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Recently, the market value of a company has tended to be highly dependent on how successfully it has adopted and implemented sound corporate governance principles. The internal audit function plays an imperative and indivisible role in the execution of these principles, the core of which emphasizes fairness, transparency and accountability. This function has an important role in the reliability and integrity of financial and operational information.

The internal audit function at Doğan Holding oversees the compliance of all activities to laws and regulations as well as the policies of the corporation. Furthermore, by monitoring the implementation of adopted procedures, internal audit ensures that the internal control mechanism of each company in the Holding is effective.

The Internal Audit Department also conducts operational audits and contributes to process development, thus helping to ensure efficiency, cost savings and effectiveness in all Doğan Holding ventures, leading to increased market value.

Finally, by implementing the contemporary risk-based-audit approach and carrying out risk analysis of companies systematically, the internal audit function contributes to the improvement of risk management by identifying and evaluating risks in Doğan Holding companies.

HOLDING FUNCTIONS

THE STRATEGY GROUP

YAHYA ÜZDİYEN STRATEGY GROUP PRESIDENT

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The work of the Strategy and Business Development Department facilitates the initial assessment of commercial and social projects and formulates strategies during the implementation stage. The Department also incorporates the task of life stage management for Holding businesses. The degree of change taking place in every industry today is dramatic. Whether it is in such areas as improvement orientation, restructuring, re-strategizing, operational quality enhancement or others, each of these involve major changes which, if badly managed, can produce catastrophic results. Although risk is inevitable in the process of change, a significant amount of anxiety and distress can be avoided by having a solid plan beforehand. Therefore, the Holding's efforts serve to assist its subsidiaries in successfully managing major change and diversification processes. Within this framework, the Department's practice supports the analysis of long and medium range projects such as technology investments, strategic partnerships, as well as divestitures, privatization projects, acquisitions and mergers.

The complementary nature of the conglomerate's activities is strengthened through the integration of its Information Technology Department into several inter-organizational operations. The effective usage of IT empowers management in assessing and evaluating business opportunities while positioning the Holding at the cutting edge through significant achievements in operations and application development. The overall process within the Holding is carried out by the implementation of tailored, state-of-the-art application software some of which are generated by the Department's programmers.

With rapidly increasing globalization and competition within all industries becoming fiercer by the minute, the Strategy Group plays an integral role in keeping Doğan Holding ahead of the curve. Without the strong strategic underpinning of its business units, and its well-integrated world class IT infrastructure, Doğan Holding would not be the success it is today. As importantly, the Holding's Strategy Group helps guide the conglomerate to an even more successful tomorrow.



The Finance Group regularly utilizes debt and capital markets instruments to invest surplus cash, to obtain low cost long-term financing to foster the Holding's organic growth and realize its acquisition strategies. Thus, Doğan Holding is able to boost its competitive position both domestically and abroad.

Institutional investors, Doğan Holding's largest source of long-term capital, tend to concentrate their stock holdings in entities with whose financial position they are most familiar and confident. In order to keep these investors current and well-informed, it is essential to provide them with regular and timely financial reports, as well as a convenient forum for their analysts to obtain information and receive answers to all of their questions. In an era of shrinking margins, CEOs have fewer resources, time and staff available to perform the function of investor relations. Hence, Doğan Holding's Investor Relations Department allocates a considerable amount of time and energy to information sharing.

It is the aim of the Investor Relations Department to achieve an appropriate valuation of Holding stocks within the capital market.

The Department has set out to gain lasting stockholder trust and increase transparency while avoiding any informational irregularities and reducing share price volatility.

Doğan Holding works toward these objectives through continuous, open and targeted dialogue with all capital market participants. With regard to capital market professionals, the focus is on fund managers, investment funds, pension funds and insurance analysts, as well as banks and brokerages and their sales and research teams. In accordance with the Holding's objectives, management uses all available communication tools, including financial reports, analyst meetings, road shows and conferences. The Holding's IR website, where the same information is made available to all target groups simultaneously, is particularly important in this respect.

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Efficient financial planning and resource allocation are imperative in a large organization as Doğan Holding. Managing cash flow and determining the appropriate debt structure for the Holding's companies requires free flow of information and deft coordination with the Finance Group. The efficient intra-Holding flow of financial information depends upon a well-developed MIS while a highly trained professional staff analyzes and acts upon the data for the benefit of the Holding.

Constant risk assessment and management across the Holding's companies is another vital function of the Finance Group. Regular enhancement of the intra-Holding MIS data collection and financial reporting works to further improve decision-making and financial controls, both critical to Doğan Holding's risk management success and in turn its market value.

With newly enacted, stricter regulations governing corporations, and themselves under increased scrutiny, regulatory compliance is as important today as it has ever been in corporate history. The Holding's Finance Group works to ensure that all pertinent regulations are followed to the fullest extent in all its financial activities.

Good corporate governance and institutional transparency are vital to forging, and maintaining, strong relationships with all the Holding's constituents and to ultimately maximizing its market value. All important adherence to the Holding's Corporate Governance Principles falls under the domain of the Finance Group. Timely disclosure and presentation of the Holding's financial information to its clients, investors and other stakeholders is yet another of the prime activities of the Group.

Doğan Holding is determined to having a set of sound corporate governance practices not simply to meet regulatory requirements, but to provide for the effective oversight and management of the Company. The Holding firmly believes that accountability and transparency in return enhances value for all of its clients, shareholders and stakeholders.

HOLDING FUNCTIONS

CORPORATE COMMUNICATIONS AND HUMAN RESOURCES

İPEK İLTER DIRECTOR OF CORPORATE COMMUNICATIONS AND HUMAN RESOURCES

We understand that corporate communications is not just about getting messages out, but rather we must support the overarching strategic goals of Doğan Holding. Corporate Communications is always trying to find ways in which we can add value to the Holding. Communications can be a competitive advantage in today's world, and we strive to make it so for Doğan Holding.

Traditionally considered among the "softer" functional areas, Corporate Communications and Human Resources today are recognized as strategic key elements for the success of the modern-day corporation. In the absence of an effective communications function and optimal human assets management, an organization's full potential value cannot be realized.

Building and maintaining trust and loyalty between Doğan Holding and its myriad stakeholders - investors, customers, shareholders, employees, suppliers, neighbors, NGOs - is the most important task of Corporate Communications. This can only be achieved through ongoing two-way communications between all parties.

Our aim is to facilitate, manage and monitor the communications process. We constantly measure and track the perceptions of Doğan Holding within the marketplace. By doing so, we are given valuable insight that helps us to determine the content and volume of the information we disseminate about the Holding. However, it is not simply a matter of extending channels or volume of information, but rather Corporate Communications works to help achieve the overall business strategy of the Holding.

We also consider internal communications as a vital part of the task. The proliferation of information today, namely an onslaught of internal memoranda, newsletters, voicemails, emails and intranets, are time consuming to already busy employees and have the potential to confuse. We work to link different elements of communications so it all adds up to a coherent whole, rather than simply individual parts that ultimately become muddled.

In addition, the Holding's all-important corporate identity is managed across multiple media channels. In a world where the typical consumer is exposed to as many as 3,000 brand messages in a single day, maintaining a clear articulation of the Holding's corporate identity to all stakeholders is paramount. Staying on message about Doğan Holding's brand identity and corporate values is especially vital in today's media cacophony and has a direct bearing on the Company's market value. As a media conglomerate, it is doubly important that our corporate communications function reflects the same level of sophistication as our media properties.

The Department works as an information center internally as well. We follow global and national social, political, economic, environmental and cultural trends that will help shape the long term strategy of the Holding. Executive level management is involved in the issues that may have a global impact.



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Doğan Holding's most important asset is its people, without which it would not be the success it is today. Human Resources is at the heart of the organization, and the future of the Holding hinges upon an effectively run Department.

Human Resources is charged with identifying, recruiting, training and ultimately collaborating with the very best graduates and management training candidates. Our HR specialists work to help each Doğan Holding employee fully realize his or her talents, skills and potential. In addition, we facilitate linking an individual's personal qualifications and capabilities with the Holding's targeted business strategies.

Starting from their very first day on the job, the recruitment and training process identifies the strengths and skills of employees, providing the Holding with fresh perspectives and engendering dynamism within the workplace. The HR Department uses metrics, evaluations and employee reviews to create an accurate appraisal of the workforce and to guide individuals toward a sustainable and rewarding career path.

We believe that a committed workforce and effective teamwork are only achieved through people who genuinely feel valued and needed. Our progressive corporate policies, coupled with personal and professional development programs for employees, actively support these goals.

With a highly competent and motivated employee base, Doğan Holding's productivity and efficiency are optimized, thus enhancing operations and market value. Human Resources works tirelessly to make Doğan Holding's people assets a competitive advantage, and a point of differentiation from its competitors.



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In this capacity, we play an active role in all commercial activities and transactions of Doğan Holding enterprises. Our main responsibility is to ensure that all these business activities and transactions comply with the law and all regulatory requirements.

However, we do not limit ourselves to this minimum threshold. Along with the foundation of Corporate Governance compliance, the Legal Division endeavors to ensure the implementation of the strict ethical principles, quality standards, transparency spelled out in the corporate governance guidelines of Doğan Holding to the fullest extent, both within the Group and vis-à-vis third parties.

In doing this, we particularly focus on:

- Taking legal measures to protect the interests of the Company against third parties and to prevent disputes; ensuring that contracts to be executed and documents to be issued are compatible with this principle;
- Providing the necessary legal advice and documents to the departments of the Company and its wholly-owned subsidiaries upon their request, and offering prompt advice on transactions that could have legal, regulatory and financial consequences;
- Responding to the queries of Executive Management regarding the line of activity of the Holding and its investments and offering counsel in this regard.

An all important function in today's global business environment, Doğan Holding's Legal Division strives to steer the Company and its affiliated enterprises through a complex patchwork of legal, regulatory and internal corporate governance guidelines. Thus, the Holding is permitted to achieve its maximum level of operational efficiency and optimal market value while meeting, and oftentimes exceeding, prescribed legal, regulatory and ethical strictures.