

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2011  
TOGETHER WITH INDEPENDENT AUDITOR’S REPORT**

**CONVENIENCE TRANSLATION OF  
INDEPENDENT AUDIT REPORT  
INTO ENGLISH ORIGINALLY ISSUED IN TURKISH**

**INDEPENDENT AUDITOR'S REPORT**

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

1. We have audited the accompanying consolidated balance sheet of Doğan Şirketler Grubu Holding A.Ş. (the "Company"), its subsidiaries and joint ventures (together the "Group") as at 31 December 2011 and the related consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year ended 31 December 2011, and a summary of significant accounting policies and other explanatory notes.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

#### **Basis for Qualified Opinion**

4. As explained in Note 22, Hürriyet Gazetecilik ve Matbaacılık A.Ş., one of the subsidiaries of the Group, has recognized a financial liability arising from the put option on 3,84% shares of Trader Media East Limited owned by “non-controlling interests”, through a protocol signed increasing other financial liabilities by TRY 38,6 million, currency translation differences by TRY 0,3 million and loss for the period by TRY 0,7 million, decreasing non-controlling interests by TRY 22,8 million and accumulated losses by TRY 15,4 million in the accompanying consolidated financial statements as of and for the year ended 31 December 2010.

However, as explained in the said protocol, such put option liability of “non-controlling interests” amends the relevant provisions of the contract signed in 28 December 2006 which became effective as of 31 March 2007 as a consequence of the acquisition of Trader Media East Limited’s majority shares by the Group and which has not been accounted by the Group in the accompanying financial statements until the current period. Therefore, these contracts, which are recorded in the Group’s financial statements for the first time in 2010, should be recognized as a put option liability of “non-controlling interests” during acquisition of Trader Media East Limited’s shares by the Group in 2007, and the accompanying consolidated financial statements should be restated retrospectively.

If the said put option liability of “non-controlling interests” had been recognised retrospectively in the accompanying consolidated financial statements, the opening shareholders’ equity figure as of 1 January 2010 presented in the accompanying comparative statement of changes in shareholders’ equity for the year ended 31 December 2010 would have been less by TRY 37,1 million.

#### *Qualified Opinion*

5. In our opinion, except for the effects of the matter described in the basis for qualified opinion in paragraph 4 above to the accompanying consolidated financial statements presented for comparative purposes, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated financial position of Doğan Şirketler Grubu Holding A.Ş., its subsidiaries and joint ventures as at 31 December 2011, and their financial performance and cash flows for the year then ended in accordance with the financial reporting standards issued by the Capital Markets Board.

*Emphasis of Matter*

As explained in Note 22, prior accounting periods of some of the Group's direct and indirect subsidiaries' were subject to tax assessments. Based on the results of the tax assessment reports, the related subsidiaries were served with tax penalties and notifications by their respective tax authorities. The Group has applied for tax negotiation for the related notifications and penalties however both parties could not reach an agreement on the related issue. Therefore, the Group has filed lawsuits against the respective tax authorities in relation to the related notifications and penalties imposed following the tax assessment. As of the balance sheet date, the Group management makes use of the requirements set out in Law No: 6111 "Restructuring of Specific Receivables and Social Insurance and General Health and Amendments to Some Laws and Requirements" ("Law No:6111"), which has become effective upon the issuance in the Official Gazette No: 27857 (I.Bis) on 25 February 2011 in relation to ongoing lawsuits filed for the 2003, 2004, 2005, 2006, 2007 and 2008 accounting periods. Accordingly, in the current period, TRY 844.993 thousand of tax payable in relation to pending and ongoing tax lawsuits and TRY 95.510 thousand of tax base increase (Note 31) is recognized as expense in the accompanying consolidated financial statements. Our opinion is not qualified in respect of this matter.

İstanbul, 11 April 2012

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Saim Üstündağ  
Partner

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2011**

<b>CONTENTS</b>	<b>PAGE</b>
<b>CONSOLIDATED BALANCE SHEETS.....</b>	<b>1-2</b>
<b>CONSOLIDATED STATEMENTS OF INCOME.....</b>	<b>3</b>
<b>CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME.....</b>	<b>4</b>
<b>CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY.....</b>	<b>5</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS.....</b>	<b>6-7</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....</b>	<b>8-140</b>
NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS .....	8-12
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS .....	13-43
NOTE 3 BUSINESS COMBINATIONS .....	44
NOTE 4 JOINT VENTURES .....	44-46
NOTE 5 SEGMENT REPORTING .....	46-51
NOTE 6 CASH AND CASH EQUIVALENTS .....	52
NOTE 7 FINANCIAL INVESTMENTS .....	52-54
NOTE 8 BORROWINGS .....	54-58
NOTE 9 OTHER FINANCIAL LIABILITIES .....	58-60
NOTE 10 TRADE RECEIVABLES AND PAYABLES .....	61-62
NOTE 11 OTHER RECEIVABLES AND PAYABLES .....	62-63
NOTE 12 RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS .....	63
NOTE 13 INVENTORIES .....	63-64
NOTE 14 BIOLOGICAL ASSETS .....	64
NOTE 15 CONSTRUCTION CONTRACT RECEIVABLES .....	64
NOTE 16 INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD .....	64
NOTE 17 INVESTMENT PROPERTY .....	65-66
NOTE 18 PROPERTY, PLANT AND EQUIPMENT .....	67-68
NOTE 19 INTANGIBLE ASSETS .....	69-71
NOTE 20 GOODWILL .....	71-72
NOTE 21 GOVERNMENT GRANTS .....	73
NOTE 22 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	73-90
NOTE 23 COMMITMENTS .....	91-92
NOTE 24 PROVISION FOR EMPLOYMENT TERMINATION BENEFITS .....	93-94
NOTE 25 RETIREMENT PLANS .....	94
NOTE 26 OTHER ASSETS AND LIABILITIES .....	94-96
NOTE 27 EQUITY .....	97-100
NOTE 28 SALES AND COST OF SALES .....	100-101
NOTE 29 RESEARCH AND DEVELOPMENT, MARKETING, SELLING AND DISTRIBUTION AND GENERAL ADMINISTRATIVE EXPENSES .....	101
NOTE 30 EXPENSES BY NATURE.....	101
NOTE 31 OTHER INCOME AND EXPENSES.....	102
NOTE 32 FINANCIAL INCOME.....	103
NOTE 33 FINANCIAL EXPENSES.....	103
NOTE 34 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS .....	103-115
NOTE 35 TAX ASSETS AND LIABILITIES .....	116-121
NOTE 36 EARNINGS / LOSS PER SHARE .....	122
NOTE 37 RELATED PARTY DISCLOSURES .....	123-124
NOTE 38 FINANCIAL RISK MANAGEMENT .....	125-136
NOTE 39 FINANCIAL INSTRUMENTS .....	136-137
NOTE 40 SUBSEQUENT EVENTS.....	138-140
NOTE 41 DISCLOSURE OF OTHER MATTERS.....	140

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

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

**CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2011 AND 2010**

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

	Notes	USD(*) 2011	Audited 2011	Audited 2010
<b>ASSETS</b>				
<b>Current Assets</b>		<b>2.643.545</b>	<b>4.993.393</b>	<b>4.772.149</b>
Cash and cash equivalents	6	1.836.141	3.468.287	3.464.537
Financial investments	7	101.473	191.672	197.770
Trade receivables				
- Due from related parties	37	2.388	4.511	11.168
- Other trade receivables	10	359.815	679.652	656.128
Other receivables				
- Due from related parties	37	1.960	3.702	-
- Other receivables	11	18.454	34.858	13.991
Derivative financial assets	7	2.456	4.640	382
Inventories	13	133.995	253.104	216.179
Biological assets	14	39	74	25
Other current assets	26	144.108	272.206	211.969
<b>Sub-total</b>		<b>2.600.829</b>	<b>4.912.706</b>	<b>4.772.149</b>
Non-current assets as held for sale	34	42.716	80.687	-
<b>Non-current Assets</b>		<b>1.934.818</b>	<b>3.654.678</b>	<b>3.261.178</b>
Trade receivables	10	70.690	133.527	88.928
Other receivables	11	211.683	399.849	2.126
Inventories	13	9.580	18.096	17.941
Financial investments	7	3.034	5.730	8.314
Investment properties	17	78.671	148.601	136.970
Property, plant and equipment	18	644.632	1.217.645	934.160
Intangible assets	19	385.000	727.226	859.335
Goodwill	20	285.855	539.951	896.653
Deferred tax assets	35	47.712	90.124	96.991
Other non-current assets	26	197.961	373.929	219.760
<b>TOTAL ASSETS</b>		<b>4.578.363</b>	<b>8.648.071</b>	<b>8.033.327</b>

The consolidated financial statements as of and for the year ended 31 December 2011 have been approved by the Board of Directors at 11 April 2012.

(\*) As explained in the Note 2.1.8 to the consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from TRY, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board ("CMB") as at 31 December 2011.

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

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

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

**CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2011 AND 2010**

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

	Notes	USD(*) 2011	Audited 2011	Audited 2010
<b>LIABILITIES</b>				
<b>Current Liabilities</b>		<b>1.073.264</b>	<b>2.027.289</b>	<b>1.833.917</b>
Borrowings and financial liabilities	8	494.917	934.850	1.024.341
Other financial liabilities	9	37.885	71.561	56.863
Derivative financial liabilities	9	3.499	6.610	9.687
Trade payables				
- Due to related parties	37	130	246	1.197
- Other trade payables	10	235.586	444.997	395.148
Other payables	11	47.598	89.907	80.540
Current income tax liabilities	35	20.572	38.858	76.462
Provisions	22	23.343	44.093	89.010
Other current liabilities	26	209.734	396.167	100.669
<b>Non- current liabilities</b>		<b>1.466.310</b>	<b>2.769.713</b>	<b>1.578.368</b>
Borrowings and financial liabilities	8	859.353	1.623.232	1.085.676
Other financial liabilities	9	241.686	456.520	238.693
Trade payables	10	-	-	1.114
Other payables	11	51.375	97.044	77.900
Provisions		140	265	-
Provisions for employment benefits	24	26.106	49.311	46.895
Other non-current liabilities	26	214.406	404.991	-
Deferred tax liabilities	35	73.244	138.350	128.090
<b>EQUITY</b>		<b>2.038.789</b>	<b>3.851.069</b>	<b>4.621.042</b>
<b>Equity attributable to equity holders of the Parent Company</b>	<b>27</b>	<b>1.608.893</b>	<b>3.039.038</b>	<b>3.864.544</b>
Issued capital	27	1.297.051	2.450.000	2.450.000
Adjustment to issued capital	27	75.984	143.526	143.526
Share premium	27	334	630	630
Revaluation fund	27	(2.147)	(4.056)	13.918
Translation reserve	27	35.755	67.538	(3.939)
Restricted reserves				
assorted from profit	27	767.716	1.450.139	696.888
Accumulated losses	27	(164.961)	(311.595)	(92.683)
Net (loss)/profit for the period	27	(400.839)	(757.144)	656.204
<b>Non-controlling interests</b>		<b>429.896</b>	<b>812.031</b>	<b>756.498</b>
<b>TOTAL LIABILITIES</b>		<b>4.578.363</b>	<b>8.648.071</b>	<b>8.033.327</b>

Commitments 23

(\*) As explained in the Note 2.1.8 to the consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from TRY, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board ("CMB") as at 31 December 2011.

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

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

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

**CONSOLIDATED STATEMENTS OF INCOME  
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010**

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

	Notes	USD(*) 2011	2011	2010
<b>Continued Operations</b>				
Sales	28	1.517.999	2.867.348	2.518.878
Cost of Sales(-)	28-30	(1.090.938)	(2.060.672)	(1.852.713)
<b>Gross profit</b>	<b>28</b>	<b>427.761</b>	<b>806.676</b>	<b>666.165</b>
Marketing, selling and distribution expenses (-)	29-30	(204.665)	(386.592)	(328.707)
General and administrative expenses (-)	29-30	(209.063)	(394.900)	(345.733)
Other Income	31	50.560	95.503	40.236
Other Expenses (-)	31	(642.067)	(1.212.800)	(215.184)
<b>Operating Loss</b>		<b>(578.174)</b>	<b>(1.092.113)</b>	<b>(183.223)</b>
Financial income	32	514.625	972.076	297.585
Financial expenses (-)	33	(410.117)	(774.670)	(330.315)
<b>Loss before taxation from continued operations</b>		<b>(473.666)</b>	<b>(894.707)</b>	<b>(215.953)</b>
<b>Tax expenses</b>				
<b>from continued operations</b>	<b>35</b>	<b>(108.469)</b>	<b>(204.887)</b>	<b>(63.611)</b>
Current income tax expense for the period		(101.394)	(191.523)	(111.634)
Deferred tax income / (expenses)		(7.075)	(13.364)	48.023
<b>Loss from continued operations</b>		<b>(582.135)</b>	<b>(1.099.594)</b>	<b>(279.564)</b>
<b>Discontinued operations</b>				
Profit after tax from discontinued operations	34	<b>70.029</b>	<b>132.278</b>	<b>886.293</b>
<b>Net (loss) / profit for the period</b>		<b>(512.106)</b>	<b>(967.316)</b>	<b>606.729</b>
<b>Distribution of (loss)/profit for the period</b>				
Attributable to non-controlling interests		(111.267)	(210.172)	(49.475)
<b>Attributable to equity holders of the company</b>		<b>(400.839)</b>	<b>(757.144)</b>	<b>656.204</b>
(Loss)/earnings per share profit attributable to equity holders of the Parent Company	36	(0,16)	(0,31)	0,27
Total (loss)/earning from continuing operations for profit attributable to equity holders of the Parent Company per share		(0,18)	(0,338)	0,288

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



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

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

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010**

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

	USD(*) 2011	2011	2010
<b>(Loss)/Profit for the Period</b>	<b>(512.106)</b>	<b>(967.316)</b>	<b>606.729</b>
<b><u>Other Comprehensive (Expense)/Income:</u></b>			
Change in Financial Assets Fair Value Reserve	(2.490)	(4.703)	1.462
Change in Translation Reserves	59.848	113.046	(1.606)
<b>Other Comprehensive Income /(Expense) (After Income Tax)</b>	<b>57.358</b>	<b>108.343</b>	<b>(144)</b>
<b>Total Comprehensive (Expense) /Income</b>	<b>(454.748)</b>	<b>(858.973)</b>	<b>606.585</b>
<b>Allocation of Total Comprehensive (Expense) /Income</b>			
Attributable to Non-controlling Interests	(89.260)	(168.603)	(46.416)
Attributable to Equity Holders of the Company	(365.488)	(690.370)	653.001

(\*) As explained in the Note 2.1.8 to the consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from TRY, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board ("CMB") as at 31 December 2011.

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

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

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

	Note	Share capital	Adjustment to share Capital	Share premium	Financial assets fair value reserve	Non-current assets revolution fund	Translation reserve	Restricted reserves	Retained earnings	Net profit/(loss) for the period	Equity attributable to equity holders of the company	Non-controlling interest	Total shareholder 's equity
<b>Balances at 1 January 2010</b>	<b>27</b>	<b>2.450.000</b>	<b>143.526</b>	<b>630</b>	<b>12.456</b>	<b>113.942</b>	<b>(7.063)</b>	<b>680.641</b>	<b>194.086</b>	<b>(114.113)</b>	<b>3.474.105</b>	<b>767.147</b>	<b>4.241.252</b>
Transfers		-	-	-	-	(26.460)	-	16.247	(103.900)	114.113	-	-	-
Participation to subsidiary's capital increase of non-controlling interest		-	-	-	-	-	-	-	-	-	-	51.969	51.969
Divident payment		-	-	-	-	-	-	-	-	-	-	(16.038)	(16.038)
Business combinations and consolidation rate change effect		-	-	-	-	-	-	-	-	-	-	(442)	(442)
Effect of share transfer of joint venture		-	-	-	-	(87.482)	7.789	-	79.693	-	-	(11.115)	(11.115)
Financial liabilities subject to put option of non-controlling interest		-	-	-	-	-	-	-	(207.671)	-	(207.671)	(43.777)	(251.448)
Effective rate change of subsidiaries		-	-	-	-	-	-	-	(54.891)	-	(54.891)	54.891	-
Other (1)		-	-	-	-	-	-	-	-	-	-	279	279
Total comprehensive income/(loss)		-	-	-	1.462	-	(4.665)	-	-	656.204	653.001	(46.416)	606.585
- Change in financial asset fair value reserve (net)		-	-	-	1.462	-	-	-	-	-	1.462	-	1.462
- Currency translation differences		-	-	-	-	-	(4.665)	-	-	-	(4.665)	3.059	(1.606)
- Net profit / (loss) for the period		-	-	-	-	-	-	-	-	656.204	656.204	(49.475)	606.729
<b>Balances at 31 December 2010</b>	<b>27</b>	<b>2.450.000</b>	<b>143.526</b>	<b>630</b>	<b>13.918</b>	<b>-</b>	<b>(3.939)</b>	<b>696.888</b>	<b>(92.683)</b>	<b>656.204</b>	<b>3.864.544</b>	<b>756.498</b>	<b>4.621.042</b>
<b>Balances at 1 January 2011</b>	<b>27</b>	<b>2.450.000</b>	<b>143.526</b>	<b>630</b>	<b>13.918</b>	<b>-</b>	<b>(3.939)</b>	<b>696.888</b>	<b>(92.683)</b>	<b>656.204</b>	<b>3.864.544</b>	<b>756.498</b>	<b>4.621.042</b>
Transfers		-	-	-	-	-	-	753.251	(97.047)	(656.204)	-	-	-
Participation to subsidiary's capital increase of non-controlling interest		-	-	-	-	-	-	-	-	-	-	257.057	257.057
Sale of financial asset		-	-	-	(13.271)	-	-	-	13.271	-	-	-	-
Divident payment		-	-	-	-	-	-	-	-	-	-	(17.054)	(17.054)
Effect of inflation accounting		-	-	-	-	-	-	-	88	-	88	125	213
Business combinations and consolidation rate change effect		-	-	-	-	-	-	-	5.126	-	5.126	(12.247)	(7.121)
Financial liabilities subject to put option of non-controlling interest	22-c	-	-	-	-	-	-	-	(140.350)	-	(140.350)	(4.637)	(144.987)
Other(1)		-	-	-	-	-	-	-	-	-	-	892	892
Total comprehensive (loss)		-	-	-	(4.703)	-	71.477	-	-	(757.144)	(690.370)	(168.603)	(858.973)
- Change in financial asset fair value reserve(net)		-	-	-	(4.703)	-	-	-	-	-	(4.703)	-	(4.703)
- Currency translation differences		-	-	-	-	-	71.477	-	-	-	71.477	41.569	113.046
- Net (loss) for the period		-	-	-	-	-	-	-	-	(757.144)	(757.144)	(210.172)	(967.316)
<b>Balances at 31 December 2011</b>	<b>27</b>	<b>2.450.000</b>	<b>143.526</b>	<b>630</b>	<b>(4.056)</b>	<b>-</b>	<b>67.538</b>	<b>1.450.139</b>	<b>(311.595)</b>	<b>(757.144)</b>	<b>3.039.038</b>	<b>812.031</b>	<b>3.851.069</b>

(1) Represents fair value changes in trading options related to non- controlling interest, and share purchase and sale related to non-controlling interest.

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

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

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010**

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

	Notes	USD (*) 1 January- 31 December 2011	Audited 1 January- 31 December 2011	Audited 1 January- 31 December 2010
Loss before income taxes from continued operations		(473.666)	(894.707)	(215.953)
Profit before income taxes from discontinued operations	34	81.246	153.465	943.711
<b>Adjustments:</b>				
Depreciation and amortization	17,18, 19	123.675	233.610	401.095
Interest expenses	33	84.844	160.262	94.096
Unearned finance expense due to purchases with maturity	33	9.293	17.554	24.345
Provision for doubtful receivables	10	20.657	39.019	56.092
Increase in provision for employment termination benefits	24	12.563	23.731	28.264
Provision for/ (reversal) of impairment of investment property, property, plant and equipment and intangible assets, net	17,18, 19	26.826	50.671	86.457
(Gain) on sale of property, plant and equipment, net	31	109	206	(15.453)
Currency translation differences		29.547	55.811	(6.653)
Provision for net realizable value		(3.842)	(7.258)	292
Interest income	32	(105.559)	(199.391)	(70.097)
Unearned finance income due to sales with maturity	32	(27.179)	(51.338)	(40.316)
Tax liability expense in dispute regarding 6111 law		447.347	844.993	-
Tax base increase liability regarding 6111 law		47.414	89.560	-
Foreign exchange expense/ (income), (net)		211.907	400.271	(16.654)
Provision for / (reversal) of impairment on inventories	13	(1.343)	(2.537)	292
Reversal of tax penalty provision	22	(2.635)	(4.977)	(2.878)
Provision for goodwill impairment	20	55.003	103.895	29.030
Provision for lawsuits	22	3.907	7.380	4.441
Provision for unused vacation	26	10.204	19.274	14.513
Provision for withholding tax	22	927	1.751	3.095
Collections from doubtful receivables	10	15.284	28.870	15.031
Gain on sale of subsidiary	34	(130.155)	(245.849)	(1.043.603)
Profit arising from the sale of financial investment	31	(5.971)	(11.278)	-
Other provisions		(32.502)	(61.393)	-
		397.901	751.595	289.147

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

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

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010**

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

	Notes	USD (*) 1 January- 31 December 2011	Audited 1 January- 31 December 2011	Audited 1 January- 31 December 2010
<b>Change in assets and liabilities:</b>				
(Increase) in trade receivables and due from related parties		(75.713)	(143.015)	(228.787)
(Increase) in inventories		(18.391)	(34.739)	(99.894)
Increase in trade payables and due to related parties		35.162	66.417	172.601
(Increase) in other receivables		(67.507)	(127.514)	(19.136)
Increase in other payables		31.066	58.681	31.497
Employment termination benefits paid		(5.029)	(9.499)	(11.794)
Taxes paid		(133.131)	(251.471)	(105.428)
Unused vacation paid	26	(4.616)	(8.719)	(11.502)
Lawsuit provision paid	22	(4.416)	(8.341)	(913)
Tax liability in dispute paid regarding 6111 law		(114.621)	(216.508)	-
Tax base increase paid regarding 6111 law		(38.333)	(72.408)	-
Withholding tax provision paid	22	(4.082)	(7.710)	-
Tax penalty provision paid	22	(15.112)	(28.545)	(11.218)
Financial investments and (increase)/decrease in investment valued by equity method		(13.908)	(26.271)	23.687
(Increase)/decrease in other non-current assets		(79.659)	(150.467)	19.022
Increase in other non-current liabilities		37.822	71.442	-
<b>Net cash used in operating activities:</b>		<b>(72.567)</b>	<b>(137.072)</b>	<b>47.282</b>
<b>Investing activities:</b>				
Acquisition of property, plant and equipment and intangible assets	18,19	(320.926)	(606.198)	(615.287)
Purchase of investment property	17	(13.536)	(25.568)	(17.020)
Proceeds from sale of property, plant and equipment and intangible assets		22.465	42.435	113.510
(Increase)/ decrease in long-term financial assets		10.475	19.787	(60.657)
Purchase of additional share of joint ventures		(3.770)	(7.121)	-
Decrease in derivative liabilities		(1.629)	(3.077)	-
Cash provided from sale of subsidiary		155.431	293.594	1.877.935
Proceeds from disposal of financial investment		19.178	36.225	-
<b>Net cash (used in)/ provided from investing activities</b>		<b>(132.312)</b>	<b>(249.923)</b>	<b>1.298.481</b>
<b>Financing activities:</b>				
Increase in financial borrowings		49.036	92.623	11.931
Interest received		103.044	194.640	85.396
Interest paid		(74.791)	(141.273)	(78.593)
Capital increase of non-controlling interests		136.088	257.057	51.969
Dividends paid to non-controlling interests		(9.029)	(17.054)	(16.038)
Proceeds from securities issued		-	-	23.685
<b>Net cash provided from financing activities</b>		<b>204.348</b>	<b>385.993</b>	<b>78.350</b>
Net (decrease)/ increase in cash and cash equivalents		(531)	(1.002)	1.424.113
<b>Cash and cash equivalents at the beginning of the period</b>	6	<b>1.831.134</b>	<b>3.458.829</b>	<b>2.034.716</b>
<b>Cash and cash equivalents at the end of the period</b>	6	<b>1.830.603</b>	<b>3.457.827</b>	<b>3.458.829</b>

(\*) As explained in the Note 2.1.8 to the consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from TL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TL exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as at 31 December 2011.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

Doğan Şirketler Grubu Holding A.Ş. (“Doğan Holding”, “Holding” or the “Company”) was established on 22 September 1980 as a corporation to coordinate the activities of and liaise between companies operating in different fields including media, energy, telecommunications, tourism, insurance, manufacturing and marketing and is registered in Turkey. Doğan Holding also provides financial and managerial advisory and internal audit services to its subsidiaries and joint ventures operating in these fields.

Doğan Holding is registered with the Capital Markets Board (“CMB”) and its shares have been quoted on the Istanbul Stock Exchange (“ISE”) since 21 June 1993. As of 31 December 2011, %32,46 shares of Doğan Holding are offered to the public. Within the frame of Resolution No.21/655 dated 23 July 2010 of CMB; according to the records of Central Registry Agency, the %34,29 shares of Doğan Holding are to be considered in circulation.

The address of Holding’s registered office is as follows:

Burhaniye Mahallesi Kısıklı Caddesi No: 65  
Üsküdar 34696 İstanbul

Doğan Holding’s principal activities are in Turkey and its activities are presented under three segments for reporting purposes until the completion of share transfer of the joint venture, Petrol Ofisi A.Ş. (“OMV Petrol Ofisi A.Ş.”) and its subsidiaries (“Petrol Ofisi” or “POAŞ”) which are forming the part of “energy” segment, on the date of 22 December 2010 and after that the activities are presented under two segments:

- Media
- Other

The share transfer process of Petrol Ofisi A.Ş. (“Petrol Ofisi” or “POAŞ”) and its subsidiaries, which form the energy segment, is completed on 22 December 2010 and in the consolidated financial statements of 31 December 2011, the energy segment is not reported as a separate segment (Note 41). Operating results which are presented at 31 December 2010 consolidated balance sheet in energy operating results are reclassified as “discontinued operations” this year (Note 34).

Other operations mainly comprise of trade, tourism, telecommunications, manufacturing, real estate, marketing and producing electricity. These companies are not considered as separate reportable segments since the effects of the operating results are below materiality when compared with consolidated results.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011

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

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

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

Subsidiaries	Country	Nature of business	Segment
Doğan Yayın Holding A.Ş. ("Doğan Yayın Holding or DYH")	Turkey	Holding	Media
Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet")	Turkey	Newspaper publishing	Media
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. ("Hürriyet Medya Basım")	Turkey	Printing and administrative services	Media
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	Turkey	Printing services	Media
Posta Haber Ajansı A.Ş. ("Posta Haber")	Turkey	News agency	Media
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik")	Turkey	Newspaper publishing	Media
Doğan Dağıtım Satış Pazarlama Matbaacılık Ödeme Aracılık ve Tahsilat Sistemleri A.Ş. ("Doğan Dağıtım")	Turkey	Distribution	Media
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	Turkey	Import and export	Media
İşıl İthalat İhracat Mümessillik A.Ş. ("İşıl İthalat İhracat")	Turkey	Import and export	Media
Tasfiye Halinde Refeks Dağıtım and Kurye Hizmetleri A.Ş. ("Refeks")	Turkey	Distribution and courier services	Media
Doğan Haber Ajansı A.Ş. ("Doğan Haber")	Turkey	News agency	Media
E Tüketici İnternet ve Danışmanlık Hizmetleri Elektronik Yayıncılık A.Ş. ("E Tüketici")	Turkey	Internet services	Media
Doğan Gazetecilik İnternet Hizmetleri ve Ticaret A.Ş. ("Doğan Gazetecilik İnternet")	Turkey	Internet services	Media
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. ("Yenibir")	Turkey	Internet services	Media
TME Teknoloji Proje Geliştirme ve Yazılım A.Ş. ("TME Teknoloji")	Turkey	Software services	Media
Hürriyet Zweigniederlassung GmbH ("Hürriyet Zweigniederlassung")	Germany	Newspaper printing	Media
Milliyet Verlags und Handels GmbH ("Milliyet Verlags")	Germany	Newspaper publishing	Media
Doğan Media International GmbH ("DMI")	Germany	Newspaper publishing	Media
Hürriyet Invest B.V. ("Hürriyet Invest")	The Netherlands	Investment	Media
Fairworld International Limited ("Fairworld")	England	Foreign trade	Media
Falcon Purchasing Services Ltd. ("Falcon")	England	Foreign trade	Media
Marchant Resources Ltd. ("Marchant")	British Virgin Islands	Foreign trade	Media
Trader Media East Ltd. ("TME")	Jersey	Investment	Media
Oglasnik d.o.o.	Croatia	Newspaper and internet publishing	Media
TCM Adria d.o.o.	Croatia	Investment	Media
Internet Posao d.o.o.	Croatia	Internet publishing	Media
Expressz Magyarorszag Media Zrt	Hungary	Newspaper and internet publishing	Media
Mirabridge International B.V.	The Netherlands	Investment	Media
Pronto Invest B.V.	The Netherlands	Investment	Media
Moje Delo spletni marketing, d.o.o	Slovenia	Internet publishing	Media
Bolji Posao d.o.o. Serbia	Serbia	Internet publishing	Media
Bolji Posao d.o.o. Bosnia	Bosnia Herzegovina	Internet publishing	Media
OOO RUKOM	Russia	Internet publishing	Media
OOO Pronto Aktobe	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto Kurgan	Russia	Newspaper and internet publishing	Media
OOO Novoprint	Russia	Newspaper and internet publishing	Media
OOO Delta-M	Russia	Newspaper and internet publishing	Media
OOO Pronto Baikal	Russia	Newspaper and internet publishing	Media
OOO Pronto DV	Russia	Newspaper and internet publishing	Media
OOO Pronto Ivanovo	Russia	Newspaper and internet publishing	Media
OOO Pronto Kaliningrad	Russia	Newspaper and internet publishing	Media
OOO Pronto Kazan	Russia	Newspaper and internet publishing	Media

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011

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

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

Subsidiaries	Country	Nature of business	Segment
OOO Pronto Krasnodar	Russia	Newspaper and internet publishing	Media
OOO Pronto Krasnoyarsk	Russia	Newspaper and internet publishing	Media
OOO Pronto Nizhny Novgorod	Russia	Newspaper and internet publishing	Media
OOO Pronto Novosibirsk	Russia	Newspaper and internet publishing	Media
OOO Pronto Oka	Russia	Newspaper and internet publishing	Media
OOO Pronto Peterburg	Russia	Newspaper and internet publishing	Media
OOO Pronto Samara	Russia	Newspaper and internet publishing	Media
OOO Pronto Stavropol	Russia	Newspaper and internet publishing	Media
OOO Pronto UlanUde	Russia	Newspaper and internet publishing	Media
OOO Pronto Vladivostok	Russia	Newspaper and internet publishing	Media
OOO Pronto Volgograd	Russia	Newspaper and internet publishing	Media
OOO Pronto Moscow	Russia	Newspaper and internet publishing	Media
OOO Pronto Neva	Russia	Newspaper and internet publishing	Media
OOO Tambukan	Russia	Newspaper and internet publishing	Media
OOO Utro Peterburga	Russia	Newspaper and internet publishing	Media
OOO Pronto Astrakhan	Russia	Newspaper and internet publishing	Media
OOO Pronto Kemerovo	Russia	Newspaper and internet publishing	Media
OOO Pronto Smolensk	Russia	Newspaper and internet publishing	Media
OOO Pronto Tula	Russia	Newspaper and internet publishing	Media
OOO Pronto Voronezh	Russia	Newspaper and internet publishing	Media
OOO Tambov-Info	Russia	Newspaper and internet publishing	Media
OOO Pronto Obninsk	Russia	Newspaper and internet publishing	Media
OOO SP Belponto	Belarus	Newspaper and internet publishing	Media
OOO Pronto Rostov	Russia	Newspaper and internet publishing	Media
ZAO Pronto Akzhol	Kazakhstan	Newspaper and internet publishing	Media
TOO Pronto Akmola	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto Atyrau	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto Aktau	Kazakhstan	Newspaper and internet publishing	Media
SP Pronto Kiev	Ukraine	Newspaper and internet publishing	Media
OOO Rosprint	Russia	Printing services	Media
OOO Rosprint Samara	Russia	Printing services	Media
OOO Partner-Soft	Russia	Internet publishing	Media
Pronto Soft	Belarus	Internet publishing	Media
TOV E-Prostir	Ukraine	Internet publishing	Media
Impress Media Marketing LLC	Russia	Publishing	Media
OOO Rektcentr	Russia	Investment	Media
ZAO NPK	Russia	Call center	Media
Publishing House Pennsylvania Inc.	USA	Investment	Media
Pronto Ust Kamenogorsk	Kazakhstan	Newspaper publishing	Media
Sklad Dela Prekmurje NGO	Slovenia	Internet publishing	Media
Nartek Bilişim Turizm ve Pazarlama Hizmetleri Ticaret A.Ş. ("Nartek")	Turkey	Internet publishing	Media
Doğan TV Holding A.Ş. ("Doğan TV Holding")	Turkey	TV Publishing	Media
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	Turkey	TV Publishing	Media
Mozaik İletişim Hizmetleri A.Ş. ("Mozaik" or "D-smart")	Turkey	TV Publishing	Media
Doruk Televizyon ve Radyo Yayıncılık A.Ş. ("Doruk Televizyon" or "CNN Türk")	Turkey	TV Publishing	Media
Doğan TV Digital Platform İşletmeciliği A.Ş. ("Doğan TV Dijital")	Turkey	TV Publishing	Media
Alp Görsel İletişim Hizmetleri A.Ş. ("Alp Görsel")	Turkey	TV Publishing	Media
Fun Televizyon Yapımcılık Sanayi ve Ticaret A.Ş. ("Fun TV")	Turkey	TV Publishing	Media
Tempo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Tempo TV")	Turkey	TV Publishing	Media
Kanalspor Televizyon ve Radyo Yayıncılık A.Ş. ("Kanalspor")	Turkey	TV Publishing	Media
Milenyum Televizyon Yayıncılık ve Yapımcılık A.Ş. ("Milenyum TV")	Turkey	TV Publishing	Media
TV 2000 Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("TV 2000")	Turkey	TV Publishing	Media

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011

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

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

Subsidiaries	Country	Nature of business	Segment
Moda Radyo ve Televizyon Yayıncılık Ticaret A.Ş. ("Moda Radyo")	Turkey	Radio broadcasting	Media
Popüler Televizyon ve Radyo Yayıncılık A.Ş. ("Popüler TV")	Turkey	TV publishing	Media
D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım Reklamcılık")	Turkey	TV publishing	Media
Bravo Televizyon ve Radyo Yayıncılık A.Ş. ("Bravo TV")	Turkey	TV publishing	Media
Doğa Televizyon ve Radyo Yayıncılık A.Ş. ("Doğa TV")	Turkey	TV publishing	Media
Altın Kanal Televizyon ve Radyo Yayıncılık A.Ş. ("Altın Kanal")	Turkey	TV publishing	Media
Stil Televizyon ve Radyo Yayıncılık A.Ş. ("Stil TV")	Turkey	TV publishing	Media
Selenit Televizyon ve Radyo Yayıncılık A.Ş. ("Selenit TV")	Turkey	TV publishing	Media
Elit Televizyon ve Radyo Yayıncılık A.Ş. ("Elit TV")	Turkey	TV publishing	Media
Trend Televizyon ve Radyo Yayıncılık A.Ş. ("Trend TV" or "D Çocuk")	Turkey	TV publishing	Media
Ekinoks Televizyon ve Radyo Yayıncılık A.Ş. ("Ekinoks TV")	Turkey	TV publishing	Media
Dönence Televizyon ve Radyo Yayıncılık A.Ş. ("Dönence TV")	Turkey	TV publishing	Media
Fleks Televizyon ve Radyo Yayıncılık A.Ş. ("Fleks TV")	Turkey	TV publishing	Media
Planet Televizyon ve Radyo Yayıncılık A.Ş. ("Planet TV")	Turkey	TV publishing	Media
Deniz Televizyon ve Radyo Yayıncılık A.Ş. ("Deniz TV" or "HD TV")	Turkey	TV publishing	Media
Doğan Prodüksiyon Hizmetleri A.Ş. ("Doğan Prodüksiyon")	Turkey	TV publishing	Media
Kutup Televizyon ve Radyo Yayıncılık A.Ş. ("Kutup TV")	Turkey	TV publishing	Media
Galaksi Radyo ve Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Galaksi TV")	Turkey	TV publishing	Media
Koloni Televizyon ve Radyo Yayıncılık A.Ş. ("Koloni TV")	Turkey	TV publishing	Media
Atılğan Televizyon ve Radyo Yayıncılık A.Ş. ("Atılğan TV")	Turkey	TV publishing	Media
Atmosfer Televizyon ve Radyo Yayıncılık A.Ş. ("Atmosfer TV")	Turkey	TV publishing	Media
Gümüş Televizyon ve Radyo Yayıncılık A.Ş. ("Gümüş TV")	Turkey	TV publishing	Media
Platin Televizyon ve Radyo Yayıncılık A.Ş. ("Platin TV")	Turkey	TV publishing	Media
Yörünge Televizyon ve Radyo Yayıncılık A.Ş. ("Yörünge TV")	Turkey	TV publishing	Media
Safir Televizyon ve Radyo Yayıncılık A.Ş. ("Safir Televizyon")	Turkey	TV publishing	Media
Tematik Televizyon ve Radyo Yayıncılık A.Ş. ("Tematik TV")	Turkey	TV publishing	Media
Süper Kanal Televizyon Video Radyo Basın Yapım, Yayın Tanıtım ve Haber Hizmetleri A.Ş. ("Süperkanal")	Turkey	TV publishing	Media
Uydu İletişim Basın Yayın A.Ş. ("Uydu")	Turkey	TV publishing	Media
Tasfiye Halinde Mobil Teknolojileri Araştırma Geliştirme A.Ş. ("Mobil")	Turkey	Interactive services	Media
Tasfiye Halinde Matis Reklam ve Pazarlama A.Ş. ("Matis TV")	Turkey	TV publishing	Media
Yonca Pazarlama ve Dağıtım A.Ş. ("Yonca TV")	Turkey	TV publishing	Media
Tasfiye Halinde İnci Televizyon ve Radyo Yayıncılık A.Ş. ("İnci TV")	Turkey	TV publishing	Media
Kuvars Televizyon ve Radyo Yayıncılık A.Ş. ("Kuvars TV")	Turkey	TV publishing	Media
Lal Televizyon ve Radyo Yayıncılık A.Ş. ("Lal TV")	Turkey	TV publishing	Media
Tasfiye Halinde Truva Televizyon ve Radyo Yayıncılık A.Ş. ("Truva TV")	Turkey	TV publishing	Media
Tasfiye Halinde Kayra Televizyon ve Radyo ve Yayıncılık A.Ş. ("Kayra TV")	Turkey	TV publishing	Media
Tasfiye Halinde Milas Televizyon ve Radyo Yayıncılık A.Ş. ("Milas TV")	Turkey	TV publishing	Media
Anemon İletişim Hizmetleri A.Ş. ("Anemon")	Turkey	TV publishing	Media
Yosun İletişim Hizmetleri A.Ş. ("Yosun")	Turkey	TV publishing	Media
Denizati İletişim Hizmetleri A.Ş. ("Denizati")	Turkey	TV publishing	Media
Protoma Yapım Reklamcılık ve Dağıtım A.Ş. ("Protoma Yapım")	Turkey	TV publishing	Media
Doğan Teleshopping Pazarlama ve Ticaret A.Ş. ("Doğan Teleshopping" or "Her Eve Lazım")	Turkey	TV publishing	Media
Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. ("RapsodiRadyo")	Turkey	Radio broadcasting	Media
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	Turkey	Music and entertainment	Media
İnteraktif Medya Hizmetleri Geliştirme Pazarlama ve Ticaret A.Ş. ("İnteraktif Medya")	Turkey	Interactive services	Media
Primetürk GmbH ("Prime Türk")	Germany	Marketing	Media
Osmose Media S.A. ("Osmose Media")	Luxembourg	Marketing	Media
Doğan Media International S.A. ("Kanal D Romanya")	Romania	TV publishing	Media
Doğan Müzik Kitap Mağazacılık ve Pazarlama A.Ş. ("DMK")	Turkey	Retail	Media
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. ("Hürservis")	Turkey	Retail	Media



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011

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

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

Subsidiaries	Country	Nature of business	Segment
Aras Prodüksiyon ve Satış A.Ş. (“Aras Prodüksiyon”)	Turkey	TV publishing	Media
Doğan İletişim Elektronik Servis Hizmetleri ve Yayıncılık A.Ş. (“Doğan İletişim”)	Turkey	Internet service producer	Media
Doğan Factoring Hizmetleri A.Ş. (“Doğan Factoring”)	Turkey	Factoring	Media
Doğan Platform Yatırımları A.Ş. (“Doğan Platform”)	Turkey	Investment	Media
Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. (“Milpa”)	Turkey	Trade	Other
Doğan Otomobilcilik Ticaret ve Sanayi A.Ş. (“Doğan Oto”)	Turkey	Trade	Other
Enteralle Handels GmbH (“Enteralle Handels”)	Germany	Trade	Other
Orta Anadolu Otomotiv Ticaret ve Sanayi A.Ş. (“Orta Anadolu Otomotiv”)	Turkey	Trade	Other
Doğan Havacılık Sanayi ve Ticaret A.Ş. (“Doğan Havacılık”)	Turkey	Aviation	Other
Çelik Halat ve Tel Sanayi A.Ş. (“Çelik Halat”)	Turkey	Production	Other
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. (“Ditaş Doğan”)	Turkey	Production	Other
Milta Turizm İşletmeleri A.Ş. (“Milta Turizm”)	Turkey	Tourism	Other
Doğan Organik Ürünler Sanayi ve Ticaret A.Ş. (“Doğan Organik”)	Turkey	Agriculture	Other
Zigana Elektrik Dağıtım Sanayi ve Ticaret A.Ş. (“Zigana”)	Turkey	Energy	Other
Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. (“Doğan Enerji”)	Turkey	Energy	Other
SC D-Yapı Real Estate, Investment and Construction S.A. (“D Yapı Romanya”)	Romania	Real Estate	Other
D Stroy Limited (“D Stroy”)	Russia	Real Estate	Other
SC Doğan Hospitals Investments and Management SRL (“SC Doğan Hospitals”)	Romania	Real Estate	Other
DHI Investment B.V. (“DHI Investment”)	The Netherlands	Investment	Other

For the purposes of the segmental information in consolidated financial statements, Doğan Holding’s separate financial statements have been included in the “other” segment (Note 5).

As the sales and the purchases of the Group are made and the assets of the Group are located mainly in Turkey, no geographic segmental information is considered necessary.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.1 Basis of presentation**

**2.1.1 Financial Reporting Standards**

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

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

Within the scope of CMB’s Communiqué No: XI-29 and its announcements clarifying this communiqué the consolidated financial statements have been prepared in accordance with the CMB’s Financial Reporting Standards which are based on IAS/IFRS, as the differences of IAS/IFRS, adopted by the European, from those published by IASB have not yet been announced by TASB as of the date of these financial statements. The consolidated financial statements and accompanying notes to them have been presented in accordance with the CMB’s Communiqué No: XI-29 and its regulations with regard to preparation of financial statements by including the mandatory information.

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.1.2 Financial statements of subsidiaries and joint ventures operating in foreign countries**

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

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

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

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

**2.1.3 Consolidation principles**

The consolidated financial statements include the accounts of the parent company, Doğan Holding, its Subsidiaries, and its Associates (collectively referred as the "Group") on the basis set out in sections (a) to (e) below. The financial statements of the companies included in the consolidation are based on historical cost of the statutory records and for the purpose of fair presentation in accordance with the accounting policies described in Note 2.1.1 and Note 2.1.2 and application of uniform accounting policies and presentations; adjustments and reclassifications.

Subsidiaries and joint ventures acquired or disposed of during the accounting period are included in the consolidation from the date at which the control/common control of operations are transferred to the Group and excluded from the consolidation when the control/common control is lost. Even if non-controlling interests result in a deficit balance, total comprehensive income is attributed to the owners and to the non-controlling interests.

Significant accounting policies used in the preparation of these consolidated financial statements are summarized as below:

**(a) Subsidiaries**

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% of voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself 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. Proportion of ownership interest represents the effective shareholding of the Group through the shares held by Doğan Holding and indirectly by its subsidiaries. In the consolidated financial statements, interests owned by Doğan family members are treated as non-controlling interests and excluded from net asset and profit of the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.1.3 Consolidation principles (Continued)**

***(a) Subsidiaries (Continued)***

The balance sheets and statements of income of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Holding and its subsidiaries is eliminated against the related equity. Intercompany transactions and balances between Doğan Holding and its subsidiaries are eliminated on consolidation. Finance costs and the dividends arising from shares held by Doğan Holding in its subsidiaries are eliminated from equity and income for the period, respectively. Where necessary, adjustments are made to the accounting policies in the financial statements of subsidiaries in order to comply with the Group’s accounting policies.

Changes in the Group's ownership interests in subsidiaries that do not result in the loss of control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011

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

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

#### 2.1.3 Consolidation principles (Continued)

The table below sets out the proportion of voting power held by Doğan Holding and its subsidiaries and effective ownership interests at 31 December 2011 and 2010:

Subsidiaries	Proportion of voting Power held by Doğan Holding And its subsidiaries (%)		Proportion of voting power held by Doğan family members(%)		Total Proportion of voting power held(%)		Proportion of effective ownership interest (%)	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Hürriyet	77,65	77,65	-	-	77,65	77,65	61,40	60,70
Doğan Gazetecilik <sup>(1)</sup>	70,76	70,76	0,52	0,52	71,28	71,28	53,49	52,74
Bağımsız Gazeteciler <sup>(2)</sup>	-	100,00	-	-	-	100,00	-	52,74
Kemer Yayıncılık <sup>(3)</sup>	-	99,98	-	-	-	99,98	-	52,73
Milliyet Verlags <sup>(4)</sup>	99,88	99,88	0,12	0,12	100,00	100,00	74,31	73,66
DMI	100,00	100,00	-	-	100,00	100,00	69,57	68,66
Hürriyet Medya Basım	100,00	100,00	-	-	100,00	100,00	61,40	60,69
Doğan Ofset	99,93	99,93	-	-	99,93	99,93	61,36	60,65
Mozaik	99,85	100,00	0,08	-	99,93	100,00	60,53	59,41
Posta Haber <sup>(5)</sup>	100,00	100,00	-	-	100,00	100,00	55,16	59,03
Doğan Haber	99,86	99,85	-	-	99,86	99,85	67,97	66,92
Doğan Dağıtım	100,00	100,00	-	-	100,00	100,00	75,47	74,41
Doğan Dış Ticaret	100,00	100,00	-	-	100,00	100,00	75,34	74,29
İşıl İthalat İhracat	96,70	96,70	-	-	96,70	96,70	72,86	71,84
Refeks <sup>(9)</sup>	100,00	100,00	-	-	100,00	100,00	61,40	60,69
E Tüketici	99,00	99,80	0,10	0,10	99,10	99,90	60,79	60,56
Doğan Gazetecilik								
Internet <sup>(5)</sup>	100,00	100,00	-	-	100,00	100,00	53,72	53,00
Yenibir	100,00	100,00	-	-	100,00	100,00	61,40	60,70
Kemer Pazarlama <sup>(2)</sup>	-	99,96	-	-	-	99,96	-	52,72
TME Teknoloji	100,00	100,00	-	-	100,00	100,00	61,40	60,69
Hürriyet								
Zweigniederlassung	100,00	100,00	-	-	100,00	100,00	61,40	60,70
Hürriyet Invest	100,00	100,00	-	-	100,00	100,00	61,40	60,70
TME <sup>(6)</sup>	67,30	67,30	-	-	67,30	67,30	43,68	43,18
Mirabridge								
International B.V.	100,00	100,00	-	-	100,00	100,00	43,68	43,18
Pronto Invest B.V.	100,00	100,00	-	-	100,00	100,00	43,68	43,18
TCM Adria d.o.o.	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Rektcentr	100,00	100,00	-	-	100,00	100,00	43,68	43,18
Publishing House								
Pennsylvania Inc.	100,00	100,00	-	-	100,00	100,00	43,68	43,18
Doğan Platform	100,00	100,00	-	-	100,00	100,00	75,59	74,53
Doğan Yayın Holding	75,59	74,53	2,40	2,48	77,99	77,01	75,59	74,53
Fairworld	100,00	100,00	-	-	100,00	100,00	75,34	74,29
Falcon	100,00	100,00	-	-	100,00	100,00	75,34	74,29
Marchant <sup>(7)</sup>	100,00	100,00	-	-	100,00	100,00	72,86	71,84
Oglasnik d.o.o. <sup>(6)</sup>	100,00	100,00	-	-	100,00	100,00	43,68	43,18

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011

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

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

#### 2.1.3 Consolidation principles (Continued)

Subsidiaries	Proportion of voting Power held by Doğan Holding And its subsidiaries (%)		Proportion of voting power held by Doğan family members(%)		Total Proportion of voting power held(%)		Proportion of effective ownership interest (%)	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Expressz Magyarország								
Media Zrt	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO SP Belpronto	60,00	60,00	-	-	60,00	60,00	26,21	25,91
OOO Pronto Rostov	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto Aktobe	80,00	80,00	-	-	80,00	80,00	27,96	27,64
OOO Pronto Kurgan <sup>(8)</sup>	-	85,00	-	-	-	85,00	-	36,71
OOO Novoprint	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Delta-M	55,00	55,00	-	-	55,00	55,00	24,03	23,75
OOO Pronto Baikal	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto DV	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto Ivanovo	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto Kaliningrad	95,00	95,00	-	-	95,00	95,00	41,50	41,02
OOO Pronto Kazan	72,00	72,00	-	-	72,00	72,00	31,45	31,09
OOO Pronto Krasnodar	80,00	80,00	-	-	80,00	80,00	34,94	34,54
OOO Pronto Krasnoyarsk <sup>(9)</sup>	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto Nizhny Novgorod	90,00	90,00	-	-	90,00	90,00	39,32	38,87
OOO Pronto Novosibirsk	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto Oka <sup>(10)</sup>	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto Peterburg <sup>(11)</sup>	51,00	51,00	-	-	51,00	51,00	22,28	22,02
OOO Pronto Samara <sup>(12)</sup>	100,00	89,90	-	-	100,00	89,90	43,68	38,82
OOO Pronto Stavropol <sup>(13)</sup>	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto UlanUde	90,00	90,00	-	-	90,00	90,00	39,32	38,87
OOO Pronto Vladivostok	90,00	90,00	-	-	90,00	90,00	39,32	38,87
OOO Pronto Volgograd <sup>(9)</sup>	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto-Moscow	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto Neva	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Tambukan	85,00	85,00	-	-	85,00	85,00	37,13	36,71
OOO Utro Peterburga <sup>(10)</sup>	55,00	55,00	-	-	55,00	55,00	24,03	23,75
OOO Pronto Astrakhan <sup>(9)</sup>	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto Kemerovo	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto Smolensk	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto Tula	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto Voronezh	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Tambov-Info	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto Obninsk	100,00	100,00	-	-	100,00	100,00	43,68	43,18
TOO Pronto Akmola	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto Atyrau	100,00	100,00	-	-	100,00	100,00	34,94	34,54
OOO Pronto Aktau	100,00	100,00	-	-	100,00	100,00	34,94	34,54
ZAO Pronto Akzhol	80,00	80,00	-	-	80,00	80,00	34,94	34,54
SP Pronto Kiev	50,00	50,00	-	-	50,00	50,00	21,84	21,59
Internet Posao d.o.o.	100,00	100,00	-	-	100,00	100,00	30,58	30,23
Moje Delo spletni Marketing d.o.o. <sup>(6)</sup>	100,00	100,00	-	-	100,00	100,00	43,68	43,18
Bolji Posao d.o.o. Serbia	100,00	100,00	-	-	100,00	100,00	24,03	23,75
Bolji Posao d.o.o. Bosnia	100,00	100,00	-	-	100,00	100,00	24,03	23,75
OOO RUKOM	100,00	100,00	-	-	100,00	100,00	43,68	43,18
Sklad Dela Prekmurje NGO	100,00	-	-	-	100,00	-	24,03	-

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011

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

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

#### 2.1.3 Consolidation principles (Continued)

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries(%)		Proportion of voting power held by Doğan family members(%)		Total proportion of voting power held(%)		Proportion of effective ownership interest (%)	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010
OOO Partner-Soft	100,00	100,00	-	-	100,00	100,00	39,32	43,18
Pronto soft	90,00	90,00	-	-	90,00	90,00	39,32	38,87
TOV E-Prostir	50,00	50,00	-	-	50,00	50,00	21,84	21,59
Prime Turk	100,00	100,00	-	-	100,00	100,00	60,44	59,41
Osmose Media	100,00	100,00	-	-	100,00	100,00	60,44	59,41
OOO Rosprint <sup>(14)</sup>	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Rosprint Samara	100,00	100,00	-	-	100,00	100,00	43,68	43,18
Impress Media								
Marketing LLC <sup>(6)</sup>	100,00	100,00	-	-	100,00	100,00	43,68	43,18
OOO Pronto TV <sup>(15)</sup>	100,00	100,00	-	-	100,00	100,00	43,36	43,18
Pronto Ust Kamenogorsk	90,00	90,00	-	-	90,00	90,00	34,94	34,54
Doğan TV Holding <sup>(16)</sup>	79,96	79,71	0,14	-	80,10	79,71	60,44	59,41
Kanal D	94,85	94,81	5,14	-	99,99	94,81	57,33	56,33
Işıl TV <sup>(17)</sup>	-	100,00	-	-	-	100,00	-	59,41
Alp Görsel	100,00	100,00	-	-	100,00	100,00	60,44	59,41
Fun TV	94,96	97,12	2,14	-	97,10	97,12	57,40	57,70
Tempo TV	94,71	96,83	2,13	-	96,84	96,83	57,33	57,48
Kanal Spor	99,59	99,75	0,29	0,12	99,88	99,88	60,28	59,21
Milenyum TV	99,90	99,96	0,06	-	99,96	99,96	60,38	59,39
TV 2000	98,44	99,07	1,09	0,46	99,53	99,53	59,59	58,81
Moda Radyo <sup>(18)</sup>	99,82	99,74	0,09	0,09	99,91	99,83	60,34	59,25
Popüler TV	94,66	96,00	2,67	1,33	97,33	97,33	57,30	56,98
D Yapım Reklamcılık	100,00	100,00	-	-	100,00	100,00	60,44	59,41
Bravo TV	98,73	99,73	1,00	-	99,73	99,73	59,77	59,20
Doğa TV	97,50	98,12	1,25	0,63	98,75	98,75	59,02	58,25
Altın Kanal	99,14	99,35	0,43	0,22	99,57	99,57	60,01	58,97
Stil TV	98,91	99,39	0,79	0,31	99,70	99,70	59,87	58,99
Selenit TV	99,81	99,81	0,06	0,06	99,87	99,87	60,42	59,24
Elit TV	99,05	99,05	0,32	0,32	99,37	99,37	59,96	58,79
D Çocuk	98,95	99,41	0,76	0,30	99,71	99,71	59,89	59,01
Ekinoks TV	99,77	99,80	0,17	0,07	99,94	99,87	60,39	59,24
Dönence TV	96,17	97,87	2,77	1,07	98,94	98,94	58,21	58,09
Fleks TV	97,81	98,79	1,58	0,60	99,39	99,39	59,21	58,64
Meridyen TV <sup>(19)</sup>	-	99,98	-	0,01	-	99,99	-	59,36
Planet TV	99,36	99,65	0,46	0,17	99,82	99,82	60,15	59,15
HD TV	99,67	99,81	0,24	0,10	99,91	99,91	60,33	59,24
Ekin Radyo <sup>(20)</sup>	-	100,00	-	-	-	100,00	-	59,40
Doğan Prodüksiyon	100,00	100,00	-	-	100,00	100,00	60,44	59,41
Doğan TV Dijital	99,99	99,80	0,01	0,10	100,00	99,90	60,53	59,24
Kutup TV	99,63	99,79	0,27	0,11	99,90	99,90	60,31	59,23
Galaksi TV	98,20	99,20	1,00	-	99,20	99,20	59,44	58,88
Opal İletişim <sup>(21)</sup>	-	99,92	-	-	-	99,92	-	59,36
Koloni TV	90,00	90,00	3,34	3,34	93,34	93,34	54,40	53,47
Atılğan TV	90,00	90,00	3,33	6,67	93,33	96,67	54,40	53,47
Atmosfer TV	86,67	86,67	3,33	3,33	90,00	90,00	52,46	51,44
Gümüş TV	92,86	92,86	1,79	1,79	94,65	94,65	56,21	55,12
Platin TV	91,30	91,30	2,17	2,17	93,47	93,47	55,27	54,19
Yörünge TV	98,39	98,39	0,40	0,40	98,79	98,79	59,56	58,40
Doruk Televizyon	99,86	99,91	0,08	0,03	99,94	99,94	60,36	59,35

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011

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

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

#### 2.1.3 Consolidation principles (Continued)

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries(%)		Proportion of voting power held by Doğan family members (%)		Total Proportion of voting power held(%)		Proportion of effective ownership interest(%)	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Safir Televizyon	86,66	90,00	6,67	3,33	93,33	93,33	52,46	53,42
Tematik TV	86,66	90,00	6,67	3,33	93,33	93,33	52,39	53,47
Akustik TV <sup>(19)</sup>	-	99,96	-	0,01	-	99,97	-	59,36
Ametist TV <sup>(19)</sup>	-	99,96	-	0,01	-	99,97	-	59,39
Süper Kanal	99,65	99,65	0,12	0,12	99,77	99,77	60,32	59,15
Uydu	58,67	58,67	32,00	32,00	90,67	90,67	35,51	34,83
Mobil <sup>(22)</sup>	99,99	99,99	-	-	99,99	99,99	60,44	59,41
Matis TV <sup>(23)</sup>	100,00	100,00	-	-	100,00	100,00	60,53	59,41
Yonca TV	100,00	100,00	-	-	100,00	100,00	60,44	59,41
İnci TV <sup>(24)</sup>	86,67	86,67	3,33	3,33	90,00	90,00	52,46	51,44
Kuvars TV	86,67	86,67	3,33	3,33	90,00	90,00	52,46	51,44
Lal TV	86,67	86,67	3,33	3,33	90,00	90,00	52,46	51,44
Truva TV <sup>(25)</sup>	86,67	86,67	3,33	3,33	90,00	90,00	52,46	51,44
Kayra TV <sup>(24)</sup>	86,67	86,67	3,33	3,33	90,00	90,00	52,46	51,44
Milas TV <sup>(24)</sup>	86,67	86,67	3,33	3,33	90,00	90,00	52,46	51,44
Kanal D Romanya	83,17	74,90	-	-	83,17	74,90	57,87	51,43
Anemon	100,00	99,99	-	-	100,00	99,99	60,44	59,40
Yosun	100,00	99,99	-	-	100,00	99,99	60,44	59,40
Denizati	100,00	99,99	-	-	100,00	99,99	60,44	59,40
Protéma Yapım	99,99	99,99	-	0,01	99,99	100,00	60,44	59,41
Doğan Teleshopping	99,99	99,99	-	-	99,99	99,99	60,44	59,38
ZAO NPK	100,00	100,00	-	-	100,00	100,00	43,68	43,18
D Radyo <sup>(26)</sup>	-	98,79	-	-	-	98,79	-	58,69
Rapsodi Radyo	97,58	98,14	1,49	-	99,07	98,14	58,98	58,31
Birpa <sup>(27)</sup>	-	99,98	-	0,01	-	99,99	-	74,52
Foreks <sup>(28)</sup>	-	95,76	-	-	-	95,76	-	56,89
DMC	99,96	99,96	0,01	0,01	99,97	99,97	65,26	64,22
İnteraktif Medya	100,00	100,00	-	-	100,00	100,00	60,44	59,41
DMK	100,00	100,00	-	-	100,00	100,00	75,59	74,53
Hürservis	100,00	100,00	-	-	100,00	100,00	73,97	72,95
Doğan İletişim	100,00	100,00	-	-	100,00	100,00	75,59	74,53
Doğan Factoring	100,00	100,00	-	-	100,00	100,00	75,11	74,08
Aras Prodüksiyon <sup>(29)</sup>	99,99	49,99	-	-	99,99	49,99	60,44	29,70
Nartek	60,00	60,00	-	-	60,00	60,00	36,84	36,42
Milpa	86,27	86,27	0,22	0,22	86,49	86,49	86,27	86,27
Doğan Oto	99,76	99,76	0,24	0,24	100,00	100,00	99,76	99,76
Enteralle Handels	100,00	100,00	-	-	100,00	100,00	86,27	86,27
Orta Anadolu Otomotiv	85,00	85,00	-	-	85,00	85,00	84,80	84,80
Doğan Havacılık	100,00	100,00	-	-	100,00	100,00	91,62	91,34
Çelik Halat	78,69	78,69	-	-	78,69	78,69	78,69	78,69
Ditaş Doğan	73,59	73,59	-	-	73,59	73,59	73,59	73,59
Milta Turizm	98,68	98,68	1,32	1,32	100,00	100,00	98,68	98,68
Doğan Organik	100,00	100,00	-	-	100,00	100,00	98,57	98,57
Zigana	85,01	84,91	-	-	85,01	84,91	85,01	84,91
Çelik Enerji <sup>(30)</sup>	-	100,00	-	-	-	100,00	-	99,88
Doğan Enerji	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D-Yapı Romanya	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D Stroy	100,00	100,00	-	-	100,00	100,00	100,00	100,00
SC Doğan Hospitals	100,00	100,00	-	-	100,00	100,00	100,00	100,00



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011

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

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

#### 2.1.3 Consolidation principles (Continued)

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total Proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010
DHI Investment	100,00	100,00	-	-	100,00	100,00	100,00	100,00

- (1) According to the statutory records of Doğan Gazetecilik, proportion of effective ownership interest of Doğan Holding is 53,49%. Nevertheless, in consequence of the option explained in Note 8, the operational results of Doğan Gazetecilik and its subsidiaries are included into the consolidation by the Group with the rate of 70,12% by considering the additional share proportion in accordance with IAS 32 "Financial Instruments: Presentation".
- (2) The sale and transfer of share procedures of Bağımsız Gazeteciler and the direct subsidiary of Bağımsız Gazeteciler, Kemer Yayıncılık Pazarlama to DK Gazetecilik Yayıncılık A.Ş. have been completed as of 2 May 2011.
- (3) Kemer Yayıncılık ve Gazetecilik A.Ş. was merged with Posta Haber through a takeover in accordance with the requirements of the relevant law as of December 27, 2011. After merging, Kemer Yayıncılık continues to operate under the name of Posta Haber Ajansı A.Ş.
- (4) The company is in the liquidation process as of 27 December 2010.
- (5) Corporate titles of Milliyet İnternet Hizmetleri ve Ticaret A.Ş. and Milliyet Haber Ajansı A.Ş have been changed and registered as Doğan Gazetecilik İnternet Hizmetleri ve Ticaret A.Ş. as of 4 July 2011 and as Posta Haber Ajansı A.Ş. on 7 July 2011.
- (6) Related rates include call-options regarding non-controlling shares explained in Note 22. With the acquisition of TME shares after the balance sheet date voting power and effective ownership interest become 74,28% and 45,61% respectively.
- (7) The related subsidiary is in the liquidation process as of 7 December 2011.
- (8) The shares of related subsidiary were sold in 2011.
- (9) The company is in the liquidation process as of 2011.
- (10) The related subsidiaries have ceased its operations before the year 2010.
- (11) The Group had excised from the related subsidiary at the end of the year 2011.
- (12) The related subsidiary purchased 10,1% shares from non-controlling interests in 2011.
- (13) The merging process for Pronto Rostov and the related subsidiary has started as of 2011.
- (14) The sale of the related subsidiary have been completed as of 5 April 2012.
- (15) The related subsidiary was merged with Pronto Moscow in 2011.
- (16) According to the statutory records of Doğan TV Holding, proportion of effective ownership interest of Doğan Holding is 60,44%. Nevertheless, in consequence of the option explained in Note 15, the operational results of Doğan Gazetecilik and its subsidiaries are included into the consolidation by the Group with the rate of 67,04% by considering the additional share proportion in accordance with IAS 32 "Financial Instruments: Presentation".
- (17) The sale and transfer of shares of Işıl TV to Doğuş Yayın Grubu have been completed as of 3 November 2011.
- (18) The sale and transfer of shares of the related subsidiary have been completed as of 12 January 2012.
- (19) As of 30 September 2011, the company was merged with Mozaik in accordance with the relevant legislation.
- (20) The sale and transfer of shares of the related subsidiary have been completed as of 14 December 2011.
- (21) The sale and transfer of shares of the related subsidiary have been completed as of 15 December 2011.
- (22) The related subsidiary is in the liquidation process as of 28 July 2010.
- (23) The company is in the liquidation process as of 8 April 2011.
- (24) The company is in the liquidation process as of 11 April 2011.
- (25) The company is in the liquidation process as of 6 April 2011.
- (26) As of 29 December 2011, the company was merged with DTV Haber Görsel in accordance with the relevant legislation.
- (27) As of 29 March 2011, the company was merged with Mozaik in accordance with the relevant legislation.
- (28) As of 29 December 2011, the company was merged with Doruk Televizyon in accordance with the relevant legislation.
- (29) 50% shares of Aras Prodüksiyon, which was accounted as joint venture as of 31 December 2009, was purchased by Doğan TV Holding for TRY 25 at December 2010. Regarding to the purchase, Aras Prodüksiyon has been accounted as subsidiary and started to be included in the consolidated financial statements.
- (30) As of 30 December 2011, the company was merged with Doğan Enerji for the purpose of the legislation requirements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.1.3 Consolidation principles (Continued)**

**b) *Interests in Joint Ventures***

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. Joint ventures, except for those that are classified as held for sale under IFRS 5 are included in consolidation using the proportionate consolidation method (i.e. through the inclusion of the Group's share of the assets, liabilities, income and expenses). Unrealized gains and losses arising from the transactions with the Group and its joint ventures are eliminated proportionally as the Group's interest in the joint venture. The joint-ventures, the proportion of voting power held by Doğan Holding and its subsidiaries and effective ownership interests at 31 December 2011 and 31 December 2010 are disclosed in Note 4.

**c) *Interests in Associates***

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but do not have control or joint control over those policies. Investments in joint ventures are accounted for using the equity method of accounting. Such entities are companies in which Doğan Holding and its subsidiaries have 20% - 50% of the voting rights of the Group's overall voting power, where the Group has significant influence without any controlling power over the operations. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in its associates; unrealized losses are also eliminated if there is no indication of the assets transferred. Unrealized gains arising from the transactions with the Group and its joint ventures are written off proportionally as the Group's interest whereas unrealized losses are written off when there is no indication of impairment of the transferred asset. Increases or decreases in the net assets of associates are increased or decreased proportionally as the Group's share in the consolidated financial statements and presented under the "Share of loss on investments accounted for by using the equity method" account in the statement of income. Where the investment's share of losses exceeds the Group's share (including any long-term investments that, in substance, form part of the Group's net investment in the associate), the exceeding portion of losses are not recognized. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains on transactions between the Group and its associates are restated in proportion to the Group's share in the associate and unrealized losses are also restated when there is no indication of impairment of the transferred asset. Equity method is not applied when the carrying amount of the investment in a joint venture reaches zero to the extent that the Group assumes no liabilities or obligations or in respect of the joint venture or the Group has no significant influence over the related joint venture. The carrying amount of the investment when the Group loses its significant influence over the investment is then carried at cost.

**(d) *Non-controlling interests***

Non-controlling interests of shareholders over the net assets and operational results of subsidiaries are classified as non-controlling interest and non-controlling profit/(loss) in the consolidated balance sheet and statement of income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.1.3 Consolidation Principles (Continued)**

**e) *Financial investments***

Other investments in which the Group and its subsidiaries, have less than 20%, or more than 20% direct or indirect participation but the Group has no significant influence over the related assets, or which are immaterial to consolidated financial statements are classified as available for sale financial assets. Available for sale investments that do not have a quoted market price in an active market and whose fair value cannot be measured reliably are carried at cost less any allowance for impairment (Note 7).

**2.1.4 Comparative information and restatement of prior period financial statements**

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. In order to maintain consistency, with current year consolidated financial statements, comparative information is reclassified and significant changes are disclosed if necessary. In the current year, the Group has reclassified its prior period financial statements in order to comply with the presentation of its current period consolidated financial statements. The nature, amount and reason for the reclassifications are described below:

- Construction in progress amounting to TRY 4.830 which is initially recorded under "Investment Property" is reclassified to "Property, Plant and Equipment".
- Marketing, sales and distribution expenses amounting to TRY 8.705 is offset against the sales revenue.
- Out of TRY 16.628 of cost of sales amount, TRY 7.500 is reclassified to Marketing, sales and distribution expenses and the remaining TRY 9.128 is reclassified to "General and administrative expenses".

The reclassifications made in the current period have no effect on the net income and accumulated gain/(loss).

**2.1.5 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 recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**2.1.6 Critical judgments in applying the entity's accounting policies**

Changes in accounting policies arising from the first time adoption of a new IAS/IFRS are applied retrospectively or prospectively in accordance with the respective IASs/IFRSs transition requirements, if any. Where there are no transition requirements for any changes or optional significant changes in accounting policies and identified accounting errors, those are applied retrospectively and prior period financial statements are restated accordingly. Accounting policies used in the current period are applied in the preparation of the consolidated financial statements for the year ended 31 December 2010.

The preparation of consolidated financial statements require the use of estimations and assumptions that may have an effect over the assets and liabilities reported at the balance sheet date, contingent assets and liabilities disclosures and income and expenses reported during the accounting period. The estimates and assumptions are based on the best available information on the current circumstances and operations; however, they may differ from the actual results. If changes in accounting estimates only relate to one period, the change is reflected in the current period in which the change is made, if they relate to future periods, the change is both reflected in the current period in which the change is made and prospectively for future periods. Significant accounting policies used in the current period are consistent with those that are used in the preparation of the consolidated financial statements for the year ended 31 December 2010.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

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

**2.1.7 New and Revised International Financial Reporting Standards**

The following new and revised Standards and Interpretations have been applied by the Group in the current year and have affected the amounts reported and disclosures in these financial statements. Details of other new and revised IFRSs applied in these financial statements that have had no material impact on the financial statements are set out in further sections.

**(a) Standards effective from 1 January 2011 but have no effect on the financial statements of the Group**

IAS 1 (Amendment)	Presentation of Financial Statements
IAS 24	Related Party Disclosures (as revised in 2009)
IAS 32 (Amendments)	Classification of Rights Issues
IFRIC 14 (Amendments)	Prepayments of a Minimum Funding Requirement
IFRS 3 (Amendments)	Business Combinations
IFRIC 19 (Amendments)	Extinguishing Financial Liabilities with Equity Instruments

**(b) New and Revised Standards and Interpretations not yet effective and have not been early adopted by the Group**

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets; Offsetting of Financial Assets and Financial Liabilities
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
IAS 12 (Amendments)	Deferred Taxes – Recovery of Underlying Assets
IAS 19 (as revised in 2011)	Employee Benefits
IAS 27 (as revised in 2011)	Separate Financial Statement
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
IAS 32 (Amendments)	Financial Instruments: Presentation - Offsetting of Financial Assets and Financial Liabilities

The above standards will be applicable for the accounting periods beginning on or after 2012 and the Group has not had an opportunity to consider the potential impact of the application of these standards over its financial statements. The Group would be expected to be mostly affected by the requirements of "IFRS 11 Joint Arrangements". "IFRS 11 Joint Arrangements" requires joint ventures to be accounted for by using the equity method instead of proportional consolidation method. This standard has not yet been adopted by the European Union.

**2.1.8 US dollar convenience translation**

US dollar ("USD") amounts shown in the consolidated financial statements have been included solely for the convenience of the reader and are translated from Turkish lira ("TRY"), as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate of TRY 1,8889 = USD 1,00 on 31 December 2011. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB. Such translations should not be construed as a representation that the TRY amounts have been or could be converted into USD at this or any other rate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.2 Summary of significant accounting policies**

**Related Parties**

For the purpose of those consolidated financial statements, shareholders that have control or joint control over the Company, other individuals that have direct or indirect control over those shareholders, other group companies that are directly or indirectly controlled by these individuals, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them, associates and joint ventures are considered and referred to as related parties (Note 37).

**Cash and cash equivalents**

Cash and cash equivalents are carried at cost in the balance sheet. Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments without a significant risk over the change in their value, whose maturity at the time of purchase is three months or less (Note 6).

**Sales and repurchase agreements**

Funds given in return for financial assets purchased with the requirement of selling back ("Reverse repo") are recognized as reverse repurchase agreements at consolidated financial statements (Note 6). Income discount is calculated for the difference between the buying and selling prices, determined with aforementioned reverse repo agreements, accrued for the period according to internal discount rate method and recognized by adding to the cost of reverse repos. Funds provided in return for financial assets reverse repurchase are recognized under cash and cash equivalents in the consolidated financial statements.

**Trade receivables and provision for doubtful receivables**

The Group's trade receivables from providing goods or services to customers are carried at net of unrealized finance income. Trade receivables, net of unrealized finance income, are calculated by discounting future cash inflows of receivables carried at the original invoice amount using the effective interest method. Short term receivables with indefinite interest rate are carried at cost unless the effect of imputing interest is significant.(Note 10).

Provision is allocated for receivables when the Group has an objective indication over the collectability. The amount of the provision is the difference between the carrying amount and the recoverable amount. Recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collaterals discounted based on using the original effective interest rate of the trade receivable occurred.

If there is a partial or whole collection over the doubtful receivable amount subsequent to the allocation of provision for doubtful receivables, the collected portion is recognised as income following the write-down of the total provision amount (Note 31).

**Inventories**

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make the sale. Cost elements included in inventory are purchase costs and other costs necessary to prepare the asset for its intended use. Cost elements included in inventories are materials, labor and production overheads. The unit cost of inventories is determined on the moving weighted average basis (Note 13).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

***2.1 Summary of Significant Accounting Policies (Continued)***

**Inventories (Continued)**

When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in the statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of the changing economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the initial impairment.

**Promotion stocks**

Evaluation of impairment on promotion stocks and in detection of an impairment; evaluation of the impairment amount is carried out by the Group management. In this manner, an inventory impairment amount is set with the rates determined by the Group management by taking the purchase date into consideration.

**Programme stocks**

Programme stocks comprise internal and external productions that have been produced but not yet broadcasted as of the report date. Programme stocks are recognised at acquisition or production cost and they are not subject to amortization. These programmes are charged to the income statement upon the first transmission and included in cost of sales in the consolidated statement of income. If the estimated income from programme stocks is lower than the carrying value, carrying value is discounted to net realizable value.

**Financial instruments**

In accordance with IAS 39, the Group classifies its financial instruments as assets held at fair value through profit or loss, held-to-maturity, available-for-sale and loans and receivables. Classification is determined based on the acquisition purpose and specifications of the financial asset at the initial recognition. Financial instruments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in the interest rates, exchange rates or equity prices, or the client's servicing activity are classified as "available-for-sale financial assets". The appropriate classification of investments is determined at the time of the purchase and re-evaluated by the Group on a regular basis. All financial assets are recognised at cost including transaction costs in the initial measurement.

"Financial assets at fair value through profit or loss" are financial assets that have been acquired principally for the purpose of taking advantage of fluctuations in price and other similar elements or independent from initial recognition financial assets held for trading which is part of a portfolio that has a recent actual pattern of short-term profit-taking. A financial asset is classified in this category if it is primarily acquired for the purpose of selling in the short-term. Financial assets at fair value through profit or loss are initially carried at cost including transaction costs at the balance sheet. Subsequent to recognition, the financial assets are carried at fair value. Realized or unrealized gains and losses are recognized in "financial income / expenses". Dividends received, are recognized as dividend income in the consolidated statement of income. Financial assets considered as derivative instruments that are not designated for the purpose of hedging instruments are classified as financial assets at fair value through profit or loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.2 Summary of Significant Accounting Policies (Continued)**

**Financial instruments (Continued)**

"Held-to-maturity investments" are non-derivative financial assets with fixed or determinable payments that the Group intends and is able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale. Held-to-maturity investments are carried at amortized cost using the effective interest method less impairment, if any.

The Group's available for sale financial assets comprise of quoted equity instruments and certain debt securities that are traded in an active market and they are measured at fair value. Unrealized gains or losses on an available-for-sale financial asset shall be recognised in equity, through the investments revaluation reserves and comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity shall be recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive payment is established.

Financial assets classified by Doğan Holding as "available- for- sale financial assets" that do not have any control power or significant effect have no fair value. When fair value cannot be reliably measured as other fair value estimation methods are not applicable; the carrying value of the financial asset is measured at cost less any impairment loss (Note 7).

"Loans and receivables" are financial assets that have fixed or determinable payments and fixed maturity dates and non-derivative financial assets that are not quoted in an active market.

**Derivative financial instruments**

Derivative forward instruments, predominantly foreign currency and interest swap agreements and foreign currency forward agreements are initially recognised at their historical costs plus the transaction costs. Derivative financial instruments are subsequently remeasured at their fair value. All derivative financial instruments are classified as financial assets at fair value through profit or loss. Fair values of derivative financial instruments are obtained from quoted market prices or discounted cash flow models as appropriate. Based on positive or negative fair value, derivative financial instruments are carried as assets or liabilities respectively (Note 22).

Changes in the fair value of derivatives at fair value through profit or loss are included in the statement of income.

While certain derivatives provide effective hedge relationships, they are recognised as financial assets through profit or loss in accordance with IAS 39 and their fair value gains and losses are reported in the statement of income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

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

***Summary of Significant Accounting Policies (Continued)***

**Investment Property**

Land and buildings that are held to earn rentals and/or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as investment property. Investment properties are carried at cost less accumulated depreciation under the cost method less impairment charges, if any. Depreciation of investment properties (except land) is provided using a straight-line basis. The depreciation periods for investment property, which approximate the economic useful lives of such assets, are determined as 5-50 years (Note 17).

Investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use

**Property, plant and equipment and related depreciation**

Property, plant and equipment are carried at cost less any accumulated depreciation (Note 18). Depreciation is provided on property, plant and equipment on a straight-line basis (except land). The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	<u>Years</u>
Land and land improvements	2 - 50
Buildings	2 - 50
Machinery and equipment	2 - 28
Motor vehicles	2 - 17
Furniture and fixtures	2 - 50
Kiralanan maddi varlıkları geliştirme maliyeti	2 - 39
Other fixed assets	2 - 50
Leasehold improvements	5

Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets.

Repair and maintenance expenses are charged to the consolidated statement of income as they are incurred. Capital expenditures that increase the present value of the future cash flows expected to be derived from property, plant and equipment by increasing its capacity is added to the cost of tangible fixed asset. Gains and losses arise from sales of tangible fixed assets are included to other operating income and expense accounts.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.2 Summary of Significant Accounting Policies (Continued)**

**Property, plant and equipment and related depreciation(Continued)**

Investments made for the installation of electrical energy production facility and the ongoing investments classified under tangible fixed assets briefly includes following cost elements:

- After deducting discounts, including import duties and non-refundable purchase taxes, the purchase price.
- All kinds of cost that will make the asset operate in the conditions intended by the management and the place it is located.
- Costs arising from employee benefits provided to employees who directly work related to construction or obtaining of tangible fixed assets.
- Costs for the preparation of the ground.
- Costs related to the first delivery.
- Installation and assembly costs.
- Professional fees.
- General administrative expenses directly related to purchase or construction of the tangible fixed asset.
- Within the scope of IAS 23 "Borrowing Costs" financing costs that can be added to cost of the tangible fixed asset.
- The expropriation costs for the construction of the dam.

**Financial Leases**

Leases are classified as finance leases by the Group whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are treated as consisting of capital and interest. Principal lease payments are treated as liabilities and reduced with their payments. Interest charges are charged directly against income statement over the financial lease period. Assets acquired through finance leases are depreciated over the shorter of expected useful life and the lease term, as well as tangible assets acquired.

***Operating lease***

Leases are classified as operating leases when a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made for operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement as expense.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.3 Summary of Significant Accounting Policies (Continued)**

**Goodwill**

Goodwill and negative goodwill amount, which represents the difference between the purchase price and the fair value of the acquiree's net assets, arising from business combinations effected prior to 31 March 2004 in the consolidated financial statements is capitalized and amortized over the useful life by using the straight-line method prior to 31 December 2004. Goodwill arising from business combinations effected subsequent to 31 March 2004 is not amortized and instead reviewed for any impairment losses in accordance with IFRS 3 Business Combinations (Note 20).

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

**Intangible assets**

Intangible assets comprise brand names, customer lists, terrestrial broadcasting permissions and licenses (frequency rights), other identified rights, computer software and television programme rights. Brand names, customer relationships and domain names are determined based on the independent valuation on business combinations. Useful lives of certain brand names are determined to be infinite. Assets that have infinite useful life are not subject to amortization and are tested for impairment annually (Note 19).

Intangible assets are carried at cost, less any accumulated amortization (Note 19).

Estimated useful lives of intangible assets that have a finite useful life are as follows:

	<u>Years</u>
Trademark	20 - 25
Customer lists	9 - 18
Computer software and rights	3 - 15
Domain names	3 - 20
Other intangible assets	5

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.3 Summary of Significant Accounting Policies (Continued)**

**Intangible assets (Continued)**

Intangible assets with finite useful lives are tested to determine whether there is an indication that the intangible assets may be impaired and if the carrying value of the intangible asset is higher than the recoverable amount, the carrying value of the intangible asset is written down to its recoverable amount provided to allocate provision. The recoverable amount of an intangible asset is the higher of its fair value less costs to sell and its value in use. Provision for impairment is recognized under the statement of income in the related period.

Subsidiary Milta Turizm's right of the marina usage is amortized over 49 years depending on the transfer agreement made with Privatization Administration on 13 October 1997 (Note 19).

**Web page development costs**

Costs associated with developing web pages are capitalized and are amortized over their estimated useful lives (Note 19). Following the planning phase and operation; all costs are recognised as expense. Maintenance costs of web pages are accounted as operational expenses.

**Television program rights**

Television program rights (foreign series, foreign films and Turkish films) are initially recognised at acquisition cost of the license when the Group controls, in substance, the respective assets and the risks and rewards attached to them. Television program rights are evaluated to determine if expected revenues are sufficient to cover the unconsumed portion of the program. To the extent that expected revenues are insufficient, the program rights are written down to their net realizable value.

Consumption is based on the transmission of the expected number of runs (vary from two to unlimited) purchased. The appropriateness of the consumption profiles are reviewed regularly by the management. A maximum of 5 runs is applied for the unlimited run purchases.

**Impairment of assets excluding goodwill and intangible assets with infinite useful lives**

At each balance sheet date, the Group evaluates whether there are any indications that an asset other than goodwill or indefinite life intangible assets may be impaired. When an indication of impairment exists, carrying value of the assets is compared with the net realizable value which is the higher of value in use and fair value less costs to sell. Impairment exists if the carrying value of an asset or a cash generating unit including that asset is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. Impairment losses are recognised in the consolidated statement of income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.2      *Summary of Significant Accounting Policies (Continued)***

**Taxation on income**

Taxation on income includes current period income taxes and deferred taxes.

Current year tax liability consists of tax liability on period income calculated according to currently enacted tax rates and tax legislation in force as of balance sheet date and includes adjustments related to previous year's tax liabilities. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, tax provisions, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date. The principal temporary differences arise from deductible financial losses, bad debt provision, provision for severance payments, tangible fixed assets, intangible fixed assets and differences between inventories' carrying values and tax base.

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they related to income taxes levied by the same taxation authority (Note 35).

**Financial borrowings and borrowing costs**

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the income statement as finance expense over the period of the borrowings (Note 8). The borrowing costs which are directly related with the acquisition, manufacturing or production of a specialty good (means that a long period of time is required to make available for sale and use as purposed) are capitalized as a part of the related asset (Note 18). The Group does not have any capitalized borrowing costs during the current period.

When the Group becomes indebted for general purposes and the fund is used to finance a qualifying asset, the amount of borrowing costs eligible for capitalization will be determined with the aid of capitalization rate applied to expenditures made for the asset. The capitalization rate, except for borrowings made for the purchase of qualifying assets, is the weighted average of borrowing costs for all existing debts of the Group during the relevant period. Financial investment income obtained by temporary investment of investment related loans' not yet used part shall be deducted from the borrowing costs eligible for capitalization.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.2      *Summary of Significant Accounting Policies (Continued)***

**Financial borrowings and borrowing costs (Continued)**

The Group capitalized the real part of cost of borrowings in connection with the real estate projects of Milpa and ongoing hydroelectric power plant projects in Aslancık Elektrik and Boyabat Elektrik in accordance with IAS 23 for the years 2011 and 2010. Other borrowing costs for the period were recognized in the income statement.

**Financial liabilities subject to non-controlling put options**

Under the terms of certain share purchase agreements, the Group may commit to acquire the interests owned by non-controlling shareholders in subsidiaries, upon the request of non-controlling interest holders. IAS 32, "Financial Instruments: Disclosure and Presentation" requires the value of such put option to be presented as a financial liability on the balance sheet for the discounted value of the expected exercise price of this option, notwithstanding the ability of the Company to settle part of these obligations with its own shares and not cash. In addition, the share of non-controlling shareholders in the net asset of the company subject to the put option is presented in "other financial liabilities" instead of "non-controlling interests" in the consolidated balance sheet. The Group presents, at initial recognition, the difference between the exercise price of the option and the carrying value of the non-controlling interests first as a reduction of non-controlling interest and then as addition to the Group's equity. The discount amount and any subsequent change in the fair value of the commitment are recognised in the income statement as finance income or expense in subsequent periods (Note 9).

**Employment termination benefits**

Under the Turkish Labour Law and Press Labour Law (for employees in the media sector), the Group is required to pay termination benefits to each employee who achieves the retirement age, whose employment is terminated without due cause written in the related laws.

The provision for employment termination benefit represents the present value of the estimated total reserves of the future probable liability of the Group arising from the retirement of the employees measured in accordance with the Turkish Labour and Press Labour Laws (Note 24).

**Provisions, contingent assets and liabilities**

Provisions are recognised when the Group 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.

Contingent liabilities are assessed continually to determine whether an outflow of resources comprising economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimate can be made.

If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised by the Group in the financial statements of the period in which the change occurs.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.2 Summary of Significant Accounting Policies (Continued)**

**Provisions, contingent assets and liabilities (Continued)**

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in financial tables and are treated as contingent assets or liabilities. A contingent asset is disclosed where an inflow of economic benefit is probable.

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

**Commercial bonds**

Bonds at the time of being issued or purchased are recognized initially at their acquisition value minus the transaction costs incurred during issuance or purchase. Bonds are subsequently stated at amortised cost using the effective yield method; any difference between the proceeds and redemption value is recognized in the consolidated income statement over the period of the bond (Note 7, 9).

**Share capital and dividends**

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

**Revenue recognition**

Revenue is recognized on an accrual basis over the fair value of acquisition amount based on product or service delivery, transfer of significant risks and rewards related to product to the buyer, reliable estimate of revenue amount and most probability that economic benefits associated with the transaction will be obtained by the Company. Net sales have been found by deducting sales returns, discounts and commissions.

**a) Media segment**

Revenue is the fair value amount of sales of goods and services received or receivable which resulted from Group's operations. Net sales represent the invoiced value of goods or services shipped less any trade discounts, rebates and commissions and are presented with the elimination of intercompany balances.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.2 Summary of Significant Accounting Policies (Continued)**

**Revenue recognition (Continued)**

**a) Media segment (Continued)**

Revenue is initially recognized at the fair value of the consideration received or receivable when it can be measured reliably or when there is an inflow of economic benefits. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either the prevailing rate for a similar instrument of an issuer with a similar credit rating; or a rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services (Note 28).

Revenues from television, newspapers, magazines and other advertisements

Revenue from advertisements is recognised on an accrual basis at the time of broadcasting or printing the advertisement in the related media at the invoiced amounts. The part which is not broadcasted or published yet is recognised as deferred income on the balance sheet.

Revenues from newspaper and magazine sales and distribution

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

Newspaper sales returns and provisions:

Provision for newspaper sales returns is accounted at the time of delivery based on past experiences and recent information of sales returns.

Returns on magazine sales and provisions:

Provision for returns on magazine sales are the provisions provided to reflect the sales income based on matching principle by using statistical data for the period, field sales data, etc. when return invoices are not issued although returns are taken off from the market or the issue of magazine period is not expired.

Revenues from printing services

Revenues from printing arise from printing services given to third parties other than Group companies by using Group's printing facilities. Related income is recognised on an accrual basis at the time of services given.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.2 Summary of Significant Accounting Policies (Continued)**

**Revenue recognition (Continued)**

**b) Other segment**

Sales revenue is recognized on an accrual basis over the fair value of acquisition amount based on product or service delivery, transfer of significant risks and rewards related to product to the buyer, reliable estimate of revenue amount and most probability that economic benefits associated with the transaction will be obtained by the Company. Net sales have been found by deducting sales returns, discounts and commissions.

Difference between sales price's nominal value and fair value is recorded as "financial income" at relevant period.

Service revenue and other revenue are recognized on an accrual basis over the fair value of acquisition amount based on rendering service or realization of factors related to revenue, transfer of significant risks and rewards, reliable estimate of revenue amount and most probability that economic benefits associated with the transaction will be obtained by the Company.

***Housing construction projects related to the customer***

The revenue generated from the housing construction projects is recognized when the ownership of the risks and rewards of the assets are transferred to the buyer upon the performance of contract terms and the approval of delivery record by the buyer. The Group's subsidiary, Milpa, has an ongoing investment project "Milpark" and the amounts received from customers in relation to the project is followed under advances received until the final delivery of the related units in Milpark project take place (Note 11).

***Housing construction projects related to the landowner***

The Group has entered in to a Landownership agreement ("LOA") in the Milpark project. In accordance with the agreement, the Group commits to develop real estate projects on lands that are owned by the landowner and in return for the land transfer the ownership of the pre-agreed ratio of the constructed assets to the landowner. For landownership agreements, the value of land transferred to the Group is carried at fair value at the date of agreement and when the Group meets all of its contractual liabilities and all risks and rewards of the ownership of the assets are transferred to the landowner following the approval of the delivery notice by the landowner, revenue is recognised as the sale profit obtained from the landowner.

**Credit finance income/expense**

Credit finance income/expense represents income/expense incurred from forward purchases and sales. These forms of incomes/expenses are accepted as finance incomes/expenses obtained from forward purchases and sales during the period and included to financial income/expense by calculating effective interest method (Note 32 and 33).



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.2 Summary of Significant Accounting Policies (Continued)**

**Revenue recognition (Continued)**

**b) Other segment (Continued)**

***Vehicle Sale***

The risk and reward is assumed to be transferred to the buyer when the Special Consumption Tax is paid and the licence is issued and with the measurement of the revenue reliably, revenue is recognized.

***Other revenues***

Group's joint venture DD Konut Finansman recognizes its interest incomes and expenses on accrual basis using internal rate of return method. Interest incomes are canceled when the management decides that loans and advances given to customers can not be reimbursed and rediscount amounts that have been recorded up to that date is canceled and is not recorded as revenue until collection is made.

Interest incomes realize on the basis of time, the revenue that will accrue is determined by taking the current interest rate and the interest rate that will be effective in the remaining time into consideration.

Dividend income obtained from share investments is recognized when the right of shareholders to receive dividend arises.

Rental income and other income are recognized on accrual basis.

**Barter agreements**

The Group provides advertising services in return for advertisement and other products and services. When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a revenue generating transaction. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a revenue generating transaction. Revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. If the fair value of the goods or services received is not measured reliably, the revenue is measured at the fair value of the goods or services supplied, adjusted by the amount of any cash or cash equivalents transferred (Note 23). Barter agreements are recognised on an accrual basis.

**Business combinations**

Business combinations are accounted in accordance with IFRS 3. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. If the purchase amount is less than the fair value of provisions, contingent assets and liabilities, the subjected difference is identified with comprehensive income statement. Goodwill recognised in a business combination is not amortized, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. If the acquisition cost is lower than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as income in the related period (Note 3). There are no business combinations that have significant effect over the financial statements for the period ended 31 December 2011.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****2.2 Summary of Significant Accounting Policies (Continued)****Business combinations( Continued)**

Gains or losses resulted from sale or purchase of subsidiaries under the control of Doğan Holding (transactions that do not result in a change in control) are recognised under equity. IAS 27 (Revised) requires ownership decreases or increases which do not result in a change in control to be recorded under equity for accounting periods beginning on or after 1 July 2009. For accounting periods beginning prior to 1 July 2009, the difference resulted in favor of acquisition value in connection with sale or purchase of subsidiaries under the control of the Group which do not result in a change in control was recognised as goodwill.

**Foreign currency transactions**Functional currency

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

Foreign currency transactions and balances

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

Foreign group companies

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

A significant portion of the Group's foreign operations are performed in Russia, Europe and Slovenia ("Slovenia" or "EE"). Foreign currencies and exchange rates at 31 December 2011 and 2010 are summarized below:

<b>Country</b>	<b>Currency unit</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
Eurozone	Euro	2,4438	2,0491
Russia	Ruble	0,0587	0,0507
Hungary	Forint	0,0078	0,0074
Croatia	Kuna	0,3246	0,2776
Ukraine	Grivna	0,2364	0,1942
Romania	New Lei	0,5677	0,4826
Kazakhstan	Tenge	0,0127	0,0105
Belarus	Belarusian Ruble	0,0002	0,0005

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.2** *Summary of Significant Accounting Policies (Continued)*

**Segment reporting**

In accordance with IFRS 8 "Operating Segments" standard, the Group arranged industrial segments' reporting as parallel with the reporting made to Group's decision-making authorities. Industrial segment which is an asset and operation group producing goods and services is exposed to different risks and rewards from other industrial segments. Group operations were monitored and reported as three main segments; "Media", "Energy" and "Other" until 31 December 2010 by the management. Group management may change the structure of segment reporting, if they reach the conclusion that new structure may affect financial statement users' decisions and/or it will be useful during the review of financial statements.

In segment reporting, intra-segmental operations are recorded at segment level and inter-segmental operations are recorded as eliminations at consolidation level.

Since the transfer procedures of Petrol Ofisi A.Ş. (OMV Petrol Ofisi A.Ş.) shares were completed on 22 December 2010, "Energy" segment activities were reported under "Discontinued Operations" in financial statements of the period ended 31 December 2010. Group's 2 main segments, "Media" and "Other", were reported under "Continuing Operations" (Note 1).

**(Losses)/gain per share**

Losses per share are determined by dividing net loss by the weighted average number of shares that have been outstanding during the period concerned (Note 36).

In Turkey, companies can increase their issued capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus share issuances are regarded as issued shares for all of the periods presented in the financial statements. Accordingly, weighted average number of shares used in earnings per share computations is derived by considering the retrospective effects of the issuances of the shares.

**Discontinued operations**

Discontinued operations are components of an entity that either have been disposed of or represent a major part of an entity separately from the Group's operations and cash flows. Operating results as of the Group has ceased its control over its disposal groups are presented separately under "discontinued operations" in the consolidated income statement prepared for the period ended as of 31 December 2011. Prior period consolidated income statement is adjusted for comparative purposes and the results of discontinued operations for the period ended as of 31 December 2010 are also classified under the "discontinued operations" account.

The results of discontinued operations also include profit/ (loss) from the related operation's sale proceed and related tax expenses. Profit/ (loss) from the sale proceed is calculated as the difference between the carrying amount of net assets disposed of and sale price (Note 34).

**Non-current assets held for sale**

Assets held for sale are operations that the Group disposes of or classified as available for sale and cash flows which can be treated as a part separately from the Group. Assets classified as held for sale by the Group and discontinued operations, are measured at the lower of the carrying amount of assets and liabilities related to discontinued operations and fair value less costs to sell (Note 34).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.2      *Summary of Significant Accounting Policies (Continued)***

**Government Grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

The Group has received investment incentive certificate that is exempt from Customs duty and VAT regarding the modernization of plant related with media activities

**Subsequent events**

In the case that events requiring a correction to be made occur subsequent to the balance sheet date, the Group makes the necessary corrections to the financial statements.

In case that events occur subsequent to the balance sheet date that do not require a correction to be made, those events are disclosed in the notes to the consolidated financial statement.

**Statement of cash flows**

In the statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group's media and other sales operations.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with three months or less to maturity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

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

**2.3 Critical Accounting Estimates, Assumptions and Judgments**

**2.3.1. Critical accounting estimates and assumptions**

**a) Estimated impairment of goodwill**

In accordance with the accounting policy mentioned in Note 2.2, goodwill is annually tested for impairment by the Group. Recoverable amount of cash generating units is measured based on the value in use calculations.

**b) Vat amount subject to discount within the scope of law no: 6111**

As of November 2011, the Group management has considered the VAT principle amounting to TRY 454.281 imposed as a consequence of share exchanges and transfers recognized in the statutory accounts of Doğan TV Holding, D Yapım, Doğan Prodüksiyon ve Alp Görsel and restructured within the scope of Law no: 6111 in the year 2011 as input VAT through issuance of "recourse VAT invoice" by each entity who transfers the shares to the respective entity, sequentially with the amount of corresponding VAT imposed. In this context, input VAT amounting to TRY 145.328, TRY 222.662 and TRY 86.291 have been recognized in the statutory records of D Yapım, Doğan Prodüksiyon and Alp Görsel, respectively.

Based on the nature of the transaction and considering the precautionary principle, the Group management elects not to recognize the input VAT amounting to TRY 454.281 as an asset in the consolidated financial statements as it will be used in future tax periods. Accordingly, where practicable, input VAT that can be offset against the recourse VAT in the related taxation periods can be reflected in the statement of income in the respective periods.

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

Doğan Yayın Holding sold 90.854.185 shares ("Axel shares"), 25% of the issued capital of Doğan TV Holding, to Commerz-Film GmbH (formerly registered as Dreiundvierzigste Media Vermögensverwaltungsgesellschaft mbH), a 100% subsidiary of Axel Springer AG, for EUR 375.000 (TRY 694.312, this amount is defined as "initial sales price") on 2 January 2007. In accordance with the Share Sale Agreement ("Agreement") that the initial sales price will be revised depending on the "initial public offering" ("IPO") of the shares of Doğan TV Holding if available.

Dates for the reassessment of the original selling price as set out in the agreement signed by Doğan Holding, Doğan Yayın Holding, Doğan TV and Commerz-Film GmbH on 19 November 2009 have been postponed for a maximum period of 6 years without being subject to any condition. The related agreement dated 19 November 2009, was amended by a new agreement (Amendment agreement) signed with Doğan Holding, Doğan Yayın Holding, Doğan TV Holding, Commerz-Film GmbH and Hauptstadtsee 809. V V GmbH at 31 October 2011.

Certain terms of the agreement dated 19 November 2009 as detailed below are effective as of 19 February 2010.

Axel Springer Group has sale options for 3,3% of its shares in Doğan TV amounting to EUR 50.000 subsequent to January 2013 and the other 3,3% of its shares amounting to EUR 50.000 subsequent to January 2014 to Doğan Holding and Doğan Holding has the commitment to purchase these shares ("DTV Put Option I"). Axel Springer Group may exercise the sale options fully or partially.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.3 Critical Accounting Estimates, Assumptions and Judgments (Continued)**

**2.3.1 Critical accounting estimates and assumptions (Continued)**

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

Payables will include interests' payments of annual combined 12 months Euro Libor plus 100 base points as of 2 January 2007. Under the amendment agreement dated 31 October 2011, existing DTV Put Option I terms are revised and accordingly, the related terms require the put options exercisable for the periods subsequent to January 2013 and January 2014 in consideration of EUR 50.000 to cover only 33.843.238 shares in each period. The Amendment also allows Axel Springer another put option exercisable for 34.183.593 shares for the period subsequent to 2015 in consideration of EUR 50.000.

According to the agreement dated 19 November 2009, Axel Springer Group has option to sell some or all of "Axel shares" with the higher of EUR 4,1275 (exact) per share or a fair value to be determined by specific valuation techniques to Doğan Holding and Doğan Holding has a commitment to purchase these shares ("DTV Put Option II). Payables will include interests' payments of annual combined 12 months Euro Libor plus 100 base points as of 2 January 2007. In order to exercise this option, the following conditions must be met. This time, with the amendment agreement dated 31 October 2011, EUR 4,1275 per share is updated as EUR 1,46269 because of the increase in the share capital of Doğan TV.

- Doğan TV shares should not be offered to the public by 30 June 2017,
- There should be direct or indirect control change over Doğan Holding, Doğan Yayın Holding or Doğan TV,
- There should be pledges or sequestration on the Doğan Yayın Holding's assets that have significant unfavorable effects on the operations of Doğan Yayın Holding in addition to the existing ones.

As per the amendment agreement dated 31 October 2011, the Axel Springer Group has also requested two guarantee letters amounting to EUR 50.000 each in order to guarantee the liabilities of Doğan Holding under the "DTV Put Option I".

EUR 375.000, which is defined above as the initial sale price, can be amended based on the circumstances explained below. As per the agreement, the initial sale price may be subject to revision as the following depending on the "initial public offering" of Doğan TV Holding.

In the event that shares of Doğan TV Holding are offered to public by 30 June 2017 and if quarterly share value of "Axel Shares" in average subsequent to public offering is less than the amount of which will be calculated by adding interest over the original selling price (as measured by using an annual combined Euro Libor plus 100 base points as of 2 January 2007), both the difference resulting from the quarterly share value of "Axel Shares" in average subsequent to public offering and the original selling price and the amount calculated by adding interest over the difference would be paid by Doğan Yayın Holding to the Axel Springer Group.

In the event that shares of Doğan TV Holding are offered to public by 30 June 2017 and if quarterly share value of "Axel Shares" in average subsequent to public offering is higher than the original selling price, both the difference resulting from the quarterly share value of "Axel Shares" in average subsequent to public offering and the amount of which will be calculated by adding interest over the original selling price (as measured by using an annual combined Euro Libor as of 2 January 2007) to the original selling price would be equally shared between the Axel Springer Group and Doğan Yayın Holding.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

---

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

**2.3 Critical Accounting Estimates, Assumptions and Judgments (Continued)**

**2.3.1 Critical accounting estimates and assumptions (Continued)**

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

In the event that shares of Doğan TV Holding are not offered to public by 30 June 2017 and if the fair value of Doğan TV, which will be calculated by using certain valuation techniques as at 31 December 2015, is less than the amount of which will be calculated by adding interest over the original selling price (as measured by using an annual combined Euro Libor as of 2 January 2007) to the original selling price, both the fair value of Doğan TV, which will be calculated by using certain valuation techniques as at 31 December 2015, and the difference of the original selling price and the amount calculated by adding interest over the difference would be paid by Doğan Yayın Holding to the Axel Springer Group. If Doğan TV Holding's shares are not listed by the end of 30 June 2017, the fair value based on the above-mentioned techniques would be reassessed, payments would be made to the Axel Springer Group in accordance with the related calculations, and Axel Springer Group's call option of its entire or some portion of its shares to Doğan Holding and Doğan Holding's put option for the related shares would continue to be in effect.

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

In accordance with the agreement signed on 19 November 2009, Doğan Yayın Holding shall make a TRY cash capital increase in Doğan TV Holding A.Ş. that corresponds to EUR 385.000, and as a result of the capital increase, Doğan TV Holding A.Ş. shares owned by Commerz-Film GmbH shall be diluted to 19,9% from 25%. In January 2010 and May 2010, the premium capital increase of Doğan TV Holding A.Ş., was completed in two steps. As a result of the capital increase, the shares of Doğan Yayın Holding and Commerz-Film GmbH at Doğan TV Holding A.Ş. were 79,71% and 19,9% respectively.

To measure fair value, cash flow projections in relation to periods covering 2012-2016 are prepared for Doğan TV Holding A.Ş. and the fair value of Doğan TV Holding A.Ş. has been calculated by discounting the above mentioned cash flow statements. Valuation projections are prepared for a 5 year-budget period.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

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

**2.3 Critical Accounting Estimates, Assumptions and Judgments (Continued)**

**2.3.1 Critical accounting estimates and assumptions (Continued)**

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

	2012 - 2016					
Revenue increase in the budgeted period <sup>(1)</sup>						%16,16
	2011	2012	2013	2014	2015	2016
EBITDA margin <sup>(2)</sup>	%21	%26	%34	%38	%41	%39

(1) Compound annual growth rate (CAGR – compound annual growth rate)

(2) Earnings before interest, taxes, depreciation and amortization

Cash flow projections are discounted with 14% as the by rate of weighted average cost of capital (WACC).

In accordance with the fair value calculation, there are not any financial liabilities arising from the share acquisition, which represents 19,9% of Doğan TV Holding A.Ş.'s capital, by the Axel Springer Group.

The Group is also responsible for any unprovisioned liability arising from tax assessments prior to the closing date of sale agreement as required in the Axel share acquisition and transfer "Agreement". The effect of liability arising from Law no: 6111 in regards to Doğan TV Holding over the share value is compensated in proportion to the share capital to Commerz-Film GmbH. In this content, the payment made to Commerz-Film GmbH amounts to TRY 165.523. The related payment has been made on 17 August 2011. Accordingly, Commerz-Film GmbH has participated in the capital increase of Doğan TV Holding from TRY 456.554 to TRY 1.288.328 through the usage of nominal values in the new share acquisition rights in the share of participation at nominal value. The capital increase has been registered on August 17, 2011. The share interest of Commerz-Film GmbH in Doğan TV Holding (19,9%) have remained still after the capital increase. Accordingly, the Group has indemnified TRY 165.523 of liability arising from Doğan TV Holding A.Ş. and its subsidiaries' undue and on trial tax liabilities in dispute under Law No: 6111 which represents the portion corresponding to Axel Springer Group's current ownership percentage (19,9%). The related liability portion is not recognized under the non-controlling interests account in the accompanying financial statements prepared as of 31 December 2011.

**2.3.2 Critical accounting judgments**

Prepaid phone card (prepaid minutes) sales related with mobile telecommunication services and newspaper and magazine sales (excluding transactions with related parties and newspapers distributed through subscription system) are carried at gross value in the consolidated financial statements by the Group.

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

- The Group has the option to determine the selling price, within the existing economic limitations,
- General inventory risk of goods mentioned above belongs to the Group. The Group purchases newspapers and magazines from suppliers and sells them to its dealers through its distribution network. The Group returns unsold newspapers and magazines from dealers to the original supplier. General inventory risk is about approximately a week for newspaper and magazine sales,
- The Group has the collection risk associated with the transaction.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011

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

#### NOTE 3 - BUSINESS COMBINATIONS

The details of the business combinations during the years ended 31 December 2011 and 2010 are as follows:

##### 1 January – 31 December 2011

There is no business combination that has significant effect on the financial statements ended 31 December 2011.

##### 1 January – 31 December 2010

##### *Doğan TV Holding*

The Board of Directors decided to increase their capital upon the decision made prior to balance sheet date on 31 December 2009. In accordance with the decision, the Group's capital has decided to be increased to the TRY equivalent of EUR 385.000. The remaining part of the increase made in May 2010 is treated as the acquisition of non-controlling interests of a Doğan Yayın Holding subsidiary and the related amount is recognised under equity in accordance with IAS 27 (Revised), which is applicable for annual periods beginning subsequent to 1 July 2009. No goodwill is recognised.

Accordingly, as a result of the transaction in May 2010 explained above, there has been an increase of TRY 54.891 in the non-controlling shares and a corresponding decrease in the Group's equity.

##### *Aras Prodüksiyon*

In December 2010, 50% shares of Aras Prodüksiyon, which was accounted as joint venture as 31 December 2009, are purchased by Doğan TV Holding A.Ş. in consideration of TRY 25. Following the purchase, Aras Prodüksiyon is accounted for as a subsidiary of the Group. Goodwill resulted amounting to TRY 2.911 from the purchase transaction, is impaired and accounted for as an expense at 31 December 2010.

##### *Ekin Radyo*

As of 15 June 2010, shares of Ekin Radyo, are purchased by Doğan TV Holding in consideration of TRY 203. Goodwill resulted amounting to TRY 450 from the purchase transaction, is impaired and accounted for as an expense at 31 December 2010.

#### NOTE 4 - JOINT VENTURES

Joint ventures of Doğan Holding, registered countries, nature of their businesses and business and geographic segments are summarized as follows:

Joint Venture	Country	Nature of business	Segment	Entrepreneurial Partner
ASPM Holding B.V.	The Netherlands	Internet publishing	Media	Autoscout24 GmBh
OOO Autoscout24	Russia	Internet publishing	Media	Autoscout24 GmBh
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	Turkey	Magazine publishing	Media	Burda GmbH
DB Popüler Dergiler Yayıncılık A.Ş. ("DB Popüler")	Turkey	Magazine printing	Media	Burda GmbH
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont")	Turkey	Magazine publishing	Media	Egmont
Dergi Pazarlama Planlama ve Ticaret A.Ş. ("DPP")	Turkey	Planning	Media	Burda GmbH
Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. ("Ultra Kablolu")	Turkey	Telecommunication	Media	Koç Holding A.Ş.
Eko TV Televizyon Yayıncılık A.Ş. ("TNT")	Turkey	TV publishing	Media	Turner Broadcasting System International Inc.
Birey Seçme ve Değerlendirme Danışmanlık Ltd. Şti. ("Birey İK")	Turkey	Internet services	Media	Doğan Portal ve Elektronik Ticaret A.Ş.
Katalog Yayın ve Tanıtım Hizmetleri A.Ş. ("Katalog")	Turkey	Guide publishing	Media	Seat Pagine Gialle SPA
Tipeez İnternet Hizmetleri A.Ş. ("Tipeez")	Turkey	Internet publishing	Media	Tweege Holdings LP.
DD Konut Finansman A.Ş. ("DD Konut Finansman")	Turkey	Housing finance	Other	Deutsche Bank AG

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011

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

#### NOTE 4 - JOINT VENTURES (Continued)

Joint Venture	Country	Nature of business	Segment	Entrepreneurial Partner
Aslancık Elektrik Üretim A.Ş. ("Aslancık Elektrik")	Turkey	Energy	Other	Doğuş Holding A.Ş. and Anadolu Endüstri Holding A.Ş.
D-Tes Elektrik Enerjisi Toptan Satış A.Ş. ("D Tes")	Turkey	Energy	Other	Doğuş Holding A.Ş. Unit Investment N.V. and Anadolu Endüstri Holding A.Ş.
Boyabat Elektrik Üretim ve Ticaret A.Ş. ("Boyabat Elektrik")	Turkey	Energy	Other	Unit Investment N.V. Doğuş Holding A.Ş.
Tasfiye halinde İsedaş İstanbul Elektrik Dağıtım Sanayi ve Ticaret A.Ş. ("İsedaş")	Turkey	Energy	Other	Tekser İnşaat Sanayi ve Ticaret A.Ş. and Çukurova Holding A.Ş.
Gas Plus Erbil Ltd. ("Gas Plus Erbil")	Jersey	Energy	Other	Newage Alzarooni Limited

The table below sets out the Joint Ventures, the proportion of voting power held by Doğan Holding, its subsidiaries and Doğan family and effective ownership interests at 31 December 2011 and 31 December 2010:

Company Name	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Total proportion of effective ownership interest (%)	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	2011	2010	2011	2010	2011	2010	2011	2010
ASPM Holding B.V.	51,00	51,00	-	-	51,00	51,00	22,28	22,02
OOO Autoscout24	51,00	51,00	-	-	51,00	51,00	22,28	22,02
DB	44,89	44,89	0,49	-	45,38	44,89	33,93	33,46
DB Popüler	44,87	44,87	0,01	-	44,88	44,87	33,92	33,44
Doğan Egmont	50,00	50,00	-	-	50,00	50,00	37,80	37,27
DPP	46,00	46,00	10,00	10,00	56,00	56,00	34,72	34,24
Ultra Kablolu <sup>(1)</sup>	50,00	50,00	-	-	50,00	50,00	37,80	37,27
TNT	75,02	75,04	0,02	-	75,04	75,04	45,35	44,58
Birey İK	50,00	50,00	50,00	50,00	100,00	100,00	26,74	26,37
Katalog <sup>(2)</sup>	50,00	50,00	-	-	50,00	50,00	37,80	37,27
Tipeez	30,00	30,00	-	-	30,00	30,00	18,42	18,21
DD Konut Finansman	47,00	47,00	4,00	4,00	51,00	51,00	47,00	47,00
Aslancık Elektrik	33,33	33,33	-	-	33,33	33,33	33,33	33,33
D Tes	25,00	25,00	-	-	25,00	25,00	25,00	25,00
Boyabat Elektrik	33,00	33,00	-	-	33,00	33,00	33,00	33,00
İsedaş <sup>(3)</sup>	45,00	45,00	-	-	45,00	45,00	45,00	45,00
Gas Plus Erbil	50,00	50,00	-	-	50,00	50,00	50,00	50,00

(1) The operations have been terminated as of November, 2006.

(2) The operations have been terminated as of September, 2009.

(3) The company is in the liquidation process as of 19 August 2011.

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

	31 December 2011	31 December 2010
Current Assets	64.401	129.508
Non-current assets	855.086	416.993
<b>Total assets</b>	<b>919.487</b>	<b>546.501</b>
Current liabilities	127.373	102.199
Non-current liabilities	538.275	262.124
Equity	253.839	182.178
<b>Total liabilities and equity</b>	<b>919.487</b>	<b>546.501</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

**NOTE 4 - JOINT VENTURES (Continued)**

<b>Statements of Income:</b>	<b>1 January- 31 December 2011</b>	<b>1 January- 31 December 2010</b>
<b>Revenues</b>	<b>109.108</b>	<b>95.554</b>
<b>Gross profit</b>	<b>40.628</b>	<b>35.466</b>
Marketing, sales and distribution expenses (-)	(24.784)	(24.470)
General administrative expenses (-)	(16.247)	(14.831)
Other operating (expenses)/ income, net	(1.789)	(8.990)
<b>Operating (loss)</b>	<b>(2.192)</b>	<b>(12.825)</b>
Financial income	11.573	24.373
Financial expenses (-)	(55.916)	(20.336)
<b>(Loss) before income taxes</b>	<b>(46.535)</b>	<b>(8.788)</b>
Current income tax charge	(1.258)	(1.151)
Deferred tax income	9.810	3.190
<b>Net loss for the period (-)</b>	<b>(37.983)</b>	<b>(6.749)</b>

**NOTE 5 - SEGMENT REPORTING****a) External Revenues**

	<b>2011</b>	<b>2010</b>
Media	2.611.717	2.284.991
Other	255.631	233.887
	<b>2.867.348</b>	<b>2.518.878</b>

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

	<b>2011</b>	<b>2010</b>
Media	(1.298.093)	(153.282)
Other	403.386	(64.217)
Discontinued operations elimination (POAŞ)	-	1.546
	<b>(894.707)</b>	<b>(215.953)</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

**NOTE 5 - SEGMENT REPORTING (Continued)****c) Segmental analysis for the one year period ended 31 December 2011:**

	<b>Media <sup>(1)</sup></b>	<b>Other <sup>(1)</sup></b>	<b>Inter segment elimination</b>	<b>Total</b>
External revenues	2.611.717	255.631	-	2.867.348
Intra segment revenues	1.840.400	6.643	-	1.847.043
Inter segment revenues	2.038	12.718	-	14.756
<b>Total revenues</b>	<b>4.454.155</b>	<b>274.992</b>	<b>-</b>	<b>4.729.147</b>
<b>Total cost of sales</b>	<b>(3.394.937)</b>	<b>(248.450)</b>	<b>-</b>	<b>(3.643.387)</b>
Revenues	2.613.755	268.349	(14.756)	2.867.348
Cost of sales	(1.812.274)	(248.398)	-	(2.060.672)
<b>Gross profit</b>	<b>801.481</b>	<b>19.951</b>	<b>(14.756)</b>	<b>806.676</b>
Marketing, selling and distribution expenses (-)	(376.513)	(11.386)	1.307	(386.592)
General administrative expenses (-)	(330.462)	(79.536)	15.098	(394.900)
Other (expenses), net	(1.089.651)	(26.109)	(1.537)	(1.117.297)
Financial income	262.190	715.625	(5.739)	972.076
Financial expenses (-)	(565.138)	(215.159)	5.627	(774.670)
<b>(Loss)/profit before income taxes -before inter segment elimination</b>	<b>(1.298.093)</b>	<b>403.386</b>	<b>-</b>	<b>(894.707)</b>

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2011**

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

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

**c) Segmental analysis for the one year period ended 31 December 2010(Continued);**

	<b>Media <sup>(1)</sup></b>	<b>Energy</b>	<b>Other <sup>(1)</sup></b>	<b>Inter segment elimination</b>	<b>Total</b>
External revenues	2.284.991	-	233.887	-	2.518.878
Intra segment revenues	1.605.174	-	23.703	-	1.628.877
Inter segment revenues	3.586	-	17.804	-	21.390
<b>Total revenues</b>	<b>3.893.751</b>	<b>-</b>	<b>275.394</b>	<b>-</b>	<b>4.169.145</b>
<b>Total cost of sales</b>	<b>(2.932.371)</b>	<b>-</b>	<b>(266.671)</b>	<b>-</b>	<b>(3.199.042)</b>
Revenues	2.288.577	-	251.691	(21.390)	2.518.878
Cost of sales	(1.597.613)	-	(258.614)	3.514	(1.852.713)
<b>Gross profit</b>	<b>690.964</b>	<b>-</b>	<b>(6.923)</b>	<b>(17.876)</b>	<b>666.165</b>
Marketing, selling and distribution expenses	(317.964)	-	(14.242)	3.499	(328.707)
General administrative expenses	(290.963)	-	(70.533)	15.763	(345.733)
Other income/(expenses), net	(150.061)	-	(25.128)	241	(174.948)
Financial income	91.785	-	205.997	(197)	297.585
Financial expenses	(177.043)	-	(153.388)	116	(330.315)
<b>(Loss)/profit before income taxes -before inter segment elimination</b>	<b>(153.282)</b>	<b>-</b>	<b>(64.217)</b>	<b>1.546</b>	<b>(215.953)</b>
<b>Profit after tax from discontinued operations</b>	<b>-</b>	<b>964.219</b>	<b>-</b>	<b>(1.546)</b>	<b>962.673</b>

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 5 - SEGMENT REPORTING (Continued)****d) Segment Assets**

	<b>31 December 2011</b>	<b>31December 2010</b>
<b><u>Total Assets</u></b>		
Media <sup>(1)</sup>	4.669.494	3.883.535
Other	5.870.511	5.209.101
	<b>10.540.005</b>	<b>9.092.636</b>
Less: segment elimination <sup>(2)</sup>	(1.891.934)	(1.059.309)
<b>Total assets per consolidated financial statements</b>	<b>8.648.071</b>	<b>8.033.327</b>
<b><u>Shareholder's Equity</u></b>		
Media <sup>(1)</sup>	1.054.021	1.246.118
Other	4.579.413	4.396.924
<b>Total</b>	<b>5.633.434</b>	<b>5.643.042</b>
Less: segment elimination <sup>(3)</sup>	(1.782.365)	(1.022.000)
<b>Shareholders' equity</b>	<b>3.851.069</b>	<b>4.621.042</b>
Non-controlling interests	(812.031)	(756.498)
<b>Total net shareholder's equity per consolidated financial statements</b>	<b>3.039.038</b>	<b>3.864.544</b>

(1) Since Doğan Havacılık which has been consolidated to Doğan Yayın Holding's consolidated financial statements with equity method is controlled by the Group, it has been reported in the "Other" operating segment by being consolidated with full consolidation method. Value carried to the consolidated financial statements of Doğan Yayın Holding with the equity value has been deducted from media segment's total assets and equity.

(2) Segment elimination amount consists of elimination of Group's subsidiary amount to Doğan Yayın Holding and reciprocal debit and credit balances between Media and Other segments.

(3) Segment elimination amount represents reciprocal elimination of Doğan Yayın Holding's adjusted capital amount within Media segment's total equity and Group's subsidiary amount to Doğan Yayın Holding.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 5 - SEGMENT REPORTING (Continued)****e) Capital expenditures for property, plant and equipment, intangible assets and investment properties with depreciation and amortization charge**

	<b>2011</b>	<b>2010</b>
<b><u>Capital expenditures</u></b>		
Media	230.759	143.275
Discontinued operation	6.586	353.515
Other	354.234	135.519
<b>Total</b>	<b>591.579</b>	<b>632.309</b>

**Amortizations**

Media	191.958	207.150
Discontinued operation	14.896	167.409
Other	27.242	27.010
<b>Total</b>	<b>234.096</b>	<b>401.569</b>

**f) Non-controlling interests**

	<b>31 December 2011</b>			<b>31 December 2010</b>		
	<b>Doğan Family</b>	<b>Other</b>	<b>Total</b>	<b>Doğan Family</b>	<b>Other</b>	<b>Total</b>
Media	78.343	679.852	758.195	91.077	607.526	698.603
Other	6.923	46.913	53.836	6.920	50.975	57.895
	<b>85.266</b>	<b>726.765</b>	<b>812.031</b>	<b>97.997</b>	<b>658.501</b>	<b>756.498</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 5 - SEGMENT REPORTING (Continued)**
**g) Non- Cash Expenses (net):**

Non-cash expenses according to the segments are as follows:

	<b>2011</b>			<b>Total</b>
	<b>Media</b>	<b>Discontinued Operation</b>	<b>Other</b>	
Provision for doubtful receivables (Note 10)	35.724	-	(369)	35.355
Provision for employment termination benefits (Note 24)	20.430	-	3.301	23.731
Interest accrual	12.460	-	5.246	17.706
Provision for tax liability in dispute regarding 6111 law (Note 26)	655.560	-	-	655.560
Provision for tax base regarding 6111 law (Note 26)	23.312	-	-	23.312
Provision for impairment of goodwill (Note 20)	103.895	-	-	103.895
Provision for impairment of intangible assets (Note 19)	35.231	-	-	35.231
Provision for impairment of property, plant and equipment (Note 18)	10.821	-	-	10.821
Provision for unused vacation	11.945	-	3.904	15.849
	<b>909.378</b>	<b>-</b>	<b>12.082</b>	<b>921.460</b>
	<b>2010</b>			<b>Total</b>
	<b>Media</b>	<b>Discontinued Operations</b>	<b>Other</b>	
Provision for tax penalties (Note 22)	7.200	-	5.093	12.293
Provision for doubtful receivables (Note 10)	41.490	-	14.602	56.092
Provision for employment termination benefits (Note 24)	24.526	-	3.738	28.264
Provision for impairment of goodwill (Note 20)	29.030	-	-	29.030
Provision for unused vacation (Note 26)	14.393	-	13.104	27.497
Accrued interest expenses	15.501	-	5.477	20.978
Provision for lawsuits (Note 22)	4.321	-	(687)	3.634
Provision for impairment of property, plant and equipment (Note 18)	-	-	17.857	17.857
Provision for impairment of intangible assets (Note 19)	33.304	-	-	33.304
Provision for impairment of inventories (Note 13)	4.397	-	98	4.495
Provision for impairment of investment properties (Note 17)	-	-	35.296	35.296
	<b>174.162</b>	<b>-</b>	<b>94.578</b>	<b>268.740</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 6 - CASH AND CASH EQUIVALENTS**

The breakdown of cash and cash equivalents at 31 December 2011 and 2010 are as follows:

	<b>31 December 2011</b>	<b>31 December 2010</b>
Cash	3.418	2.100
Banks		
- demand deposits	56.954	67.938
- time deposits	3.292.201	3.324.617
Blocked deposits	111.838	66.495
Reverse repurchase agreements	3.876	3.387
	<b>3.468.287</b>	<b>3.464.537</b>

The time deposits of the Group are mainly composed of USD, EUR and TRY and the effective interest rates of USD, EUR and TRY denominated time deposits are between 0,5% and 6,05% (2010: 1,0% and 5,3%), 1,0% and 6,05% (2010: 1,0% and 3,77%) and 5,7% and 12,7% (2010: 5,1% and 12,3%), respectively.

Cash and cash equivalents amounting to TRY 36.247 (31 December 2010: TRY 24.741) at 31 December 2011 comprise of credit card slip receivables and TRY 75.591 (31 December 2010: TRY 41.754) of blocked deposits.

Cash and cash equivalents disclosed in the consolidated statements of cash flows for the periods ended 31 December 2011, 31 December 2010 and 31 December 2009 are as follows:

	<b>31 December 2011</b>	<b>31 December 2010</b>	<b>31 December 2009</b>
Cash and cash equivalents	3.468.287	3.464.537	2.055.639
Accrued interest (-)	(10.460)	(5.708)	(20.923)
<b>Cash and cash equivalents</b>	<b>3.457.827</b>	<b>3.458.829</b>	<b>2.034.716</b>

**NOTE 7 - FINANCIAL INVESTMENTS****a) Current financial investments**

	<b>31 December 2011</b>	<b>31 December 2010</b>
Government bonds and treasury bills	88.572	82.904
Time deposits	103.100	89.782
	<b>191.672</b>	<b>172.686</b>

Government bonds and treasury bills dominated in US Dollar and effective interest rate of government bonds and treasury bills is 4,43% (31 December 2010: 7,50%). Average annual effective interest rate of US Dollar denominated time deposits ranged from 1% to 6% (31 December 2010: %1-%5). As of 31 December 2011 average annual effective interest rate of TRY denominated time deposits is 9,37% (31 December 2010: 8,40%).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 7 - FINANCIAL INVESTMENTS (Continued)**
**a) Current financial investments (continued)**
**Available-for-sale financial assets**

	<b>31 December 2011</b>		<b>31 December 2010</b>	
	<b>TRY</b>	<b>%</b>	<b>TRY</b>	<b>%</b>
Ray Sigorta <sup>(1)</sup>	-	-	25.084	10
			<b>25.084</b>	<b>-</b>

- (1) The transfer of shares which represent 10% of the nominal capital of Ray Sigorta amounting to TRY 137.070 is completed on 2 February 2011. Within the total number of 1.370.698.561 shares with a nominal value of 1Kr each, 2 shares are transferred to TBIH Financial Services Group N.V. (TBIH) and 1.370.698.559 shares (represent %10 "-1" share) are transferred to Vienna Insurance Group AG Wiener Versicherung Gruppe (VIG) in total consideration of 22.907 US Dollar. As a result of transfer process, TRY 11.278 gain on sale of available for sale financial asset has been recorded (Note 22). TRY 16.646.064 (exact) part of the "subsidiary stock sales revenue" which is an exception from the Corporate Tax in the solo records according to the provisions of TTK and VUK will be kept in a reserve fund within the provisions of the Law of Corporate Income Tax for a period of five years in Doğan Holding and in shareholder's equity and shall not be subject to the profit distribution.

**b) Financial derivative assets**

	<b>31 December 2011</b>	<b>31 December 2010</b>
Interest rate swap agreements (Note 9)	4.606	110
Forward transactions (Note 9)	34	272
	<b>4.640</b>	<b>382</b>

**c) Non-current financial investments**

	<b>31 December 2011</b>	<b>31 December 2010</b>
Available-for-sale financial assets	5.730	8.314
	<b>5.730</b>	<b>8.314</b>

**Available-for-sale financial investments**

	<b>31 December 2011</b>		<b>31 December 2010</b>	
	<b>TRY</b>	<b>%</b>	<b>TRY</b>	<b>%</b>
Marbleton Property Fund L.P ("Marbleton")	12.154	9	15.443	9
Aks Televizyon Reklamcılık ve Filmcilik Sanayi ve Ticaret A.Ş. ("Aks TV")	2.923	9	2.923	9
POAŞ <sup>(1)</sup>	699	0,03	1.269	0,03
Other	914	-	444	-
Less: provision for impairment <sup>(2)</sup>	(10.960)		(11.765)	
	<b>5.730</b>		<b>8.314</b>	

- (1) After the removal of restriction on shares, "Restricted shares" which correspond to 0,03% of POAŞ's capital (calculated as 192.500 shares as of the current situation) are decided to be transferred to OMV Enerji Holding A.Ş in a total cash consideration of EUR 600.000. Since the related share transfer has not been realized as of 31 December 2011, 192.500 shares that Group owns are recognized at fair value, which is calculated by using the market price of shares.
- (2) As of 31 December 2011, available for sale financial assets except POAŞ are carried at the cost value. There are TRY 8.037 and TRY 2.923 impairment on Marbleton and Aks TV, respectively (31 December 2010: TRY 8.842 and TRY 2.923 ).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

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

**Movement of the provisions for non-current available-for-sale financial assets are as follows:**

	<b>2011</b>	<b>2010</b>
1 January	11.765	11.016
Additions	-	749
Reversal of impairment	(805)	-
<b>31 December</b>	<b>10.960</b>	<b>11.765</b>

**NOTE 8 – FINANCIAL LIABILITIES**

<b>Short term financial liabilities:</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
Short-term bank borrowings	489.993	596.544
Short-term portion of long-term borrowings	404.158	392.445
Interest bearing payables to suppliers	31.763	26.563
Financial lease liabilities	8.936	8.789
	<b>934.850</b>	<b>1.024.341</b>
<b>Long term financial liabilities:</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
Long-term bank borrowings	1.351.125	841.217
Financial liabilities related with options	215.135	163.468
Interest bearing payables to suppliers	34.994	54.991
Financial lease liabilities	21.978	26.000
	<b>1.623.232</b>	<b>1.085.676</b>

**i) Borrowings**

Breakdown of borrowings at 31 December 2011 and 2010 are as follows:

	<b>31 December 2011</b>			<b>31 December 2010</b>		
	<b>TRY</b>	<b>Foreign currency</b>	<b>Total</b>	<b>TRY</b>	<b>Foreign currency</b>	<b>Total</b>
<b>Short-term borrowings</b>						
Short-term borrowings	149.858	340.135	489.993	269.188	327.356	596.544
Short-term portion of long-term borrowings	3.005	401.153	404.158	8.287	384.158	392.445
<b>Total short-term borrowings</b>	<b>152.863</b>	<b>741.288</b>	<b>894.151</b>	<b>277.475</b>	<b>711.514</b>	<b>988.989</b>
	<b>31 December 2011</b>			<b>31 December 2010</b>		
	<b>TRY</b>	<b>Foreign Currency</b>	<b>Total</b>	<b>TRY</b>	<b>Foreign Currency</b>	<b>Total</b>
<b>Long-term borrowings</b>						
Long-term borrowings	9.173	1.341.952	1.351.125	22.196	819.021	841.217
<b>Total long-term borrowings</b>	<b>9.173</b>	<b>1.341.952</b>	<b>1.351.125</b>	<b>22.196</b>	<b>819.021</b>	<b>841.217</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 8 - FINANCIAL LIABILITIES (Continued)****i) Borrowings (Continued)**

The redemption schedules of long-term borrowings at 31 December 2011 and 2010 are summarized below:

<b>Years</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
2012	-	265.437
2013	357.584	333.732
2014	424.058	79.740
2015 and after	569.483	162.308
	<b>1.351.125</b>	<b>841.217</b>

Weighted average of effective interest rates for TRY, USD and EUR short-term borrowings are 4,85-15,50%, 2,09-6,75% and 2,82-7,35%, respectively (31 December 2010: 5,43-12%, 3,19-7,75% and 1,89-5,52%).

Weighted average of effective interest rates for TRY, USD and EUR long-term borrowings are %5,54-5,54, %4,61-6,75 ve %2,69-2,69, respectively (31 December 2010: %3,74, %0,83-8,04 ve %1,89-6,90).

Carrying value of the financial liabilities is considered to approximate their fair value since discount effect is not material. Group borrows loans on fixed and floating interest rates. At 31 December 2011, bank borrowings with floating interest rates amounted to TRY 1.631.165 (31 December 2010: TRY 1.458.188).

As of 31 December 2011, the floating rate bank borrowings denominated in USD, which represent a significant portion of total bank borrowings of the Group, have interest rates fluctuating between 3 months Libor + 2,4 and 6 months Libor + 6,1.

As of 31 December 2011, the floating rate bank borrowings denominated in EUR, which represent a significant portion of total bank borrowings of the Group, have interest rates fluctuating between 3 months Libor + 0,75 and 6 months Libor + 5,95.

**Commitments and financial terms about borrowings****Media**

The financial condition to be performed against the bank regarding the long-term bank borrowing of the Hürriyet, one of the subsidiaries of Doğan Yayın Holding is, to maintain the ratio of net debt amount to EBITDA and shareholders' equity identified by the bank for the last 12 months consolidated financial statements that would remain below a certain level.

Also Hürriyet and Doğan Yayın Holding has committed not to enter any merger, split, restructuring activities that can change the partnership structure or main business line of TME. The Group's certain operations, such as; new mergers and share acquisitions, new joint venture contracts, other than permissible mergers and transactions have been restricted.

The Group has given guarantees amounting to 33.649.091 shares, which represents %67,3 of TME, one of the subsidiaries of the Group, to financial institutions in regards to long term loans (31 December 2010: 33.649.091 shares).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

---

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

**i) Borrowings (Continued)**

**Commitments and financial terms about borrowings(Continued)**

***Media(Continued)***

Should there be any control change(s) in TME or any violations/illegal conducts on the performance of contract terms, loan agreement will be terminated and loan will be redeemed.

Furthermore, if TME sells or disposes of more than 10% of its consolidated net assets or there are any changes in the TME's shareholder's equity related to 10% of consolidated net assets, the loan agreement will be terminated and Group will be required to redeem the loan amount.

OOO Pronto Moscow, one of the indirect subsidiaries of the Group, has restructured its bank loan classified under the long-term financial liabilities as of 31 December 2010 amounting to USD 70.000, as at 15 April 2011. As of 31 December 2010, OOO Pronto Moscow has repaid the related amount that was classified under the long term liabilities account as at 21 April 2011 and the related repayment has released the blockage amount of USD 10.000 on 3 May 2011. Under the loan restructuring agreement, Doğan Holding's USD 70.000 of deposit amount has been blocked as a guarantee against the related loan (Note 26).

***Other***

Group's joint venture Boyabat Elektrik's construction of 513MW installed capacity dam-type hydroelectric power plant project at Black Sea coast near Sinop is expected to be completed in December 2012. Boyabat Elektrik's investment has been financed with the combination of debt and equity. According to preliminary protocol signed on 25 July 2008 and 31 August 2009, USD 750.000 amounted loan (A part) (USD 250.000 with Group's effective ownership share) is planned to be provided to Boyabat Elektrik. The remaining 30% of project cost will be financed with equity. As of 31 December 2011, the effective interest rate for loans denominated in USD is 6,15%. (2010: 6,39%)

Financial commitments that must be met by Boyabat related to the loan are as follow:

- Debt/Equity ratio must not be over the ratio of 70:30 during the credit duration.
- Debt Coverage ratio must not be below the ratio of 1.1:1 on any of the two consecutive interest payment dates (the earliest from the completion of all funded projects).

Under the loan agreement signed on 15 January 2010 and according to share pledge agreement signed on 15 January 2010 and additional share pledge agreements signed on various dates, entire shares of Boyabat were pledged on behalf of financial institutions

Group's joint venture Aslancık Elektrik's construction of 93MW installed capacity hydro energy production facility began in 2010 and scheduled to be completed in 2013. In this context, Aslancık Elektrik used TRY 139.565 amounted bank loan (TRY 46.517 with group effective ownership share) as of 31 December 2011. Loan's maturity is 2022, interest rates will be paid on quarterly basis, the principal and interest will be paid on periods of six months from the date of 1 January 2014. Under the loan agreement signed on 24 January 2011, Group pledged the entire shares of Aslancık Elektrik on behalf of financial institutions.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 8 - FINANCIAL LIABILITIES (Continued)****i) Borrowings (Continued)****Share pledges**

11,3% shares of Doğan Yayın Holding (226.354.060 shares), 13,3% shares of Hürriyet (73.200.000 shares), 49% shares of Kanal D (24.500.000 shares), 67,3% shares of TME (33.649.091 shares) and %33 shares of Boyabat (4.752.000 shares) were given as pledges to financial institutions in respect of the long-term financial borrowings of the Group.

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

Doğan Gazetecilik's, one of the subsidiaries of Doğan Yayın Holding, 22.000.000 shares each having par value of TRY 1, which correspond to 22% of Doğan Gazetecilik's issued capital amounting to TRY 78.000, are sold to Deutsche Bank AG during the capital raise to TRY 100.000 on 19 November 2007 in the ISE Wholesale Market in consideration of USD 4,0 (exact) per share (initial price) (TRY 4,73 (exact)), by putting a restriction over the existing shareholders' share purchase rights.

There are put and call option agreements between Doğan Yayın Holding and Deutsche Bank AG upon the shares of Doğan Gazetecilik. According to the call option agreement, Doğan Yayın Holding has the call option from Deutsche Bank AG for 21.945.000 shares of Doğan Gazetecilik, and according to the put option agreement, Deutsche Bank AG has the put option to Doğan Yayın Holding for 23.100.000 shares of Doğan Gazetecilik. Maturities of both agreements are 5 years 3 months and end at 19 February 2013. It is possible to use the "call" option after 19 November 2010 on any given day.

Since Doğan Yayın Holding has a liability of giving another entity cash or another financial asset (in the case the put option is exercised by Deutsche Bank AG) as a result of the put option agreement mentioned above, USD 88.000 is presented as a financial liability in the consolidated financial statements. As per the put option agreement, the put option exercise price will be calculated by considering the initial price and the interest rate of 6,46%.

**iii) Finance lease borrowings:**

The Group acquired property, plant and equipment through finance leases. As of 31 December 2011, total lease payment commitments of the Group relating to such lease agreements amount to TRY 30.914 (31 December 2010: TRY 34.789).

The redemption schedules of long-term leasing borrowings at 31 December 2011 and 2010 are summarized below:

	<b>31 December 2011</b>	<b>31 December 2010</b>
2012	-	6.644
2013	7.375	6.731
2014	8.054	6.897
2015	6.549	5.728
	<b>21.978</b>	<b>26.000</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 8 - FINANCIAL LIABILITIES (Continued)****iii) Financial leasing payables(Continued):****iv) Interest bearing payables to suppliers:**

Interest bearing payables to suppliers are related to the machinery and equipment purchases of Hürriyet, one of the subsidiaries of Doğan Yayın Holding. Effective interest rates of these long-term payables in USD, EUR, CHF are 0,9%, 2,1% and 1,7%, respectively (31 December 2010: USD 0,8%, EUR 1,6%, CHF 1,2%).

The maturity analysis of long-term interest bearing payables to suppliers at 31 December 2011 and 2010 is as follows:

	<b>31 December 2011</b>	<b>31 December 2010</b>
2012	-	26.013
2013	27.794	22.940
2014 and after	7.200	6.038
	<b>34.994</b>	<b>54.991</b>

The Group's short-term financial borrowings to suppliers issued at variable interest rates are amounting to TRY 31.763 (31 December 2010: TRY 26.563) and long-term financial liabilities TRY 34.994 as of 31 December 2011 (31 December 2010: TRY 54.991).

Interest bearing payables to suppliers have floating interest rates. The exposure of the Group's long-term financial borrowings to suppliers to interest rate changes and the contractual repricing dates are as follows:

	<b>31 December 2011</b>	<b>31 December 2010</b>
6 months and less	66.757	81.421
6-12 months	-	133
<b>Total</b>	<b>66.757</b>	<b>81.554</b>

The fair values of short-term and long-term financial borrowings to suppliers are considered to approximate their carrying values as the effect of discount is not material.

**NOTE 9 – OTHER FINANCIAL LIABILITIES**

The details of other financial liabilities at 31 December 2011 and 2010 is as follows:

<b>Other short-term financial liabilities:</b>	<b>2011</b>	<b>2010</b>
Stock subscription (Note 22 d)	66.438	52.481
Long term bonds' short term coupon payments <sup>(1)</sup>	2.233	2.232
Factoring liabilities	2.890	2.150
	<b>71.561</b>	<b>56.863</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 9 – OTHER FINANCIAL LIABILITIES (Continued)**

<b>Other long-term financial liabilities</b>	<b>2011</b>	<b>2010</b>
Stock subscription (Note 22 c)	434.962	217.240
Bond <sup>(1)</sup>	21.558	21.453
	<b>456.520</b>	<b>238.693</b>

(1) These are obligations related to the bond issued by the joint venture DD Konut Finansman on 21 July 2010, amounting to TRY 50.000, with 3-year maturity and quarterly coupon payment with a fixed interest rate (9,92% annual nominal interest rate). At the period that ended on 31 December 2011, TRY 2.332 (31 December 2010: TRY 1.084) interest expense has arisen related to aforementioned bonds.

<b>Financial derivative liabilities:</b>	<b>2011</b>	<b>2010</b>
Swap transactions in foreign exchange	3.324	3.928
Interest rate swap transactions	3.216	5.694
Interest rate interval swap transactions	70	65
	<b>6.610</b>	<b>9.687</b>

**1) Derivative instruments against foreign exchange risk**

Hürriyet, one of the subsidiaries of the Group, has made a swap transaction amounting to USD 46.080 related with bank borrowings and recognised financial expense amounting to TRY 2.855 (31 December 2010: TRY 2.142). The financial liability related to this transaction amounted to TRY 230 as of 31 December 2011 (31 December 2010: TRY 3.754).

Çelik Halat, a subsidiary of the Group, has 2 forward agreements to reduce exchange rate risk as of 31 December 2011. As of 31 December 2011, related forward transaction agreements are performed with conditions of as TRY 6.830 selling commitment in exchange of EUR 2.755 purchase commitment and the maturity of these agreements are shorter than 2 months. Financial assets related with this transaction is TRY 97 as of 31 December 2011( 31 December 2010: none).

Group's joint venture Aslancık has forward agreement to reduce exchange rate risk as of 31 December 2011. As of 31 December 2011, there is a TRY purchase commitment in return for USD 24.000 sales commitment with the aforementioned forward agreement. Maturity of this contract is between three to twelve months. Financial liability regarding this transaction is TRY 1.404 (31 December 2010: None) as of 31 December 2011.

As of 31 December 2011, Group's joint venture DD Konut Finansman has forward agreements to sale USD 18.001 in return for EUR 13.158 purchase commitment, TRY purchase commitment in return for USD 32.825 sales commitment, TRY sales commitment in return for USD 2.368 purchase commitment and CHF 44 sales commitment in return for EUR 37 purchase commitment with the purpose of reducing exchange rate risk. Amount of financial liability related to these transactions is TRY 1.593 and amount of financial asset is TRY 34 (31 December 2010: financial liability TRY 174; financial asset TRY 272).



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

---

**NOTE 9 – OTHER FINANCIAL LIABILITIES(Continued)**

**Financial derivative liabilities (Continued)**

*2) Interest rate swap transactions*

Hürriyet, one of the subsidiaries of the Group, has an interest rate swap agreement to convert floating interest (Libor) rate to fixed interest rate for its loan amounting to USD 80.283. According to the agreement, interest expense of loan depending on 6 months libor rate, is fixed until 5 July 2011. There is not any financial liability arising as of 31 December 2011 regarding these agreements (31 December 2010: TRY 783). Financial expense recognised during the period regarding these agreements amounted to TRY 182 (31 December 2010: TRY 1.513).

Doğan TV Holding A.Ş., one of the subsidiaries of the Group, had an interest rate swap agreement to convert floating interest rate to fixed interest rate for its loan. According to the agreement, interest expense of loan was fixed until 23 May 2014. Financial liability recognised as of 31 December 2011 regarding these agreements amounted to TRY 3.129 (31 December 2010: TRY 4.206).

Group's joint venture DD Konut Finansman has interest swap agreements made with the purpose of translating its loan debt's floating rate to fixed rate as of 31 December 2011. It has agreements of TRY 30.000 interest swap, USD 60.000 foreign currency interest swap and EUR 5.000 foreign currency interest swap. Maturities of contracts are between May 2013 and 31 October 2014 and April 2013 and 2016. Financial asset recognized related to these contracts is TRY 4.606 (31 December 2010: TRY 110) and financial liability recognized is TRY 87 (31 December 2010: TRY 705) as of 31 December 2011.

*3) Derivative instruments against interest risk*

Hürriyet, one of the subsidiaries of the Group, entered into two collar agreements (CAP and collar) (31 December 2010: six CAP and collar amounting to USD 27.750) totaling to USD 4.750 to hedge the interest rate risk arising from borrowings as of 31 December 2011. The agreements have fixed base and cap rates. Accordingly, at the dates defined in agreements, if the LIBOR rate is below the base rate, the Group has to compensate for the difference between the base rate and the actual rate. Similarly, if the LIBOR rate is above the cap rate, banks will compensate the difference to the Group.

As of 31 December 2011, fixed base and cap rates change between 3,0% and 5,6% (31 December 2010: 3,0% - 5,6%) and the main floating interest rate is LIBOR. Financial liability recognised as of the balance sheet date regarding these agreements amounted to TRY 70 (31 December 2010: TRY 65). Financial expense recognised during the period regarding these agreements amounting to TRY 1.131 (31 December 2010: TRY 1.556).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 10 - TRADE RECEIVABLES AND PAYABLES**

<b><u>Short-term trade receivables</u></b>	<b>31 December 2011</b>	<b>31 December 2010</b>
Trade receivables	836.038	814.115
Notes and cheques receivable	36.086	48.971
<b>Total</b>	<b>872.124</b>	<b>863.086</b>
Less: unearned financial income due to sales with maturity	(13.081)	(13.296)
Less: provision for doubtful receivables	(179.391)	(193.662)
	<b>679.652</b>	<b>656.128</b>
<b><u>Long-term trade receivables</u></b>	<b>31 December 2011</b>	<b>31 December 2010</b>
Trade receivables, net	133.253	88.563
Notes receivables, net	274	365
	<b>133.527</b>	<b>88.928</b>

The movements of provision for doubtful receivables for the periods ended 31 December 2011 and 2010 are as follows:

	<b>2011</b>	<b>2010</b>
As of 1 January	(193.662)	(222.119)
Provision booked		
in the year (Note 31)	(35.393)	(35.672)
Provision booked from discontinued operations in the year	(3.626)	(20.420)
Reversal of provision from discontinued operations in the year	22.344	-
Collections and cancelled provision	28.870	15.031
Currency translation differences	(1.588)	773
Reversal of provisions from continued operations	3.664	-
Transfer of joint venture interest	-	68.745
<b>31 December</b>	<b>(179.391)</b>	<b>(193.662)</b>

<b><u>Short-term trade payables</u></b>	<b>31 December 2011</b>	<b>31 December 2010</b>
Trade payables	446.043	385.711
Notes payable	3.071	9.062
Other	284	1.552
Less: unearned financial expense due to purchases with maturity	(4.401)	(1.177)
	<b>444.997</b>	<b>395.148</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 10 - TRADE RECEIVABLES AND PAYABLES (Continued)****Long-term trade payables**

	31 December 2011	31 December 2010
Trade payables	-	1.142
Less: unearned financial expense due to purchases with maturity	-	(28)
	-	<b>1.114</b>

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

Year	31 December 2011	31 December 2010
2012	-	1.114
	-	<b>1.114</b>

**NOTE 11 – OTHER RECEIVABLES AND PAYABLES**

	2011	2010
<b>Other current receivables</b>		
Notes receivable <sup>(1)</sup>	29.916	-
Deposits and guarantees given	4.722	679
Other miscellaneous receivables	220	13.312
	<b>34.858</b>	<b>13.991</b>
<b>Other non-current receivables</b>		
Notes receivable <sup>(1) (2)</sup>	398.210	-
Deposits and guarantees given	1.598	1.819
Other miscellaneous receivables	41	307
	<b>399.849</b>	<b>2.126</b>

(1) Total short-term notes receivables and TRY 63.908 of long-term notes receivables are composed from the sales of shares of Bağımsız Gazeteciler and all Milliyet brand, royalties and internet domain names to DK Gazetecilik ve Yayıncılık A.Ş. at 2 May 2011.

(2) Including the accrued interest, TRY 334.302 (USD 176 million excluding interest) of long term notes receivables as of 31 December 2011 consists of the receivables from Doğuş Yayın Grubu regarding the sale of shares of Star TV. 3,58% annual interest rate will be applied to the related amount. The maturity of the receivable is November 2013. The Group has received guarantee notes from Doğuş Holding A.Ş., the parent company of Doğuş Yayın Grubu, regarding the receivable mentioned above.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

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

	<b>2011</b>	<b>2010</b>
<b>Other non-current liabilities</b>		
Advances received <sup>(1)</sup>	47.222	40.050
Payables to Devlet Su İşleri ("DSİ") <sup>(2)</sup>	27.774	21.740
Deposits and guarantees received	19.759	12.591
Other <u>non-current liabilities</u>	2.289	3.519
	<b>97.044</b>	<b>77.900</b>

<sup>(1)</sup> TRY 47.222 (USD 25.000) in the total advances received amount is the advance received for the joint venture agreement of Eko TV signed between DTV Holding A.Ş. and Turner Broadcasting System International Inv. ("Turner") at 7 July 2007. The advance was paid for a call option granted in the name Turner for the 25% of the shares of Eko TV. The call option could only be exercised when RTSC regulation permits the transfer of the shares. The revised RTSC law, no: 6112, enacted on 3 March 2011 permits such transfer. If Turner could not exercise the call option until 2017, the Group is liable to pay back the advance payment. In accordance with the amendment to the Law no: 6112 "Establishment and Broadcasting Services of Radio and Television Companies" published in the official Gazette on March 3, 2011, this option has become available and exercisable to Turner. The option will be applicable as of the effective date of the new Law. On February 13, 2012, the Group and Turner decided to extend the one-year period for another 45 days.

<sup>(2)</sup> Boyabat Dam and Hydroelectric Power Plant construction was initiated in 1991 by DSİ. Boyabat took over the construction investments made up until that date and the right to use water with the agreement of Water Usage Rights signed on 25 November 2007 with DSİ. Contract value has been determined as TRY 91.862 (TRY 30.314 with parent company effective share) at contract date, according to the agreement it will be increased by PPI each year. The estimated PPI is the expected PPI indices released by the Central Bank of the Republic of Turkey and it is updated as necessary throughout the year. Repayments will begin after 5 years of operation from the beginning date and will be made by ten installments. This obligation to DSİ has been discounted by using 10,6% (2010: 9%) effective interest rate and shown in the financial statements dated 31 December 2011 from the value of discounted amount which is equal to TRY 27.774 (2010: TRY 21.740). Interest expense amounting to TRY 6.034 (2010: TRY 2.874) which arises between 1 January – 31 December 2011 has been added to ongoing investments.

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

None (2010: None).

**NOTE 13 - INVENTORIES**

	<b>2011</b>	<b>2010</b>
<b>Short-term inventories</b>		
Finished goods and merchandise <sup>(1)</sup>	130.423	128.718
Raw materials and supplies	108.626	70.848
Semi-finished goods	9.148	7.748
Promotion stocks	8.130	14.515
Other inventories	3.163	3.273
	<b>259.490</b>	<b>225.102</b>
Less: provision for impairment on inventories	(6.386)	(8.923)
	<b>253.104</b>	<b>216.179</b>

<sup>(1)</sup> As of 31 December 2011, TRY 44.759 (31 December 2010: TRY 49.678) of commercial goods consists of stocks related to housing projects handled by the subsidiary, Milpa.

There are no capitalized borrowing costs on inventories as of 31 December 2011 (2010: TRY 3.238).

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 13 – INVENTORIES (Continued)**

The promotion stocks comprise books, cd, dvd and electronic training materials sold together with newspapers. Evaluation of impairment on promotion stocks and in detection of an impairment; evaluation of the impairment amount is carried out by the Group management. In this manner, an inventory impairment amount is set with the rates determined by the management by taking the purchase date into consideration.

Movement of impairment of inventories as of 31 December 2011 and 2010 is as follows:

	<b>2011</b>	<b>2010</b>
1 January	(8.923)	(9.365)
Current year charge (Note 31)	(1.665)	(4.495)
Share transfer of joint venture	-	734
Reversal of provision from discontinued operations in the current period	1.582	-
Reversal of provision from continued operations in the current period	2.620	4.203
<b>31 December</b>	<b>(6.386)</b>	<b>(8.923)</b>

	<b>2011</b>	<b>2010</b>
<b>Long-term inventories</b>		
Finished goods and merchandise <sup>(1)</sup>	18.096	17.941
	<b>18.096</b>	<b>17.941</b>

(1) All of the long-term inventories consist of costs associated with Group's subsidiary Milpa's Milpark Housing Project's stages other than the first stage.

**NOTE 14 - BIOLOGICAL ASSETS**

Biological assets' amount belonging to Group's subsidiary Doğan Organik is TRY 74, as of 31 December 2011 (2010: TRY 25).

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

Group has no construction contract receivables and construction progress billings (2010: None).

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

None.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 17 – INVESTMENT PROPERTY**

The movements in investment property during the years ended 31 December 2011 and 2010 are as follows:

	<b>1 January 2011</b>	<b>Additions</b>	<b>Disposals</b>	<b>Impairment</b>	<b>Transfer<sup>(1)</sup></b>	<b>Currency translation differences</b>	<b>Discontinued operations<sup>(2)</sup></b>	<b>31 December 2011</b>
<b>Cost:</b>								
Land and land improvements	79.672	-	-	(1.741)	-	10.136	-	88.067
Buildings	70.057	25.568	(20.731)	(2.878)	5.832	-	(160)	77.688
Property, plant and equipment	3.138	-	-	-	-	-	-	3.138
Furniture and fixtures	2.376	-	-	-	-	-	-	2.376
<b>Total</b>	<b>155.243</b>	<b>25.568</b>	<b>(20.731)</b>	<b>(4.619)</b>	<b>5.832</b>	<b>10.136</b>	<b>(160)</b>	<b>171.269</b>
<b>Accumulated Depreciation:</b>								
Land and land improvements	163	2	-	-	-	-	-	165
Buildings	12.765	1.814	(95)	-	2.611	-	(1)	17.094
Property, plant and equipment	3.041	36	-	-	-	-	-	3.077
Furniture and fixtures	2.304	28	-	-	-	-	-	2.332
<b>Total</b>	<b>18.273</b>	<b>1.880</b>	<b>(95)</b>	<b>-</b>	<b>2.611</b>	<b>-</b>	<b>(1)</b>	<b>22.668</b>
<b>Net book value</b>	<b>136.970</b>							<b>148.601</b>

(1) The transfers are related with the reclassification of office floors leased to DK Gazetecilik by the Group as of May 2, 2011.

(2) Discontinued operations include the Group's disposal of assets that are related to the sales of Bağımsız Gazeteciler and Milliyet brand, royalties and internet domain names as of 2 May 2011 and sales of İşıl TV as of 3 November 2011.

The fair value of investment property of the Group as of 31 December 2011 is TRY 231.007 (31 December 2010: TRY 81.286). Fair values of the investment properties as of 31 December 2011 have been determined based on the valuation studies of independent valuation companies which are not connected with the Group and are given authorization by the Capital Market Board and the monthly rent payments determined using the sample comparison method by two different independent valuation companies. The group has rent income amounting to TRY 4.314 from investment property (31 December 2010: TRY 3.041). Direct operating costs in the current period resulting from investment property is TRY 1.726 (31 December 2010: TRY 1.618). There is no collateral and mortgage on investment property of the Group as of 31 December 2011 and 2010.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 17 – INVESTMENT PROPERTY (Continued)**

	<b>1 January 2010</b>	<b>Additions</b>	<b>Disposals</b>	<b>Impairment</b>	<b>Transfer</b>	<b>Reversal of impairment</b>	<b>Discontinued operations</b>	<b>31 December 2010</b>
<b>Cost:</b>								
Land and land improvements	27.883	-	(931)	(39.134)	91.854	-	-	79.672
Buildings	70.660	17.020	(21.461)	-	-	3.838	-	70.057
Property, plant and equipment	3.138	-	-	-	-	-	-	3.138
Furniture and fixtures	2.376	-	-	-	-	-	-	2.376
<b>Total</b>	<b>104.057</b>	<b>17.020</b>	<b>(22.392)</b>	<b>(39.134)</b>	<b>91.854</b>	<b>3.838</b>	<b>-</b>	<b>155.243</b>
<b>Accumulated Depreciation:</b>								
Land and land improvements	161	2	-	-	-	-	-	163
Buildings	11.406	1.654	(295)	-	-	-	-	12.765
Property, plant and equipment	3.005	36	-	-	-	-	-	3.041
Furniture and fixtures	2.276	28	-	-	-	-	-	2.304
<b>Total</b>	<b>16.848</b>	<b>1.720</b>	<b>(295)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.273</b>
<b>Net book value</b>	<b>87.209</b>							<b>136.970</b>

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

### NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2011	Additions <sup>(1)</sup>	Disposals	Discontinued operations <sup>(2)</sup>	Transfers <sup>(3)</sup>	Currency translation differences	Provision for impairment	Classified as asset held for sale <sup>(4)</sup>	31 December 2011
<b>Cost:</b>									
Land and land improvements	143.958	217	-	-	-	1.347	(400)	(11.901)	133.221
Buildings	253.492	746	(2.807)	(154)	(6.565)	6.137	(3.447)	(100.878)	146.524
Machinery and equipment	1.080.622	41.715	(35.724)	(16.656)	1.005	8.728	(6.974)	(13.599)	1.059.117
Motor vehicles	107.530	13.547	(7.184)	(294)	6	776	-	-	114.381
Furniture and fixtures	311.951	92.114	(13.423)	(6.048)	(153)	2.515	-	(94)	386.862
Leasehold improvements	91.463	11.737	(2.177)	(4.003)	1.278	103	-	-	98.401
Other fixed assets	9.547	384	(2)	-	-	-	-	-	9.929
Construction in progress	197.290	364.134	(448)	-	(8.795)	209	-	(147)	552.243
	<b>2.195.853</b>	<b>524.594</b>	<b>(61.765)</b>	<b>(27.155)</b>	<b>(13.224)</b>	<b>19.815</b>	<b>(10.821)</b>	<b>(126.619)</b>	<b>2.500.678</b>
<b>Accumulated Depreciation:</b>									
Land and land improvements	4.749	347	-	-	-	-	-	(318)	4.778
Buildings	98.321	7.710	(200)	(149)	(2.676)	1.336	-	(33.803)	70.539
Machinery and equipment	820.072	61.973	(27.866)	(10.186)	-	5.849	-	(11.716)	838.126
Motor vehicles	58.953	16.437	(5.373)	(259)	-	378	-	-	70.136
Furniture and fixtures	214.115	29.233	(8.325)	(4.143)	-	1.693	-	(94)	232.479
Leasehold improvements	64.513	6.822	(1.941)	(3.500)	-	100	-	-	65.994
Other fixed assets	970	11	-	-	-	-	-	-	981
	<b>1.261.693</b>	<b>122.533</b>	<b>(43.705)</b>	<b>(18.237)</b>	<b>(2.676)</b>	<b>9.356</b>	<b>-</b>	<b>(45.931)</b>	<b>1.283.033</b>
<b>Net book value:</b>	<b>934.160</b>								<b>1.217.645</b>

(1) TRY 320.038 of TRY 364.134, additions in investments in progress, belongs to Boyabat Elektrik's, TRY 34.112 of it belongs to Aslancık Elektrik's investments in progress.

(2) Discontinued operations include the Group's disposal of assets that are related to the sales of Bağımsız Gazeteciler and all Milliyet brand, royalties and internet domain names on 2 May 2011 and sale of Işıl TV on 3 November 2011.

(3) Transfers' portion of TRY 10.548 are related to the reclassification of office floors of the Group leased to DK Gazetecilik from property, plant and equipment to investment properties as of May 2, 2011.

(4) The reclassification is related with the investment property of Hürriyet, a subsidiary of the Group for which the sales process has started as of 2011.

There is mortgage amounting to TRY 420.254 (31 December 2010: TRY 25.113) on the property, plant and equipment as of 31 December 2011 (Note 23). The carrying amount of the property, plant and equipment of the Group acquired thorough finance leases as of 31 December 2011 is TRY 63.095. The accumulated depreciation as of 31 December 2011 is TRY 32.800.

Also, TRY 1.685 (31 December 2010: TRY 3.904) of depreciation and amortization arising from the brand sales of Bağımsız Gazeteciler and Milliyet effected on 2 May 2011 and TRY 6.318 (31 December 2010: TRY 6.692) arising from the sale of Işıl TV effected on 3 November 2011 of the Group is classified under discontinued operations. In the current year, Group has capitalized the financing expense comprising of interest and foreign exchange differences amounting to TRY 43.146 under ongoing investments (2010: TRY 13.587)



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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

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

	1 January 2010	Additions	Disposals	Transfer of joint venture interest	Transfers	Currency translation differences	Consolidation rate change effect	Provision for impairment	31 December 2010
<b>Cost:</b>									
Land and land improvements	290.469	816	(565)	(136.935)	2.555	(488)	-	(11.894)	143.958
Buildings	419.808	1.964	(7.464)	(164.484)	4.289	(621)	-	-	253.492
Machinery and equipment	1.426.786	11.853	(14.421)	(345.356)	3.989	(2.810)	581	-	1.080.622
Motor vehicles	108.447	20.798	(14.366)	(7.619)	273	(3)	-	-	107.530
Furniture and fixtures	302.241	48.149	(21.941)	(17.598)	1.057	(9)	52	-	311.951
Leasehold improvements	390.824	3.959	(68.281)	(471.268)	236.281	(56)	4	-	91.463
Other fixed assets	400.255	3.544	(6.343)	(431.360)	43.451	-	-	-	9.547
Construction in progress	100.181	453.364	(706)	(67.517)	(283.363)	-	1.294	(5.963)	197.290
	<b>3.439.011</b>	<b>544.447</b>	<b>(134.087)</b>	<b>(1.642.137)</b>	<b>8.532</b>	<b>(3.987)</b>	<b>1.931</b>	<b>(17.857)</b>	<b>2.195.853</b>
<b>Accumulated depreciation:</b>									
Land and land improvements	52.573	14.418	(407)	(61.835)	-	-	-	-	4.749
Buildings	106.981	10.829	(2.091)	(17.298)	-	(100)	-	-	98.321
Machinery and equipment	1.064.632	71.025	(13.137)	(301.057)	-	(1.569)	178	-	820.072
Motor vehicles	60.436	16.102	(11.268)	(6.362)	-	45	-	-	58.953
Furniture and fixtures	207.579	33.965	(15.098)	(12.411)	-	65	15	-	214.115
Leasehold improvements	154.577	45.860	(36.366)	(99.535)	-	(23)	-	-	64.513
Other fixed assets	176.495	31.799	(3.049)	(204.275)	-	-	-	-	970
	<b>1.823.273</b>	<b>223.998</b>	<b>(81.416)</b>	<b>(702.773)</b>	<b>-</b>	<b>(1.582)</b>	<b>193</b>	<b>-</b>	<b>1.261.693</b>
<b>Net book value</b>	<b>1.615.738</b>								<b>934.160</b>

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

### NOTE 19 - INTANGIBLE ASSETS

Movement for intangible assets and related amortization for the years ended at 31 December 2011 and 2010 are as follows:

	1 January 2011	Additions	Disposals	Discontinued operations <sup>(1)</sup>	Transfers	Currency translation differences	Consolidation rate change effect	Provision for impairment <sup>(2)</sup>	31 December 2011
<b>Cost:</b>									
Customer list	269.732	-	-	-	-	39.689	-	-	309.421
Brand names of media segment	400.848	2	-	(136.766)	2	42.156	-	(9.157)	297.085
Terrestrial broadcasting permission and license	80.906	-	-	(57.406)	-	-	-	(23.500)	-
Other	373.424	29.307	(4.825)	(2.709)	7.211	20.889	-	-	423.297
	<b>1.124.910</b>	<b>29.309</b>	<b>(4.825)</b>	<b>(196.881)</b>	<b>7.213</b>	<b>102.734</b>	<b>-</b>	<b>(32.657)</b>	<b>1.029.803</b>
<b>Accumulated Depreciation:</b>									
Customers list	61.625	17.882	-	-	-	9.432	-	-	88.939
Brand names of media segment	15.524	1.418	-	(30.806)	-	789	-	-	(13.075)
Other	260.574	30.985	(4.448)	(2.330)	(116)	6.344	-	-	291.009
	<b>337.723</b>	<b>50.285</b>	<b>(4.448)</b>	<b>(33.136)</b>	<b>(116)</b>	<b>16.565</b>	<b>-</b>	<b>-</b>	<b>366.873</b>
Television programme rights	72.148								64.296
<b>Net book value</b>	<b>859.335</b>								<b>727.226</b>

Movement for television programme rights in 2011:

	1 January 2011	Additions	Discontinued operations <sup>(1)</sup>	Amortisation	Currency translation differences	Provision for impairment of programme rights	31 December 2011
Television programme rights	72.148	52.295	(3.401)	(59.398)	5.226	(2.574)	64.296

(1) Discontinued operations include the Group's disposal of assets that are related to the sales of Bağımsız Gazeteciler and all Milliyet brand, royalties and internet domain names on 2 May 2011 and sales of shares of Star TV on 3 November 2011 to Doğuş Yayın Grubu. Depreciation amount which belongs to Group's sale of Işıl TV on 3 November 2011 amounting to TRY 6.893 (31 December 2010: TRY 2.558) is classified into discontinued operations.

(2) Hürriyet, one of the subsidiaries of the Group has reviewed the fair values of its intangible assets and booked provision for impairment amounting to TRY 9.157 at 31 December 2011 as also mentioned in Note 2 (Note 31). Doğan TV Holding, one of the subsidiaries of the Group, has booked a provision of TRY 23.500 in the current period for the broadcasting license of CNN Türk by taking into consideration the effects of the new RTSC Law No:6112 and the related communique and regulations regarding the distribution of terrestrial broadcasting licences considering the redistribution of these licenses by giving priority to the license owners.

Other intangible assets mainly comprise of internet domain names, developments costs, computer programs and rights.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

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

The movements in intangible assets for the periods ended 31 December 2011 and 2010 are as follows:

	1 January 2010	Additions	Disposals	Transfer of joint venture interest	Transfers <sup>(1)</sup>	Currency translation differences	Consolidation rate change effect	Provision for impairment	31 December 2010
<b>Cost:</b>									
Dealer contracts	499.191	-	-	(499.191)	-	-	-	-	-
Brand names of energy segment	139.557	-	-	(139.557)	-	-	-	-	-
Customer contracts	40.844	-	-	(40.844)	-	-	-	-	-
Customers list	267.302	-	-	-	-	2.430	-	-	269.732
Brand names of media segment (2)	433.141	924	-	-	-	87	-	(33.304)	400.848
Tenestrial broadcasting permission and license	80.906	-	-	-	-	-	-	-	80.906
Mining exploration licences	18.200	-	-	(17.610)	(590)	-	-	-	-
Other	390.020	23.338	(4.060)	(35.092)	6.061	614	(7.457)	-	373.424
	<b>1.869.161</b>	<b>24.262</b>	<b>(4.060)</b>	<b>(732.294)</b>	<b>5.471</b>	<b>3.131</b>	<b>(7.457)</b>	<b>(33.304)</b>	<b>1.124.910</b>
<b>Accumulated depreciation:</b>									
Dealer contracts	311.284	43.636	-	(354.920)	-	-	-	-	-
Customer contracts	34.459	2.853	-	(37.311)	-	(1)	-	-	-
Customers list	45.141	15.983	-	-	-	501	-	-	61.625
Brand names of media segment	14.193	1.232	-	-	-	99	-	-	15.524
Mininig expolaration licences	5.071	6.880	-	(11.951)	-	-	-	-	-
Other	243.316	35.640	(3.853)	(13.897)	-	(650)	18	-	260.574
	<b>653.464</b>	<b>106.224</b>	<b>(3.853)</b>	<b>(418.079)</b>	<b>-</b>	<b>(51)</b>	<b>18</b>	<b>-</b>	<b>337.723</b>
Television programme rights	95.756								72.148
<b>Net book value</b>	<b>1.311.453</b>								<b>859.335</b>

Movement for television programme rights in 2010:

	1 January 2010	Additions	Disposals	Amortisation	Currency translation differences	Provision for impairment of programme rights	31 December 2010
Television programme rights	95.756	46.578	-	(69.081)	(1.105)	-	72.148

(1) Transfers amounting to TRY 5.471 are related to property, plan and equipment (Note 18).

(2) As of 31 December 2010, Group has liens amounting to TRY 215.878 over the rights of name within the context of loan agreement Impairment analysis of intangible assets with infinite useful lives is evaluated with the goodwill impairment analysis of the items with the same cash generating units. Assumptions used in the impairment analysis are presented in note 18 and the Group has provided TRY 33.304 of impairment in the financial statements based on these assumptions.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 19 - INTANGIBLE ASSETS(Continued)*****Intangible assets with indefinite useful lives***

As at 31 December 2011, the Group has determined that brand names with carrying value of TRY 282.379 have indefinite useful lives (31 December 2010: TRY 252.507). The utilization period of brand names with indefinite useful lives, as expected by the Group, is determined based on the stability of the industry, changes in market demands as to the products and services provided through assets, control period over the assets and legal or similar restrictions on their utilization.

**NOTE 20 - GOODWILL**

Movement of the goodwill for the periods ended as of 31 December 2011 and 2010 is as follows:

	<b>2011</b>	<b>2010</b>
1 January	896.653	1.715.569
Business combinations (Note 3)	-	3.361
Impairment of goodwill (Note 31) <sup>(1)</sup>	(103.895)	(29.030)
Currency translation differences	32.059	2.639
Share transfer of joint venture interest(Note 34)	-	(797.085)
Discontinued operations <sup>(2) (3)</sup>	(286.682)	-
Other <sup>(4)</sup>	1.816	1.199
<b>31 December</b>	<b>539.951</b>	<b>896.653</b>

<sup>(1)</sup> As of 31 December 2011, TRY 92.526 of the global goodwill impairment is related with the acquisition of subsidiaries operating in Russia, TRY 11.332 is related with the goodwill of acquisition of Doğan Ofset and TRY 37 is related with the goodwill of acquisition of Doğan Egmont (31 December 2010: TRY 19.997 is related with Croatia, TRY 5.672 is related with Vatan, TRY 12.911 is related with Turner, TRY 450 is related with Ekin Radyo.)

<sup>(2)</sup> 99,99% of its shareholding in the Group's subsidiary, Bağımsız Gazeteciler, was disposed of on 2 May 2011. TRY 47.757 of goodwill arising from the acquisition of Bağımsız Gazeteciler is derecognized from the financial statements (Note 34).

<sup>(3)</sup> 99,99% of its shareholding in the Group's subsidiary, Işıl TV, was disposed of on 3 November 2011. TRY 238.925 of goodwill arising from the acquisition of Işıl TV is derecognized from the financial statements (Note 34).

<sup>(4)</sup> Other relates to the changes in fair value of call options.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

#### NOTE 20 – GOODWILL (Continued)

##### *Goodwill impairment test*

The Group has performed goodwill impairment analysis for the periods ended 31 December 2011 and 2010 as explained in detail below:

The recoverable amount of cash generating units is determined by calculating the amount that would be obtained through sales. These calculations are measured based on estimated cash flows after tax using financial budgets covering a five-year period. EBITDA estimates (budgeted interest, tax, depreciation and amortization, provision for impairment and gross margin before other non-operating expenses) have a significant role in these calculations.

The cash flow projections of publishing and broadcasting segments have been prepared covering the years of 2012-2016.

The assumptions used in the value in use calculations are as below:

	EBITDA margin <sup>(1)</sup>	Discount rate <sup>(2)</sup>
Broadcasting	%42,02	% 14
Publishing		
Russia and Commonwealth of Independent States <sup>(3)</sup>	%20,30	%11,60
Turkey	%9,99	%14,65

(1) Average of EBITDA increase rate used to extrapolate projected cash flows following the budget period

(2) Weighted average cost of capital.

(3) Group Management has booked a provision for impairment on goodwill and property, plant and equipment amounting to TRY 103.895 and TRY 9.157 (TRY 113.052 in total) (Note 18), respectively in its consolidated financial statements for the period ended 31 December 2011 (Note 31). If the discount rate applied after income taxes to cash generating units is 1% higher than the management estimations, the Group would have recognized TRY 62.634 (31 December 2010: TRY 22.733) of additional provision for impairment and increase the loss before income taxes by TRY 62.634 (31 December 2010: TRY 22.733).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

#### NOTE 21 - GOVERNMENT GRANTS

The subsidiary of the Group, Hürriyet, obtained six Investment Incentives Certificate for the imported equipments amounting to USD 25.035 and domestic equipments amounting to TRY 151 due to the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 23, 27 and 31 July 2008. The investments amounted to USD 19.213 and TRY 152 are realized within these certificates as at 31 December 2011 (31 December 2010: USD 19.213 and TRY 151). Investment incentives certificates are ceased between the dates of 19 June – 3 July 2011 and process to dissolve the certificate has finished.

The subsidiary of the Group, Hürriyet, obtained six Investment Incentives Certificate for the imported equipments amounting to USD 10.291 and domestic equipments amounting to TRY 1.078 for the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 28 October, 2, 4 November and 30 December 2011. The agreements are valid for two years and equipment imported within the scope of the certificate is exempt from Customs Duty and VAT.

Ditaş, a subsidiary of the Group, benefits from the tax and insurance premium incentive under the scope of law 5084 Investment and Employment Promotion and Amending some laws. In this context, the incentive of the insurance premium amounting to TRY 603 (31 December 2010: TRY 477 ) is reflected in the financial statements as income from other operations. Ditaş obtained incentive certificate from Turkish Treasury of Incentive Executive General Directorate for making the investment amounting TRY 9.589 for the modernization of machinery racecourse to increase production capacity. Within the context of incentive certificate 60% tax deduction, 20% investment contribution rate and VAT exemption, custom tax exemption and interest support will be provided for 3 years with insurance Premium employer share support. The date of completion is 21 December 2013. In this context, company made investment of TRY 1.026 to machinery and equipment in current period.

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

Short-term provisions	31 December 2011	31 December 2010
Provision for withholding tax	22.130	28.089
Provision for lawsuits	21.957	27.386
Provision for tax penalty	-	33.522
Other	6	13
	<b>44.093</b>	<b>89.010</b>

The movements of provisions for withholding taxes for the periods ended 31 December are as follows:

	2011	2010
1 January	(28.089)	(24.994)
Additions (Note 31)	(1.751)	(3.095)
Payments related with provisions	7.710	-
<b>31 December</b>	<b>(22.130)</b>	<b>(28.089)</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

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

The movements of provisions for tax penalties for the periods ended 31 December 2011 and 2010 are as follows:

	<b>2011</b>	<b>2010</b>
1 January	(33.522)	(32.447)
Additions (Note 31)	-	(15.171)
Reversals related with provisions (Note 31)	4.977	2.878
Payments related with provisions	28.545	11.218
<b>31 December</b>	<b>-</b>	<b>(33.522)</b>

The movements of provisions for lawsuits for the periods ended 31 December 2011 and 2010 are as follows:

	<b>2011</b>	<b>2010</b>
1 January	(27.386)	(45.260)
Additions (Not 31)	(7.380)	(4.441)
Payments related with provisions	8.341	913
Disposals from joint ventures	-	21.402
Reversals related with provisions	4.468	-
<b>31 December</b>	<b>(21.957)</b>	<b>(27.386)</b>

**(a) Tax penalty and law suits:*****Doğan Holding – tax penalty and law suits***

As a result of the tax investigations made by the Revenue Controllers of the Ministry of Finance for the years 2005, 2006, 2007 and 2008, TRY 18.173 of tax charge consisting of Corporation Tax, Value Added Tax, Withholding Tax and Stamp duty and TRY 43.407 of tax loss penalty are served to the Group on 24 December 2010, and as of 29 December 2010, a settlement has been made before the assessment. In accordance with the settlement, parties agreed on the TRY 10.664 of total tax amount consisting of TRY 6.773 of tax charge and TRY 3.891 of default interest for all periods reviewed in the assessment. On 30 March 2011, as a result of the application filed based on Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees", the related tax amount is reassessed as TRY 7.971 and paid in cash on 29 June 2011.

The company has filed for an application under the Law of 6111 of its "undue and trial tax liabilities in dispute" amounting to TRY 749 consisting of TRY 280 tax base and TRY 469 tax penalty and in this content, the amount accrued was TRY 219. Such amount of TRY 219 paid in advance until June 30, 2011.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

---

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

##### *Doğan Yayın Holding – tax penalty and law suits*

Accounting periods covering Doğan Yayın Holding A.Ş.'s 2003, 2004, 2005 and 2006 fiscal years were reviewed by the inspectors of Revenue Administration Department of Ministry of Finance. Doğan Yayın Holding A.Ş. was served a tax notification in December 2008 and February 2009 consisting an aggregate amount of TRY 862.388 (including TRY 149.103 of tax charge and TRY 713.285 of tax loss penalty) based on the tax report prepared in line with the tax review.

In the tax review, the following issues were criticized in terms of corporate tax; value added tax (VAT); and stamp tax in the report:

- a- As Doğan TV Holding, one of the subsidiaries of Doğan Yayın Holding A.Ş., sold 25% of its shares, which represent its capital, to Dreiundvierzigste Media Vermögensverwaltungsgesellschaft mbH (new name Commerz-Film GmbH), a 100% subsidiary of Axel Springer AG, and completed the share transfer on 2 January 2007 and accounted for the transaction accordingly; inspectors claimed that Doğan Yayın Holding A.Ş. cannot use the exemption of "sale revenue of participation shares" as set out by Article 5/1-e of Corporate Tax Law, due to the argument that the sale transaction was completed in 2006 and the related transaction would have been accounted in the 2006's financial statements. Therefore, the Group was imposed a total tax penalty charge of TRY 772.507 consisting TRY 115.300 of actual tax charges, TRY 345.900 of tax loss penalty calculated as the triple of corporate tax charge, and TRY 311.307 of tax loss penalty calculated as the triple of temporary tax, which was not collected due to the overdue of the deduction period.
- b- Evidencing that interests and foreign currency differences of loans used in the share acquisition (finance expenses) are not deductible against corporate income in accordance with the last paragraph of Article 8 of Corporate Tax Law No: 5422; therefore the Group should have included such expenses in corporate income in the tax inspection period. As a result, the Group was imposed a total of TRY 31.781 consisting of the actual tax charge and tax loss penalty.
- c- Evidencing that Doğan Yayın Holding A.Ş. deducted the loss resulted from the share acquisition of Doğan Raks Satış Pazarlama ve Dağıtım A.Ş. against the corporate income in the tax review report and it was claimed that the related transaction was not recognised in line with the basis of preparation of records as set out by the Tax Procedure Law ("TPL") because such losses cannot be deducted against corporate income and argued that such expenses should have been included in corporate income. Therefore, the Group was imposed a total of TRY 13.700 consisting of the actual tax charge and tax loss penalty.
- d- Provisional Article No: 10 of Value Added Tax Law No: 3065 with reference to Corporate Tax Law No: 5422 denotes that Value Added Tax exemption cannot be used on sale of subsidiary shares under the above-mentioned provisions of the article; therefore, it was claimed that Value Added Tax should have been calculated for the sale of subsidiary shares that should be treated as subsidiary shares in accordance with Value Added Tax Law even though such shares are represented by shares and do not meet the exemption criteria specified in Provisional Article 28 of the Corporate Tax Law No. 5422 and Provisional Article 10 of Value Added Tax Law. Therefore, the Group was imposed a total of TRY 28.300 consisting of the actual tax charge and tax loss penalty.
- e- The Group was imposed a total of TRY 16.100 consisting of the actual tax charge and tax loss penalty in relation to stamp tax, other corporation tax and value added tax claims.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

---

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

##### *Doğan Yayın Holding – tax penalty and law suits (continued)*

Doğan Yayın Holding A.Ş. has started legal action and filed lawsuits against the Tax Administration Department ("Tax Administration") for the cancellation of these tax charges and penalties imposed on the Group.

The respective Tax Administration has asked for total "collateral" for the major portion of the tax penalty and its default interest amounting to TRY 914.800. Accordingly, Doğan Yayın Holding A.Ş. has given 36,14% (12,81% as of the current situation) of shares in one of its subsidiaries, Doğan TV Holding, to the Tax Administration as a collateral to the extent that the related collateral is recorded in the minutes of lien.

Furthermore, in addition to the bank accounts of Doğan Yayın Holding A.Ş., the Tax Administration has put a lien on the shares over the Group's subsidiaries representing 66,56% of capital in Hürriyet Gazetecilik ve Matbaacılık A.Ş. (367.415.960 units of shares), 70,76% of capital in Doğan Gazetecilik A.Ş. (74.297.743 units of shares), 44,89% of the capital of the Groups' joint venture Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. (8.779.736 unit of shares) and 36,14% of the capital of Doğan TV Holding (164.998.528 units of shares).

The objections made to the Council of State in January 2010 by Doğan Yayın Holding A.Ş. against the legal cases filed by Doğan Yayın Holding A.Ş. in relation to the cancellation of the request of "collateral" and the "liens of the Tax Administration" were finalized in favor of Doğan Yayın Holding A.Ş. and the execution of the lien was suspended.

Due to the recusation of the Tax Office in connection with the lawsuits filed against the respective Tax Office for the cancellation of tax charges and penalties imposed over Doğan Yayın Holding A.Ş. for the 2003, 2004, 2005 and 2006's fiscal periods, the related trial was held on 22 January 2010 whereas it was originally scheduled on 10 November 2009, and the majority of the lawsuits were finalized in favor of Doğan Yayın Holding A.Ş.

Accordingly, the lawsuit filed with regards to the cancellation of the tax charge and tax notification issued amounting to TRY 772.507, comprising the actual tax charges amounting to TRY 115.300 and tax penalty amounting to TRY 657.207 in connection with the sale of Doğan TV Holding shares to a subsidiary of Axel Springer AG (Commerz-Film GmbH) was concluded in favor of Doğan Yayın Holding A.Ş. in February 2010.

Some of the legal cases filed against Doğan Yayın Holding A.Ş. are finalized in favor and some of them are finalized against the Group by the Tax Court. In addition, some of the legal cases filed against Doğan Yayın Holding A.Ş. were postponed. Doğan Yayın Holding A.Ş. has appealed the cases that are finalized against the Group.

On the other hand, Doğan Yayın Holding A.Ş. has initiated legal proceedings and filed lawsuits for the cancellation of the tax penalties and notifications issued in connection with the 2003 fiscal period amounting to TRY 15.700 of actual tax charge and TRY 19.500 of tax loss penalty. In accordance with the tax court's ruling, some of the lawsuits are finalized as "partially accepted" and some of them are finalized "partially denied" by the Court; and related rulings are appealed, including the right of appeal for the stay of execution that are related to Corporate Tax and Advanced Corporate Income Tax. For lawsuits that are filed for VAT amounts attributable to 2003, the tax court's decision on the lawsuits are finalized as "accepted", "partially accepted" and "partially denied". While Doğan Yayın Holding A.Ş. has appealed the lawsuits finalized against Doğan Yayın Holding, the Tax Court appealed the rulings for lawsuits that are resulted in favor of Doğan Yayın Holding.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

---

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

##### *Doğan Yayın Holding – tax penalty and law suits (continued)*

Major portions of the lawsuits that are finalized in favor of Doğan Yayın Holding A.Ş. are related to Corporate Tax and VAT assessments; the related lawsuits are appealed by the Tax Court. Doğan Yayın Holding A.Ş. has also appealed for the lawsuits resulted against the Group, including the motion for stay of execution.

Doğan Yayın Holding A.Ş. expects to make use of the requirements set out in relation to “undue and on trial tax liabilities in dispute” and “Tax Base Increase” in Law No: 6111 “Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees” (“Law No: 6111”) which has become effective upon the issuance in the Official Gazette No: 27857 (I.Bis) on 25 February 2011.

Doğan Yayın Holding A.Ş. has filed for an application under Law No: 6111 in relation to TRY 89.882 portion of its “undue and on trial tax liabilities in dispute” amounting to TRY 862.388 in total and accordingly, Doğan Yayın Holding A.Ş. is required to pay TRY 18.463 of the related amount. TRY 18.463 was paid in cash on 27 June 2011 and TRY 14.859 of provision provided for the related lawsuits by the management in prior periods is reversed in the current period and presented by offsetting against the consideration paid in the accompanying financial statements.

In regards to the remaining portion (TRY 772.507) of “undue and on trial tax liabilities in dispute”, which was concluded in favor of Doğan Yayın Holding A.Ş. on 14 July 2011 upon the court ruling of the respective Tax Court and Council of State, Tax Office’s application on the rectification of court ruling has been also dismissed by the Council of State. The related lawsuit is finally finalized in favor of the Group. Accordingly, Doğan Yayın Holding A.Ş. has no ongoing tax disputes that are subject to litigation in regards to any claims made under the Law No: 6111.

Therefore, sequestration of the Tax Office over Doğan Yayın Holding’s shares on its subsidiaries 66,56% of Hürriyet (367.415.960 shares), 70,76% of Doğan Gazetecilik (74.297.743 shares), 44,89% of Doğan Burda, its joint venture, (8.779.736 shares) and 36,14% of Doğan TV Holding (for the current period - 12,81%) (164.998.528 shares) is released in the current period.

##### *Hürriyet Gazetecilik ve Matbaacılık A.Ş. – Tax penalties and lawsuits*

Hürriyet Gazetecilik ve Matbaacılık A.Ş. has filed a lawsuit for the cancellation of the tax charges/tax notifications totaling TRY 30.895 imposed for the 2004, 2005 and 2006 periods by the respective tax office regarding Hürriyet Gazetecilik ve Matbaacılık A.Ş. As publicly disclosed on 19 April 2011, Hürriyet Gazetecilik ve Matbaacılık A.Ş. plans to make use of the requirements set out in relation to “undue and on trial tax liabilities in dispute” and “Tax Base Increase” in Law No: 6111. As required by Law No: 6111, the Company has restructured TRY 27.101 portion of its total “undue and on trial tax liabilities in dispute” of TRY 30.895 and reconciled its dispute with the tax office; accordingly, the Company’s payable amount is calculated as TRY 3.827. The related amount was paid on 30 June 2011 in accordance with the requirements of the related legislation. The Company has offset TRY 3.827 of which is a part of TRY 7.294 of the provision amount provided for the prior period’s ongoing lawsuits against the related amount and the remaining portion, which amounts to TRY 3.467, is recognized under other operating income.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

---

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

##### *Doğan TV Holding – Tax penalties and lawsuits*

Accounting periods covering the 2005, 2006, 2007 and 2008 fiscal years of the direct and indirect subsidiaries of Doğan Yayın Holding A.Ş.; Doğan TV Holding, D Yapım Reklamcılık ve Yapım A.Ş. (D Yapım), Doğan Prodüksiyon Hizmetleri A.Ş. (Doğan Prodüksiyon) and Alp Görsel İletişim Hizmetleri A.Ş. (Alp Görsel) were reviewed by the tax inspectors of Revenue Administration Department of Ministry of Finance. The respective subsidiaries were served a tax notification in September 2009 with an aggregate amount of TRY 3.980.027 (including TRY 1.878.441 of tax charge and TRY 2.101.586 of tax loss penalty) based on the tax report prepared in line with the tax review.

As a result, the following tax matters were claimed to be in non-compliance with corporate income tax and value added tax ("VAT") treatments in the tax assessments.

- a- In relation to the share transfer transactions between Doğan TV Holding, D Yapım, Doğan Prodüksiyon and Alp Görsel, it has been claimed that the share transfers were concluded not in compliance with Articles 19 and 20 of the Corporate Tax Law and such share transfers are regular share acquisitions, citing that the management control did not change as a result of such share transfers. In this respect, it is claimed that such share transfers would have been carried at fair value rather than the book value, and as a result, a corporate tax base difference was calculated over the difference between the fair value and book value determined in the tax assessment report. TRY 1.496.919 in aggregate, including the actual tax charges amounting to TRY 706.875 and tax loss penalty amounting to TRY 790.044, has been claimed as a result of this assessment.
- b- VAT penalty is calculated based on the fair value determined in the tax assessment report in relation to the alleged regular share transfers. According to this claim, the company is charged with TRY 2.575.207 in total (TRY 1.179.366 of VAT and TRY 1.395.841 of tax loss penalty)

In connection with the actual tax charges and tax loss penalties mentioned above, the tax authorities have requested TRY 4.824.000 of collateral for calculated overdue interest (TRY 1.174.000).

Doğan TV Holding, D Yapım and Doğan Prodüksiyon have filed a lawsuit for collaterals requested by the Tax Administration with a stay of execution request. Within this period, D Yapım, Doğan Prodüksiyon and Alp Görsel's shares, 43 properties belonging to third parties and 1 bank letter of guarantee have been given as "collaterals".

Tax Administration has put liens on the entire shares of D Yapım, Doğan Prodüksiyon and Alp Görsel. Doğan TV Holding, D Yapım and Doğan Prodüksiyon have filed court cases for the cancellation of liens put by the Tax Administration with a stay of execution request.

Doğan TV Holding, D Yapım, Doğan Prodüksiyon and Alp Görsel requested settlement negotiations after the tax assessment for the declared tax assessments. Settlement negotiations held in November 2009 were concluded with disagreement.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

---

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

##### *Doğan TV Holding – Tax penalties and lawsuits (continued)*

Doğan TV Holding, D Yapım, Doğan Prodüksiyon and Alp Görsel have initiated legal proceedings with the purpose of cancellation of the income tax and penalty notifications and have filed lawsuits for the 2005, 2006 and 2007 financial periods.

Lawsuits filed for the cancellation of request for collateral by the Tax Administration of the related companies at the first tax court were concluded in favor of D Yapım but against Doğan TV Holding, Doğan Prodüksiyon and Alp Görsel. The related companies made objections to the Council of State regarding the ruling of the first tax courts. Stay of execution request for lawsuits filed against Doğan TV Holding, Doğan Prodüksiyon and Alp Görsel has been approved by the Council of State.

Regarding the sequestration lawsuits of the mentioned companies', the lawsuit related to Doğan TV Holding which amounts to TRY 2.121.800, was concluded in favor of Doğan TV Holding; however, another lawsuit filed amounting to TRY 42.594 was concluded against Doğan TV Holding and file for stay of execution for the relating lawsuit is approved by the Council of State. The sequestration lawsuit related to D Yapım was concluded in favor of D Yapım; whereas the lawsuit related to Doğan Prodüksiyon was concluded against Doğan Prodüksiyon. Stay of execution is issued on the condition of giving collateral; however, since the related lawsuit was finalized in favor of Doğan Prodüksiyon, no collateral is given.

The lawsuits which are filed against the Tax Office in relation to the cancellation of tax charges and penalties issued for Doğan TV Holding, D Yapım, Doğan Prodüksiyon and Alp Görsel for the 2005, 2006 and 2007 periods are finalized. Accordingly, some of the lawsuits are resulted "in favor" of and some of them are resulted "against" the related companies. Some of the lawsuits are still "pending". The lawsuit which resulted in favor of Doğan TV Holding is related to the Corporate Tax Assessment with the claim of provision of financial services; the other lawsuit which resulted in favor of D Yapım is related to the 50% of increase on the tax charge; and another lawsuit which resulted in favor of Doğan Prodüksiyon is related to the VAT assessment; and those lawsuits are appealed by the Tax Office. The Council of State has approved the ruling of Court of First Instance in relation to the lawsuit resulted in favor of Doğan Prodüksiyon and overruled the lawsuits resulted against Doğan TV Holding, D Yapım and Alp Görsel.

Doğan TV Holding made an application to use of the requirements set out in relation to "undue and on trial tax liabilities in dispute" and "Tax Base Increase" in Law No: 6111.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

---

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

##### *Doğan TV Holding – Tax penalties and lawsuits (continued)*

Doğan TV Holding A.Ş. has filed for an application under Law No: 6111 in relation to its “undue and on trial tax liabilities in dispute” amounting to TRY 2.001.032 in total, and accordingly, Doğan TV Holding A.Ş. is charged with a total amount of TRY 494.961. TRY 2.818 of the related amount was paid in cash on 30 June 2011 and recognized under “other operating expenses”. TRY 64.193 of discount is calculated for the remaining portion of TRY 492.143 which will be paid in 18 equal installments in 36 months. The remaining principal amount of TRY 427.950, after deducting the effect of calculated discount amount of TRY 64.193, is recognized under “other operating expenses” and “other short and long term liabilities” respectively in the consolidated financial statements. As of 31 December 2011, the Company has made a payment of TRY 109.365 payment (TRY 92.471 of principal amount and TRY 16.894 of interest) in accordance with Law No: 6111; and also recognized interest accrual amounting to TRY 3.035 in the financial statements. The outstanding long and short term principal liability subsequent to the related payment including interest accrual amounts to is TRY 338.515 (Note 23).

D Yapım Reklamcılık ve Dağıtım A.Ş. has filed for an application under Law No: 6111 in relation to its “undue and on trial tax liabilities in dispute” amounting to TRY 1.114.081 in total, and accordingly, D Yapım Reklamcılık ve Dağıtım A.Ş. is charged with a total amount of TRY 332.377. TRY 186 of the related amount was paid in cash on 30 June 2011 and recognized under “other operating expenses”. TRY 43.329 of discount is calculated for the remaining portion of TRY 332.191 which will be paid in 18 equal installments in 36 months. The remaining principal amount of TRY 288.862, after deducting the effect of calculated discount amount of TRY 43.329, is recognized under “other operating expenses” and “other short and long term liabilities” respectively in the consolidated financial statements. As of 31 December 2011, the Company has made a payment of TRY 73.820 in total (TRY 62.417 of principal amount and TRY 11.403 of interest) in accordance with Law No: 6111; and also the interest accrual amounting to TRY 2.049 is reflected to the financial statements, the outstanding long and short term principal liability subsequent to the related payment including interest accrual amounts to TRY 228.494 (Note 26).

Doğan Prodüksiyon Hizmetleri A.Ş. has filed for an application under Law No: 6111 in relation to its “undue and on trial tax liabilities in dispute” amounting to TRY 862.972 in total, and accordingly, Doğan Prodüksiyon Hizmetleri A.Ş. is charged with a total amount of TRY 128.744. TRY 6 of the related amount was paid in cash on 30 June 2011 and recognized under “other operating expenses”. TRY 16.792 of discount is calculated for the remaining portion of TRY 128.738 which will be paid in 18 equal installments in 36 months. The remaining principal amount of TRY 111.946, after deducting the effect of calculated discount amount of TRY 16.792, is recognized under “other operating expenses” and “other short and long term liabilities” respectively in the consolidated financial statements. As of 31 December 2011, the Company has made a payment of TRY 28.609 in total (TRY 24.189 of principal amount and TRY 4.419 of interest) in accordance with Law No: 6111; and also recognized interest accrual amounting to TRY 794 in the financial statements. The outstanding long and short term principal liability subsequent to the related payment including interest accrual amounts to TRY 88.551 (Note 26).

In addition to the above-mentioned accounting treatments, Alp Görsel İletişim Hizmetleri A.Ş. has also filed for an application under Law No: 6111 in relation to its “undue and on trial tax liabilities in dispute” and made TRY 6 of cash payment as of 30 June 2011 accordingly and recognized under “other operating expenses”.(Note 31)

As all payments to be made under Tax no: 6111 are based on an installment plan, shares representing the 100% shares of D Yapım (1.124.682.616 shares), of Doğan Prodüksiyon (1.087.582.624 shares) and of Alp Görsel (1.068.595.605 shares), 43 properties belonging to third parties and a bank letter of guarantee are still in the custody of Tax Offices held as “collaterals”.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

---

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

##### *Doğan TV Digital Platform İşletmeciliği – Tax penalties and lawsuits*

Doğan TV Digital Platform İşletmeciliği A.Ş., one of the indirect subsidiaries of Doğan Yayın Holding A.Ş., was served with a TRY 4.674 of actual tax charge and tax loss penalty with respect to the 2007 Special Communication Tax Assessment Report. The Company has filed for an action for rescission for the related administrative act at the Tax Courts of Istanbul. One of the lawsuits was resulted in favor of and eleven lawsuits were resulted against the Company and the Company filed for an appeal for the unfavorable outcome of the Tax Court. Total tax charge and tax penalty filed for the unfavorable outcome of the lawsuit amounts to TRY 4.035. The Company paid TRY 15 for the rejected lawsuit. Total tax charge and tax loss penalty amount attributable to the lawsuits which were cancelled amounts to TRY 639.

Doğan TV Digital Platform İşletmeciliği has filed for an application under Law No: 6111 in relation to its "undue and on trial tax liabilities in dispute" amounting to TRY 4.674 in total, and accordingly, Doğan TV Digital Platform İşletmeciliği is required to pay TRY 2.510 of the related amount. The related amount was paid in cash on 28 June 2011. The Company has offset TRY 2.510 of which is a part of TRY 4.020 of the provision amount provided for the prior year's ongoing lawsuits against the related amount and the remaining portion, which amounts to TRY 1.510, is recognized under other operating income.

##### *Doğan Dış Ticaret ve Mümessillik A.Ş. and Işıl İthalat İhracat Mümessillik A.Ş. – Tax penalties and lawsuits*

Doğan Dış Ticaret ve Mümessillik A.Ş. (Doğan Dış Ticaret) and Işıl İthalat İhracat Mümessillik A.Ş. (Işıl İthalat İhracat), direct and indirect subsidiaries of Doğan Yayın Holding A.Ş., have been reviewed for tax covering the 2004, 2005, 2006 and 2007 financial periods by the inspectors of Revenue Administration Department of Ministry of Finance.

In the issued tax review reports, TRY 14.200 of actual tax charge and TRY 42.600 of tax loss penalty (3 times of corporate tax charge) were calculated and served to Doğan Dış Ticaret and Işıl İthalat İhracat. In October 2010, in relation to the 2007 accounting period, Doğan Dış Ticaret and Işıl İthalat İhracat were served with a tax notification consisting of TRY 1.305 of actual tax charge and TRY 3.915 of tax loss penalty, calculated as 3 times of the actual tax charge.

The Company has filed a lawsuit for the cancellation of the tax charges and tax notifications issued by the respective Tax Court. The lawsuits in relation to the Corporate Tax and Advanced Corporate Income Tax of Doğan Dış Ticaret Mümessillik A.Ş. for the 2006 period and the lawsuits in relation to the Corporate Tax and Advanced Corporate Income Tax of Işıl İthalat İhracat Mümessillik A.Ş. for the 2007 period are pending.

Doğan Dış Ticaret ve Mümessillik A.Ş. and Işıl İthalat İhracat Mümessillik A.Ş. expects to make use of the requirements set out in relation to "undue and on trial tax liabilities in dispute" and "Tax Base Increase" in Law No: 6111. All the necessary applications for the restructuring of the above tax assessments in relation to "undue and on trial tax liabilities in dispute" are filed under Law No: 6111. TRY 5.650 of tax liability arising from the related transaction was paid in cash on 30 June 2011.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

---

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

##### *Doğan Gazetecilik A.Ş. – Tax penalty and lawsuits*

As of 11 December 2009, the Company had reached an agreement and reconciled with the tax administration before the tax assessment in relation to the Tax Review Reports including TRY 10.092 of actual tax charge and TRY 11.158 of tax loss penalty and TRY 172 of special irregularity penalty imposed to Doğan Gazetecilik A.Ş. on 25 November 2009 for the 2004, 2005, 2006 and 2007 accounting periods. Accordingly, the actual tax charge and penalty were calculated as TRY 4.466 and special irregularity fine was cancelled. On 11 January 2010, the Company made a total payment of TRY 8.833 to the respective tax authorities, which comprises of TRY 4.466 of the actual tax charge and penalty and TRY 4.368 of overdue interest.

Moreover, the agreed TRY 1.391 of tax charge notification consisting TRY 1.035 of the actual tax charge and TRY 356 of overdue interest, which was previously served by the Revenue Administration Department of Ministry of Finance to Doğan Gazetecilik A.Ş. for the 2008 accounting period was paid to the respective Tax Administration as of 30 June 2010 providing that the related amount shall be written off against the Group's tax assets.

In regards to the tax notification which was served to Doğan Gazetecilik A.Ş. on 26 December 2008 relating to the 1 January 2003-31 December 2003 accounting period and amounting to TRY 948 of actual tax charge (actual charge and penalty), no agreement was reached with Doğan Gazetecilik after the tax assessment made on 12 January 2010. The lawsuits filed for the cancellation of the tax charge and tax penalty issued are resulted partially in favor of and partially against the Company and the outcomes of those lawsuits are communicated to Doğan Gazetecilik A.Ş. Accordingly, the lawsuit resulted against Doğan Gazetecilik A.Ş. amounts to TRY 725 (TRY 280 of tax charge and TRY 445 of tax penalty). The Company made an objection by the Council of State in relation to the lawsuits that are resulted against the Company, including the motion for stay of execution. The Council of State approved the objection made in regards to the lawsuit amounting to TRY 725 and ruled for the stay of execution.

Doğan Gazetecilik A.Ş. made an application in accordance with Law No: 6111 in regards to its tax assessment in dispute which amounts to TRY 725 of undue and on trial tax liabilities in dispute in total. As a result, Doğan Gazetecilik A.Ş. is charged with TRY 461 of tax penalty in total. The related tax penalty was paid in cash on 30 June 2011 and is recognized under "other operating expenses".

##### *(b) Law Cases:*

The details of litigations against Group are amount of TRY 78.999 (31 December 2010: TRY 83.487).

A provision for lawsuits amounting to TRY 21.957 has been provided with reference to the opinions of the Group's legal advisors and past experience of management related to similar litigations against the Group (31 December 2010: TRY 27.386). Legal cases mainly consist of pecuniary and non-pecuniary damages and lawsuits initiated by the Radio and Television Supreme Council.

##### *(c) Commitments and contingent liabilities related to the Commerz-Film GmbH shares sales agreement*

Doğan Yayın Holding, subsidiary of the Group, sold 90.854.185 shares ("Axel shares"), 25% of the share capital of Doğan TV, to Commerz-Film GmbH (formerly registered as Dreiundvierzigste Media Vermögensverwaltungsgesellschaft mbH), a 100% subsidiary of Axel Springer AG, for EUR 375.000 (TRY 694.312, this amount is defined as "initial sales price") on 2 January 2007. In accordance with the Share Sale Agreement ("Agreement") that the initial sales price will be revised based on whether the "initial public offering" ("IPO") of the shares of Doğan TV Holding or not.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

---

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

##### *(c) Commitments and contingent liabilities related to the Commerz-Film GmbH shares sales agreement (continued)*

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

Dates for the reassessment of the original selling price as set out in the agreement signed by Doğan Holding, Doğan Yayın Holding, Doğan TV Holding and Commerz-Film GmbH on 19 November 2009 have been postponed for a maximum period of 6 years without being subject to any condition. The related agreement dated 19 November 2009, was amended by a new agreement (Amendment agreement) signed with Doğan Holding, Doğan Yayın Holding, Doğan TV Holding, Commerz-Film GmbH and Hauptstadtsee 809. V V GmbH at 31 October 2011.

The below conditions set out in the agreement signed on 19 November 2009 are applicable as of 19 February 2010.

- In the agreement dated November 19, 2009, Axel Springer Group has sale options for 3,3% of its shares in Doğan TV amounting to EUR 50.000 subsequent to January 2013 and the other 3,3% of its shares amounting to EUR 50.000 subsequent to January 2014 to Doğan Holding and Doğan Holding has the commitment to purchase these shares. Axel Springer Group may exercise the sale options fully or partially. Payables will include interests' payments of annual combined 12 months Euro Libor plus 100 base points as of 2 January 2007. Under the amendment agreement dated 31 October 2011, existing DTV Put Option I terms are revised and accordingly, the related terms require the put options exercisable for the periods subsequent to January 2013 and January 2014 in consideration of EUR 50.000 to cover only 33.843.238 shares in each period. The Amendment also allows Axel Springer another put option exercisable for 34.183.593 shares for the period subsequent to 2015 in consideration of EUR 50.000.

According to the agreement dated 19 November 2009, Axel Springer Group has option to sell some or all of "Axel shares" with the higher of EUR 4,1275 (exact) per share or a fair value to be determined by specific valuation techniques to Doğan Holding and Doğan Holding has a commitment to purchase these shares ("DTV Put Option II). Payables will include interests' payments of annual combined 12 months Euro Libor plus 100 base points as of 2 January 2007. In order to exercise this option, the following conditions must be met. This time, with the amendment agreement dated 31 October 2011, EUR 4,1275 per share is updated as EUR 1,46269 because of the increase in the share capital of Doğan TV.

- Doğan TV Holding shares should not be offered to the public by 30 June 2017,
- There should be direct or indirect control change over Doğan Holding, Doğan Yayın Holding or Doğan TV Holding,
- There should be pledges or sequestration on the Doğan Yayın Holding's assets that have significant unfavorable effects on the operations of Doğan Yayın Holding in addition to the existing ones.

This time, with the amendment agreement dated 31 October 2011, EUR 4,1275 per share is updated as EUR 1,46269 because of the increase in the share capital of Doğan TV Holding.

As per the Amendment Agreement dated 31 October 2011, the Axel Springer Group has also requested two guarantee letters amounting to EUR 50.000 each in order to guarantee "DTV Put Option I" of Doğan Holding.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

---

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

##### *(c) Commitments and contingent liabilities related to the Commerz-Film GmbH shares sales agreement (continued)*

EUR 375.000, which is defined above as the initial sale price, can be amended based on the circumstances explained below. Under the agreement, the "initial sale price" will be determined based on the IPO or non-IPO option of Axel shares.

In the event that shares of Doğan TV Holding are offered to public by 30 June 2017 and if quarterly share value of "Axel Shares" in average subsequent to public offering is less than the amount of which will be calculated by adding interest over the original selling price (it will be remeasured using a 12 month Euro Libor rates on annual compound basis effective from 2 January 2007) to the original selling price, both the difference resulting from the quarterly share value of "Axel Shares" in average subsequent to public offering and the original selling price and the amount calculated by adding interest over the difference would be paid by Doğan Yayın Holding to the Axel Springer Group.

In the event that shares of Doğan TV Holding are offered to public by 30 June 2017 and if quarterly share value of "Axel Shares" in average subsequent to public offering is higher than the original selling price, both the difference resulting from the quarterly share value of "Axel Shares" in average subsequent to public offering and the amount of which will be calculated by adding interest over the original selling price (as measured by using an annual combined Euro Libor plus 100 base points as of 2 January 2007) to the original selling price would be equally shared between the Axel Springer Group and Doğan Yayın Holding.

In the event that shares of Doğan TV Holding are not offered to public by 30 June 2017 and if the fair value of Doğan TV, which will be calculated by using certain valuation techniques as at 31 December 2015, is less than the amount of which will be calculated by adding interest over the original selling price (as measured by using an annual combined Euro Libor plus 100 base points as of 2 January 2007) to the original selling price, both the fair value of Doğan TV Holding, which will be calculated by using certain valuation techniques as at 31 December 2015, and the difference of the original selling price and the amount calculated by adding interest over the difference would be paid by Doğan Yayın Holding to the Axel Springer Group. If Doğan TV Holding's shares are not listed by the end of 30 June 2017, the fair value based on the above-mentioned techniques would be reassessed, payments would be made to the Axel Springer Group in accordance with the related calculations, and Axel Springer Group's call option of its entire or some portion of "Axel shares" to Doğan Holding and Doğan Holding's put option for the related shares would continue to be in effect.

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

In accordance with the agreement signed on 19 November 2009, Doğan Yayın Holding shall make a TRY cash capital increase in Doğan TV Holding A.Ş. that corresponds to EUR 385.000, and as a result of the capital increase, Doğan TV Holding A.Ş. shares owned by Commerz-Film GmbH shall be diluted to 19,9% from 25%. In January 2010 and May 2010, the premium capital increase of Doğan TV Holding A.Ş., was completed in two steps. As a result of the capital increase, the shares of Doğan Yayın Holding and Commerz-Film GmbH at Doğan TV Holding A.Ş. were 79,71% and 19,9% respectively.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

---

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

##### *(c) Commitments and contingent liabilities related to the Commerz-Film GmbH shares sales agreement (continued)*

The Group is also responsible for any unprovisioned liability arising from tax assessments prior to the closing date of sale agreement as required in the Axel share acquisition and transfer "Agreement". The effect of liability arising from Law no: 6111 in regards to Doğan TV Holding over the share value is compensated in proportion to the share capital to Commerz-Film GmbH. In this content, the payment made to Commerz-Film GmbH amounts to TRY 165.523. The related payment has been made on 17 August 2011. Accordingly, Commerz-Film GmbH has participated in the capital increase of Doğan TV Holding from TRY 456.554 to TRY 1.288.328 through the usage of nominal values in the new share acquisition rights in the share of participation at nominal value. The capital increase has been registered on August 17, 2011. The share interest of Commerz-Film GmbH in Doğan TV Holding (19,9%) have remained still after the capital increase. Accordingly, the Group has indemnified TRY 165.523 of liability arising from Doğan TV Holding and its subsidiaries' undue and on trial tax liabilities in dispute under Law No: 6111 which represents the portion corresponding to Axel Springer Group's current ownership percentage (19,9%). The related liability portion is not recognized under the non-controlling interests account in the consolidated financial statements prepared as of 31 December 2011.

For the above matter, Doğan Yayın Holding has determined the fair value of Doğan TV Holding as of 31 December 2011 in order to identify whether it will assume any future financial liability and made detailed disclosures in its financial statements (Note 2). In accordance with the fair value calculation, there are not any financial liabilities arising from the share acquisition, which represents 19,9% of Doğan TV Holding A.Ş.'s capital, by the Axel Springer Group. In relation to the Group's commitment to purchase a total amount of EUR 150.000, IAS 32 "Financial Instruments: Disclosure and Presentation" standard requires that this liability must be presented as financial liability over the discounted amount of estimated value at the balance sheet regardless of Group's ability to pay this liability with its own shares instead of cash. Accordingly, as of 31 December 2011, liabilities within the scope of "DTV Put Option I" have been presented as "long-term financial liabilities" over the discounted amount of TRY 434.962 in the accompanying consolidated balance sheet (Note 9). Group has recorded amount of TRY 144.987, which is additionally recorded as a result of modification agreement in the current period, under equity.

##### *(d) Call options:*

In January 2007, OOO Pronto Moscow, a subsidiary of Hürriyet, acquired the majority shares of Impress Media Marketing LLC ("Impress Media"). Accordingly, the Group has the right to purchase 13% of non-controlling shares from non-controlling shareholders without a time constraint, provided that certain conditions are met. Additionally, the Group has signed a new put option agreement valid between August 2011 and August 2015 for the remaining non-controlling shares of 10%. Net fair value of such option shall be calculated based on Impress Media's EBITDA or net sales revenue. Group, pursuant to an agreement signed in September 2010, has had the option to purchase the remaining 3% share in the capital. The fair value of the option will be determined based on calculation over Impress Media EBITDA, according to gradually increase of Impress Media EBITDA, shall be had the option to the rate of 14% of the shares sold, to the rate of 14% of the purchase the new shares. As of 31 December 2011, the short-term portion of the fair value of the put option is TRY 1.205 (31 December 2010: TRY 764), long-term portion is nil as of 31 December 2011 (31 December 2010: None).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

---

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

***(d) Call options (continued)***

Hürriyet has granted a put option, on the 30% shares outstanding during the acquisition of 70% interest of the shares in its subsidiary Oglasnik d.o.o in Croatia. Discussions concerning the use of this option as of the reporting date of these financial statements are still ongoing. As of 31 December 2011, the fair value of the option is calculated as TRY 15.111 (USD 8.000) based on various valuation techniques and assumptions and classified in "Other short-term financial liabilities" (31 December 2010: TRY 12.366 (USD 8.000)). There is a dispute on the protocol between the contract parties and an arbitration process is in progress in the presence of Zagreb Court of Arbitration. A lawsuit has been opened by the non-controlling shareholders against the Group since non-controlling interest shareholders could not use this put option. Non-controlling interest shareholders have been demanding EUR 3.500 in order to compensate their loss due to not having exercised the put option and the declining share value of shares caused by the poor management. Subpoena related to the lawsuit has been submitted to the Group on March 5, 2012.

Hürriyet has acquired a 55% share in Moje Delo d.o.o. ("Moje Delo") in Slovenia. The Group paid an earn-out amounting to EUR 1 million during the period. The Group has granted a put option to the selling shareholders on the remainder of the shares exercisable from January 2009 to January 2012 and has a call option exercisable from January 2011 to January 2014. Exercise price shall be calculated based on EBITDA and the net financial debt of Moje Delo. The fair value of the put option is TRY 2.899 as of 31 December 2011 (31 December 2010: TRY 701) and classified in "Other short-term financial liabilities".

Based on a protocol signed by Hürriyet in 2010, the put option liability in relation to the 3,84% shares of non-controlling Global Depositary Receipts (GDR) in Trader Media East Limited is exercisable by the counterparty until 2013.

The "GDR put option" exercise price is USD 13 (exact). Hürriyet will make a payment of USD 1 million for each year the put option right is not exercised until 2013. The Group has recognized a financial liability arising from the put option on 3,84% shares of Trader Media East Limited owned by "non-controlling interests", through a protocol signed during the current period by increasing other financial liabilities by TRY 39.367, decreasing non-controlling interests by TRY 13,9 million and also decreasing retained earnings/accumulated losses by TRY 25,5 million in the accompanying consolidated financial statements as of and for the period ended 30 June 2010. As of 31 December 2011, fair value of this call option is TRY 47.223 (31 December 2010: TRY 38.650).

However, there is a dispute about the protocol between the parties concerned and an arbitration process is still going on as of 31 December 2011 in the presence of Zurich Chamber of Commerce. There has been no payment made to the other party arising from the using of put option belonging to the year 2011.

Since the counter party has transferred and sold its Global Depositary Receipts ("GDR") to a legal person that is not related with the company and declared its withdrawal of appeal of arbitration to the Company subsequent to the balance sheet date, Hürriyet has no liability regarding to the protocol. The effect of the event has not been reflected to the balance sheet as it is a subsequent event after the balance sheet date.

***(e) Developments at the Radio and Television Supreme Council ("RTSC")***

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

---

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

***(e) Developments at the Radio and Television Supreme Council ("RTSC") (continued)***

- companies that have already acquired a license from the Radio and Television Supreme Council to adjust their shareholding structure in compliance with paragraphs (h) and (i) in Article 29 of the Law No: 3984 "Establishment of Radio and Television Enterprises and Their Broadcasts" within six months on the basis of the requirements set out in Article 29 (j), or otherwise their broadcast licenses will be cancelled; and
- companies that have already applied to the Radio and Television Supreme Council for the permit and license; however, the related procedures have not yet been concluded to renew their application to the Radio and Television Supreme Council by adjusting their shareholding structure in compliance with paragraphs (h) and (i) in Article 29 of the Law No: 3984, or otherwise their previous applications will become invalid.

Based on the Group's written objection to the decision, considering the assessments of the Group, RTSC has issued a new written decision on 10 February 2010 delaying the enforcement of the above mentioned decision made on 13 October 2009 until a revised decision will be issued.

In addition, Article 19(d) of the "Establishment and Broadcasting Services of Radio and Television Companies" Communiqué effective as of 3 March 2011 allows a real or a legal entity to participate, directly or indirectly, in a media service provider with a maximum of four terrestrial broadcast licenses. Moreover, total annual commercial communication revenue of a media provider having a real or a legal entity's direct or indirect participation in multiple media service providers cannot exceed 30% of the sector's total commercial communication revenue. A real or legal entity that exceed the related total commercial communication revenue rate is required to dispose of or transfer its shares to bring their participation rate to the required limit within 90 days as required by the Supreme Council, or otherwise, the real or legal entity is imposed to an administrative penalty fee of TRY 400 for each month that is subject to the ruling violation. In practice, principles and procedures of the related execution is prescribed by the Supreme Council. The Group management is assessing the potential effects of the article as of the report date.

The Group management has evaluated the effects of the law on its operations at the last quarter of 2011 and completed the sale of Star TV to Doğuş Yayın Grubu, and completed the merge of some of TV and radio channels under a single legal entity, considering the commercial reasons. As a result, the Group's market share as well as limitations in terms of both number of media service provider have become compatible with the existing law.

***(f) Improvements at the Competition Authority:***

Upon the Competitive Board's notification issued on 17 September 2009, Doğan Yayın Holding, Hürriyet, Doğan Gazetecilik, Bağımsız Gazetecilik and Doğan Daily News were informed that they are subject to an investigation in order to determine whether these companies have violated any provisions of Law 4054 in relation to "Advertisement area sales" in the print media. The Group has made an objection to the initial response session of the ongoing investigation claiming that Doğan Yayın Holding's operations are not in the form of "Advertisement area sales" in the printed media and Doğan Daily News is not an operating company.

Based on the investigation undertaken by the Competition Authority as of 5 April 2011, Hürriyet, Doğan Gazetecilik and Bağımsız Gazetecilik are charged with an administrative penalty fee of TRY 3.805, TRY 2.316 and TRY 444, respectively. On the other hand, the Authority did not charge any administrative penalty for Doğan Daily News (a dormant company) and Doğan Yayın Holding, to avoid imposing multiple charges. The Group has provided a total of TRY 4.923 of provision in relation to the charges in the accompanying financial statements. The total amount consists of TRY 2.853 of provision for Hürriyet and TRY 2.070 of provision for Doğan Gazetecilik and Bağımsız Gazetecilik (Note 31).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

---

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

***(g) The Group's decision on the requirements set out in relation to "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees"***

The Group management plans to make use of the requirements set out in relation to "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees" ("Law No: 6111"), which has become effective upon the issuance in the Official Gazette No: 27857 (I.Bis) on 25 February 2011. The Group has increased the tax basis for the 2006, 2007, 2008 and 2009 periods in accordance with the requirements set out in relation to "Tax Base Increase" in Law No: 6111 and accordingly the Group's payable amount is calculated as TRY 87.500 in total including its interests. TRY 53.608 portion of the related amount is paid in cash as of 30 June 2011 and recognized under other operating expenses. TRY 4.421 of discount is calculated for the remaining portion of TRY 33.892 which will be paid in 18 equal installments in 36 months. TRY 29.471 of principal (after the deduction of the discount amount of TRY 4.421) is recognised under "other operating expenses" and "other short and long term liabilities", respectively in the consolidated financial statements. As of 31 December 2011, the Company has made a payment of TRY 7.531 in total (TRY 6.368 of principal amount and TRY 1.163 of interest) and TRY 209 interest accrual has been represented in financial statements in accordance with Law No: 6111; the outstanding long and short term principal liability subsequent to the related payment amounts to TRY 23.312 (Note 26).

***(h) Other***

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

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

Holding's responsibilities in non-tax issues terminated on 30 September 2007. Arbitration procedure that continues in the presence of Zurich Chamber of Commerce which is related to payment of tax debt accrued in the prior period and emerged after the share transfer was finalized against the Company after the balance sheet date. Liability amounting to TRY 22.412 is followed in "other current liabilities" and "other operating expenses" accounts (Note 26).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

---

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

##### *(h) Other (continued)*

##### ***Milpa:***

##### *The Land Of Ömerli*

The land owned by Milpa, a subsidiary of the Group, located in Kurtdoğan village, Pendik district, İstanbul province, classified as investment property in the consolidated financial statements, 144.266 m<sup>2</sup> of the land was removed from forestry land with a court decision taken in 2005. The Forestry Directorate appealed the decision at the 20th Chamber of the High Court and the objection was accepted on 24 June 2008 and these decisions (removing from forestry land) are sent to the Pendik Court of First Instance for re-evaluation. The Court reiterated its initial decision on 8 October 2009. The Ministry of Forestry appealed the Court's decision and the related case file was re-sent to the Civil Department No: 20 of the Court of Appeal and re-transferred to the Pendik Court of First Instance. Aforesaid Court follows the Supreme Court 20<sup>th</sup> Civil Chamber's reversal decision and has postponed the trial date to 12 April 2012 with the purpose of re-exploration and evaluation of Forestry Ministry's claims.

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

According to valuation company's appraisal report dated 13 January 2012 prepared based on Capital Markets Board's Communiqué Serial: VIII, No: 45, aforementioned real estate's sales value has been determined as TRY 51.480 (14 January 2011: TRY 44.765) because the related area is allocated as habitat and daily recreation land as it is stated in landscaping plan with scale of 1/100.000 done on 17 July 2009, lands with same size and same location in Anatolian side of İstanbul on which high quality projects can be developed are scarce, demand to the land has been increasing in recent years and 3rd Bridge Ringroad (North Marmara Motorway) will pass through the related area. These amounts are valuations made for the whole land, company's proportion of the land is 54,79%.

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

##### ***Petrol Ofisi A.Ş.:***

Under the agreement entered into with the Group (The "Company", "Vendor") and OMV (The "Buyer") in regards to the share transfer of POAŞ on 22 December 2010, the Company may be required to assume some of the certain liabilities which may arise from the following conditions set out briefly subsequent to the share transfer:

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

---

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

##### *(h) Other (continued)*

##### *Petrol Ofisi A.Ş. (continued):*

"Except for any losses and/or tax payables of the Buyer and/or any Group companies arising from any claims made by any authorities in regards to events or conditions occurred subsequent to the closing date and any statements and warranties in regards to restricted property rights and Vendor conditions, each contract party agrees and commits to indemnify any losses, damages and liabilities (Losses) arising from the violation of any statements and warranties and assume any losses, damages and liabilities (Losses) of the contract party that is exposed to such breach within 3 years of time. The Vendor commits to pay an indemnity that will not exceed USD 175.000.000 (exact)– 54,14% of the related Losses and/or Tax payables- to the Buyer for any losses and/or tax payables of the Vendor and/or any Group companies arising from any restrictions of a Group company or any claims made by any authorities against a Group company in regards to events or conditions occurred subsequent to the closing date, except for any losses derived from negligence or any violations of statements and warranties in regards to restricted property rights and Vendor conditions. The related liability is terminated after the occurrence of other conditions unless the Buyer files an application in writing to the Vendor within 6 (six) weeks following the notification of the Authority's definite and unappealable verdict to the Buyer/Group Company. Except for any claims based on unrecognized liabilities as of signing date derived prior to third party signatures, the Vendor shall not undertake any third party claims."

As a result of POAŞ's decision on making use of the tax base increase requirements set out in Law No: 6111, tax base increase amount attributable to 2008 and 2009 of the consideration made by POAŞ is assumed by the Group in proportion to the Group's issued capital under the contract terms summarized above and TRY 12.432 was paid to OMV accordingly on 14 July 2011. The related amount is recognized as other expenses in the consolidated financial statements prepared for the period ended as of 31 December 2011.

As the result of POAŞ decided to benefit from the arbitrament related to tax liabilities in dispute under Law No: 6111, the tax penalty amount which belongs to year 2003 and paid by POAŞ, is referred to the Group by the share proportion owned by the Group at this date ,according to the agreement specified above. USD 2.012 equivalent of TRY 3.285, is paid to OMV on 29 June 2011.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

### NOTE 23 - COMMITMENTS

#### a) Letters of guarantees and guarantee notes given

Collateral, pledges and mortgages "CPM" given by Parent Company, Doğan Holding, as of 31 December 2011 and 2010 are as follows:

	31 December 2011					31 December 2010				
	TRY Equivalent	TRY	USD	EUR	Other	TRY Equivalent	TRY	USD	EUR	Other
A. CPM's given in the name of its own legal personality										
Guarantee <sup>(1)</sup>	135.093	111.380	7.717	3.332	2.575	115.111	101.493	6.966	1.386	3
Pledge <sup>(2) (5)</sup>	226.354	226.354	-	-	-	329.055	113.177	-	-	4.255.692
Mortgage <sup>(3)</sup>	420.254	404.369	-	6.500	-	25.113	11.794	-	6.500	-
B. CPM's given on behalf of the fully consolidated companies										
Guarantee <sup>(1) (4)</sup>	3.034.844	132.409	1.422.200	88.404	-	2.262.918	220.089	1.053.001	202.474	-
Pledge	-	-	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-	-	-
C. CPM's given on behalf of third parties for ordinary course of business										
Guarantees	-	-	-	-	-	-	-	-	-	-
Pledge	-	-	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-	-	-
D. Total amount of other CPM's given	-	-	-	-	-	-	-	-	-	-
i) Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-	-	-	-	-	-	-
ii) Total amount of CPM's given on behalf of third parties which are not in scope of B and C	-	-	-	-	-	-	-	-	-	-
iii) Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3.816.545</b>					<b>2.732.197</b>				

- (1) The guarantees of the Group consist of letter of guarantees, guarantee notes, bails and mortgages. The details of letter of guarantees, guarantee notes, bails and mortgages are explained below.
- (2) 100% shares of D Yapım (1.124.682.616 shares), of Doğan Prodüksiyon (1.087.582.624 shares) and of Alp Görsel (1.068.595.605 shares) all of which are owned by Doğan TV Holding and 43 properties belonging to third parties and a bank letter of guarantee are given as guarantees to the Tax Offices; and they are not included to the above table.
- (3) There is a mortgage amounting to TRY 402.925 given to financial institutions in return for credit received for Group's joint venture Aslancık Elektrik's hydro energy production facility which is planned to be located in Giresun's Doğankent district (31 December 2010: None). Besides, there is a mortgage amounting to TRY 17.329 over the tangible fixed assets of Group's subsidiary Hürriyet (31 December 2010: TRY 25.113) (Note 18)
- (4) It is about long term project financing loan amounting to USD 750.000 which has been obtained qua joint and several guarantor with other shareholder groups (Note 4), within the scope of Boyabat Elektrik's hydroelectric power plant Project that is scheduled to be completed until the end of 2012. As of 31 December 2011, Boyabat Elektrik used USD 674.333 amounting loan portion provided. Doğan Holding has bail amounting to USD 24.354 given to credit institutions within the scope of Aslancık Elektrik's hydroelectric power plant construction that is planned to be completed in 2013.
- (5) As the details are explained in Note 8, 11.3% (226.354.060 shares) of Doğan Yayın Holding shares, 13.3% (73.200.000 shares) of Hürriyet shares, 49% (24.500.000 shares) of Kanal D shares, 67,3% (33.649.091 shares) of TME shares and 33% (3.630.000 shares) of Boyabat shares have been given as pledges to financial institutions due to Group's long term financial liabilities and have not been included to the above table



**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 23 - COMMITMENTS (Continued):*****a) Collateral, pledge and mortgages given (continued):***

Other CPM given by the Group to equity ratio is 0% as of 31 December 2011 (31 December 2010: 0%). The breakdown of letters of guarantees and guarantees notes given by the Group are as follows:

	<b>31 December 2011</b>		<b>31 December 2010</b>	
	<b>Original</b>	<b>TRY</b>	<b>Original</b>	<b>TRY</b>
	<b>Foreign currency</b>	<b>amounts</b>	<b>foreign currency</b>	<b>amounts</b>
Letters of guarantee – EUR	37.431	91.474	84.330	172.802
Letters of guarantee – TRY	114.529	114.529	103.897	103.897
Letters of guarantee – USD	14.099	26.632	14.525	22.455
Letters of guarantee – Other	2.575	995	3	7
Guarantee notes – TRY	204	204	204	204
Guarantee notes – EUR	25	61	25	52
<b>Total</b>		<b>233.895</b>		<b>299.417</b>

Doğan TV Holding, one of the subsidiaries of Doğan Yayın Holding, has given letters of guarantees amounting to EUR 23.000 to UEFA (Union Européenne de Football Association or Union of European Football Associations) in 2008 for broadcasting rights of UEFA Champions League, UEFA Super Cup and UEFA Cup games for the period 2009-2012. In addition, in relation to these games Doğan TV has a payment obligation for the amount of total EUR 11.000.

***(b) Barter agreements***

Doğan Yayın Holding and its subsidiaries, as a common practice in the media sector, enter into barter agreements, which involve the exchanging of goods or services without any cash collections or payments.

As of 31 December 2011, the Group has a commitment for the publication of advertisements amounting to TRY 22.130 (2010: TRY 8.232) in exchange for purchasing goods and services and has an option to purchase goods and services amounting to TRY 18.567 (2010: TRY 12.854) in exchange of the goods or services sold.

***(c) Guarantees and mortgages given***

The details of guarantees of Doğan Yayın Holding and its shareholders' given for the borrowings and trade payables of the Group companies and related parties as of 31 December 2011 and 2010 are as follows:

	<b>31 December 2011</b>		<b>31 December 2010</b>	
	<b>Original</b>	<b>TRY</b>	<b>Original</b>	<b>TRY</b>
	<b>currency</b>	<b>equivalent</b>	<b>currency</b>	<b>equivalent</b>
Bails – EUR	54.280	132.649	119.505	244.879
Bails – USD	1.415.817	2.674.337	1.045.443	1.616.254
Bails – TRY	129.056	129.056	217.479	217.479
Mortgages – EUR	6.500	15.885	6.500	13.319
Mortgages – TRY	404.369	404.369	11.794	11.794
<b>Total</b>		<b>3.356.296</b>		<b>2.103.725</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 24 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS**

	<b>2011</b>	<b>2010</b>
<b>Long Term Provisions</b>		
Provision for employment termination benefits	49.311	46.895
	<b>49.311</b>	<b>46.895</b>

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). At 31 December 2011 the amount payable maximum equals to one month of salary is TRY 2.731,85 (exact) (31 December 2010: TRY 2.571,01 (exact)) for each year of service..

On the other hand Group is liable to make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due cause in accordance with the Regulations with regards to Employees Employed in the Press Sector. The maximum payable amount is 30 days' salary for each year of service. Employment termination benefit liabilities are not subject to any funding and there are no legal requirements for funding of these liabilities.

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of Doğan Holding and its subsidiaries, joint ventures and associates registered in Turkey. IAS 19 "Employee Benefits" standard which is published by IASB requires actuarial valuation methods to be developed to estimate the Group's employee termination benefit liability under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total provision.

	<b>2011</b>	<b>2010</b>
Discount rate (%)	4,67	4,66
Turnover rate to estimate the probability of retirement (%)	%82-%93	%82-%93

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 24 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS (Continued)**

The principal assumption is that the maximum liability of TRY 2.805,04 (exact) (31 December 2010: TRY 2.517,01 (exact)) 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 TRY 2.805,04 (exact) (31 December 2010: TRY 2.517,01 (exact)), which is effective from 1 January 2012, has been taken into consideration in calculating the reserve for employment termination benefit of the Group. As of 31 December 2011, the salaries have been taken into consideration in calculation for the employees under the Regulations with regards to Employees Employed in the Press Sector.

The Group has reviewed the assumptions used in calculating the retirement benefit obligation in the current year, changes in accounting estimates are accounted in the current period.

The movements in the provision for employment termination benefits for the years ended 31 December 2011 and 2010 are as follows:

	<b>2011</b>	<b>2010</b>
1 January	(46.895)	(36.399)
Current period service cost from continued operations	(15.312)	(16.686)
Payments during the period	9.499	11.794
Current period service cost from discontinued operations	(6.179)	-
Reversal of provision from discontinued operations	11.816	5.974
Interest cost	(2.137)	(1.565)
Actuarial gain/loss	(103)	(10.013)
<b>31 December</b>	<b>(49.311)</b>	<b>(46.895)</b>

**NOTE 25-RETIREMENT PLANS**

None (2010: None).

**NOTE 26 - OTHER ASSETS AND LIABILITIES**

	<b>31 December 2011</b>	<b>31 December 2010</b>
<b>Other current assets</b>		
Blocked deposits	79.763	-
Programme stocks	63.198	52.675
Value Added Tax ("VAT") receivable	35.309	50.739
Prepaid expenses	21.322	40.287
Advances given	20.545	21.480
Personnel advances	13.894	7.162
Prepaid taxes	12.237	7.077
Work advances	5.347	6.754
Income accruals	4.687	8.514
Tax receivables	515	1.616
Other	16.470	18.165
	<b>273.287</b>	<b>214.469</b>
Provision for impairment for programme stocks	(1.081)	(2.500)
	<b>272.206</b>	<b>211.969</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 26 - OTHER ASSETS AND LIABILITIES (Continued)**

	31 December 2011	31 December 2010
<b>Other non-current assets</b>		
Value Added Tax ("VAT") receivables	167.805	110.598
Long term restricted deposits <sup>(1)</sup>	132.425	15.460
Advances given and prepayments <sup>(2) (3) (4)</sup>	62.657	83.869
Prepaid expenses	5.217	9.780
Deposits and guarantees given	22	-
Other	5.803	53
	<b>373.929</b>	<b>219.760</b>

- (1) As of 31 December 2011, Doğan Holding's time deposit amounting to USD 70.000 has been blocked to be guarantee for the loans used by TME. As of 31 December 2010 Hürriyet, subsidiary of the Group, has time deposit amounting to USD 10.000 which has been blocked as collateral for loans used by subsidiaries of the Group. Due to the restructuring of the loan, the blocked deposit has been solved as of 3 May, 2011 (Note 8).
- (2) Advances given and prepayments amounting to TRY 31.980 (31 December 2010: TRY 36.974) consist of prepayments made by Doğan TV Holding, one of the subsidiaries of Doğan Yayın Holding, for UEFA (Union Européenne de Football Association or Union of European Football Associations) Champions League qualifying games and UEFA Cup qualifying games of certain Spor Toto Super League teams between 2008 and 2020. In accordance with the agreements, prepayments made for the related games will be refunded to Doğan TV Holding in the cancellation of games..
- (3) TRY 3.180 (31 December 2010: TRY 3.180) of the advances given and prepayments includes the expenses caused by the landowners and advances given to the landowners who passed their shares of the real estate Project in the land of Ömerli by Milpa which is a subsidiary of the Group for the part of the proceeds. %25 of the revenues of the project which Milpa is planning to develop, about the houses and offices will be committed and set-off to the landowners revenue-sharing and/or flat received from contractor for landownership by the proportion of their shares.
- (4) TRY 18.844 (31 December 2010: TRY 40.476) of advances and prepayments are advances given for Group's joint ventures Boyabat and Aslancık's fixed asset purchase.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 26 - OTHER ASSETS AND LIABILITIES (Continued)**

	<b>31 December 2011</b>	<b>31 December 2010</b>
<b>Other current liabilities</b>		
Provision for tax liability in dispute regarding 6111 law (Note 22)	264.484	-
Deferred revenue	45.909	52.283
Provision for unused vacation liability	33.351	27.497
Expense accruals	17.264	14.074
Tax base increase liability regarding 6111 law (Note 22)	9.405	-
Provision for broadcasted programmes	3.306	6.815
Arbitration Liability (Note 22)	22.412	-
Other	36	-
	<b>396.167</b>	<b>100.669</b>

The movements in the provision for unused vacation for the periods ended 31 December are as follows:

	<b>2011</b>	<b>2010</b>
1 January	(27.497)	(24.389)
Additions	(19.274)	(14.513)
Disposal of subsidiary	1.592	-
Reversal of provisions booked	3.425	-
Payments related with provisions	8.719	11.502
Currency translation differences	(316)	(97)
<b>31 December</b>	<b>(33.351)</b>	<b>(27.497)</b>

	<b>31 December 2011</b>	<b>31 December 2010</b>
<b>Other non-current liabilities</b>		
Provision for tax liability in dispute regarding 6111 law (Note 22)	391.076	-
Tax base increase liability regarding 6111 law (Note 22)	13.907	-
Other non-current liabilities	8	-
	<b>404.991</b>	<b>-</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

#### NOTE 27 – EQUITY

Doğan Holding adopted the registered paid-in capital system available to companies registered with the CMB and set a limit on its registered paid-in capital representing registered type shares with a nominal value of TRY 1 Doğan Holding's authorized, historical and paid-in share capitals at 31 December 2011 and 2010 are as follows:

	31December 2011	31 December 2010
Limit on registered capital	4.000.000	4.000.000
Issued capital	2.450.000	2.450.000

The ultimate shareholder of Doğan Holding is Aydın Doğan and Doğan Family. The shareholder structures of the Holding at 31 December 2011 and 2010 are summarized as follows:

	Share %	31 December 2011	Share %	31 December 2010
Adilbey Holding A.Ş. <sup>(1)</sup>	52,68	1.290.679	52,00	1.274.000
Doğan Family	13,94	341.597	13,93	341.364
Aydın Doğan Vakfı	-	-	0,19	4.679
Publicly traded on ISE <sup>(2)</sup>	33,38	817.724	33,88	829.957
<b>Total issued capital</b>	<b>100</b>	<b>2.450.000</b>	<b>100</b>	<b>2.450.000</b>
Adjustment to issued capital		143.526		143.526
<b>Total</b>		<b>2.593.526</b>		<b>2.593.526</b>

- (1) Adilbey Holding A.Ş.'s share has increased to 52,68% (TRY 1.290.679) as a result of purchasing 16.679.046,07 shares from ISE on 31 October 2011 and 8 December 2011.
- (2) In accordance with the Capital Markets Board's (the "CMB") Resolution No: 21/655 issued on 23 July 2010, it is regarded that 31,46 % of the shares (31 December 2010: 32,12%) are outstanding as of 31 December 2011 based on the Central Registry Agency's ("CRA") records. 34,29% of Doğan Holding's shares are publicly available.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

---

**NOTE 27 – EQUITY (Continued)**

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

There are no privileged shares.

**Restricted Reserves Assorted From Profit**

Restricted Reserves are appropriated from retained earnings because of legal or contractual requirements; or because of specified purposes other than profit distribution (for example: in order to utilize the tax advantage of sales of equity participations).

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

Related amount is classified in "Restricted Reserves Assorted From Profit" accordance with CMB Financial Reporting Standards as of 31 December that amount is TRY 1.450.139 (31 December 2010: TRY 696.888). There is no restriction to add these reverses except first reserves to equity.

***Capital Reserves and Retained Earnings***

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

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

- if the difference is arising due to the inflation adjustment of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment To Share Capital";
- if the difference is due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilised in dividend distribution or capital increase yet, it shall be classified under "Accumulated gain/losses".
- other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards. Capital adjustment differences can only be included to capital.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

#### NOTE 27 – EQUITY (Continued)

The shareholders equity of Doğan Holding is as below:

	31 December 2011	31 December 2010
Share capital	2.450.000	2.450.000
Adjustment to share capital	143.526	143.526
Share premium	630	630
Increase /(decrease) in fair value of available for sale financial assets, net	(4.056)	13.918
Currency translation differences	67.538	(3.939)
Restricted reserves assorted from profit	1.450.139	696.888
- <i>Legal reserves</i>	127.739	64.837
- <i>Inflation adjustment differences to legal, extraordinary and other reserves, share premiums<sup>(1)</sup></i>	1.322.400	632.051
Accumulated gain/losses	(311.595)	(92.683)
Net income for the period	(757.144)	656.204
<b>Total shareholders' equity</b>	<b>3.039.038</b>	<b>3.864.544</b>

(1) The related income consists of the sale of shares in the capital of Petrol Ofisi A.Ş., one of the Doğan Şirketler Grubu Holding A.Ş.'s jointly controlled entity, comprising of 312.665.847,814 units of shares in total with the nominal value of TRY 312.665.847,814 (exact) including 116.315.847,814 units of Class A bearer shares with the nominal value of TRY 1 (exact) per share and 196.350.000 units of Class A registered shares with the nominal value of TRY 1 (exact) per share, which totally corresponds to 54,14% of the paid-in capital of Petrol Ofisi A.Ş. to OMV Enerji Holding A.Ş. on 22 December 2010 in consideration of full and cash payment of Euro 499.700.000 (exact) and USD 694.583.000 (exact) of the nominal value of shares amounting to TRY 312.665.847,814 (exact). TRY 690.349.152,69 (exact) of the related "gain on disposal of shares in subsidiaries" which is exempt from Corporate Tax recognized in the statutory/individual records prepared in accordance with the provisions of Turkish Commercial Code ("TCC") and Tax Procedure Law ("TPL") will be retained by Doğan Holding in a special fund under equity within five years in accordance with the requirements set out in Corporate Tax Law (Under the "CMB" Financial Reporting Standards, the related amount corresponds to TRY 782.702.250 (exact) and will not be subject to profit distribution.

#### *Financial assets fair value reserves*

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

#### *Dividend Distribution*

Listed companies of whose shares traded on the ISE, are required to distribute their dividends in accordance with the following criteria set out by the CMB:

Upon the CMB's Resolution No: 02/51 issued on 27 January 2010, there is no minimum level of dividend distribution requirement for the listed companies at the stock exchange for profits arising from operations in 2009 (2009: 20%). In this respect, companies will distribute their profits under the scope of the requirements of the CMB's Communiqué No. IV-27, their own articles of association and their own publicly disclosed profit distribution policies.

Also, based on the CMB's resolution no: 7/242 issued on 25 February 2005, if all of the profit distribution amount determined in accordance with the regulation set out on the CMB's minimum profit distribution requirement over the net distributable profit calculated based on the CMB regulations can be recovered from the distributable profit amount in the statutory records, the related amount will be fully distributed, or otherwise all the net distributable profit in the statutory records will be distributed accordingly. No dividend distribution will be made if financial statements or statutory records prepared in accordance with the CMB standards reflect any loss amount for the period.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

#### NOTE 27 – EQUITY (Continued)

##### *Dividend Distribution (continued)*

If the Company decides to distribute dividends regarding the decision of general assembly of public companies, the distribution of the relevant amount may be realized as cash or as bonus shares or partly as cash and bonus shares; and in the event that the first dividend amount to be specified is less than 5% of the paid-up capital, the relevant amount can be retained within the company. However, companies that made capital increases before distributing dividends related to the prior period and whose shares are therefore classified as "old" and "new" and that will distribute dividends are required to distribute the first amount in cash.

Under the requirements of the CMB's Communiqué Serial:XI, No.29, based on the audited consolidated financial statements prepared for the period 1 January 2010 – 31 December 2010 in accordance with International Accounting Standards and International Financial Reporting Standards, the Group's "Net Profit for the Period" is calculated as TRY 656.204 considering its "current tax expenses", "deferred tax income" and "non-controlling interests"; under TCC (Turkish Commercial Code), offsetting TRY 62.902 of first legal reserves, TRY 92.683 of retained earnings, TRY 690.349 sales revenue of participation shares which is not be subjected to distribution from take account of special fund under equity and TRY 1.053 of donations made in 2010, under the profit distribution requirements of the CMB's, nonoccurrence distributable profit of the period (TRY 188.677 loss) unanimously decidede not to distribute any profits for the period in accordance with the resolution issued in its Board of Directors' meeting held on 19 July 2011.

The CMB's requires the disclosure of total amount of net profit remaining portion from retained earnings in the statutory records and other resources which may be subject to distribution in the financial statements prepared in accordance with Communiqué Serial XI, No: 29. As of 31 December, the Company's gross amount of resources that may be subject to the profit distribution based on the statutory records amounts to TRY 1.243.924(2010:523.554).

#### NOTE 28 - SALES AND COST OF SALES

	2011	2010
Domestic Sales	2.874.694	2.790.183
Foreign Sales	479.883	339.318
Sales returns	(342.934)	(435.701)
Sales discount	(144.295)	(174.922)
<b>Net sales</b>	<b>2.867.348</b>	<b>2.518.878</b>
Cost of sales (-)	(2.060.672)	(1.852.713)
<b>Gross Profit</b>	<b>806.676</b>	<b>666.165</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 28 - SALES AND COST OF SALES(Continued)*****Sales income and cost of sales***

The details of operating revenue for the years ended 31 December 2011 and 2010 are disclosed in Note 5 - Segment Reporting.

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

	<b>2011</b>	<b>2010</b>
Selling, marketing and distribution expenses	386.592	328.707
General administrative expenses	394.900	345.733
<b>Operating expenses</b>	<b>781.492</b>	<b>674.440</b>

**NOTE 30 – EXPENSES BY NATURE**

The details of cost of sales, marketing, selling and distribution expenses and general administrative expenses for the nine-month interim periods ended as at 31 December 2011 and 2010 are as follows:

	<b>2011</b>	<b>2010</b>
Cost of trade goods sold	689.747	470.310
Personnel expenses	613.304	530.404
Raw material and supplies	331.235	324.888
General production overhead	313.706	462.341
Depreciation expenses <sup>(1)</sup>	218.714	233.686
Advertisement expenses	91.916	87.423
Expenses related to telecommunication services	77.186	72.681
Transportation, storage and travel expenses	50.821	45.575
Rent expenses	46.017	33.139
Dealer shop premium expenses	37.729	26.136
Satellite usage fees	20.450	18.473
RTSC share in advertisement <sup>(2)</sup>	19.042	70.385
Miscellaneous tax expenses	10.102	5.700
Communication expenses	11.071	9.688
Non-deductible expenses	8.795	7.132
Other	302.329	129.192
	<b>2.842.164</b>	<b>2.527.153</b>

1) As of 31 December 2011, depreciation expense that belongs to the sale of subsidiary and brand amounting to TRY 14.896 (31 December 2010: TRY 167.409 that belongs to subsidiary, brand and business partnership) is classified under discontinued operations. As of 31 December 2011, TRY 486 ( 31 December 2010: TRY 477) of depreciation expense and redemption is reflected in stocks.

2) 3% of monthly gross commercial communication income, excluding programme support income, of media service providers are classified as Supreme Council income in accordance with Article 41 (ç) of the "Establishment and Broadcasting of Radio and Television Companies" Law, which was published in the Official Gazette No: 27863 on 3 March 2011. Accordingly, 5% of commercial income that was previously retained as per the revoked Law No: 3984, has been decreased to 3% with the effect of the new requirement.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 31 - OTHER INCOME/EXPENSES**

	<b>2011</b>	<b>2010</b>
<b>Other income:</b>		
Provisions no longer required	39.712	7.699
Profit from sales of available for sale financial asset <sup>(1)</sup> (Note 7)	11.278	-
Gain on sales of property, plant and equipment and intangible assets	7.269	16.830
Reversal of provision of tax penalties (Note 22)	4.977	2.878
Profit from sale of subsidiary share	2.019	733
Scrap sales income	2.914	2.035
Rent income (Note 17)	4.314	3.041
Other income	23.020	7.020
	<b>95.503</b>	<b>40.236</b>

(1) Profit generates from the sales of its 10% shares in Ray Sigorta, one of the available for sale financial assets of Group, (Note 7).

	<b>2011</b>	<b>2010</b>
<b>Other expenses:</b>		
Tax liability in dispute <sup>(1)</sup>	(844.993)	-
Provision for impairment of goodwill (Note 20)	(103.895)	(29.030)
Tax base increase <sup>(2)</sup>	(89.560)	-
Provision for doubtful receivables (Note 10) <sup>(3) (5)</sup>	(32.018)	(35.672)
Provision for impairment of programme rights and stocks (Note 19,26)	(3.655)	(1.637)
Impairment on terrestrial broadcasting rights (Note 19) <sup>(4)</sup>	(23.500)	-
Provision for impairment on inventory (Note 13)	(1.665)	(4.495)
Provision for lawsuits (Note 22) <sup>(6)</sup>	(7.380)	(3.580)
Impairment of property, plant and equipment and intangible assets (Note 18 ve 19) <sup>(7)</sup>	(19.978)	(40.323)
Loss on sale of property, plant and equipment	(7.475)	(1.377)
Competition authority penalty (Note 22)	(4.923)	-
Other penalties and compensations paid	(4.420)	(13.832)
Provision for tax penalty	-	(15.171)
Cancelled project expense	-	(9.188)
Loss compensation of joint ventures	-	(7.251)
Impairment on investment property (Note 17)	(4.619)	(39.133)
Provision for arbitration liability (Note 22, 26)	(22.412)	-
Withholding tax provision (Note 22)	(1.751)	(3.095)
Other	(40.556)	(11.400)
	<b>(1.212.800)</b>	<b>(215.184)</b>

<sup>(1)</sup> Tax liability in dispute is shown net of TRY 21.196 amount of reversal of provisions for the previous years' tax lawsuits.

<sup>(2)</sup> TRY 5.950 of tax base increase expense is recognized under the discontinued operations.

<sup>(3)</sup> TRY 3.626 (31 December 2010: TRY 20.420) of provision for doubtful trade receivables is recognized under the discontinued operations.

<sup>(4)</sup> Doğan TV Holding, one of the subsidiaries of the Group, has booked an impairment of TRY 23.500 in the current period for the broadcasting license of CNN Turk by taking into consideration the effects of the new RTSC Law No:6112 and communicate and regulations regarding the distribution of terrestrial broadcasting licences related with this law and taking into consideration redistribution of these licenses by giving priority to the license owners.

<sup>(5)</sup> The provision amount calculated for trade receivables transferred with the closing balance sheet in relation to the sale of Işıl TV as at 3 November is TRY 3.375. This amount is shown net with the amount received and associated with the gain/loss from sale.

<sup>(6)</sup> TRY 861 of provision for lawsuits is recognized under discontinued operations as of 31 December 2010.

<sup>(7)</sup> In 31 December 2010, provision related to impairment of tangible fixed asset amounting to TRY 10.838 was classified to discontinued operations.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 32 – FINANCIAL INCOME**

Financial income for the periods ended as at 31 December 2011 and 2010 are as follows:

<b>Financial income:</b>	<b>2011</b>	<b>2010</b>
Foreign exchange gain	697.752	185.210
Interest income on bank deposits	199.391	70.097
Unearned finance income due to sales with maturity	51.338	40.316
Other interest and commissions	23.595	1.962
	<b>972.076</b>	<b>297.585</b>

**NOTE 33 - FINANCIAL EXPENSE**

Financial expense for the periods ended as at 31 December 2011 and 2010 is as follows:

<b>Financial expense:</b>	<b>2011</b>	<b>2010</b>
Foreign exchange loss	(541.917)	(192.269)
Interest expenses		
- Interest expense on bank borrowings	(120.295)	(88.630)
-Tax liability in dispute finance expense regarding 6111 law	(38.595)	-
- Tax base increase finance expense regarding 6111 law	(1.372)	-
Unearned finance expense due to purchases with maturity	(17.554)	(24.345)
Bank commission expenses	(14.425)	(13.215)
Other	(40.512)	(11.856)
	<b>(774.670)</b>	<b>(330.315)</b>

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

The details of the disposal of subsidiaries and assets and disposal plans on the property, plant and equipment of the Group as of 31 December 2011 are as follows:

**a) Transfer of Shares of Subsidiaries and Asset Sale**

With the Group's transfer of all brands, royalties and internet domain names pertaining to Bağımsız Gazeteciler and Milliyet Newspaper to DK Gazetecilik ve Yayıncılık A.Ş. as of 2 May 2011 and transfer of shares of Işıl Televizyon Yayıncılık A.Ş. (Star TV) to Doğuş Yayın Grubu as of 3 November 2011, the related assets are recognized under discontinued operations in the consolidated financial statements as of 31 December 2011. Net profit from the discontinued operations of the Group as of 31 December 2011 is TRY 132.278 (31 December 2010: TRY 886.293) and the details are summarized as below.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

---

**NOTE 34 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED  
OPERATIONS (Continued)**

*31 December 2011*

***Sale of Bağımsız Gazeteciler and Milliyet Brand***

The Group's filed application in relation to the transfer of all brands, royalties and internet domain names (milliyet.com.tr; milliyet.com; milliyetmlak.com.tr etc.) pertaining to the Milliyet Newspaper in consideration of USD 47.960 (TRY 73.595) plus VAT and its 1.289.996 shares of Bağımsız Gazeteciler Yayıncılık A.Ş. with a nominal value of TRY 100 each, comprising all brands, royalties and domain names pertaining to the Vatan Newspaper, in which it holds 99,99% participation amounting to TRY 129.000 of capital in consideration of USD 26.000 (TRY 39.897) to DK Gazetecilik ve Yayıncılık A.Ş., a joint venture company formed by Demirören and Karacan Group was approved by the Competition Authority on 28 April 2011 and the related transfer transactions were completed as of 2 May 2011 upon the satisfaction of all closing conditions.

The Group and DK Gazetecilik ve Yayıncılık A.Ş. have a mutual understanding of the following: transferring of all personnel related to all brands, royalties and internet domain names pertaining to the Milliyet Newspaper with all their rights; share transfer of Bağımsız Gazeteciler Yayıncılık A.Ş. as of the closing balance sheet date prepared on 2 May 2011 by offsetting any of its liabilities/encumbrances and any receivables; if such treatment is inapplicable, offsetting liabilities that cannot be recoverable from receivables against the share transfer consideration by the deduction of liabilities against the first installment payments, or if receivables are higher than liabilities, addition of difference amount between liabilities and receivables to the sale price; restricting the total liability that may arise from termination pay, retirement pay and leave of absence to 15% in the termination of employment contracts by DK Gazetecilik ve Yayıncılık A.Ş. and Bağımsız Gazeteciler Yayıncılık A.Ş. during the share transfer period. As a result of this mutual understanding, TRY 3.577 and TRY 1.765 of discount have been applied to the Milliyet Newspaper and Bağımsız Gazeteciler Yayıncılık A.Ş., respectively, over the sale price as the cost of termination of employment contracts. In addition, TRY 3.269 of discount has been applied over the sale price of Bağımsız Gazeteciler Yayıncılık A.Ş. as a liability amount that cannot be recoverable from receivables.

The payment schedule will include TRY 20.000 of advance payment at the sign date of the contract (20 April 2011), TRY 20.000 of cash payment no later than 31 May 2011 and 40 monthly installments of the remaining portion starting from 2012. For installment payments in 2012, 2013, 2014 and 2015, as of closing date, Libor+2,5, Libor+3,5, Libor+4,5 and Libor+5,5 interest rate will be applied, respectively. Libor interest rate is applied for 6 months and this rate is calculated every six months and is determined on a fix rate basis for the following six-month period.

TRY 20.000 of cash payment was made on 31 May 2011, less any discounts applied and closing balance sheet reconciliations mentioned above. The payment of the remaining USD 47.893 is received as 40 bonds and classified as USD 7.184 of short term bond and USD 40.709 of long term bond as of 2 May 2011.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 34 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS(Continued)*****Sale of Bağımsız Gazeteciler and Milliyet Brand (Continued):***

Operating results and sale proceeds of subsidiaries up until disposal of Bağımsız Gazeteciler and Milliyet are detailed as follows:

	<b>30 April 2011</b>	<b>31 December 2010</b>
Sales	49.426	160.603
Cost of sales (-)	(37.149)	(110.347)
<b>Gross profit</b>	<b>12.277</b>	<b>50.256</b>
Marketing, sales and distribution expenses (-)	(18.294)	(59.057)
General administration expenses (-)	(6.265)	(19.378)
Other operating income/ expenses (net)	(2.629)	(4.407)
Financial expenses (net)	(797)	(1.655)
<b>Loss before income tax from discontinued operations</b>	<b>(15.708)</b>	<b>(34.241)</b>
<b>Tax (expense) from discontinued operations</b>	<b>(699)</b>	<b>(4.622)</b>
Current year tax charge	-	-
Deferred tax expense	(699)	(4.622)
<b>Net loss from discontinued operations prior to sale proceeds from the disposal of brand and subsidiary shares</b>	<b>(16.407)</b>	<b>(38.863)</b>
Gain on sale of brand and subsidiary shares	16.589	-
Sales income tax (expense)	(6.541)	-
<b>Discontinued operations</b>		
Net (loss) from discontinued operations (after income taxes)	<b>(6.359)</b>	<b>(38.863)</b>

<sup>(1)</sup> Net loss from discontinued operations decreased by TRY 3.112 compared to the amount previously reported as a result of the offsetting of provisions subsequent to the date of sale till the end of the balance sheet date.

**Cash used in discontinued operations:**

	<b>30 April 2011</b>	<b>31 December 2010</b>
Net cash used in operating activities	(1.376)	(1.297)
Net cash provided by/ (used in) investing activities	464	(703)
Net cash provided by financing activities	502	2.371
<b>Net cash outflow / (inflow)</b>	<b>(410)</b>	<b>371</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 34 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS(Continued)****a) Transfer of Shares of Subsidiaries and Asset Sale (continued)****30 April 2011**

Amount received	93.655
Carrying value of net assets	(77.066)

---

<b>Sales income</b>	<b>16.589</b>
---------------------	---------------

---

**Net Amount received from sale of brand and subsidiary shares**

Cash and cash equivalents received	27.424
Notes receivables received	66.231
Less: Cash and cash equivalents of sold subsidiary	(187)

---

**93.468**

---

**Net book value of assets disposed****30 April 2011**

<b>Current assets</b>	<b>4.516</b>
Cash and cash equivalents	187
Trade receivables	1.848
Inventories	1.345
Other current assets	1.136
<b>Non-current assets</b>	<b>102.598</b>
Property, plant and equipment	1.128
Intangible assets	51.952
Goodwill	47.757
Investment property	159
Other non-current assets	1.602
<b>Current liabilities</b>	<b>15.300</b>
Financial borrowings	3.252
Trade payables	3.708
Other taxes and funds payables	3.547
Provisions	159
Other current liabilities	4.634
<b>Non-current liabilities</b>	<b>14.747</b>
Other payables	6
Provision for employee termination benefits	11.092
Deferred tax liability	3.649

---

<b>Net assets disposed of from scope of consolidation</b>	<b>77.067</b>
---	---------------

---

<b>Gain from sale <sup>(1)</sup></b>	<b>16.589</b>
--------------------------------------	---------------

<sup>(1)</sup> Carrying value of net assets from discontinued operations increased by TRY 2.870 and the profit on sale amount decreased equally compared to the amount previously reported as a result of the offsetting of provisions subsequent to the date of sale till the end of the balance sheet date.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 34 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)*****Işıl TV Sale***

391.500.000 shares of Işıl Televizyon Yayıncılık A.Ş. (Star TV), one of the subsidiaries of the Group, with a nominal value of TRY 1 each, which represent 99,99% of capital amounting to TRY 391.500 were sold to Doğuş Yayın Grubu in consideration of USD 327.000. USD 151.000 of the total amount, is payable in cash at the date of the completion of share sale and transfer subsequent to obtaining the required legal permits and approvals and the remaining amount (USD 176.000) is payable in installments in 2 years. All income and expenses attributable to Işıl Televizyon Yayıncılık A.Ş. relate to the Group by 3 November 2011. The Group also makes its best effort to keep a balance in between the receivable and payable accounts associated with Işıl Televizyon Yayıncılık A.Ş. as of 3 November 2011. If these accounts are imbalanced, parties acknowledge and commit to a deduction of payable amounts that cannot be compensated through receivables against the share transfer price or an addition of receivable-payable difference balance to the sale price where receivables exceed payables. Therefore, sale price is revised accordingly and TRY 16.000 is added to the sale price.

	<b>31 October 2011</b>	<b>31 December 2010</b>
Sales	167.038	206.529
Cost of sales (-)	(204.796)	(210.140)
<b>Gross profit</b>	<b>(37.758)</b>	<b>(3.611)</b>
Operating expenses (-)	(39.319)	(40.962)
Other income	4.072	8.413
Other expense	(6.792)	(4.392)
Financial income	16.539	16.689
Financial income expenses	(13.417)	(6.701)
<b>Loss before income tax from discontinued operations</b>	<b>(76.675)</b>	<b>(30.564)</b>
<b>Tax (expense)/ income from discontinued operations</b>	<b>-</b>	<b>-</b>
Current year tax charge	-	-
Deferred tax (expense)/ income	(3.718)	(6.952)
<b>Net loss from discontinued operations prior to sale proceeds from the disposal of brand and subsidiary shares</b>	<b>(80.393)</b>	<b>(37.516)</b>
Gain on sale of subsidiary shares	<b>229.260</b>	-
Sales income tax expense	(10.230)	-
<b>Discontinued operations</b>		
Net profit from discontinued operations (after income taxes)	<b>138.637</b>	<b>(37.516)</b>

**Cash used in discontinued operations:**

	<b>31 October 2011</b>	<b>31 December 2010</b>
Net cash provided by operating activities	25.611	20.357
Net cash provided by/ (used in) investing activities	254.266	(4.860)
Net cash used in financing activities	(13.520)	(15.300)
<b>Net cash inflow</b>	<b>266.357</b>	<b>197</b>



**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 34 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS(Continued)*****Işıl TV Sale (Continued)*****31 October 2011**

Amount received	592.855
Carrying value of net assets	(363.595)

---

**Sales income** **229.260****Net Amount received from sale of brand and subsidiary shares**

Cash and cash equivalents received	267.477
Notes receivables received	325.378
Less: Cash and cash equivalents of sold subsidiary	(1.120)

---

**591.735****Net book value of assets disposed****31 October 2011**

<b>Current assets</b>	<b>53.030</b>
Cash and cash equivalents	1.120
Trade receivables	39.094
Inventories	302
Other current assets	12.514
<b>Non-current assets</b>	<b>361.845</b>
Property, plant and equipment	7.649
Intangible assets	115.169
Goodwill	238.925
Other non-current assets	102
<b>Current liabilities</b>	<b>40.721</b>
Financial borrowings	13.520
Trade payables	14.925
Other taxes and funds payables	6.436
Provisions	-
Other current liabilities	5.840
<b>Non-current liabilities</b>	<b>10.559</b>
Other payables	-
Provision for employee termination benefits	725
Deferred tax liability	9.834

---

**Net assets disposed of from scope of consolidation** **363.595**

---

**Gain from sale** **229.260**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 34 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)**

The Group has transferred its entire shares in its subsidiary, Pronto Peterburg to the company according to the Russian statutory legislation in the current period.

<b>Net book value of assets disposed</b>	<b>31 December 2011</b>
<b>Current assets</b>	159
Trade receivables	425
Inventories	53
Other receivables	85
Other current assets	179
<b>Non-current assets</b>	
Property, plant and equipment	161
Intangible assets	28
Deferred tax asset	204
<b>Current liabilities</b>	
Trade payables	(393)
Provisions	(316)
Other current liabilities	(599)
<b>Net assets disposed</b>	<b>(15)</b>
<b>Consideration:</b>	
Consideration paid in cash and cash equivalents	-
Deferred sales proceeds	189
<b>Net cash inflow on disposal:</b>	
Consideration paid in cash and cash equivalents	-
(Less) cash and cash equivalent balances disposed of	(159)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

---

**NOTE 34 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED  
OPERATIONS (Continued)**

**31 December 2010**

***Transfer of POAŞ shares***

As described in detail below, on 22 December 2010, Group disposed;

- Shares in the capital of "POAŞ" comprising of 312.665.847,814 number of shares in total with the total amount of TRY 312.665.847,814 including 116.315.847,814 number of Class A bearer shares with the nominal value of TRY 1 (One TRY) per share and 196.350.000 number of Class A registered shares with the nominal value of TRY 1 (One TRY) per share, which totally corresponds to 54,14% of the capital of POAŞ for prices of EUR 499.700 and USD 694.583,
- "Restricted share certificates" corresponding to 0,03% of the capital of "POAŞ" (currently calculated as 192.500 number of shares) for a price of EUR 600 upon the release of the related restriction status
- Shares in the capital of ERK Petrol Yatırımları A.Ş. comprising of 2.000 number of shares with a nominal value of TRY 1 (One TRY) per share registered in the stock certificate book and corresponding to 0,01% of the capital of ERK Petrol Yatırımları A.Ş. for a price of TRY 2,06254 based on their registered value,
- Shares in the capital of Petrol Ofisi Gaz İletim A.Ş. comprising of 2.000 number of shares with a nominal value of TRY 1 (One TRY) per share registered in the stock certificate book and corresponding to 0,05% of the capital of Petrol Ofisi Gaz İletim A.Ş. for a price of TRY 2 based on their registered value,
- Shares in the capital of Petrol Ofisi Alternatif Yakıtlar Toptan Satış A.Ş. comprising of 1.777,78 number of shares with a nominal value of TRY 1 (One TRY) per share registered in the stock certificate book with fraction receipts and corresponding to 0,02% of the capital of Petrol Ofisi Alternatif Yakıtlar Toptan Satış A.Ş. for a price of TRY 1,77778 based on their registered value,

be sold to the company of OMV Enerji Holding A.Ş. against full and cash payment in accordance with the related "Stock Sale Agreements" executed. The stock transfer prices of the shares of subsidiaries excluding "POAŞ" are also included in the total amount specified above (EUR 499.700 and USD 694.583).

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 34 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS(Continued)*****Transfer of POAŞ shares (continued)***

Operating results of POAŞ for the period 31 December 2010 are detailed as follows.

	<b>31 December 2010</b>
Sales	8.736.909
Cost of sales (-)	(8.272.583)
<b>Gross profit</b>	<b>464.326</b>
Marketing, selling and distribution expenses (-)	(193.308)
General and administrative expenses (-)	(88.225)
Research and development expenses	(335)
Other income/(expense) (net)	(64.150)
Financial income/(expense) (net)	(153.395)
<b>(Loss)/ profit before tax from discontinued operations</b>	<b>(35.087)</b>
<b>Tax income/(expense) from discontinued operations</b>	<b>180</b>
Current expense tax for the period	(22.212)
Deferred tax income	22.392
<b>Net (Loss)/profit of discontinued operations before joint venture's share transfer</b>	<b>(34.907)</b>
Gain on disposal of Joint Venture (Note 41)	1.043.603
Sales Income Tax Expense	(46.023)
<b>Discontinued operations</b>	
Net profit after tax for Discontinued operations	<b>962.673</b>
<b>Net cash used in discontinued operations</b>	
	<b>31 December 2010</b>
Net cash provided by operations	352.826
Net cash used in investing activities	(299.590)
Net cash used in financing activities	(588.596)
<b>Net cash outflow</b>	<b>(535.360)</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 34 –NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)*****Transfer of POAŞ share s (continued)*****Gain on sale of joint venture shares****31 December 2010**

Amount received	2.095.253
Carrying value of net assets	(1.062.765)
Non-controlling interests	11.115

**Sales profit****1.043.603**

As of 22 December 2010, 54,14% (stock sale rate) shares in capital of POAŞ be transferred, and gain on disposal amounting to TRY 1.043.603 reclassified under discontinued operations. Group, has consolidated 54,17% of net assets of POAŞ until 22 December 2010 by proportionate consolidation method. Restricted share corresponding to 0,03% of the capital of POAŞ which can not be transferred, reclassified to non-current available for sale financial investments as of 31 December 2011 and 2010.

**Net amount received from sale of joint venture shares**

Cash and cash equivalents received	2.095.253
Less: Cash and cash equivalents of sold joint venture	(217.318)

**1.877.935**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 34 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED  
OPERATIONS (Continued)***Transfer of POAŞ share s (continued)***Net book value of assets disposed****31 December 2010**

<b>Current Assets</b>	<b>1.412.884</b>
Cash and cash equivalents	217.318
Financial assets	14.296
Trade receivables	578.053
Other receivables	17.874
Inventories	521.978
Other current assets	63.365
<b>Non-current Assets</b>	<b>2.113.547</b>
Trade receivables	5.608
Other receivables	240
Financial Investments	74
Property, plant and equipment	939.363
Intangible assets	297.838
Goodwill	797.085
Deferred tax asset	8.006
Other non-current assets	65.333
<b>Current Liabilities</b>	<b>1.078.998</b>
Financial liabilities	461.741
Other financial liabilities	5.256
Trade payables	313.855
Other payables	208.283
Current income tax liabilities	1.581
Provisions	24.151
Other current liabilities	64.131
<b>Non-current Liabilities</b>	<b>1.383.882</b>
Financial liabilities	1.299.163
Other payables	977
Provisions	1.454
Provision for employee termination benefits	5.974
Deferred tax liability	76.311
Other non-current liabilities	3
<b>Net assets disposed of from scope of consolidation</b>	<b>1.063.551</b>
Financial assets classified as assets held for sale	786
Non-controlling interests	11.115
<b>Gain from sale</b>	<b>1.043.603</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 34 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)****b) Assets held for sale:**

Non-current assets amounting to TRY 80.687 that are reclassified as investment property in the consolidated IFRS financial statements of the Group for the period ended 31 December 2011 are detailed as follows.

***Property, Plant and Equipment sale of OOO Pronto Moscow and Rosprint Samara***

As OOO Pronto Moscow and Rosprint Samara cease their operations in their two printing facilities, the Group has decided to dispose of some of its fixed assets in its subsidiaries. These assets which are expected to be disposed of within twelve-month period are reclassified as assets held for sale and presented separately in the balance sheet.

Property, plant and equipment reclassified as asset held for sale as of 31 December 2011 is as follows:

<b>Property, Plant and Equipment</b>	<b>31 December 2011</b>
<b>Cost</b>	
Land and land improvements	1.424
Buildings	3.231
Machinery and equipment	13.599
Furniture and fixtures	94
Construction in progress	147
	<b>18.495</b>
<b>Accumulated depreciation</b>	
Land and land improvements	-
Buildings	(441)
Machinery and equipment	(11.716)
Furniture and fixtures	(94)
	<b>(12.251)</b>
<b>Net book value</b>	<b>6.244</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 34 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)****Sale of Property, Plant and Equipment of Hürriyet**

In 2011, Hürriyet, one of the subsidiaries of the Group, began its disposal operations relating to its investment properties including the building that the has been used for Company headquarters for 28 years and used in the segmental reporting of Turkey and completed the disposal operations on 31 January 2012 for the purpose of cutting off financial liabilities (Note 37). The Company reclassified the related properties as assets held for sale under IFRS 5 in the IFRS financial statements.

For held for sale investments, no impairment loss is recognized in cases where profit on sale exceeds the carrying value of related asset.

Property, plant and equipment reclassified as asset held for sale as of 31 December 2011 is as follows:

<b>Property, Plant and Equipment</b>	<b>31 December 2011</b>
<b>Cost</b>	
Land and land improvements	10.476
Buildings	97.647
	<b>108.123</b>
<b>Accumulated depreciation</b>	
Land and land improvements	(318)
Buildings	(33.362)
	<b>(33.680)</b>
<b>Net book value</b>	<b>74.443</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 35 - TAX ASSETS AND LIABILITIES**

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 these consolidated financial statements, have been calculated on a separate-entity basis for the all subsidiaries consolidated on line-by-line basis.

***Corporate tax***

	<b>31 December 2011</b>	<b>31 December 2010</b>
Corporate and income taxes payable	38.858	76.462
Deferred tax liabilities, net	48.226	31.099
<b>Total</b>	<b>87.084</b>	<b>107.561</b>

***Turkey***

The Corporate Tax Law has been amended as of 13 June 2006 by Law No: 5520. The majority of the clauses of Law No: 5520 are effective as of 1 January 2006. Corporate tax rate for the fiscal year 2011 is 20% (2010: 20%) for Turkey. Corporate tax is payable at a rate of 20% on the total income of the Group after adjusting for certain disallowable expenses, corporate income tax exemptions (investment allowance, etc.) and corporate income tax deductions (such as research and development expenditures deduction). No further tax is payable unless there is dividend distribution.

As a result of merger between POAŞ and Doğan Gazetecilik, the Group classified the merger premiums as offset account which is neither active nor passive because of legislation provisions related to financial statements which is subject to inflation adjustment for 2004 corporate income tax calculation and Tax Procedure Law No. 17 "Inflation Adjustment Application" published on 24 March 2005.

Dividends paid to non-resident companies having representative offices in Turkey and resident companies are not subject to withholding tax. Dividends paid to companies except for those companies are subject to 15% of withholding tax. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Companies calculate corporate tax quarterly at the rate of 20% over their corporate income and these amounts are disclosed by the end of 14th day and paid by the end of the 17th day of the second month following each calendar quarter-end. Advance taxes paid in the period are offset against the following period's corporate tax liability. If there is an outstanding advance tax balance as a result of offsetting, the related amount may either be refunded in cash or used to offset against for other payables to the government.

Tax Law No: 5024 "Amendments in Tax Procedural Law, Income Tax Law and Corporate Tax Law" published in the Official Gazette on 30 December 2003 requires income tax and corporate taxpayers whose earnings are determined based on the balance sheet to prepare their statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira effective from 1 January 2004. In accordance with the provisions of the aforementioned Law provisions, in order to apply inflation adjustment, the cumulative inflation rate (TURKSTAT WPI) over the last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as the related threshold has not been met as of 2005.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

---

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

*Turkey (Continued)*

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

Tax authorities can review accounting records within five years and if they determine any errors on the accounting records, tax payable can be reassessed as a result of another tax assessment.

Under the Turkish tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous years.

As publicly disclosed on 19 April 2011, the Company plans to make use of the requirements set out in relation to "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees"; therefore, 50% of losses attributable to the periods that are subject to tax base increase will not be offset against the income to be obtained in 2010 and subsequent periods.

As of 31 December 2011, the Company has offset its financial losses attributable to the calculation of offsetting of tax asset against deductible financial losses or current tax provision in accordance with the above-mentioned principles.

There are numerous exemptions in the Corporate Tax Law concerning the corporations. The exemptions that are related to the Group are as follows:

*Exemption for participation in subsidiaries*

Dividend income from participation in shares of capital of another fully fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax.

*Issued premiums exemption*

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

*Exemption for participation into foreign subsidiaries*

For companies participating in 10% or more of the capital of a non-resident limited liability or joint stock company, (except for those whose principal activity is financial leasing or investment property) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business centre at the rate of at least 15% (minimum corporate income tax applicable in Turkey for those whose principal activity is finance assurance or insurance).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)**
***Turkey (Continued)***
***Exemption for sale of participation shares and property***

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which have remained in assets for more than two full years are exempt from corporate tax. For exemption, the relevant gain is required to be held in a fund account in liabilities for at least five years. The cost of the sale should be collected until the end of the second calendar year following the year of the sale.

Brokerage houses and real estate companies engaged in trading and the leasing of real estates cannot benefit from the exemption.

The details of effective tax laws in the Russian Federation where the Group performs a significant part of its operations are as follows:

***Russian Federation***

The corporate tax rate effective in the Russian Federation is 20% (2010: 20%).

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

According to the Russian Federation's tax legislation, financial losses can be carried forward for 10 years to be deducted from future taxable income. Restriction on the deductible financial losses has been revoked as of 2007. Maximum amount that can be deducted in any year is limited to 30% of the taxable income (2010:30%). Rights related to tax losses that have not been utilized in the related years are expired.

Tax can be refunded in practice; however, refund is generally available following the outcome of legal procedures. Consolidated tax reporting or tax payment of parent companies or subsidiaries is not allowed. In general, dividend payments that are paid to foreign shareholders are subject to 15% withholding tax. Based on bilateral tax agreements, withholding tax rate can be decreased.

The tax legislation of the Russian Federation is subject to various interpretations and changes frequently. The interpretation of tax legislation by tax authorities regarding the business of TME may differ from the management's interpretation.

The tax rates at 31 December 2011 applicable in the foreign countries, where the significant part of the Group's operations are performed, are as follows:

<u>Country</u>	<b>Tax rates(%)</b>	<u>Country</u>	<b>Tax rates(%)</b>
Germany <sup>(1)</sup>	28,0	Ukraina <sup>(2)</sup>	23,0
Romania	16,0	Hungary <sup>(3)</sup>	19,0
England	28,0	Slovenia	20,0
Croatia	20,0	Belarus <sup>(4)</sup>	24,0
Kazakhstan	20,0	Netherlands <sup>(5)</sup>	25,5

(1) Corporate tax rate is applied as 15% for Germany. An additional solidarity tax of 5,5% and municipal commerce tax varying in between 14-17% is also applied over the corporate tax.

(2) Tax rate decreased to 23% from 25% as of 1 April 2011. Tax rate is determined as 21% and 19% for the years 2012 and 2013 respectively.

(3) Tax rate is 10% for the tax base up to initial 500 million Hungarian Forint, 19% for over 500 million Hungarian Forint.

(4) Tax rate decreased to 18% as of 1 January 2012.

(5) From January 1, 2011 tax rate has decreased to 25% and the initial EUR 200.000 of the corporate tax base has been taxed from 20%.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

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

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

Deferred taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using tax rates enacted at the balance sheet dates.

Deferred tax assets and liabilities are presented in net in the consolidated financial statements of the Group, since they are presented in net in the financial statements of subsidiaries and joint ventures, which are each individual tax payers. Temporary differences, deferred tax assets and deferred tax liabilities at the table below are presented based on gross amounts.

The composition of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred tax has been provided at 31 December 2011 and 2010 using the enacted tax rates is as follows:

	<b>Cumulative temporary differences</b>		<b>Deferred Tax assets/(liabilities)</b>	
	<b>31 December 2011</b>	<b>31 December 2010</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
Differences between the tax base and carrying value of property, plant and equipment and intangible assets	96.487	81.091	17.628	14.653
Carry forward tax losses	44.915	337.342	9.290	67.469
Provision for doubtful receivables	31.662	34.962	8.104	8.236
Provision for employment termination benefits	49.311	46.895	9.884	9.379
Derivative financial liabilities	6.610	9.687	1.322	1.937
Lease payables	203	948	41	271
Other	143.453	122.450	29.886	24.084
<b>Deferred tax assets</b>			<b>76.155</b>	<b>126.029</b>
Differences between the tax base and carrying value of property, plant and equipment and intangible assets	(637.574)	(784.622)	(122.178)	(154.880)
Derivative financial assets	(4.640)	(382)	(928)	(76)
Other	(6.817)	(11.084)	(1.275)	(2.172)
<b>Deferred tax liabilities</b>			<b>(124.381)</b>	<b>(157.128)</b>
<b>Deferred tax liabilities, net</b>			<b>(48.226)</b>	<b>(31.099)</b>

The deferred tax assets and liabilities of the Company and its subsidiaries are shown net in the financial statements. In the consolidated financial statements of the Group as of 31 December 2011, TRY 89.408 (31 December 2010: TRY 96.991) of deferred tax asset and TRY 138.350 (31 December 2010: TRY 128.090) deferred tax liability is recognised based on temporary differences arising between the carrying values and tax values of assets and liabilities in the financial statements.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

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

The Group recognised deferred tax assets over TRY 44.915 of carry forward tax losses in the consolidated financial statements prepared in accordance with the CMB's Financial Reporting Standards as at 31 December 2011 (31 December 2010: TRY 337.342). The maturity analysis of carry forward tax losses is as follows:

	<b>31 December 2011<sup>(1)</sup></b>	<b>31 December 2010</b>
2011	-	29.594
2012	706	48.644
2013	1.231	245.310
2014	21.780	8.333
2015 and after	21.198	5.461
	<b>44.915</b>	<b>337.342</b>

(1) Regarding the period, amount of accumulated past year financial losses according to the latest reducible years is presented suitably to the scope of Law No. 6111.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. As of 31 December 2011, the Group does not recognise deferred tax from carry forward tax losses amounted to TRY 1.150.784. (31 December 2010: TRY 832.179).

Movements for net deferred taxes for the periods ended at 31 December 2011 and 2010 are as follows:

	<b>2011</b>	<b>2010</b>
1 January	(31.099)	(154.782)
Deffered tax effect of financial assets fair value increase	1.044	-
Current year's expense/(income)	(13.364)	48.023
Discontinued operation current period expense/(income)	(4.416)	10.818
Currency translation differences	(13.670)	(2.617)
Disposal of joint ventures/subsidiaries	13.279	68.304
Included in corporate tax computation and paid temporary differences	-	(845)
<b>31 December</b>	<b>(48.226)</b>	<b>(31.099)</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

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

The taxes on income reflected to the consolidated income statement for the periods ended at 31 December 2011 and 2010 are summarized below:

	<b>2011</b>	<b>2010</b>
Current tax expenses	(191.523)	(111.634)
Deferred tax (expense)/income	(13.364)	48.023
<b>Total tax expenses</b>	<b>(204.887)</b>	<b>(63.611)</b>

The reconciliation of the taxation on income in the consolidated income statement for interim periods ended 31 December 2011 and 2010 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income are as follows:

	<b>31 December 2011</b>	<b>31 December 2010</b>
Profit before taxation from continued operations	(894.707)	(215.953)
Tax calculated at 20% tax rate	178.941	43.191
Difference due to the different tax rates applicable in different countries	(1.424)	(17.315)
Tax liability in dispute and tax base increase liability regarding 6111 law	(194.904)	-
Expenses not deductible for tax purposes	(37.748)	(51.543)
Income not subject to tax	10.207	5.164
Utilization of previously unrecognized tax losses	5.110	13.095
Tax losses for which no deferred income tax asset was recognized	(82.941)	(53.509)
Adjustment effects	(16.098)	(3.080)
Withholding tax related to the dividend payment in Russia	(6.765)	(2.999)
Carry forward losses for which no deferred tax asset was recognized	(31.314)	-
Impairment of goodwill	(20.772)	-
Other	(7.179)	3.385
<b>Tax expense</b>	<b>(204.887)</b>	<b>(63.611)</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 36 –(LOSS)/ EARNINGS PER SHARE**

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

	<b>2011</b>	<b>2010</b>
(Losses)/profit attributable to equity holders of the Parent Company	(757.144)	656.204
Weighted average number of shares with face value of TRY 1 each	2.450.000	2.450.000
<b>(Loss)/earnings per share (TRY)</b>	<b>(0,31)</b>	<b>0,27</b>

  

	<b>2011</b>	<b>2010</b>
Net (loss)/profit for the period on discontinued operations of equity holders of the company	(828.166)	705.361
Weighted average number of shares with face value of TRY 1 each	2.450.000	2.450.000
<b>(Loss)/earnings per share (TRY) for continued operations</b>	<b>(0,338)</b>	<b>0,288</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 37 - RELATED PARTY DISCLOSURES**

For the purpose of those consolidated financial statements, shareholders that have control or joint control over the Company, other individuals that have direct or indirect control over those shareholders, other group companies that are directly or indirectly controlled by these individuals, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them, associates and joint ventures are considered and referred to as related parties. As of the balance sheet date, the details of due to/from related parties and related party transactions for the interim periods ended as of 31 December are summarized as below:

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

	31 December 2011	31 December 2010
<b><u>Current trade receivables - Due from related parties:</u></b>		
D Market Elektronik Hizmetler ve Ticaret A.Ş. ("D Market")	1.246	405
Medyanet İletişim Reklam		
Pazarlama ve Turizm A.Ş. ("Medyanet") (1)	1.291	5.724
D Elektronik Şans Oyunları ve		
Yayıncılık A.Ş. ("D Elektronik Şans Oyunları")	1.117	1.567
Doğan Elektronik Turizm Satış Pazarlama		
Hizmetleri ve Yay. A.Ş.	401	-
D finans İnternet Bilgi Hizmetleri ve Ticaret A.Ş.	173	780
Doğan Portal ve Elektronik Ticaret A.Ş.	58	293
Doğan İnternet Yay. ve Yat. A.Ş.	52	-
Vatan İmoka Yayıncılık A.Ş.	-	961
Other	173	1.438
	<b>4.511</b>	<b>11.168</b>

(1) The receivables of the Group from Medyanet are related to the sales of advertisement.

	31 December 2011	31 December 2010
<b><u>Current non-trade receivables - Due from related parties:</u></b>		
Gümüştaş Madencilik ve Ticaret A.Ş.	3.702	-
	<b>3.702</b>	<b>-</b>

	31 December 2011	31 December 2010
<b><u>Current trade payables - Due to related parties:</u></b>		
Mesiar Medya Sigorta ve Aracılık Hizmetleri A.Ş.	91	79
Yeni Ortadoğu Otomotiv Ticaret A.Ş. ("Yeni Ortadoğu Otomotiv")	64	191
Ray Sigorta	-	8
Other	91	919
	<b>246</b>	<b>1.197</b>



**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 37 - RELATED PARTY DISCLOSURES (Continued)****ii) Transactions with related parties:**

<b>Service and product purchases:</b>	<b>2011</b>	<b>2010</b>
Service and product purchases	39.518	7.801

<b>Service and product sales:</b>	<b>2011</b>	<b>2010</b>
Service and product sales	25.407	46.190

**Purchases of property, plant and equipment and intangible assets:**

D Market	187	592
Ortadoğu Otomotiv	4.984	-
Medyanet	-	9
Other	52	-
	<b>5.223</b>	<b>601</b>

**Sales of property, plant and equipment and intangible assets:**

Ortadoğu Otomotiv	-	6.105
Delüks Elektronik Hizmetler	7	-
	<b>7</b>	<b>6.105</b>

**Benefits provided to board members and key management personnel:**

Group determined member of the board of the directors, consultant of the board, group presidents and vice presidents, chief legal counsel, and directors key management personnel. The compensation of key management personnel includes salaries, bonus, health insurance, communication and transportation and total amount of compensation is explained below:

	<b>2011</b>	<b>2010</b>
Salaries and other short term benefits	13.683	8.092
Post-employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
<b>Total</b>	<b>13.683</b>	<b>8.092</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 38 - FINANCIAL RISK MANAGEMENT*****Financial instruments and financial risk management***

The Group's activities expose it to a variety of financial risks. These risks are interest rate risk, funding risk, credit risk, liquidity risk, foreign currency exchange rates and price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Financial risk management is carried out by each segment (Media, Energy and Other) and individual joint ventures, subsidiaries and associates operating in these segments, within the limits of general principles approved by their Board of Directors.

***a) Market Risk******a.1) Foreign currency risk***

The Group is exposed to the foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to the local currency. These risks are monitored and limited by analyzing foreign currency position.

The Group is exposed to foreign exchange risk arising primarily from the US Dollars and Euros.

	<b>31 December 2011</b>	<b>31 December 2010</b>
Foreign currency assets	3.448.658	2.980.760
Foreign currency liabilities	(4.593.043)	(2.033.596)
Net asset position of off-balance sheet derivatives	72.460	12.424
<b>Net foreign currency position</b>	<b>(1.071.925)</b>	<b>959.588</b>

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011

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

### NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

#### Net foreign currency position

Below table summarizes the Group's foreign currency position risk as of 31 December 2011 and 2010. The carrying amount of foreign currency denominated assets and liabilities are as follows:

#### 31 December 2011

	TRY Equivalent	US Dollar	Euro	Other
1. Trade Receivables	127.559	80.740	34.386	12.433
2a. Monetary Financial Assets Cash, Banks included)	3.102.051	2.181.226	883.935	36.890
2b. Non-Monetary Financial Assets	-	-	--	-
3. Other	6.660	72	6.588	-
<b>4. Current Assets (1+2+3)</b>	<b>3.236.270</b>	<b>2.262.038</b>	<b>924.909</b>	<b>49.323</b>
5. Trade Receivables	3.702	3.702	-	-
6a. Monetary Financial Assets	199.463	199.391	15	57
6b. Non-Monetary Financial Assets	-	-	--	-
7. Other	9.223	339	8.884	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>212.388</b>	<b>203.432</b>	<b>8.899</b>	<b>57</b>
<b>9. Total Assets (4+8)</b>	<b>3.448.658</b>	<b>2.465.470</b>	<b>933.808</b>	<b>49.380</b>
10. Trade Payables	205.828	67.051	127.531	11.246
11. Financial Liabilities	761.143	612.494	128.176	20.473
12a. Other Monetary Financial Liabilities	1.641.655	454.328	324.144	863.183
12b. Other Non-Monetary Financial Liabilities	7.931	6.576	1.355	-
<b>13. Current Liabilities (10+11+12)</b>	<b>2.616.557</b>	<b>1.140.449</b>	<b>581.206</b>	<b>894.902</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	1.905.858	1.593.891	294.646	17.321
16a. Other Monetary Financial Liabilities	70.628	63.772	6.809	47
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>1.976.486</b>	<b>1.657.663</b>	<b>301.455</b>	<b>17.368</b>
<b>18. Total Liabilities (13+17)</b>	<b>4.593.043</b>	<b>2.798.112</b>	<b>882.661</b>	<b>912.270</b>
<b>19. Net asset / (liability) position of</b>				
<b>Off-balance sheet derivatives (19a-19b)</b>	<b>72.460</b>	<b>59.290</b>	<b>13.212</b>	<b>(42)</b>
<b>19.a Off-balance sheet foreign</b>				
<b>currency derivative assets</b>	<b>90.943</b>	<b>63.068</b>	<b>27.875</b>	<b>-</b>
<b>19.b. Off-balance sheet foreign</b>				
<b>currency derivative liabilities</b>	<b>18.483</b>	<b>3.778</b>	<b>14.663</b>	<b>42</b>
<b>20. Net foreign currency</b>				
<b>asset liability position (9-18+19)</b>	<b>(1.071.925)</b>	<b>(273.352)</b>	<b>64.359</b>	<b>(862.932)</b>
<b>21. Net foreign currency asset / liability</b>				
<b>position of monetary items</b>				
<b>(1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1.152.337)</b>	<b>(326.477)</b>	<b>37.030</b>	<b>(862.890)</b>
<b>22. Fair value of foreign currency</b>				
<b>hedged financial assets</b>				
<b>23. Exports</b>	<b>53.238</b>	<b>2.121</b>	<b>51.111</b>	<b>6</b>
<b>24. Imports</b>	<b>148.797</b>	<b>3.576</b>	<b>144.954</b>	<b>267</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)**

**31 December 2010**

	<b>TRY Equivalent</b>	<b>US Dollar</b>	<b>Euro</b>	<b>Other</b>
1. Trade Receivables	92.666	47.579	37.732	7.355
2a. Monetary Financial Assets Cash, Banks included)	2.846.543	1.710.066	1.112.143	24.334
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	14.618	8.624	2.446	3.548
<b>4. Current Assets (1+2+3)</b>	<b>2.953.827</b>	<b>1.766.269</b>	<b>1.152.321</b>	<b>35.237</b>
5. Trade Receivables	245	9	236	-
6a. Monetary Financial Assets	15.693	15.475	70	148
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	10.995	473	10.522	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>26.933</b>	<b>15.957</b>	<b>10.828</b>	<b>148</b>
<b>9. Total Assets (4+8)</b>	<b>2.980.760</b>	<b>1.782.226</b>	<b>1.163.149</b>	<b>35.385</b>
10. Trade Payables	139.211	32.359	97.342	9.510
11. Financial Liabilities	738.076	490.978	230.587	16.511
12a. Other Monetary Financial Liabilities	77.912	41.342	3.566	33.004
12b. Other Non-Monetary Financial Liabilities	391	205	186	-
<b>13. Current Liabilities (10+11+12)</b>	<b>955.590</b>	<b>564.884</b>	<b>331.681</b>	<b>59.025</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	1.037.480	946.550	62.546	28.384
16a. Other Monetary Financial Liabilities	38.695	38.650	-	45
16b. Other Non-Monetary Financial Liabilities	1.831	1.388	443	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>1.078.006</b>	<b>986.588</b>	<b>62.989</b>	<b>28.429</b>
<b>18. Total Liabilities (13+17)</b>	<b>2.033.596</b>	<b>1.551.472</b>	<b>394.670</b>	<b>87.454</b>
<b>19. Net asset / (liability) position of Off-balance sheet derivatives (19a-19b)</b>	<b>12.424</b>	<b>70.351</b>	<b>(54.413)</b>	<b>(3.514)</b>
<b>19.a Off-balance sheet foreign currency derivative assets</b>	<b>81.021</b>	<b>70.351</b>	<b>10.284</b>	<b>386</b>
<b>19b. Off-balance sheet foreign currency derivative liabilities</b>	<b>68.597</b>	<b>-</b>	<b>64.697</b>	<b>3.900</b>
<b>20. Net foreign currency asset liability position (9-18+19)</b>	<b>959.588</b>	<b>301.105</b>	<b>714.066</b>	<b>(55.583)</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>923.773</b>	<b>223.250</b>	<b>756.140</b>	<b>(55.617)</b>
<b>22. Fair value of foreign currency hedged financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Exports</b>	<b>339.318</b>	<b>117.639</b>	<b>191.717</b>	<b>29.962</b>
<b>24. Imports</b>	<b>211.285</b>	<b>122.557</b>	<b>88.514</b>	<b>214</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)**

As of 31 December 2011 and 2010 foreign currency denominated asset and liability balances were converted with the following exchange rates; TRY 1,8889 = USD 1 and TRY 2,4438 = EUR 1 (2010: TRY 1,5460 = USD 1 and TRY 2,0491 = EUR 1)

**31 December 2011**

	<b>Income/Loss</b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
	If USD appreciated against TRT by 10%	
1- US Dollar net asset/(liability)	(27.335)	27.335
2- Part of hedged from US Dollar risk (-)	-	-
<b>3- US Dollar net effect income/(expense) (1+2)</b>	<b>(27.335)</b>	<b>27.335</b>
	If Euro appreciated against TRY by 10%	
4- Euro net asset/(liability)	6.436	(6.436)
5- Part of hedged from Euro risk (-)	-	-
<b>6- Euro net effect income/(expense) (4+5)</b>	<b>6.436</b>	<b>(6.436)</b>
	If other foreign currency appreciated against TRY by 10%	
7- Other foreign currency net asset/(liability)	(86.293)	86.293
8- Part of hedged other foreign currency risk (-)	-	-
<b>9- Other foreign currency net effect income/(expense) (7+8)</b>	<b>(86.293)</b>	<b>86.293</b>
<b>Total(3+6+9)</b>	<b>(107.192)</b>	<b>107.192</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)****31 December 2010**

	<b>Income/Loss</b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
	If USD appreciated against TRY by 10%	
1- US Dollar net asset/(liability)	30.110	(30.110)
2- Part of hedged from US Dollar risk (-)	-	-
<b>3- US Dollar net effect income/(expense) (1+2)</b>	<b>30.110</b>	<b>(30.110)</b>
	If Euro appreciated against TRY by % 10	
4- Euro net asset/(liability)	71.407	(71.407)
5- Part of hedged from Euro risk (-)	-	-
<b>6- Euro net effect income/(expense) (4+5)</b>	<b>71.407</b>	<b>(71.407)</b>
	If other foreign currency appreciated against TRY by 10%	
7- Other foreign currency net asset/(liability)	(5.558)	5.558
8- Part of hedged other foreign currency risk (-)	-	-
<b>9- Other foreign currency net effect income/(expense) (7+8)</b>	<b>(5.558)</b>	<b>5.558</b>
<b>Total (3+6+9)</b>	<b>95.959</b>	<b>(95.959)</b>

**a.2) Interest rate risk**

- Media

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

Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk. As of 31 December 2011 and 2010, the Group's borrowings at floating rates are predominantly denominated in US Dollars and Euros.

At 31 December 2011, if interest rates on US dollar denominated borrowings had been higher/lower by 100 basis points with all other variables held constant, loss before income taxes would have been TRY 14.573 (31 December 2010: TRY 11.652) higher/lower, mainly as a result of high interest expense on floating rate borrowings.

At 31 December 2011, if interest rates on Euro denominated borrowings had been higher/lower 100 basis points with all other variables held constant, loss before income taxes would have been TRY 976 (31 December 2010: TRY 2.201) higher/lower, mainly as a result of high interest expense on floating rate borrowings.

-Other

Other operating segments are exposed to interest rate risk because of financial liabilities of these segments. Financial obligations in this segment are mainly composed of floating rate borrowings.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)****a.2) Interest rate risk (Continued)**

The table presenting Company's fixed and floating rate financial instruments is shown below:

	<b>31 December 2011</b>	<b>31 December 2010</b>
<b>Financial instruments with fixed rate</b>		
Financial assets		
- Banks	3.292.201	3.324.617
- Financial investments	191.672	172.686
Financial liabilities (Note 8)	860.160	570.275
<b>Financial instruments with floating rate</b>		
Financial liabilities (Note 8)	1.697.922	1.539.742

**a.3) Price Risk****- Energy**

The Group is exposed to price risk due to the differences between petroleum product stocks value and the product prices traded in international commodity market which subsequently affects sales price adversely. In order to avoid the negative price fluctuations on sales price, the Group entered into fair value hedge contracts. Income/expense that is occurred from these transactions were included to cost of sales until the operation discontinued date in this sector, 22 December 2010. As of 31 December 2010, TRY 6.791 (31 December 2009: TRY 29.957 ) loss from these transaction were included to cost of sales of discontinued operations. Group will not be exposed to price risk for future period as a result of exiting energy segment by disposing its joint venture interest in POAŞ in the prospective period.

**b) Funding risk**

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

**c) Credit risk**

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements.

**- Media**

Credit risk, is the risk of inability to meet the terms of agreements of counterparties of the Group. Risks are monitored by credit ratings and by limiting the aggregate risk to any individual counterparty. As the entities comprising customer base are numerous and spread on different business areas, credit risk is diversified.

**- Other**

These risks are responded by, mitigating the average risk in each agreement against the counter party (excluding related parties) and obtaining sufficient collateral where appropriate.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)**

	<u>Trade receivables</u>		<u>Other receivables</u>		<u>Cash and cash</u>	<u>Derivative</u>
	<u>Related Party</u>	<u>Other</u>	<u>Related Party</u>	<u>Other</u>	<u>equivalents</u>	<u>Instruments</u>
<b>Maximum net credit risk as of balance sheet date</b>	<b>4.511</b>	<b>813.179</b>	<b>3.702</b>	<b>434.707</b>	<b>3.468.287</b>	<b>4.640</b>
<b>- The part of maximum risk under guarantee with collateral</b>	<b>-</b>	<b>64.135</b>	<b>-</b>	<b>332.446</b>	<b>-</b>	<b>-</b>
A. Net book value of financial assets that are past due /impaired	4.229	613.027	3.702	434.707	3.468.287	4.640
- Guaranteed amount by collateral	-	44.350	-	-	-	-
B. Book value of restructured otherwise accepted as past due and impaired financial assets	-	-	-	-	-	-
C. Net book value of past due but not impaired assets	282	200.152	-	-	-	-
- Guaranteed amount by collateral	-	19.785	-	-	-	-
D. Impaired asset net book value	-	-	-	-	-	-
- Past due (gross amount)	-	179.159	-	1.505	-	-
- Impairment (-)	-	(179.159)	-	(1.505)	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-	-
- Not over due (gross amount)	-	232	-	-	-	-
- Impairment (-)	-	(232)	-	-	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-	-
E. Off-balance sheet items bearing credit risk	-	-	-	-	-	-



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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)**

The Group's credit risk of financial instruments as of 31 December 2010 is as follows:

	<b>Trade receivables</b>		<b>Other receivables</b>		<b>Cash and cash equivalents</b>	<b>Derivative Instruments</b>
	<b>Related Party</b>	<b>Other</b>	<b>Related Party</b>	<b>Other</b>		
<b>Maximum net credit risk as of balance sheet date</b>	<b>11.168</b>	<b>745.056</b>	<b>-</b>	<b>16.117</b>	<b>3.464.507</b>	<b>382</b>
<b>- The part of maximum risk under guarantee with collateral</b>	<b>-</b>	<b>67.852</b>	<b>-</b>	<b>481</b>	<b>-</b>	<b>-</b>
A. Net book value of financial assets that are past due /impaired	11.168	558.849	-	16.117	3.464.507	382
- Guaranteed amount by collateral	-	40.182	-	-	-	-
B. Book value of restructured otherwise accepted as past due and impaired financial assets	-	-	-	-	-	-
C. Net book value of past due but not impaired assets	-	186.207	-	-	-	-
- Guaranteed amount by collateral	-	27.670	-	-	-	-
D. Impaired asset net book value	-	-	-	-	-	-
- Past due (gross amount)	-	191.556	-	2.879	-	-
- Impairment (-)	-	(191.556)	-	(2.879)	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-	-
- Not over due (gross amount)	-	2.106	-	-	-	-
- Impairment (-)	-	(2.106)	-	-	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-	-
E. Off-balance sheet items bearing credit risk	-	-	-	-	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)**

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

	<b>31 December 2011</b>		<b>31 December 2010</b>	
	<b>Related Party</b>	<b>Other Receivables</b>	<b>Related Party</b>	<b>Other Receivables</b>
1-30 days overdue	-	77.806	-	93.415
1-3 months overdue	282	55.574	-	31.362
3-12 months overdue	-	55.952	-	44.806
1-5 years overdue	-	11.102	-	14.773
More than 5 years	-	-	-	1.851
<b>Total</b>	<b>282</b>	<b>200.434</b>	<b>-</b>	<b>186.207</b>
Guaranteed amount by collateral				
Other	-	3.375	-	4.115
Media	-	16.410		23.555

**d) Liquidity risk**

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by maintaining availability under committed credit lines for each segment of the Group.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)**

<b>31 December 2011</b>	<b>Carrying value</b>	<b>Total cash outflow to contract</b>	<b>Less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>						
Bank borrowings (Note 8)	2.558.082	2.742.482	418.002	795.619	1.283.482	245.379
Trade payables (Not 10)	444.997	448.807	426.156	22.651	-	-
Due to related parties (Note 37)	246	246	246	-	-	-
Other financial liabilities	534.691	604.582	8.860	69.311	526.411	-
	<b>3.538.016</b>	<b>3.796.117</b>	<b>853.264</b>	<b>887.581</b>	<b>1.809.893</b>	<b>245.379</b>
<b>Derivative financial liabilities</b>						
Derivative cash inflow	4.640	168.582	90.602	35.090	42.890	-
Derivative cash outflow	(6.610)	(168.569)	(79.603)	(39.981)	(48.985)	-
<b>Derivative cash inflow/outflow, net (Not 9)</b>	<b>(1.970)</b>	<b>13</b>	<b>10.999</b>	<b>(4.891)</b>	<b>(6.095)</b>	<b>-</b>
<b>31 December 2010</b>	<b>Carrying value</b>	<b>Total cash outflow to contract</b>	<b>Less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>						
Bank borrowings (Note 8)	2.110.017	2.595.251	507.257	894.980	1.076.836	116.178
Trade payables (Note 10)	396.262	396.680	389.993	5.573	1.114	-
Due to related parties (Note 37)	1.197	1.197	1.197	-	-	-
Other financial liabilities	305.243	311.370	12.321	54.229	244.820	-
	<b>2.812.719</b>	<b>3.304.498</b>	<b>910.768</b>	<b>954.782</b>	<b>1.322.770</b>	<b>116.178</b>
<b>Derivative financial liabilities</b>						
Derivative cash inflow	382	64.649	10.352	52.290	2.007	-
Derivative cash outflow	(9.687)	(73.216)	(10.967)	(57.940)	(4.309)	-
<b>Derivative cash inflow/outflow, net</b>	<b>(9.305)</b>	<b>(8.567)</b>	<b>(615)</b>	<b>(5.650)</b>	<b>(2.302)</b>	<b>-</b>

**e) Fair value of financial instruments**

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

The estimated fair values of financial instruments are determined by the Group, using available market information and appropriate valuation methodologies for each segment of the Group. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

---

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)**

*e) Fair value of financial instruments(Continued)*

*Monetary assets*

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

The fair values of certain financial assets carried at cost, including fair values of cash and due from banks are considered to approximate their respective carrying values due to their short-term nature.

The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be at their fair values.

*Monetary liabilities*

The fair value of bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings, which are principally at variable rates, and denominated in foreign currencies, are translated at the period-end exchange rates and accordingly, their fair values approximate their carrying values.

Trade payables are disclosed at their amortised cost using the effective interest rate method and accordingly their carrying amounts approximate their fair values.

*f) Capital risk management*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net liability/total equity ratio. Net liability is calculated as the total liability less cash and cash equivalents, derivative instruments and tax liabilities. Total equity is calculated as the total of net liability and the equity as shown in the consolidated balance sheet.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)**

*f) Capital risk management (Continued)*

The net liability/total equity ratio at 31 December 2011 and 2010 is summarized below:

	<b>31 December 2011</b>	<b>31 December 2010</b>
Total liability	4.613.184	3.198.046
Less: Cash and cash equivalents (Note 6)	(3.457.827)	(3.458.829)
Net liability	1.155.357	(260.783)
Equity	3.039.038	3.864.544
Total capital	4.194.395	3.603.761
Gearing ratio	<b>%28</b>	<b>%(7)</b>

**NOTE 39 - FINANCIAL INSTRUMENTS**

**Fair value of financial instruments**

The fair values of financial assets and financial liabilities are determined as follows:

- Level 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- Level 2: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions;
- Level 3: The fair value of the financial assets and financial liabilities is determined in accordance with the unobservable current market data.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

**NOTE 39 - FINANCIAL INSTRUMENTS (Continued)**

Based on the fair value hierarchy, the Group's financial assets and liabilities are categorized as follows:

Financial assets	31 December 2011	Fair value at reporting date		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
Financial assets at FVTPL				
Trading securities	-	-	-	-
Trading derivatives	-	-	-	-
Derivative Instruments	4.640	-	4.640	-
Available-for –sale financial assets				
Bonds and bills	88.572	88.572	-	-
<b>Total</b>	<b>93.212</b>	<b>88.572</b>	<b>4.640</b>	<b>-</b>
<b>Financial liabilities</b>				
Financial liabilities at FVTPL	-	-	-	-
Trading securities	-	-	-	-
Derivative instruments	6.610	6.610	-	-
Other financial liabilities	-	-	-	-
<b>Total</b>	<b>6.610</b>	<b>6.610</b>	<b>-</b>	<b>-</b>

Financial assets	31 December 2010	Fair value at reporting date		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
Financial assets at FVTPL				
Trading securities	-	-	-	-
Trading derivatives	-	-	-	-
Derivative Instruments	382	-	382	-
Available-for –sale financial assets				
Bonds and bills	82.904	82.904	-	-
<b>Total</b>	<b>83.286</b>	<b>82.904</b>	<b>382</b>	<b>-</b>
<b>Financial liabilities</b>				
Financial assets at FVTPL				
Trading securities	-	-	-	-
Trading derivatives	-	-	-	-
Derivative Instruments	9.687	9.687	-	-
Other financial liabilities	-	-	-	-
<b>Total</b>	<b>9.687</b>	<b>9.687</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

---

**NOTE 40 - SUBSEQUENT EVENTS**

**Property, Plant and Equipment Sale of Hürriyet**

In accordance with the Board's resolution, Hürriyet has signed a sales agreement with Nurol Gayrimenkul Yatırım Ortaklığı A.Ş. at 31 January 2012 before a notary regarding the properties that consist of 58.609,45 m2 land and buildings, including the building that has been used as company headquarters for 28 years (Hürriyet Media Towers) in Bağcılar, Istanbul.

- Property, including the company stone head office registered in A1, A2, A3, A4, A5, A7, A8, A9, A10, A12, A14, B1, B2, B3, C1, C2, C3, D1, D2 blocks of Parcel No:10 and Lot No: 3153 in section 245DS4b, which was built over 31.224 m2,45 dm2 (Hürriyet Medya Towers) in Kirazlı village, Bağcılar district in the province of Istanbul (Hürriyet Medya Towers) in return for USD 92.728.139,
- Stone plant and outhouse registered in Block 14 in Section: 1 which was built over 16.973.00 m2 in Kirazlı village, Bağcılar District in Istanbul is sold in consideration of USD 24.071.704,
- Farm land registered in Block 23 in Section: 1 which was built over 5.197 m2 in Güneşli Çiftliği, in Kirazlı Village, Bağcılar District in Istanbul is sold in consideration of USD 5.915.597,
- Farm land registered in parcel No:7, in Lot No: 3152 in Section No:245DS4B which was built over 5.215 m2 in Bağcılar Village, Bağcılar District in Istanbul is sold in consideration of USD 4.784.560,

Based on the sale agreement, the below properties are sold to Nurol Gayrimenkul Yatırım Ortaklığı A.Ş. in return for USD 127.500.000 in total, excluding late interest, upon a cash payment of USD 17.500.000 (payable on the date of deed transfer, which is 1 February 2012), and the remaining payment is payable in equal installments in 32 months as of 6 March 2012 by applying 3,5% interest rate to the outstanding balance that remains after the installment payments.

Properties mentioned above will be delivered to the buyer by the end of July 1, 2012 and no rent payments or other similar usage charge will be paid to the buyer until the date of the delivery.

As per the meeting no: 2012/07 of the Board of Directors of Hürriyet on 30 January 2012, 4 real estates were sold and their deeds were transferred on February 1, 2012; as a result of the related sale transaction, TRY 137.210.372 is recognized as 'profit on investment property sale' in the statutory records. However, the management decided not to distribute the "profit on investment property sale" portion (75%) of which is subject to tax exemption as prescribed in Article 5-1/e of the Corporate Tax Law in the 1 January 2012 – 31 December 2012 period in accordance with the Tax Legislation, Capital Markets Legislation and any other financial legislations and concluded to recognize the related amount under a special fund account in Liabilities column.

**Lawsuit regarding put option of shares of Oglasnik d.o.o**

A lawsuit has been filed against the Group by the 30% non-controlling interest shareholders of its subsidiary Oglasnik d.o.o located in Croatia, since non-controlling shareholders are unable to exercise the share put option. Non-controlling shareholders have claimed EUR 3.500.000 compensation for their loss due to not having exercised the put option and the declining share value of shares caused by the poor management. Subpoena related to the lawsuit has been submitted to the Group as at March 5th 2012. The management considered the related event will have no significant effect over the financial statements in the current period as it is occurred after the balance sheet date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

---

**NOTE 40 - SUBSEQUENT EVENTS (Continued)**

**Share Purchase Option**

Agreement signed on 19 November 2009 was altered with 31 October 2011 and 28 February 2012 dated modification agreements signed by Doğan Holding, Doğan Yayın Holding, Doğan TV Holding, Commerz-Film GmbH and Hauptstadtsee 809. V V GmbH.

Within the scope of "DTV Put Option", Doğan Holding gave an other bank letter amounting to EUR 50.000 to Axel Springer Group with 28 February 2012 dated modification agreement. According to the agreement, first bank letter will guarantee Doğan Holding's payment obligation amounting to EUR 50.000 in return for 33.843.238 shares and request for payment can be done between 10 February 2013 and 11 March 2013. Second bank letter will guarantee Doğan Holding's payment obligation amounting to EUR 50.000 in return for 33.843.238 shares and request for payment can be done between 10 February 2014 and 11 March 2014. Third bank letter will guarantee Doğan Holding's payment obligation amounting to EUR 50.000 in return for 34.183.593 shares and request for payment can be done between 10 February 2015 and 11 March 2015.

**Purchasing of Certificate of TME shares by Hurriyet Invest B.V.**

The Group (Hurriyet Invest BV) has purchased 6,98% shares corresponding to number of 3.490.691 share certificates of Trader Media East Ltd from the legal person apart from the Group over the amount USD 26.250.000 in accordance with the valuation report issued by the independents valuation company. The effect of the event has not been reflected to the balance sheet since it took place after the balance sheet date.

**Sale and Transfer of Shares of Doğan Müzik Kitap Mağazacılık ve Pazarlama A.Ş.**

49.999.996 shares of Doğan Müzik Kitap Mağazacılık ve Pazarlama A.Ş., a subsidiary of the Group, with a nominal value of TRY 1 (exact) each, in which it holds 99,99% participation amounting to TRY 39.891 of paid capital from TRY 50.000 capital has been sold to Doğan Şirketler Grubu Holding A.Ş. in consideration of TRY 139.404 which is determined by two different valuation reports prepared by independent valuation firms.

**Evaluation Works about FULL Group**

Works between Group's subsidiary Doğan Enerji and Asya Akaryakıt Ticaret ve Sanayi A.Ş. (on behalf of FULL Group) about purchasing FULL Group's fuel oil companies and/or all of its asset or part of it or participating in by means of obtaining control share are in progress.

**Milta – Rönesans Gayrimenkul Joint Venture and Capital Increase**

"Shareholding Contract" was signed between the Group's subsidiary Milta Turizm and Rönesans Gayrimenkul Yatırım A.Ş. on the purpose of establishing a joint venture on March 6, 2012.

At Board of Directors dated April 11, 2011 it is decided to increase the capital of Milta Turizm, a subsidiary of the Doğan Holding, from TRY 100.000.000 (exact) to TRY 156.000.000 (exact) from which TRY 10.408.714,61 (exact) domestic reserves and TRY 45.591.285,39 (exact) in cash, and to use the new share purchase right amounting to nominal TRY 44.991.304,07 (exact) .



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011**

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

---

**NOTE 40 - SUBSEQUENT EVENTS (Continued)**

**Milta – Rönesans Gayrimenkul Joint Venture and Capital Increase (Continued)**

Milta will use the fund (TRY 45.591.285,39 (exact)) obtained from the capital increase in order to participate in the capital increase of Nakkaştepe Gayrimenkul Yatırımları İnşaat Yönetim ve Ticaret A.Ş., the joint venture (50-50%) established with Rönesans Gayrimenkul Yatırım A.Ş. with the aim of realizing domestic real estate projects.

**Approval of Financial Statements**

The consolidated financial statements for the period ended 31 December 2011 were approved by the Board of Directors on 11 April 2012. Other than Board of Directors has no authority to change financial statements.

**NOT 41 - DISCLOSURE OF OTHER MATTERS**

None.