

DOĐAN ŐİRKETLER GRUBU HOLDİNG A.Ő.

CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2001
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT



AUDITOR'S REPORT

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

1. We have audited the accompanying consolidated balance sheet of Doğan Şirketler Grubu Holding A.Ş. (the "Holding") at 31 December 2001 and the related consolidated statements of income and of cash flows for the year then ended, all expressed in the equivalent purchasing power of the Turkish lira as of 31 December 2001. These consolidated financial statements are the responsibility of the Holding's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We did not audit the financial statements of one Joint Venture, İş Doğan Petrol Yatırımları A.Ş., the financial statements of which reflects total assets of TL 1,195,448 billion (15% of total assets before consolidation adjustments) at 31 December 2001, and total net loss of TL 18,558 billion (25% of total net loss before consolidation adjustments) for the year ended 31 December 2001. These statements were audited by other auditors, whose respective report thereon was made available to us, and our opinion expressed herein, insofar as it relates to the amounts included for the Joint Venture, is based solely on the respective report of other auditors.
3. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion, based on our audit and the report of other auditors, the consolidated financial statements referred to in the first paragraph above present fairly, in all material respects, the consolidated financial position of Doğan Şirketler Grubu Holding A.Ş. at 31 December 2001 and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with International Accounting Standards.

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

5. The consolidated financial statements include the accounts of the parent company, its Subsidiaries and Joint Ventures (Note 3). Subsidiaries are companies in which the Holding has power to control the financial and operating policies for the benefit of the Holding through the exercise of voting power relating to shares held by the Holding and its Subsidiaries together with voting power which the Holding effectively exercises relating to shares held by Doğan family members (the "control basis") or through the actual exercise of dominant influence. Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Holding and its Subsidiaries (through the "control basis") and one or more other parties. In effect the Doğan family members allow the Holding to exercise the voting power in respect of their shares held in these companies. In the consolidated financial statements the shares held by Doğan family members are treated as outside interests.
6. As explained in Note 2(b) to the consolidated financial statements, US dollar (US\$) amounts shown in the accompanying consolidated financial statements have been included solely for the convenience of the reader of the consolidated financial statements 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 1,439,567=US\$ 1.00 for purchases of US\$ on 31 December 2001. Such translations should not be construed as a representation that the TL amounts have been or could be converted into US\$ at this or any other rate.

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



Coşkun Şen, SMMM

İstanbul, 5 July 2002

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2001

(Amounts expressed in millions of Turkish lira (TL) in terms of the purchasing power of the TL at 31 December 2001 unless otherwise indicated)

(Amounts translated into U.S. dollars for convenience purposes only (See note 2 (b)))

	Notes	2001 US\$'000	2001 TL millions	2000 TL millions
ASSETS				
Current assets:				
Cash and amounts due from banks	6	792,461	1,140,800,409	1,564,970,431
Trading investments	7	220,290	317,122,096	144,480,073
Reserve deposits with the Central Bank of Turkey	8	90,874	130,819,639	73,894,434
Banking loans	9	633,713	912,271,732	766,134,029
Derivative financial instruments	10	495	712,761	27,668,792
Investment securities:				
- available-for-sale	11	182,176	262,256,263	565,747,636
- held-to-maturity	11	10,708	15,414,720	115,409,538
Trade receivables	12	230,951	332,469,547	473,830,914
Due from related parties	13	18,789	27,048,458	74,005,253
Inventories	14	70,552	101,563,999	150,972,621
Other current assets	15	67,571	97,273,373	176,263,297
Total current assets		2,318,580	3,337,752,997	4,133,377,018
Non-current assets:				
Available-for-sale investments	16	4,542	6,537,856	19,699,077
Property, plant and equipment-net	17	552,436	795,269,181	696,861,087
Intangible assets-net	18	516,301	743,250,023	745,925,327
Other non-current assets		11,850	17,058,832	21,153,909
Deferred tax assets-net	26	101,380	145,943,310	-
Total non-current assets		1,186,509	1,708,059,202	1,483,639,400
Total assets		3,505,089	5,045,812,199	5,617,016,418

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2001

(Amounts expressed in millions of Turkish lira (TL) in terms of the purchasing power of the TL at 31 December 2001 unless otherwise indicated)

(Amounts translated into U.S. dollars for convenience purposes only (See note 2 (b)))

	Notes	2001 US\$'000	2001 TL millions	2000 TL millions
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Bank borrowings-finance	19	262,029	377,207,699	824,121,022
Bank borrowings-non-finance	19	347,213	499,837,037	418,563,682
Banking deposits	20	46,630	67,127,006	454,564,229
Customer deposits	20	1,159,228	1,668,786,966	1,177,916,839
Derivative financial instruments	10	354	509,056	16,028,997
Trade payables	21	73,825	106,276,544	241,672,234
Due to related parties	13	12,372	17,810,025	39,097,667
Insurance technical reserves	22	25,543	36,771,342	34,794,333
Other current liabilities	23	104,824	150,901,443	129,619,874
Taxes on income	26	17,416	25,070,916	68,194,771
Total current liabilities		2,049,434	2,950,298,034	3,404,573,648
Non-current liabilities:				
Bank borrowings-finance	19	45,323	65,245,823	34,752,326
Bank borrowings-non-finance	19	637,768	918,109,838	786,323,162
Debt securities in issue	24	-	-	116,825,918
Reserve for employment termination benefits	27	7,376	10,618,426	34,666,226
Insurance technical reserves	22	5,267	7,582,458	5,011,328
Other non-current liabilities	25	37,082	53,381,541	35,812,790
Deferred tax liabilities-net	26	-	-	22,986,896
Total non-current liabilities		732,816	1,054,938,086	1,036,378,646
Total liabilities		2,782,250	4,005,236,120	4,440,952,294
Minority interest - Doğan family members	5g	14,263	20,532,996	33,724,650
- Other	5g	368,277	530,159,966	601,775,492
Minority interest	5g	382,540	550,692,962	635,500,142
Shareholders' equity:				
Share capital	28	174,622	251,380,584	93,103,920
Adjustment to share capital	28	227,152	327,000,164	290,230,460
Share premium		1,530	2,202,527	2,109,573
Translation reserve		15,591	22,444,173	(5,373,945)
(Accumulated deficit)/retained earnings	29	(78,596)	(113,144,331)	160,493,974
Total shareholders' equity		340,299	489,883,117	540,563,982
Total liabilities and shareholders' equity		3,505,089	5,045,812,199	5,617,016,418
Commitments and contingent liabilities	35			

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED STATEMENT OF LOSS FOR THE YEAR ENDED 31 DECEMBER 2001

(Amounts expressed in millions of Turkish lira (TL) in terms of the purchasing power of the TL at 31 December 2001 unless otherwise indicated)

(Amounts translated into U.S. dollars for convenience purposes only (See note 2 (b)))

	Notes	2001 US\$'000	2001 TL millions	2000 TL millions
Revenues:				
Non-banking and financial services	5c	2,345,454	3,376,438,597	2,144,955,336
Banking and financial services	5c	752,902	1,083,853,097	1,078,905,412
		3,098,356	4,460,291,694	3,223,860,748
Operating expenses:				
Non-banking and financial services	5c	(2,343,059)	(3,372,990,675)	(2,094,125,121)
Banking and financial services	5c	(686,732)	(988,596,799)	(874,744,987)
		(3,029,791)	(4,361,587,474)	(2,968,870,108)
Operating profit:				
Non-banking and financial services	5c	2,395	3,447,922	50,830,215
Banking and financial services	5c	66,170	95,256,298	204,160,425
		68,565	98,704,220	254,990,640
Financial expense-net	31	(625,756)	(900,818,715)	(126,313,373)
Other income/(expense)-net		(21,084)	(30,351,325)	46,441,344
Amortisation charge for goodwill	18	(28,210)	(40,610,022)	(33,342,675)
Gain on net monetary position		343,074	493,878,580	5,345,284
(Loss)/income before taxation on income and minority interest		(263,411)	(379,197,262)	147,121,220
Taxation on income	26	65,880	94,838,211	5,901,672
(Loss)/income before minority interest		(197,531)	(284,359,051)	153,022,892
Minority interest - Doğan family members		13,095	18,851,360	10,072,429
- Other		37,312	53,713,387	(85,619,592)
Net (loss)/income		(147,124)	(211,794,304)	77,475,729
Weighted average number (000's) of shares with face value of TL10,000 value each	4	19,597,737	19,597,737	13,965,588
Basic and diluted (loss)/earnings per share in full US\$ and in TL	4	(0.0075)	(10,807)	5,548

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2001

(Amounts expressed in millions of Turkish lira (TL) in terms of the purchasing power of the TL at 31 December 2001 unless otherwise indicated)

(Amounts translated into U.S. dollars for convenience purposes only (See note 2 (b)))

	Notes	2001 US\$'000	2001 TL millions	2000 TL millions
Net (loss)/income before taxation and minority interest		(263,411)	(379,197,262)	147,121,220
Adjustments to reconcile net income to net cash provided by operating activities:				
Cash generated from/(used in) operations	30	104,990	151,139,825	(306,083,352)
Finance segment interest received		726,024	1,045,159,511	926,871,591
Finance segment interest paid		(493,379)	(710,252,016)	(441,813,590)
Taxes paid		(65,409)	(94,160,372)	(99,708,755)
Net cash provided by operating activities		8,815	12,689,686	226,387,114
Investing activities:				
Purchase of property, plant and equipment		(149,288)	(214,909,879)	(277,373,241)
Purchase of intangible assets	18	(13,473)	(19,395,223)	(14,478,429)
Proceeds from sale of property, plant and equipment		21,983	31,646,050	67,176,259
Change in available-for-sale investments		9,144	13,162,722	27,426,550
Change in other non-current assets and liabilities		13,446	19,356,271	(20,328,096)
Acquisition of subsidiaries, net of cash acquired	34	(4,591)	(6,609,169)	(774,599,485)
Non-finance segment interest received		138,637	199,577,768	82,166,253
Net effect of changes in minority shares	5	(8,006)	(11,525,532)	117,538,247
Inflation effect on investing activities		10,589	15,242,945	2,341,417
Net cash provided by/(used in) investing activities		18,441	26,545,953	(790,130,525)
Financing activities:				
Proceeds of issuance of share capital to minority interests	5	14,791	21,292,306	101,899,701
Dividends paid to minority interests	5	(23,149)	(33,324,731)	(64,339,625)
Net (decrease)/increase in short-term borrowings		(238,328)	(343,089,788)	51,229,664
Net increase in long-term borrowings		95,496	137,472,975	671,181,292
(Repayments of)/proceeds from debt securities in issue	24	(81,154)	(116,825,918)	116,825,918
Non-finance segment interest paid		(199,355)	(286,985,545)	(99,759,160)
Proceeds from issuance of share capital		98,079	141,191,760	-
Effect of changes in shareholding structure		(2,085)	(3,001,810)	(8,216,763)
Inflation effect on financing activities		854,612	1,230,271,808	436,999,426
Net cash provided by financing activities		518,907	747,001,057	1,205,820,453
Net increase in cash and cash equivalents		546,163	786,236,696	642,077,042
Inflation effect on cash and cash equivalents		(649,489)	(934,982,346)	(399,727,826)
Cash and cash equivalents at the beginning of year	4	1,119,500	1,611,594,748	1,369,245,532
Cash and cash equivalents at the end of year	4	1,016,174	1,462,849,098	1,611,594,748

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2001

(Amounts expressed in millions of Turkish lira (TL) in terms of the purchasing power of the TL at 31 December 2001 unless otherwise indicated)

(Amounts translated into U.S. dollars for convenience purposes only (See note 2 (b))

	Retained earnings/(Accumulated deficit)							
	Share capital	Adjustments to share capital	Share premium	Translation Reserves	General and legal reserves	Unappropriated net income/(loss)	(Accumulated deficit) total	Shareholders' equity total
At 1 January 2000	66,502,800	274,370,591	2,109,573	-	33,060,577	100,635,420	133,695,997	476,678,961
Disposal of subsidiaries	-	-	-	-	(6,524,536)	-	(6,524,536)	(6,524,536)
Decrease in retained earnings due to additional subsidiaries consolidated during the year	-	-	-	-	(1,692,227)	-	(1,692,227)	(1,692,227)
Currency translation differences	-	-	-	(5,373,945)	-	-	-	(5,373,945)
Transfers	-	-	-	-	100,635,420	(100,635,420)	-	-
Dividends	13,300,560	12,868,899	-	-	(26,169,459)	-	(26,169,459)	-
Increase in share capital	13,300,560	2,990,970	-	-	(16,291,530)	-	(16,291,530)	-
Net income for the year	-	-	-	-	-	77,475,729	77,475,729	77,475,729
At 31 December 2000	93,103,920	290,230,460	2,109,573	(5,373,945)	83,018,245	77,475,729	160,493,974	540,563,982
- as previously reported	-	-	-	-	(4,894,629)	-	(4,894,629)	(4,894,629)
Effect of adopting IAS39-net of taxes	-	-	-	-	-	-	-	-
At 1 January 2001	93,103,920	290,230,460	2,109,573	(5,373,945)	78,123,616	77,475,729	155,599,345	535,669,353
- restated	-	-	-	-	(3,001,810)	-	(3,001,810)	(3,001,810)
Decrease in retained earnings due to additional subsidiaries consolidated during the year	-	-	-	27,818,118	-	(77,475,729)	-	27,818,118
Currency translation differences	-	-	-	-	77,475,729	-	-	-
Transfers	-	-	-	-	(39,475,282)	-	(39,475,282)	-
Dividends	30,258,775	9,216,507	-	-	(14,472,280)	-	(39,475,282)	-
Increase in share capital	128,017,889	27,553,197	92,954	-	-	-	(14,472,280)	141,191,760
Net loss for the year	-	-	-	-	-	(211,794,304)	(211,794,304)	(211,794,304)
At 31 December 2001	251,380,584	327,000,164	2,202,527	22,444,173	98,649,973	(211,794,304)	(113,144,331)	489,883,117

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER

(Amounts expressed in millions of Turkish lira (TL) in terms of the purchasing power of the TL at 31 December 2001 unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding" or the "Holding") was established on 22 October 1980 as a corporation to coordinate the activities of and liaise between companies operating in different fields including trade, media, finance and tourism, and is registered in Turkey. Doğan Holding is owned by members of Doğan family, Adilbey Holding A.Ş. (which is also owned by Doğan family members) and Aydın Doğan Vakfı as defined in Note 28. Doğan Holding is listed on Istanbul Stock Exchange. The address of the registered office is as follows:

Oymacı Sokak No: 51
81190 Altunizade-İstanbul

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

Name	Nature of business	Segment
Türk Dış Ticaret Bankası A.Ş. ("Dışbank")	Banking	Finance
Dış Ticaret Factoring A.Ş. ("Dış Factoring")	Factoring	Finance
Dış Ticaret Finansal Kiralama A.Ş. ("Dış Leasing")	Leasing	Finance
Dış Yatırım A.Ş. ("Dış Yatırım")	Brokerage and fund management	Finance
Dış Holding Malta Limited ("Dış Holding Malta")	Holding	Finance
Dışbank Malta ("Dışbank Malta")	Banking	Finance
Dış Globus Malta ("Dış Globus")	Banking	Finance
Dışbank Nederland N.V. ("Dışbank Nederland")	Banking	Finance
Kıbrıs Dış Ticaret Bankası Offshore Ltd. ("Dışbank Kıbrıs")	Banking	Finance
Ray Sigorta A.Ş. ("Ray Sigorta")	Insurance	Finance
Doğan Hayat Sigorta A.Ş. ("Doğan Hayat")	Insurance	Finance
Dış Holding B.V. ("Dış Holding B.V.")	Banking	Finance
Doğan Finansal Kiralama A.Ş. ("Doğan Leasing")	Leasing	Finance
Doğan Factoring Hizmetleri A.Ş. ("Doğan Factoring")	Factoring	Finance
Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet")	Publishing	Media
Milliyet Gazetecilik A.Ş. ("Milliyet")	Publishing	Media
Yaysat Yayın Satış Pazarlama ve Dağıtım A.Ş. ("Yaysat")	Distribution	Media
Dyg İlan ve Reklam Hizmetleri A.Ş. ("DYG İlan")	Advertisement	Media
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	Printing	Media
Doğan Raks Satış Pazarlama ve Dağıtım A.Ş. ("Doğan Raks")	Retail	Media
Doğan Kitapçılık A.Ş. ("Doğan Kitapçılık")	Media	Media
Doğan Haber Ajansı A.Ş. ("Doğan Haber")	News Agency	Media
Doğan Basım ve Dağıtım İşleri A.Ş. ("Doğan Basım")	Printing	Media
Simge Yayıncılık ve Dağıtım A.Ş. ("Simge")	Distribution	Media
Milliyet Haber Ajansı A.Ş. ("Milliyet Haber")	News Agency	Media
Hürriyet TV Film Production A.Ş. ("Hür TV")	Visual Production	Media
Doğan Prodüksiyon ve Ticaret A.Ş. ("Doğan Prodüksiyon")	Visual Production	Media
ANS Uluslararası Yapım Yayın Reklamcılık A.Ş. ("ANS")	Visual Production	Media
Doğan İletişim Elektronik Servis Hizmetleri A.Ş. ("Doğan Online")	Internet	Media
Doğan Media International ("Doğan Media")	Distribution	Media
D Finans Ticaret A.Ş. ("D Finans")	Internet Finance	Media
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	Media	Media
D Market Ticaret A.Ş. ("D Market")	Internet Marketing	Media
D Pazarlama ve Ticaret A.Ş. ("D Pazarlama")	Trading	Media
Hürriyet Gazetecilik ve Matbaacılık A.Ş. Zweigniederlassung Deutschland ("Hürriyet Zweigniederlassung")	Distribution	Media
Doğan Daily News Gazetecilik ve Matbaacılık A.Ş. ("Doğan Daily News")	Publishing	Media
Doğan Dağıtım Satış ve Pazarlama A.Ş. ("Doğan Dağıtım")	Distribution	Media
Milliyet İnternet Hizmetleri A.Ş. ("Milliyet İnternet")	Internet Services	Media
Doğan Medya Pazarlama A.Ş. ("Doğan Medya Pazarlama")	Trading	Media
Basın İşletmecilik A.Ş. ("Basın İşletmecilik")	Media	Media
Doğan Bilgi Teknolojileri A.Ş. ("Doğan Bilgi")	Trading	Media

Name	business	Nature of Segment
Doğan Müşteri Hizmetleri A.Ş. ("Doğan Müşteri")	Internet Services	Media
Milliyet Verlags und Handels GmbH ("Milliyet Verlags")	Media	Media
Doğan Kitap Müzik Pazarlama A.Ş. ("Doğan Kitap Müzik")	Publishing	Media
Doğan Telekomünikasyon Kart Sistemleri ve Tic. A.Ş. ("Doğan Telekom")	Communication	Media
Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Milpa")	Trading	Trade
Hürriyet Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Hürriyet Pazarlama")	Trading	Trade
Milanur İnşaat Pazarlama Turizm Sanayi ve Ticaret Limited Şirketi ("Milanur")	Construction	Trade
Doğan Otomobilcilik Ticaret ve Sanayi A.Ş. ("Doğan Oto")	Trading	Trade
Doğan Havacılık Sanayi ve Ticaret A.Ş. ("Doğan Havacılık")	Aviation	Trade
Doğan Yayın Holding A.Ş. ("Doğan Yayın")	Holding	Other
Çelik Halat ve Tel Sanayi A.Ş. ("Çelik Halat")	Production	Other
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. ("Ditaş Doğan")	Production	Other
Milta Turizm İşletmeleri A.Ş. ("Milta Turizm")	Tourism	Other
İsedaş İstanbul Elektrik Dağıtım Sanayi ve Ticaret A.Ş. ("İsedaş")	Energy	Other
Milta Milliyet Seyahat Acenta İşletmeciliği A.Ş. ("Milta Acenta")	Tourism	Other
Karada Turizm İşletmeleri A.Ş. ("Karada")	Tourism	Other
Zigana Elektrik Dağıtım Sanayi ve Ticaret A.Ş. ("Zigana")	Energy	Other
CH Investment B.V.	Investment	Other
CH UK Limited	Investment	Other
Entralle Handels GmbH	Trading	Other
3D Güvenlik Sistemleri ve Organizasyon Ticaret A.Ş. ("3D Güvenlik")	Service	Other
Kelkit Tekstil Sanayi ve Ticaret A.Ş. ("Kelkit")	Textile	Other

The number of employees of the Holding at 31 December 2001 is 9,642 (2000: 15,626).

For the purposes of the segmental information in the accompanying consolidated financial statements, Doğan Holding's own unconsolidated financial statements were included in the "other segment" (Note 5).

All the Subsidiaries are registered in Turkey except for Dış Holding Malta, Dış Globus and Dışbank Malta in Malta, Dışbank Nederland N.V. and Dış Holding B.V. in the Netherlands, Dışbank Kıbrıs in Turkish Republic of Northern Cyprus, Hürriyet Zweignderlassung, Milliyet Verlag, Entralle Handels GmbH and Doğan Media in Germany, CH Investments B.V. and CH UK Limited in United Kingdom. However, sales and purchases of the group are principally made in Turkey and no geographic segmental information is considered necessary.

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

Name	Nature of business	Segment	Joint Venture Partner
Doğan Burda Rizolli Dergi Yayıncılık ve Pazarlama A.Ş. ("DBR")	Press	Media	Burda GmbH
Doğan ve Egmont Yayıncılık A.Ş. ("Doğan Egmont")	Publishing	Media	Egmont
Ultra Kablo Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. ("Ultra Kablo")	Telecommunication	Media	Koç Holding A.Ş. Fintur Holdings B.V. group of Companies
Digital Hizmetler Pazarlama A.Ş. ("Digital Hizmetler")	Telecommunication	Media	
İş Doğan Petrol Yatırımları A.Ş. ("İş Doğan")	Distribution of petroleum products	Energy	T. İş Bankası A.Ş.

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İş Doğan acquired 51% of the issued share capital of Petrol Ofisi A.Ş. ("POAŞ") at the tender held on 3 March 2000 (Note 34). POAŞ owned 51% of the issued share capital of Kıbrıs Türk Petrolleri Limited Şirketi ("Kipet") and has consolidated Kipet for the first time at 31 December 2001. POAŞ has been consolidated under İş Doğan.

On 22 February 2001, due to the turmoil in the Turkish financial sector, the Turkish government concluded that the managed exchange rate was no longer sustainable. The crawling-peg system, which had limited the depreciation of the local currency, was then abandoned in favour of a free-floating exchange rate. As at the preparation date of these consolidated financial statements the Turkish lira had depreciated in excess of 109% when compared to the exchange rates prevailing at 1 January 2001 and there is still uncertainty in the markets. In May 2001, the Turkish government issued a letter of intent addressed to the IMF Board depicting the New Economic Programme. The restructuring of the banking system and stabilisation of the financial markets is one of the ultimate aims of the New Economic Programme.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

a) Turkish lira financial statements

Doğan Holding and its Subsidiaries and Joint Ventures registered in Turkey maintain their books of account and prepare their statutory financial statements ("Statutory Financial Statements") in Turkish lira in accordance with the Turkish Commercial Code (the "TCC"), tax legislation, and starting from 1 January 1994, the uniform chart of accounts issued by the Ministry of Finance, applicable Turkish insurance laws for insurance companies and banking law for banks; and for listed Subsidiaries only, accounting principles issued by the Turkish Capital Markets Board ("CMB Principles"). The accompanying consolidated financial statements are based on the statutory records, which are maintained under the historical cost convention (except for the revaluation of property, plant and equipment as discussed in Note 17), with adjustments and reclassifications including restatement for changes in the general purchasing power of the Turkish lira, for the purpose of fair presentation in accordance with International Accounting Standards ("IAS"). The accompanying consolidated financial statements are prepared in accordance with and comply with International Accounting Standards. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered.

The restatement for the changes in the general purchasing power of the Turkish lira as of 31 December 2001 is based on IAS 29 ("Financial Reporting in Hyperinflationary Economies"). IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and that corresponding figures for previous periods be restated in the same terms. One characteristic that necessitates the application of IAS 29 is a cumulative three-year inflation rate approaching or exceeding 100%. The restatement was calculated by means of conversion factors derived from the Turkish nationwide wholesale price index ("WPI") published by the State Institute of Statistics ("SIS"). Such indices and conversion factors used to restate the accompanying consolidated financial statements at 31 December are given below:

Dates	Index	Conversion factors
31 December 2001	4,951.7	1.000
31 December 2000	2,626.0	1.886
31 December 1999	1,979.5	2.501

The main procedures for the above mentioned restatement are as follows:

- Financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the measuring unit current at the balance sheet date, and corresponding figures for previous periods are restated in the same terms.
- Monetary assets and liabilities, which are carried at amounts current at the balance sheet date are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date.
- Non-monetary assets and liabilities, which are not carried at amounts current at the balance sheet date and components of shareholders' equity are restated by applying the relevant (monthly, yearly average, year-end) conversion factors. Additions to property, plant and equipment in the year of acquisition are restated using the relevant conversion factors.
- Comparative financial statements are restated using general inflation indices at the currency purchasing power at the latest balance sheet date.

- All items in the statements of income are restated by applying the relevant (monthly, yearly average, year-end) conversion factors.
- The effect of inflation on the net monetary position of Doğan Holding's, the Subsidiaries' and Joint Ventures' net monetary position is included in the statements of income as monetary gain or loss.

b) US dollar convenience translation

US dollar ("US\$") amounts shown in the accompanying 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 official TL exchange rate for purchases of US dollars announced by the Central Bank of Turkey on 31 December 2001 of TL 1,439,567 = US\$ 1. Such translation should not be construed as a representation that the TL amounts have been or could be converted into US\$ at this or any other rate.

c) Translation of foreign subsidiary financial statements

The assets and liabilities of foreign subsidiaries are translated into Turkish lira using the relevant foreign exchange rates prevailing at the balance sheet date. The income and expense items are translated into Turkish lira using average exchange rates. Exchange differences arising from using closing and average exchange rates are included in the shareholders' equity as translation reserve.

d) Adoption of IAS 39

With effect from 1 January 2001, Doğan Holding, its Subsidiaries and its Joint Ventures (the "Group") adopted IAS 39 ("Financial Instruments: Recognition and Measurement"). The effects of adopting IAS 39 are reported in the consolidated statement of shareholders' equity. Further information is disclosed in accounting policies for investments and in related notes (Notes 3 and 4). IAS 39 has been applied prospectively in accordance with the requirements of this standard and therefore comparative financial information has not been restated. The effect of prospective adoption of IAS 39 on the Group's consolidated retained earnings at 31 December 2001 is disclosed in the consolidated statement of changes in shareholders' equity.

e) Adoption of IAS 40

IAS 40, ("Investment property"), also became effective in 2001. With effect from 1 January 2001, the Group adopted this standard retrospectively for the current financial statements. The Group applied the cost model and therefore there is no effect of adopting IAS 40 that is reported in the consolidated statements of changes in shareholders' equity as an adjustment to the consolidated retained earnings at 1 January 2001.

NOTE 3 - GROUP ACCOUNTING

- a)** The consolidated financial statements include the accounts of the parent company, Doğan Holding, its Subsidiaries and its Joint Ventures on the basis set out in sections (b) to (f) below. Regarding the financial statements of Doğan Holding and Doğan Yayın, reporting dates of these companies are different from the ones included in the consolidation. For the consolidation purposes, Doğan Holding and Doğan Yayın have prepared financial statements as the same date as the financial statements of the companies included in the consolidation which has been prepared as of the date of the consolidated financial statements. The financial statements of the companies included in the consolidation are based on the statutory records, which are maintained under the historical cost convention (except for the revaluation of property, plant and equipment as discussed in Note 17), with adjustments and reclassifications including restatement for changes in the general purchasing power of the Turkish lira, and applying uniform presentation.
- b)** Subsidiaries are companies in which Doğan Holding has power to control the financial and operating policies for the benefit of Doğan Holding either (a) through the power to exercise more than 50% voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or by certain Doğan family members and companies whereby Doğan Holding exercises control over the voting rights of (but does not have the economic benefit of) the shares held by them; or (b) although not having the power to exercise more than 50% of the voting rights, through the exercise of actual dominant influence over the financial and operating policies.

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The table below sets out all Subsidiaries and shows their shareholding structure at 31 December:

Name	Direct and indirect control by Doğan Holding and its Subsidiaries (%)		Control through shares held by Doğan family members (%)		Total controlling interest (%)		Total effective interest (%)	
	2001	2000	2001	2000	2001	2000	2001	2000
Dışbank	66.37%	65.00%	0.00%	0.00%	66.37%	65.00%	63.92%	60.80%
Dış Factoring	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%	61.17%	59.71%
Dış Leasing	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%	63.91%	60.80%
Dış Yatırım	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%	63.92%	60.80%
Dış Holding Malta	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%	65.49%	62.91%
Dışbank Malta	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%	65.49%	62.91%
Dış Globus	100.00%	-	0.00%	-	100.00%	-	65.49%	-
Dışbank Nderland	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%	63.92%	60.80%
Dışbank Kıbrıs	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%	63.92%	60.80%
Ray Sigorta	67.32%	66.15%	0.00%	0.00%	67.32%	66.15%	43.03%	41.31%
Doğan Hayat	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%	60.13%	78.96%
Dış Holding B.V.	100.00%	-	0.00%	-	100.00%	-	63.92%	-
Doğan Leasing	100.00%	-	0.00%	-	100.00%	-	63.64%	-
Doğan Factoring	100.00%	-	0.00%	-	100.00%	-	74.81%	-
Hürriyet	66.63%	66.63%	0.00%	0.00%	66.63%	66.63%	51.01%	51.02%
Milliyet	79.92%	74.47%	0.67%	0.67%	80.59%	75.14%	62.25%	62.76%
Yaysat	75.00%	75.00%	0.00%	0.00%	75.00%	75.00%	51.04%	51.04%
DYG İlan	100.00%	99.98%	0.00%	0.00%	100.00%	99.98%	62.80%	62.83%
Doğan Ofset	99.77%	99.77%	0.00%	0.00%	99.77%	99.77%	62.38%	62.38%
Doğan Raks	96.70%	91.76%	0.00%	0.00%	96.70%	91.76%	72.65%	68.90%
Gerçek Yayıncılık	-	99.94%	-	0.04%	-	99.98%	-	50.99%
Doğan Kitapçılık	99.90%	99.90%	0.10%	0.10%	100.00%	100.00%	64.00%	64.00%
Doğan Haber (1)	42.60%	42.58%	0.00%	0.00%	42.60%	42.58%	28.52%	28.47%
Doğan Basım	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%	51.01%	51.02%
Simge	42.80%	42.80%	57.20%	57.20%	100.00%	100.00%	32.37%	28.73%
Milliyet Haber	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%	55.16%	53.76%
Hür Tv	99.92%	99.92%	0.00%	0.00%	99.92%	99.92%	50.97%	50.98%
Mesiar	-	92.00%	-	0.00%	-	92.00%	-	49.93%
Doğan Prodüksiyon	96.00%	96.00%	0.00%	0.00%	96.00%	96.00%	61.14%	61.21%
ANS	70.00%	70.00%	0.00%	0.00%	70.00%	70.00%	53.60%	53.60%
Doğan Online	60.00%	60.00%	40.00%	40.00%	100.00%	100.00%	45.94%	45.94%
Doğan Media	97.66%	98.00%	2.34%	2.00%	100.00%	100.00%	63.55%	67.37%
D Finans	74.96%	-	0.04%	-	75.00%	-	34.44%	-
DMC (2)	78.50%	-	0.50%	-	79.00%	-	60.11%	-
D Market	89.97%	-	0.00%	-	89.97%	-	41.33%	-
D Pazarlama	64.94%	-	35.00%	-	99.94%	-	49.72%	-
Hürriyet Zweigniederlassung (2)	100.00%	-	0.00%	-	100.00%	-	51.01%	-
Doğan Daily News (2)	94.25%	-	0.00%	-	94.25%	-	72.16%	-
Doğan Dağıtım	100.00%	-	0.00%	-	100.00%	-	76.55%	-
Milliyet Internet	100.00%	-	0.00%	-	100.00%	-	45.37%	-
Doğan Medya Pazarlama	99.92%	-	0.02%	-	99.94%	-	76.51%	-
Basın İşletmecilik	100.00%	-	0.00%	-	100.00%	-	41.75%	-
Doğan Bilgi (2)	98.00%	-	2.00%	-	100.00%	-	75.04%	-
Doğan Müşteri	98.00%	-	0.50%	-	98.50%	-	45.02%	-
Milliyet Verlags (2)	99.03%	-	0.97%	-	100.00%	-	71.08%	-
Doğan Kitap Müzik	99.20%	-	0.00%	-	99.20%	-	72.07%	-
Doğan Telekom	81.00%	-	19.00%	-	100.00%	-	55.05%	-
Milpa	65.00%	65.00%	0.50%	0.50%	65.50%	65.50%	65.00%	65.00%
Hürriyet Pazarlama	45.00%	45.00%	55.00%	55.00%	100.00%	100.00%	22.96%	22.96%
Milanur	50.00%	50.00%	50.00%	50.00%	100.00%	100.00%	32.50%	32.50%

Name	Direct and indirect control by Doğan Holding and its Subsidiaries (%)		Control through shares held by Doğan family members (%)		Total controlling interest (%)		Total effective interest (%)	
	2001	2000	2001	2000	2001	2000	2001	2000
Doğan Oto	99.30%	95.00%	0.70%	5.00%	100.00%	100.00%	99.30%	95.00%
Doğan Havacılık	85.00%	-	15.00%	-	100.00%	-	74.42%	-
Doğan Yayın	76.57%	76.57%	3.37%	3.37%	79.94%	79.94%	76.57%	76.57%
Çelik Halat	58.44%	58.44%	4.00%	4.00%	62.44%	62.44%	54.83%	54.52%
Ditaş Doğan	55.71%	50.93%	0.00%	0.00%	55.71%	50.93%	55.71%	39.91%
Milta Turizm	93.00%	93.00%	5.00%	5.00%	98.00%	98.00%	93.00%	93.00%
İsedaş (1)	40.00%	40.00%	5.00%	5.00%	45.00%	45.00%	40.00%	40.00%
Milta Acenta	94.00%	94.00%	6.00%	6.00%	100.00%	100.00%	87.42%	87.42%
Karada	57.21%	51.00%	41.07%	46.93%	98.28%	97.93%	31.49%	25.72%
Zigana (2)	65.00%	-	5.00%	-	70.00%	-	65.00%	-
CH Investment B.V.	100.00%	-	0.00%	-	100.00%	-	54.83%	-
CH UK Limited	100.00%	-	0.00%	-	100.00%	-	54.83%	-
Entrallee Handels GmbH (2)	95.48%	-	4.52%	-	100.00%	-	62.06%	-
3D Güvenlik	99.00%	-	0.00%	-	99.00%	-	63.28%	-
Kelkit (2)	65.00%	-	35.00%	-	100.00%	-	61.15%	-

(1) The controlling interest in these subsidiaries is less than 50%; however Doğan Holding exercises a dominant influence and power to govern the financial and operating policies of these companies.

(2) These subsidiaries have not been consolidated on the ground of materiality at 31 December 2000, and have been included in the scope of consolidation at 31 December 2001.

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

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

c) Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Doğan Holding and one or more other parties. Doğan Holding exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or by certain Doğan family members and companies whereby Doğan Holding exercises control over the voting rights of (but does not have the economic benefit of) the shares held by them. Joint Ventures are consolidated using the proportionate consolidation method, i.e. by consolidating the Group's share of assets, liabilities, income and expenditure of each Joint Venture on a line-by-line basis (Note 5).

The table below sets out the Joint Ventures and shows their shareholding structure at 31 December:

Name	Direct and indirect control by Doğan Holding and its Subsidiaries (%)		Control through shares held by Doğan family members (%)		Total controlling interest (%)		Total effective interest (%)	
	2001	2000	2001	2000	2001	2000	2001	2000
DBR	40.72%	40.72%	2.02%	2.02%	42.74%	42.74%	31.18%	31.18%
Doğan Egmont	50.00%	50.00%	0.00%	0.00%	50.00%	50.00%	38.28%	38.29%
Ultra Kablo	50.00%	50.00%	0.00%	0.00%	50.00%	50.00%	38.28%	38.29%
Digital Hizmetler	50.00%	-	0.00%	-	50.00%	-	32.46%	-
İş Doğan	49.90%	48.00%	0.10%	2.00%	50.00%	50.00%	49.90%	47.61%

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d) Associates are companies, not being subsidiaries or joint ventures, in which Doğan Holding and its Subsidiaries (through the exercise of voting power relating to shares held by Doğan Holding and its Subsidiaries together with voting power which Doğan Holding effectively exercises relating to shares held by Doğan family members) have controlling interests of between 20% and 50% of the ordinary share capital held for the long-term and over which Doğan Holding exercises a significant influence. In effect Doğan family members allow Doğan Holding to exercise the voting power in respect of their shares held in these companies. Associates are accounted for using, the equity method of accounting in respect of Doğan Holding and its Subsidiaries attributable share.

Doğan Holding has no associates as of 31 December 2001 and 2000.

e) Available-for-sale investments in which the Group, together with Doğan family members, have controlling interests 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 and restated to the equivalent purchasing power at 31 December 2001 less any provision for diminution in value (Note 16).

Available-for-sale investments in which the Group, together with Doğan family members, have controlling interests 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 results of Subsidiaries are included or excluded from their effective dates of acquisition and disposal, respectively.

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

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

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Where necessary, accounting policies for Subsidiaries and Joint Ventures have been changed to ensure consistency with the policies adopted by the Group. The significant accounting policies, other than Group accounting which is described in Note 3, followed in the preparation of the accompanying consolidated financial statements are summarised below:

A. Related parties

For the purpose of the accompanying 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, investments and joint venture partners are considered and referred to as related parties. A number of transactions are entered into with related parties in the normal course of business. These transactions were priced predominantly at market rates (Note 13).

B. Investment securities

At 1 January 2001, the Group adopted IAS 39 and classified its investment securities into the following two categories: held-to-maturity and available-for-sale assets. Investment securities with fixed maturity where management has both the intent and the ability to hold to maturity are classified as held-to-maturity. Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices, are classified as available-for-sale. Available-for-sale investments are included in current assets unless management has the express intention of holding the investment for more than 12 months from the balance sheet date. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

All regular way purchases and sales of investment securities are recognised at trade date, which is the date the Group commits to purchase or sell the asset. All other purchases and sales are recognised as derivative forward transactions until settlement. Cost of purchase includes transaction costs.

Investment securities are initially recognised at cost. Available-for-sale financial assets are subsequently re-measured at fair value based on quoted bid prices or prices quoted by the Central Bank of Turkey in the Official Gazette. Gains and losses arising from

changes in the fair value of securities classified as available-for-sale are recognized in the income statement in the period in which they arise. Held-to-maturity investments are carried at amortized cost using the effective yield method.

Prior to adoption of IAS 39, the Group had recorded its marketable securities at fair value.

C. Trading securities

Trading securities are securities which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit making exists. Trading securities are initially recognized at cost and subsequently re-measured at fair value based on quoted bid prices. All related realised and unrealised gains and losses of the Subsidiaries in banking business and of the remaining Group are included in revenues as net trading income and in the financial income, respectively. Dividends received are included in dividend income.

All purchases and sales of trading securities that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognized at trade date, which is the date that the Group commits to purchase or sell the asset. Otherwise, such transactions are treated as derivatives until settlement occurs.

D. Sale and repurchase agreements

Securities sold subject to linked repurchase agreements ("repos") are retained in the financial statements as trading securities or available-for-sale securities and a counterparty liability is included in amounts due to other banks or customer deposits as appropriate. Securities purchased under agreements to resell ("reverse repos") are recorded as due from other banks. The difference between sale and repurchase price is treated as interest and amortised over the life of repo agreements using the effective yield method.

E. Trade receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortised cost. Short duration receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

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.

F. Originated loans and provisions for loan impairment

Loans originated by the Group by providing money directly to the borrower or to a sub-participation agent at drawdown are categorised as loans originated by the Group and are carried at amortised cost.

All loans and advances are recognized when cash is advanced to borrowers.

Foreign currency indexed loans are recognized at their initial Turkish lira values and subsequent foreign currency gains calculated on such loans are included in the operating results in the income statement.

A credit risk provision for loan impairment is established if there is objective evidence that the Group will not be able to collect all the amounts due. The amount of the provision for non-performing commercial loans is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guaranties and collateral, discounted based on the interest rate at inception. For consumer loans, the credit risk provision is calculated using a default rate that is based on historical patterns of losses. For restructured loans, the Bank initially determines as to whether there has been an impairment as a result of the restructuring, and if so, a provision for loan impairment is recorded representing the difference between the recoverable amount, being the present value of expected cash flows from restructured loan discounted using the interest rate of the original loan, and the carrying amount.

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Expected cash flows are based on internal credit ratings allocated to the borrowers, and reflecting the current economic climate in which the borrowers operate.

The movement in provision is charged against the income for the period. When a loan is deemed uncollectable, it is written off against the related provision for impairment. The loan is written off after all the necessary legal proceedings have been completed and the amount of the loan loss is finally determined. Subsequent recoveries are credited to the income statement if previously written off.

G. Factoring receivables

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

H. Inventories

Inventories are valued at the lower of cost or net realisable value, restated to equivalent purchasing power at 31 December 2001. Cost elements included in inventory are materials, labour and an appropriate amount of factory overheads. Cost of inventories is determined on the weighted average basis. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses (Note 14).

I. Property, plant and equipment and related depreciation

Property, plant and equipment are initially carried at cost less accumulated depreciation, in each case restated to equivalent purchasing power at 31 December 2001. Land and buildings of POAŞ, the subsidiary of İş Doğan are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation. Depreciation is provided on the restated amounts for property, plant and equipment on a straight-line basis. Land is not depreciated as it is deemed to have an indefinite life. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Years
Buildings	50
Land improvements	25 - 50
Machinery and equipment	4 - 15
Furniture and fixtures	4 - 15
Motor vehicles	4 - 10

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

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

J. Leases

i) The Group as the lessee

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term. Lease payments are treated as comprising capital and interest elements.

The capital element is treated as reducing the capitalised obligation under the lease and the interest element is charged to the statement of income. Depreciation on the relevant asset is also charged to the statement of income over a period depending on the useful life of the asset.

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.

ii) The Group as the lessor

When assets are sold under a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

K. Intangible assets

Goodwill arising on consolidation, represents the difference between the acquisition price and the attributable share of the Group in the fair value of the underlying net assets of the acquired company. The fair value of property, plant and equipment of POAŞ was assessed as of 15 December 2000 by P&D Gayrimenkul Danışmanları in association with Healey&Baker and is assumed to have had the same fair value as at date of acquisition on 21 July 2000. Goodwill is amortised using the straight-line method over the estimated useful life of 5 to 20 years and is included in intangible assets (Notes 18 and 34).

Negative goodwill represents the excess of the fair value of the Group's share of the net assets acquired over the cost of acquisition. Negative goodwill is presented in the same balance sheet classifications as goodwill. To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the Group's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities, that portion of negative goodwill is recognized in the income statement when the future losses and expenses are recognized. Any remaining negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognized in the income statement over the remaining weighted average useful life of those assets; negative goodwill in excess of the fair values of those assets is recognized in the income statement immediately.

Other intangible assets comprise acquired intellectual property, trademarks and other identified rights. They are recorded at acquisition cost and amortised on a straight-line basis over their estimated economic lives for a period not exceeding 10 years from date of acquisition (Note 18). Where an indication of impairment exists, the carrying amount of any intangible assets including goodwill are assessed and written down immediately to its recoverable amount.

L. Deferred income taxes

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

Under this method, the Group is required to make provision for deferred income taxes on the restatement of certain assets and, in relation to an acquisition, on the difference between the fair values of the net assets acquired and their tax base. The principal temporary differences arise from the restatement of property plant and equipment and inventory over their historical cost, accrued income, provision for employment termination benefits, provision for promotion campaigns and tax losses carried forward.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised (Note 26).

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

M. Employment termination benefits

Employment termination benefits represent the present value of the estimated total reserve of the future probable obligation of the Group arising from the retirement of the employees calculated in accordance with the Turkish Labour Law and Press Labour Laws for the companies in media segment (Note 27).

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N. Computer software development costs

Generally, costs associated with developing computer software programs are recognized as expense as incurred. However, expenditure that enhances and extends the benefits of computer software programs beyond their original specifications and lives is recognized as a capital improvement and added to the original cost of the software. Computer software development costs recognized as assets are amortised using the straight-line method over their useful lives but not exceeding a period of five years, or over the period of the lease if less than five years.

O. Foreign currency transactions

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

P. Revenue recognition

Finance

Banking

Interest income is recorded on an accrual basis. Interest is suspended where due but not received on loans and advances in arrears where, in the opinion of management, recovery is doubtful. The amounts suspended, less recoveries of amounts suspended in prior years, are excluded from interest receivable on loans and advances.

Commission income and fees for various banking services are recorded as income at the date when the transactions to which they relate are effected.

Insurance

A provision for unearned premiums is set up in respect of in-force policies for which the premium period extends beyond the accounting period. Unearned premiums are determined from premiums written during the year, less reinsurance, on the basis that premiums are written on the middle day of each month (Note 22).

Life:

Premium income represents premiums accrued on policies issued during the year, as adjusted by the reserve for unearned premiums for annual life policies.

Non-Life:

Premium income represents premiums on policies written during the year, net of taxes and cancellations, as adjusted by the reserve for unearned premiums.

Other

Sales are recognized on an accrual basis at the time deliveries or acceptances are made, at the invoiced values for Subsidiaries operating in the media, trading and other segments. Net sales represent the invoiced value of goods shipped less sales returns and commission, and excluding sales taxes. Interest income is recognized as it accrues, taking into account the effective yield on the asset, unless collectibility is in doubt.

Q. Insurance reserves

Life assurance provision

The Subsidiaries dealing in life assurance are required to establish benefit reserves, which in the aggregate must be sufficient to provide for future guaranteed benefits as they become due. The life assurance provision is based on the level of premiums (as adjusted by commission), and administrative expenses and risk premiums that are computed on the basis of worldwide actuarial mortality assumptions applicable for Turkish insurance companies as approved by the Insurance Supervisory Office. The life assurance provision also takes account of the net rate of return on investments.

Claims and claim provisions

Non-life insurance claims are recorded in the period in which they occur, based on reported claims or on the basis of estimates when not reported. Differences between estimates at the end of successive accounting periods are recognized in claims expenses for the periods in which these differences are identified.

Full provision is made for outstanding claims, including claim settlements, reported at the year-end. Incurred but not reported ("IBNR") claims are included under claim provisions.

R. Capital increases

Pro-rata capital increases to existing shareholders are accounted for at par value as approved.

S. Research and development costs

Research and development costs are recognized and expensed in the income statement in the period in which they are incurred.

T. Expense accrual for promotion materials

Expense accrual for promotion materials includes the purchase cost and the value added tax of the promotion materials related to ongoing campaigns.

U. Dividends

Dividends receivable are recognized as income in the period when they are declared and dividends payable are recognized as an appropriation of profit in the period in which they are declared.

V. Barter agreements

Purchases related to barter agreements are recorded at purchase date and revenue is recorded at the time of publication.

X. Provisions

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

Y. Investment grants

The Group has right to exercise investment grants when the investment incentive certificate is approved by the related authorities. The Group does not reflect these investment grants in the statutory financial statements but only has right to deduct the amounts approved from the project costs from the corporate tax base subject to fulfilling the requirements regarding completion of the investment (Note 33).

Z. Cash and cash equivalents

Cash and cash equivalents include cash and amounts due from banks, and marketable securities with maturity periods of less than three months.

Analysis of cash and cash equivalents included in the consolidated statements of cash flows for the years ended 31 December are as follows:

	2001	2000
Cash and cash equivalents:		
Cash and amounts due from banks excluding accrued interest	1,130,551,481	1,538,762,923
Trading and investment securities with original maturities of less than three months excluding accrued interest	332,297,617	72,831,825
	1,462,849,098	1,611,594,748

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Aa. Derivative financial instruments

Derivative financial instruments including forward foreign exchange contracts, currency futures, currency swaps, currency options (both written and purchased) and other derivative financial instruments are initially recognized in the balance sheet at cost (including transaction costs) and subsequently are remeasured at their fair value. Fair values are obtained from quoted market prices and discounted cash flow models as appropriate. Fair value of over-the-counter forward foreign exchange contracts is determined based on the comparison of the original forward rate with the forward rate calculated by reference to market interest rates of the related currency for the remaining period of the contract, discounted to 31 December. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Changes in the fair value of derivatives held for trading are included in net trading income.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management position, do not qualify for hedge accounting under the specific rules in IAS 39 and are therefore treated as derivatives held for trading with fair value gains and losses reported in income.

Prior to adoption of IAS 39, derivative instruments were carried at cost (less impairment) and unrealised gains and losses on forward foreign exchange contracts and currency swaps were determined by comparing the spot rate on the deal date as adjusted for the forward premium/discount calculated on a pro-rata basis with the spot rate at the balance sheet date. Such unrealised gains and losses were included in foreign exchange gains and losses in the income statement.

Ab. Financial instruments and financial risk management

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

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

Foreign exchange risk

Foreign currency denominated assets and liabilities together with purchase and sale commitments in the banking sector give rise to foreign exchange exposure. Open exchange exposures are hedged with derivative financial instruments, which primarily include forward foreign exchange contracts. All forward contracts hedging foreign exchange risk have a duration of less than a year.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Funding risk

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

Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and limiting the aggregate risk to any individual counterparty. The credit risk is generally highly diversified due to the large number of entities comprising the customer bases and their dispersion across many different industries.

Fair value of financial instruments

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

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value.

Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

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

Monetary Assets

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

The fair values of certain financial assets carried at cost, including cash and amounts due from banks, deposits with banks, and marketable securities plus the respective accrued interest are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses.

The fair value of loans and consumer loans are also considered to approximate carrying value and the fair value of the loan portfolio is estimated by assessing the risk components of the portfolio.

The carrying values of trade receivables along with the related allowances for uncollectability are estimated to be their fair values. The fair value of marketable securities, which has been determined by reference to market value, approximates to carrying value.

Monetary liabilities

The fair value of customer deposits, funds borrowed and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. Trading liabilities, derivatives and foreign exchange instruments, have been estimated at their fair values.

Long-term borrowings, which in principle are at variable rates and denominated in foreign currencies, are translated at year-end exchange rates and accordingly their fair values approximate their carrying values. The carrying values of long-term borrowings in Turkish lira along with the related accrued interest is estimated to be their fair values.

Ac. Earnings/(loss) per share

Earnings/(loss) per share disclosed in the accompanying consolidated statement of income/(loss) are determined by dividing net profit/(loss) by the weighted average number of shares in existence during the year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders from retained earnings and revaluation surplus. For the purpose of earnings/(loss) per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year. Bonus shares issued during the year were as follows:

Year	Number of shares issued attributable to transfers to share capital from:		
	Retained earnings	Revaluation surplus	Total
2001	3,127,188,400	1,528,007,600	4,655,196,000
2000	1,481,720,200	1,178,391,800	2,660,112,000

There was no difference between basic and diluted earnings per share for any class of shares for any of these years.

Ad. Minority interests

Minority interest represent the minority shareholders' share in the net assets and results of the year for subsidiaries and is separately classified in the consolidated balance sheets and statements of income. Minority interest attributable to Doğan family members have been identified as separately disclosed.

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Ae. Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year so that the reclassification will result in a more appropriate presentation of events or transactions.

Af. Offsetting

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

Ag. Adoption of IAS 39

IAS 39 "Financial Instruments: Recognition and Measurement" has become effective for accounting periods beginning on or after 1 January 2001. The Group has adopted IAS 39 prospectively. The effects of prospective adoption of IAS 39 on the Group's retained earnings and on the minority interest, net of total deferred tax effect amounting to TL 3,805,518 million (Note 26) at 31 December 2000 are as follows:

	Group	Decrease Minority Interest	Total
Derivative financial instruments	(1,047,214)	(591,129)	(1,638,343)
Available-for-sale	1,242,280	654,518	1,896,798
Originated loans	(5,089,695)	(2,749,377)	(7,839,072)
	(4,894,629)	(2,685,988)	(7,580,617)

NOTE 5 - SEGMENTAL INFORMATION

a) External revenues

	2001	2000
Finance	1,083,853,097	1,078,905,412
Media	619,180,719	815,382,099
Trade	48,812,645	163,502,131
Energy	2,643,176,098	1,085,538,926
Other	65,269,135	80,532,180
	4,460,291,694	3,223,860,748

b) Operating profit/(loss)

	2001	2000
Finance	95,256,298	204,160,425
Media	(22,163,055)	31,826,731
Trade	(39,972,336)	(16,283,002)
Energy	75,415,866	49,415,980
Other	(9,832,553)	(14,129,494)
	98,704,220	254,990,640

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c) Segmental analysis for the year ended 31 December 2001:

	Finance	Media	Trade	Energy	Other	Inter segment elimination	Total
External revenues	1,083,853,097	619,180,719	48,812,645	2,643,176,098	65,269,135	-	4,460,291,694
Intra segment revenues	253,695,050	233,362,380	164,947	-	1,177,703	-	488,400,080
Inter segment revenues	21,224,990	14,057,700	9,760,746	18	12,774,606	-	57,818,060
Combined revenues	1,358,773,137	866,600,799	58,738,338	2,643,176,116	79,221,444	-	5,006,509,834
Combined cost of sales	(1,036,774,060)	(736,275,438)	(74,921,646)	(2,496,110,612)	(52,173,354)	-	(4,396,255,110)
Revenues	1,105,078,087	633,238,419	58,573,391	2,643,176,116	78,043,741	(57,818,060)	4,460,291,694
Cost of sales	(783,359,579)	(469,712,286)	(74,756,699)	(2,496,110,612)	(50,995,651)	25,230,415	(3,849,704,412)
Gross profit	321,718,508	163,526,133	(16,183,308)	147,065,504	27,048,090	(32,587,645)	610,587,282
Administrative expenses	(203,881,772)	(75,797,837)	(10,794,741)	(44,540,805)	(15,452,801)	-	(350,467,956)
Selling and distribution expenses	(3,625,879)	(112,830,944)	(5,742,398)	(28,693,212)	(10,522,673)	-	(161,415,106)
Operating profit/(loss) - before inter segment elimination	114,210,857	(25,102,648)	(32,720,447)	73,831,487	1,072,616	(32,587,645)	98,704,220
Profit elimination due to inter segment elimination	(18,954,559)	2,939,593	(7,251,889)	1,584,379	(10,905,169)	32,587,645	-
Operating profit/(loss) - after inter segment elimination	95,256,298	(22,163,055)	(39,972,336)	75,415,866	(9,832,553)	-	98,704,220

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c) Segmental analysis for the year ended 31 December 2000:

	Finance	Media	Trade	Energy	Other	Inter segment elimination	Total
External revenues	1,078,905,412	815,382,099	163,502,131	1,085,538,926	80,532,180	-	3,223,860,748
Intra segment revenues	112,212,275	328,864,572	12,753	-	1,024,634	-	442,114,234
Inter segment revenues	2,646,789	14,083,480	27,937,665	368,117	9,981,398	-	55,017,449
Combined revenues	1,193,764,476	1,158,330,151	191,452,549	1,085,907,043	91,538,212	-	3,720,992,431
Combined cost of sales	(775,090,305)	(919,386,816)	(169,574,215)	(1,018,113,125)	(64,090,810)	-	(2,946,255,271)
Revenues	1,081,552,201	829,465,579	191,439,796	1,085,907,043	90,513,578	(55,017,449)	3,223,860,748
Cost of sales	(664,234,443)	(579,089,570)	(169,561,462)	(1,018,113,125)	(63,066,176)	55,766,331	(2,438,298,445)
Gross profit	417,317,758	250,376,009	21,878,334	67,793,918	27,447,402	748,882	785,562,303
Administrative expenses	(216,271,248)	(84,712,017)	(12,558,348)	(17,629,187)	(28,036,367)	-	(359,207,167)
Selling and distribution expenses	-	(157,327,238)	(8,345,941)	(459,120)	(5,232,197)	-	(171,364,496)
Operating profit/(loss) - before inter segment elimination	201,046,510	8,336,754	974,045	49,705,611	(5,821,162)	748,882	254,990,640
Profit elimination due to inter segment elimination	3,113,915	23,489,977	(17,257,047)	(289,631)	(8,308,332)	(748,882)	-
Operating profit/(loss) - after inter segment elimination	204,160,425	31,826,731	(16,283,002)	49,415,980	(14,129,494)	-	254,990,640

d) Segment assets employed

	2001	2000
Total assets		
Finance	3,960,739,456	3,355,911,853
Media	830,329,959	884,835,401
Trade	172,177,539	268,439,450
Energy	1,195,448,530	1,133,395,247
Other	2,047,682,231	1,670,902,613
Total combined	8,206,377,715	7,313,484,564
Less: segment elimination	(3,160,565,516)	(1,696,468,146)
Total assets as per these accompanying consolidated financial statements	5,045,812,199	5,617,016,418
Net assets		
Finance	689,223,740	527,481,046
Media	380,047,975	442,825,789
Trade	75,468,842	137,559,114
Energy	451,809,030	447,830,856
Other	1,390,983,226	1,113,795,822
Total combined	2,987,532,813	2,669,492,627
Less: segment elimination	(2,497,649,696)	(2,128,928,645)
Shareholders' equity	489,883,117	540,563,982
Minority interest	550,692,962	635,500,142
Total net assets as per these accompanying consolidated financial statements	1,040,576,079	1,176,064,124

e) Capital expenditures and depreciation

	2001	2000
Capital expenditures		
Finance	35,834,956	49,982,763
Media	104,822,873	128,764,056
Trade	1,649,824	3,769,899
Energy	59,163,733	5,333,443
Other	6,014,445	6,789,874
	207,485,831	194,640,035
Depreciation charge		
Finance	22,591,596	20,746,665
Media	45,660,236	53,005,797
Trade	2,637,135	2,971,269
Energy	6,178,163	1,259,054
Other	5,675,093	6,433,907
	82,742,223	84,416,692

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f) Interest in Joint Ventures

Aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities and net income related to Joint Ventures, which are proportionately consolidated as explained under Note 3c in the accompanying consolidated financial statements, are as follows on a combined basis:

	2001	2000
Current assets	218,798,068	338,778,583
Non-current assets	1,005,149,980	820,577,710
Total assets	1,223,948,048	1,159,356,293
Current liabilities	226,048,836	263,918,322
Non-current liabilities	659,638,206	556,326,497
Shareholders' equity	338,261,006	339,111,474
Total liabilities and shareholders' equity	1,223,948,048	1,159,356,293
Revenues	2,731,634,423	1,111,015,011
Gross profit	158,124,980	53,299,043
Net income/(loss)	(23,228,102)	9,195,908

g) Minority interest

	2001			2000		
	Doğan family members	Other	Total	Doğan family members	Other	Total
Media	8,927,420	149,551,205	158,478,625	3,149,426	133,900,134	137,049,560
Finance	(881,728)	181,687,828	180,806,100	19,060	219,219,598	219,238,658
Trade	(9,419,753)	25,254,970	15,835,217	2,717,872	41,185,627	43,903,499
Energy	213,596	132,782,430	132,996,026	-	122,304,014	122,304,014
Other	21,693,461	40,883,533	62,576,994	27,838,292	85,166,119	113,004,411
	20,532,996	530,159,966	550,692,962	33,724,650	601,775,492	635,500,142

Changes in minority interest during 2001 and 2000 are as follows:

	2001	2000
1 January	635,500,142	404,854,656
Effect of adopting IAS39-net of taxes	(2,685,988)	-
Increase in share capital	21,292,306	101,899,701
Translation reserve	14,001,512	(3,074,651)
Increase in minority interest due to additional subsidiaries consolidated during the year	135,610	10,866,585
Acquisition of new subsidiaries' shares	-	109,746,313
Disposal of subsidiaries	(11,661,142)	-
Payment of dividends	(33,324,731)	(64,339,625)
Net (loss)/income attributable to minority interest	(72,564,747)	75,547,163
31 December	550,692,962	635,500,142

NOTE 6 - CASH AND AMOUNTS DUE FROM BANKS

The analysis of cash and amounts due from banks at 31 December 2001 and 2000 are as follows:

	2001			2000		
	Banking TL millions	Other TL millions	Total TL millions	Banking TL millions	Other TL millions	Total TL millions
Cash in hand	51,194,278	1,512,421	52,706,699	12,693,830	2,303,732	14,997,562
Banks - demand deposits	60,737,779	13,791,502	74,529,281	28,321,133	36,617,109	64,938,242
- time deposits	68,100,425	114,933,393	183,033,818	5,807,018	146,695,331	152,502,349
- loan to banks	1,426,500	871,405	2,297,905	319,641,633	75,307,735	394,949,368
Placements with banks	222,761,745	-	222,761,745	594,309,504	-	594,309,504
Margin calls with foreign banks	-	-	-	200,640,823	-	200,640,823
Interbank money market placements	530,881,930	-	530,881,930	57,568,396	-	57,568,396
Loans and advances to banks	32,172,535	919,898	33,092,433	3,171,856	-	3,171,856
Cheques	928,401	1,334,513	2,262,914	995,378	3,024,976	4,020,354
Blocked bank accounts	11,793,768	27,439,916	39,233,684	-	51,664,469	51,664,469
	979,997,361	160,803,048	1,140,800,409	1,223,149,571	315,613,352	1,538,762,923
Add: Accrued interest receivables	-	-	-	20,660,001	5,547,507	26,207,508
	979,997,361	160,803,048	1,140,800,409	1,243,809,572	321,160,859	1,564,970,431

Time deposits are all short-term maturing within one year. At 31 December 2001, interest rates for local currency time deposit are between 15% and 76% (2000: 32-140%) and interest rates for foreign currency time deposits are between 2% and 21% (2000: 7-22%).

Loan to banks consist of Turkish government bonds and treasury bills held for resale to banks under reverse repurchase agreements. These are all short-term with periods of less than three months, with an interest rate varying from 20-59% (2000: 50-242%). The market values of such loan approximated carrying values, including accrued income at the respective year ends.

Interest rates for placements with other banks ranged between 15% and 400% for local currency placements (2000: 81-250%) and 2% and 16% (2000: 7-26%) for foreign currency placements.

Interbank money market placements ranged between 61-62% for local currency in 2001 (2000: -) and 3-8% for foreign currency (2000: 11-45%).

At 31 December 2001, Subsidiaries in insurance sector deposits investments amounting to TL 11,793,768 million (2000: TL 10,187,263 million) in a blocked account with a state bank in favor of the Undersecretariat of the Treasury as required by Insurance Supervisory Law No: 7397. Additional blocked bank accounts amounting to TL 27,439,916 million (2000: TL 41,477,206 million) are blocked to collateralise borrowings.

NOTE 7 - TRADING INVESTMENTS

The breakdown of marketable securities at 31 December 2001 and 2000 were as follows:

	2001			2000		
	Banking	Other	Total	Banking	Other	Total
Government bonds	194,007,516	-	194,007,516	116,685,602	5,374	116,690,976
Mutual funds	-	459,348	459,348	21,845,260	773,536	22,618,796
Treasury bills	103,479,456	16,104,538	119,583,994	36,610	-	36,610
Equity Stock-TL	-	328,613	328,613	-	5,133,691	5,133,691
Blocked trading investments	2,352,062	-	2,352,062	-	-	-
Other	390,563	-	390,563	-	-	-
	300,229,597	16,892,499	317,122,096	138,567,472	5,912,601	144,480,073

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Included in government bonds were securities pledged under repurchase agreements with other banks whose market value at 31 December 2001 was TL 106,937,091 million (2000: TL 27,252,152 million).

The net unrealised gain on trading securities amounted to TL 25,007,185 million at 31 December 2001 (2000: TL 946,569 million).

The interest rates for treasury bills and government bonds held at 31 December 2001 are between 58% and 70% (2000: 32-55%). Interest rates for the trading investments in foreign currency held at 31 December 2001 are between 7% and 10% (2000: 9-13%).

Blocked trading investments represent treasury bills amounting to TL 2,352,062 million (2000: -) that Subsidiaries in insurance sector are required to deposit in a blocked account in favour of the Undersecretariat of the Treasury within two months following the end of the year, based on year-end net premiums.

The mutual funds were issued by Dış Invest Fund Ltd. which is incorporated in British Virgin Islands and are held by Dışbank Malta Ltd. The gross net asset value of the fund as at 31 December 2000, is US\$ 10,076,445. As at 31 December 2000, the fund's portfolio comprised fixed income securities.

	2001	2000
Period remaining to maturity:		
1-30 days	301,017,558	5,912,601
30-90 days	16,104,538	40,290,920
90 days - 1 year	-	48,523,724
Over 1 year	-	49,752,828
	317,122,096	144,480,073

NOTE 8 - RESERVE DEPOSITS WITH THE CENTRAL BANK OF TURKEY

	2001	2000
Reserve deposits	130,819,639	73,894,434

According to the regulations of the Central Bank of Turkey, the banks are required to maintain reserve deposits equivalent to a certain portion of their customer deposits, other than Interbank deposits, based on the type of deposits (foreign currency or Turkish lira), at different percentages ranging from 4% to 11% (2000: 6% to 11%). These funds are not available to finance the banks' day to day operations.

NOTE 9 - BANKING LOANS

	2001	2000
Commercial and industrial loans	538,998,702	436,026,278
Export loans	208,715,697	98,124,667
Investment loans	54,624,264	50,759,656
Consumer loans	52,158,699	127,038,826
Loans to Undersecretariat of the Treasury of the Prime Ministry of the Republic of Turkey	39,401,137	-
Other	-	8,995,221
	893,898,499	720,944,648
Non-performing loans	64,394,294	35,631,083
Total gross loans and advances	958,292,793	756,575,731
Less: Specific provisions for loan losses	(33,976,795)	(25,861,943)
General provisions for loan losses	(12,044,266)	(4,903,062)
Net loans and advances to customers	912,271,732	725,810,726
Add: Accrued interest receivable	-	40,323,303
	912,271,732	766,134,029

Loans granted to the Undersecretariat of the Treasury are collateralised by Turkish government bonds totaling TL 39,401,137 million.

Movement in provisions for loan impairment is as follows:

	Total provision
Balance at 1 January 2000	27,434,698
Loan impairment expense during the year	11,499,135
Amounts written off	(115,179)
Recoveries of amounts previously provided	(96,083)
Monetary gain	(7,957,566)
Balance at 31 December 2000	30,765,005
Loan impairment expense during the year	39,939,775
Amounts written off	-
Recoveries of amounts previously provided	(1,851,961)
Monetary gain	(22,831,758)
Balance at 31 December 2001	46,021,061

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Non-performing loans include loans under legal follow-up amounting TL 27,212,814 million (2000: TL 31,533,000 million). The delinquency analysis for loans under legal follow-up as at 31 December 2001 is as follows:

As at 31 December 2001	Up to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
Loans under legal follow-up	1,812,036	1,118,431	6,794,798	17,487,549	27,212,814
Provision for loan impairment	(796,615)	(234,618)	(4,038,607)	(15,389,094)	(20,458,934)
Net loans under legal follow-up	1,015,421	883,813	2,756,191	2,098,455	6,753,880

Economic sector risk concentrations for the performing loan portfolio were as follows:

	2001	%	2000	%
Wholesale and retail trade	123,464,801	13	128,634,452	18
Textiles	110,158,609	12	56,311,962	8
Medicine, chemicals and dyes	91,228,851	10	9,707,253	1
Food and beverage	77,941,804	9	46,847,270	6
Metal processing	69,331,613	8	51,455,136	7
Construction and cement	61,500,682	7	55,340,754	8
Consumer loans- private individuals	52,158,699	6	127,039,231	18
Oil gas	46,692,690	5	39,943,781	6
Loans to Undersecretariat of the Treasury of the Prime Ministry of the Republic of Turkey	39,401,137	4	-	-
Financial institutions	31,360,952	4	10,077,620	1
Tourism	14,579,683	2	4,849,615	1
Automotive	9,025,468	1	2,869,799	-
Agriculture	8,629,933	1	9,477,471	1
Durable goods	5,604,962	1	6,531,241	1
Media	2,625,973	-	146,522,698	20
Other	150,192,642	17	25,336,365	4
	893,898,499	100	720,944,648	100

Interest rates vary between 4-24% (2000: 9-23%) per annum for foreign currency loans and 35-120% (2000: 70-85%) per annum for Turkish lira loans.

NOTE 10 - DERIVATIVE FINANCIAL INSTRUMENTS

The Group utilises the following derivative instruments for non-hedging purposes:

"Currency forwards" represents commitments to purchase foreign and domestic currency, including undelivered spot transactions. "Foreign currency futures" are contractual obligations to receive or pay a net amount based on changes in currency rates or to buy or sell foreign currency at a future date at a specified price established in an organised financial market. Since future contracts are collateralised by cash or marketable securities and changes in the futures contract value are settled daily with the exchange rate, the credit risk is negligible.

"Currency swaps" are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies. Except in the case of certain currency swaps, no exchange of principal takes place. The Group's "credit risks" represents the potential cost of replacing the swap contracts if counterparties fail to perform their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

"Foreign currency options" are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of a foreign currency at a predetermined price. In consideration for the assumption of foreign exchange or interest rate risk, the seller receives a premium from the purchaser. Options may be either exchange-traded or negotiated between the Group and a customer (OTC). The Group is exposed to credit risk on purchased options only, and only to the extent of their carrying amount, which is their fair value.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments, and therefore, do not indicate the Group's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time. The fair values of derivative instruments held are set out in the following table:

	Contract/notional amount	Fair values	
		Assets	Liabilities
31 December 2001			
Derivatives held for trading			
Foreign exchange derivatives			
Currency forwards	29,611,723	78,421	(69,257)
Currency swaps	300,227,950	634,340	(439,799)
Total OTC derivative assets/(liabilities) held for trading	329,839,673	712,761	(509,056)

	Contract/notional amount	Fair values	
		Assets	Liabilities
31 December 2000			
Derivatives held for trading			
Foreign exchange derivatives			
Currency forwards	560,926,667	7,816,421	(5,271,017)
Currency swaps	380,444,258	22,969	(6,364,565)
OTC currency options bought and sold	19,988,732	2,003,724	-
Total OTC derivatives	961,359,657	9,843,114	(11,635,582)
Currency futures	157,252,661	-	(2,389,691)
Interest rate derivatives			
Interest rate swaps	2,257,820,855	17,825,678	(2,003,724)
Total derivative assets/(liabilities) held for trading	3,376,433,173	27,668,792	(16,028,997)

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NOTE 11 - INVESTMENT SECURITIES

The breakdown of securities available-for-sale at 31 December 2001 and 2000 were as follows:

	2001			2000		
	Banking	Other	Total	Banking	Other	Total
Government bonds	96,963,466	-	96,963,466	199,149,646	-	199,149,646
US treasury bills	-	-	-	127,138,625	-	127,138,625
Eurobonds	165,002,538	-	165,002,538	104,364,952	-	104,364,952
Bundes obligations	-	-	-	91,695,234	-	91,695,234
Equity Stock-foreign currency	-	-	-	22,741,608	-	22,741,608
Mutual funds	-	-	-	64,764	-	64,764
Treasury bills	-	-	-	20,023,605	-	20,023,605
Equity Stock-TL	-	-	-	178,940	-	178,940
Blocked investment securities	290,259	-	290,259	390,262	-	390,262
	262,256,263	-	262,256,263	565,747,636	-	565,747,636

Government bonds, treasury bills and Eurobonds are discount and coupon securities issued by the Republic of Turkey. Bundes obligations held as at 31 December 2000, were issued by the Bundesbank in Euro.

Interest rates for treasury bills and government bonds held at 31 December 2001, vary from 62-67% (2000: 32-55%). Interest rates for the investment securities in foreign currency vary from 4.82-11%.

Blocked investment securities represent treasury bills and equity stocks amounting to TL 290,259 million (2000: TL 390,262 million) that Subsidiaries in insurance sector are required to deposit in a blocked account in favour of the Undersecretariat of the Treasury within two months following the end of the year, based on year-end net premiums.

The breakdown of securities held-to-maturity at 31 December 2001 and 2000 were as follows:

	2001			2000		
	Banking	Other	Total	Banking	Other	Total
Government bonds	6,576,780	-	6,576,780	96,331,596	-	96,331,596
Equity Stock-foreign currency	-	8,837,940	8,837,940	-	7,085,613	7,085,613
Treasury bills	-	-	-	-	11,992,329	11,992,329
	6,576,780	8,837,940	15,414,720	96,331,596	19,077,942	115,409,538

The purchase cost of the listed equity stocks was US\$ 5,034,677 (equivalent of TL 7,247,755 million) (2000: US\$ 22,959,183 million or equivalent of TL 29,119,081 million) and it was financed through borrowings. As at 31 December 2001, the Group holds call and put options for equity stocks. These options are double-sided, therefore are treated as forward commitments to sell the equities at a future date at predetermined price specified in option contracts. The Group locked in a total fixed gain of US\$ 1,119,575 (equivalent of TL 1,611,703 million) (2000: US\$ 4,206,234 or equivalent of TL 5,334,356 million), which represents the difference between the purchase price of the equities and the strike price specified in the option contract. Total gain is amortised to income over the life of the option contract. At year end the amortised gain amounted to US\$ 1,104,628 or the equivalent of TL 1,590,185 million (2000: US\$ 3,507,631 or equivalent of TL 4,449,150 million). The amortised gain on outstanding option contracts is included in interest income on investment securities as of 31 December 2001. The option contract has matured and equity stocks have been disposed in subsequent period.

Government bonds, treasury bills and Eurobonds are discount and coupon securities issued by the Republic of Turkey. Bundes obligations held as at 31 December 2000, were issued by the Bundesbank in Euro.

As at 31 December 2000, investment securities amounting to TL 271,028,381 million were pledged to third parties as collateral (excluding sale and repurchase agreements).

The comparison of the fair values of government bonds in the investment portfolio classified as held-to-maturity with the carrying values is as follows:

	2001	2000
Carrying value of securities held-to-maturity	6,576,780	96,331,596
Fair value of securities held-to-maturity	6,441,025	80,396,000

Interest rate for government bonds held to maturity at 31 December 2001 is 67% (2000: 55%).

Analysis of investment securities per their maturities at 31 December 2001 and 2000 were as follows:

	2001	2000
Period remaining to maturity:		
1-30 days	9,490,029	379,658
30-90 days	6,120,238	26,248,646
90 days - 1 year	84,069,402	198,601,894
Over 1 year	177,991,314	455,926,976
	277,670,983	681,157,174

NOTE 12 - TRADE RECEIVABLES

	2001	2000
Trade receivables-net of unearned finance income	182,304,885	311,074,828
Notes receivables-net of unearned finance income	93,472,679	137,562,910
Factoring receivables	81,269,672	42,818,992
Provision for doubtful receivables	(22,235,287)	(15,616,538)
Provision for factoring receivables	(4,501,256)	(2,847,478)
Other	2,158,854	838,200
	332,469,547	473,830,914

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NOTE 13 - TRANSACTIONS AND BALANCES WITH RELATED COMPANIES AND SHAREHOLDERS

Amounts due from and due to related parties at 31 December and a summary of the major transactions with related companies are as follows:

Due from related companies	2001	2000
DTV Haber ve Görsel Yayıncılık A.Ş. ("DTV Haber")	13,426,333	38,478,139
Eko TV Televizyon Yayıncılık A.Ş. ("Eko Televizyon")	6,913,234	6,598,874
Doğan Dış Ticaret Mümessillik A.Ş. ("Doğan Dış Ticaret")	4,499,273	12,118,228
Adil Bey Holding A.Ş.	887,915	4,718
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv")	306,782	6,136,269
Marmara İdari ve Genel Hizmetler A.Ş.	116,195	178,095
Mesiar Medya Sigorta Aracılık Hizmetleri A.Ş. ("Mesiar")	105,536	-
Biryay Birleşik Yayın Dağıtım A.Ş. ("Bir Yay")	150	1,015,613
D Market	-	1,939,347
Doğan Daily News	-	1,594,191
Doğan Müşteri	-	1,186,911
D Finans	-	886,926
Doğan Kitap Müzik	-	808,505
Doğan Telekom	-	670,160
Milliyet Verlags	-	401,524
DMC	-	149,256
Other	793,040	1,838,497
	27,048,458	74,005,253

The Group provided funds to DTV Haber and Eko Televizyon amounting to TL 9,150,506 million (2000: TL 34,319,980 million) and TL 4,444,555 million (2000: TL 3,960,909 million), respectively. The Group generated financial income from DTV Haber and Eko Televizyon amounting to TL 13,497,282 million (2000: TL 3,323,326 million) and TL 459,061 million (2000: TL 1,028,092 million), respectively.

Due to related companies	2001	2000
Doğan Dış Ticaret	11,044,541	8,343,165
Eko Televizyon	3,918,829	5,225,096
DTV Haber	1,035,922	2,084,725
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. ("Hür Servis")	319,408	680,714
Bir Yay	268,632	5,348,151
Mesiar	264,296	-
Radio Kulübü Uluslararası Programları A.Ş. ("Radio Kulübü")	138,030	3,701
Ortadoğu Otomotiv	56,555	3,315,555
Doku Yapı İnşaat Sanayi ve Ticaret A.Ş. ("Doku Yapı")	23,600	893,197
Family members	-	10,295,553
Other	740,212	2,907,810
	17,810,025	39,097,667

Major materials, property, plant and equipment and service purchases from related parties for the years ended 31 December were as follows:

Service purchases:

	2001	2000
DTV Haber	12,418,485	3,000,530
Eko Televizyon	10,144,188	1,519,054
Hürbim Bilgisayar ve Teknik Hizmetler A.Ş. ("Hürbim")	3,342,515	3,896,328
Hürriyet İnternet Hizmetleri Ticaret A.Ş. ("Hürriyet İnternet")	718,614	-
Hür Servis	453,915	6,388,913
Radyo Klubü	241,278	911
Doğan Dış Ticaret	-	9,147,711
Hür Medya İlanlık ve Reklamcılık Ticaret A.Ş. ("Hür Medya")	-	5,991,231
Other	945,362	204,626
	28,264,357	30,149,304

Product purchases:

	2001	2000
Doğan Dış Ticaret	164,753,134	172,373,753
Eko Televizyon	5,243,089	6,415,401
Hür Medya	4,251,610	307,215
Marmara İdari ve Genel Hizmetler A.Ş.	1,744,238	271,668
Bir Yay	-	53,914,128
DTV Haber	-	8,714,015
Other	970,091	2,528,859
	176,962,162	244,525,039

Property, plant and equipment purchases:

	2001	2000
Doku Yapı	287,359	-
Other	32,325	74,200
	319,684	74,200

Major sales to related companies, net of sales discounts and returns, for the years ended 31 December were as follows:

Service sales:

	2001	2000
Eko Televizyon	23,866,209	5,890,053
DTV Haber	14,405,472	18,167,431
Hür Servis	4,632,023	866,466
Hürriyet İnternet	2,892,709	-
Ortadoğu Otomotiv	962,606	5,197,837
Anadolu Otomotiv	712,435	8,985
Radyo Foreks	178,841	65,635
Doğan Dış Ticaret	-	3,095,750
Other	172,233	416,708
	47,822,528	33,708,865

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Product sales:

	2001	2000
Doğan Dış Ticaret	4,321,283	1,435,233
Marmara İdari ve Genel Hizmetler	1,131,905	395,536
Hür Bim	379,165	63,476
Bir Yay	-	1,642,991
Hür Servis	-	839,396
Eko Televizyon	-	647,372
Other	182,372	2,919,868
	6,014,725	7,943,872

Property, plant and equipment sales:

	2001	2000
Hürriyet İnternet	16,706	-
Doku Yapı	2,250	-
Doğan Dış Ticaret	154	2,893,569
Doğan Müşteri	-	269,849
DTV Haber	-	63,573
	19,110	3,226,991

NOTE 14 - INVENTORIES

	2001	2000
Finished goods and merchandise	64,775,036	80,065,829
Promotion stocks	12,888,080	30,418,949
Raw materials and supplies	12,360,865	17,052,135
Semi-finished goods	4,520,520	4,602,811
Spares, supplies and advances	1,916,670	3,578,846
Other inventories	5,830,862	18,068,536
	102,292,033	153,787,106
Provision for obsolete stocks	(728,034)	(2,814,485)
	101,563,999	150,972,621

NOTE 15 - OTHER CURRENT ASSETS

	2001	2000
Minimum lease payments receivable-net of allowance	33,454,482	52,311,160
Prepaid taxes and funds	14,577,696	52,173,860
Deferred acquisition costs	11,215,545	9,986,118
Value Added Tax (VAT) receivable	9,601,854	10,979,327
Prepaid expenses	9,089,932	9,204,880
Advances given	5,217,296	8,220,205
Other	14,116,568	33,387,747
	97,273,373	176,263,297

Lease payments receivable consist of rentals over the terms of leases. The rentals according to maturity are as follows:

	2001	2000
2001	-	33,212,729
2002	23,887,815	13,622,147
2003	6,868,015	3,587,260
2004	2,127,415	1,422,848
2005	259,257	176,125
2006	203,067	188,559
2007	108,913	101,492
	33,454,482	52,311,160

Under the lease agreements made with lessees, there is no residual value guaranteed to the lessor and the ownership of the items leased will be transferred to the lessees at the end of the lease terms.

NOTE 16 - AVAILABLE-FOR-SALE INVESTMENTS

	2001		2000	
	TL millions	%	TL millions	%
Sınai Yatırım Bankası A.Ş.	1,659,200	8	10,822,762	8
İMKB Takas Bank A.Ş.	1,424,205	2	1,011,780	2
Cam Elyaf Sanayi A.Ş.	1,213,219	1	1,213,219	1
Anadolu Hayat Sigorta A.Ş.	1,147,563	1	287,329	1
Bankalararası Kredi Kartları Merkezi	408,656	2	367,983	2
Hürriyet Zweigniederlassung *	-	-	3,045,571	100
Digital Hizmetler *	-	-	2,866,759	50
Kıbrıs Türk Petrolleri Limited Şirketi *	-	-	753,105	91
Milliyet Verlags *	-	-	872,531	99
Doğan Daily News *	-	-	602,953	51
Entralle Handels GmbH *	-	-	236,754	96
Zigana Elektrik *	-	-	190,263	65
Doğan Bilgi *	-	-	179,721	95
Doğan Müzik Yapım *	-	-	176,685	79
Kelkit *	-	-	154,875	65
Other	685,013	-	4,022,267	-
	6,537,856		26,804,557	
Less: Diminution in value of investments	-		(7,105,480)	
Total	6,537,856		19,699,077	

* The investments in which the Group together with Doğan family members, which are either immaterial, or where a significant influence is not exercised by Doğan Holding, are carried at cost and restated to equivalent purchasing power at 31 December 2001. These subsidiaries have been included in the scope of consolidation at 31 December 2001.

Effective from 1 January 2001, due to the adoption of IAS 39, all equity securities classified as available-for-sale are carried at fair values except enlisted equity securities, which are measured at cost after deduction of any impairment.

For Sınai Yatırım Bankası A.Ş. and Anadolu Hayat Sigorta A.Ş., which are traded in an active market, fair value is determined by reference to Istanbul Stock Exchange quoted bid price at 31 December 2001.

Available-for-sale investments, that do not have a quoted market value and whose fair values cannot be reliably measured are stated at their restated costs less any impairment.

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NOTE 17 - PROPERTY, PLANT AND EQUIPMENT

At 31 December 2001, property, plant and equipment and related depreciation were as follows:

	1 January 2001	Acquisitions*	Additions	Disposals	31 December 2001
Cost:					
Land and land improvements	178,043,122	6,075,976	5,624,281	(5,640,040)	184,103,339
Buildings	278,725,212	1,572,835	27,045,729	(32,189,587)	275,154,189
Machinery and equipment	1,005,163,914	139,711,015	72,455,128	(17,195,777)	1,200,134,280
Motor vehicles	26,746,909	504,207	2,632,544	(4,455,144)	25,428,516
Furniture and fixtures	220,676,095	549,292	28,504,731	(2,596,624)	247,133,494
Leasehold improvement	67,964,996	70,438	7,244,473	(3,803,289)	71,476,618
Construction-in-progress	22,816,295	11,155	45,517,764	(677,691)	67,667,523
Other fixed assets	77,460,108	3,717,593	18,461,181	(2,391,499)	97,247,383
	1,877,596,651	152,212,511	207,485,831	(68,949,651)	2,168,345,342
Accumulated depreciation:					
Land and land improvements	21,545,690	962,477	174,074	-	22,682,241
Buildings	54,078,981	734,063	6,487,445	(16,898,043)	44,402,446
Machinery and equipment	822,494,108	139,226,819	37,395,241	(10,131,172)	988,984,996
Motor vehicles	15,430,905	360,607	3,439,698	(3,680,272)	15,550,938
Furniture and fixtures	165,605,753	508,013	24,291,393	(1,322,175)	189,082,984
Leasehold improvement	28,425,665	32,922	9,457,232	(1,366,263)	36,549,556
Other fixed assets	73,154,462	3,510,949	1,497,140	(2,339,551)	75,823,000
	1,180,735,564	145,335,850	82,742,223	(35,737,476)	1,373,076,161
Net book value	696,861,087				795,269,181

(*) The opening balances for property, plant and equipment of Subsidiaries and Joint Ventures acquired and consolidated during the year were treated as acquisitions for the year.

Machinery and equipment, furniture and fixture and motor vehicles include finance leased assets amounting to TL 14,803,949 million, TL 28,841,457 million and TL 4,290,977 million, respectively (2000: total of TL 39,923,485 million). The accumulated depreciation related to finance leased assets amounts to TL 30,223,472 million at 31 December 2001 (2000: TL 23,418,443 million).

At 31 December 2001, mortgages amount to TL 74,956,500 million (2000: TL 50,190,086 million) on property, plant and equipment. The additions to and disposals from the restated cost of property, plant and equipment also include transfers from construction-in-progress amounting to TL 51,515,999 million (2000: TL 22,459,870 million).

Since 1984, using an option granted under the Turkish tax legislation, the Group have revalued in their statutory books of account, their property, plant and equipment in use for more than one year (excluding land, which is not revaluable), and the related accumulated depreciation at each year-end, by using the rates and procedures prescribed by the legislation.

The resulting increases in the net book values of the assets are included under shareholders' equity as revaluation surplus in the statutory records. The Group may use the revaluation surplus for issuance of free capital shares to existing shareholders.

All entries related to such revaluation which were recorded in the statutory books of account of the Group have been eliminated in the accompanying consolidated financial statements as part of the restatement process referred to in Note 2.

NOTE 18 - INTANGIBLE ASSETS

Movement for intangible assets during the year is as follows:

	1 January 2001	Acquisition*	Additions	Disposals	31 December 2001
Restated cost	61,422,138	-	19,395,223	(5,202,289)	75,615,072
Accumulated amortisation	(13,702,089)	-	(3,650,443)	37,929	(17,314,603)
Net book value	47,720,049	-	15,744,780	(5,164,360)	58,300,469
Goodwill (Note 34)	820,595,304	33,982,403	-	-	854,577,707
Accumulated amortisation	(122,390,026)	(707,958)	(41,595,963)	-	(164,693,947)
Net book value	698,205,278	33,274,445	(41,595,963)	-	689,883,760
Negative goodwill (Note 34)	-	-	(5,017,837)	-	(5,017,837)
Accumulated amortisation	-	-	83,631	-	83,631
Net book value	-	-	(4,934,206)	-	(4,934,206)
Total net book value	745,925,327	33,274,445	(30,785,389)	(5,164,360)	743,250,023

(*) The opening balances for intangible assets of Subsidiaries and Joint Ventures acquired and consolidated during the year were treated as acquisitions for the year.

NOTE 19 - BANK BORROWINGS

Bank borrowings of the finance segment at 31 December were as follows:

	2001		2000	
	Effective interest rate per annum %	TL millions	Effective interest rate per annum %	TL millions
Short-term bank borrowings - finance:				
TL loans	59%-63%	51,348,818	25%-50%	246,008,043
Foreign currency bank borrowings	5.59%-12%	302,049,630	7.29%-13.75%	533,640,876
Short-term portion of long-term TL bank borrowings		-	25%	5,066,303
Short-term portion of long-term foreign currency bank borrowings	6%-6.75%	23,809,251	4%-Libor+12%	2,662,287
Total short-term bank borrowings - finance		377,207,699		787,377,509
Add: Accrued interest payable		-		36,743,513
Total short-term bank borrowings - finance		377,207,699		824,121,022
Long-term bank borrowings - finance:				
TL loans		-	25%	25,331,515
Foreign currency bank borrowings	5.59%-%12	65,245,823	4%-Libor+12%	9,420,811
Total long-term bank borrowings - finance		65,245,823		34,752,326

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The redemption schedule of long-term borrowings of finance segment at 31 December is summarised below:

Year	2001	2000
2002	-	9,301,264
2003	29,385,546	7,224,075
2004 and after	35,860,277	18,226,987
	65,245,823	34,752,326

Bank borrowings for the non-finance segments at 31 December were as follows:

	2001		2000	
	Effective interest rate per annum %	TL millions	Effective interest rate per annum %	TL millions
Short-term bank borrowings - non-finance:				
TL loans	55%-75%	52,335,337	18%-170%	8,008,159
Foreign currency bank borrowings	5%-18.5%	220,579,321	6%-27%	314,843,056
Short-term portion of long-term TL bank borrowings		-	25%	19,051
Short-term portion of long-term foreign currency bank borrowings	3.5%-17.65%	226,922,379	4%-Libor+12%	46,888,177
Total short-term bank borrowings - non-finance		499,837,037		369,758,443
Add: Accrued interest payable		-		48,805,239
Total short-term bank borrowings - non-finance		499,837,037		418,563,682
Long-term bank borrowings - non-finance:				
TL loans		-	25%	72,678
Foreign currency bank borrowings	3.5%-20%	918,109,838	4%-Libor+12%	786,250,484
Total long-term bank borrowings - non-finance		918,109,838		786,323,162

The redemption schedule of long-term borrowings of non-finance segments at 31 December is summarised below:

Year	2001	2000
2002	-	748,493,449
2003	602,834,753	9,891,918
2004 and after	315,275,085	27,937,795
	918,109,838	786,323,162

NOTE 20 - BANKING AND CUSTOMER DEPOSITS

The breakdown of banking deposits according to type and maturity at 31 December is as follows:

	2001			2000		
	Current/ Demand	Term	Total	Current/ Demand	Term	Total
Foreign currency:						
Domestic banks	2	5,588,223	5,588,225	1,545,715	81,837,155	83,382,870
Foreign banks	3,552,421	35,626,049	39,178,470	26,028,326	14,900,587	40,928,913
Securities sold under repurchase agreements	-	-	-	-	56,621,558	56,621,558
	3,552,423	41,214,272	44,766,695	27,574,041	153,359,300	180,933,341
Turkish lira:						
Domestic banks	31,177	19,532,229	19,563,406	6,651	256,480,146	256,486,797
Foreign banks	30,852	2,766,053	2,796,905	-	-	-
	62,029	22,298,282	22,360,311	6,651	256,480,146	256,486,797
Total banking deposits	3,614,452	63,512,554	67,127,006	27,580,692	409,839,446	437,420,138
Add: Accrued interest payable			-			17,144,091
Total banking deposits			67,127,006			454,564,229

Interest rates on foreign currency deposits from other banks were between 4.75% and 20% for 2001 (2000: 6.75-45%). Interest rates on Turkish lira bank deposits ranged between 33% and 71% in 2001 (2000: 27-125%).

The breakdown of customer deposits according to type at 31 December is as follows:

	2001			2000		
	Current/ Demand	Term	Total	Current/ Demand	Term	Total
Foreign currency deposits:						
Savings deposits	99,195,203	622,172,419	721,367,622	66,919,769	517,167,682	584,087,451
Commercial deposits	150,392,943	375,695,268	526,088,211	7,569,170	196,899,338	204,468,508
Total foreign currency deposits	249,588,146	997,867,687	1,247,455,833	74,488,939	714,067,020	788,555,959
Turkish lira deposits:						
Savings deposits	19,342,844	121,869,997	141,212,841	13,260,666	7,027,565	20,288,231
Commercial deposits	49,653,343	81,145,946	130,799,289	24,811,964	25,170,444	49,982,408
Securities sold under repurchase agreements	-	149,319,003	149,319,003	-	312,398,351	312,398,351
Total Turkish lira deposits	68,996,187	352,334,946	421,331,133	38,072,630	344,596,360	382,668,990
Total customer deposits	318,584,333	1,350,202,633	1,668,786,966	112,561,569	1,058,663,380	1,171,224,949
Add: Accrued interest payable			-			6,691,890
Total customer deposits			1,668,786,966			1,177,916,839

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Interest rates for US\$ deposits vary between 4-17% (2000: 6.5-16%) and interest rates for EUR deposits vary between 3.50-15% (2000: 4.5-14%). Interest rates for Turkish lira deposits vary between 25-60% (2000: 25-130%).

For 2001, the total interest expense on repurchase agreements amounted to TL 33,285,791 million and included accrued interest expense of TL 260,121 million (2000: total interest expense of TL 96,473,816 million and accrued interest expense of TL 5,510,580 million).

NOTE 21 - TRADE PAYABLES

	2001	2000
Trade accounts payable-unincurred credit finance charges	100,661,935	225,122,625
Notes payable-unincurred credit finance charges	4,933,634	8,514,950
Other	680,975	8,034,659
	106,276,544	241,672,234

NOTE 22 - INSURANCE TECHNICAL RESERVES

	2001	2000
Unearned premiums reserve - net of reinsurance	24,530,109	23,292,163
Claim provisions - net of reinsurance	5,699,960	6,033,824
Deferred commission income	6,541,273	5,468,346
Insurance technical reserves - current	36,771,342	34,794,333
Life assurance provision	7,582,458	5,011,328
Insurance technical reserves - non-current	7,582,458	5,011,328

NOTE 23 - OTHER CURRENT LIABILITIES

	2001	2000
Taxes and withholding payables	35,961,310	35,454,540
Import transfers and payment orders	15,251,803	21,062,784
Payables on cheques in clearance	17,201,964	-
Blocked merchant accounts	12,845,466	-
Blocked cheques and deposits	7,237,196	7,650,554
Finance lease obligations	6,681,696	2,669,334
Provision for law suits	5,163,084	1,631,217
Advances received	5,032,935	20,580,955
Payable for the purchase of Dışbank shares	-	5,167,003
Other	45,525,989	35,403,487
	150,901,443	129,619,874

NOTE 24 - DEBT SECURITIES IN ISSUE

	Original Currency	2001	2000
Series 2000 - A Floating Rate Notes	Euro 69,000,000	-	80,608,022
Series 2000 - B 9% Notes	Euro 31,000,000	-	36,217,896
	100,000,000	-	116,825,918

These notes were issued in connection with the securitisation of export and other similar payments ("TFT Payment Rights") of Dışbank, Subsidiary of the Holding operation in banking sector, and were listed on the Luxemburg Stock Exchange. During February 2001, due to the turmoil in the Turkish financial sector as discussed in Note 1, the local currency rating of Turkey was downgraded by rating companies. Upon this event (which was one of the events subject to the "Early Amortisation Event" clause under the TFT Payment Rights Trust Agreement), Dışbank repaid all principal and interest on the Notes between February and May 2001.

NOTE 25 - OTHER NON-CURRENT LIABILITIES

	2001	2000
Long-term payables to suppliers	45,015,993	30,895,366
Deposits and guarantees given	5,078,077	-
Long-term lease obligations	1,963,083	3,781,817
Accrued expenses	-	641,215
Other	1,324,388	494,392
	53,381,541	35,812,790

Long-term payables to suppliers relate to the purchase of machinery and equipment.

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

Year	2001	2000
2002	-	7,539,243
2003	8,251,519	5,291,033
2004	8,908,848	4,811,836
2005	8,830,118	4,739,073
2006	8,058,498	4,520,097
2007 and after	10,967,010	3,994,084
	45,015,993	30,895,366

NOTE 26 - TAXATION ON INCOME

	2001	2000
Corporation and income taxes	25,070,916	68,194,771
Deferred tax (assets)/liability - net	(145,943,310)	22,986,896
Total taxes payable	(120,872,394)	91,181,667

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

Corporation tax is payable at a rate of 33% on the total income of the Doğan Holding A.Ş. and its Subsidiaries after adjusting for certain disallowable expenses, exempt income and investment and other allowances. No further tax is payable unless the profit is distributed.

Income exempt from corporation tax (except dividend income received from Turkish companies) is subject to withholding tax at the rate of 16.5% regardless of whether the profits are distributed.

Dividends paid by the Holding and its Subsidiaries are subject to a withholding tax calculated on the gross dividend to be paid at the rate of 16.5% for private companies and 5.5% for public (listed) companies, including fund. An increase in capital using distributable profit or by issuing bonus shares is not considered as a profit distribution and thus there is no withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 25% on their corporate income. Advance tax is payable by the 15th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against

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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.

Interest income on Turkish government bonds and treasury bills is subject to corporation tax.

Capital gains derived from the sale of equity investments and immovable assets held for not less than two years are tax exempt if such gains are added to paid in capital in the year in which they are sold.

Capital expenditures and projected capital expenditures for the following year are eligible for investment allowance incentives. Such allowance is available to companies for specific capital investments and is deductible from taxable income prior to the calculation of the corporate income tax. Investment allowance incentives utilised are subject to a withholding tax at the rate of 19.8% (2000: 19.8%).

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for 5 years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to examine tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

The taxation on income for the years ended 31 December is summarised as follows:

	2001	2000
Provision for taxes per these accompanying consolidated statement of income		
- Current	(66,741,945)	(100,843,033)
- Deferred	161,580,156	106,744,705
Taxation on income	94,838,211	5,901,672

The total provision for taxes reflected in the accompanying consolidated financial statements is different from the amounts computed by applying the above mentioned effective/combined tax rates. The principal reasons for such differences are:

- i) Permanent differences arising from:
 - a) Dividends from equity participations that are either exempt from tax or taxable at reduced rates, and
 - b) non-tax deductible expenses
- ii) The deferred tax effects of the restatement made pursuant to IAS 29 and the investment allowance tax credits carried forward
- iii) The separate-entity tax basis for Doğan Holding, the Subsidiaries and Joint Ventures.

Deferred taxes

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported for IAS purposes and their statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IAS and tax purposes.

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

	Cumulative temporary differences		Deferred tax liabilities	
	2001	2000	2001	2000
Deferred tax liabilities:				
Net difference between the tax base and the carrying value of property, plant and equipment, intangible assets and inventories	305,411,305	227,987,684	95,895,772	74,326,788
Accrued income on forward foreign exchange contracts	408,341	10,365,437	134,752	3,407,776
Accrued income on trading investments	-	13,741,834	-	4,330,281
Deferred acquisition cost	11,215,545	9,986,118	3,701,129	3,295,419
Timing difference due to revenue recognition	2,442,442	6,956,987	806,006	2,295,807
Other temporary differences	15,324,954	9,256,627	4,918,623	2,908,621
Total deferred tax liabilities	334,802,587	278,294,687	105,456,282	90,564,692
Deferred tax assets:				
Tax losses carried forward	640,344,754	103,082,660	212,281,820	34,017,278
Reserve for employment termination benefits	11,133,019	37,385,201	3,537,087	12,297,637
Provision for loan losses and factoring receivables	51,502,668	19,987,799	16,363,661	6,311,877
Insurance technical reserves	19,504,203	16,741,255	6,436,387	5,524,615
Interest expense accrual on borrowings	4,655,708	9,335,742	1,536,384	3,080,795
Net of expenses and depreciation expenses on leased assets	4,724,254	5,204,160	1,559,004	1,128,279
Amortised cost valuation difference	3,619,777	-	1,168,745	-
Other temporary differences	37,253,513	28,260,425	8,516,504	5,217,315
Total deferred tax assets	772,737,896	219,997,242	251,399,592	67,577,796
Deferred tax liabilities/(assets) - net			(145,943,310)	22,986,896

Movements in deferred taxes can be analysed as follows:

	2001	2000
1 January	(22,986,896)	(131,281,675)
Effect of additional subsidiaries consolidated during the year	2,015,272	(2,873,611)
Charge for the year	161,580,156	106,744,705
Effect of adopting IAS 39 (Note 4)	3,805,518	-
Effect of acquisitions of new subsidiaries	1,529,260	4,423,685
31 December	145,943,310	(22,986,896)

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NOTE 27 - RESERVE FOR EMPLOYMENT TERMINATION BENEFITS

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

Under the Turkish Labour Law, the Holding, its Turkish Subsidiaries, its Joint Ventures and Associates are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation has changed on 8 September 1999, there are certain transitional provisions relating to length of service prior to retirement.

The amount payable consists of one month's salary limited to a maximum of TL 978,020,000 (2000: TL587,720,000 - historic amount) for each year of service at 31 December 2001.

In addition, according to the Press sector regulations, companies should make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due cause. The maximum payable amount is 30 days' salary for each year. Additionally, the Group should pay 40 days' salary if the employee resigns after 1 year's work and 50 days if the Group terminates the employment. The monthly salary figure is calculated by adding all cash and non-cash payments received during the year and dividing by twelve.

The liability 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 Group arising from the retirement of the employees.

International Accounting Standards require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	2001	2000
Discount rate	7%	7%
Turnover rate to estimate the probability of retirement	93%	91%

The principal assumption is that the maximum liability of TL 978,020,000 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 1,076,400,000 (2000: TL 646,560,000 - historic amount) has been taken into consideration in calculating the reserve for employment termination benefit of the Holding, its Turkish Subsidiaries, its Joint Ventures and Associates.

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

	2001	2000
1 January	34,666,226	8,035,136
Acquisitions	2,964,514	37,487,373
Charge/(benefit) for the year	(12,385,876)	2,203,782
Disposals	(14,626,438)	(13,060,065)
31 December	10,618,426	34,666,226

NOTE 28 - SHARE CAPITAL

Doğan Holding adopted the registered share capital system available to companies registered with the Capital Markets Board ("CMB") and set a limit on its registered share capital representing registered type shares with a nominal value of TL 10,000. Doğan Holding's historical authorised and paid-in share capital at 31 December were as follows:

	2001 TL millions	2000 TL millions
Limit on registered share capital (historical)	600,000,000	100,000,000
Historical authorised and paid-in share capital	251,380,584	93,103,920

The shareholder structure is summarised as follows:

	Share %	2001 TL millions	Share %	2000 TL millions
Adil Bey Holding A.Ş.	49.01	123,192,044	40.00	37,241,568
Aydın Doğan	14.70	36,963,925	23.71	22,075,457
Işıl Doğan	1.64	4,134,111	1.64	1,531,154
Arzuhan Yalçındağ	0.04	102,876	0.04	38,102
Vuslat Doğan Sabancı	0.04	102,876	0.04	38,102
Hanzade V. Doğan	0.04	102,876	0.04	38,102
Y. Begümhan Doğan	0.04	102,876	0.04	38,102
Total Doğan family and companies owned by Doğan family	65.51	164,701,584	65.51	61,000,587
Istanbul Stock Exchange	34.30	86,198,908	34.30	31,925,522
Aydın Doğan Vakfı	0.19	480,092	0.19	177,811
	100.00	251,380,584	100.00	93,103,920

The analysis of shares in accordance with nature is as follows:

Shareholders	Unit of shares	TL millions	Nature of shares
Doğan family and companies owned by Doğan family members	36,342,000	363,420	Registered
Doğan family and companies owned by Doğan family members	16,481,825,568	164,818,255	Bearer
Other shareholders	33,858,000	338,580	Registered
Other shareholders	8,586,032,832	85,860,329	Bearer
	25,138,058,400	251,380,584	

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NOTE 29 - RETAINED EARNINGS AND LEGAL RESERVES

Retained earnings as per the statutory financial statements, other than legal reserves, are available for distribution subject to the legal reserve requirement referred to below.

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

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

According to CMB regulations quoted companies have the following two options; they may either distribute dividends in cash or as bonus shares or they may elect not to distribute any dividends at all. However, the CMB may require the company to distribute dividends in cash. If the company makes a decision to distribute any dividends, distribution should be made in the five months following the year-end. The second legal reserve is appropriated by the company at the rate of 10% of distributable profit. Under the TCC, the legal reserves are not available for distribution unless they exceed 50% of the paid-in share capital, but may be used to offset losses in the event that the general reserve is exhausted.

Composition of prior periods' earnings (per Statutory Financial Statements of Doğan Holding, its Subsidiaries and Joint Ventures) at 31 December 2001 and 2000 (not adjusted for inflation):

	2001	2000
- Legal reserves	36,430,350	27,442,229
- Undistributed general reserve	(52,839,885)	93,123,501
	(16,409,535)	120,565,730
Historical amounts of dividends distributed during year from previous periods' net income per Statutory Financial Statements of parent company only	30,258,775	13,300,560

NOTE 30 - CASH GENERATED FROM/(USED IN) OPERATIONS

	2001	2000
Adjustments for:		
Depreciation and amortisation	127,904,998	124,659,417
Reserve for employment termination benefits	(24,239,510)	7,510,428
Net interest income	(257,005,358)	(475,652,893)
Translation reserve	41,819,630	(5,373,945)
Profit/(loss) from property, plant and equipment sales	6,730,485	(5,342,073)
Taxation expense	986,402	(7,347,462)
Remeasurement of derivative financial instruments at fair value	11,436,090	(8,239,099)
Provision for loan losses	15,256,057	3,330,306
Provision for obsolete stocks	(2,086,451)	1,109,639
Inflation effect on non-operating activities and income taxes	(326,498,805)	(33,096,225)
	(405,696,462)	(398,441,907)
Change in finance-segment working capital (excluding the effects of acquisitions and disposals):		
Trading and investment securities	494,588,808	(30,918,977)
Reserve deposit with the Central Bank of Turkey	(56,925,205)	(7,417,154)
Banking loans - current	(172,702,142)	(199,345,148)
Trade receivables	(27,926,066)	(32,092,511)
Due from related parties	(1,184,345)	9,992,591
Banking deposits and customer deposits	114,254,871	327,228,905
Trade payables	(746,387)	781,826
Due to related parties	385,600	12,128,995
Insurance technical reserves - current	1,977,009	2,840,618
Other current assets/liabilities - net	97,452,240	16,758,003
	449,174,383	99,957,148
Change in non-finance-segment working capital (excluding the effects of acquisitions and disposals):		
Trading and investment securities	(735,259)	92,206,115
Trade receivables	164,402,706	(114,526,259)
Due from related parties	48,141,140	(41,098,552)
Inventories	53,767,777	(56,943,277)
Trade payables	(137,849,580)	153,898,444
Due to related parties	(21,699,823)	(35,022,769)
Other current assets/liabilities - net	1,634,943	(6,112,295)
	107,661,904	(7,598,593)
Cash generated from/(used in) operations	151,139,825	(306,083,352)

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NOTE 31 - FINANCIAL EXPENSE - NET

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

	2001	2000
Financial income:		
Foreign exchange gain	233,380,376	50,285,387
Interest income on bank deposits	136,032,794	79,461,271
Interest income on trading and investment securities	31,619,661	15,549,698
Other interest and commission	34,606,218	14,352,725
	435,639,049	159,649,081
Financial expenses:		
Foreign exchange loss	(1,045,760,517)	(134,371,908)
Interest expense on borrowings	(267,985,892)	(134,781,933)
Other	(22,711,355)	(16,808,613)
	(1,336,457,764)	(285,962,454)
Financial expense - net	(900,818,715)	(126,313,373)

NOTE 32 - FOREIGN CURRENCY POSITION

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

	US\$	EURO	2001 OTHER	TL	TOTAL
Assets:					
Current assets:					
Cash and amounts due from banks and reserve deposits with the Central Bank of Turkey	664,734,319	80,046,567	46,557,672	480,281,490	1,271,620,048
Trading investments	112,855,274	55,688,544	-	148,578,278	317,122,096
Banking loans	463,381,209	93,293,139	2,360,542	353,236,842	912,271,732
Derivative financial instruments	-	-	-	712,761	712,761
Investment securities	154,950,644	18,530,050	-	104,190,289	277,670,983
Trade receivables	77,587,651	12,532,347	5,493,227	236,856,322	332,469,547
Due from related parties	-	-	-	27,048,458	27,048,458
Inventories	-	19,792	-	101,544,207	101,563,999
Other current assets	4,208,680	613,425	288,614	92,162,654	97,273,373
Total current assets	1,477,717,777	260,723,864	54,700,055	1,544,611,301	3,337,752,997
Available-for-sale investments	-	-	-	6,537,856	6,537,856
Property, plant and equipment - net	148,308	550,017	162,848	794,408,008	795,269,181
Intangible assets - net	-	-	-	743,250,023	743,250,023
Other non-current assets	67,634	-	-	16,991,198	17,058,832
Deferred tax assets - net	-	-	(29,080)	145,972,390	145,943,310
Total non-current assets	215,942	550,017	133,768	1,707,159,475	1,708,059,202
Total assets	1,477,933,719	261,273,881	54,833,823	3,251,770,776	5,045,812,199

	2001				
	US\$	EURO	OTHER	TL	TOTAL
Liabilities:					
Current liabilities:					
Bank borrowings - finance	294,175,114	35,086,048	4,081,197	43,865,340	377,207,699
Bank borrowings - non-finance	290,399,313	142,258,723	18,980,069	48,198,932	499,837,037
Banking deposits	42,300,256	2,112,740	353,701	22,360,309	67,127,006
Customer deposits	971,508,183	282,037,440	17,090,174	398,151,169	1,668,786,966
Derivative financial instruments	-	-	-	509,056	509,056
Trade payables	39,538,665	40,668,000	17,395,554	8,674,325	106,276,544
Due to related parties	-	-	-	17,810,025	17,810,025
Insurance technical reserves	-	-	-	36,771,342	36,771,342
Other current liabilities	20,788,084	12,331,980	1,730,536	116,050,843	150,901,443
Taxes on income	-	246,243	3,191,530	21,633,143	25,070,916
Total current liabilities	1,658,709,615	514,741,174	62,822,761	714,024,484	2,950,298,034
Non-current liabilities:					
Bank borrowings - finance	53,558,307	4,208,656	-	7,478,860	65,245,823
Bank borrowings - non-finance	867,483,861	44,155,583	6,470,394	-	918,109,838
Reserve for employment termination benefits	-	-	-	10,618,426	10,618,426
Insurance technical reserves	-	-	-	7,582,458	7,582,458
Other non-current liabilities	541,977	8,365,548	35,441,763	9,032,253	53,381,541
Total non-current liabilities	921,584,145	56,729,787	41,912,157	34,711,997	1,054,938,086
Total liabilities	2,580,293,760	571,470,961	104,734,918	748,736,481	4,005,236,120
Net foreign currency position	(1,102,360,041)	(310,197,080)	(49,901,095)	2,503,034,295	1,040,576,079
Off balance-sheet derivative instruments					
net position	29,296,059	(28,062,844)	(558,883)	(492,000)	182,332
Assets:					
Current assets:					
Cash and amounts due from banks and reserve deposits with the Central Bank of Turkey	581,097,088	170,885,083	8,950,903	877,931,791	1,638,864,865
Trading investments	21,845,000	-	-	122,635,073	144,480,073
Banking loans	277,761,706	74,108,751	34,504,420	379,759,152	766,134,029
Derivative financial instruments	-	-	-	27,668,792	27,668,792
Investment securities	259,792,254	93,234,036	-	328,130,884	681,157,174
Trade receivables	46,842,718	6,201,112	5,972,186	414,814,898	473,830,914
Due from related parties	-	-	-	74,005,253	74,005,253
Inventories	-	-	323,284	150,649,337	150,972,621
Other current assets	33,195,929	11,668,336	3,151,602	128,247,430	176,263,297
Total current assets	1,220,534,695	356,097,318	52,902,395	2,503,842,610	4,133,377,018
Non-current assets:					
Available-for-sale investments	-	-	-	19,699,077	19,699,077
Property, plant and equipment - net	593,193	716,675	86,662	695,464,557	696,861,087
Intangible assets - net	-	-	-	745,925,327	745,925,327
Other non-current assets	32,935	-	-	21,120,974	21,153,909
Total non-current assets	626,128	716,675	86,662	1,482,209,935	1,483,639,400
Total assets	1,221,160,823	356,813,993	52,989,057	3,986,052,545	5,617,016,418

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	US\$	EURO	2000 OTHER	TL	TOTAL
Liabilities:					
Current liabilities:					
Bank borrowings - finance	363,988,000	181,712,000	17,428,000	260,993,022	824,121,022
Bank borrowings - non-finance	225,651,724	83,393,154	20,463,396	89,055,408	418,563,682
Banking deposits	157,911,000	26,912,000	4,229,000	265,512,229	454,564,229
Customer deposits	640,237,423	53,214,350	90,737,354	393,727,712	1,177,916,839
Derivative financial instruments	-	-	-	16,028,997	16,028,997
Trade payables	21,755,198	3,746,713	37,395,335	178,774,988	241,672,234
Due to related parties	-	-	-	39,097,667	39,097,667
Insurance technical reserves	269,270	-	-	34,525,063	34,794,333
Other current liabilities	50,183,170	7,602,988	4,725,457	67,108,259	129,619,874
Taxes on income	4,488,461	1,345,037	-	62,361,273	68,194,771
Total current liabilities	1,464,484,246	357,926,242	174,978,542	1,407,184,618	3,404,573,648
Bank borrowings - finance	5,662,825	3,757,986	-	25,331,515	34,752,326
Bank borrowings - non-finance	630,471,079	146,310,574	9,468,831	72,678	786,323,162
Debt securities in issue	-	116,825,918	-	-	116,825,918
Reserve for employment termination benefits	-	-	-	34,666,226	34,666,226
Insurance technical reserves	-	-	-	5,011,328	5,011,328
Other non-current liabilities	20,267	-	-	35,792,523	35,812,790
Deferred tax liabilities - net	1,955	-	-	22,984,941	22,986,896
Total non-current liabilities	636,156,126	266,894,478	9,468,831	123,859,211	1,036,378,646
Total liabilities	2,100,640,372	624,820,720	184,447,373	1,531,043,829	4,440,952,294
Net foreign currency position	(879,479,549)	(268,006,727)	(131,458,316)	2,455,008,716	1,176,064,124
Off balance-sheet derivative instruments net position	198,489,206	(131,957,476)	20,673,453	(139,548,402)	(52,343,219)

At 31 December 2001, assets and liabilities denominated in foreign currency were translated into Turkish lira using a foreign exchange rate of TL 1,439,567 = US\$ 1 and TL 1,268,115 = EURO 1 (2000: TL 671,765 US\$ 1 and TL 618,561 = EURO 1).

NOTE 33 - GOVERNMENT GRANTS

Certain Subsidiaries have obtained investment incentive certificates from the Turkish government authorities in connection with certain major capital expenditures which entitle the companies, among other things, to:

- A 100% exemption from customs duty on machinery and equipment to be imported,
- Investment allowance of 100% on approved capital expenditures,
- Incentive premiums varying between 12% and 25% on the cost of the local content of the facilities,

The investment allowance indicated in (ii) above is deductible from current or future taxable profit for the purposes of corporation tax and exempt from corporation tax, but subject to income tax. At 31 December 2001, investment allowances to be utilized in future periods amounted to TL 30,881,008 million (2000: TL 14,516,915 million).

NOTE 34 - ACQUISITIONS AND GOODWILL

Acquisitions made by Doğan Holding and its subsidiaries from outside the group during 2001 and 2000 were as follows:

2001

1.90% of the issued share capital of İş Doğan Petrol Yatırımları A.Ş. was acquired with effect from 24 August 2001, at a fair value of TL 12,318,226 million for a cash consideration of TL 7,300,389 million.

2000

24.28% the issued share capital of Petrol Ofisi A.Ş. ("POAŞ") was acquired at the tender held on 30 March 2000, with effect from 21 July 2000, at a fair value of TL 114,087,255 million for a cash consideration of TL 792,594,462 million.

16.67% of the issued share capital of Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. was acquired with effect from 30 June 2000, at a fair value of TL 4,279,638 million for a cash consideration of TL 6,026,930 million.

11.64% of the issued share capital of Doğan Burda Rizzoli was sold with effect from 31 January 2000 and 22 March 2000, for TL 17,453,292 million. The related goodwill amounting to TL 8,350,869 million and accumulated amortisation to TL 3,340,346 million has been eliminated, representing a net decrease in goodwill amounting to TL 5,010,523 million.

	2001	2000
Total cash consideration	7,300,389	798,621,392
Less: net assets acquired at fair value	(12,318,226)	(118,366,893)
Goodwill/(Negative goodwill) (Note 18)	(5,017,837)	680,254,499

The fair value of assets and liabilities arising from the acquisition by each category are as follows:

	2001	2000
Cash and cash equivalents	691,220	24,021,907
Current assets	7,391,152	120,798,994
Non-current assets	32,973,545	73,286,833
Current liabilities	(8,428,856)	(49,623,518)
Non-current liabilities	(20,308,835)	(50,117,323)
Fair value of net assets	12,318,226	118,366,893
(Negative goodwill)/goodwill	(5,017,837)	680,254,499
Total purchase consideration	7,300,389	798,621,392
Less: Cash and cash equivalents in subsidiary acquired	(691,220)	(24,021,907)
Cash outflow on acquisition	6,609,169	774,599,485

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NOTE 35 - COMMITMENTS AND CONTINGENT LIABILITIES

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

	2001	2000
Guarantees given:		
Letters of guarantee	741,778,252	736,737,045
Guarantee notes	12,110,644	42,683,888
Guarantees taken:		
Letters of guarantee	8,428,808	517,726
Guarantee notes received	16,946,363	33,687,401
Guarantees taken for factoring	36,076,207	-
Marketable securities given as guarantee	70,290,755	-

Commitments given:

Commitments - Banking

In the banking segment, normal course of banking activities requires to undertake various commitments and incurs certain contingent liabilities that are not presented in the accompanying financial statements, including letters of guarantee, acceptance credits, letters of credit and off-balance sheet derivative instruments. The management does not expect any material losses as a result of these transactions. The following is a summary of significant commitments and contingent liabilities at 31 December 2001 and 2000.

Credit related commitments:

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the companies in the finance segment on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore have significantly less risk. Cash requirements under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Group does not generally expect the third party to draw funds under the agreement.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. According to the Group's credit policy, disbursement of the unused credit lines of more than US\$ 1,000,000 must be approved by the Credit Committee.

The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

The following table shows the outstanding credit related commitments of the companies in finance segment as at 31 December:

	2001			2000		
	Related parties	Other	Total	Related parties	Other	Total
Letters of guarantee						
- TL	10,463,778	183,434,000	193,897,778	15,366,402	197,814,585	213,180,987
- Foreign currency	10,398,718	507,732,000	518,130,718	4,308,775	462,663,900	466,972,675
Letters of credit	-	177,458,115	177,458,115	5,651,806	225,545,628	231,197,434
Acceptance credits	-	85,371,016	85,371,016	-	111,766,489	111,766,489
Other commitments and contingencies	29,282,155	82,262,000	111,544,155	8,394,035	283,949,070	292,343,105
	50,144,651	1,036,257,131	1,086,401,782	33,721,018	1,281,739,672	1,315,460,690

Economic sector risk concentration for outstanding credit related commitments of the Companies in finance segment were as follows:

	2001	%	2000	%
Construction and cement	250,647,932	23	188,242,709	14
Metal processing	167,819,227	15	117,598,138	9
Financial institutions	145,923,125	13	218,404,468	17
Pharmaceuticals, chemicals and dyes	85,964,050	8	102,018,502	8
Textiles	65,573,618	6	78,120,907	6
Food and beverage	34,653,710	3	128,174,634	10
Automotive	23,356,466	2	83,955,834	6
Tourism	22,104,165	2	16,232,635	1
Media and telecommunication	21,503,903	2	11,637,135	1
Durable goods	19,615,184	2	86,950,629	7
Wholesale and retail trade	13,682,192	1	149,744,375	11
Agriculture	9,311,403	1	10,507,745	1
Other	226,246,807	22	123,872,979	9
	1,086,401,782	100	1,315,460,690	100

Commitments under derivative instruments:

The breakdown of forward and spot currency purchase/sale transactions at 31 December are as follows:

		Original Amounts	2001 TL millions	Original Amounts	2000 TL millions
Forward currency purchases	US\$	7,591,000	11,037,790	87,321,045	110,788,024
	EURO	800,000	1,035,830	5,576,359	6,514,636
	OTHER		218,677		16,914
	TL		-		144,862,958
			12,292,297		262,182,532
Forward currency sales	US\$	829,436	1,205,721	118,234,243	150,008,948
	EURO	8,174,000	10,583,220	3,076,674	3,594,355
	TL		492,000		140,632,626
			12,280,941		294,235,929
Currency swap purchases	US\$	58,453,000	84,991,048	131,149,796	166,395,475
	EURO	45,000,000	58,265,415	-	-
	OTHER		6,942,500		20,656,539
			150,198,963		187,052,014

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		Original Amounts	2001 TL millions	Original Amounts	2000 TL millions
Currency swap sales	EURO	59,300,000	76,780,869	161,683,091	188,887,871
	US\$	45,067,000	65,527,058	2,942,100	3,732,771
	OTHER		7,720,060		771,601
			150,027,987		193,392,243
Interest rate swap purchases	US\$		-	402,397,439	510,539,206
	EURO		-	176,693,597	206,424,043
	TL		-		405,193,760
			-		1,122,157,009
Interest rate swap sales	US\$		-	346,799,797	440,000,048
	EURO		-	134,962,348	157,671,100
	TL		-		537,992,697
			-		1,135,663,845
Currency options - call	TL		-		4,504,467
					4,504,467
Currency options - put	TL		-		15,484,264
					15,484,264
Future purchases	US\$		-	59,900,000	75,997,745
	EURO		-	4,500,000	5,257,170
			-		81,254,915
Future purchases	US\$		-	59,900,000	75,997,745
			-		75,997,745

Other commitments:

In accordance with total swap agreements signed with certain counterparties during 2000, the Group as of 31 December 2000 has a commitment to purchase TL 401,041,240 million nominal value of government bonds at their maturity in 2001. The net gain arising from total swap agreements is TL 17,821,826 million and has been accrued in income on a straight-line basis. It represents a difference between the fixed yield-to-maturity of the government bonds and a foreign currency denominated amount to be exchanged between the Group and the counterparties. In connection with these agreements, the counterparties placed non-interest earning margin call deposits with the Group in the amount of US\$ 146,429,362 (or in the equivalent of TL 185,781,328 million) that were recorded under cash and amounts due from banks of 31 December 2000 (Note 6). During 2001, before the maturity of the agreements the Group purchased back and sold, substantially all government bonds subject to these agreements.

Commitments - Other companies

	2001	2000
Pledges given	665,472,147	583,809,209
Acceptance credits	85,372,000	111,766,489
Mortgages given	198,526,298	50,190,086
Letters of credit	182,090,670	17,554,065
Forward commitment-foreign exchange contract	5,038,485	4,508,270
Commitments with respect to investment incentive certificates	8,494,192	-
Other	716,745,131	654,563,081

Commitments taken:

	2001	2000
Pledges taken	1,312,966	-
Mortgages taken	1,940,000	47,141

Foreign currency denominated commitments and contingencies for other companies is as follows:

	2001	2000
Guarantee letter US\$	447,545,077	1,170,212
Guarantee letter EURO	64,072,218	1,658,193
Guarantee letter OTHER	14,861,974	109,620,859
Guarantee notes US\$	2,684,885	2,379,912
Guarantee notes OTHER	2,124,149	-
Letters of credit US\$	134,579,079	-
Letters of credit EURO	38,358,527	-
Letters of credit OTHER	8,613,509	-
Acceptance credits US\$	51,168,354	-
Acceptance credits EURO	4,825,631	-
Acceptance credits OTHER	29,378,000	-
Mortgages US\$	-	14,142,327
Mortgages OTHER	7,126,298	341,725,376
Bails given US\$	21,578,686	-
Bails given EURO	19,382,410	187,466,325
Bails given OTHER	432,710,726	587,244,542
Bails given US\$	14,465,100	-
Other commitments US\$	473,330,801	563,591,678
Other commitments EURO	136,526,135	290,162,832
Other commitments OTHER	51,655,342	195,169,898
Forward foreign exchange contracts US\$	5,038,485	6,711,081
Blocked marketable securities and interest income accrual US\$	-	9,493,606

Maturities of commitments and contingencies are less than one year except for the certain amounts of letters of guarantee which are indefinite.

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER

(Amounts expressed in millions of Turkish lira (TL) in terms of the purchasing power of the TL at 31 December 2001 unless otherwise indicated)

Barter Agreements:

The Group, as a common practice in the media sector, entered into Barter agreements. These agreements involve the exchange of goods or services without cash collections or payments. At 31 December, barter agreements are as follows:

Subsidiaries and Joint Ventures	2001 Invoices Issued	2000 Invoices Issued
Doğan Burda Rizzoli	203,334	209,831
Hürriyet	2,688,364	2,641,157
Milliyet	2,871,733	655,254
ANS	243,144	1,695,282
Simge	2,262,071	1,914,818
	8,268,646	7,116,342

Subsidiaries and Joint Ventures	2001 Invoices Received	2000 Invoices Received
Doğan Burda Rizzoli	199,891	112,102
Hürriyet	2,247,773	3,425,622
Milliyet	3,341,942	528,912
ANS	-	660,013
Simge	2,287,896	809,186
	8,077,502	5,535,835

At 31 December 2001, on-going barter agreements are limited to US\$ 3,884,396 and TL 496,035 million (2000: US\$7,902,730 and TL 1,237,980 million).

NOTE 36 - SUBSEQUENT EVENT

On 27 May 2002, the Board of Directors of Doğan Yayın decided to acquire 1,271,214,395 shares of Simge, representing 57.2% of the share capital of Simge, from Doğan family members for a consideration of US\$ 19,146,653.

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