DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

PRICEWATERHOUSECOOPERS

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

INDEPENDENT AUDITOR'S REPORT

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

1. We have audited the accompanying consolidated financial statements of Doğan Şirketler Grubu Holding A.Ş. (the "Company"), its subsidiaries, its joint ventures (collectively referred as, the "Group") which comprise the consolidated balance sheet as of 31 December 2008 and the consolidated statement of income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

   An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group'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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Doğan Şirketler Grubu Holding A.Ş. as of 31 December 2008, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the financial reporting standards endorsed by the CMB (Note 2).

Emphasis of Matters

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

5. As explained in Notes 22 and 40, the financial periods between 2003 and 2006 of Doğan Yayın Holding A.Ş. ("Doğan Yayın"), a subsidiary of the Company, have been inspected by the Revenue Administration Department of the Turkish Ministry of Finance. As a result of the inspection, tax assessment reports have been issued and notified to Doğan Yayın in December 2008 and February 2009 in which tax charges and penalties at an aggregate amount of YTL 861,5 million have been imposed to Doğan Yayın. Doğan Yayın has started legal proceedings and filed a lawsuit against the related Tax Administration Department (the "Tax Administration") for the cancellation of these assessments. In addition, the Tax Administration has asked for a collateral in the amount of YTL 914,8 million against the significant portion of the tax charges, the penalties and their interest. Accordingly, Doğan Yayın gave 45,40% shares in one of its subsidiaries, Doğan TV Holding A.Ş., to the Tax Administration as collateral. Furthermore, as stated in Note 22, the Tax Administration has put Doğan Yayın's bank accounts and shares of its certain subsidiaries and a joint venture under sequestration. The Doğan Yayın management claims that the value of the shares of Doğan TV Holding A.Ş. that have been put under sequestration is higher than the Tax Administration's assessment and the management expects that the sequestration would be cancelled for the value of shares in excess of the assessment of the Tax Administration. Doğan Yayın has applied to the Tax Administration for this matter. No provision has been made in the accompanying consolidated financial statements for the year ended 31 December 2008 in consideration of the opinions of the legal advisors and tax experts of Doğan Yayın. Since the legal proceedings with respect to the lawsuits filed by Doğan Yayın have not been completed at the date of this report, there is significant uncertainty as to the outcome of the lawsuits.

6. As explained in Note 22 on 31 August 2006, as an outcome of a sector-wide inspection, the Energy Market Regulatory Authority ("EMRA") Control Board imposed administrative fines on the joint ventures of the Company, Petrol Ofisi A.Ş. ("POAŞ") and Erk Petrol Yatırımları A.Ş. ("Erk Petrol"), amounting to YTL 498,7 million and YTL 100,7 million, respectively, due to deliveries made to unlicensed dealers, along with 26 other companies in the sector. If the fines are upheld at the conclusion of this legal action, the impact on the Group's consolidated financial statements will be in the amount of YTL 325 million, calculated using the Company's total proportion of ownership interest of 54,17% in POAŞ and Erk Petrol. POAŞ and Erk Petrol have taken two different judicial actions for the cancellation of these fines and removal of the payment orders. The execution of fines was suspended by The Plenary Session of the Administrative Law Divisions of the Council of State on 25 January 2007. The lawsuits are still being discussed by the 13th Division of the Council of State substantially as at the date of this report. Therefore, no provision has been made in the accompanying consolidated financial statements due to the uncertainty of the final outcome of this matter.

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Additional paragraph for convenience translation into English

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

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

Haluk Yalçın, SMMM
Partner

Istanbul, 10 April 2009

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD 1 JANUARY - 31 DECEMBER 2008

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CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER

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

	Notes	2008 USD (*)	2008	*Restated* 2007
ASSETS				
Current assets		**3.780.589**	**5.717.384**	**4.588.044**
Cash and cash equivalents	6	2.223.820	3.363.082	2.351.161
Financial investments	7	65.591	99.193	48.466
Trade receivables				
- Due from related parties	37	11.907	18.007	18.621
- Other trade receivables	10	771.852	1.167.272	1.368.391
Other receivables	11	23.798	35.990	36.835
Inventories	13	479.970	725.859	576.646
Biological assets	14	81	123	75
Other current assets	26	203.570	307.858	187.849
Non-current assets		**3.234.202**	**4.891.083**	**4.480.405**
Trade receivables	10	5.045	7.629	4.068
Other receivables	11	1.396	2.111	2.280
Inventories	13	15.592	23.579	-
Financial investments	7	836	1.264	6.080
Investments accounted for by the equity method	16	8.232	12.449	21.842
Investment properties	17	51.830	78.383	48.563
Property, plant and equipment	18	1.021.450	1.544.739	1.432.090
Intangible assets	19	871.362	1.317.761	1.247.261
Goodwill	20	1.066.035	1.612.165	1.542.921
Deferred income tax assets	35	78.398	118.561	84.437
Other non-current assets	26	114.026	172.442	90.863
TOTAL ASSETS		**7.014.791**	**10.608.467**	**9.068.449**

The consolidated financial statements for the year ended 31 December 2008 have been approved by the Board of Directors at 10 April 2009. These consolidated financial statements will be definitive following their approval in the General Assembly.

(*) As explained in the Note 2.1.3 to the consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from YTL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official YTL exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board ("CMB") as at 31 December 2008.

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER

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

	Notes	2008 USD (*)	2008	*Restated* 2007
LIABILITIES				
Current liabilities		**1.963.648**	**2.969.625**	**1.676.880**
Borrowings and financial liabilities	8	726.186	1.098.211	355.126
Other financial liabilities	9	15.800	23.895	13.827
Trade payables				
- Due to related parties	37	1.069	1.616	2.903
- Other trade payables	10	868.617	1.313.609	851.512
Other payables	11	181.312	274.198	299.273
Current income tax liabilities	35	47.042	71.142	29.028
Provisions	22	55.319	83.659	62.350
Other current liabilities	26	68.303	103.295	62.861
Non-current liabilities		**1.939.442**	**2.933.018**	**2.428.213**
Borrowings and financial liabilities	8	1.345.889	2.035.388	1.569.679
Other financial liabilities	9	4.239	6.410	17.850
Trade payables	10	346.567	524.114	484.361
Other payables	11	51.537	77.939	55.982
Provisions	22	735	1.111	671
Provisions for employment benefits	24	20.041	30.308	26.726
Deferred income tax liabilities	35	170.434	257.748	272.944
SHAREHOLDERS'EQUITY		**3.111.701**	**4.705.824**	**4.963.356**
Equity attributable to equity holders of the company	**27**	**2.548.108**	**3.853.502**	**3.757.575**
Share capital	27	1.620.049	2.450.000	1.500.000
Adjustment to share capital	27	94.906	143.526	331.903
Share premium	27	417	630	630
Revaluation fund	27	96.686	146.218	185.652
Translation reserve	27	2.517	3.807	(21.505)
Restricted reserves	27	10.423	15.762	777.385
Retained earnings	27	676.416	1.022.944	588.266
Profit for the period		46.694	70.615	395.244
Minority interests		**563.593**	**852.322**	**1.205.781**
TOTAL LIABILITIES		**7.014.791**	**10.608.467**	**9.068.449**
Commitments	23			

(*) As explained in the Note 2.1.3 to the consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from YTL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official YTL exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as at 31 December 2008.

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

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED 31 DECEMBER

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

	Notes	2008 USD (*)	2008	Restated 2007
Sales	28	8.268.531	12.504.500	10.262.354
Cost of sales (-)	28, 30	(7.401.096)	(11.192.678)	(9.135.563)
Gross profit	**28**	**867.435**	**1.311.822**	**1.126.791**
Marketing, selling and distribution expenses (-)	29, 30	(347.735)	(525.879)	(439.037)
General and administrative expenses (-)	29, 30	(317.871)	(480.716)	(471.742)
Other income	31	132.060	199.715	752.022
Other expenses (-)	31	(104.183)	(157.556)	(382.060)
Operating profit		**229.706**	**347.386**	**585.974**
Share of profit/(loss) investments accounted for by the equity method	16	1.073	1.623	(1.477)
Financial income	32	834.069	1.261.362	837.455
Financial expenses (-)	33	(1.078.149)	(1.630.485)	(600.791)
(Loss)/profit before income taxes		**(13.301)**	**(20.114)**	**821.161**
Taxation on income	**35**	**(38.167)**	**(57.720)**	**(155.933)**
- Current income tax for the period		(83.579)	(126.396)	(169.771)
- Deferred tax income		45.412	68.676	13.838
(Loss)/profit for the period		**(51.468)**	**(77.834)**	**665.228**
Allocation of (loss)/profit for the period				
Attributable to minority interests		(98.162)	(148.449)	269.984
Attributable to equity holders of the company		46.694	70.615	395.244
Earnings per share for profit attributable to equity holders of the company	36	0,02	0,03	0,16

(*) As explained in the Note 2.1.3 to the consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from YTL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official YTL exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as at 31 December 2008.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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

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

	Notes	Share capital	Adjustment to share capital	Share premium	Revaluation fund	Translation reserve	Restricted reserves	Retained earnings	Net profit for the period	Equity attributable to equity holders of the company	Minority interests	Total shareholders' equity
Balances at 1 January 2007		**1.500.000**	**331.903**	**630**	**232.079**	**(4.161)**	**11.331**	**426.128**	**891.629**	**3.389.539**	**778.896**	**4.168.435**
Transfers		-	-	-	(46.427)	-	766.054	172.002	(891.629)	-	-	-
Currency translation differences		-	-	-	-	(24.944)	-	-	-	(24.944)	(42.991)	(67.935)
Capital increase		-	-	-	-	-	-	-	-	-	10.739	10.739
Business combinations		-	-	-	-	-	-	-	-	-	190.352	190.352
Transfer of joint venture balance sheet items		-	-	-	-	7.600	-	(7.600)	-	-	-	-
Dividend payment of subsidiaries		-	-	-	-	-	-	(2.264)	-	(2.264)	(1.199)	(3.463)
Net profit for the period		-	-	-	-	-	-	-	395.244	395.244	269.984	665.228
Balances at 31 December 2007	**27**	**1.500.000**	**331.903**	**630**	**185.652**	**(21.505)**	**777.385**	**588.266**	**395.244**	**3.757.575**	**1.205.781**	**4.963.356**
Balances at 1 January 2008		**1.500.000**	**331.903**	**630**	**185.652**	**(21.505)**	**777.385**	**588.266**	**395.244**	**3.757.575**	**1.205.781**	**4.963.356**
Transfers		-	-	-	(39.434)	-	-	434.678	(395.244)	-	-	-
Currency translation differences		-	-	-	-	25.312	-	-	-	25.312	35.795	61.107
Capital increase	27	950.000	(188.377)	-	-	-	(761.623)	-	-	-	5.298	5.298
Business combinations		-	-	-	-	-	-	-	-	-	(238.822)	(238.822)
Dividend payment of subsidiaries		-	-	-	-	-	-	-	-	-	(7.281)	(7.281)
Net profit/(loss) for the period		-	-	-	-	-	-	-	70.615	70.615	(148.449)	(77.834)
Balances at 31 December 2008	**27**	**2.450.000**	**143.526**	**630**	**146.218**	**3.807**	**15.762**	**1.022.944**	**70.615**	**3.853.502**	**852.322**	**4.705.824**

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

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED 31 DECEMBER

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

	Notes	2008 USD (*)	2008	2007
Operating activities:				
Cash provided in operations	42	964.918	1.459.245	146.930
Taxes paid		(55.731)	(84.282)	(170.978)
Employment termination benefit paid	24	(6.783)	(10.258)	(4.957)
Net cash provided by/(used in) operating activities		**902.404**	**1.364.705**	**(29.005)**
Investing activities:				
Purchase of investment property	17	(16.802)	(25.409)	-
Purchase of property, plant and equipment	18	(216.034)	(326.708)	(256.764)
Purchase of intangibles	19	(115.090)	(174.050)	(121.307)
Proceeds from sale of property, plan and equipment, intangibles and investment property		31.092	47.020	55.894
Cash out flow for acquisition of subsidiaries		(154.963)	(234.351)	(492.677)
Proceeds from disposal of subsidiary and joint venture shares		43.978	66.508	801.459
Change in other non-current assets and long-term liabilities		(57.445)	(86.875)	(20.349)
Net cash used in investing activities		**(485.264)**	**(733.865)**	**(33.744)**
Financing activities:				
Proceeds of issuance of share capital to minority interests		3.503	5.298	10.739
Dividends paid to minority interests		(4.815)	(7.281)	(1.199)
Change in financial liabilities, net		329.321	498.032	355.653
Letter of credits paid in trade payables		(88.079)	(133.202)	(413.517)
Letter of credits received in trade payables		-	-	200.793
Change in long term trade payables, net		29.629	44.808	136.347
Interest paid		(186.689)	(282.331)	(150.215)
Interest received		165.314	250.005	301.251
Dividends paid		-	-	(2.264)
Net cash provided by financing activities		**248.184**	**375.329**	**437.588**
Net increase in cash and cash equivalents		**665.324**	**1.006.169**	**374.839**
Cash and cash equivalents at the beginning of the period	6	1.548.942	2.342.465	1.967.626
Cash and cash equivalents at the end of the period	**6**	**2.214.266**	**3.348.634**	**2.342.465**

(*) As explained in the Note 2.1.3 to the consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from YTL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official YTL exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as at 31 December 2008.

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

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

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

Doğan Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on the Istanbul Stock Exchange ("ISE") since 21 June 1993. At 31 December 2008, the shares quoted on the ISE represent 34,29% of the total shares (31 December 2007: 34,29%). At 31 December 2008, the principal shareholders and their respective shareholdings in Doğan Holding are as follows (Note 27):

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

The address of the registered office is as follows:

Altunizade, Oymacı Sokak No: 15/1
Üsküdar 34662 İstanbul

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

- Media
- Energy
- Other

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

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

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Company Name	Country	Nature of business	Segment
SP Bel Pronto OOO BYR	Russia	Newspaper and internet publishing	Media
OOO Pronto Aktobe	Russia	Newspaper and internet publishing	Media
ZAO Avtotehsnab	Russia	Newspaper and internet publishing	Media
OOO Novoprint	Russia	Newspaper and internet publishing	Media
OOO Balt-Pronto Kaliningrad	Russia	Newspaper and internet publishing	Media
OOO Delta-M	Russia	Newspaper and internet publishing	Media
OOO Gratis	Russia	Newspaper and internet publishing	Media
OOO Pronto Baikal	Russia	Newspaper and internet publishing	Media
OOO Pronto DV	Russia	Newspaper and internet publishing	Media
OOO Pronto Ivanovo	Russia	Newspaper and internet publishing	Media
OOO Pronto Kaliningrad	Russia	Newspaper and internet publishing	Media
OOO Pronto Kazan	Russia	Newspaper and internet publishing	Media
OOO Pronto Krasnodar	Russia	Newspaper and internet publishing	Media
OOO Pronto Krasnojarsk	Russia	Newspaper and internet publishing	Media
OOO Pronto Nizhnij Novgorod	Russia	Newspaper and internet publishing	Media
OOO Pronto Novosibirsk	Russia	Newspaper and internet publishing	Media
OOO Pronto Oka	Russia	Newspaper and internet publishing	Media
OOO Pronto Petersburg	Russia	Newspaper and internet publishing	Media
OOO Pronto Samara	Russia	Newspaper and internet publishing	Media
OOO Pronto Stavropol	Russia	Newspaper and internet publishing	Media
OOO Pronto UlanUde	Russia	Newspaper and internet publishing	Media
OOO Pronto Vladivostok	Russia	Newspaper and internet publishing	Media
OOO Pronto Volgograd	Russia	Newspaper and internet publishing	Media
OOO Pronto-Moscow	Russia	Newspaper and internet publishing	Media
OOO Tambukan	Russia	Newspaper and internet publishing	Media
OOO Utro Peterburga	Russia	Newspaper and internet publishing	Media
OOO Pronto Astrakhan	Russia	Newspaper and internet publishing	Media
OOO Pronto Kemerovo	Russia	Newspaper and internet publishing	Media
OOO Pronto Sever	Russia	Newspaper and internet publishing	Media
OOO Pronto Smolensk	Russia	Newspaper and internet publishing	Media
OOO Pronto Tula	Russia	Newspaper and internet publishing	Media
OOO Pronto Voronezh	Russia	Newspaper and internet publishing	Media
OOO Tambov-Info	Russia	Newspaper and internet publishing	Media
OOO Pronto Obninsk	Russia	Newspaper and internet publishing	Media
OOO Pronto Komi	Russia	Newspaper and internet publishing	Media
Informatsia Vilniusa	Lithuania	Newspaper and internet publishing	Media
ZAO Pronto Akzhol	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto-Akmola	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto Atyrau	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto Aktau	Kazakhstan	Newspaper and internet publishing	Media
SP Pronto Kiev	Ukraine	Newspaper and internet publishing	Media
Internet Posao d.o.o.	Croatia	Internet Publishing	Media
Moje Delo spletni marketing d.o.o	Slovenia	Internet Publishing	Media
Bolji Posao d.o.o. Serbia	Serbia	Internet Publishing	Media
Bolji Posao d.o.o. Bosnia	Bosnia	Internet Publishing	Media
RU.com OOO	Russia	Internet Publishing	Media
OOO Partner-Soft	Russia	Internet Publishing	Media
Pronto Soft	Russia	Internet Publishing	Media
E-Prostir	Ukraine	Internet Publishing	Media
Expressz Garancia Kôzpont Kft	Hungary	Marketing	Media
Hürriyet Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Hürriyet Pazarlama")	Turkey	Marketing	Other
OOO Optoprint	Russia	Publishing services	Media
OOO Pronto Print	Russia	Publishing services	Media
OOO Rosprint	Russia	Publishing services	Media
OOO Rosprint Samara	Russia	Publishing services	Media
Impress Media Marketing BVI	Russia	Publishing	Media
Impress Media Marketing LLC	Russia	Publishing	Media

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Company Name	Country	Nature of business	Segment
OOO Pronto TV	Russia	TV broadcasting	Media
Doğan TV Holding A.Ş. ("Doğan TV")	Turkey	TV broadcasting	Media
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	Turkey	TV broadcasting	Media
Işıl Televizyon Yayıncılık A.Ş. ("Işıl TV" veya "Star TV")	Turkey	TV broadcasting	Media
Alp Görsel İletişim Hizmetleri A.Ş. ("Alp Görsel")	Turkey	TV broadcasting	Media
Fun Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Fun TV")	Turkey	TV broadcasting	Media
Tempo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Tempo TV")	Turkey	TV broadcasting	Media
Kanalspor Televizyon ve Radyo Yayıncılık A.Ş. ("Kanalspor")	Turkey	TV broadcasting	Media
Milenyum Televizyon Yayıncılık ve Yapımcılık A.Ş. ("Milenyum TV")	Turkey	TV broadcasting	Media
TV 2000 Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("TV 2000")	Turkey	TV broadcasting	Media
Moda Radyo ve Televizyon Yayıncılık Ticaret A.Ş. ("Moda Radyo")	Turkey	TV broadcasting	Media
Popüler Televizyon ve Radyo Yayıncılık A.Ş. ("Popüler TV")	Turkey	TV broadcasting	Media
D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım Reklamcılık")	Turkey	TV broadcasting	Media
Bravo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Bravo TV")	Turkey	TV broadcasting	Media
Doğa Televizyon ve Radyo Yayıncılık A.Ş. ("Doğa TV")	Turkey	TV broadcasting	Media
Altın Kanal Televizyon ve Radyo Yayıncılık A.Ş. ("Altın Kanal")	Turkey	TV broadcasting	Media
Stil Televizyon ve Radyo Yayıncılık A.Ş. ("Stil TV")	Turkey	TV broadcasting	Media
Selenit Televizyon ve Radyo Yayıncılık A.Ş. ("Selenit TV")	Turkey	TV broadcasting	Media
Elit Televizyon ve Radyo Yayıncılık A.Ş. ("Elit TV")	Turkey	TV broadcasting	Media
Trend Televizyon ve Radyo Yayıncılık A.Ş. ("D Çocuk")	Turkey	TV broadcasting	Media
Ekinoks Televizyon ve Radyo Yayıncılık A.Ş. ("GS TV")	Turkey	TV broadcasting	Media
Dönence Televizyon ve Radyo Yayıncılık A.Ş. ("Dönence TV")	Turkey	TV broadcasting	Media
Fleks Televizyon ve Radyo Yayıncılık A.Ş. ("Fleks TV")	Turkey	TV broadcasting	Media
Meridyen Televizyon ve Radyo Yayıncılık A.Ş. ("Meridyen TV")	Turkey	TV broadcasting	Media
Planet Televizyon ve Radyo Yayıncılık A.Ş. ("Planet TV")	Turkey	TV broadcasting	Media
Deniz Televizyon ve Radyo Yayıncılık A.Ş. ("HD TV")	Turkey	TV broadcasting	Media
Doğan Prodüksiyon Hizmetleri A.Ş. ("Doğan Prodüksiyon")	Turkey	TV broadcasting	Media
Doğan TV Digital Platform İşletmeciliği A.Ş. ("Doğan TV Dijital")	Turkey	TV broadcasting	Media
Kutup Televizyon ve Radyo Yayıncılık A.Ş. ("Kutup TV")	Turkey	TV broadcasting	Media
Galaksi Radyo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Galaksi TV")	Turkey	TV broadcasting	Media
Opal İletişim Hizmetleri A.Ş. ("Opal İletişim")	Turkey	TV broadcasting	Media
Koloni Televizyon ve Radyo Yayıncılık A.Ş. ("Koloni TV")	Turkey	TV broadcasting	Media
Atılgan Televizyon ve Radyo Yayıncılık A.Ş. ("Atılgan TV")	Turkey	TV broadcasting	Media
Atmosfer Televizyon ve Radyo Yayıncılık A.Ş. ("Atmosfer TV")	Turkey	TV broadcasting	Media
Gümüş Televizyon ve Radyo Yayıncılık A.Ş. ("Gümüş TV")	Turkey	TV broadcasting	Media
Platin Televizyon ve Radyo Yayıncılık A.Ş. ("Platin TV")	Turkey	TV broadcasting	Media
Yörünge Televizyon ve Radyo Yayıncılık A.Ş. ("Yörünge TV")	Turkey	TV broadcasting	Media
Lapis Televizyon ve Radyo Yayıncılık A.Ş ("Lapis Televizyon")	Turkey	TV broadcasting	Media
Safir Televizyon ve Radyo Yayıncılık A.Ş ("Safir Televizyon")	Turkey	TV broadcasting	Media
Tematik Televizyon ve Radyo Yayıncılık A.Ş ("Tematik TV")	Turkey	TV broadcasting	Media
Akustik Televizyon ve Radyo Yayıncılık A.Ş. ("Akustik TV")	Turkey	TV broadcasting	Media
Ametist Televizyon ve Radyo Yayıncılık A.Ş. ("Ametist TV")	Turkey	TV broadcasting	Media
Süper Kanal TV Video Radyo Basın Yapım Yayın Tanıtım ve Haber Hizmetleri A.Ş. ("Süperkanal")	Turkey	TV broadcasting	Media
Uydu İletişim Basın Yayın A.Ş. ("Uydu")	Turkey	TV broadcasting	Media
Mobil Teknolojileri Araştırma Geliştirme A.Ş. ("Mobil")	Turkey	TV broadcasting	Media
Matis Reklam ve Pazarlama A.Ş ("Matis TV")	Turkey	TV broadcasting	Media
Yonca Reklam ve Pazarlama A.Ş. ("Yonca TV")	Turkey	TV broadcasting	Media
İnci Televizyon ve Radyo Yayıncılık A.Ş. ("İnci TV")	Turkey	TV broadcasting	Media
Kuvars Televizyon ve Radyo Yayıncılık A.Ş. ("Kuvars TV")	Turkey	TV broadcasting	Media
Lal Televizyon ve Radyo Yayıncılık A.Ş. ("Lal TV")	Turkey	TV broadcasting	Media
Truva Televizyon ve Radyo Yayıncılık A.Ş. ("Truva TV")	Turkey	TV broadcasting	Media
Kayra Televizyon ve Radyo Yayıncılık A.Ş. ("Kayra TV")	Turkey	TV broadcasting	Media
Milas Televizyon ve Radyo Yayıncılık A.Ş. ("Milas TV")	Turkey	TV broadcasting	Media

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Company Name	Country	Nature of business	Segment
Prime Türk Europe GmbH ("Prime Türk")	Germany	TV broadcasting	Media
Osmose Media S.A ("Osmose Media")	Luxemburg	TV broadcasting	Media
Doğan Media International S.A. ("Kanal D Romanya")	Romania	TV broadcasting	Media
ZAO NPK	Russia	Call center	Media
Kisokos Directory Kereskedelmi es Szolgaltato Kft. ("Kisokos")	Hungary	Newspaper and internet publishing	Media
Radyo Kulübü Uluslararası Programlar A.Ş. ("D Radyo")	Turkey	Radio broadcasting	Media
Rapsodi Radyo ve Televizyon Yayınclık A.Ş. ("Rapsodi Radyo")	Turkey	TV broadcasting	Media
Foreks Yayıncılık ve Reklamcılık A.Ş. ("CNN Türk Radyo")	Turkey	Radio broadcasting	Media
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	Turkey	Music and entertainment	Media
Interaktif Medya Hizmetleri Geliştirme Paz. ve Tic. A.Ş ("İnteraktif Medya")	Turkey	Interactive services	Media
Doğan Müzik Kitap Mağazacılık Pazarlama A.Ş. ("DMK")	Turkey	Retail	Media
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. ("Hürservis")	Turkey	Retail	Media
Pratik Ödeme Sistemleri A.Ş. ("Pratik Ödeme")	Turkey	Distribution	Media
Smile Tedarik ve Ticaret A.Ş. ("Smile Tedarik ")	Turkey	Procurement and logistics	Media
Smile Sigorta Aracılık Hizmetleri A.Ş. ("Smile Sigorta")	Turkey	Insurance	Media
Birpa Müşteri Hizmetleri ve Pazarlama A.Ş. ("Birpa")	Turkey	Customer services	Media
Doğan İletişim Elektronik Servis Hizmetleri ve Yayıncılık A.Ş. ("Doğan Online")	Turkey	Internet service provider	Media
Doğan Factoring Hizmetleri A.Ş. ("Doğan Factoring")	Turkey	Factoring	Media
Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Milpa")	Turkey	Trading	Other
Milanur İnşaat Pazarlama Turizm Sanayi ve Ticaret Limited Şirketi ("Milanur")	Turkey	Construction	Other
Doğan Otomobilcilik Ticaret ve Sanayi A.Ş. ("Doğan Oto")	Turkey	Trading	Other
Enteralle Handels GmbH ("Enteralle Handels")	Germany	Trading	Other
Orta Anadolu Otomotiv Ticaret ve Sanayi A.Ş. ("Orta Anadolu Otomotiv")	Turkey	Trading	Other
Doğan Havacılık Sanayi ve Ticaret A.Ş. ("Doğan Havacılık")	Turkey	Aviation	Other
Çelik Halat ve Tel Sanayi A.Ş. ("Çelik Halat")	Turkey	Production	Other
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. ("Ditaş Doğan")	Turkey	Production	Other
Milta Turizm İşletmeleri A.Ş. ("Milta Turizm")	Turkey	Tourism	Other
Doğan Organik Ürünler Sanayi ve Ticaret A.Ş. ("Doğan Organik")	Turkey	Agriculture	Other
D-Tes Elektrik Enerjisi Toptan Satış A.Ş. ("D Tes")	Turkey	Energy	Other
Zigana Elektrik Dağıtım Sanayi ve Ticaret A.Ş. ("Zigana")	Turkey	Energy	Other
Çelik Enerji Üretim A.Ş. ("Çelik Enerji")	Turkey	Energy	Other
Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. ("Doğan Enerji")	Turkey	Energy	Other
D-Yapı Real Estate, Investment and Construction S.R.L. ("D Yapı Romanya")	Romania	Real estate	Other
TOV D-Yapı Real Estate Investment and Constructon ("TOV D-Yapı")	Ukraine	Real estate	Other
D Stroy Limited Şirketi ("D Stroy")	Russia	Real estate	Other
SC Doğan Hospitals Investments and Management SRL ("SC Doğan Hospitals")	Romania	Real estate	Other

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

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial Reporting Standards

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

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

Within the scope of CMB's Communiqué No: XI-29 and its announcements clarifying this communiqué the consolidated financial statements have been prepared in accordance with the CMB's Financial Reporting Standards which are based on IAS/IFRS, as the differences of IAS/IFRS, adopted by the European, from those published by IASB have not yet been announced by TASB as of the date of these financial statements. The consolidated financial statements and accompanying notes to them have been presented in accordance with the format, recommended by CMB announcement dated 17 April 2008, and disclosure format of "Nature And Level Of Risks Derived From Financial Instruments" as announced by CMB in the Weekly Bulletin dated 5 January 2009-9 January 2009 and numbered 2009/2 by including the mandatory information. Accordingly, necessary reclassifications have been made in the comparative consolidated financial statements (Note 2.1.5).

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

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

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

2.1.2 Financial statements of subsidiaries operating in foreign countries

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

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

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

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

2.1.3 US dollar convenience translation

US dollar ("USD") amounts shown in the consolidated financial statements have been included solely for the convenience of the reader and are translated from New Turkish lira ("YTL"), as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official YTL exchange rate of YTL 1,5123 = USD 1,00 on 31 December 2008. Thus, US dollar amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB as 31 December 2008. Such translations should not be construed as a representation that the YTL amounts have been or could be converted into USD at this or any other rate.

2.1.4 Consolidation principles

(a) These consolidated financial statements include the accounts of the parent company, Doğan Holding, its Subsidiaries and its Joint Ventures. The financial statements of the companies included in the consolidation are based on the accounting principles and presentation basis applied by the Group in accordance with CMB Accounting Standards. The result of operations of Subsidiaries, Joint Ventures and Associates are included or excluded in these consolidated financial statements subsequent to the date of acquisition or date of sale respectively. Where necessary, accounting policies for Subsidiaries, Joint Ventures and Associates have been changed to ensure consistency with the policies adopted by the Group.

(b) Subsidiaries are companies in which Doğan Holding has the power to control the financial and operating policies for the benefit of Doğan Holding either (1) through the power to exercise more than 50% of voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or by certain Doğan family members and companies whereby Doğan Holding exercises control over the voting rights of (but does not have the economic benefit of) the shares held by them; or (2) although not having the power to exercise more than 50% of the voting rights, through the exercise of actual dominant influence over the financial and operating policies. Proportion of ownership interest represents the effective shareholding of the Group through the shares held directly by Doğan Holding and indirectly by its Subsidiaries.

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

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

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

	Proportion of voting power held by Doğan Holding and its Subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Total proportion of ownership interest (%)	
Company name	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Hürriyet (1)	71,64	60,21	-	-	71,64	60,21	53,54	37,94
Doğan Daily News	94,25	94,25	-	-	94,25	94,25	50,46	35,76
Doğan Gazetecilik (1)	92,62	91,77	0,52	0,52	93,14	92,29	67,39	43,97
Bağımsız Gazeteciler (2)	100,00	-	-	-	100,00	-	67,39	-
Kemer Yayıncılık (2)	99,98	-	-	-	99,98	-	67,38	-
Milliyet Verlags	99,77	99,03	0,23	0,97	100,00	100,00	73,79	57,55
DMG	100,00	99,41	-	0,59	100,00	100,00	64,61	47,91
Hürriyet Medya Basım	100,00	100,00	-	-	100,00	100,00	53,54	37,94
Doğan Ofset	99,93	99,93	-	-	99,93	99,93	53,50	37,92
DYG İlan	100,00	100,00	-	-	100,00	100,00	66,23	48,47
Mozaik (4)	100,00	100,00	-	-	100,00	100,00	54,22	62,58
Milha	100,00	100,00	-	-	100,00	100,00	70,46	52,08
Doğan Haber	99,61	99,16	-	-	99,61	99,16	62,26	49,33
Yaysat	75,00	75,00	-	-	75,00	75,00	49,77	40,99
Doğan Dağıtım	100,00	100,00	-	-	100,00	100,00	72,75	63,00
Smile Dağıtım	100,00	100,00	-	-	100,00	100,00	72,76	63,02
Doğan Dış Ticaret	100,00	100,00	-	-	100,00	100,00	72,42	62,58
Işıl İthalat İhracat	96,70	96,70	-	-	96,70	96,70	70,03	60,51
Referans	100,00	100,00	-	-	100,00	100,00	53,54	37,94
Emlaksimum	99,80	99,80	0,10	0,10	99,90	99,90	53,45	38,03
Milliyet İnternet	100,00	100,00	-	-	100,00	100,00	67,39	48,62
Yenibir	100,00	100,00	-	-	100,00	100,00	53,54	37,94
Kemer Pazarlama (2)	99,96	-	-	-	99,96	-	67,39	-
TME Teknoloji (3)	100,00	-	-	-	100,00	-	53,54	-
Hürriyet Zweigniederlassung	100,00	100,00	-	-	100,00	100,00	53,54	37,94
Hürriyet Invest	100,00	100,00	-	-	100,00	100,00	53,54	37,94
TME	67,30	67,30	-	-	67,30	67,30	36,03	25,45
International Ssuarts Holding B.V.	100,00	100,00	-		100,00	100,00	36,03	25,45
Mirabridge International B.V.	100,00	100,00	-		100,00	100,00	36,03	25,45
TCM Croatia Holding BV	100,00	100,00	-		100,00	100,00	36,03	25,45
Trader Classified Media Croatia Holdings B.V.	100,00	100,00	-		100,00	100,00	36,03	25,45
Trader East Holdings B.V.	100,00	100,00	-		100,00	100,00	36,03	25,45
TCM Adria d.o.o.	100,00	100,00	-		100,00	100,00	36,03	25,45
Ssuarts Holding GmbH	100,00	100,00	-		100,00	100,00	36,03	25,45
OOO Rektcentr	100,00	70,00	-		100,00	70,00	36,03	17,81
Ssuarts Trading Ltd	55,00	55,00	-		55,00	55,00	19,82	14,00
Publishing House Pennsylvania Inc	100,00	100,00	-		100,00	100,00	36,03	25,53
Smile Holding	100,00	100,00	-	-	100,00	100,00	72,76	63,02
Doğan Platform	100,00	100,00	-	-	100,00	100,00	72,76	63,01
Doğan Yayın (1)	72,76	63,02	2,97	2,97	75,73	65,99	72,76	63,02
Trader Hungary Tanacsado Kft (9)	-	100,00	-	-	-	100,00	-	25,45
Fairworld	100,00	100,00	-	-	100,00	100,00	72,42	62,58

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

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

	Proportion of voting power held by Doğan Holding and its Subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Total proportion of ownership interest (%)	
Company name	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Falcon	100,00	100,00	-	-	100,00	100,00	72,42	62,58
Marchant	100,00	100,00	-	-	100,00	100,00	70,03	60,51
Oglasnik d.o.o.	100,00	100,00	-	-	100,00	100,00	36,03	25,53
Oglasnik Nekretnine d.o.o. (2)	100,00	-	-	-	100,00	-	36,03	-
Expressz Magyarorszag Rt (9)	-	100,00	-	-	-	100,00	-	25,45
Szuperinfo Magyarorszag Kft	100,00	100,00	-	-	100,00	100,00	36,03	25,45
Siodemka Sp. Z.o.o.	100,00	100,00	-	-	100,00	100,00	36,03	25,45
SP Belpronto OOO	60,00	60,00	-	-	60,00	60,00	21,62	15,27
OOO Pronto Rostov	100,00	100,00	-	-	100,00	100,00	36,03	25,45
SP Belpronto OOO BYR	60,00	60,00	-	-	60,00	60,00	21,62	15,27
OOO Pronto Aktobe	80,00	80,00	-	-	80,00	80,00	23,06	16,28
ZAO Avtotehsnab	85,00	85,00	-	-	85,00	85,00	30,63	21,63
OOO Novoprint	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Balt-Pronto Kaliningrad	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Delta-M	55,00	55,00	-	-	55,00	55,00	19,82	14,00
OOO Gratis	90,00	90,00	-	-	90,00	90,00	32,43	22,90
OOO Pronto Baikal	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto DV	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Ivanovo	86,00	86,00	-	-	86,00	86,00	30,99	21,88
OOO Pronto Kaliningrad	95,00	95,00	-	-	95,00	95,00	34,23	24,18
OOO Pronto Kazan	72,00	72,00	-	-	72,00	72,00	25,95	18,32
OOO Pronto Krasnodar	80,00	80,00	-	-	80,00	80,00	28,83	20,36
OOO Pronto Krasnojarsk	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Nizhnij Novgorod	90,00	90,00	-	-	90,00	90,00	32,43	22,90
OOO Pronto Novosibirsk	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Oka	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Petersburg	51,00	51,00	-	-	51,00	51,00	18,37	12,98
OOO Pronto Samara	89,90	89,90	-	-	89,90	89,90	32,39	22,88
OOO Pronto Stavropol	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto UlanUde	90,00	90,00	-	-	90,00	90,00	32,43	22,90
OOO Pronto Vladivostok	90,00	90,00	-	-	90,00	90,00	32,43	22,90
OOO Pronto Volgograd	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto-Moscow	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Tambukan	85,00	85,00	-	-	85,00	85,00	30,63	21,63
OOO Utro Peterburga	55,00	55,00	-	-	55,00	55,00	19,82	14,00
OOO Pronto Astrakhan	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Kemerovo	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Sever	90,00	90,00	-	-	90,00	90,00	32,43	22,90
OOO Pronto Smolensk	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Tula	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Voronezh	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Tambov-Info	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Obninsk	100,00	100,00	-	-	100,00	100,00	36,03	17,44
ZAO Pronto Akzhol	80,00	80,00	-	-	80,00	80,00	28,83	20,36
OOO Pronto-Akmola	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Atyrau	100,00	100,00	-	-	100,00	100,00	28,83	20,36
OOO Pronto Aktau	100,00	100,00	-	-	100,00	100,00	28,83	20,36

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

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

	Proportion of voting power held by Doğan Holding and its Subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Total proportion of ownership interest (%)	
Company name	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
SP Pronto Kiev	50,00	50,00	-	-	50,00	50,00	18,02	12,72
Internet Posao d.o.o.	100,00	100,00	-	-	100,00	100,00	25,22	12,47
Moje Delo spletni Marketing d.o.o	100,00	100,00	-	-	100,00	100,00	36,03	14,00
Bolji Posao d.o.o. Serbia	55,00	55,00	-	-	55,00	55,00	19,82	14,00
Bolji Posao d.o.o. Bosnia	55,00	55,00	-	-	55,00	55,00	19,82	14,00
RU.com OOO	100,00	100,00	-	-	100,00	100,00	36,03	14,00
OOO Partner-Soft	100,00	90,00	-	-	100,00	90,00	36,03	22,90
Pronto soft	90,00	-	-	-	90,00	-	32,43	-
E-Prostir	50,00	50,00	-	-	50,00	50,00	18,02	12,72
Expressz Garancia Kôzpont Kft (9)	-	100,00	-	-	-	100,00	-	25,45
Hürriyet Pazarlama (1)	99,94	97,47	0,05	2,53	99,99	100,00	99,94	97,46
OOO Optoprint	100,00	100,00	-	-	100,00	100,00	36,03	25,45
OOO Pronto Print	54,00	54,00	-	-	54,00	54,00	19,46	13,74
OOO Rosprint	70,00	60,00	-	-	70,00	60,00	25,22	15,27
OOO Rosprint Samara	59,50	59,50	-	-	59,50	59,50	21,44	15,14
Impress Media Marketing BVI	100,00	100,00	-	-	100,00	100,00	36,03	17,44
Impress Media Marketing LLC	100,00	100,00	-	-	100,00	100,00	36,03	17,44
OOO Pronto TV	70,00	70,00	-	-	70,00	70,00	25,22	17,81
Doğan TV	74,51	74,51	-	-	74,51	74,51	54,22	46,96
Kanal D	94,81	94,81	-	-	94,81	94,81	51,40	44,52
Işıl TV	100,00	100,00	-	-	100,00	100,00	54,22	46,96
Alp Görsel	100,00	100,00	-	-	100,00	100,00	54,22	46,96
Fun TV	95,25	94,52	-	-	95,25	94,52	51,64	44,38
Tempo TV	95,25	94,52	-	-	95,25	94,52	51,59	44,38
Kanalspor	99,63	94,52	-	-	99,63	94,52	53,96	44,38
Milenyum TV	99,94	99,94	-	-	99,94	99,94	54,18	46,93
TV 2000	98,61	98,34	-	-	98,61	98,34	49,56	46,14
Moda Radyo	99,56	86,67	0,22	6,67	99,78	93,34	53,97	40,70
Popüler TV	96,00	95,38	1,33	1,54	97,33	96,92	52,00	44,79
D Yapım Reklamcılık	100,00	100,00	-	-	100,00	100,00	54,22	46,96
Bravo TV	99,60	99,60	-	-	99,60	99,60	53,95	46,77
Doğa TV	98,12	95,38	0,63	1,54	98,75	96,92	53,20	44,79
Altın Kanal	99,35	99,35	0,22	0,22	99,57	99,57	53,81	46,65
Stil TV	99,08	98,81	-	0,79	99,08	99,60	53,67	46,40
Selenit TV (6)	99,74	99,74	-	0,13	99,74	99,87	47,12	46,83
Elit TV	98,73	98,73	-	0,64	98,73	99,37	53,47	46,36
D Çocuk	99,12	100,00	-	-	99,12	100,00	53,68	43,63
GS TV	99,80	99,57	0,13	0,29	99,93	99,86	54,06	46,75
Dönence TV	96,80	95,38	2,13	3,08	98,93	98,46	52,43	44,79
Fleks TV	98,18	97,86	1,21	1,43	99,39	99,29	53,18	45,95
Meridyen TV	99,98	95,38	0,01	3,08	99,99	98,46	54,16	44,79
Planet TV	99,47	99,47	0,35	0,35	99,82	99,82	53,87	46,71
HD TV	99,72	99,72	-	-	99,72	99,72	54,01	46,82
OOO Pronto Komi	70,00	70,00	-	-	70,00	70,00	25,22	17,81
Informatsia Vilniusa	100,00	100,00	-	-	100,00	100,00	36,03	25,45
Doğan Prodüksiyon	100,00	100,00	-	-	100,00	100,00	54,22	46,96
Doğan TV Dijital	99,70	98,42	0,20	1,05	99,90	99,47	54,00	46,21
Kutup TV	99,69	99,69	0,21	0,21	99,90	99,90	53,99	46,81

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

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

	Proportion of voting power held by Doğan Holding and its Subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Total proportion of ownership interest (%)	
Company name	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Galaksi TV	99,07	99,07	-	-	99,07	99,07	53,66	46,52
Opal İletişim (7)	99,92	99,92	-	-	99,92	99,92	54,17	46,92
Koloni TV	86,67	84,62	6,67	7,69	93,34	92,31	46,99	39,73
Atılgan TV	86,67	84,62	6,67	7,69	93,34	92,31	46,99	39,73
Atmosfer TV	86,67	84,62	3,33	3,85	90,00	88,47	46,94	39,73
Gümüş TV	92,86	92,86	1,79	1,79	94,65	94,65	50,29	43,60
Platin TV	91,30	91,30	2,17	2,17	93,47	93,47	49,45	42,87
Yörünge TV	98,39	97,06	0,40	0,74	98,79	97,80	53,29	45,57
Lapis Televizyon	99,65	88,46	0,12	3,85	99,77	92,31	54,02	41,54
Safir Televizyon	90,00	88,46	3,33	3,85	93,33	92,31	46,35	41,54
Tematik TV	90,00	88,46	3,33	3,85	93,33	92,31	48,79	41,54
Akustik TV	99,96	88,46	0,01	3,85	99,97	92,31	54,17	41,54
Ametist TV	99,96	88,46	0,01	3,85	99,97	92,31	54,19	41,54
Süper Kanal	99,53	96,00	-	-	99,53	96,00	53,91	45,08
Uydu	52,00	40,00	38,67	48,33	90,67	88,33	28,19	18,78
Mobil	75,00	75,00	-	-	75,00	75,00	40,66	35,22
Matis TV (3)	100,00	-	-	-	100,00	-	54,22	-
Yonca TV (3)	100,00	-	-	-	100,00	-	50,31	-
İnci TV (3)	86,67	-	3,33	-	90,00	-	46,94	-
Kuvars TV (3)	86,67	-	3,33	-	90,00	-	46,94	-
Lal TV (3)	86,67	-	3,33	-	90,00	-	46,94	-
Truva TV (3)	86,67	-	3,33	-	90,00	-	46,94	-
Kayra TV (3)	86,67	-	3,33	-	90,00	-	43,56	-
Milas TV (3)	86,67	-	3,33	-	90,00	-	43,56	-
Prime Türk (2)	100,00	-	-	-	100,00	-	54,22	-
Osmose Media (2)	100,00	-	-	-	100,00	-	54,22	-
Kanal D Romanya	74,90	74,90	-	-	74,90	74,90	48,39	35,89
ZAO NPK	100,00	100,00	-	-	100,00	100,00	32,81	25,45
Kisokos Directory kereskedelmi es Szolgaltato kft (9)	-	100,00	-	-	-	100,00	-	25,45
D Radyo	98,18	95,57	-	-	98,18	95,57	53,23	44,88
Rapsodi Radyo TV (5)	97,22	99,89	-	-	97,22	99,89	45,97	46,90
CNN Türk Radyo	95,60	95,60	-	-	95,60	95,60	51,83	44,89
DMC	99,94	99,94	0,02	0,02	99,96	99,96	54,18	46,93
İnteraktif Medya	75,00	75,00	-	-	75,00	75,00	38,55	35,22
DMK	100,00	100,00	-	-	100,00	100,00	72,76	63,02
Hürservis	100,00	100,00	-	-	100,00	100,00	53,54	37,94
Pratik Ödeme (8)	100,00	100,00	-	-	100,00	100,00	67,52	63,02
Smile Tedarik	100,00	100,00	-	-	100,00	100,00	72,76	63,02
Smile Sigorta	99,99	99,99	-	-	99,99	99,99	72,75	63,01
Birpa	99,95	99,95	0,02	0,02	99,97	99,97	72,72	62,98
Doğan Online	100,00	100,00	-	-	100,00	100,00	72,76	63,01
Doğan Factoring	100,00	100,00	-	-	100,00	100,00	72,05	62,11
Milpa	65,00	65,00	0,50	0,50	65,50	65,50	65,00	65,00
Milanur	100,00	99,99	-	0,01	100,00	100,00	65,01	65,00
Doğan Oto	99,76	99,76	0,24	0,24	100,00	100,00	99,76	99,76
Enteralle Handels	95,48	95,48	4,52	4,52	100,00	100,00	62,06	62,06
Orta Anadolu Otomotiv	85,00	85,00	-	-	85,00	85,00	84,95	82,84
Doğan Havacılık	100,00	100,00	-	-	100,00	100,00	88,86	86,97
Çelik Halat (1)	78,46	66,28	-	-	78,46	66,28	78,46	66,28
Ditaş Doğan (1)	66,67	53,33	-	-	66,67	53,33	66,67	53,33

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

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

	Proportion of voting power held by Doğan Holding and its Subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Total proportion of ownership interest (%)	
Company name	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Milta Turizm	98,57	98,29	-	-	98,57	98,29	98,57	98,29
Doğan Organik	100,00	90,00	-	10,00	100,00	100,00	98,22	89,99
D Tes	99,60	99,60	-	-	99,60	99,60	64,74	64,74
Zigana	84,91	65,00	0,10	4,99	85,01	69,99	84,91	65,00
Çelik Enerji	100,00	99,75	-	-	100,00	99,75	99,85	66,22
Doğan Enerji	99,99	99,99	-	-	99,99	99,99	99,99	99,99
D-Yapı Romanya (2)	100,00	-	-	-	100,00	-	100,00	-
TOV D-Yapı (2)	100,00	-	-	-	100,00	-	100,00	-
D Stroy (2)	100,00	-	-	-	100,00	-	100,00	-
SC Doğan Hospitals (3)	100,00	-	-	-	100,00	-	100,00	-

(1) The acquisition of a certain portion of this subsidiary's shares during the period led to an increase in Group's voting rights.
(2) These subsidiaries were acquired in 2008.
(3) These subsidiaries were established in 2008.
(4) The registered name of Birmaş Birleşik Televizyon Reklam Pazarlama A.Ş changed to Mozaik İletişim Hizmetleri A.Ş. in 2008.
(5) The registered name of Hürriyet Radyo Prodüksiyon ve Yayın A.Ş. changed to Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. in 2008.
(6) The registered name of Dinamik Televizyon ve Radyo Yayıncılık A.Ş. changed to Selenit Televizyon ve Radyo Yayıncılık A.Ş. in 2008.
(7) The registered name of Hür-Bim Görsel Yayıncılık A.Ş. was changed to Opal İletişim Hizmetleri A.Ş. in 2008.
(8) The registered name of Smile Pratik Ödeme Sistemleri A.Ş. was changed to Pratik Ödeme Sistemleri A.Ş. in 2008.
(9) These subsidiaries are legally combined under subsidiary Expressz Magyarorszag Rt.

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

(c) Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Doğan Holding and one or more other parties. Doğan Holding exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or by certain Doğan family members and companies whereby Doğan Holding exercises control over the voting rights of (but does not have the economic benefit of) the shares held by them. The Group's interest in Joint Ventures is accounted for by the way of proportionate consolidation. Through this method, the Group includes its share of assets, liabilities, shareholders' equity, income and expenditure of each Joint Venture in the relevant components of the financial statements.

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

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

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

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

	Proportion of voting power held by Doğan Holding and its Subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Total proportion of ownership interest (%)	
Company name	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Ray Sigorta A.Ş. ("Ray Sigorta")	20,00	20,00	-	-	20,00	20,00	20,00	20,00

(e) Available-for-sale equity investments in which the Group, together with Doğan family members, has an interest below 20%, or above 20% over which the Group does not exercise a significant influence, or which are immaterial and that do not have quoted market price in active markets and whose fair values cannot be measured reliably, are carried at cost less any provision for diminution in value (Note 7).

Available-for-sale equity investments in which the Group, together with Doğan Family members, has an interest below 20% or over which the Holding does not exercise a significant influence and that have quoted market prices in active markets and whose fair values can be measured reliably are carried at fair value.

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

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

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

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

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

The consolidated financial statements of the Group are prepared comparatively to enable the determination of the trends of the financial position and performance. The Group presented the balance sheet at 31 December 2008 comparatively with the balance sheet at 31 December 2007, the statement of income for the year ended 31 December 2008 comparatively with the statement of income for the year ended 31 December 2007, statement of cash flow and statement of changes in shareholders' equity for the period 1 January - 31 December 2008 comparatively with the financial statements for the period 1 January - 31 December 2007.

- As of 31 December 2008, Group has early adopted IFRS 8 "Operating Segments" standard (it has been started from the period ended 31 December 2007) that will be effective for the periods beginning on or after 1 January 2009 and accordingly restated 31 December 2007 segment reporting information to conform comparative financial statements. As a result of abovementioned restatement, companies at "Media" and "Other" segments were reclassified in respect to management reporting (Note 1). This restatement has no effect on reported net income (Note 5).
- Group has presented financial statements in thousands of New Turkish Lira ("YTL") as of 31 December 2008, in order to conform comparative financial statements, 31 December 2007 financial statements and related notes have been converted from New Turkish Lira ("YTL") to thousands of YTL.
- Sales premium amounting to YTL 20.259, which were presented as "Marketing, sales and distribution expenses" for the consolidated statement of income for the year ended 31 December 2007, have been reclassified to "Sales" and presented net and comparative with the consolidated statement of income for the year 31 December 2008. The reclassification has no effect on the reported net profit for the period ended.
- Advertisement agency commission expenses amounting to YTL 29.399 which were presented as "Cost of sales", have been reclassified to "Sales" in the consolidated statement of income for the year ended 31 December 2007 and presented in net and comparative with the consolidated statement of income for the year ended 31 December 2008. The reclassification has no effect on the reported net profit for the period ended.
- The foreign exchange gains and losses (Note 32 and 33) which were presented as net in the consolidated statement of income for the year ended 31 December 2007 are presented as gross in order to result in a more appropriate presentation with the statement of income for the year ended 31 December 2008. As a result of the reclassification financial income and expenses have been increased by YTL 373.944 respectively. The reclassification has no effect on the reported net profit for the year ended 31 December 2007.

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

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

Consolidated financial statements and accompanying notes have been presented in accordance with the format, recommended by CMB with its announcement dated 17 April 2008, and by including the mandatory information (Note 2.1.1). In this regard, necessary changes have been made in the financial statements of previous period in order to result in a more appropriate presentation with the consolidated financial statements as of 31 December 2008. All the reclassifications, details of which are summarized below; have been made in order to conform to the aforementioned recommended format.

- Financial investments: The items amounting to YTL 473, included as in "Cash and cash equivalents" and amounting to YTL 23.535, included as in "Other receivables" at 31 December 2007, have been reclassified to "Financial investments" in the current period.

- Trade receivables: The items amounting to YTL 3.981, included in "Leasing receivables" at 31 December 2007, have been reclassified to "Trade receivables" in the current period.

- Other receivables: The items amounting to YTL 23.980, included in "Trade receivables" at 31 December 2007, have been reclassified to "Other receivables" in the current period.

- Other current assets: The items amounting to YTL 18.241, included in "Inventories", and the items amounting to TRY 41.495, included in "Other receivables" at 31 December 2007, have been reclassified to "Other current assets" in the current period.

- Non current assets held for sale: The items amounting to YTL 4.387, included in "Other non-current assets" at 31 December 2007, have been reclassified to "Other trade receivables", "Other current assets" and "Other non-current assets" in the current period.

- Other long term receivables: The items amounting to YTL 2.007, included in "Trade Receivables" at 31 December 2007, have been reclassified to "Other Receivables" in the current period.

- Long term trade receivables: The items amounting to YTL 4.196, included in "Leasing receivables" at 31 December 2007, have been reclassified to "Trade receivables" in the current period.

- Property, plant and equipment: The items amounting to YTL 3.981 included in "Short-term trade receivables" and amounting to YTL 4.196 included in "Long-term trade receivables" which are furniture and fittings and purchased through financial leasing by Smile Dağıtım, a Subsidiary of the Group and utilized by dealers, are presented as "Property, Plant and Equipment" in the comparatively presented consolidated financial statements.

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

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

- Other non-current assets: The items amounting to YTL 1.906, included in "Property, plant and equipment" and the items amounting to YTL 3.196, included in "Other receivables" at 31 December 2007, have been reclassified to "Other non-current assets" in the current period.

- Borrowings: The items amounting to YTL 15.212, included in "Leasing payables" and the items amounting to YTL 15.853, included in "Trade payables" at 31 December 2007, have been reclassified to "Borrowings" in the current period.

- Long-term borrowings: The items amounting to YTL 27.501, included in "Leasing payables", the items amounting to YTL 103.432, included in "Other payables" and the items amounting to YTL 83.272, included in "Trade payables" at 31 December 2007, have been reclassified to "Long-term borrowings" in the current period.

- Other payables: The items amounting to YTL 4.295, included in "Advances received" at 31 December 2007, have been reclassified to "Other payables" in the current period.

- Other current liabilities: The items amounting to YTL 7.411, included in "Provisions" at 31 December 2007, have been reclassified to "Other current liabilities" in the current period.

- Current income tax liabilities: The items amounting to YTL 29.028, included in "Provisions" at 31 December 2007, have been reclassified to "Current income tax liabilities" in the current period.

- Other long-term liabilities: The items amounting to YTL 40.485, included in "Advances received" and the items amounting to YTL 11.071, included in "Trade payables" at 31 December 2007, have been reclassified to "Other long-term liabilities" in the current period.

- Provision for employment benefits: The items amounting to YTL 26.726, included in "Provisions" at 31 December 2007, have been reclassified to "Provision for/employment benefits" in the current period.

- Financial investments: The items amounting to YTL 6.080, included in "Financial assets" at 31 December 2007, have been reclassified to "Financial investments" in the current period.

- Investments accounted for by the equity method: The items amounting to YTL 21.842, included in "Financial assets" at 31 December 2007, have been reclassified to "Investments accounted for by the equity method" in the current period.

- Adjustment to share capital: The items amounting to YTL 331.903, included in "Inflation adjustment to shareholders' equity" at 31 December 2007, have been reclassified to "Adjustment to share capital" in the current period.

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

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

- Restricted reserves: The items amounting to YTL 15.762, included in "Legal reserves" and the items amounting to YTL 761.623, included in "Investment and property sales income to be added to the capital" at 31 December 2007, have been reclassified to "Restricted reserves" in the current period.

- Retained earnings: The items amounting to YTL 323.465, included in "Inflation adjustment to shareholders' equity", the items amounting to YTL 11.748, included in "Extraordinary reserves" and the items amounting to YTL 2.361, included in "Other reserves" at 31 December 2007, have been reclassified to "Retained earnings" in the current period.

2.1.6 Significant accounting estimates and decisions

The preparation of the consolidated financial statements requires the use of judgments and estimates which might affect the amounts of assets and liabilities, explanation of commitments and contingent liabilities which were reported as of the balance sheet date and the revenues and expenses which were reported throughout the period. Even though, these judgments and estimates are based on the best estimates of the Company's management, the actual results might differ from them.

2.1.7 Offsetting

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

2.2 Summary of significant accounting policies

Accounting policies for Subsidiaries and Joint Ventures have been changed to ensure consistency with the policies adopted by the Group, where necessary. The significant accounting policies, other than Group accounting which is described in Note 2.1.4, followed in the preparation of these consolidated financial statements are summarized below:

2.2.1 Related parties

For the purpose of these consolidated financial statements, shareholders, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them and Joint Ventures are considered and referred to as Related Parties (Note 37).

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

2.2.2 Marketable securities and financial investments

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

"*Financial assets at fair value through profit or loss*" are either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit making exists, independent from acquisition reason. Trading securities are initially recognized at cost of purchase including the transaction costs. Trading securities are subsequently re-measured at fair value. All related realized and unrealized gains and losses are included in the "financial income". Dividends received are recognized as dividend income in the consolidated statement of income.

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

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

2.2.3 Sale and repurchase agreements

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

2.2.4 Trade receivables and provision for doubtful receivables

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

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

2.2.4 Trade receivables and provision for doubtful receivables (Continued)

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.

2.2.5 Inventories

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

Inventories related to Energy operating segment are valued at the lower of cost or net realisable value. Group management has identified that cost of inventories related to Energy operating segment is higher than their net realisable value as of 31 December 2008. The impairment calculation requires management to estimate the future cash flows expected to arise from sale of inventories and the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Based on the estimate made by Group management, the cost of inventories related to Energy segment was reduced by YTL 37.256 and the expense was recorded to cost of sales.

2.2.6 Investment properties

Buildings and land held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services, or for administrative purposes or sale in the ordinary course of business, are classified as investment property. Investment properties are carried at cost less accumulated depreciation. Investment properties (except land) are depreciated on a straight-line basis. Depreciation is calculated on the values of investment properties (Note 17). The depreciation periods for investment property, which approximate the economic useful lives of such assets, are between 5 and 50 years.

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

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

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

2.2.7 Property, plant and equipment

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

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

Land improvements	2 - 50 years
Buildings	2 - 50 years
Machinery and equipment	2 - 28 years
Motor vehicles	2 - 17 years
Furniture and fixtures	2 - 50 years
Leasehold improvements	2 - 39 years
Other fixed assets	1 - 50 years

Property, plant and equipment is reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use.

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

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

Other tangible assets mainly consist of tanks, stations and station equipments.

2.2.8 Leases

Financial Lease

Tangible asset gained through financial leasing is capitalized at the lower of cost of the tax advantage of the asset at the beginning of the leasing period or the fair value after deducting incentives or the reduced minimum leasing payments on the date of the leasing. The capital element is treated as a reduction to the capitalized obligation under the lease and the interest element is charged to the statement of income. The property, plant and equipment acquired under finance leases are depreciated over the useful life of the asset.

Operational lease

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

2.2.9 Goodwill

Goodwill and negative goodwill arising on consolidation, indicating the difference between the purchase price and the attributable share of the Group in the fair value of the underlying net assets of the company acquired, are capitalized and amortized using the straight-line method over the useful life until 31 December 2004, if the acquisition is before 31 March 2004. Within framework of IFRS 3 "Business Combinations", amortization accounting is not applied for goodwill related to the acquisitions after 31 March 2004, and the carrying value of goodwill is reviewed and adjusted for permanent impairment where it is considered necessary (Note 20).

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

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

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

2.2.10 Intangible assets

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

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

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

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

2.2.10 Intangible assets (Continued)

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

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

Useful lives acquired through the purchase of POAŞ shares, which is a joint venture of the Group under the energy segment, along with dealer and customer agreements of intangible assets in the consolidated financial statements have been ascertained as 15 years. The valuation method used to determine the fair value has been taken into consideration while applying the declining balance method of depreciation on the intangible assets. As the brand equity of POAŞ, which is similarly included on the consolidated financial statements through the stated purchases, has an indefinite useful life, it is not subject to amortisation and has been examined for any loss in value in the value assessment.

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

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

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

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

Intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use.

2.2.11 Programme stocks

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

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

2.2.12 Taxes

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date.

Significant temporary differences arise from the financial losses to be deducted, the provision of doubtful receivables, the provision of employment termination benefits, the restatement of property, plant and equipment and inventory over their historical cost, and from the differences of tax bases.

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

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

2.2.13 Provisions, contingent assets and liabilities

If the Group has liabilities from previous events, will probably sells its economically beneficial assets to pay these liabilities and estimates the cost of the liabilities and if this estimation is reliable; a provision is provided for the related liabilities and the provision is displayed on the financial statements. Contingent liabilities are revaluated continuously to determine the sales probability of the economically beneficial assets. If economically beneficial assets are going to be sold for certain in the future for the payment of the items displayed as contingent liabilities, a provision is provided and displayed in the financial statements for the related contingent liabilities except for the reliable value estimation of the economically beneficial assets which cannot be performed at the time when the sales probability of the economically beneficial assets is made.

Although the payment of the contingent liabilities is certain and the value estimation of the economically beneficial assets is not reliable, the Group displays related liabilities in the footnotes.

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

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

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

2.2.14 Financial liabilities

Financial liabilities are recognised initially at proceeds received, net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost using the effective yield method. Any difference between the proceeds and redemption value is recognised in the consolidated statements of income over the period of the borrowings.

2.2.15 Eurobonds

Eurobonds are recognized initially at their fair value, being their issue proceeds net of transaction costs incurred. Eurobonds are subsequently stated at amortised cost using the effective yield method; any difference between the proceeds and redemption value is recognized in the consolidated income statement over the period of the Eurobonds. As of 31 December 2008, there are no issued Eurobonds by the Group.

2.2.16 Accounting of share sales purchases from minority interest

The Group applies "Parent Company Model" (for purchase and sale transactions of subsidiary's shares) for transactions when the control is not lost. Disposals to minority interests that are resulted in gains and losses, are recorded in the income statement (Note 31). Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary (Note 3 and Note 20). Please refer to Note 2.2.34 for future significant changes in CMB Financial Reporting Standards.

2.2.17 Employment termination benefits

Employment termination benefits represent the present value of the estimated total reserve of the future probable obligation that arises on the retirement of the employees, employees who achieve the retirement age and employees whose employment is terminated without due cause, who are called up for military service or who die, calculated in accordance with the Turkish Labour Law and Press Labour Laws for companies in the media segment (Note 24).

2.2.18 Share capital and dividends

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

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

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

2.2.19 Foreign currency transactions

Functional currency

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

Foreign currency transactions and balances

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

Foreign Group companies

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

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

Country	**Currency unit**	**2008**	**2007**
Euro zone	Euro	2,1408	1,7102
Russia	Ruble	0,0516	0,0475
Hungary	Forint	0,0080	0,0067
Croatia	Kuna	0,2927	0,2335
Ukraine	Grivna	0,2011	0,2266
Romania	Ley	0,5346	0,4465
England	Pound	2,1924	2,3259
Georgia	Lari	0,9091	0,7369
Bahamas	Bahamian Dollar	1,5421	1,1764

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

2.2.20 Revenue recognition

a) Media segment

Revenues include the invoiced value of sales of goods and services. Revenues are recognized on an accrual basis at the time deliveries or acceptances are made and risk and benefits are transferred, the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group, at the fair value of the consideration received or receivable. Net sales represent the invoiced value of goods shipped less sales returns and commission.

When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized as interest income on a time proportion basis that takes into account the effective yield on the asset (Note 28).

Revenues from television, newspaper, magazine and other advertisements

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

Revenues from newspaper and magazine sales

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

Revenues from printing services

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

b) Energy segment

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

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

2.2.20 Revenue recognition (Continued)

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

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

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

c) Other segment

Revenue is recognized on the invoiced amount on an accrual basis at the time of deliveries or acceptances are made. Net sales represent the invoiced value of goods shipped less sales returns and commission. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using the effective yield method. The difference between the fair value and the nominal amount of the consideration is recognized as "financial income" on a time proportion basis that takes into account the effective yield on the asset.

Service and other revenues are recognized on accrual basis at the fair value of the amount obtained or to be obtained based on the assumptions that delivery is realized, the income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is probable.

Other revenues

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

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

2.2.21 Research and development costs

Research and development costs are recognized as an expense in the consolidated statement of income in the period in which they are incurred.

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

2.2.22 Barter agreements

The Group provides advertising services in return for advertisement and other products and services. When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction which generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. If the fair value of the goods or services received are not measured reliably, the revenue is measured at the fair value of the goods or services supplied, adjusted by the amount of any cash or cash equivalents transferred.

2.2.23 Liquid Assets

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

2.2.24 Cash and cash equivalents

Cash flow statements as integral part of financial statements are prepared so as to inform users of financial statements regarding the change in Group's net assets, financial structure and the ability to guide cash flow amounts and timing according to the changing conditions.

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

2.2.25 Earnings per share

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

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

In case of dividend payment, earning per share is determined on existing number of shares (2.450.000.000) rather than the weighted average numbers of shares.

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

2.2.26 Segment reporting

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

2.2.27 Accounting of derivative financial instruments and hedging transactions

2.2.27.a) Derivative financial instruments

Fair value is used when derivative financial instruments are recorded for the first time and valued at fair value in the following periods. The gain/loss on the hedging transactions calculation method depends on the properties of the hedged transaction. On the date the derivative agreement is done, the Group determines the derivative instrument at fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability, or cash flow hedges when hedging the exposure to the variability in cash flows either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction. The Group uses various hedging instruments to preserve the value of its petroleum inventories and cargo imports, to ensure a constant flow of income, and to minimize adverse price movements (Note 7).

2.2.27.b) Accounting for put-options

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

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

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

2.2.28 Minority interests

Minority interests present the shares of minority shareholders in the net assets and the results of the period for the Subsidiaries and are separately disclosed in the consolidated balance sheets and statements of income. When the losses applicable to the minority exceed the minority interest in the equity of the subsidiary, the excess loss and the further losses applicable to the minority are charged against the majority interest except to the extent that the minority has a binding obligation to, and is able to make good the losses.

2.2.29 Business combinations

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

If the acquisition cost is lower than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as income in the related period.

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

2.2.30 Impairment of assets

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

The Group reviews goodwill and intangible assets that have indefinite useful life for Media and Energy segments at 31 December 2008 in order to see if there is an impairment on the stated assets and assumptions and models of impairment test are explained at Note 20. Impairment test evaluates if there is a sign of impairment for assets related to abovementioned segments.

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

2.2.31 Change in accounting policies, accounting estimates and errors

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

2.2.32 Deferred financial income/expenses

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

2.2.33 Critical Accounting Estimates, Assumptions and Judgements

2.2.33.a) Critical accounting estimates and assumptions

Media segment:

(i) Probable liabilities related to the share sales agreement signed with Axel Springer

As explained in Note 22, the Group sold 90,854,185 shares, 25% of the share capital of Doğan TV Holding A.Ş., to Commerz-Film GmbH (formerly registered as Dreiundvierzigste Media Vermögengsverwaltungsgesellschaft mbH), a 100% subsidiary of Axel Springer A.Ş., for EUR 375 million (YTL 694,312) (this amount is defined as "initial sales price") on 2 January 2007.

EUR 375 million, which is defined as initial sales price above, is subject to change based on to the circumstances explained below. As per the agreement, the initial sales price will be revised according to the "initial public offering" ("IPO") of the shares of Doğan TV Holding A.Ş. or "not". Besides, on 27 December 2008 as explained to public, within the confirmation with Axel Springer Group, the dates subjecting to recalculation of "initial sales price" have been postponed by 4 years. The mentioned confirmation has not yet become effective as defined conditions are expected to be realized.

In the event that shares of Doğan TV Holding A.Ş are offered to the public before the end of 2015 (formerly 2011), if the fair value of 25% shares held by Axel Springer determined by the public offering price (which will be determined by the quarterly average share price after IPO) exceeds the final sales price (the final sales price will be calculated by adding the interest accrued on the initial sales price on a Eurolibor basis before the public offering to the initial sales price), the excess shall be shared by Axel Springer and the Doğan Yayın evenly. If the fair value is less than the final sales price, the difference will be compensated to Axel Springer by the Group.

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

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

2.2.33 Critical Accounting Estimates, Assumptions and Judgements (Continued)

2.2.33.a) Critical accounting estimates and assumptions (Continued)

In the event that shares of Doğan TV Holding A.Ş. are not offered to the public before the end of 2015 (formerly 2011), if the fair value of Doğan TV Holding A.Ş., determined by valuation techniques in March 2016 (formerly 2012), is less than the final sales price, Axel Springer will be compensated for the difference by the Group.

In the event that the public offering of shares of Doğan TV Holding A.Ş. is realized between 2015 (formerly 2011) and 2018 (formerly 2014), the positive value arising between the fair value determined as of March 2016 (formerly 2012) and the public offering value will be shared equally, if this has a negative value no transaction will be performed.

The Group has currently determined the fair value of Doğan TV Holding A.Ş. as of the balance sheet date in order to ascertain whether the Group has a financial responsibility or not regarding the above-mentioned issue.

Cash flow projections for Doğan TV Holding A.Ş. for the years 2009 to 2018 for the purpose of determination of fair value have been prepared, and the fair value of Doğan TV Holding A.Ş. has been calculated by discounting the mentioned cash flows. The CMB Financial Reporting Standards suggest that projections on the basis of valuations shall be made covering a budget period of 5 years. The Company management believes that 10-year projections will result better considering the fluctuations in current market conditions and considering the entities which have been made significant investments within the Company are at the starting period of their operations.

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

	2008 - 2013	2013 - 2018
Revenue increase in the budgeted period (1)	23,6%	14,8%

The EBITDA margin for the year ended 31 December 2008 is 1.0% and the EBITDA margin assumptions for the budgeted period are as follows

	2009	2012	2015	2018
EBITDA margin (2)	4,1%	26,0%	29,4%	32,4%

(1) Compound annual growth rate (CAGR)
(2) Earnings before interest, taxes, depreciation, and amortisation

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

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

2.2.33 Critical Accounting Estimates, Assumptions and Judgements (Continued)

2.2.33.a) Critical accounting estimates and assumptions (Continued)

Cash flow projections are discounted with the rate of weighted average cost of capital. Annual discount rates are as follows:

Years	**2010**	**2012**	**2014**	**2016**	**2018**
Rate of weighted average cost of capital	17,6%	15,5%	14,1%	13,6%	13,5%

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

(ii) Intangible assets with indefinite useful lives

Group estimates that the useful lives of brand names and territorial broadcasting permissions and licenses (frequency rights) are infinite as further discussed in Note 2.2.10. If these intangible assets' useful lives had been finite (in case of useful lives of 20 years) amortization charge would have increased by YTL 17.501 and loss before income taxes from continuing operations would have increased by YTL 17.501.

(iii) Impairment of assets

As explained in Note 2.2.30, Group compares every cash generating unit's carrying amount with their net realisable value. According to effect of global economic crisis at cash generating units, impairment has been identified for goodwill related with Hungary and East Europe and trade mark and licence carried by Expressz Magyarorszag Rt., a subsidiary located in Hungary. Accordingly, if the estimated after tax discount rate for cash flow estimations is 1% lower than Group management estimation, the Group would have recognised a further impairment for intangible assets of YTL 4.050 and net loss before minority interest would be YTL 4.050 higher.

Energy segment:

(i) Intangible assets with indefinite useful lives

Group estimates the useful lives of trademarks of energy segment are infinite as further discussed in Note 2.2.10. If these intangible assets' useful lives had been finite (in case of useful lives of 20 years), amortization charge would have increased by YTL 6.977 and loss before taxes from continuing operations would have increased by YTL 6.977.

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

2.2.33 Critical Accounting Estimates, Assumptions and Judgements (Continued)

2.2.33.b) Critical accounting judgements

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

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

- The Group has latitude, within economic constraints, to set the selling price with the customer,

- The Group has general inventory risk. The Group purchases the newspapers and magazines from suppliers and sells them to its dealers through its distribution network. The Group returns the newspapers and magazines returned by its dealers to the original supplier. The general inventory risk is carried approximately for a week for newspaper and magazine sales,

- The Group has the credit risk associated with the transaction.

2.2.34 Amendments in International Financial Reporting Standards

a) Standards, amendments and interpretations effective from 2008

- International Financial Reporting Implementation Committee ("IFRIC") 11, "IFRS 2 - Group and Treasury Share Transactions"
- IFRIC 12, "Service Concession Arrangements"
- IFRIC 13, "Customer Loyalty Programmes"
- IFRIC 14, "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction"

  The aforementioned interpretations do not have material effect on the consolidated financial statements.

b) Standards that have been early adopted by the Group

- IFRS 8 "Operating Segments" supersedes IAS 14 "Segment Reporting" and brings "Management Approach" in order to report segment information on the same basis as internally reporting. As of 31 December 2007, the Group has early adopted IFRS 8 "Operating Segments" that will be effective for the periods beginning on or after 1 January 2009 and reclassified the companies under "Media" and "Other" segments in respect to management reporting (Note 1 and Note 2.1.5).

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

2.2.34 Amendments in International Financial Reporting Standards (Continued)

c) Standards, amendments and interpretations that are not yet effective in 2008 and have not been early adopted

Effective from 1 January 2009:

- IAS 1 (Amendment), "Presentation of Financial Statements"
- IAS 19 (Amendment), "Employee Benefits"
- IAS 23 (Amendment), "Borrowing Costs"
- IAS 32 (Amendment), "Financial Instruments: Presentation"
- IAS 36 (Amendment), "Impairment of Assets"
- IAS 38 (Amendment), "Intangible Assets"
- IAS 39 (Amendment), "Financial Instruments: Recognition and Measurement"
- IFRS 1 (Amendment) "First-time Adoption of International Financial Reporting Standards" and IAS 27 "Consolidated and Separate Financial Statements"
- IFRS 2 (Amendment), "Share-based Payment"
- IFRIC 15, "Agreements for the Construction of Real Estate"
- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation"

Effective from annual periods on or after 1 July 2009:

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

Effects of the aforementioned amendments to the consolidated financial statements will be evaluated and applied starting from the effective dates.

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

NOTE 3 - BUSINESS COMBINATIONS

The details of the business combinations during the years ended 31 December 2008 and 2007 are as follows:

1 January - 31 December 2008

Vatan Newspaper

Doğan Gazetecilik, a subsidiary of the Group, acquired 40,16% shares of Bağımsız Gazeteciler, which owns Vatan Gazetesi brand and its franchise right, in consideration of YTL 8.534 (USD 7,2 million) and 100% shares representing the capital of Kemer Yayıncılık ve Gazetecilik A.Ş., which has a 59.84% shareholding in the share capital of Bağımsız Gazeteciler, taking into account the fact that almost all of Kemer Yayıncılık ve Gazetecilik A.Ş.’s assets are composed of its participation in Bağımsız Gazeteciler, in consideration of YTL 12.719 (USD 10,8 million) on 13 March 2008. The provisional purchase price allocation as at 31 March 2008 was subsequently completed at 30 June 2008. The acquisition resulted in goodwill amounting to YTL 62.865.

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

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

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

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

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NOTE 3 - BUSINESS COMBINATIONS (Continued)

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

Other

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

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

Disposals:

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

1 January - 31 December 2007

Acquisitions:

Trader Media East ("TME")

The Group acquired 67,3% of the shares of TME in consideration of YTL 435.385 at 29 March 2007. The provisional purchase price allocation during the interim reporting periods of 2007, was completed at 31 December 2007. The acquisition resulted in a goodwill amounting to YTL 240.237.

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

The Group has finalised external valuation studies for the fair values of identifiable assets, liabilities and contingent liabilities acquired, the allocation of purchase prices relating to these business combinations and goodwill or negative goodwill arising as a result of the acquisition. The fair values of identifiable assets, liabilities and contingent liabilities acquired and acquisition costs are as follows:

Current assets	59.881
Non-current assets	682.379
Current liabilities	(253.559)
Non-current liabilities	(175.148)
Minority interests	(118.405)
Fair value of net assets	**(195.148)**
Less: cost of acquisition	435.385
Goodwill (Note 20)	**240.237**

NOTE 3 - BUSINESS COMBINATIONS (Continued)

If the acquisition transaction had taken place on 1 January 2007, revenue of the Group would have increased by YTL 96.002 and profit attributable to equity holders of the Group would have decreased by YTL 13.966.

Moje Delo d.o.o. ("Moje Delo")

TME, a subsidiary of the Group, acquired 55% of the shares of Moje Delo d.o.o. ("Moje Delo") operating in Slovenia in 2007. Acquisition cost is determined as EUR 2 million plus the net income of Moje Delo for the period 1 January - 31 December 2007. The upper limit for the conditional payment is determined as EUR 1 million. The acquisition resulted in goodwill amounting to YTL 11.071.

Süper Kanal TV Video Radyo Basın Yapım Yayın Tanıtım ve Haber Hizmetleri A.Ş.

Doğan TV, a subsidiary of the Group, acquired 48% of the shares of Süper Kanal TV Video Radyo Basın Yapım Yayın Tanıtım ve Haber Hizmetleri A.Ş., a joint venture for a nominal amount of YTL 4.515 in 2007. The acquisition resulted in goodwill amounting to YTL 4.972.

Hürriyet, Doğan Gazetecilik and Doğan Burda

Group acquired 0,21%, 9,69%, 1,86% and 0,77% of the shares of Hürriyet, Doğan Gazetecilik, DB and POAS, shares of which are publicly traded, respectively in consideration of YTL 52.778 in 2007. Goodwill amounting to YTL 29.514 arose as a result of these transactions since Group chose "Parent Company Model" as accounting policy for business combinations.

Doğan Gazetecilik

The effective ownership interest of the Group in Doğan Gazetecilik changed due to the change in shareholder structure in Doğan Gazetecilik, details are explained in Note 8, and Goodwill amounting to YTL 5.198 arose.

Disposals:

The Group has sold 90.854.185 shares with a nominal value of YTL 1 each, totalling EUR 375.000 representing 25% of the shared capital of Doğan TV, to Dreiundvierzigste Media Vermögengsverwaltungsgesellschaft mbH, an associate of Axel Springer AG. Total gain on this sale amounts to YTL 601.201 and is classified in "Other income/expenses" in the consolidated statement of income (Note 31).

The Group signed an agreement with an international investment group Kardan N.V. along with TBIH Financial Services Group N.V. ("TBIH") where the main capital is owned by Austria's leading insurance company Wiener Staedtische Versicherung AG Vienna Insurance Group regarding the sale of 58,2% shares of the Group's subsidiary Ray Sigorta , where the Group has 78,2% shares of Ray Sigorta capital, amounting to USD 81.480. As of 8 June 2007, transfer of 58,2% shares of Ray Sigorta with a nominal value of YTL 23.280 is finalized and total amount is collected in cash. Total gain on this sale is YTL 93.227 and is classified as "Other income/expense" in consolidated statements of income (Note 31). Direct interest of the Group in Ray Sigorta capital is 20% after the transaction (Note 2.1.4d).

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NOTE 4 - JOINT VENTURES

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

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

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

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:

	Proportion of voting power held by Doğan Holding and its Subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Total proportion of ownership interest (%)	
Company name	2008	2007	2008	2007	2008	2007	2008	2007
POAŞ (1)	54,17	53,50	-	-	54,17	53,50	54,17	53,50
DB (1)	44,89	42,58	-	-	44,89	42,58	30,31	26,83
DB Popüler	44,87	42,58	-	-	44,87	42,58	30,30	26,82
Doğan Egmont	50,00	50,00	-	-	50,00	50,00	33,76	31,51
DPP	46,00	46,00	10,00	10,00	56,00	56,00	22,43	20,18
Ultra Kablolu	50,00	50,00	-	-	50,00	50,00	33,76	31,51
TNT	75,04	75,04	-	-	75,04	75,04	37,76	35,24
Doğan Teleshopping	50,00	50,00	-	-	50,00	50,00	25,15	23,48
Birey İK	50,00	50,00	50,00	50,00	100,00	100,00	31,46	21,98
Katalog	50,00	50,00	-	-	50,00	50,00	33,76	31,51
Turner Doğan	49,99	49,99	-	-	49,99	49,99	25,15	23,47
DD Konut Finansman	47,00	47,00	4,00	4,00	51,00	51,00	39,37	38,31
Aslancık Elektrik	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	40,00	40,00	5,00	5,00	45,00	45,00	40,00	40,00

(1) Acquisitions of shares of these joint ventures in the period cause an increase in voting power.

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

NOTE 4 - JOINT VENTURES (Continued)

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:

	2008	2007
Current assets	1.925.967	1.398.762
Non-current assets	2.029.999	1.794.738
Total assets	**3.955.966**	**3.193.500**
Current liabilities	1.280.279	866.194
Non-current liabilities	1.093.503	835.751
Equity	1.582.184	1.491.555
Total liabilities and equity	**3.955.966**	**3.193.500**

	2008	2007
Revenues	9.402.882	7.274.995
Gross profit	682.697	495.264
Net profit for the period	46.729	166.123

NOTE 5 - SEGMENT REPORTING

a) <u>External Revenues</u>

	2008	*Restated* 2007
Media (*)	2.873.647	2.549.919
Energy	9.312.098	7.207.306
Other (*)	318.755	505.129
	12.504.500	**10.262.354**

b) (Loss)/Profit before income taxes

	2008	*Restated* 2007
Media (*)	(428.435)	764.826
Energy	3.485	161.274
Other (*)	404.836	(104.939)
	(20.114)	**821.161**

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

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

NOTE 5 - SEGMENT REPORTING (Continued)

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

	Media (*)	Energy	Other (*)	Inter segment elimination	Total
External revenues	2.873.647	9.312.098	318.755	-	12.504.500
Intra segment revenues	2.362.359	-	3.358	-	2.365.717
Inter segment revenues	6.285	7.109	40.669	-	54.063
Total revenues	**5.242.291**	**9.319.207**	**362.782**	**-**	**14.924.280**
Total cost of sales	**(4.298.252)**	**(8.662.615)**	**(317.193)**	**-**	**(13.278.060)**
Revenues	2.879.933	9.319.207	359.423	(54.063)	12.504.500
Cost of sales	(2.213.128)	(8.662.615)	(317.194)	259	(11.192.678)
Gross profit	**666.805**	**656.592**	**42.229**	**(53.804)**	**1.311.822**
Marketing, selling and distribution expenses	(343.627)	(170.583)	(11.802)	133	(525.879)
General administrative expenses	(363.332)	(113.315)	(60.573)	56.504	(480.716)
Other income/(expenses), net	5.922	(16.689)	52.953	(27)	42.159
Share of profit of investments accounted for by the equity method	-	-	1.623	-	1.623
Financial income	176.578	429.913	666.128	(11.257)	1.261.362
Financial expenses	(570.781)	(782.433)	(285.722)	8.451	(1.630.485)
(Loss)/profit before income taxes -before inter segment elimination	**(428.435)**	**3.485**	**404.836**	**-**	**(20.114)**

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

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

NOTE 5 - SEGMENT REPORTING (Continued)

d) Segmental analysis for the year ended 31 December 2007;

	Restated **Media (*)**	**Energy**	***Restated*** **Other (*)**	**Inter segment elimination**	**Total**
External revenues	2.549.919	7.207.306	505.129	-	10.262.354
Intra segment revenues	1.885.222	-	3.533	-	1.888.755
Inter segment revenues	9.524	4.446	40.210	-	54.180
Total revenues	**4.444.665**	**7.211.752**	**548.872**	**-**	**12.205.289**
Total cost of sales	**(3.576.106)**	**(6.717.804)**	**(521.429)**	**-**	**(10.815.339)**
Revenues	2.559.443	7.211.752	545.339	(54.180)	10.262.354
Cost of sales	(1.949.715)	(6.717.804)	(519.297)	51.253	(9.135.563)
Gross profit	**609.728**	**493.948**	**26.042**	**(2.927)**	**1.126.791**
Marketing, selling and distribution expenses	(266.371)	(154.320)	(18.346)	-	(439.037)
General administrative expenses	(279.484)	(139.251)	(54.548)	1.541	(471.742)
Other income/(expenses), net	548.745	(174.989)	(3.606)	(188)	369.962
Share of profit of investments accounted for by the equity method	-	-	(1.477)	-	(1.477)
Financial income	299.709	348.239	187.205	2.302	837.455
Financial expenses	(147.501)	(212.353)	(240.209)	(728)	(600.791)
Profit/(loss) before income taxes -before inter segment elimination	**764.826**	**161.274**	**(104.939)**	**-**	**821.161**

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

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

NOTE 5 - SEGMENT REPORTING (Continued)

e) Segment assets

	2008	*Restated* 2007
Total assets		
Media	4.648.064	4.064.146
Energy	3.736.637	3.145.880
Other	2.230.076	1.900.198
Total	**10.614.777**	**9.110.224**
Less: segment elimination	(6.310)	(41.775)
Total assets per consolidated financial statements	**10.608.467**	**9.068.449**
Net assets		
Media	1.513.279	1.910.626
Energy	1.398.175	1.458.243
Other	1.891.624	1.450.131
Total	**4.803.078**	**4.819.000**
Less: segment elimination	(949.576)	(1.061.425)
Shareholders' equity	**3.853.502**	**3.757.575**
Minority interests	852.322	1.205.781
Total net assets per consolidated financial statements	**4.705.824**	**4.963.356**

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

NOTE 5 - SEGMENT REPORTING (Continued)

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

	2008	*Restated* 2007
Capital Expenditures		
Media	343.069	882.055
Energy	161.562	126.723
Other	83.814	43.018
Total	**588.445**	**1.051.796**
Depreciation and amortization charge		
Media	214.349	183.266
Energy	137.115	144.389
Other	25.170	22.966
Total	**376.634**	**350.621**

g) Minority interests

	2008			**2007**		
	Doğan Family	**Other**	**Total**	**Doğan Family**	**Other**	**Total**
Media	93.377	733.014	826.391	93.377	1.079.057	1.172.434
Energy	-	1.245	1.245	-	276	276
Other	6.900	17.786	24.686	6.900	26.171	33.071
	100.277	**752.045**	**852.322**	**100.277**	**1.105.504**	**1.205.781**

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

NOTE 5 - SEGMENT REPORTING (Continued)

h) Non-cash expenses

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

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

	2007			
	Media	**Energy**	**Other**	**Total**
Provision for doubtful receivables	20.259	19.943	5.481	45.683
Provision for lawsuits	20.623	5.630	371	26.624
Interest expense accrual	16.917	5.911	512	23.340
Provision for employment termination benefits	5.594	1.083	1.302	7.979
Provision for unused vacation	6.083	518	-	6.601
Impairment of inventories	1.156	-	-	1.156
Provision for impairment of programme stocks	622	-	-	622
Impairment of goodwill	2.336	-	-	2.336
	73.590	**33.085**	**7.666**	**114.341**

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

NOTE 6 - CASH AND CASH EQUIVALENTS

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

	2008	**2007**
Cash	2.181	1.930
Banks		
- demand deposits	50.074	76.571
- time deposits	3.295.566	2.260.924
Blocked bank deposits	12.644	11.372
Reverse repurchase agreements	2.010	-
Liquid funds	570	364
Government bonds and treasury bills	37	-
	3.363.082	**2.351.161**

At 31 December 2008, interest rates for YTL time deposits are between 2% and 22% (2007: 12%-19%) and interest rates for foreign currency time deposits are between 0% and 8% (2007: 2%-7%). As of 31 December 2008, reverse repurchase agreements are all short-term with periods of less than three months with an interest rate between 14% and 22% (2007: None).

Cash and cash equivalents amounting to YTL 12.577 (2007: YTL 9.892) at 31 December 2008 consists of credit card slip receivables. These receivables are blocked by banks approximately for one month period with respect to the agreements made.

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

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

	2008	**2007**	**2006**
Cash and cash equivalents	3.363.082	2.351.161	1.976.518
Accrued interest (-)	(14.448)	(8.696)	(8.892)
Cash and cash equivalents	**3.348.634**	**2.342.465**	**1.967.626**

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

NOTE 7 - FINANCIAL INVESTMENTS

a) Short term financial investments

	2008	2007
Fair value of inventory future contracts	33.896	-
Valuation of swap transactions	22.953	-
Government bonds and treasury bills	18.918	21.255
Corporate bonds	15.219	-
Guarantee deposits for derivative transactions	-	23.535
Equity stocks	-	2.839
Time deposits	-	837
Hedge foreign currency derivative instruments	8.194	-
Other	13	-
	99.193	**48.466**

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

	2008		2007	
	Nominal	Change in fair Value	Nominal	Change in fair value
Inventory	139.850	33.896	150.735	(13.827)
	139.850	**33.896**	**150.735**	**(13.827)**

As of 31 December 2008, best purchase price on actual orders by the end of the second session 31 December 2008 are undertaken on determination of the fair value of government bonds and treasury bills. As of 31 December 2008, effective interest rate of government bonds and treasury bills is 17% (2007: 18%).

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

NOTE 7 - FINANCIAL INVESTMENTS (Continued)

b) Non-current financial investments

	2008	2007
Available-for-sale investments, net	1.264	6.080
	1.264	**6.080**

Available-for-sale financial investments

	2008		2007	
	YTL	**%**	**YTL**	**%**
Marbleton Property Fund L.P (“Marbleton”)	5.406	9	2.272	9
Aks Televizyon Reklamcılık ve Filmcilik Sanayi ve Ticaret A.Ş. (“Show TV”)	2.923	9	2.923	9
Other	1.264		885	-
Less: provision for impairment (*)	(8.329)		-	
	1.264		**6.080**	

(*) Available for sale financial investments are initially recognized at cost as of 31 December 2008 and there is impairment on Marbleton amounted to YTL 5.406 and on Show TV amounted to YTL 2.923.

NOTE 8 - BORROWINGS

Short term financial liabilities:	**2008**	**2007**
Short-term bank borrowings	699.026	192.991
Short-term portion of long-term borrowings	342.987	131.070
Interest bearing payables to suppliers	28.530	15.853
Financial lease liabilities	27.668	15.212
	1.098.211	**355.126**

Long term financial liabilities:	**2008**	**2007**
Long-term bank borrowings	1.786.323	1.355.474
Financial liabilities related with options	139.350	103.432
Interest bearing payables to suppliers	86.095	83.272
Financial lease liabilities	23.620	27.501
	2.035.388	**1.569.679**

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

NOTE 8 - BORROWINGS (Continued)

i) Borrowings

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

	2008			2007		
	YTL	**Foreign currency**	**Total**	**YTL**	**Foreign currency**	**Total**
Short-term borrowings and eurobond						
Short-term borrowings	345.851	353.175	699.026	125.303	67.688	192.991
Short-term portion of long-term borrowings	24.724	318.263	342.987	125	126.790	126.915
Eurobond	-	-	-	-	4.155	4.155
Total short-term borrowings and eurobond	**370.575**	**671.438**	**1.042.013**	**125.428**	**198.633**	**324.061**

	2008			2007		
	YTL	**Foreign currency**	**Total**	**YTL**	**Foreign currency**	**Total**
Long-term borrowings and eurobond						
Long-term borrowings	272.887	1.513.436	1.786.323	400	1.246.028	1.246.428
Eurobond	-	-	-	-	109.046	109.046
Total long-term borrowings and eurobond	**272.887**	**1.513.436**	**1.786.323**	**400**	**1.355.074**	**1.355.474**

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

Years	**2008**	**2007**
2009	-	626.010
2010	673.247	274.751
2011	559.333	147.940
2012	302.624	257.244
2013	197.912	43.613
2014 and over	53.207	5.916
Total	**1.786.323**	**1.355.474**

Weighted average of effective interest rates for YTL, USD and EUR short-term borrowings are 22%, 6% and 6%, respectively (2007: 16%, 7% and 6%).

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

At 31 December 2008, the amount of borrowings with floating interest rates is YTL 1.155.287 (31 December 2007: YTL 1.104.778).

NOTE 8 - BORROWINGS (Continued)

The floating rate bank borrowings denominated in USD which represents a significant portion of total bank borrowings of the Group, have interest rates fluctuating between Libor+1,4% and Libor+3,5% (London Interbank Offered Rate).

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

Eurobond

The issue and sale procedures of Eurobond performed by PO Oil Financing Limited, a Subsidiary of POAŞ, were completed by 22 July 2004 and the Eurobond issued with a nominal value of USD 175.000 (USD 94.806 with the Holding's ownership interest) is registered at Luxembourg Stock Exchange. The Eurobond issued has a maturity of five years; beginning on 22 July 2004 and maturing on 22 July 2009. The Eurobond has a fixed interest rate of 9,75% and the interest will be paid semi-annually. As of 24 December 2008, Eurobond closed with payment before maturity date (31 December 2007: YTL 7.766 (with Doğan Holding's ownership interest YTL 4.155) and long-term portion of the bonds amount to YTL 203.823 (with Doğan Holding's ownership interest YTL 109.046)).

Share pledges:

11,3% shares of Doğan Yayın (70.000.000 shares), 13,3% shares of Hürriyet (61.000.000 shares) and 49% shares of Kanal D (24.500.000 shares) and 67,3% shares of TME (33.649.091 shares) were pledged to financial instututions in respect of the long-term borrowings of the Group.

ii) Financial liabilities related with options:

At 19 November 2007 during the capital increase of Doğan Gazetecilik, the Group sold 22.000.000 shares each having face value of YTL 1 and corresponding to 28% of Doğan Gazetecilik's share capital amounting to YTL 78.000, to Deutsche Bank AG in ISE Wholesale Market in consideration of USD 4 per share (initial price) (YTL 4,73), by limiting the existing shareholders' share purchase rights. There are put and call option agreements between Group and Deutsche Bank AG upon the shares of Doğan Gazetecilik. Maturities of both agreements are 5 years 3 months and end at 19 February 2013. In this case, the values of shares that are subject to the call option at the exercise date will be determined according to calculations. According to the put option agreement mentioned above, since Group has a liability of giving another entity cash or another financial asset (in the case the put option is exercised by Deutsche Bank AG), USD 88 million is presented as a financial liability in the consolidated financial statements.

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

NOTE 8 - BORROWINGS (Continued)

iii) Financial leasing payables

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

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

	2008	2007
2009	-	13.291
2010	12.200	6.367
2011	6.143	4.559
2012	2.906	2.047
2013	1.550	1.237
2014 and over	821	-
	23.620	**27.501**

iv) Interest bearing payables to suppliers:

Interest bearing payables to suppliers are related to the machinery and equipment purchases of Hürriyet, a subsidiary of the Group. Effective interest rates of long-term trade payables in USD, EUR, CHF are 3,4%, 4,5% and 3,0%, respectively (31 December 2007: USD 5,5%, EUR 4,7%, CHF 3,8%).

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

	2008	2007
2009	-	20.361
2010	21.889	16.410
2011	21.985	16.070
2012	21.665	15.814
2013	18.634	13.467
2014 and over	1.922	1.150
	86.095	**83.272**

Interest bearing payables to suppliers have floating interest rates and YTL 86.095 (2007: YTL 79.104) of the borrowings will be repriced within 6 months.

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

NOTE 9 - OTHER FINANCIAL LIABILITIES

The details of other financial liabilities at 31 December is as follows

Other short-term financial liabilities:	2008	2007
Financial liabilities due to put options (Note 22 b.i)	13.686	-
Guarantee deposit payables for derivative transactions	10.209	-
Fair value hedge transaction accruals (Note 7)	-	13.827
	23.895	**13.827**

Other long-term financial liabilities:	2008	2007
Financial liabilities due to put options (Note 22 b.i)	6.043	17.850
Interest rate swap contracts	367	-
	6.410	**17.850**

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	2008	2007
Trade receivables, net of unearned finance income	1.048.188	1.087.635
Notes receivables and cheques, net of unearned finance income	295.251	403.160
Other	712	279
	1.344.151	**1.491.074**
Less: provision for doubtful receivables (-)	(176.879)	(122.683)
	1.167.272	**1.368.391**

Long-term trade receivables	2008	2007
Trade receivables, net of unearned finance income	7.349	3.760
Notes receivables and cheques, net of unearned finance income	280	308
	7.629	**4.068**

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

NOTE 10 - TRADE RECEIVABLES AND PAYABLES (Continued)

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

	2008	**2007**
1 January	122.683	92.666
Increase in provision	61.478	45.683
Collections	(17.849)	(7.681)
Business combinations	9.860	(8.094)
Currency translation differences	84	(266)
Change in consolidation scope	623	375
31 December	**176.879**	**122.683**

Short-term trade payables:

	2008	**2007**
Trade payables, net of unincurred credit finance charges (*)	1.297.491	827.989
Notes payable, net of unincurred credit finance charges	15.485	22.215
Other	633	1.308
	1.313.609	**851.512**

Long-term trade payables

	2008	**2007**
Trade payables, net of unincurred credit finance charges (*)	524.114	484.361
	524.114	**484.361**

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

The non-interest bearing letters of credit amounts to YTL 677.864 (USD 448.234) (2007: YTL 110.981 (USD 95.287). The interest bearing letters of credit (interest bearing) amounts to YTL 93.151 (USD 61.596) and weighted average interest rate is 6,31% (2007: YTL 141.129 (USD 121.172) with interest rates of 5,52%).

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

NOTE 10 - TRADE RECEIVABLES AND PAYABLES (Continued)

The long-term USD letters of credit (non-interest bearing) amounts to YTL 523.773 (USD 346.342) (31 December 2007: YTL 416.548 (USD 357.644)). There are no interest bearing letters of credits (2007: YTL 67.353 (USD 57.828) with interest rate 6,31%).

Non-interest bearing letter of credits are recognized at fair value at initial recognition. In subsequent periods these letter of credits are measured at amortized cost, using the effective interest rate method. Effective interest rates used for long-term and short-term non-interest bearing letters of credit are 4,02%and 4,70% respectively (2007: 5,25% and 5,78%).

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

	2008	2007
2009	-	353.435
2010	501.325	130.926
2011 and over	22.789	-
	524.114	**484.361**

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

	2008	2007
Other short-term receivables		
Special Consumption Tax ("SCT") Exemption (1)	30.339	22.155
Deposits and guarantees given	1.531	445
Receivables from Privatization Administration ("PA")	-	2.454
Other miscellaneous receivables	4.120	11.781
	35.990	**36.835**
Other long-term receivables		
Deposits and guarantees given	1.557	2.007
Other miscellaneous receivables	554	273
	2.111	**2.280**

(1) SCT exemption amount consists of exemption certificates, obtained for SCT exempted good deliveries and could be used in purchases from Türkiye Petrol Rafinerileri A.Ş. ("Tüpraş") but not be used yet.

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

NOTE 11 - OTHER RECEIVABLES AND PAYABLES (Continued)

	2008	2007
Other short-term liabilities		
Taxes and withholding payables	222.995	196.380
Order advances received	20.371	2.196
Payables to personnel	8.659	15.483
Fuel purchase certificates (1)	3.661	55.697
Deposits and guarantees received	1.084	2.099
Other	17.428	27.418
	274.198	**299.273**

Other long-term liabilities		
Advances received	49.351	40.485
Payables to Public Waterworks Administration (DSİ) (2)	15.137	-
Deposits and guarantees received	11.404	11.071
Other long-term liabilities	2.047	4.426
	77.939	**55.982**

(1) At 31 December 2008 and 31 December 2007, the fuel purchase certificates shown in current liabilities are the certificates issued for future consumption but not used by the customers.

(2) Payables to DSİ are related with transfer of construction investment and water using right of Boyabat Hydroelectric Power Plant from DSİ to Boyabat Elektrik.

NOTE 12 - RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR OPERATIONS

None (2007: None).

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

NOTE 13 - INVENTORIES

Short-term inventories	2008	2007
Finished goods and merchandise **(*)**	456.703	427.785
Raw materials and supplies **(**)**	202.168	101.952
Semi-finished goods	9.049	9.331
Promotion stocks	13.175	9.837
Other inventories	49.709	29.769
	730.804	**578.674**
Less: provision for impairment on inventories	(4.945)	(2.028)
	725.859	**576.646**

(*) The Group identified that cost of fuel inventories is higher than their net realizable value as of 31 December 2008 and YTL 37.256 impairment provision is accounted under "Finished and trading goods".

(**) At 31 December 2008 raw materials and supplies amounting to YTL 100.099 is related with the land purchase cost for real estate construction developments of the Group.

Other inventories mainly consist of fuel in transit and lubricants.

Movement of impairment of inventories is as follows:

	2008	2007
1 January	2.028	5.407
Current year charge	3.672	1.156
Provision released	(755)	(4.535)
31 December	**4.945**	**2.028**

Long-term inventories	2008	2007
Finished goods and merchandise	23.579	-
	23.579	**-**

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

NOTE 14 - BIOLOGICAL ASSETS

As of 31 December 2008, biological assets amount to YTL 123 (2007: YTL 75).

NOTE 15 - CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING

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

NOTE 16 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

Associates

	2008		2007	
	YTL	**%**	**YTL**	**%**
Ray Sigorta	12.449	20	8.426	20
Boyabat Elektrik	-	-	13.416	33
	12.449		**21.842**	

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

2007	**Assets**	**Liabilities**	**Net Sales**	**Loss**
Ray Sigorta	196.883	155.469	150.039	(2.672)

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

	2008	**2007**
1 January	21.842	-
Reclassification in consolidation scope	(13.416)	4.783
Capital increase in associates	2.400	18.536
Share of gains/(losses) of associates	1.623	(1.477)
31 December	**12.449**	**21.842**

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

NOTE 17 - INVESTMENT PROPERTY

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

	1 January 2007	Additions	Disposals	Transfer (2)	Change in consolidation scope	Provision for impairment	31 December 2007
Cost:							
Land and land improvements	38.347	-	(5.725)	-	7	-	32.629
Buildings	14.236	-	(3.449)	18.936	621	995	31.339
	52.583	**-**	**(9.174)**	**18.936**	**628**	**995**	**63.968**
Accumulated Depreciation:							
Land and land improvements	139	3	-	-	6	-	148
Building	7.219	433	-	7.331	274	-	15.257
	7.358	**436**	**-**	**7.331**	**280**	**-**	**15.405**
Net book value	**45.225**						**48.563**

(1) Transfers amounting to YTL 21.968 are related with tangible assets (Note 18).
(2) Transfers amounting to YTL 11.605 are related with tangible assets (Note 18).

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

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

Movement for property, plant and equipment and related depreciation for the year ended 31 December 2008 is as follows:

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

(1) Transfers amounting to YTL 21.968 are related to investment property (Note 17) and transfers amounting to YTL2.816 are related to intangible assets (Note 19).
(2) The Group sold all the shares held in Trader.com (Polska) Sp. Z.o.o, an indirect subsidiary with a controlling rate of 100%, to the media group Agora SA resident in Poland on 25 June 2008 (Note 31).

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

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

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

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Movement for property, plant and equipment and related depreciation for the year ended 31 December 2007 is as follows:

	1 January 2007	Classifications (1)	Additions	Disposals	Transfers	Adition of subsidiaries(2)	Disposal of subsidiaries (3)	Change in consolidation scope (4)	Currency translation differences	31 December 2007
Cost:										
Land and land improvements	232.938	2.652	282	(542)	5.936	2.218	(2)	2.425	(899)	245.008
Buildings	433.202	58	3.351	(120)	(13.434)	14.869	(17.132)	782	(2.809)	418.767
Machinery and equipment	1.287.886	(5.235)	29.854	(64.388)	52.119	12.683	-	4.929	(4.519)	1.313.329
Motor vehicles	102.238	-	12.505	(53.117)	37.757	2.807	(1.172)	130	(411)	100.737
Furniture and fixtures	239.403	(224)	24.986	(24.451)	37	10.217	(6.088)	434	(179)	244.135
Leasehold improvements	213.745	6	67.223	(1.068)	7.878	102	(2.142)	1.641	30	287.415
Other fixed assets	264.376	2.853	32.054	(4.478)	(5.261)	-	-	3.431	-	292.975
Construction in progress	26.982	-	86.509	(3.490)	(84.887)	919	-	229	(2)	26.260
	2.800.770	**110**	**256.764**	**(151.654)**	**145**	**43.815**	**(26.536)**	**14.001**	**(8.789)**	**2.928.626**
Accumulated Depreciation:										
Land and land improvements	29.405	2.080	5.552	(510)	(28)	-	-	371	-	36.870
Buildings	95.145	65	11.750	(256)	(7.331)	-	(2.911)	110	(251)	96.321
Machinery and equipment	917.611	(6.470)	70.896	(58.697)	453	-	-	4.260	(936)	927.117
Motor vehicles	42.598	-	14.736	(21.902)	-	-	(553)	71	(16)	34.934
Furniture and fixtures	183.743	(64)	17.620	(22.715)	(633)	-	(4.437)	310	876	174.700
Leasehold improvements	76.931	(33)	26.378	(386)	-	-	(1.891)	324	15	101.338
Other fixed assets	95.396	4.530	24.362	(422)	-	-	-	1.390	-	125.256
	1.440.829	**108**	**171.294**	**(104.888)**	**(7.539)**	**-**	**(9.792)**	**6.836**	**(312)**	**1.496.536**
Net book value	**1.359.941**									**1.432.090**

(1) Classifications between property, plant and equipment are performed though reviewing property, plant and equipment under the Energy segment within the year.
(2) TME is acquired during 2007 by a subsidiary of the Group, Hürriyet. Amounts related to this transaction are shown under "Acquisition" column.
(3) Ray Sigorta is disposed by the Group in 2007, amounts related to this transaction are shown under "Disposal of Subsidiaries" column.
(4) The movements are related to the rate changes of the subsidiary of the Group, Süper Kanal, and Joint Ventures, DB, Katalog Yayın and POAŞ.

Machinery and equipment, furniture and fixtures, motor vehicles and leasehold improvements include finance leased assets amounting to YTL 47.651, YTL 409, YTL 916 and YTL 25.467respectively, at 31 December 2007. The accumulated depreciation related to finance leased assets amounts to YTL 54.600 at 31 December 2007.

At 31 December 2007, mortgages on property, plant and equipment amounts to YTL 13.917.

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

NOTE 19 - INTANGIBLE ASSETS

Movement for intangible assets and related amortization for the years ended at 31 December 2008 and 2007 are as follows:

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

Movement for programme rights in 2008:

	1 January2008	Additions	Disposals	Amortisation	Currency translation differences	Programme rights and provision for impairment	31 December 2008
Programme rights	59.033	83.101	-	(60.060)	2.134	(3.214)	80.994

(*) Transfer amounting to YTL 2.817 is related to tangible assets (Note 18)
(**) The Group sold all the shares held in Trader.com (Polska) Sp. Z.o.o, an indirect subsidiary with a controlling rate of 100%, to the media group Agora SA resident in Poland on 25 June 2008 (Note 31).
(**) Impairment is related with trademarks with indefinite useful lives and licenses of the Group's subsidiary Expressz Magyarorszag Rt, which is located in Hungary.

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

NOTE 19 - INTANGIBLE ASSETS (Continued)

	1 January 2007	Classifications	Additions	Addition of subsidiaries(1)	Disposals	Transfers (2)	Change in consolidation scope (3)	Currency translation differences	31 December 2007
Cost:									
Dealer contracts	487.536	-	-	-	-	-	5.445	-	492.981
Brand names of energy segment	135.836	-	-	-	-	-	1.985	-	137.821
Customer contracts	39.966	-	-	-	-	-	370	-	40.336
Customer list	-	-	-	280.374	-	-		(27.692)	252.682
Brand names of media segment	78.984	-	25	321.625	-	-		(31.882)	368.752
Terrestrial broadcasting permission and license	57.406	-	-	-	-	-		-	57.406
Other	195.652	(109)	22.864	27.911	(2.450)	695	55	(4.223)	240.395
	995.380	**(109)**	**22.889**	**629.910**	**(2.450)**	**695**	**7.855**	**(63.797)**	**1.590.373**
Accumulated depreciation:									
Dealer contracts	115.013		75.613	-	-	-		-	190.626
Customer contracts	14.645		8.693	-	-	-		-	23.338
Customer list	-		12.096	-	-	-		(262)	11.834
Brand names of media segment	4.445		4.923		-	-		(22)	9.346
Other	155.759	(108)	13.352	-	(823)	208	113	(1.500)	167.001
	289.862	**(108)**	**114.677**	**-**	**(823)**	**208**	**113**	**(1.784)**	**402.145**
Programme rights	27.231								59.033
Net book value	**732.749**								**1.247.261**

Movement for programme rights in 2007:

	1 January 2007	Additions	Disposals	Amortisation	Currency translation differences	31 December 2007
Programme rights	27.231	98.418	(141)	(64.214)	(2.261)	59.033

(1) TME is acquired during 2007 by a subsidiary of the Group, Hürriyet. Amounts related to this transaction are shown under "addition of subsidiaries" column.
(2) YTL 477 of transfer is related with tangible assets (Note 18).
(3) The movements are related to the rate changes of the subsidiary of the Group, Süper Kanal, and joint ventures, DB, Katalog Yayın and POAŞ.

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

NOTE 19 - INTANGIBLE ASSETS (Continued)

Intangible assets with infinite useful lives

As at 31 December 2008, it is determined that brand names for media segment with carrying value of YTL 292.613 and brand name of the energy segment amounting to YTL 139.557 have infinite useful lives (2007: YTL 265.966 brand name of the media segment and YTL 137.821 brand name of the energy segment). The utilization period of brand names with infinite useful life, as expected by the Group, is determined based on the stability of the industry, changes in market demands as to the products and services provided through assets, control period over the assets and legal or similar restrictions on their utilization.

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

NOTE 20 - GOODWILL

The movements in goodwill as of 31 December 2008 are as follows:

	2008	2007
1 January	1.542.921	1.282.031
Business combinations (Note 3)	78.986	290.992
Currency translation differences	24.552	(27.838)
Disposal	(192)	-
Goodwill impairment (*)	(29.861)	(2.336)
Other (**)	(4.241)	72
31 December	**1.612.165**	**1.542.921**

(*) The goodwill amounting to YTL 20.425 that is allocated to Subsidiaries in Hungary and Eastern Europe have been impaired due to the significant impact of global economic crisis on Media segment. As further discussed in Note 3, Doğan Gazetecilik, a subsidiary of the Group, acquired 40,16% shares of Bağımsız Gazeteciler, which owns Vatan Gazetesi brand and its franchise right, on March 2008; and 100% shares representing the capital of Kemer Yayıncılık ve Gazetecilik A.Ş., which has a 59,84% shareholding in the share capital of Bağımsız Gazeteciler, taking into account the fact that almost all of Kemer Yayıncılık ve Gazetecilik A.Ş.'s assets are composed of its participation in Bağımsız Gazeteciler. As of 31 December 2008, deferred tax assets have been calculated for carry forward tax losses which were not calculated in the scope of purchase price allocation at 31 March 2008. Deferred tax assets related to carry forward tax losses added to financial statements following purchase price allocation amounting to YTL 9.436 are also expensed from goodwill in accordance with CMB Financial Reporting Standards.

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

NOTE 20 - GOODWILL (Continued)

31 December 2008

Doğan Gazetecilik, a subsidiary of the Group, acquired 40,16% shares of Bağımsız Gazeteciler, which owns Vatan Gazetesi brand and its franchise right, in consideration of YTL 8.534 (USD 7,2 million) on 13 March 2008; and 100% shares representing the capital of Kemer Yayıncılık ve Gazetecilik A.Ş., which has a 59,84% shareholding in the share capital of Bağımsız Gazeteciler, in consideration of YTL 12.719 (USD 10,8 million). As explained in details in Note 3, the acquisition resulted in a goodwill amounting to YTL 62.865.

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

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

31 December 2007

Hürriyet, a subsidiary of the Group, has acquired 67,3% of shares of Trader Media East Limited ("TME") on 29 March 2007. TME mainly operates in classified ad publishing business through the instrumentality of its daily and weekly newspapers, magazines and websites those are foremost focused on real estate, automotive and human resources and mainly operates in Russia and Eastern Europe countries. As it has been disclosed in details in Note 3, the acquisition resulted in a goodwill amounting to YTL 240.237.

TME, which became a subsidiary as a result of the acquisition, acquired 55% of the shares of Moje Delo d.o.o. ("Moje Delo") operating in Slovenia in 2007 as further discussed in Note 3. The acquisition resulted in a goodwill amounting to YTL 11.071.

Group acquired 0,21%, 9,69%, 1,86% and 0,77% and of the shares of Hürriyet, Doğan Gazetecilik, and Doğan Burda, shares of which are publicly traded, in consideration of YTL 52.778. Since the Group applies the "Parent Company Model" for business combinations, the acquisition resulted in a goodwill amounting to YTL 29.514.

Doğan TV, a subsidiary of the Group, acquired 48% of the shares at an amount of 4.515 of Süper Kanal TV Video Radyo Basın Yapım Yayın Tanıtım ve Haber Hizmetleri A.Ş, a joint venture of the Group. The acquisition resulted in a goodwill amounting to YTL 4.972.

At 19 November 2007 during the capital increase of Doğan Gazetecilik, the Group sold 22.000.000 shares each having face value of YTL 1 and corresponding to 28% of Doğan Gazetecilik's share capital, to Deutsche Bank AG in ISE Wholesale Market in consideration of USD 4 per share (initial price) (YTL 4,73), by limiting the existing shareholders' share purchase rights. Stated transaction is accounted as financial liability on consolidated financial statements. As a result of the transaction, the Group's effective ownership interest on Doğan Gazetecilik has changed and the transaction resulted in a goodwill amounting to YTL 5.198.

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

NOTE 20 - GOODWILL (Continued)

Energy Segment

The Group is preparing its cash flow projections in USD based on the latest financial budget which is approved by the management. In preparing cash flows, for the next five years 5% per annum and for subsequent years zero percent per annum estimated growth rate was used as of 31 December 2008. The Company used a rate of 10,36% in order to discount cash flow projections. As a result of assessment, the recoverable amount of goodwill exceeded its carrying amount and there is no impairment as of 31 December 2008.

Media Segment

Cash flow projections of media segment at the lower value has been prepared as covering the years of 2009 – 2018, publishing segment has been prepared as covering the years of 2009 – 2013.

The key assumptions used for the value-in-use calculations for the impairment test are as follows:

	EBITDA margin (1)	**Discount rate (2)**
Broadcasting (EBITDA 2008: 12,9%)	27,4%	19,0% - 13,5%
Publishing		
Russia	28,7%	14,3%
Turkey	19,4%	16,1%

(1) The average EBITDA budgeted over projection period.
(2) Weighted average cost of capital ("WACC"), (for broadcasting, decreasing weighted capital ratio is applied.).

NOTE 21 - GOVERNMENT GRANTS

None (2007: None).

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NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	2008	2007
Short-term provisions		
Provision for lawsuits	34.229	26.847
Provision for withholding tax	20.905	13.922
Provision for unused vacations	16.997	9.675
Advertisement expense accruals	11.528	11.906
	83.659	**62.350**

	2008	2007
Long -term Provisions		
Other provisions	1.111	671
	1.111	**671**

a. Court cases:

Law cases against the Group amounting to YTL 120.217 at 31 December 2008 (2007: YTL 126.335).

Provision in the amount of YTL 34.229 (2007: YTL 26.847) was recorded after consideration of the legal consultations and post experiences regarding the legal, labour, trade and administrative lawsuits against the Group.

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

i) Options of Share Purchases

In accordance with the acquisition of Impress Media Marketing LLC by OOO Pronto Moscow, a subsidiary of the Group, in January 2007, OOO Pronto Moscow is committed to purchase (if minority shareholders prefer to exercise their put option) minority's shares of 31,5% without having a time constraint and depending on realization of various clauses. The price of the commitment calculated using valuation methods as of 31 December 2008 is YTL 5.624 (2007: YTL 4.159) (Note 9).

In accordance with the acquisition of 70% shares of Oglasnik d.o.o, a subsidiary of the Group, Oglasnik d.o.o is committed to purchase (if minority shareholders prefer to exercise their put option) minority's shares of 30%. The price of the commitment calculated using valuation methods as of 31 December 2008 is YTL 12.467 (2007: YTL 7.446) and the commitment is valid until July 2009 (Note 9).

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

i) Options of Share Purchases (Continued)

Hürriyet, a subsidiary of the Group, has acquired 55% of the shares of Moje Delo d.o.o. which operates in Slovenia. Hürriyet has determined the upper limit of net profit payable as EUR 1 million and paid during the year. Hürriyet has offered to minority shareholders right to sell valid between January 2009 and January 2012 and right to buy valid between January 2011 and January 2014. Fair values of the named options will be determined after the calculation over net financial liability and EBITDA of Moje Delo. Fair value of the put option determined by valuation methods as of 31 December 2008 is YTL 1.638 (2007: YTL 6.245) (Note 9).

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

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

Put options have been disclosed as "Other short and long-term financial liabilities" in the consolidated balance sheet as of 31 December 2008 and 2007.

ii) Derivative instruments

1) Derivative instruments against interest rate risk

As of 31 December 2008, TME, a subsidiary of the Group, entered into Collar and CAP agreements to hedge the interest rate risk amounted to USD 83.000 and USD 37.000, respectively. Accordingly, at the value and due dates defined in the agreements, if the LIBOR rate is below the floor rate, the Group compensates for the difference between floor rate and the actual rate to the counter bank. Similarly, if the LIBOR rate is above the ceiling rate, the counter bank compensates for the difference to the Group.

As of 31 December 2008 fixed floor and ceiling interest rates are between 2,8% and 5,6% (2007: 3,9% and 6,9%) and primarily floating interest rates are Libor.

2) Foreign currency swap agreements

As further explained in Note 8, the Group established a Euro swap transaction regarding to a bank credit amounting to USD 80.283 of long term bank borrowing amounting to USD 240.850 of which include three payments in 2012 and 2013 as of 31 December 2008. Revenue amounting to YTL 8.194 is recognized from foreign currency swap agreements as of 31 December 2008.

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

c. Other:

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

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

In accordance with the stated agreement warranties and declarations have been made to Fortis Bank by the Holding and other real and legal sellers ("Sellers") regarding the financial structure of Dışbank, its employees, fundamental intellectual rights, current contractual relationships, compliance of operations with the legislation and ownership of shares. If the abovementioned warranties and declarations are not true, there are clauses for compensating Fortis Bank by the Sellers.

The responsibilities of Holding have ended as of 30 September 2007 except for the issues related with tax, and its responsibilities related with tax will come to an end as of 1 January 2011.

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

ii) Penalty Imposed by the Energy Market Regulatory Authority:

With its Notifications No: 25049 and 25057, both dated 31 August 2006, the Energy Market Regulatory Authority (EMRA) imposed administrative fines on POAŞ and Erk Petrol, Joint Ventures of the Group, amounting to YTL 498.693 and YTL 100.739 (with Doğan Holding's ownership interest YTL 270.165 and YTL 54.575) respectively for deliveries made to unlicensed dealers. POAŞ and Erk Petrol have taken two different judicial actions in order to employ their legal rights for the cancellation of the fines and removal of payment orders.

Request for Cancellation of EMRA Fine Process

In line with the regulations, POAŞ and Erk Petrol filed court cases with the 13th Division of Council of State on 18 September 2006 for the cancellation of the EMRA resolution and the stay of execution of the fines. On 17 November 2006, 13th Division of Council of State ruled for the stay of execution of YTL 11.431 (with Doğan Holding's ownership interest YTL 6.193) portion of the total fine of POAŞ and rejected the request for stay of the execution for YTL 487.262 (with Doğan Holding's ownership interest YTL 263.972). Similarly stay of YTL 1.429 (with Doğan Holding's ownership interest YTL 774) portion of the total fine of Erk was ruled for and request for the stay of execution of YTL 99.310 (with Doğan Holding's ownership interest YTL 53.801) was rejected.

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

ii) Penalty Imposed by the Energy Market Regulatory Authority (Continued):

Request for Cancellation of EMRA Fine Process (Continued)

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

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

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

1) Transfer of fuels to unlicensed dealers should be evaluated as "Disobeying legal obligations" which is mentioned in third item of 19th clause of Petroleum Market Law, instead of violation of second item of 7th clause.

2) Fines should be imposed by taking the beginning date of violation as the notification date of EMRA, which is 12 April 2005, instead of 20 March 2005.

Applying fine separately for each dealer to which shipments made; imposing a single fine by considering fuel supply to unlicensed dealers as a single action; beginning date of fuel supply that is subjected to fine; whether it is lawful to impose a fine since there is not a regulation that restrains distribution license of owners from supplying fuel to their own unlicensed dealers; and amount of fines for shipments are also included in the decision. The case is still in the discussion process by 13th Department of the State Council.

Request for Cancellation of Payment Orders Process

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

Simultaneously, POAŞ and Erk Petrol applied to the Ministry of Finance for payment in installments of the administrative fines to avoid cash-out flows during the judicial process and since the approval of this claim required submission of guarantee, 8 real-estates amounting YTL 204.892 (with Doğan Holding's ownership interest YTL 110.999) and inventory amounting YTL 280.960 (with Doğan Holding's ownership interest YTL 152.209) are given as guarantee for POAŞ and 33 real-estates amounting YTL 89.054 (with Doğan Holding's ownership interest YTL 48.245)and inventory amounting YTL 11.268 (with Doğan Holding's ownership interest YTL 6.104)are given as guarantee for Erk Petrol. Ministry of Finance has accepted that the fines to be paid in 18 monthly installments, starting in December 2006 and the first two being in smaller amounts. TRY 5.207 (with Doğan Holding's ownership interest YTL 2.821) has been paid (YTL 2.966 (with Doğan Holding's ownership interest YTL 1.607) through set-off and the remaining YTL 2.241 (with Doğan Holding's ownership interest YTL 1.214) in cash) as the December 2006 installment.

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

ii) Penalty Imposed by the Energy Market Regulatory Authority (Continued):

Request for Cancellation of Payment Orders Process (Continued)

Consistent with the decision of the 13th Division of Council of State, İstanbul 7. Administrative Court decided to grant a stay of execution for YTL 11.431 (with Doğan Holding's ownership interest YTL 6.193) portion of the payment orders for POAŞ and YTL 1.429 (with Doğan Holding's ownership interest YTL 774) portion of the payment orders for Erk Petrol but rejected the request for stay of execution concerning the remainder of the payment orders. Notification of the decision was received on 16 January 2007. Following this decision, an application was filed at İstanbul District Administrative Court for the annulment of the rejection decision and for motion for stay of the total payment order.

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

In one of the cases filed by a petroleum distribution company against EMRA, the 13th Division of Council of State, ruled for the annulment of the penalties on the ground that the deliveries are made to dealers of the distribution company; the law does not have a clause that restricts deliveries to unlicensed dealers and there are no clauses of penalty or restrictions on such activities. The reasons of the decision include that obtaining a dealership license is the responsibility of the dealer; fuel distribution companies are not obligated to control or inspect the licenses of the dealers and also it is the failure of EMRA that the license process has not been completed in the time frame set by the law. It is highly probable that the ruling would be similar to this case, for the cases filed by POAŞ and Erk Petrol. Uncertainty over the judicial process and final decision of the court cases continues as of the announcement date of the consolidated financial statements for the period ended 31 December 2008. Accordingly, no provision has been provided for this matter in the accompanying consolidated financial statements.

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

The Group sold 90.854.185 shares, 25% of the share capital of Doğan TV Holding A.Ş., to Commerz-Film GmbH (formerly registered as Dreiundvierzigste Media Vermögengsverwaltungsgesellschaft mbH), a 100% subsidiary of Axel Springer A.Ş., for EUR 375 million (YTL 694.312) (this amount is defined as "initial sales price") on 2 January 2007. Gain on sale of subsidiary shares amounting to YTL 601.201 with respect to this transaction is included in other income for the period ended 31 December 2007 (Note 31).

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

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

EUR 375 million, which is defined as initial sales price above, is subject to change based on to the circumstances explained below. As per the agreement, the initial sales price will be revised according to the "initial public offering" ("IPO") of the shares of Doğan TV Holding A.Ş. or "not". Besides, on 27 December 2008 as explained to public, within the confirmation with Axel Springer Group, the dates subject to recalculation of "initial sales price" have been postponed by 4 years. The mentioned confirmation has not yet become effective as defined conditions are expected to be realized.

In the event that shares of Doğan TV Holding A.Ş are offered to the public before the end of 2015 (formerly 2011), if the fair value of 25% shares held by Axel Springer determined by the public offering price (which will be determined by the quarterly average share price after IPO) exceeds the final sales price (the final sales price will be calculated by adding the interest accrued on the initial sales price on a Eurolibor basis before the public offering to the initial sales price), the excess shall be shared by Axel Springer and the Doğan Yayın evenly. If the fair value is less than the final sales price, the difference will be compensated to Axel Springer by the Group.

In the event that shares of Doğan TV Holding A.Ş. are not offered to the public before the end of 2015 (formerly 2011), if the fair value of Doğan TV Holding A.Ş., determined by valuation techniques in March 2016 (formerly 2012), is less than the final sales price, Axel Springer will be compensated for the difference by the Group.

In the event that the public offering of shares of Doğan TV Holding A.Ş. is realized between 2015 (formerly 2011) and 2018 (formerly 2014), the positive value arising between the fair value determined as of March 2016 (formerly 2012) and the public offering value will be shared equally, if this has a negative value no transaction will be performed.

The Group has currently determined the fair value of Doğan TV Holding A.Ş. as of the balance sheet date in order to ascertain whether the Group has a financial responsibility or not regarding the above-mentioned issue. As explained in Note 2.2.33, it has been revealed that there is no financial liability over the sale of 25% shares in Doğan TV Holding A.Ş. to Axel Springer AG.

iv) Vatan Newspaper

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

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

iv) Vatan Newspaper (Continued)

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

- following two years after obtainment of permission, brand name Vatan Gazetesi and franchise rights will be transferred by releasing them of any obligations and debts, to persons or entities excluding the Group, or an enterprise the Group directly or indirectly controls (which has already been established, or which is to be established), and the relevant transfer is subject to approval of Competition Authority regardless of the deficiencies in the Communiqué No.1997/1.

- if the brand Vatan Gazetesi and its franchise right cannot be sold under the above-mentioned conditions within two years from the date on which the permission is given, the brand and franchise right will be sold via tender under the supervision of Competition Authority within two months from the end of the second year.

- if the brand and franchise right cannot be sold during this tender process, the Group continues to own the brand Vatan Gazetesi and its franchise right for three years following the tender; the Group meets the liabilities necessary for the brand's legal existence; Doğan Group does not use the mentioned brand name and franchise on any periodicals; the Group evaluates any demands or requests as being subject to the approval of Competition Board pursuant to article 4.1 in the case of any demand towards the said brand and franchise right during the relevant period; and the Group possesses all kinds of usage rights on the brand, if the brand and franchise right cannot be still sold after this period expires.

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

v) Tax penalty and law suits

Media segment:

The financial periods between 2003 and 2006 of Doğan Yayın, a subsidiary of the Group, have been inspected by the tax auditors of Revenue Administration Department of the Turkish Ministry of Finance. According to the tax assesment reports, the tax penalty was calculated as YTL 861,5 million in total, of which YTL148,7 million was the tax charges and YTL712,8 million was the tax penalty, and was levied against Doğan Yayın in December 2008 and February 2009.

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

v) Tax penalty and law suits (Continued)

Media segment (Continued):

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

- Although Doğan TV Holding A.Ş., a subsidiary of Doğan Yayın Holding A.Ş., sold shares representing 25% of its capital to Dreiundvierzigste Media Vermögengsverwaltungsgesellschaft mbH, a 100% subsidiary of Axel Springer AG, and the transfer of the shares was completed on 2 January 2007 and accounted for accordingly, it was argued that the "exemption on the sales revenue of participation shares", as specified by Article 5/1-e of the Corporate Tax Law, could not be benefited from, based on the argument that the sales transaction was performed in the year 2006 and should have been accounted in the records of 2006. The levied tax penalty charges are YTL 772,5 million in total, of which YTL 115,3 million is tax charges, YTL 345,9 million is tax penalty charges calculated at three times of the corporate tax, and YTL 311,3 million is tax penalty charges calculated at three times of the temporary tax due to the deduction period being overdue.

- For the period subject to tax inspection, it is claimed that it is not possible to deduct the interest and foreign exchange expenses (financial expenses) of the loans used for the purchase of the subsidiary shares from the corporate income and that these should be added to the corporate income in accordance with the last paragraph of Article 8 of Corporate Tax Law No. 5422. The levied tax penalty charges regarding to this claim are YTL 30,9 million in total.

- In the tax assessment report, it is claimed that the loss resulting from the sale of the shares of Doğan Raks Satış Pazarlama ve Dağıtım A.Ş. should not be deducted from the corporate income but should be added to the corporate income due to transactions in contravention of Tax Procedural Law. The levied tax penalty charges regarding to this claim are YTL 13,7 million in total.

- For the period subject to tax inspection, the application of value added tax exception on the subsidiary shares sale is not possible according to temporary Article No. 10 of Value Added Tax Law No. 3065, which refers to Corporate Tax Law No. 5422, therefore it is claimed that a value added tax calculation is required for the sale of subsidiary shares, even if they are represented as shares by the Company, in accordance with the application of temporary Article 28 of the Corporate Tax Law No. 5422 and temporary Article No. 10 of Value Added Tax Law, regarding the sale of subsidiary shares that do not carry exceptional conditions. The levied tax penalty charges regarding to this claim are YTL 28,3 million in total.

- The levied tax penalty charges regarding stamp tax, other corporation tax and value added tax claims are YTL 16,1 million in total.

Doğan Yayın has started legal action and filed lawsuits against the Tax Administration Department ("Tax Administration") for the cancellation of the levied tax and penalty notifications.

The Tax Administration has asked for a collateral in the amount of YTL 914,8 million against the significant portion of the tax charges, the penalties and their interest. Accordingly, the Group gave 45,40% shares in one of its subsidiaries, Doğan TV Holding A.Ş., to the Tax Administration as collateral.

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

v) Tax penalty and law suits (Continued)

Media segment (Continued):

Furthermore the Tax Administration has put shares of the Group's subsidiaries representing 66,56% of the capital of Hürriyet Gazetecilik ve Matbaacılık A.Ş., 70,76% of the capital of Doğan Gazetecilik A.Ş. and the Group's joint venture representing 44,89% of the capital of Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. and 45,40% of the capital of Doğan TV Holding A.Ş. under sequestration. The fiscal and administrative rights of these shares will be continued to be used by the Group.

The Company management claims that the value of the shares of Doğan TV Holding A.Ş. that have been put under sequestration is higher than the public receivables and expects that the sequestration would be cancelled for the value of shares in excess of the assessment of the Tax Administration and the Company has applied to the Tax Administration for this matter.

The Company did not book any provision for tax penalty in these consolidated financial statements as at 31 December 2008 in accordance with the opinions of its legal advisors and tax specialists. The legal process related to the lawsuits filed by Doğan Yayın Holding A.Ş. has not been completed by the date of these financial statements.

Energy segment:

As a result of the tax inspection conducted on the accounts of POAŞ, a Joint Venture of the Group, for the year 2003, tax/penalty notifications including YTL 12.828 (with Doğan Holding's ownership interest 6.949 YTL) of tax charges and a YTL 30.093 (with Doğan Holding's ownership interest 16.303 YTL) of tax penalty charges have been communicated to the Group on 25 December 2008 by the Boğaziçi Corporate Tax Office. On 20 January 2009, the Group has filed for arbitration and as of the date of issuance of the financial statements for the year ended 31 December 2008, no date for arbitration meeting has been communicated to the Group. For the tax and penalties, the right of appeal in court stays until the resolution of the arbitration process and the Group will appeal at court if no settlement is reached in arbitration. Until settlement in arbitration process or until the decision of the tax court in case of appeal, no payment will be made.

Tax/penalty notifications for the years 2003-2007 including a YTL 9.917 (with Doğan Holding's ownership interest 5.372 YTL) of tax charges and a YTL 13.810 (with Doğan Holding's ownership interest 7.482 YTL) of tax penalty charges, which are sent out by Boğaziçi Corporate Tax Office and Large Taxpayers Tax Office with respect to the inspection reports prepared in relation to the investigation carried out by the tax inspectors of the Ministry of Finance, have been communicated to POAŞ, a joint venture of the Group, on 22-23 July 2008. Tax assessment reports, which form a basis for the notifications, are grounded on the claim that advance rental payments with respect to the usufruct contracts signed between the fuel distributors and the dealers are subject to withholding tax deeming the usufruct contracts as rental agreements. A lawsuit was filed at the İstanbul Tax Court with respect to the mentioned assessment reports and the tax/penalty notifications on 11 September 2008. The judicial process continues and during this process, no payment will be made.

Uncertainty over the tax penalties and court cases of Energy segment continues as of the date of these consolidated financial statements for the period ended 31 December 2008. Accordingly, no provision has been accounted for in these financial statements.

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

NOTE 23 - COMMITMENTS

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

Commitments given

	2008	**2007**
Letters of guarantee (*)	564.198	410.467
Subsidiary shares given as a guarantee	103.649	124.949
Guarantee notes	498	7.419
	668.345	**542.835**

The Group provided bail and mortgages to third parties for financial liabilities and trade payables of its Subsidiaries, Joint Ventures and related parties in the amounts of YTL 336.997 (2007: YTL 298.810) and YTL 15.364 (2007: YTL 13.917).

(*) Doğan TV, a subsidiary of Group, has given letter of guarantee amounting to EUR 136,5 million to UEFA (Union Européenne de Football Association or Union of European Football Associations) for broadcasting rights of UEFA Champions League, UEFA Super Cup and UEFA Cup matches for the years between 2009 and 2012.

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

Barter agreements:

The Group, as a common practice in the media segment, entered into Barter agreements. These agreements involve the exchange of goods or services without cash collections or payments. As of 31 December 2008, the Group has an advertisement commitment of YTL 8.410 (2007: YTL 4.969), and a right to obtain service and goods in the amount of YTL 11.693 (2007: YTL 9.295).

NOTE 24 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	2008	**2007**
Long Term Provisions		
Provision for employment termination benefits	30.308	26.726
	30.308	**26.726**

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

NOTE 24 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS (Continued)

Termination benefits provision

Under the Turkish Labour Law, the Holding is required to pay termination benefits to each employee who has completed one year of service and who achieves the retirement age (58 for women and 60 for men), whose employment is terminated without due cause, is called up for military service or who dies. Since the legislation was changed on 23 May 2002 there are certain transitional provisions relating to length of service prior to retirement. The amount as of 31 December 2008 payable consists of one month's salary limited to a maximum of YTL 2,17 (2007: 2,03 YTL) for each year of service.

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

Employment termination benefit is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Holding arising from the retirement of the employees.

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

	2008	**2007**
Discount rate	6,26%	5,71%
Turnover rate to estimate the probability of retirement	87%	93%

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of YTL 2,26 at 1 January 2009 will be taken into consideration in calculating the reserve for employment termination benefit (1 January 2008: YTL 2,09).

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

	2008	**2007**
1 January	26.726	24.755
Disposal of subsidiary	-	(1.569)
Change in scope of consolidation	84	66
Disposals	(10.258)	(4.957)
Current year charge	12.220	7.979
Actuarial loss	356	452
Business combinations	1.180	-
31 December	**30.308**	**26.726**

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

NOTE 25 - RETIREMENT PLANS

None (2007: None).

NOTE 26 - OTHER ASSETS AND LIABILITIES

Other current assets	2008	2007
Value Added Tax ("VAT") receivable	73.697	49.535
Advances given	62.690	59.736
Prepaid taxes and funds	52.993	3.555
Prepaid expenses	40.622	39.225
Programme stocks	36.629	13.474
Tax receivables	15.975	4.702
Income accruals	8.764	9.590
Special consumption tax to be offset	3.719	7.585
Other current assets	15.269	781
	310.358	**188.183**
Impairment for programme stocks	(2.500)	(334)
	307.858	**187.849**

Other non-current assets	2008	2007
Advances given and prepayments (1)	120.663	74.316
Prepaid expenses (2)	47.423	13.893
Other non-current assets	4.356	2.654
	172.442	**90.863**

(1) As of 31 December 2008, advances given and prepayments amounting to YTL 63.266 consists of the prepayments made by Doğan TV for UEFA Championship qualifying matches, UEFA Cup qualifying matches, UEFA Cup home matches and preferential right of sales of season tickets of certain Turkcell Super League teams.

(2) The Group signed an agreement with Gümrük ve Turizm İşletmeleri ("GTI") in May 2008 to make sales of fuel and lubricants at border gates for 20 years. The payment of YTL 29.755 which was made as part of this agreement is presented as prepaid expenses.

Other current liabilities	2008	2007
Deferred income	49.719	22.627
Provision for expenses	32.145	24.482
Expense accruals	13.520	7.794
Provision for broadcasted programs	7.911	7.958
	103.295	**62.861**

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

NOTE 27 - EQUITY

Doğan Holding adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of YTL 1 Doğan Holding's authorized, historical and paid-in share capitals at 31 December are as follows:

	2008	2007
Limit on registered share capital (historical)	2.000.000	2.000.000
Share capital	2.450.000	1.500.000

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

	Share %	2008	Share %	2007
Adilbey Holding	52,00	1.274.000	52,00	780.000
Aydın Doğan	7,72	188.907	7,72	115.658
Işıl Doğan	1,64	40.292	1,64	24.668
Arzuhan Doğan Yalçındağ	1,04	25.503	1,04	15.614
Vuslat Doğan Sabancı	1,04	25.503	1,04	15.614
Hanzade V. Doğan Boyner	1,04	25.503	1,04	15.614
Y. Begümhan Doğan Faralyalı	1,04	25.503	1,04	15.614
Total Doğan family and companies owned by Doğan family	**65,52**	**1.605.211**	**65,52**	**982.782**
Istanbul Stock Exchange	34,29	840.110	34,29	514.353
Aydın Doğan Vakfı	0,19	4.679	0,19	2.865
	100	**2.450.000**	**100**	**1.500.000**
Adjustment to share capital		143.526		331.903
Total share capital		**2.593.526**		**1.831.903**

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

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

There are no privileged shares.

NOTE 27 - EQUITY (Continued)

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

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

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

- if the difference is arising due to the inflation adjustment of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment To Share Capital";

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

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

Following the capital increase, the Company's restricted reserves amount to YTL 15.762 (2007: YTL 777.385) and is composed of first legal reserves in total as of 31 December 2008.

Revaluation Funds

Revaluation fund is composed by accounting of increase in revaluation of identifiable intangible assets achieved by business combination in stages. Revaluation fund is amortised at every reporting period regarding to useful lives of identifiable intangible assets and amortisation is transferred to retained earnings.

NOTE 27 - EQUITY (Continued)

Dividend Distribution

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

In accordance with the CMB Decision dated 9 January 2009, concerning allocation basis of profit from operations of 2008, minimum profit distribution shall be applied as 20% (2007: 20%). According to the Board's decision and Communiqué No: IV-27 issued by CMB regarding allocation basis of profit of publicly owned companies, the distribution of the relevant amount may be realised as cash or as bonus shares or partly as cash and bonus shares; and in the event that the first dividend amount to be specified is less than 5% of the paid-up capital, the relevant amount can be retained within the company. However, companies that made capital increases before distributing dividends related to the prior period and whose shares are therefore classified as "old" and "new" and that will distribute dividends from the profit made from 2008 operations are required to distribute the initial amount in cash.

In addition, according to the aforementioned Board decision dated 9 January 2009, the restrictions on the distributions of the profit derived from the subsidiaries, joint ventures and associates of entities who are required to prepare consolidated financial statements where no profit distribution decision is taken in the general assemblies of such subsidiaries joint ventures and associates is abolished. It is decided that as long as the entities can provide the necessary amount from their statutory reserves, the distributable profit can be calculated based on the net income declared at the publicly announced consolidated financial statements in the accordance with Communiqué XI No:29.

Accordingly, if the amount of dividend distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the total amount of distributable profit shall be distributed. If it exceeds the statutory net distributable profit, the total amount of the statutory net distributable profit shall be distributed. It is stated that dividend distributions should not be made if there is a loss in either the consolidated financial statements prepared in accordance with CMB regulations or in the statutory financial statements.

In accordance with the Board Decision dated 9 January 2009, the total amount of net income after the deduction of accumulated losses at statutory records and reserves that can be subject to dividend distribution shall be disclosed in the notes to the financial statements which will be prepared and publicly announced in accordance with Communiqué XI No:29. The concerning amount for Doğan Holding is YTL 1.356.616.

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

NOTE 27 - EQUITY (Continued)

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

	2008	2007
Share capital	2.450.000	1.500.000
Adjustment to share capital	143.526	331.903
Share premium	630	630
Revaluation fund	146.218	185.652
Translation reserve	3.807	(21.505)
Restricted reserves assorted from profit	15.762	777.385
- Legal reserves	15.762	15.762
- Investment and property sales income to be added to the capital	-	761.623
Retained earnings	1.022.944	588.266
- Extraordinary reserves	11.748	11.748
- Other reserves	2.361	2.361
- Inflation adjustment differences to legal, extraordinary and other reserves, share premiums	323.465	323.465
- Retained earnings	685.370	250.692
Net income for the period	70.615	395.244
Total shareholders' equity	**3.853.502**	**3.757.575**

NOTE 28 - SALES AND COST OF SALES

	2008	2007
Domestic Sales	11.433.198	10.303.492
Foreign Sales	2.068.043	876.352
Sales Returns	(391.546)	(407.345)
Sales Discount	(605.195)	(510.145)
Net sales	**12.504.500**	**10.262.354**
Cost of sales (-)	(11.192.678)	(9.135.563)
Gross profit	**1.311.822**	**1.126.791**

Revenue and cost of sales

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

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

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

	2008	**2007**
Selling, marketing and distribution expenses	525.879	439.037
General administrative expenses	480.716	471.742
Operating expenses	**1.006.595**	**910.779**

NOTE 30 - EXPENSES BY NATURE

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

	2008	**2007**
Cost of trade goods sold	9.294.247	7.332.411
Personnel expenses	642.343	580.979
Raw material and supplies	533.959	380.665
General production overhead	518.978	467.121
Depreciation expense	376.634	350.621
Advertising expenses	102.807	97.915
Other	730.305	836.630
	12.199.273	**10.046.342**

NOTE 31 - OTHER INCOME/EXPENSES

	2008	**2007**
Other income:		
Profit from purchase of subsidiary share (*)	76.104	-
Gain on sales of subsidiaries (**)	58.676	694.428
Tax agreement income	14.146	-
Gain on sales of property, plant and equipment and intangible assets	4.619	3.025
Other income	46.170	54.569
	199.715	**752.022**

(*) Increase in Hürriyet, Doğan Gazetecilik, DB, Doğan Yayın and Ditaş Doğan shares of the Group resulted in profit from purchase of subsidiary shares amounting to YTL 76.104 as of 31 December 2008 (Note 3).

(**) As of 31 December 2008, gain on sales of subsidiaries is derived from the share sales of Trader.com (Polska) Sp. Z.o.o located in Poland, a subsidiary of the Group. As of 31 December 2007, YTL 601.201 of the gain on sales of subsidiaries is derived from the share sales of Doğan TV, a subsidiary of the Group and YTL 93.227 of the gain on sales of subsidiaries is derived from the share sales of Ray Sigorta, a subsidiary of the Group.

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

NOTE 31 - OTHER INCOME/EXPENSES (Continued)

	2008	**2007**
Other expenses:		
Provision for doubtful receivables	(61.478)	(45.683)
Provision for lawsuits	(16.991)	(26.624)
Fixed asset selling loss	(6.516)	(4.842)
Fines and penalties paid **(*)**	(6.088)	(238.824)
Commission expenses	(2.467)	(2.505)
Other expenses	(64.016)	(63.582)
	(157.556)	**(382.060)**

(*) On 27 December 2002, POAŞ merged with İş Doğan Petrol Yatırımları A.Ş. ("İş Doğan"), which was the majority shareholder of POAŞ, in accordance with the Turkish Commercial Code article No:451 and Corporate Tax Law articles No:37, 38 and 39 after the approval the CMB has given at the meeting numbered 61/1705 and dated 24 December 2002. As a result of this legal merger, the assets and liabilities of İş Doğan were transferred to POAŞ and İş Doğan was dissolved.

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

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

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

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

NOTE 32 - FINANCIAL INCOME

Financial income for the years ended at 31 December is as follows:

Financial income:

	2008	2007
Foreign exchange gain	962.122	511.617
Interest income on bank deposits	255.756	266.077
Due date difference on credit sales	28.388	36.159
Amortized cost valuation income	14.517	22.068
Other interest and commissions	579	1.534
	1.261.362	**837.455**

NOTE 33 - FINANCIAL EXPENSE

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

Financial expense:	**2008**	**2007**
Interest expense on short-term and long-term borrowings	(303.295)	(200.537)
Foreign exchange loss	(1.289.493)	(373.944)
Due date difference on credit purchases	(9.069)	(9.376)
Other	(28.628)	(16.934)
	(1.630.485)	**(600.791)**

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

Non-current assets held for sale amounting to YTL 4.387 at 31 December 2007 are presented as other trade receivables, other current assets and other non-current assets in the consolidated balance sheet at 31 December 2008 due to cancellation at the sale of brand name of Kisokos Directory Kereskedelmies Szolgaltato Kft. ("Kisokos"), a subsidiary of TME.

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

NOTE 35 - TAX ASSETS AND LIABILITIES

	2008	2007
Corporate and income taxes payable	71.142	29.028
Deferred tax liabilities, net	139.187	188.507
Total	**210.329**	**217.535**

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

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

	Cumulative temporary differences		Deferred Tax assets/(liabilities)	
	2008	**2007**	**2008**	**2007**
Differences between the tax base and carrying value of property, plant and equipment and intangible assets	1.516.846	1.499.908	(259.670)	(275.332)
Other	53.074	20.640	(10.835)	(5.621)
Deferred tax liabilities	**1.569.920**	**1.520.548**	**(270.505)**	**(280.953)**
Carry forward tax losses	493.152	325.565	102.235	64.395
Provision for doubtful receivables	79.809	52.793	15.662	10.449
Provision for employment termination benefits	30.308	26.726	6.197	5.246
Deferred financial income of trade receivables	7.990	7.197	1.651	1.439
Lease payables	6.977	9.153	1.953	2.484
Other	20.269	42.650	3.620	8.433
Deferred tax assets	**638.505**	**464.084**	**131.318**	**92.446**
Deferred tax liabilities, net			**(139.187)**	**(188.507)**

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

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

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

The Group recognized deferred income tax assets of YTL 493.152 for the year ended 31 December 2008 (2007: YTL 325.565) over carry forward tax losses in the consolidated financial statements prepared in accordance with CMB Financial Reporting Standards. The maturities of these losses at 31 December are as follows:

	2008	**2007**
2008	-	119.657
2009	-	1.357
2010	40.184	42.819
2011	61.575	69.969
2012	22.434	72.943
2013 and over	368.959	18.820
	493.152	**325.565**

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

Deferred tax assets are reflected into records for all deductible temporary differences to the extent of possibility of tax profit to be formed at profitable level. As of 31 December 2008, carry forward tax losses for which no deferred tax asset is recognized are with an amount of YTL 593.550 (2007:265.963).

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

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

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

	2008	**2007**
1 January	(188.507)	(63.867)
Business combinations	(10.327)	(152.118)
Income for the period	68.676	13.838
Currency translation differences	(10.266)	15.348
Change in the scope of consolidation	440	(913)
Disposal of subsidiaries	797	(795)
31 December	**(139.187)**	**(188.507)**

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

Turkey

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

Turkish Corporate Tax Law has been amended by Law No.5520 dated 13 June 2006. Most of the articles of this new Law No.5520 have come into force effective from 1 January 2006. Accordingly, the corporation tax rate of the fiscal year 2008 is 20% (2007: 20%). Corporation tax is payable at a rate of 20% on the total income of the companies after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, investment allowance, etc) and corporate income tax deductions (like research and development expenses deduction). (Except for withholding tax at the rate of 19,8% on the investment incentive allowance utilized within the scope of the Income Tax Law transitional article 61).

The Group classified the statutory goodwill arising from the legal mergers in POAŞ and Doğan Gazetecilik as a balancing account, which is neither an asset nor liability in nature and did not apply inflation accounting in accordance with Circular No.17 of Tax Procedural Law dated 24 March 2005, related to the inflation adjustment application.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is to be declared by the 14th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In accordance with Tax Law No.5024 "Law Related to Changes in Tax Procedural Law, Income Tax Law and Corporate Tax Law" that was published in the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira. In accordance with the aforementioned law's provisions, in order to apply inflation adjustment, the cumulative inflation rate (SIS-WPI) over the last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not fulfilled after 2005.

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

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

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

There are numerous exemptions in the Corporate Tax Law concerning the corporations. Those related to the Company are as follows:

Exemption for participation in subsidiaries

Dividend income from participation in the shares of capital of another full fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax.

Exemption for participation into foreign subsidiaries

The participation income of corporations participating in 10% or more of the capital of a limited liability or joint stock company which does not have its legal or business centre in Turkey (except for corporations whose principal activity is financial leasing or investment of marketable securities) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal or business centre at the rate of at least 15% (at the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

Exemption for sale of participation shares and property

A 75% portion of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets for more than two full years is exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realized.

Brokerage houses and real estate companies who are dealing with the trading and leasing of real estate cannot benefit from this exemption.

Exemption for investment allowance

The investment allowance application which is calculated as 40% for excess of certain amounts of fixed asset purchases and had been in force for a significant period of time was abolished by Law No.5479 dated 30 March 2006. However, in accordance with temporary article 69 of the Income Tax Law, income and corporate taxpayers can deduct the following amounts from their income related to the years 2006, 2007 and 2008 as well as the investment allowance amounts they could not offset against 2005 gains which were present as of 31 December 2005, in accordance with the legislation (including the provisions related to tax rates) in force as of 31 December 2005:

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

a) In the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6th articles prior to the abrogation of Income Tax Law No.193, with Law No. 4842.

b) In the scope of the abolished 19th article of Income Tax Law No.193, the investment allowance amounts to be calculated in accordance with the legislation in force at 31 December 2005 for investments which were started before 1 January 2006 and which display an economic and technical integrity. The effective tax rate will be 30% in the case of applying the investment allowance exemption. The Group calculated the tax provision using the rate 30% for its Subsidiaries and Joint Ventures that applied this exemption.

Accordingly, the abovementioned profits within trade income/loss are considered in the calculation of corporate income tax.

In additions to the exemptions explained above, tax deductions specified in Corporation Tax Law articles 8, 9, 10, and Income Tax Law article 40, are also considered in the assessment of the corporation tax base.

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

Russian Federation

The corporate tax rate effective in Russian Federation is 24% (2007: 24%). To be effective starting from 1 January 2009, the corporate tax rate is changed as 20%.

Russian tax legislation is subject to different interpretations and changed over frequently. The interpretation of tax legislation by tax authorities with regard to operations of TME may not be similar with management. Therefore the transactions may be interpreted in a different manner and TME can be exposed to additional payment of tax, penalty or interest with an amount that can be considered crucial.

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

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

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

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

Dividend payments that are paid to foreign shareholders are subject to 15% withholding tax. Based on bilateral tax agreements, this rate can be decreased.

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

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

Hungary

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

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

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

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

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

The taxes on income reflected to the consolidated income statement for the years ended at 31 December are summarized below:

	2008	**2007**
Current	(126.396)	(169.771)
Deferred	68.676	13.838
Taxes on income	**(57.720)**	**(155.933)**

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

	2008	**2007**
Income before tax	(20.114)	821.161
Tax calculated at 20% tax rate	4.023	(164.232)
Difference due to the different tax rates applicable in different countries	18.231	(5.875)
Expenses not deductible for tax purposes	(30.688)	(20.651)
Income not subject to tax	29.975	104.325
Utilization of previously unrecognized tax losses	1.712	22.073
Tax losses for which no deferred income tax asset was recognized	(59.105)	(36.897)
Adjustment effects	(14.191)	(16.861)
Tax effect of tax penalty settlement	-	(48.189)
Withholding tax related to the dividend payment in Russia	(6.876)	(1.335)
Other	(801)	11.709
Current year tax	**(57.720)**	**(155.933)**

75% of the gain on sale of subsidiary shares, explained in details in Note 31, arising from the sale of 25% shares of Doğan TV Holding A.Ş. is exempt from the corporate income tax according to the corporate income tax laws at 31 December 2007.

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

NOTE 36 - EARNINGS PER SHARE

Earnings per share based on share groups are as follows:

	2008	2007
Profit attributable to equity holders of the Group	70.615	395.244
Weighted average number of shares with face value of YTL 1 each	2.450.000	2.450.000
Earning per share (YTL)	0,03	0,16

NOTE 37 - RELATED PARTY DISCLOSURES

i) Amounts due from and due to related parties:

Due from related parties:	**2008**	**2007**
Medyanet İletişim Reklam Pazarlama ve Turizm A.Ş. ("Medyanet")	9.302	5.061
D Yapı ve İnşaat Sanayi ve Ticaret A.Ş. ("D Yapı")	2.939	4.440
Doğan Portal ve Elektronik Ticaret A.Ş.	1.930	2.504
Çankaya Bel Pet Limited Şirketi	884	426
D Elektronik Şans Oyunları ve Yayıncılık A.Ş. ("D Elektronik Şans Oyunları")	840	455
D Market Elektronik Hizmetler ve Ticaret A.Ş. ("D Market")	723	1.131
Doğan Elektronik Aracılık Hizmetleri Satış Pazarlama ve Yayıncılık A.Ş	16	2.963
Other	1.373	1.641
	18.007	**18.621**

Due to related parties:		
Ray Sigorta	448	393
Yeni Ortadoğu Otomotiv Ticaret A.Ş	236	31
D Yapı	-	1.577
Çevresel Kimya Sanayi ve Ticaret A.Ş.	-	739
Other	932	163
	1.616	**2.903**

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

NOTE 37 - RELATED PARTY DISCLOSURES (Continued)

ii) Transactions with related parties:

Service and product purchases:	**2008**	**2007**
Raw materials purchases	-	121.389
Other product and service purchases	10.897	13.157
	10.897	**134.546**

The Group made its paper and other raw material purchases through Fairworld International Limited ("Fairworld"), a related party until 1 July 2007 (a subsidiary beginning from 1 July 2007). Beginning from 1 July 2007, Fairworld is consolidated on a line-by-line basis and accordingly the intercompany transactions subsequent to this date are eliminated in consolidation.

Service and product sales:

Service and product sales	27.934	18.589

Financial income and expenses:

Financial income	772	114
Financial expense	(327)	(6)
	445	**108**

Purchases of fixed assets:

	2008	**2007**
Doğan Portal Elektronik Ticaret A.Ş.	17.400	-
Medyanet A.Ş.	1.728	747
D Market	655	343
D Yapı	228	4.266
Ortadoğu Otomotiv	464	1.409
Yeni Ortadoğu Otomotiv	237	-
Other	103	3
	20.815	**6.768**

Sales of fixed assets:

Ortadoğu Otomotiv	-	5.920
	-	**5.920**

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

NOTE 37 - RELATED PARTY DISCLOSURES (Continued)

Benefits provided to board members and key management personnel

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

To the Board members and key management personnel	17.452	22.745

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

	2008	**2007**
Foreign currency assets	2.874.167	1.724.444
Foreign currency liabilities	(3.909.315)	(2.836.068)
Net asset/liability position of off-balance sheet derivatives	138.510	-
Net foreign currency position	**(896.638)**	**(1.111.624)**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

Net foreign currency position

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

2008

	YTL Equivalent	US Dollar	Euro	Other
1. Trade Receivables	173.693	120.305	25.706	27.682
2a. Monetary Financial Assets Cash, Banks included)	2.556.908	2.387.346	146.097	23.465
2b. Non-Monetary Financial Assets	7	7	-	-
3. Other	62.053	21.624	12.409	28.020
4. Current Assets (1+2+3)	**2.792.661**	**2.529.282**	**184.212**	**79.167**
5. Trade Receivables	9.738	5.272	2.028	2.438
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	233	-	233	-
7. Other	71.535	12	71.462	61
8. Non-Current Assets (5+6+7)	**81.506**	**5.284**	**73.723**	**2.499**
9. Total Assets (4+8)	**2.874.167**	**2.534.566**	**257.935**	**81.666**
10. Trade Payables	979.190	906.174	56.483	16.533
11. Financial Liabilities	682.973	505.749	172.849	4.375
12a. Other Monetary Financial Liabilities	57.533	23.505	1.111	32.917
12b. Other Non-Monetary Financial Liabilities	230	68	162	-
13. Current Liabilities (10+11+12)	**1.719.926**	**1.435.496**	**230.605**	**53.825**
14. Trade Payables	523.743	523.728	-	15
15. Financial Liabilities	1.658.622	1.437.269	215.229	6.124
16a. Other Monetary Financial Liabilities	7.024	2.107	196	4.721
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**2.189.389**	**1.963.104**	**215.425**	**10.860**
18. Total Liabilities (13+17)	**3.909.315**	**3.398.600**	**446.030**	**64.685**
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	**138.510**	**135.170**	**3.340**	**-**
19.a Off-balance sheet foreign currency derivative assets	**138.641**	**135.170**	**3.471**	**-**
19b. Off-balance sheet foreign currency derivative liabilities	**131**	**-**	**131**	**-**
20. Net foreign currency asset liability position (9-18+19)	**(896.638)**	**(728.864)**	**(184.755)**	**16.981**
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(1.168.746)**	**(885.609)**	**(272.037)**	**(11.100)**
22. Fair value of foreign currency hedged financial assets	**22.951**	**-**	**-**	**-**
23. Exports	**2.068.043**	**-**	**-**	**-**
24. Imports	**1.909.180**	**-**	**-**	**-**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

2007

	YTL Equivalent	US Dollar	Euro	Other
1. Trade Receivables	247.665	190.766	37.444	19.455
2a. Monetary Financial Assets Cash, Banks included)	1.425.523	1.330.951	56.214	38.358
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	41.566	12.257	4.396	24.913
4. Current Assets (1+2+3)	**1.714.754**	**1.533.974**	**98.054**	**82.726**
5. Trade Receivables	4.414	4.410	4	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	5.276	5.276	-	-
8. Non-Current Assets (5+6+7)	**9.690**	**9.686**	**4**	**-**
9. Total Assets (4+8)	**1.724.444**	**1.543.660**	**98.058**	**82.726**
10. Trade Payables	486.061	405.534	51.372	29.155
11. Financial Liabilities	366.984	303.926	40.019	23.039
12a. Other Monetary Financial Liabilities	33.514	33.514	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	**886.559**	**742.974**	**91.391**	**52.194**
14. Trade Payables	567.240	500.662	22.230	44.348
15. Financial Liabilities	1.378.888	1.272.054	99.388	7.446
16a. Other Monetary Financial Liabilities	3.381	3.381	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**1.949.509**	**1.776.097**	**121.618**	**51.794**
18. Total Liabilities (13+17)	**2.836.068**	**2.519.071**	**213.009**	**103.988**
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	**-**	**-**	**-**	**-**
19.a Off-balance sheet foreign currency derivative assets	**-**	**-**	**-**	**-**
19b. Off-balance sheet foreign currency derivative liabilities	**-**	**-**	**-**	**-**
20. Net foreign currency asset liability position (9-18+19)	**(1.111.624)**	**(975.411)**	**(114.951)**	**(21.262)**
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(1.158.466)**	**(992.944)**	**(119.347)**	**(46.175)**
22. Fair value of foreign currency hedged financial assets	**-**	**-**	**-**	**-**
23. Exports	**876.352**	**-**	**-**	**-**
24. Imports	**860.428**	**-**	**-**	**-**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December foreign currency denominated asset and liability balances were converted with the following exchange rates; TL 1,5123 = USD 1 and TL 2,1408 = EURO 1 (2007: TL 1,1647 = USD 1 and TL 1,7102 = EURO 1)

2008

	Profit / Loss		Equity	
	Appreciation of Foreign currency	**Devaluation of Foreign currency**	**Appreciation of Foreign currency**	**Devaluation of Foreign currency**
	If USD appreciated against TL by 10%			
1- US Dollar net asset/(liability)	(72.886)	72.886	-	-
2- Part of hedged from US Dollar risk (-)	-	-	-	-
3- US Dollar net effect-gain/(loss) (1+2)	**(72.886)**	**72.886**	**-**	**-**
	If Euro appreciated against TL by 10%			
4- Euro net asset/(liability)	(18.476)	18.476	-	-
5- Part of hedged from Euro risk (-)	-	-	-	-
6- Euro net effect-gain/(loss) (4+5)	**(18.476)**	**18.476**	**-**	**-**
	If other foreign currency appreciated against TL by 10%			
7- Other foreign currency net asset/(liability)	1.698	(1.698)	-	-
8- Part of hedged other foreign currency risk (-)	-	-	-	-
9- Other foreign currency net effect-gain/(loss) (7+8)	**1.698**	**(1.698)**	**-**	**-**
Total (3+ 6+9)	**(89.664)**	**89.664**	**-**	**-**

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

2007

	Profit / Loss		Equity	
	Appreciation of Foreign currency	**Devaluation of Foreign currency**	**Appreciation of Foreign currency**	**Devaluation of Foreign currency**
	If USD appreciated against TL by 10%			
1- US Dollar net asset/(liability)	(97.541)	97.541	-	-
2- Part of hedged from US Dollar risk (-)	-	-	-	-
3- US Dollar net effect-gain/(loss) (1+2)	**(97.541)**	**97.541**	**-**	**-**
	If Euro appreciated against TL by 10%			
4- Euro net asset/(liability)	(11.495)	11.495	-	-
5- Part of hedged from Euro risk (-)	-	-	-	-
6- Euro net effect-gain/(loss) (4+5)	**(11.495)**	**11.495**	**-**	**-**
	If other foreign currency appreciated against TL by 10%			
7- Other foreign currency net asset/(liability)	(2.126)	2.126	-	-
8- Part of hedged other foreign currency risk (-)	-	-	-	-
9- Other foreign currency net effect-gain/(loss) (7+8)	**(2.126)**	**2.126**	**-**	**-**
Total (3+ 6+9)	**(111.162)**	**111.162**	**-**	**-**

a.2) Interest Rate risk

- Media

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing financial liabilities and long term trade payables. These exposures are managed using natural hedges that arise from offsetting interest rate sensitive assets and liabilities and by limited use of derivative instruments.

- Energy and Other

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

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

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

	2008	2007
Financial instruments with fixed interest rate		
Assets which difference between fair value less cost to sell with book value booked at statements of income	3.297.576	2.260.924
Financial liabilities	3.179.949	1.347.556
Financial instruments with floating interest rate		
Financial liabilities	1.248.438	1.313.260

Based on the current balance sheet as of 31 December 2008, if there is 1% decrease/ increase in the floating interest rates of financial liabilities for the Media, Energy and other segments of the Group and if the other variables are kept constant; the net loss before minority and taxation of the Group is going to increase/decrease by YTL 10.494 (2007: the net loss before minority and taxation of the Group is going to decrease/increase by YTL 10.759).

a.3) Price Risk

- Energy

The Group is exposed to price risk due to the differences between petroleum product stocks value and the product prices traded in international commodity market which subsequently affects sales price adversely. In order to avoid the negative price fluctuations on sales price, the Group entered into fair value hedge contracts. Gain/loss arising from fair value hedging transactions is added to cost of goods sold. YTL 140.309 of gain on these transactions is included in cost of goods sold in 2008 (2007: YTL 36.568 loss).

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.

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

c) Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements.

\- Media

Risks are monitored by credit ratings and by limiting the aggregate risk to any individual counterparty. As the entities comprising customer base are numerous and spread on different business areas, credit risk is diversified.

\- Energy

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Collection risk mainly arises from trade receivables. The risk is managed through the credit limits up to the guarantees received from the dealers. The Group monitors the usage of the credit limits and evaluates customer credibility continuously through taking financial position of the customers with their past experiences and other aspects into consideration. Trade receivables are evaluated based on the Energy segment policies and procedures and presented net-off of provision for doubtful receivables accordingly.

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

\- Other

The Group has adopted a policy of only dealing with creditworthy counterparties (excluding related parties) and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

The Group's credit risk of financial instruments as of 31.12.2008 is as follows:

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

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

The Group's credit risk of financial instruments as of 31.12.2007 is as follows:

	Trade Receivables		**Other Receivables**		**Cash and**	**Derivative**
31 December 2007	**Related Party**	**Other**	**Related Party**	**Other**	**cash equivalents**	**Instruments**
Maximum net credit risk as of balance sheet date	**18.621**	**1.372.459**	**-**	**-**	**2.348.867**	**-**
- The part of maximum risk under guarantee with collateral	***-***	***223.028***	***-***	***-***	***-***	***-***
A. Net book value of financial assets that are not past due/impaired	18.621	1.200.349	-	-	2.348.867	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	5.213	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	150.793	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	16.104	-	-	-	-
- Past due (gross carrying amount)	-	138.787	-	-	-	-
- Impairment (-)	-	(122.683)	-	-	-	-
- The part of net value under guarantee with collateral	-	16.274	-	-	-	-
- Not over due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

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

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

	2008		2007	
	Trade Receivables	**Other Receivables**	**Trade Receivables**	**Other Receivables**
From due date				
Past due 1-30 days	84.197	-	78.920	-
Past due 1-3 months	60.255	-	25.322	-
Past due 3-12 months	46.472	-	39.089	-
Past due 1-5 years	13.077	-	7.462	-
Past due more than 5 years	-	-	-	-
The part under guarantee with collateral	-	-	-	-

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.

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

d) Liquidity risk (Continued)

2008	Carrying value	Total cash outflow according to contract	Less than 3 Months	3-12 Months	1-5 Years	More than 5 years
Non-derivative financial liabilities						
Bank borrowings (Note 8)	2.828.336	3.196.050	528.450	657.366	1.889.971	120.263
Finance lease liabilities (Note 8)	51.288	55.517	25.444	4.094	25.979	-
Trade payables (Note 10)	1.837.723	1.891.937	492.102	843.896	555.939	-
Other financial liabilities (Note 9)	30.305	33.334	12.669	12.122	8.543	-
	4.747.652	**5.176.838**	**1.058.665**	**1.517.478**	**2.480.432**	**120.263**
Derivative financial liabilities						
Derivative cash inflow	57.401	356.499	206.608	5.318	144.573	-
Derivative cash outflow	-	(314.966)	(178.507)	(11.343)	(125.116)	-
Derivative cash outflow, net	**57.401**	**41.533**	**28.101**	**(6.025)**	**19.457**	**-**

2007	Carrying value	Total cash outflow according to contract	Less than 3 Months	3-12 Months	1-5 Year	More than 5 years
Non-derivative financial liabilities						
Bank borrowings (Note 8)	1.679.535	1.819.946	152.345	265.998	1.335.443	66.160
Finance lease liabilities (Note 8)	42.713	47.268	10.136	7.643	13.503	15.987
Trade payables (Note 10)	1.335.873	1.379.660	620.916	227.063	531.680	-
Other financial liabilities (Note 9)	31.677	35.374	1.968	12.859	20.547	-
	3.089.798	**3.282.248**	**785.365**	**513.563**	**1.901.173**	**82.147**
Derivative financial liabilities						
Derivative cash inflow	-	157.852	157.852	-	-	-
Derivative cash outflow	(13.827)	(171.679)	(171.679)	-	-	-
Derivative cash outflow, net	**(13.827)**	**(13.827)**	**(13.827)**	**-**	**-**	**-**

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

e) Fair value of financial instruments

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

The estimated fair values of financial instruments are determined by the Group, using available market information and appropriate valuation methodologies for each segment of the Group. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

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

Monetary assets

The fair values of balances denominated in foreign currencies, which are translated at the period index change rates, are considered to approximate carrying value.

The fair values of certain financial assets carried at cost, including cash and cash equivalents are considered to approximate their respective carrying values due to their short-term nature.

The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be at their fair values.

Monetary liabilities

The fair value of bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings, which are principally at variable rates, and denominated in foreign currencies, are translated at the period-end exchange rates and accordingly, their fair values approximate their carrying values.

Trade payables are disclosed at their fair values.

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

NOTE 38 - FINANCIAL RISK MANAGEMENT (Continued)

f*) Capital risk management*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. On the calculation of the total debt, the Group management takes short and long-term borrowings and trade payables into consideration. Cash and cash equivalents are calculated as liquid assets less than 3 months and marketable securities less interest rediscount (Note 6).

	31 December 2008	31 December 2007
Total debts	4.972.938	3.263.581
Less: Cash and cash equivalents	(3.348.634)	(2.342.465)
Net debt	1.624.304	921.116
Equity	3.853.502	3.757.575
Total equity	5.477.806	4.678.691
Gearing ratio	**30%**	**20%**

NOTE 39 - FINANCIAL INSTRUMENTS

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

The estimated fair values of financial instruments have been determined by the Group and its subsidiaries and joint ventures, using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

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

Financial assets

The fair value of the foreign currency denominated amounts, which are translated by using the Exchange rates prevailing at period-end, is considered to approximate their fair value.

The fair values of certain financial assets carried at cost including cash and due from banks, deposits with banks and other financial assets are considered to approximate their respective carrying values due to their short-term nature. The fair value of investment securities has been estimated based on the market prices at balance sheet dates.

The trade receivables are carried at amortized cost using the effective yield method less provision for doubtful receivables, and hence are considered to approximate their fair values.

Financial liabilities

The fair value of short-term funds borrowed and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings, which are principally at variable rates and denominated in foreign currencies, are translated at period-end exchange rates and accordingly their carrying amounts approximate their fair values.

Trade payables are stated at their fair values and accordingly their carrying amounts approximate their fair values.

NOTE 40 - SUBSEQUENT EVENTS

i. In accordance with the Article 1 of the Law numbered 5083 concerning the "Currency of the Republic of Turkey" and according to the Decision of The Council of Ministers dated April 4, 2007 and No: 2007/11963, the prefix "New" used in the "New Turkish Lira" and the "New Kuruş" will be removed as of January 1, 2009. When the prior currency, New Turkish lira ("YTL"), values are converted into TL and Kr, one YTL (YTL1) and one YKr (YKr1) shall be equivalent to one TL (TL1) and one Kr (Kr1).

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

ii. As explained in detail in Note 22, within the scope of tax penalty charges in March 2009, in addition to putting bank accounts of Doğan Yayın under sequestration, the Tax Administration has put shares of the Group's subsidiaries representing 66,56% of the capital of Hürriyet Gazetecilik ve Matbaacılık A.Ş., 70,76% of the capital of Doğan Gazetecilik A.Ş. and the Group's joint venture representing 44,89% of the capital of Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. and 45,40% of the capital of Doğan TV Holding A.Ş. under sequestration. The fiscal and administrative rights of these shares will be continued to be used by the Group.

iii. As further explained in Note 3, subsequent to the decision of the Competition Authority dated 26 September 2008 a lawsuit has been filed with the Council of State for the cancellation of the conditions of the decision applied to the Group and a stay of execution. In its decision dated 13 February 2009, the Council of State ruled for a stay of execution of the conditions in the decision of the Competition Authority dated 10 March 2008. Accordingly, the decision of the Competition Authority related to the share purchase of Bağımsız Gazeteciler and Kemer Yayıncılık by Doğan Gazetecilik A.Ş. is valid however the execution of case-related conditions in the decision has been stopped.

iv. The consolidated financial statements for the year ended 31 December 2008 have been approved by the Board of Directors at 10 April 2009. These consolidated financial statements will be definitive following their approval in the General Assembly.

NOT 41 - DISCLOSURE OF OTHER MATTERS

None (2007: None).

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

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

	Notes	2008	2007
(Loss)/Profit before income taxes from continuing operations		(20.114)	821.161
Adjustments:			
Depreciation and amortization	17-18-19	376.634	350.621
Provision for employment termination benefits	24	12.220	7.979
Interest expenses/ (income), net	32-33	47.539	(65.540)
Currency translation differences		16.842	31.008
(Income)/loss on sale of property, plant and equipment		1.897	1.817
Impairment of investment property, tangible and intangible assets	17-18-19	24.683	(995)
Provision for net realised values		40.173	(3.378)
Provision for doubtful receivables	31	61.478	45.683
Foreign exchange loss from loans and letter of credits		688.473	(171.405)
Other provisions		21.749	398
Profit arising from the sale of Subsidiaries and Joint Ventures	31	(58.676)	(694.428)
		1.212.898	**322.921**
Changes in working capital (excluding the effects of acquisitions and disposals):			
Change in financial investments and investments accounted for by the equity method		(45.031)	226.402
Change in trade receivables and due from related parties, net		155.623	(280.599)
Change in inventories, net		(211.502)	(64.681)
Change in trade payables and due to related parties, net		482.797	(160.077)
Change in insurance technical reserves, net		-	(5.412)
Change in other payables/receivables, net		(135.540)	108.376
		246.347	**(175.991)**
Net cash provided by operating activities		**1.459.245**	**146.930**

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