were suspended. Doğan Yayın has appealed the cases concluded unfavourably.

Doğan Yayın Holding has initiated legal proceedings and filed lawsuits for the cancellation of the tax assessments in connection with 2003 financial period (TL 15.700 income tax and TL 19.500 tax penalty).

Meanwhile, Doğan Yayın accounted for a provision amounting to TL 16.900 in the consolidated financial statements as of 31 December 2009 for cases concluded at the first tax court taking into account the opinions of its tax experts and lawyers and the prudence principle of accounting.

As an outcome of tax inspections held in the Group’s subsidiaries Doğan TV Holding A.Ş., D Yapım Reklamcılık ve Dağıtım A.Ş., Doğan Prodüksiyon Hizmetleri A.Ş. and Alp Görsel İletişim Hizmetleri A.Ş. for 2005, 2006 and 2007 financial periods, tax penalty notification by TL 3.980.026 where TL 1.878.439 is considered as the tax base and TL 2.101.586 is considered as the tax penalty, has been calculated and declared to the related subsidiaries in September 2009.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c. Other (Continued):

v) Tax penalty and law suits (Continued)

Media segment (Continued):

Dogan TV Holding A.Ş.

In brief, the following subjects were criticised on the basis of corporate income taxes and value added taxes ("VAT") in tax assessments:

- i) Claiming that the management control did not change with the share transfers among Doğan TV Holding A.Ş., D Yapım Reklamcılık ve Dağıtım A.Ş., Doğan Prodüksiyon Hizmetleri A.Ş. and Alp Görsel İletişim Hizmetleri A.Ş.; it has been argued that such share transfers were not in accordance with the 19th and 20th amendments to the Corporate Tax Law; and accordingly such share transfers are regular share sales. In this context, it is claimed that the transfers should have been made using the fair value rather than the book value, and as a matter of fact, an income tax for the difference between the fair value determined in the tax assessment report and the book value is calculated. Income taxes amounting to TL 705.000 and tax penalties amounting to TL 705.000 (TL 1.410.000 in aggregate) have been claimed as a result of this assessment.
- ii) Claiming that the share transfers should be treated as regular share sales, w a VAT penalty in accordance with the fair value determined in the tax assessment report has been calculated. According to this claim, TL 1.174.000 VAT and TL 1.396.000 tax loss are due: in total TL 2.570.000.

Inconnection with the income tax and tax loss penalties mentioned above, the tax authorities have requested TL 4.824.000 collateral; considering the interest for delay of TL 1.174.000.

Doğan TV Holding A.Ş., D Yapım Reklamcılık ve Dağıtım A.Ş., Doğan Prodüksiyon Hizmetleri A.Ş., subsidiaries of the Group, have filed the demand for collaterals by the Tax Administration with a stay of execution request. Within this period, D Yapım Reklamcılık ve Dağıtım A.Ş., Doğan Prodüksiyon Hizmetleri A.Ş. and Alp Görsel İletişim Hizmetleri A.Ş. shares and 44 properties belonging to third parties had been given as collateral.

Meanwhile the Tax Administration put sequestration on all of the shares of D Yapım Reklamcılık ve Dağıtım A.Ş., Doğan Prodüksiyon Hizmetleri A.Ş. and Alp Görsel İletişim Hizmetleri A.Ş..

Doğan TV Holding A.Ş., D Yapım Reklamcılık ve Dağıtım A.Ş. and Doğan Prodüksiyon Hizmetleri A.Ş., subsidiaries of the Group, filed court cases for annulments of the Tax Administration sequestrations.

Doğan TV Holding A.Ş., D Yapım Reklamcılık ve Dağıtım A.Ş. and Doğan Prodüksiyon Hizmetleri A.Ş. and Alp Görsel İletişim Hizmetleri A.Ş. subsidiaries of the Group, requested settlement negotiations after tax assessment for the declared tax assessments. Settlement negotiations made in November 2009 concluded with disagreement.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c. Other (Continued):

v) Tax penalty and law suits (Continued)

Media segment (Continued):

Doğan TV Holding A.Ş. (Continued)

Doğan TV Holding A.Ş., D Yapım Reklamcılık ve Dağıtım A.Ş., Doğan Prodüksiyon Hizmetleri A.Ş. and Alp Görsel İletişim Hizmetleri A.Ş. have initiated legal proceedings with the purpose of cancellation of the income taxes and penalties notifications and have filed lawsuits for 2005, 2006 and 2007 financial periods.

The cases opened against the requests of collateral and the sequestrations of the Tax Administration by the related companies at the first tax court concluded against Doğan TV Holding A.Ş., D Yapım Reklamcılık ve Dağıtım A.Ş., Doğan Prodüksiyon Hizmetleri A.Ş. and Alp Görsel İletişim A.Ş.. The related companies made objections to the Council of State about decisions of the first tax courts.

In accordance with the opinions of legal advisors and tax specialists, the Group management did not account for any provision for these lawsuits in the consolidated financial statements as of 31 December 2009.

Doğan TV Digital Platform İşletmeciliği A.Ş.- tax penalty and lawsuits

Doğan TV Digital Platform İşletmeciliği A.Ş., a subsidiary of the Group, was declared with a TL 4.700 income tax and tax penalty with respect to the 2007 Special Communication Tax Investigation Report.

In accordance with the opinions of legal advisors and tax specialists, the Group management did not account for any provision for this tax penalty in the consolidated financial statements as of 31 December 2009.

Doğan Dış Ticaret ve Mümessillik A.Ş. and Işıl İthalat İhracat Mümessillik A.Ş.

Doğan Dış Ticaret ve Mümessillik A.Ş. and Işıl İthalat İhracat Mümessillik A.Ş. a subsidiary of the Group, have been inspected for the 2004, 2005, 2006 and 2007 financial periods by the Revenue Controllers of the Ministry of Finance

According to the tax inspection reports, TL 14.200 tax base and TL 42.600 tax loss fines, triple the tax base, were declared to Doğan Dış Ticaret ve Mümessillik A.Ş. and Işıl İthalat İhracat Mümessillik A.Ş..

Doğan Dış Ticaret ve Mümessillik A.Ş. and Işıl İthalat İhracat Mümessillik A.Ş. have initiated legal proceedings with the purpose of cancellation of the income taxes and penalties notifications and have filed lawsuits.

In accordance with the views of legal advisors and tax specialists, the Group management did not set aside provision in the consolidated financial statements for the year ended 31 December 2009.

Doğan Gazetecilik A.Ş.

As a result of the tax inspection of Doğan Gazetecilik A.Ş., a subsidiary of the Group, related to fiscal year 2004, 2005, 2006 and 2007, the revenue controllers of the Revenue Administration Department of the Ministry of Finance issued a tax inspection report amounting to TL 10.100 income tax and TL 11.200 tax penalty. Settlement negotiation about related tax inspection report has been concluded with agreement with the tax authority.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c. Other (Continued):

v) Tax penalty and law suits (Continued)

Media segment (Continued):

Doğan Gazetecilik A.Ş.(Continued)

According to this settlement at 11 December 2009, TL 4.400 income tax and tax penalty and TL 4.400 interest for delay has been determined. Provision of TL 8.800 was accounted for in the consolidated financial statements of Doğan Gazetecilik as of 31 December 2009 (Note 26). Such amount was paid on 11 January 2010.

(f) Developments at the Radio and Television Supreme Council (“RTSC”)

As of 13 October 2009, the Radio and Television Supreme Council declared a notification to the broadcasting companies that are embodied in the Group. Accordingly, RTSC has decided to notify:

- The provision of three months to companies that have already acquired a licence from the Radio and Television Supreme Council, in accordance with Act No. 3984, 29th clause, article (j), for them to adjust their capital structure consistent with “Law on the Establishment of Radio and Television Enterprises and Their Broadcasts” Law No.3984, 29th clause, articles (h) and (i), otherwise the cancellation of their broadcast licences,
- Notification that companies which have already applied to the Radio and Television Supreme Council for permission and for licence, where the related procedures have not yet been concluded, are to make their capital structure consistent with Act No. 3984, 29th clause, articles (h) and (i), and renew their application to the Radio and Television Supreme Council; otherwise their previous applications will become invalid.

Based on written objection of the Group to the decision and by taking into account of the assessments of the Group as well, RTSC has declared a new written decision as of 10 February 2010 about delaying the enforcement of the above mentioned decision until a revised decision will be declared.

Energy segment:

As a result of the tax inspection conducted on the accounts of POAŞ, a joint venture of the Group, for the year 2003, tax/penalty notifications including TL 12.828 (with Doğan Holding’s ownership interest TL 6.949) of original tax liability and a TL 30.093 (with Doğan Holding’s ownership interest TL 16.303)of tax penalty have been communicated to the Group on 25 December 2008 by the Bogaziçi Corporate Tax Office. On 20 January 2009, POAŞ has filed for arbitration. Settlement negotiations about related income tax and tax penalty with Ministry of Finance Revenue Administration realised on 24 November 2009 based on Tax Procedure Law and concluded in disagreement, therefore lawsuit has been filed as of 9 December 2009. Legal proceeding about income tax and penalty continues.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c. Other (Continued):

v) Tax penalty and law suits (Continued)

Energy segment: (Continued)

Tax/penalty notifications for the years 2003-2007 including a TL 9.917 (with Doğan Holding's ownership interest TL 5.372) of original tax liability and TL 13.810 of tax penalty (with Doğan Holding's ownership interest TL 7.482), which are sent out by Bogaziçi Corporate Tax Office and Large Taxpayers Tax Office with respect to the inspection reports prepared in relation to the investigation carried out by the tax inspectors of the Ministry of Finance, have been communicated to POAŞ on 22-23 July 2008. A lawsuit was filed at the Istanbul Tax Court with respect to the mentioned inspection reports and tax/penalty notifications on 11 September 2008. The tax court ruled in favour of POAŞ in all cases, assessed tax and penalty were annulled by Tax Court. Related rules appealed by Boğaziçi Corporate Tax Office and Large Taxpayers Tax Office.

Tax/penalty notifications for the year 2004 including a TL 6.353 (with Doğan Holding ownership interest TL 3.442) of original tax liability and a TL 13.940 (with Doğan Holding ownership interest TL 7.552) of tax penalty, which are sent out by Bogaziçi Corporate Tax Office have been communicated to POAŞ on 21 December 2009. On 18 January 2010, POAŞ has filed for arbitration in accordance with tax laws, however, no arbitration date has been communicated to POAŞ as of the issuance date of the consolidated financial statements as of 31 December 2009. For tax liabilities and tax penalties, the right of appeal in court stays until the resolution of the arbitration process and POAŞ will appeal at court if no settlement is reached in arbitration.

The Group forecasts no cash outflow regarding the legal matters about the energy segment tax penalties as of the announcement date of the consolidated financial statements for the period ended 31 December 2009. Accordingly, no provision has been provided for the above matters in the accompanying consolidated financial statements.

vi) Other

Other

The land with carrying amount of 17.498 located in Kurtdoğmuş village, Pendik district, İstanbul province, classified as investment property in the consolidated financial statements of Milpa, a subsidiary of the Group, was removed from forestry land with a court decision taken in 2005. The Forestry Directorate appealed the decision at the 20th Chamber of the High Court and the objection was accepted on 24 June 2008 and these decisions (removing from forestry land) are sent to the Pendik Court of First Instance for re-evaluation, the decision of the Court is still pending.

With the 1/100.000 scale environmental plan released on 17 July 2009, the related land was classified as a habitat and recreation area. Milpa appealed this plan with the Istanbul Metropolitan Municipality within the legal deadline and is awaiting for related responses. In case of an adverse decision taken by the Istanbul Metropolitan Municipality against Milpa, legal proceedings will be taken contrary to decision.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

vi) Other (Continued)

Other (Continued)

According to the expert report, made in compliance with the Communiqué No IV-1 of Capital Market Board, by Taksim Kurumsal Değerleme ve Danışmanlık A.Ş. as of 3 February 2010, taking into account that the land was classified in the habitat and recreation area, the sales price of the related property was determined by TL 44.765 (16 January 2009: TL 59.310). This amount has been determined for the entire land and the share of Milpa is 54,79% in the land.

The change of the construction plan for the related land and the appeal against this change is still pending as of the date of these consolidated financial statements and the uncertainty about the fair value of the land will be reconsidered in the following periods in the context of developments regarding the legal proceedings.

NOTE 23 - COMMITMENTS

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

Commitments given

	2009	2008
Letters of guarantee (*)	547.246	564.198
Subsidiary shares given as a guarantee	103.649	103.649
Guarantee notes	479	498
	651.374	668.345

(*) Doğan TV, a subsidiary of Group, has given letter of guarantee amounting to EUR 116.000 to Union Européenne de Football Association or Union of European Football Associations (“UEFA”) for broadcasting rights of UEFA Champions League, UEFA Super Cup and UEFA Cup matches for the years between 2009 and 2012.

The Group provided bail and mortgages to third parties for financial liabilities and trade payables of its Subsidiaries, Joint Ventures and related parties in the amounts of TL 388.485 (2008: TL 336.997) and TL 20.661 (2008: TL 15.364) respectively.

POAŞ, a joint venture of the Group, signed an agreement with Gümrük ve Turizm İşletmeleri (“GTI”) in May 2008 to make sales of fuel and lubricants at border gates for 20 years. As part of this agreement, the Group committed to pay commissions to GTI over sales revenue, after the commencement of sales at assigned areas.

Barter agreements:

The Group, as a common practice in the media sector, entered into Barter agreements which involve the exchange of goods or services without cash collections or payments. As of 31 December 2009, the Group has an advertisement commitment of TL 13.382 (2008: TL 8.410), and a right to obtain service and goods in the amount of TL 12.119 (2008: TL 11.693).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 23 - COMMITMENTS (Continued):

Collateral, pledge and mortgages given:

Collateral, pledges and mortgages “CPM” given by Parent Company, Doğan Holding, as of 31 December 2009 and 2008 are as follows:

	2009	2008
A. CPM’s given in the name of its own legal personality	24	22
B. CPM’s given on behalf of the fully consolidated Companies (*)	364.114	300.753
C. CPM’s given on behalf of third parties for ordinary course of business	-	-
D. Total amount of other CPM’s given	-	-
i) Total amount of CPM’s given on behalf of the majority shareholder	-	-
ii) Total amount of CPM’s given to on behalf of other Group companies which are not in scope of B and C	-	-
iii) Total amount of CPM’s given to on behalf of third parties which are not in scope of C	-	-
Total	364.138	300.775

NOTE 24 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	2009	2008
Long Term Provisions		
Provision for employment termination benefits	36.399	30.308
	36.399	30.308

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 December 2009 payable consists of one month’s salary limited to a maximum of TL 2,37 (2008: TL 2,17) 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.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 24 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS (Continued)

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.

	2009	2008
Discount rate (%)	5,92	6,26
Turnover rate to estimate the probability of retirement (%)	88	87

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 TL 2,42 at 1 January 2010 will be taken into consideration in calculating the reserve for employment termination benefit (1 January 2009: TL 2,26).

Movements in the reserve for employment termination benefits during the years ended as of 31 December 2009 and 2008 are as follows:

	2009	2008
1 January	30.308	26.726
Interest cost	1.795	1.673
Change in scope of consolidation	-	84
Disposals	(10.940)	(10.258)
Current year charge	6.063	10.547
Actuarial loss	9.173	356
Business combinations	-	1.180
31 December	36.399	30.308

NOTE 25 - RETIREMENT PLANS

None (2008: None).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 26- OTHER ASSETS AND LIABILITIES

	2009	2008
Other current assets		
Value Added Tax ("VAT") receivable	81.643	73.697
Programme stocks	55.437	36.629
Advances given	42.920	62.690
Prepaid expenses	33.038	40.622
Prepaid taxes and funds	31.963	52.993
Income accruals	15.312	8.764
SCT to be offset	3.708	3.719
Tax receivables	2.240	15.975
Other current assets	7.791	15.269
	274.052	310.358
Impairment for programme stocks	(2.500)	(2.500)
	271.552	307.858
	2009	2008
Other non-current assets		
Advances given and prepayments (1)	122.005	120.663
Value Added Tax ("VAT") receivables	65.860	3.681
Prepaid expenses (2)	47.763	47.423
Other non-current assets	2.813	675
	238.441	172.442

- (1) Advances given and prepayments amounting to TL 32.865 consists of the prepayments made by Doğan TV Holding A.Ş., a subsidiary of the Group, for UEFA Championship qualifying matches, UEFA Cup qualifying matches and UEFA Cup home matches of certain Turkcell Super League teams between 2008 and 2020. According to the agreements, unless the mentioned games are played, the prepayments will be paid back to Doğan TV Holding A.Ş..

Advances given and prepayments amounting to TL 14.564 consists of the prepayments made by Doğan TV to certain Turkcell Super League teams' for multiple media broadcasting rights (internet,IPTV (internet protocol TV), etc), between 2008-2013, broadcasting rights of amateur branches between 2008 and 2013, and preferential right of sales of season tickets between 2010 and 2012 and payments made to a Turkcell Super League team with respect to the agreement on TV advertisement revenue sharing between 2008 and 2011.

- (2) POAŞ, a Joint Venture of the Group, signed an agreement with Gümrük ve Turizm İşletmeleri ("GTİ") in May 2008 to make sales of fuel and lubricants at border gates for 20 years. The payment of TL 55.000 (TL 29.796 with Doğan Holding's ownership interest) which was made as part of this agreement is presented as prepaid expenses.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 26 - OTHER ASSETS AND LIABILITIES (Continued)

	2009	2008
Other current liabilities		
Deferred income	51.502	53.903
Expense accruals	35.586	32.145
Provision for tax penalties	26.033	-
Provision for broadcasted programs	17.379	7.911
Expense Accruals	10.803	12.424
	141.303	106.383

NOTE 27 - 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 TL 1 Doğan Holding’s authorized, historical and paid-in share capitals at 31 December are as follows:

	2009	2008
Limit on registered share capital (historical)	4.000.000	2.000.000
Issued share capital	2.450.000	2.450.000

The main shareholder of Doğan Holding is Doğan Family. The shareholder structures of the Holding at 31 December are summarized as follows:

	Share %	2009	Share %	2008
Adilbey Holding	52,00	1.274.000	52,00	1.274.000
Aydın Doğan	7,72	188.907	7,72	188.907
Işıl Doğan	1,64	40.292	1,64	40.292
Arzuhan Doğan Yalçındağ	1,04	25.503	1,04	25.503
Vuslat Doğan Sabancı	1,04	25.503	1,04	25.503
Hanzade V. Doğan Boyner	1,04	25.503	1,04	25.503
Y. Begümhan Doğan Faralyalı	1,04	25.503	1,04	25.503
Total Doğan family and companies owned by Doğan family	65,52	1.605.211	65,52	1.605.211
Istanbul Stock Exchange	34,29	840.110	34,29	840.110
Aydın Doğan Vakfı	0,19	4.679	0,19	4.679
	100	2.450.000	100	2.450.000
Adjustment to share capital		143.526		143.526
Total share capital		2.593.526		2.593.526

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 27 - EQUITY (Continued)

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

The issued share capital of Doğan Holding was increased by TL 950.000 to TL 2.450.000 through TL 761.623 from investment and property sales income to be added to the capital and TL 188.377 from adjustment to share capital as of 19 December 2008.

There are no privileged shares.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The Turkish Commercial Code 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 Turkish Commercial Code, 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.

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 communiqué (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”.

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

Following the capital increase, the Company’s restricted reserves amount to TL 37.451 (2008: TL 15.762) and is composed of first legal reserves in total as of 31 December 2009.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 27 - EQUITY (Continued)

Financial assets fair value reserves

Financial assets fair value reserve is derived from unrealised gains and losses arising from net changes in fair value of securities classified as available – for – sale with deferred tax effect.

Dividend Distribution

Quoted companies are subject to dividend requirements regulated by the CMB as follows:

Based on CMB Decree No. 02/51, dated 27 January 2010, there is no mandatory minimum profit distribution requirement for the quoted entities at the stock exchange for profits arising from operations in 2009. In this context, the entities are to distribute their profits under the scope of CMB Communiqué No. IV-27, their articles of association and their previously publicly declared profit distribution policies (2008: minimum profit distribution 20%)

In case of deciding distribute dividends from the profit, regarding allocation basis of profit of publicly owned companies, the distribution of the relevant amount may be realised as cash or as bonus shares or partly as cash and bonus shares; and in the event that the first dividend amount to be specified is less than 5% of the paid-up capital, the relevant amount can be retained within the company. However, companies that made capital increases before distributing dividends related to the prior period and whose shares are therefore classified as “old” and “new” and that will distribute dividends from the profit are required to distribute the initial amount in cash.

At the Extraordinary General Assembly Meeting of Doğan Holding taken place at 30 September 2009, cash dividend payment with an amount of TL 245.000, 10% of issued capital and financed from retained earnings for the period ended as of 31 December 2008, was decided. Dividend payment has been started as of 2 October 2009.

As of 31 December 2009, Doğan Holding has no accumulated losses; besides Doğan Holding has net loss for the period at the consolidated financial statements which are prepared according to financial reporting standards of CMB as of 31 December 2009.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 27 - EQUITY (Continued)

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

	2009	2008
Share capital	2.450.000	2.450.000
Adjustment to share capital	143.526	143.526
Share premium	630	630
Revaluation fund	113.942	146.218
Increase in fair value of available for sale financial assets, net	12.456	-
Translation reserve	(7.063)	3.807
Restricted reserves assorted from profit	37.451	15.762
- Legal reserves	37.451	15.762
Retained earnings	837.276	1.022.944
- Extraordinary reserves	11.748	11.748
- Other reserves	2.361	2.361
- Inflation adjustment differences to legal, extraordinary and other reserves, share premiums	323.465	323.465
- Retained earnings	499.702	685.370
Net income for the period	(114.113)	68.145
Total shareholders' equity	3.474.105	3.851.032

NOTE 28 - SALES AND COST OF SALES

	2009	2008
Domestic Sales	10.018.894	11.429.014
Foreign Sales	1.122.467	2.068.043
Sales Returns	(424.710)	(391.546)
Sales Discount	(400.149)	(605.195)
Net sales	10.316.502	12.500.316
Cost of sales (-)	(9.350.973)	(11.192.678)
Gross profit	965.529	1.307.638

Revenue and cost of sales

The segment details of revenue and cost of sales for the years ended as of 31 December 2009 and 2008 is disclosed in Note 5 - “Segment Reporting”.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

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

	2009	2008
Selling, marketing and distribution expenses	472.680	525.879
General administrative expenses	431.232	447.921
Research and development expenses	896	-
Operating expenses	904.808	973.800

NOTE 30 - EXPENSES BY NATURE

Cost of sales, marketing, selling and distribution expenses and general administrative expenses by nature for the years ended at 31 December 2009 and 2008 are as follows:

	2009	2008
Cost of trade goods sold	7.592.791	9.294.247
Personnel expenses	578.914	642.343
General production overhead	555.586	518.978
Depreciation expense	395.607	376.634
Raw material and supplies	389.217	533.959
Advertising expenses	70.819	102.807
Other	672.847	697.510
	10.255.781	12.166.478

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 31 - OTHER INCOME/EXPENSES

	2009	2008
Other income:		
Profit from purchase of subsidiary and joint venture share (*)	38.953	76.104
Profit from sale of investment (***)	22.542	-
Terminated provisions	17.449	6.762
Profit from sale of subsidiary share (**)	7.365	58.676
Gain on sales of property, plant and equipment and intangible assets	3.738	4.619
Tax agreement income	-	14.146
Other income	26.945	39.408
	116.992	199.715

(*) Increase in Hürriyet, Doğan Gazetecilik, Doğan Yayın, Çelik Halat and Ditaş Doğan shares of the Group resulted negative goodwill amounting to TL 38.953 for the year ended with 31 December 2009 (31 December 2008: Increase in Hürriyet, Doğan Gazetecilik, DB, Doğan Yayın and Ditaş Doğan shares resulted negative goodwill amounting to TL 76.104) (Note 3).

(**) The Group sold all the shares held in Trader.com (Polska) Sp. Z.o.o., subsidiary with a controlling rate of 100%, to Agora SA, a media group incorporated in Poland, in consideration of USD 54.300 (TL 66.141) on 25 September 2008 and the transaction resulted in gain on sale of subsidiary shares amounting to TL 58.676.

(***) The profit from sale of investment is composed of the sale of 10% shares of Ray Sigorta, investment of the Group (Note 7).

	2009	2008
Other expenses:		
Provision for tax penalties	(55.824)	(2.656)
Provision for doubtful receivables (Note 10)	(54.316)	(61.478)
Fines and penalties paid	(37.851)	(6.088)
Provision for lawsuits	(8.417)	(20.533)
Fixed asset selling loss	(4.196)	(8.528)
Union Indemnity Expenses	(861)	-
Commission expenses	(850)	(2.467)
Other expenses	(60.292)	(87.505)
	(222.607)	(189.255)

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 32 - FINANCIAL INCOME

Financial income for the years ended at 31 December 2009 and 2008 are as follows:

Financial income:	2009	2008
Foreign exchange gain	703.899	962.122
Interest income on bank deposits	137.048	255.756
Due date difference on credit sales	39.928	54.969
Amortized cost valuation income	11.536	14.517
Other interest and commissions	6.816	2.170
	899.227	1.289.534

NOTE 33 - FINANCIAL EXPENSE

Financial expense for the years ended at 31 December 2009 and 2008 is as follows:

Financial expense:	2009	2008
Foreign exchange loss	(709.232)	(1.289.493)
Interest expense on short-term and long-term borrowings	(284.726)	(303.295)
Due date difference on credit purchases	(22.780)	(35.650)
Other	(35.883)	(30.219)
	(1.052.621)	(1.658.657)

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

None. (2008: None)

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 35 - TAX ASSETS AND LIABILITIES

	2009	2008
Corporate and income taxes payable	10.699	71.142
Deferred tax liabilities, net	154.782	138.569
Total	165.481	209.711

Doğan Holding, Subsidiaries and Joint Ventures recognize 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 December 2009 and 2008 using the enacted tax rates, is as follows:

	Cumulative temporary differences		Deferred Tax assets/(liabilities)	
	2009	2008	2009	2008
Differences between the tax base and carrying value of property, plant and equipment and intangible assets	1.294.052	1.373.998	(248.763)	(259.670)
Other	40.760	46.896	(997)	(10.217)
Deferred tax liabilities			(249.760)	(269.887)
Carry forward tax losses	294.213	493.152	58.842	102.235
Provision for doubtful receivables	91.936	79.809	18.319	15.662
Provision for employment termination benefits	36.399	30.308	7.099	6.197
Deferred financial income of trade receivables	7.178	7.990	1.474	1.651
Lease payables	4.306	6.977	1.206	1.953
Other	81.738	20.269	8.038	3.620
Deferred tax assets			94.978	131.318
Deferred tax liabilities, net			(154.782)	(138.569)

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

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

The Group recognized deferred income tax assets of TL 294.213 for the year ended 31 December 2009 (2008: TL 493.152) over carry forward tax losses in the consolidated financial statements prepared in accordance with CMB Financial Reporting Standards. The maturities of these losses at 31 December are as follows:

	2009	2008
2010	-	40.184
2011	28.498	61.575
2012	46.456	22.433
2013	209.493	357.823
2014 and over	9.766	11.137
	294.213	493.152

As of 31 December 2009, deferred tax rate is 20% for corporations operating in Turkey (2008: 20%).

Deferred tax assets are reflected into records for all deductible temporary differences to the extent of possibility of tax profit to be formed at profitable level. As of 31 December 2009, carry forward tax losses for which no deferred tax asset is recognized are with an amount of TL 1.279.598 (2008: TL 650.187).

As of 31 December 2009, tax rates (%) used on tax computations regarding the tax regulations per countries are as follows:

Country	Tax rates (%)	Country	Tax rates (%)
Germany	28	Ukraine	25
Romania	16	Hungary	16
England	30	Russia	20
Croatia	20		

Movements for net deferred taxes for the years ended at 31 December 2009 and 2008 are as follows:

	2009	2008
1 January	(138.569)	(188.507)
Business combinations	-	(10.327)
Income for the period	(21.278)	69.294
Currency translation differences	4.431	(10.266)
Change in the scope of consolidation	1.137	440
Deffered tax effect of financial assets fair value increase	(503)	-
Disposal of subsidiaries	-	797
31 December	(154.782)	(138.569)

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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 2009 is 20% (2008: 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) 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 after 2005.

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 CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

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:

Exemption for participation in subsidiaries

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.

Exemption for participation into foreign subsidiaries

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).

Exemption for sale of participation shares and property

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.

Exemption for investment allowance

The investment allowance application which is calculated as 40% for excess of certain amounts of fixed asset purchases and 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:

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

- 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. 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.

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.

Russian Federation

The effective corporate tax rate effective in Russian Federation is 20% (2008: 24%).

Russian tax legislation is subject to different interpretations and changed over frequently. The interpretation of tax legislation by tax authorities with regard to operations of TME may not be similar with management.

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. After the year 2007, restriction related with deductible financial tax losses are removed. Maximum amount that can be deducted in any year is limited to 30% of the taxable income (2008: 30%). Rights related to tax losses that have not been utilized in the related periods will be lost.

Technically, tax refund is applicable; however a refund is generally obtained following a legal procedure result. Consolidated tax reporting or tax payment of parent companies or subsidiaries is not allowed. Generally, dividend payments that are paid to foreign shareholders are subject to 15% withholding tax. Based on bilateral tax agreements, this rate can be decreased.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

(Amounts expressed in thousands of Turkish lira ("TL") unless otherwise indicated. Currencies other than TL 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 years ended at 31 December 2009 and 2008 are summarized below:

	2009	2008
Current	(94.545)	(126.396)
Deferred	(21.278)	69.294
Taxes on income	(115.823)	(57.102)

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

	2009	2008
Profit before taxation from continued operations	(200.493)	(23.202)
Tax calculated at 20% tax rate	40.099	4.641
Difference due to the different tax rates applicable in different countries	(1.075)	18.231
Expenses not deductible for tax purposes	(48.245)	(30.688)
Income not subject to tax	25.208	29.975
Utilization of previously unrecognized tax losses	3.051	1.712
Tax losses for which no deferred income tax asset was recognized	(132.553)	(59.105)
Adjustment effects	(353)	(14.809)
Withholding tax related to the dividend payment in Russia	(1.606)	(6.876)
Other	(349)	(183)
Current year tax	(115.823)	(57.102)

NOTE 36 – EARNINGS/LOSS PER SHARE

(Losses)/earnings per share based on share groups are as follows:

	2009	2008
(Losses)/profit attributable to equity holders of the Group	(114.113)	68.145
Weighted average number of shares with face value of TL 1 each	2.450.000	2.450.000
(Loss)/earnings per share (TL)	(0,05)	0,03

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 37 - RELATED PARTY DISCLOSURES

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

<u>Current trade receivables - Due from related parties:</u>	2009	2008
Medyanet İletişim Reklam		
Pazarlama ve Turizm A.Ş. (“Medyanet”)	8.232	9.302
D Market Elektronik Hizmetler ve Ticaret A.Ş. (“D Market”)	1.016	723
Çankaya Bel Pet Limited Şirketi	914	884
D Elektronik Şans Oyunları ve		
Yayıncılık A.Ş. (“D Elektronik Şans Oyunları”)	788	840
Doğan Portal ve Elektronik Ticaret A.Ş.	753	1.930
Yeni Ortadoğu Otomotiv	577	25
Alo Teledünya	345	345
Doğan Elektronik Turizm Satış Pazarlama Hizmetleri	113	125
D Yapı ve İnşaat Sanayi ve Ticaret A.Ş. (“D Yapı”)	110	2.939
Ray Sigorta	70	334
Other	497	560
	13.415	18.007

Current trade payables - Due to related parties:

Yeni Ortadoğu Otomotiv Ticaret A.Ş. (“Ortadoğu Otomotiv”)	219	236
Ray Sigorta	106	448
Other	117	932
	442	1.616

ii) **Transactions with related parties:**

<u>Service and product purchases:</u>	2009	2008
Raw materials purchases	-	-
Other product and service purchases	8.991	10.897
	8.991	10.897

Service and product sales:

Service and product sales	35.036	27.934
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Financial income and expenses:

Financial income	7	772
Financial expense	(6)	(327)
	1	445

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 37 - RELATED PARTY DISCLOSURES (Continued)

Purchases of property, plant and equipment and intangible assets:

	2009	2008
D Market	1.781	655
Medyanet A.Ş.	774	1.728
Ortadoğu Otomotiv	556	464
Doğan Portal Elektronik Ticaret A.Ş.	-	17.400
D Yapı	-	228
Yeni Ortadoğu Otomotiv	-	237
Other	-	103
	3.111	20.815

Benefits provided to board members and key management personnel

Group determined member of the board of the directors and member of the executive council as board members and key management personnel. Benefits provided to board members and key management personnel are wage, premium, health insurance and transportation. Total of the benefits provided to board members and key management personnel as below;

	2009	2008
To the Board members and key management personnel	34.342	17.452

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 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 joint ventures, subsidiaries and associates operating in these segments, within the limits of general principles approved by their Board of Directors.

a) Market Risk

a.1) 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.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

The Group is mainly exposed to foreign currency risk in USD and EUR, and the effect of other currencies is not material.

	2009	2008
Foreign currency assets	2.093.995	2.874.167
Foreign currency liabilities	(3.509.234)	(4.055.121)
Net asset position of off-balance sheet derivatives	133.804	138.510
Net foreign currency position	(1.281.435)	(1.042.444)

Net foreign currency position

Below table summarizes the Group's foreign currency risk as of 31 December 2009 and 2008. The carrying amount of foreign currency denominated assets and liabilities are as follows.

2009	TL Equivalent	US Dollar	Euro	Other
1. Trade Receivables	249.063	188.509	39.196	21.358
2a. Monetary Financial Assets Cash, Banks included)	1.741.240	1.619.976	90.289	30.975
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	3.278	91	2.849	338
4. Current Assets (1+2+3)	1.993.581	1.808.576	132.334	52.671
5. Trade Receivables	13.520	7.041	1.439	5.040
6a. Monetary Financial Assets	76.748	908	75.730	110
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	10.146	10.146	-	-
8. Non-Current Assets (5+6+7)	100.414	18.095	77.169	5.150
9. Total Assets (4+8)	2.093.995	1.826.671	209.503	57.821
10. Trade Payables	821.885	707.838	100.195	13.852
11. Financial Liabilities	1.049.870	919.996	112.697	17.177
12a. Other Monetary Financial Liabilities	4.311	3.856	258	197
12b. Other Non-Monetary Financial Liabilities	373	140	233	-
13. Current Liabilities (10+11+12)	1.876.439	1.631.830	213.383	31.226
14. Trade Payables	316.744	316.744	-	-
15. Financial Liabilities	1.233.008	1.012.047	181.505	39.456
16a. Other Monetary Financial Liabilities	38.542	38.315	227	-
16b. Other Non-Monetary Financial Liabilities	44.501	43.716	-	785
17. Non-Current Liabilities (14+15+16)	1.632.795	1.410.822	181.732	40.241
18. Total Liabilities (13+17)	3.509.234	3.042.652	395.115	71.467
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	133.804	134.001	3.601	(3.798)
19.a Off-balance sheet foreign currency derivative assets	149.129	140.173	6.637	2.319
19.b. Off-balance sheet foreign currency derivative liabilities	15.325	6.172	3.036	6.117
20. Net foreign currency asset liability position (9-18+19)	(1.281.435)	(1.081.980)	(182.011)	(17.444)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(1.383.789)	(1.182.362)	(188.228)	(13.199)
22. Fair value of foreign currency hedged financial assets	22.335	22.335	-	-
23. Exports	821.368	768.703	-	-
24. Imports	1.311.181	1.019.468	10.866	-

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

2008	TL Equivalent	US Dollar	Euro	Other
1. Trade Receivables	173.693	120.305	25.706	27.682
2a. Monetary Financial Assets Cash, Banks included)	2.556.908	2.387.346	146.097	23.465
2b. Non-Monetary Financial Assets	7	7	-	-
3. Other	62.053	21.624	12.409	28.020
4. Current Assets (1+2+3)	2.792.661	2.529.282	184.212	79.167
5. Trade Receivables	9.738	5.272	2.028	2.438
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	233	-	233	-
7. Other	71.535	12	71.462	61
8. Non-Current Assets (5+6+7)	81.506	5.284	73.723	2.499
9. Total Assets (4+8)	2.874.167	2.534.566	257.935	81.666
10. Trade Payables	979.190	906.174	56.483	16.533
11. Financial Liabilities	733.287	531.438	184.276	17.573
12a. Other Monetary Financial Liabilities	57.533	23.505	1.111	32.917
12b. Other Non-Monetary Financial Liabilities	230	68	162	-
13. Current Liabilities (10+11+12)	1.770.240	1.461.185	242.032	67.023
14. Trade Payables	523.743	523.728	-	15
15. Financial Liabilities	1.754.114	1.455.006	244.135	54.973
16a. Other Monetary Financial Liabilities	7.024	2.107	196	4.721
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	2.284.881	1.980.841	244.331	59.709
18. Total Liabilities (13+17)	4.055.121	3.442.026	486.363	126.732
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	138.510	135.170	3.340	-
19.a Off-balance sheet foreign currency derivative assets	138.641	135.170	3.471	-
19.b. Off-balance sheet foreign currency derivative liabilities	131	-	131	-
20. Net foreign currency asset liability position (9-18+19)	(1.042.444)	(772.290)	(225.088)	(45.066)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(1.314.552)	(929.035)	(312.370)	(73.147)
22. Fair value of foreign currency hedged financial assets	22.951	22.951	-	-
23. Exports	1.324.354	-	-	-
24. Imports	1.909.180	-	-	-

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2009 and 2008 foreign currency denominated asset and liability balances were converted with the following exchange rates; TL 1,5057 = USD 1 and TL 2,1603 = EURO 1 (2008: TL 1,5123 = USD 1 and TL 2,1408 = EURO 1)

2009	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
	If USD appreciated against TL by 10%	
1- US Dollar net asset/(liability)	(108.198)	108.198
2- Part of hedged from US Dollar risk (-)	-	-
3- US Dollar net effect-gain/(loss) (1+2)	(108.198)	108.198
	If Euro appreciated against TL by 10%	
4- Euro net asset/(liability)	(18.201)	18.201
5- Part of hedged from Euro risk (-)	-	-
6- Euro net effect-gain/(loss) (4+5)	(18.201)	18.201
	If other foreign currency appreciated against TL by 10%	
7- Other foreign currency net asset/(liability)	(1.744)	1.744
8- Part of hedged other foreign currency risk (-)	-	-
9- Other foreign currency net effect-gain/(loss) (7+8)	(1.744)	1.744
Total (3+ 6+9)	(128.143)	128.143

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

2008	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
	If USD appreciated against TL by 10%	
1- US Dollar net asset/(liability)	(77.229)	77.229
2- Part of hedged from US Dollar risk (-)	-	-
3- US Dollar net effect-gain/(loss) (1+2)	(77.229)	77.229
	If Euro appreciated against TL by 10%	
4- Euro net asset/(liability)	(22.509)	22.509
5- Part of hedged from Euro risk (-)	-	-
6- Euro net effect-gain/(loss) (4+5)	(22.509)	22.509
	If other foreign currency appreciated against TL by 10%	
7- Other foreign currency net asset/(liability)	(4.507)	4.507
8- Part of hedged other foreign currency risk (-)	-	-
9- Other foreign currency net effect-gain/(loss) (7+8)	(4.507)	4.507
Total (3+ 6+9)	(104.245)	104.245

a.2) 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.

- Energy and Other

Financial liabilities of energy and other segments expose them into interest rate risk. Financial liabilities on these segments are mainly borrowings at fixed rates.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

The Group's financial instruments, that are sensitive to interest rate, are as follows:

	2009	2008
Financial instruments with fixed interest rate		
Assets which difference between fair value less cost to sell with book value booked at statements of income	2.652.503	3.297.576
Financial liabilities	916.846	1.120.641
Financial instruments with floating interest rate		
Financial liabilities	1.736.425	1.941.427

Based on the current balance sheet as of 31 December 2009, 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 TL 17.364 (2008: the net loss before minority and taxation of the Group is going to decrease/increase by TL 10.494).

a.3) 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. TL 29.957 of loss on these transactions is included in cost of goods sold in 2009 (2008: TL 140.309 gain).

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.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

a.3) Price Risk (Continued)

- 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.

Credit valuation is continuously performed from trade receivable account of the customers; receivables are insured if necessary.

- 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.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

The Group’s credit risk of financial instruments as of 31 December 2009 is as follows:

31 December 2009	Trade Receivables		Other Receivables		Cash and cash equivalents	Derivative Instruments
	Related Party	Other	Related Party	Other		
Maximum net credit risk as of balance sheet date	13.415	1.153.775	-	-	1.968.384	30.802
<i>- The part of maximum risk under guarantee with collateral</i>	<i>13.415</i>	<i>230.965</i>	-	-	-	-
A. Net book value of financial assets that are not past due/impaired	13.415	905.774	-	-	1.968.384	30.802
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	9.947	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	211.239	-	-	-	-
- The part under guarantee with collateral etc.	-	65.190	-	-	-	-
D. Net book value of impaired assets	-	26.815	-	-	-	-
- Past due (gross carrying amount)	-	248.934	-	-	-	-
- Impairment (-)	-	(222.119)	-	-	-	-
- The part of net value under guarantee with collateral	-	31.287	-	-	-	-
- Not over due (gross carrying amount)	-	(380)	-	-	-	-
- Impairment (-)	-	(380)	-	-	-	-
- The part of net value under guarantee with collateral	-	(760)	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

The Group’s credit risk of financial instruments as of 31 December 2008 is as follows:

31 December 2008	Trade Receivables		Other Receivables		Cash and cash equivalents	Derivative Instruments
	Related Party	Other	Related Party	Other		
Maximum net credit risk as of balance sheet date	18.007	1.174.901	-	-	3.360.294	56.849
- <i>The part of maximum risk under guarantee with collateral</i>	-	190.511	-	-	601	-
A. Net book value of financial assets that are not past due/impaired	18.007	913.762	-	-	3.360.294	56.849
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	39.226	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	204.001	-	-	-	-
- The part under guarantee with collateral etc.	-	74.953	-	-	-	-
D. Net book value of impaired assets	-	17.912	-	-	-	-
- Past due (gross carrying amount)	-	194.791	-	-	-	-
- Impairment (-)	-	(176.879)	-	-	-	-
- The part of net value under guarantee with collateral	-	17.511	-	-	-	-
- Not over due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

Based on industry dynamics and characteristics, the Group does not foresee any collection risk for overdue amounts up to 30 days. Interest is charged for trade receivables which are overdue more than 1 month for media and other segments and 90 days for Energy segment and these receivables are restructured and considered recoverable because there are letter of guarantees, mortgages and other guarantees obtained. Overdue trade receivables is a result of the industry characteristic as mentioned above and is not significantly different from previous periods.

The aging of the receivables of the Group that are past due but not impaired including related party balances by taking into consideration past due dates are as follows:

	2009		2008	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
From due date				
Past due 1-30 days	93.233	-	84.197	-
Past due 1-3 months	52.243	-	60.255	-
Past due 3-12 months	49.106	-	46.472	-
Past due 1-5 years	16.247	-	13.077	-
Past due more than 5 years	410	-	-	-
The part under guarantee with collateral	65.190	-	74.953	-

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.

The following table presents the maturity of Group's derivative and non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes interest to be paid on stated liabilities. Derivative financial liabilities are presented according to undiscounted net cash inflow and cash outflow. The table has been drawn up based on the undiscounted net cash inflows/outflows on the derivative instrument that settle on a net basis and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

d) Liquidity risk (Continued)

2009	Carrying value	Total cash outflow according to contract	Less than 3 Months	3-12 Months	1-5 Years	More than 5 years
Non-derivative financial liabilities						
Bank borrowings (Note 8)	2.827.908	2.998.519	460.406	852.863	1.682.455	2.795
Trade payables (Note 10)	1.573.811	1.598.232	523.685	740.803	333.744	-
Other financial liabilities (Note 9)	18.562	19.790	3.708	15.340	742	-
	4.420.281	4.616.541	987.799	1.609.006	2.016.941	2.795
Derivative financial liabilities						
Derivative cash inflow	22.337	253.142	115.943	137.199	-	-
Derivative cash outflow	(2.631)	(248.577)	(124.663)	(123.914)	-	-
Derivative cash inflow/outflow, net	19.706	4.565	(8.720)	13.285	-	-
2008	Carrying value	Total cash outflow according to contract	Less than 3 Months	3-12 Months	1-5 Years	More than 5 years
Non-derivative financial liabilities						
Bank borrowings (Note 8)	2.828.336	3.196.050	528.450	657.366	1.889.971	120.263
Finance lease liabilities (Note 8)	51.288	55.517	25.444	4.094	25.979	-
Trade payables (Note 10)	1.837.723	1.891.937	492.102	843.896	555.939	-
Other financial liabilities (Note 9)	30.305	33.334	12.669	12.122	8.543	-
	4.747.652	5.176.838	1.058.665	1.517.478	2.480.432	120.263
Derivative financial liabilities						
Derivative cash inflow	57.401	356.499	206.608	5.318	144.573	-
Derivative cash outflow	-	(314.966)	(178.507)	(11.343)	(125.116)	-
Derivative cash inflow/outflow, net	57.401	41.533	28.101	(6.025)	19.457	-

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

e) 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:

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.

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

f) *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).

	2009	2008
Total debts	4.402.161	4.972.938
Less: Cash and cash equivalents (Note 6)	(2.034.716)	(3.382.706)
Net debt	2.367.445	1.590.232
Equity	3.474.105	3.851.032
Total equity	5.841.550	5.441.264
Gearing ratio	41%	29%

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:

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009

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

NOTE 39 - FINANCIAL INSTRUMENTS (Continued)

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. The Group's joint venture of POAŞ's subsidiaries PO Oil Financing and Petro Finance, established for the purpose of raising funds in the international markets, ceased operations in January 2010. Following the liquidation process, the mentioned companies will be taken out of consolidation scope.
2. As detailed in Note 22, the tax cases which were filed for the cancellation of fine notifications regarding the tax penalty amounting to TL 772.500 in total, composed of TL 115.300 tax base and TL 657.200 tax penalty with regard to sales of Doğan TV Holding A.Ş. shares to a subsidiary of Axel Springer AG (Commerz-Film GmbH) is resulted in favor of Group in February 2010.
3. The Group's subsidiary of Doğan Yayın Holding's capital increase by 198.000 nominal amounts shares to TL 1.000.000 from 802.000 of the issued capital, all in cash, within TL 2.000.000 registered capital ceiling; is taken to CMB record with the number 18/266 on 7 April 2010. Dogan Holding has the right to purchase new shares from shares representing TL 198.000 capital increase with proportion of 24,69% of currently owned shares. The share purchase right, will be in progress for 15 days, between the dates of 12 and 26 April 2010, in application locations mentioned in share purchase circular. In using share purchase rights, share with TL 1 nominal value will be exposed for sale by TL 1.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 40 - SUBSEQUENT EVENTS (Continued)

4. As explained in Note 22, until a new decision is taken, the execution of decisions which were noticed to Doğan Yayın Holding, subsidiary of Group, at 13 October 2009 are postponed upon the written objection of Doğan Yayın by Radio and Television Supreme Council (“RTUK”). The mentioned decision of RTUK is noticed to Group at 10 February 2010.
5. As explained in Note 8, since TME, subsidiary of Group, could not get the requirements for the loan agreements as of 31 December 2009, related bank loans are classified as short-term in the consolidated financial statements. Nonetheless, after balance sheet date, TME has signed a preliminary loan agreement with a different financial institution in order to pay the bank loan.
6. As explained in Note 22, Hurriyet, subsidiary of Group, has settled a negotiation regarding to TL 22.600 tax base and TL 22.600 tax penalty in total before tax assessment. According to this, the tax base and penalty is defined as TL 8.000. The mentioned amount will be paid with the calculated overdue interest within a month. It is estimated that the amount to be paid with overdue interest will be TL 17.200 and provision amounting to TL 17.200 is booked in the consolidated financial statements of Hurriyet for the period 31 December 2009 (Note 26).
7. Consolidated financial statements for the year ended 31 December 2009 have been approved by the Board of Directors on 9 April 2010. These consolidated financial statements will be definitive following the approval in the General Assembly.

NOT 41 - DISCLOSURE OF OTHER MATTERS

None (2008: None).

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2009**

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

NOTE 42 - CONSOLIDATED CASH FLOW STATEMENTS - CASH USED IN OPERATIONS

	Notes	2009	2008
(Loss)/Profit before income taxes from continuing operations		(200.493)	(23.202)
Adjustments:			
Depreciation and amortization	17,18,19	395.607	376.634
Provision for employment termination benefits	24	17.031	12.576
Interest expenses, net	32,33	147.678	47.539
Currency translation differences		(4.461)	16.842
Loss on sale of property, plant and equipment		458	3.909
Profit from purchase of subsidiary share	31	(38.953)	(76.104)
Impairment of investment property, tangible and intangible assets	17,18,19	11.212	24.683
(Reversal)/provision for net realised values		(32.836)	40.173
Provision for doubtful receivables	31	54.316	61.478
Foreign exchange loss from loans and letter of credits		172.383	688.473
Other provisions		59.007	19.381
Profit arising from the sale of Subsidiaries and Joint Ventures	31	(22.542)	(58.676)
		558.407	1.133.706
Changes in working capital (excluding the effects of acquisitions and disposals):			
Change in financial investments and investments accounted for by the equity method		(137.683)	31.073
Change in trade receivables and due from related parties, net		(62.670)	189.695
Change in inventories, net		34.495	(211.502)
Change in trade payables and due to related parties, net		7.806	482.797
Change in other payables/receivables, net		59.345	(135.540)
		(98.707)	356.523
Net cash (used)/provided by operating activities		459.700	1.490.229

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