DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONVENIENCE TRANSLATION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2016 INTO ENGLISH

(ORIGINALLY ISSUED IN TURKISH)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

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

ASSETS	Notes	USD* 31 March 2016	*Unaudited* 31 March 2016	*Audited* 31 December 2015
Current assets		**1.311.670**	**3.716.487**	**3.958.733**
Cash and cash equivalents	6	571.174	1.618.366	1.894.260
Financial investments	7	47.639	134.980	129.308
Trade receivables				
- Due from related parties	33	2.578	7.304	2.940
- Due from non-related parties	9	460.958	1.306.079	1.212.010
Other receivables				
-Due from related parties	33	-	-	2.320
-Due from non-related parties	10	8.464	23.983	17.093
Inventories	11	127.889	362.362	367.374
Prepaid expenses	20	42.316	119.897	95.310
Biological assets	12	60	169	76
Other current assets	19	50.592	143.347	238.042
Non-current assets		**1.245.252**	**3.528.295**	**3.482.631**
Trade receivables	9	14.380	40.745	21.374
Other receivables				
-Due from related parties	33	10.153	28.770	29.076
-Due from non-related parties	10	9.237	26.173	31.235
Financial investments	7	14.504	41.095	41.598
Investments accounted by the equity method	4	106.753	302.474	309.131
Investment property	13	135.485	383.882	376.075
Property, plant and equipment	14	368.114	1.043.014	1.041.089
Intangible assets				
- Goodwill	15	142.484	403.713	403.713
- Other intangible assets	15	349.353	989.856	953.972
Prepaid expenses	20	24.246	68.699	46.197
Deferred tax asset	31	26.964	76.401	106.105
Other non-current assets	19	43.579	123.473	123.066
Total assets		**2.556.922**	**7.244.782**	**7.441.364**

The consolidated financial statements as of and for the period ended 31 March 2016 have been approved by the Board of Directors on 10 May 2016.

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

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

LIABILITIES	Notes	USD* 31 March 2016	*Unaudited* 31 March 2016	*Audited* 31 December 2015
Current liabilities		**868.621**	**2.461.152**	**2.693.843**
Short-term borrowings	8	235.061	666.023	738.949
Short-term portion of long-term borrowings	8	226.271	641.117	717.110
Other financial liabilities	8	-	-	175.395
Trade payables				
- Due to related parties	33	10.505	29.765	27.129
- Due to non- related parties	9	275.278	779.974	726.773
Payables related to employee benefits	22	11.701	33.153	23.394
Derivative instruments	21	782	2.216	-
Deferred income	20	15.787	44.731	40.014
Other payables	10	61.513	174.290	159.859
Current income tax liability	31	88	249	1.888
Short-term provisions				
- Short-term provisions for employment benefits	22	18.963	53.729	44.070
- Other short-term provisions	17	12.672	35.905	39.262
Non-current liabilities		**622.010**	**1.762.402**	**1.705.310**
Trade payables	9	5.926	16.788	-
Long-term borrowings	8	252.875	716.497	665.525
Investments accounted for by the equity method	4	55.440	157.085	155.315
Other financial liabilities	8	185.541	525.713	517.700
Other payables	10	35.456	100.460	103.495
Deferred income	20	2.275	6.445	1.410
Long-term provisions				
-Long-term provisions for employment benefits	22	39.130	110.871	109.481
Deferred tax liability	31	45.367	128.543	152.384
EQUITY		**1.066.291**	**3.021.228**	**3.042.211**
Equity attributable to equity holders of the parent company		**927.581**	**2.628.207**	**2.652.122**
Share capital	23	923.603	2.616.938	2.616.938
Adjustments to share capital	23	50.655	143.526	143.526
Premiums/discounts related to shares	23	12.409	35.159	35.159
Other comprehensive income or expenses that will not be reclassified in profit or loss				
- Gain on revaluation of investment property	23	4.118	11.662	11.662
- Actuarial losses on defined benefit plans	23	(10.952)	(31.032)	(31.032)
Other comprehensive income or expenses that will be reclassified in profit or loss				
- Change in currency translation reserves		33.180	94.013	87.357
- Gain/ loss on revaluation and reclassification	23	582	1.650	514
- Gain and loss on cash flow hedges	23	(486)	(1.376)	-
Restricted reserves	23	105.879	299.998	1.267.933
Accumulated losses		(180.702)	(512.000)	(1.319.115)
Net loss for the period		(10.705)	(30.331)	(160.820)
Non-controlling interests		**138.710**	**393.021**	**390.089**
Total liabilities		**2.556.922**	**7.244.782**	**7.441.364**
Commitments	18			

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2016

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

	Notes	*USD(*)* 1 January- 31 March 2016	*Unaudited* 1 January- 31 March 2016	*Unaudited* 1 January- 31 March 2015
Continued Operations				
Revenue	24	560.522	1.588.181	977.800
Cost of Sales (-)	24	(454.507)	(1.287.799)	(787.904)
Gross Profit	**24**	**106.015**	**300.382**	**189.896**
General Administrative Expenses(-)	25	(27.723)	(78.549)	(70.490)
Marketing Expenses (-)	25	(61.012)	(172.871)	(122.932)
Other Income From Operating Activities	27	31.216	88.447	186.520
Other Expenses From Operating Activities (-)	27	(33.548)	(95.057)	(58.797)
Share of Losses on Investments Accounted for by The Equity Method	4	(712)	(2.017)	(78.690)
Operating Profit		**14.236**	**40.335**	**45.507**
Income From Investment Activities	28	2.161	6.124	71.136
Expenses From Investment Activities (-)	28	(5.206)	(14.750)	(7.464)
Operating Profit Before Finance (Expense)/ Income		**11.191**	**31.709**	**109.179**
Finance Income	29	2.991	8.475	14.278
Finance Expense (-)	29	(24.804)	(70.280)	(125.295)
Loss Before Taxation		**(10.622)**	**(30.096)**	**(1.838)**
Tax Expense	31	**(2.810)**	**(7.962)**	**(45.764)**
Tax Expense for The Period		(1.062)	(3.010)	(27.461)
Deferred Tax Income/ (Expense)		(1.748)	(4.952)	(18.303)
Net Loss for The Period		**(13.432)**	**(38.058)**	**(47.602)**
Allocation of Net Loss for The Period				
Attributable to Non-Controlling Interests		(2.727)	(7.727)	(4.727)
Attributable to Equity Holders of The Parent Company		(10.705)	(30.331)	(42.875)
Loss Per Share Attributable to Equity Holders of The Parent Company	32	(0,004)	(0,012)	(0,016)

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

CONSOLIDATED OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2016

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

	USD(*) **1 January- 31 March 2016**	***Unaudited*** **1 January- 31 March 2016**	***Unaudited*** **1 January- 31 March 2015**
Loss for The Period	**(13.432)**	**(38.058)**	**(47.602)**
OTHER COMPREHENSIVE INCOME			
Accumulated Other Comprehensive Income and Losses That Will Not Be Reclassified As Profit or Loss			
Gain on revaluation of investment property	-	-	-
Deferred tax effect on gain on revaluation of investment property	-	-	-
Actuarial loss on defined retirement benefit plans	-	-	-
Deferred tax effect on actuarial loss on defined retirement benefit plans	-	-	-
Accumulated Other Comprehensive Income and Losses That Will Be Reclassified As Profit or Loss			
Change in Currency Translation Reserves	7.201	20.406	5.277
Revaluation of Financial Assets Available for Sale and / or Classification Gain / Losses	401	1.136	1.933
Gain and loss on cash flow hedges	(625)	(1.772)	-
OTHER COMPREHENSIVE INCOME / (EXPENSE)	**6.977**	**19.770**	**7.210**
TOTAL COMPREHENSIVE EXPENSE	**(6.455)**	**(18.288)**	**(40.392)**
Allocation of Total Comprehensive Expense for the Period			
Attributable to Non-Controlling Interests	1.985	5.627	(6.006)
Attributable to Equity Holders of The Parent Company	(8.440)	(23.915)	(34.386)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIODS 1 JANUARY- 31 MARCH 2016 AND 2015

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

				Accumulated other comprehensive income or loss that will not be reclassified as profit or loss			Accumulated other comprehensive income or loss that will be reclassified as profit or loss				Retained earnings / (accumulated losses)				
	Notes	**Share Capital**	**Adjustments to share capital**	**Gains on revaluation of investment property**	**Actuarial losses on defined retirement benefit plans**	**Premiums /discounts related to share**	**Gain/(loss) on revaluation and/or reclassification of financial assets available for sale**	**Gain and loss on cash flow hedges**	**Currency translation differences**	**Restricted reserves**	**Retained earnings/ (accumulated losses)**	**Net income/ (loss) for the period**	**Equity attributable to equity holders of the company**	**Non-controlling interests**	**Total shareholder's equity**
Balances at 1 January 2016	**23**	**2.616.938**	**143.526**	**11.662**	**(31.032)**	**35.159**	**514**	**-**	**87.357**	**1.267.933**	**(1.319.115)**	**(160.820)**	**2.652.122**	**390.089**	**3.042.211**
Transfers [(1)]		-	-	-	-	-	-	-	-	(967.935)	807.115	160.820	-	-	-
Dividend payment of subsidiaries to non-group companies		-	-	-	-	-	-	-	-	-	-	-	-	(2.695)	(2.695)
Total comprehensive income/ (expense)		**-**	**-**	**-**	**-**	**-**	**1.136**	**(1.376)**	**6.656**	**-**	**-**	**(30.331)**	**(23.915)**	**5.627**	**(18.288)**
- Currency translation differences		-	-	-	-	-	-	-	*6.656*	-	-	-	*6.656*	*13.750*	*20.406*
- Change in the cash flow hedge fund		-	-	-	-	-	-	*(1.376)*	-	-	-	-	*(1.376)*	*(396)*	*(1.772)*
- Change in the financial asset fair value reserve		-	-	-	-	-	*1.136*	-	-	-	-	-	*1.136*	-	*1.136*
- Net loss for the period		-	-	-	-	-	-	-	-	-	-	*(30.331)*	*(30.331)*	*(7.727)*	*(38.058)*
Balances as of 31 March 2016	**23**	**2.616.938**	**143.526**	**11.662**	**(31.032)**	**35.159**	**1.650**	**(1.376)**	**94.013**	**299.998**	**(512.000)**	**(30.331)**	**2.628.207**	**393.021**	**3.021.228**

(1) Gain on sale of associate shares amounting to TL 987.125 presented as restricted reserves in the prior years has been transferred to accumulated losses account as of the date of the consolidated statement of financial position due to the completion of the legal period which should be kept in a special fund in accordance with the tax legislation.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIODS 1 JANUARY- 31 MARCH 2016 AND 2015

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

				Accumulated other comprehensive income or loss that will not be reclassified as profit or loss			Accumulated other comprehensive income or loss that will be reclassified as profit or loss			Retained earnings / (accumulated losses)				
	Notes	**Share Capital**	**Adjustments to share capital**	**Gains on revaluation of investment property**	**Actuarial losses on defined retirement benefit plans**	**Premiums /discounts related to share**	**Gain/(loss) on revaluation and/or reclassification of financial assets available for sale**	**Currency translation differences**	**Restricted reserves**	**Retained earnings/ (accumulated losses)**	**Net income/ (loss) for the period**	**Equity attributable to equity holders of the company**	**Non-controlling interests**	**Total shareholder's equity**
Balances at 1 January 2015	**23**	**2.616.938**	**143.526**	**1.002**	**(30.979)**	**35.159**	**(4.177)**	**51.034**	**1.281.168**	**(1.113.482)**	**(224.970)**	**2.755.219**	**154.631**	**2.909.850**
Transfers		-	-	-	-	-	-	-	(13.259)	(211.711)	224.970	-	-	-
Dividend payment of subsidiaries to non-group companies		-	-	-	-	-	-	-	-	-	-	-	(3.700)	(3.700)
Acquisition of subsidiary		-	-	-	-	-	-	-	-	-	-	-	94.320	94.320
Participation to the capital increase of non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	127.000	127.000
Other		-	-	-	-	-	-	-	-	-	-	-	(26)	(26)
Total comprehensive income/(expense)		-	-	-	-	-	1.933	6.556	-	-	(42.875)	(34.386)	(6.006)	(40.392)
- Currency translation differences		-	-	-	-	-	-	*6.556*	-	-	-	*6.556*	*(1.279)*	*5.277*
- Change in the financial asset fair value reserve		-	-	-	-	-	*1.933*	-	-	-	-	*1.933*	-	*1.933*
- Net loss for the period		-	-	-	-	-	-	-	-	-	*(42.875)*	*(42.875)*	*(4.727)*	*(47.602)*
Balances as of 31 March 2015	**23**	**2.616.938**	**143.526**	**1.002**	**(30.979)**	**35.159**	**(2.244)**	**57.590**	**1.267.909**	**(1.325.193)**	**(42.875)**	**2.720.833**	**366.219**	**3.087.052**

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIODS 31 MARCH 2016 AND 2015

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

	Notes	*USD(*)* 1 January-31 March 2016	*Unaudited* 1 January-31 March 2016	*Unaudited* 1 January-31 March 2015
A. Net cash provided by operating activities		**29.595**	**83.857**	**238.200**
Loss before tax from continuning operations		(10.622)	(30.096)	(1.838)
Adjustments regarding reconciliation of loss for the period		**59.038**	**167.277**	**238.715**
Adjustments regarding depreciation and amortization	14,15	30.404	86.145	73.336
Adjustments regarding provisions		11.344	32.141	20.373
Adjustments regarding interest income and expenses		10.273	29.108	32.502
Unearned finance income/expense due to sales with maturity	27	(858)	(2.431)	(8.381)
Adjustments regarding unrealized changes in currency translation differences		4.510	12.779	(22.579)
Adjustments regarding gains/losses in fair value		1.164	3.299	(883)
Adjustments regarding gain/losses on disposal of property, plant and equipment	28	334	947	254
Share of gain on associates accounted by using the equity method	4	712	2.017	78.690
Unrealized foreign exchange expense due to financial borrowings		1.155	3.272	65.403
Change in working capital		**(25.158)**	**(71.282)**	**(3.894)**
(Increase) / decrease in other current and non-current assets and prepaid expenses		(15.270)	(43.266)	35.787
(Decrease)/ increase in other short term and long term liabilities and deferred revenue		3.441	9.752	(2.909)
Decrease in inventories		1.484	4.205	4.284
Increase in trade receivables		(48.193)	(136.551)	(27.694)
Increase in payables regarding employee benefits		3.444	9.759	23.116
Decrease in other receivables regarding operations		282	798	18.166
(Decrease)/ increase in trade payables		25.632	72.625	(32.739)
Decrease / (increase) in other payables regarding operations		4.022	11.396	(21.905)
Net cash provided by operating activities		**23.258**	**65.899**	**232.983**
Employment termination benefits paid	22	(1.073)	(3.040)	(4.013)
Taxes paid		(1.641)	(4.649)	(14.077)
Legal case provisions paid		(2.831)	(8.022)	(1.592)
Collections and reversals from doubtful receivables	9	2.157	6.113	2.533
Interests collected		9.725	27.556	22.366

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIODS 31 MARCH 2016 AND 2015

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

	Notes	*USD(*)* 1 January- 31 March 2016	*Unaudited* 1 January- 31 March 2016	*Unaudited* 1 January- 31 March 2015
B. Net cash used in investing activities		**(104.765)**	**(296.840)**	**(470.136)**
Proceeds from sale of property, plant and equipment, intangible assets and assets held for sale		3.554	10.067	12.228
(Increase)/ decrease in financial investments		630	1.784	(35.193)
Cash outflow from the acquisition of property, plant and equipment intangible assets, and investment property	13,14,15	(45.480)	(128.864)	(77.117)
Payments on financial borrowings related with the options		(63.325)	(179.425)	(171.897)
Dividend payment of subsidiaries to the non-group companies		(951)	(2.695)	-
Increase in investments valued by equity method		156	445	-
Dividend income from joint ventures		651	1.848	-
Acquisition of subsidiary share, net		-	-	(195.403)
Increase on capital of associates accounted by using the equity method		-	-	(2.754)
C. Net cash provided by / (used in) financing activities		**(20.150)**	**(57.094)**	**463.743**
(Decrease)/increase in financial borrowings, (net)		(33.960)	(96.221)	278.798
Interests paid		(18.013)	(51.041)	(50.522)
Decrease in blocked deposits		31.823	90.168	108.467
Dividend payments to non-controlling interests		-	-	127.000
NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION RESERVES (A+B+C))		**(95.319)**	**(270.077)**	**231.807**
D. THE EFFECT OF CURRENCY TRANSLATION RESERVES ON CASH AND CASH EQUIVALENTS,		**-**	**-**	**-**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**-**	**-**	**-**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	**665.949**	**1.886.899**	**2.163.304**
F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	6	**570.630**	**1.616.822**	**2.395.111**

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

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding", "Holding" or the "Group") was established on 22 September 1980 and is registered in Turkey. Main operating activity of the Holding is to invest in various sectors via associates, to provide all necessary support to its subsidiaries and joint ventures in order to develop their activities.

Doğan Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on Borsa İstanbul ("Borsa İstanbul") since June 21, 1993. Within the frame of Resolution No.21/655 dated 23 July 2010 of CMB with the decision on 30 October 2014 numbered 31/1059; according to the records of Central Registry Agency, 35,93% shares of Doğan Holding are to be considered in circulation as of 31 March 2016 (31 December 2015: 35,94%).

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

Burhaniye Mahallesi Kısıklı Caddesi No: 65
Üsküdar 34696 İstanbul

As of 31 March 2016, the total number of personnel in the domestic and abroad subsidiaries and associates of the Group, that are consolidated by using the "full consolidation method", is 8.735 (domestic 7.664) (31 December 2015: 8.678; domestic 7.547). The Company has 139 employees (31 December 2015: 157 employees).

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

Subsidiaries	**Country**	**Nature of business**	**Segment**
Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet")	Turkey	Newspaper publishing	Media
Doğan Gazetecilik A.Ş. ("Doğan Gazetecilik")	Turkey	Newspaper publishing	Media
Doğan Dağıtım Satış Pazarlama Matbaacılık Ödeme Aracılık ve Tahsilat Sistemleri A.Ş. ("Doğan Dağıtım")	Turkey	Distribution	Media
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	Turkey	Import and export	Media
Doğan Haber Ajansı A.Ş. ("Doğan Haber")	Turkey	News agency	Media
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. ("Yenibir")	Turkey	Internet services	Media
Hürriyet Zweigniederlassung GmbH ("Hürriyet Zweigniederlassung")	Germany	Newspaper printing	Media
Doğan Media International GmbH ("DMI")	Germany	Newspaper publishing	Media
Hürriyet Invest B.V. ("Hürriyet Invest")	Netherland	Investment	Media
Falcon Purchasing Services Ltd. ("Falcon")	England	Foreign Trade	Media
Trader Media East Ltd. ("TME")	Jersey	Investment	Media
TCM Adria d.o.o.	Crotia	Investment	Media
Mirabridge International B.V.	Netherland	Investment	Media
Publishing International Holding B.V.	Netherland	Investment	Media
OOO RUKOM	Russia	Internet publishing	Media
OOO Pronto Aktobe	Kazakhstan	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 Kazan	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 Samara	Russia	Newspaper and Internet publishing	Media
OOO Pronto Vladivostok	Russia	Newspaper and Internet publishing	Media
OOO Pronto Media Holding Ltd.	Russia	Newspaper and Internet publishing	Media
OOO Utro Peterburga	Russia	Newspaper and Internet publishing	Media
OOO Pronto Smolensk	Russia	Newspaper and Internet publishing	Media
OOO SP Belpronto	Belarus	Newspaper and Internet publishing	Media
ZAO Pronto Akzhol	Kazakhstan	Newspaper and Internet publishing	Media
TOO Pronto Akmola	Kazakhstan	Newspaper and Internet publishing	Media
OOO Pronto Atyrau	Kazakhstan	Newspaper and Internet publishing	Media

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries	Country	Nature of business	Segment
OOO Pronto Aktau	Kazakhstan	Newspaper and Internet publishing	Media
Impress Media Marketing LLC	Russia	Publishing	Media
ID Impress Media Marketing LLC	Russia	Newspaper and Internet publishing	Media
OOO Rektcentr	Russia	Investment	Media
Publishing House Pennsylvania Inc.	USA	Investment	Media
Pronto Ust Kamenogorsk	Kazakhstan	Newspaper publishing	Media
Doğan Internet Yayıncılığı ve Yatırım A.Ş. ("Doğan Internet Yayıncılığı")	Turkey	Internet publishing	Media
Doğan TV Holding A.Ş. ("Doğan TV Holding")	Turkey	Tv publishing	Media
DTV Haber ve Görsel Yayıncılık A.Ş. ("Kanal D")	Turkey	Tv publishing	Media
Mozaik İletişim Hizmetleri A.Ş. ("Mozaik" or "D-smart")	Turkey	Tv publishing	Media
Doruk Televizyon ve Radyo Yayıncılık A.Ş. ("Doruk Televizyon" or "CNN Türk")	Turkey	Tv publishing	Media
Doğan TV Digital Platform İşletmeciliği A.Ş. ("Doğan TV Dijital")	Turkey	Tv publishing	Media
Fun Televizyon Yapımcılık Sanayi ve Ticaret A.Ş. ("Fun TV")	Turkey	Tv publishing	Media
Tempo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Tempo TV")	Turkey	Tv publishing	Media
Kanalspor Televizyon ve Radyo Yayıncılık A.Ş. ("Kanalspor")	Turkey	Tv publishing	Media
Milenyum Televizyon Yayıncılık ve Yapımcılık A.Ş. ("Milenyum TV")	Turkey	Tv publishing	Media
TV 2000 Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("TV 2000")	Turkey	Tv publishing	Media
Popüler Televizyon ve Radyo Yayıncılık A.Ş. ("Popüler TV")	Turkey	Tv publishing	Media
D Yapım Reklamcılık ve Dağıtım A.Ş. ("D Yapım Reklamcılık")	Turkey	Tv publishing	Media
Bravo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Bravo TV")	Turkey	Tv publishing	Media
Doğa Televizyon ve Radyo Yayıncılık A.Ş. ("Doğa TV")	Turkey	Tv publishing	Media
Blutv İletişim ve Dijital Yayın Hizmetleri A.Ş. ("Blutv İletişim")	Turkey	Tv publishing	Media
Altın Kanal Televizyon ve Radyo Yayıncılık A.Ş. ("Altın Kanal")	Turkey	Tv publishing	Media
Stil Televizyon ve Radyo Yayıncılık A.Ş. ("Stil TV")	Turkey	Tv publishing	Media
Selenit Televizyon ve Radyo Yayıncılık A.Ş. ("Selenit TV")	Turkey	Tv publishing	Media
Trend Televizyon ve Radyo Yayıncılık A.Ş. ("Trend TV" or "D Çocuk")	Turkey	Tv publishing	Media
Ekinoks Televizyon ve Radyo Yayıncılık A.Ş. ("Ekinoks TV")	Turkey	Tv publishing	Media
Fleks Televizyon ve Radyo Yayıncılık A.Ş. ("Fleks TV")	Turkey	Tv publishing	Media
Kutup Televizyon ve Radyo Yayıncılık A.Ş. ("Kutup TV")	Turkey	Tv publishing	Media
Galaksi Radyo ve Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Galaksi TV")	Turkey	Tv publishing	Media
Yörünge Televizyon ve Radyo Yayıncılık A.Ş. ("Yörünge TV")	Turkey	Tv publishing	Media
Tematik Televizyon ve Radyo Yayıncılık A.Ş. ("Tematik TV")	Turkey	Tv publishing	Media
Süper Kanal Televizyon ve Radyo Yayıncılık A.Ş. ("Süperkanal")	Turkey	Tv publishing	Media
Uydu İletişim Basın Yayın A.Ş. ("Uydu")	Turkey	Tv publishing	Media
Eko TV Televizyon ve Radyo Yayıncılık A.Ş. ("Eko TV") (1)	Turkey	Tv publishing	Media
Doğan Uydu Haberleşme Hizmetleri ve Telekomünikasyon Ticaret A.Ş. ("Doğan Uydu Haberleşme") Media	Turkey	Tv publishing	
Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. ("Rapsodi Radyo")	Turkey	Radio publishing	Media
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	Turkey	Music and entertainment	Media
Primeturk GmbH ("Prime Turk")	Germany	Marketing	Media
Osmose Media S.A ("Osmose Media")	Luxembourg	Marketing	Media
Doğan Media International S.A. ("Kanal D Romania")	Romania	Tv publishing	Media
Doğan Faktoring A.Ş. ("Doğan Faktoring")	Turkey	Factoring	Retail
Doğan Müzik Kitap Mağazacılık ve Ticaret A.Ş. ("D&R")	Turkey	Retail	Retail
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. ("Hürservis")	Turkey	Retail	Retail
A.G.T. Tanıtım Kağıt Ürünleri Sanayi ve Ticaret A.Ş. ("A.G.T.Tanıtım")	Turkey	Retail	Retail
Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. ("Doğan Enerji")	Turkey	Energy	Energy
Galata Wind Enerji A.Ş.("Galata Wind")	Turkey	Energy	Energy
Aytemiz Akaryakıt Dağıtım A.Ş. ("Aytemiz Akaryakıt")	Turkey	Energy	
Gaziemir Petrol Ticaret Limited Şirketi ("Gaziemir Petrol")	Turkey	Energy	Energy
Aytemiz Petrolcülük Ticaret Limited Şirketi (Aytemiz Petrolcülük")	Turkey	Energy	
D-Tes Elektrik Enerjisi Toptan Satış A.Ş. ("D-Tes")	Turkey	Energy	Energy
Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Milpa")	Turkey	Trade	Other
Orta Anadolu Otomotiv Ticaret ve Sanayi A.Ş. ("Orta Anadolu Otomotiv")	Turkey	Trade	Other
Çelik Halat ve Tel Sanayii A.Ş. ("Çelik Halat")	Turkey	Production	Other

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries	Country	Nature of business	Segment
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
SC D-Yapı Real Estate, Investment and Construction S.A. ("D Yapı Romanya")	Romania	Real estate	Other
DHI Investment B.V. ("DHI Investment")	Netherland	Investment	Other
D Stroy Limited ("D Stroy")	Russia	Trade	Other
Ditas America LLC ("Ditas America")	USA	Trade	Other
Ditas Trading (Shanghai) Co. Ltd. ("Ditas Trading")	People's Republic of China	Trade	Other
M Investment 1 LLC ("M Investment")	USA	Real estate	Other
Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Öncü Girişim")	Turkey	Investment	Other
Suzuki Motorlu Araçlar Pazarlama A.Ş.("Suzuki")	Turkey	Trade	Other

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Preparation and Presentation of Financial Statements

Statement of compliance with TAS

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which were published in the Official Gazette No: 28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards ("TAS") and the related supplement and interpretations that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

Also these consolidated financial statements and notes are presented in accordance with the financial statement model requirements as announced by the CMB's statement issued at 7 June 2013.

The Group maintains their books of account and prepare their statutory financial statements in Turkish Lira in accordance with the tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Finance.

These consolidated financial statements, except for the financial assets and investment properties that are presented at fair value, 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 communique and the financial statement models of CMB.

Adjustment to the financial statements in hyperinflationary periods

With the decision of CMB dated as 17 March 2005 and numbered 11/367, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with TAS. Accordingly, No: 29, "Financial Reporting in Hyperinflationary Economies" ("TAS 29"), has not been applied commencing from 1 January 2005.

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

2.1 Basis of presentation (continued)

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

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

If the group entities' functional currency is different from the presentation currency; it is translated into the presentation currency as below:

- 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 statement of profit or loss are translated at average exchange rates; and all resulting exchange differences are recognised as a separate component of equity and statements of other comprehensive income (currency translation differences).

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

2.1.3 Consolidation principles

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

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

Income and expenses of a subsidiary, acquired or disposed of the during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

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

2.1 Basis of presentation (continued)

2.1.3 Consolidation principles (continued)

(a) Subsidiaries

Subsidiaries comprise of the companies directly or indirectly controlled by Doğan Holding.

Control is achieved when the Group:

- has power over the company/asset;
- is exposed, or has rights, to variable returns from its involvement with the company/asset; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are indicators of a situation or an event that may cause any changes to at least one of the elements of control listed above.

When the Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in the relevant investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities (including voting patterns at previous shareholders' meetings).

Subsidiaries are consolidated by full consolidation method by the date the Group takes the control. From the date the control is over, subsidiaries are excluded from the consolidation scope. Proportion of ownership interest represents the effective shareholding of the Group through the shares held by Doğan Holding and/or indirectly by its subsidiaries. In the consolidated financial statements, interests owned by Doğan family members are treated as non-controlling interests and excluded from net asset and profit of the Group.

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

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

2.1 Basis of presentation (continued)

2.1.3 Consolidation principles (continued)

(a) Subsidiaries (continued)

Changes in the Group's ownership interests in subsidiaries that do not result in the loss of control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts priory recognised in other comprehensive income and accumulated in equity in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets of the subsidiary (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by the relevant TAS). When control is lost, the fair value of any investment retained in the former subsidiary at the date is regarded as the fair value on initial recognition for subsequent accounting under the scope of TAS 39 Financial Instruments: Recognition and Measurement, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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

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

2.1 Basis of presentation (continued)

2.1.3 Consolidation principles (continued)

(a) Subsidiaries (continued)

The table below sets out the proportion of voting power held by Doğan Holding, Doğan Family and its subsidiaries and effective ownership interests as of 31 March 2016 and 31 December 2015:

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	**31 March 2016**	**31 December 2015**	**31 March 2016**	**31 December 2015**	**31 March 2016**	**31 December 2015**	**31 March 2016**	**31 December 2015**
Hürriyet	77,65	77,65	-	-	77,65	77,65	77,65	77,65
Doğan Gazetecilik	92,81	92,81	0,52	0,52	93,33	93,33	92,81	92,81
DMI	100,00	100,00	-	-	100,00	100,00	90,52	90,52
Mozaik	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Doğan Haber Ajansı	99,99	99,99	-	-	99,99	99,99	99,99	99,99
Doğan Dağıtım	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğan Dış Ticaret	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Yenibir	100,00	100,00	-	-	100,00	100,00	77,65	77,65
Hürriyet Zweigniederlassung	100,00	100,00	-	-	100,00	100,00	77,65	77,65
Hürriyet Invest	100,00	100,00	-	-	100,00	100,00	77,65	77,65
TME	78,57	78,57	-	-	78,57	78,57	61,01	61,01
Mirabridge International B.V.	100,00	100,00	-	-	100,00	100,00	61,01	61,01
Publishing International Holding B.V.	100,00	100,00	-	-	100,00	100,00	61,01	61,01
TCM Adria d.o.o.	100,00	100,00	-	-	100,00	100,00	61,01	61,01
OOO Rektcentr	100,00	100,00	-	-	100,00	100,00	61,01	61,01
Publishing House Pennsylvania Inc.	100,00	100,00	-	-	100,00	100,00	61,01	61,01
Falcon	100,00	100,00	-	-	100,00	100,00	100,00	100,00
OOO SP Belpronto	60,00	60,00	-	-	60,00	60,00	36,61	36,61
OOO Pronto Aktobe	64,00	64,00	-	-	64,00	64,00	39,05	39,05
OOO Pronto Baikal (1)	100,00	100,00	-	-	100,00	100,00	61,01	61,01
OOO Pronto DV (2)	100,00	100,00	-	-	100,00	100,00	61,01	61,01
OOO Pronto Kazan (3)	100,00	100,00	-	-	100,00	100,00	61,01	61,01
OOO Pronto Novosibirsk(4)	100,00	100,00	-	-	100,00	100,00	61,01	61,01
OOO Pronto Oka (5)	100,00	100,00	-	-	100,00	100,00	61,01	61,01
OOO Pronto Samara	100,00	100,00	-	-	100,00	100,00	61,01	61,01
OOO Pronto Vladivostok (6)	90,00	90,00	-	-	90,00	90,00	54,91	54,91
OOO Pronto Media Holding Ltd.	100,00	100,00	-	-	100,00	100,00	61,01	61,01
OOO Utro Peterburga (7)	55,00	55,00	-	-	55,00	55,00	33,56	33,56
OOO Pronto Smolensk (8)	100,00	100,00	-	-	100,00	100,00	61,01	61,01
TOO Pronto Akmola	100,00	100,00	-	-	100,00	100,00	61,01	61,01

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

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

2.1 Basis of presentation (continued)

2.1.3 Consolidation principles (continued)

(a) Subsidiaries (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 (%)		Proportion of effective ownership interest (%)	
Subsidiaries	**31 March 2016**	**31 December 2015**	**31 March 2016**	**31 December 2015**	**31 March 2016**	**31 December 2015**	**31 March 2016**	**31 December 2015**
OOO Pronto Atyrau	80,00	80,00	-	-	80,00	80,00	48,81	48,81
OOO Pronto Aktau	80,00	80,00	-	-	80,00	80,00	48,81	48,81
ZAO Pronto Akzhol	80,00	80,00	-	-	80,00	80,00	48,81	48,81
OOO RUKOM (9)	100,00	100,00	-	-	100,00	100,00	61,01	61,01
Pronto Soft (10)	-	90,00	-	-	-	90,00	-	54,91
Prime Turk	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Osmose Media	100,00	100,00	-	-	100,00	100,00	92,88	90,61
Impress Media Marketing LLC (11)	85,00	91,00	-	-	85,00	91,00	51,86	55,52
ID Impress Media Marketing	91,00	91,00	-	-	91,00	91,00	55,52	55,52
Pronto Ust Kamenogorsk	80,00	80,00	-	-	80,00	80,00	48,81	48,81
Doğan TV Holding (12)	92,88	90,61	0,11	0,11	92,99	90,72	92,88	90,61
Kanal D	94,97	94,97	5,03	5,03	100,00	100,00	88,21	86,06
Fun TV	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Tempo TV	100,00	100,00	-	-	100,00	100,00	92,88	90,61
Kanalspor	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Milenyum TV	100,00	100,00	-	-	100,00	100,00	92,96	90,72
TV 2000	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Popüler TV	100,00	100,00	-	-	100,00	100,00	92,96	90,72
D Yapım Reklamcılık	100,00	100,00	-	-	100,00	100,00	92,88	90,61
Bravo TV	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Doğa TV	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Altın Kanal	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Stil TV	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Selenit TV	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Trend TV	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Ekinoks TV	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Fleks TV	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Doğan TV Dijital	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Kutup TV	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Galaksi TV	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Yörünge TV	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Doruk Televizyon	100,00	100,00	-	-	100,00	100,00	92,88	90,61
Tematik TV	100,00	100,00	-	-	100,00	100,00	92,88	90,61
Süper Kanal	100,00	100,00	-	-	100,00	100,00	92,88	90,61
Uydu	100,00	100,00	-	-	100,00	100,00	92,96	90,72
Eko TV	100,00	100,00	-	-	100,00	100,00	92,88	90,61
Kanal D Romanya	100,00	100,00	-	-	100,00	100,00	92,88	90,61
Doğan Uydu Haberleşme	100,00	100,00	-	-	100,00	100,00	92,88	90,61
Rapsodi Radyo	100,00	100,00	-	-	100,00	100,00	92,88	90,61
DMC	100,00	100,00	-	-	100,00	100,00	92,88	90,61
D&R	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Hürservis	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğan Faktoring	100,00	100,00	-	-	100,00	100,00	98,86	98,86
Doğan İnternet Yayıncılığı	100,00	100,00	-	-	100,00	100,00	100,00	100,00

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

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

2.1 Basis of presentation (continued)

2.1.3 Consolidation principles (continued)

(a) Subsidiaries (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 (%)		Proportion of effective ownership interest (%)	
Subsidiaries	**31 March 2016**	**31 December 2015**	**31 March 2016**	**31 December 2015**	**31 March 2016**	**31 December 2015**	**31 March 2016**	**31 December 2015**
Milpa	86,27	86,27	0,16	0,16	86,43	86,43	86,27	86,27
Orta Anadolu Otomotiv(13)	100,00	85,00	-	-	100,00	85,00	100,00	85,00
Çelik Halat	78,85	78,70	-	-	78,85	78,70	78,85	78,70
Ditaş Doğan	73,59	73,59	-	-	73,59	73,59	73,59	73,59
Milta Turizm	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğan Organik	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğan Enerji	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Galata Wind	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D-Yapı Romanya	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D Stroy	100,00	100,00	-	-	100,00	100,00	73,59	73,59
DHI Investment	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D-Tes	100,00	100,00	-	-	100,00	100,00	100,00	100,00
A.G.T. Tanıtım	90,00	90,00	-	-	90,00	90,00	90,00	90,00
M Investment	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Öncü Girişim	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Ditas America	100,00	100,00	-	-	100,00	100,00	73,59	73,59
Ditas Trading	100,00	100,00	-	-	100,00	100,00	73,59	73,59
Aytemiz Akaryakıt	50,00	50,00	-	-	50,00	50,00	50,00	50,00
Aytemiz Gaz(14)	-	100,00	-	-	-	100,00	-	50,00
Aksu Doğal Gaz(14)	-	100,00	-	-	-	100,00	-	50,00
Aytemiz Petrolcülük	100,00	100,00	-	-	100,00	100,00	50,00	50,00
Gaziemir Petrol	100,00	100,00	-	-	100,00	100,00	50,00	50,00
Suzuki	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Blutv İletişim	100,00	100,00	-	-	100,00	100,00	90,63	88,44

(1) The related subsidiary is in the process of liquidation as of 5 October 2015.
(2) The related subsidiary is in the process of liquidation as of 18 May 2015.
(3) The related subsidiary ceased its operations in 2015.
(4) The related subsidiary is in the process of liquidation as of 27 May 2015.
(5) The related subsidiary ceased its operations before 2010.
(6) The related subsidiary is in the process of liquidation as of 10 November 2015.
(7) The related subsidiary ceased its operations before 2010.
(8) The related subsidiary is in the process of liquidation as of 19 May 2015.
(9) The related subsidiary ceased its operations in 2012.
(10) The related subsidiary has been liquidated as of February 2016
(11) The related subsidiary has sold 6% of shares in February 2016.
(12) According to the statutory records of Group, proportion of effective ownership interest of Doğan TV Holding is 92,88%. Nevertheless, in consequence of the option explained in detail in Note 17, by considering the additional share proportion in accordance with TAS 32 "Financial Instruments: Disclosure and Presentation" the rate is calculated as 99,86%.
(13) The related subsidiary has purchased 15% shares belonging to other shareholders as of February 2016.
(14) The related subsidiary merged with Aytemiz Akaryakıt as of 25 January 2016.

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

2.1 Basis of presentation (continued)

2.1.3 Consolidation principles (continued)

Associates and joint ventures are recognized using the "equity method" in these consolidated financial statements. Under the equity method, an investment in associate or a joint venture is recognized in the consolidated statement of financial position at cost adjusted to recognize the Group's share of the profit or loss and other comprehensive income with the deduction of any impairment loss in the associate or a joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or a joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or a joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or a joint venture.

Unrealised gains on transactions between the Group and its associates or joint venture are eliminated to the extent of the Group's interest in the associate or joint venture; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Equity accounting method is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate or the significant influence of the Group ceases**.**

(b) Joint Ventures

Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Doğan Holding and one or more other parties. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which only exists when decisions about the relevant activities require unanimous consent of the parties sharing control.

In accordance with the amendments to TFRS 11 effective from 1 January 2013, entities under common control are started to be recognised under the equity method for which the details are presented below starting from this date and the related amendments are applied retrospectively and financial statements are restated accordingly. Condensed financial statements of entities under common control are disclosed in Note 4.

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but do not have control or joint control over those policies. Associates and joint ventures mentioned above are accounted for using the equity method of accounting. Under the equity method, an investment in associate or a joint venture is recognized in the consolidated statement of financial position at cost adjusted to recognize the Group's share of the profit or loss and other comprehensive income with the deduction of any impairment loss in the associate or a joint venture. Where the investment's share of losses in the associate or joint venture exceeds the Group's share in the associate or joint venture (including any long-term investments that, in substance, form part of the Group's net investment in the associate or joint venture), the exceeding portion of losses are not recognised. Consideration of additional loss is only possible in case the Group has been exposed to legal liability or has made to payments in the name of associate or joint venture.

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

2.1 Basis of presentation (continued)

2.1.3 Consolidation principles (continued)

(c) Associates (continued)

Unrealized gains on transactions between the Group and its associates are restated in proportion to the Group's share in the associate and unrealized losses are also restated when there is no indication of impairment of the transferred asset. The Group ceases to use the equity method when they don't fall under obligations with respect to associates, the carrying value of the associates is zero or the significant influence of the Group is over.

(d) Non-controlling interests

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

(e) Financial investments

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

2.1.4 Offsetting

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

2.1.5 Comparative information and restatement of previously reported financial statements

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. The Group presents comparatively its consolidated statement of financial position as of 31 March 2016 with 31 December 2015. Statement of profit or loss and other comprehensive income, statement of cash flow and statement of changes in equity for the period ended 31 March 2016, are presented comparatively with the financial statements as of the interim period 1 January-31 March 2015. In the current period, in case of a necessity, prior period financial statements are reclassified in order to comply with the presentation of its current period consolidated financial statements and significant changes are explained.

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

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

2.1 Basis of presentation (continued)

2.1.6 Significant accounting policies and changes in accounting estimates and errors and restatement of previously reported financial statements

Changes in accounting policies arising from the first time adaptation of a new TAS are applied retrospectively or prospectively in accordance with the respective TAS transition requirements, if any. Where there are no transition requirements for any changes or optional significant changes in accounting policies and identified accounting errors, those are applied retrospectively and prior period financial statements are restated accordingly.

2.1.7 New and Revised Turkish Financial Reporting Standards

In the current period there is no such standard or interpretation affecting the Group's financial performance, balance sheet, presentation or note disclosures. However, the details of standards and interpretations effective in the current period but have no effect on the consolidated financial statements and standards and interpretations not yet effective and have not been early adopted by the Group are set out below.

(a) Amendments to TAS effecting the amounts in the consolidated financial statements and notes

None noted.

(b) Standards effective from 2016 and have no effect on the consolidated financial statements of the Group, amendments and interpretations to existing standards

TAS 16 and TAS 38 (Amendments)	*Clarification of Acceptable Methods of Depreciation and Amortisation* [1]
TAS 16 and TAS 41 (Amendments) TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 (Amendments)	*Agriculture: Bearer Plants* [1]
TFRS 11 and TFRS 1 (Amendments)	*Accounting for Acquisition of Interests in Joint operations* [1]
Annual Improvements to 2011-2013 Cycle	*TFRS 1* [2]
TAS 1 (Amendments)	*Disclosure Initiative* [2]
Annual Improvements to 2012-2014 Cycle	*TFRS 5, TFRS 7, TAS 34, TAS 19* [2]
TAS 27 (Amendments)	*Equity Method in Separate Financial Statements* [2]
TFRS 10 and TAS 28 (Amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [2]
TFRS 10, TFRS 12 and TAS 28 (Amendments)	*Investment Entities: Implication of Consolidation Exceptions* [2]
TFRS 14	*Regulatory Deferral Accounts* [2]

[1] Effective for annual periods beginning on or after 31 December 2015.
[2] Effective for annual periods beginning on or after 1 January 2016.

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

2.1 Basis of presentation (continued)

2.1.7 New and Revised Turkish Financial Reporting Standards (continued)

c) Standards that are not yet effective, and amendments and interpretations to existing standards

The Group has not implemented the following standards, which are not effective yet, and amendments and interpretations to current standards:

TFRS 9	*Financial Instruments*
TFRS 9 and TFRS 7 (Amendments)	*TFRS 9 and Mandatory Effective Date for Transition Disclosures*

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

2.2 Summary of Significant Accounting Policies

Related parties

Related parties are people or entities that are related to the entity (reporting entity) that is preparing its financial statements;

(a) A person or a close member of that person's family is related to a reporting entity if that person:

i. has control or joint control over the reporting entity;
ii. has significant influence over the reporting entity; or
iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions apply:

i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
iii. Both entities are joint ventures of the same third party.
iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
vi. The entity is controlled or jointly controlled by a person identified in (a).
vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

2.2 Summary of Significant Accounting Policies (continued)

Related parties (continued)

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Under the guidance of the explanations mentioned above and also in compliance with TAS 24, Doğan Şirketler Grubu Holding A.Ş. directly or indirectly has participation, including any entities under common control; real persons and/or legal entities that have direct or indirect individual or joint control over the company and their close family members (relatives up to second-degree) and legal entities having direct or indirect individual or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company's subsidiaries and members of the Board of Directors, key management personnel and their close family members (relatives up to second-degree) and real persons and/or legal entities that are directly or indirectly controlled individually or jointly (Note 33).

Cash and cash equivalents

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

Sales and repurchase agreements

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

Trade receivables and provision for doubtful receivables

The Group's trade receivables from providing goods or services to customers are carried at net of unrealized finance income ("unearned financial income due to sales with maturity"). Trade receivables, net of unrealized finance income, are calculated by discounting future cash inflows of receivables carried at the original invoice amount using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Effective interest method is calculating the present value in accordance with the compound interest basis. The rate determined by compound interest basis and applied in this method is named "effective interest rate". Short term receivables with indefinite interest rate are carried at cost unless the effect of imputing interest is significant (Note 9).

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

2.2 Summary of Significant Accounting Policies (continued)

Trade receivables and provision for doubtful receivables (continued)

Considering the ordinary course of trade cycle of the Group, provision for doubtful receivables for the trade receivables is considered for the trade receivables for which the collection period is over the ordinary course of trade cycle considering the fact that trade receivable is in the administrative and/or legal proceedings, with or without guarantee, objective evidence etc. Additionally, the Group provides provision for its receivables for which there are no special agreed guarantees and overdue for more than a year. The amount of the provision is the difference between the carrying amount and the recoverable amount. Recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collaterals discounted based on using the original effective interest rate of the trade receivable occurred.

If there is a partial or whole collection over the doubtful receivable amount subsequent to the allocation of provision for doubtful receivables, the collected portion is recognised as other income from operating activities following the write-down of the total provision amount (Note 9, 27).

Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make a sale. Cost elements included in inventory are purchasing costs and other costs necessary to prepare the asset for its intended use. Cost elements included in inventories are materials, labor and production overheads. The unit cost of inventories is determined on the moving weighted average basis (Note 11).

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

Promotion stocks

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

Programme stocks

Programme stocks comprise of internal and external productions that have been produced but not yet broadcasted as of the report date. Programme stocks are recognised at acquisition or production cost and they are not subject to amortization. These programmes are charged to the statement of profit or loss upon the first transmission and included in cost of sales in the consolidated statement of profit or loss. If the estimated income from programme stocks is lower than the carrying value, carrying value is discounted to net realizable value. Licence periods, remaining number of publishing rights, industry dynamics and sales forecasts are being considered in determining of impairment of programme stocks (Note 19).

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

2.2 Summary of Significant Accounting Policies (continued)

Financial instruments

In accordance with TAS 39, the Group classifies its financial instruments as assets held at fair value through profit or loss, held-to-maturity, available-for-sale and loans and receivables. Classification is determined based on the acquisition purpose and specifications of the financial asset at the initial recognition. All financial assets are recognised at cost including transaction costs in the initial measurement

"Financial assets at fair value through profit or loss" are financial assets that have been acquired principally for the purpose of taking advantage of fluctuations in price and other similar elements or independent from initial recognition financial assets held for trading which are part of a portfolio that has a recent actual pattern of short-term profit-taking. A financial asset is classified in this category if it is primarily acquired for the purpose of selling in the short-term. Financial assets at fair value through profit or loss are initially carried at cost including transaction costs at the balance sheet. Subsequent to recognition, the financial assets are carried at fair value. Realized or unrealized gains and losses are recognised in "financial income / expenses". Dividends received are recognised as dividend income in the consolidated statement of profit or loss. Financial assets considered as derivative instruments that are not designated for the purpose of hedging instruments are classified as financial assets at fair value thorough profit or loss (Note 21).

"Held-to-maturity investments" are non-derivative financial assets with fixed or determinable payments that the Group intends and is able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale. Held-to-maturity investments are carried at amortized cost using the effective interest method less impairment, if any. The Group has no held to maturity investments as of 31 March 2016 and 31 December 2015.

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

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

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

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

2.2 Summary of Significant Accounting Policies (continued)

Derivative financial instruments and hedge accounting

Derivative financial instruments, predominantly foreign currency and interest swap agreements and foreign currency forward agreements are initially recognised at their acquisition costs plus the transaction costs. Derivative financial instruments are subsequently remeasured at their fair value. All derivative financial instruments are classified as financial assets at fair value through profit or loss. Fair values of derivative financial instruments are obtained from quoted market prices or discounted cash flow models as appropriate. Based on positive or negative fair value, derivative financial instruments are carried as assets or liabilities respectively (Note 21).

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

In the case of future cash flows being subject to cash flow hedges and related transactions being effective, the effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognized in equity directly whereas the ineffective portion is recognized immediately in the statement of profit or loss.

If the cash flow hedge of a firm commitment or an expected forward transaction result in the recognition of an asset or liability, at the initial recognition of this asset or liability the gain or loss previously recognized under equity related to derivatives is included in the measurement of the initial amount of the asset or liability. In a hedge accounting that does not result in the recognition of an asset or a liability, the amounts previously recognized under equity are transferred to statement of profit or loss in the period in which the hedged item has an effect on profit or loss. The changes in the fair value of derivatives that do not meet the criteria for hedge accounting are recognized in the statement of profit or loss.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

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

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

2.2 Summary of Significant Accounting Policies (continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. As of the date of the report, the properties held for a currently undetermined future use by the Group management, have been classified as investment properties.

Subsequent to initial recognition, at the end of each year when there is an indication of impairment, in accordance with the appraisal reports obtained from licensed real estate appraisal organizations under the Capital Market Legislation, investment properties are stated at fair value which reflects the market conditions. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise. Deferred tax liability/asset has been calculated from all the temporary differences from investment properties

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. The difference between cost value and fair value at the date of the change is recognised as revaluation fund in other comprehensive income (Note 13).

Property, plant and equipment

Property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses (Note 14). Depreciation is provided on property, plant and equipment on a straight-line basis (except land). The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Years
Land and land improvements	5 - 50
Buildings	10 - 50
Machinery and equipment	2 - 28
Motor vehicles	2 - 20
Furniture and fixtures	2 - 15
Development costs of leased tangible assets	2 - 39
Other tangible assets	2 - 50
Leasehold improvements	2 - 25

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

2.2 Summary of Significant Accounting Policies (continued)

Property, plant and equipment (continued)

Useful life and depreciation are reviewed regularly and the Group also reviews the consistency of the useful life and depreciation method applied with the economic benefits to be obtained from the underlying assets.

Gains or losses on disposals of property, plant and equipment are determined with respect to the difference between collections received and carrying amounts of property, plant and equipment and are included in the income and expenses from investing activities account, as appropriate.

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

Repair and maintenance expenses are charged to the consolidated statement of profit or loss as they are incurred. Capital expenditures that increase the present value of the future cash flows expected to be derived from property, plant and equipment by increasing its capacity is added to the cost of tangible fixed asset.

Gain and losses regarding sale of property, plant and equipment are accounted as other income and expenses from investing activities.

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

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

2.2 Summary of Significant Accounting Policies (continued)

Financial leases

Leases are classified as finance leases by the Group whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are treated as consisting of capital and interest. Portion of rent payments related to principal is presented as liability and decreases as being paid. Interest charges are charged directly against statement of profit or loss over the financial lease period. Assets acquired through finance leases are depreciated over the shorter of expected useful life and the lease term, as well as tangible assets acquired.

Operating leases

An operating lease is a lease that does not substantially all the risks and rewards incidental to ownership of an asset. For operating leases, lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight line basis over the lease term under the consolidated statement of profit or loss.

Intangible assets and related amortization

Intangible assets excluding goodwill and assets with infinite useful lives comprise brand names, customer lists, terrestrial broadcasting permissions and licenses (frequency rights), other identified rights, computer software and television programme rights which are further discussed in Note 2.2. Brand names, customer relationships and domain names are determined based on the independent valuation on business combinations. Useful lives of certain brand names are determined to be infinite. Assets that have infinite useful life are not subject to amortization and are tested for impairment annually (Note 15).

Registered subscriber acquisition costs paid by D-smart are capitalized over the subscription commitment period by the Group and capitalized amounts are recognised under intangible assets account. Weighted average term for subscription acquisition costs is 2 years.

Prepaid dealer agreement amounts have been recognised under intangible assets within the context of usufruct agreements made with certain fuel oil and LPG dealers by Aytemiz Akaryakıt and the duration of these dealer agreements is 5 years.

Intangible assets are carried at cost, less any accumulated amortization and amortized by using the straight-line method (Note 15).

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

	Years
Trademark	20 - 25
Electricity production licences	45 - 47
Customer lists	9 - 25
Computer software and rights	3 - 15
Domain names	3 – 20
Dealer agreements	5
Other intangible rights	5 - 49

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

2.2 Summary of Significant Accounting Policies (continued)

Intangible assets and related amortization (continued)

Intangible assets with finite useful lives are tested to determine whether there is an indication that the intangible assets may be impaired and if the carrying value of the intangible asset is higher than the recoverable amount, the carrying value of the intangible asset is written down to its recoverable amount provided to allocate provision. The amount recoverable from an intangible asset is either the discounted net cash flows generated from the use of that intangible asset or the net sales value of that intangible asset depending whether the former or the latter being higher. Provision for impairment is recognised under the statement of profit or loss in the related period.

The right to use of marina held by the Group’s subsidiary Milta Turizm, classified in other intangible rights, is being amortized regarding the transfer agreement on 13 November 1997 with the Privatization Administration (Note 15).

Web page development costs

Costs associated with developing web pages are capitalized and amortized by using straight-line method over their estimated useful lives (Note 15). Following the planning phase and operation; all costs are recognised as expense. Maintenance costs of web pages are accounted as operational expenses.

Television programme rights

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

Consumption is based on the transmission of the expected number of runs (vary from two to unlimited) purchased. Amortization of these rights is determined according to release order and number of runs. The appropriateness of the consumption profiles is reviewed regularly by the management. A maximum of 5 runs is applied for the unlimited run purchases. License periods, remaining run rights, sector dynamics and sales forecasts are taken into consideration when determining impairment of programme rights. (Note 15).

The Group Management has evaluated the estimations regarding the presentation of cost of domestic TV series in the financial report by considering the sales of domestic TV series continuing to increase in recent years to abroad in the current period. As a result of this evaluation, some part of the domestic TV series costs which has been recognised in full as programme costs as of the date of the broadcasting, has been started to be recognised as programme rights as of 1 January 2016. In the presentation of domestic TV series costs as “programme rights”, the criterias considered are that there will be no limitation about the right to sell domestic tv series to abroad, the domestic TV series have been broadcasted for at least six episodes or has the commitment and there is a potential of sale of the domestic TV series to abroad. If the domestic TV series which have been presented as “programme rights” have been presented as “programme stocks”, the programme cost would be TL 11.077 more in the current period.

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

2.2 Summary of Significant Accounting Policies (continued)

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

At each balance sheet date, the Group evaluates whether there are any indications that an asset other than goodwill or infinite life intangible assets may be impaired. When an indication of impairment exists, carrying value of the assets is compared with the net realizable value which is the higher of value in use and fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment exists if the carrying value of an asset or a cash generating unit including that asset is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. Impairment losses are recognised in the consolidated statement of profit or loss. (Note 15).

Taxation

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they are related to income taxes levied by the same taxation authority (Note 31).

Financial borrowings and borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the profit or loss as finance expense over the period of the borrowings (Note 8). The borrowing costs which are directly related with the acquisition, manufacturing or production of a specialty good (means that a long period of time is required to make available for sale and use as purposed) are capitalized as a part of the related asset.

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

2.2 Summary of Significant Accounting Policies (continued)

Financial liabilities regarding to put options of non-controlling interests

Under the terms of certain share purchase agreements, the Group may commit to acquire the interests owned by non-controlling shareholders in subsidiaries, upon the request of non-controlling interest holders. TAS 32, "Financial Instruments: Disclosure and Presentation" requires the value of such put option to be presented as a financial liability on the balance sheet for the discounted value of the expected exercise price of this option, notwithstanding the ability of the Company to settle part of these obligations with its own shares and not cash. In addition, the share of non-controlling shareholders in the net asset of the company subject to the put option is presented in "other financial liabilities" instead of "non-controlling interests" in the consolidated balance sheet. The Group presents, at initial recognition, the difference between the exercise price of the option and the carrying value of the non-controlling interests first as a reduction of non-controlling interest and then as addition to the Group's equity. The discount amount and any subsequent change in the fair value of the commitment are recognised in profit or loss as finance income or expense in subsequent periods (Note 8).

Employment termination benefits

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

The provision for employment termination benefit represents the present value of the estimated total reserves of the future probable liability of the Group arising from the retirement of the employees measured in accordance with the Turkish Labour and Press Labour Laws (Note 22).

According to the amendment in TAS 19, the Group calculated employment benefit in accordance with the report prepared by the actuarial firm and recognised all actuarial loss and gains in the other comprehensive statement of profit or loss as of balance sheet date.

Provisions, contingent assets and liabilities

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

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

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

2.2 Summary of Significant Accounting Policies (continued)

Provisions, contingent assets and liabilities (continued)

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably (Note 17).

Share capital and dividends

Ordinary shares are classified as equity. Dividend income is recognised as income by the Group when right to obtain of dividend is generated in the consolidated financial statements. 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 General Assembly (Note 23).

Revenue recognition

Revenue is the fair value amount of sales of goods and services received or receivable which resulted from Group's operations. Net sales represent the invoiced value of goods or services shipped less any trade discounts, rebates and commissions and are presented with the elimination of intercompany balances. Revenue includes the invoiced amount of goods and service sales. It is recognised on an accrual basis over the fair value of acquisition amount based on product or service delivery, transfer of significant risks and rewards related to product to the buyer, reliable estimate of revenue amount and probable economic benefits associated with the transaction will be obtained by the Company**.**

Revenue is initially recognised at the fair value of the consideration received or receivable when it can be measured reliably or when there is an inflow of economic benefits. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is a rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services (Note 24).

Due date difference finance income/expenses represents income/expenses occurring from forward purchases and sales. These incomes/expenses are recognised under other income and expense from operating activities as due date difference income and expense from purchases and sales with maturity during the period. (Note 29).

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

2.2 Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

a) Publishing and broadcasting segments

Revenue from advertisements

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

Subscription income

Subscription income includes the income obtained from Pay TV and ADSL internet and magazine. The Group follows Pay TV and ADSL internet and magazine subscriptions as individual and institutional. The subscription is realized in basically two ways as monthly payment and prepaid. Subscription incomes are recognised when the related service is delivered to the customer.

Revenues from circulation, magazine sales and distribution

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

Newspaper sales returns and provisions

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

Revenue from printing services

Revenue from printing arises from printing services given to both Group companies and third parties by using Group's printing facilities. Related income is recognised on an accrual basis at the time of services given.

b) Energy segment

Revenue is the fair value of amount of electricity delivered the event that the consideration received or receivable. Revenue is recorded at the invoiced amounts, on accrual basis. Net sales are shown after deducting, invoiced electricity delivery, sales commissions and sales taxes. Revenue obtained from transmission charges, is shown in the financial statements by netting off with related costs.

Fuel sales are measured over the fair value of collected or collectable receivable amounts. Estimated customer returns, discounts and allowances are deducted from the amount in question. Revenue obtained from the sale of fuel is recognised when significant risks and rewards related to product to the buyer are transferred, revenue is reliably measured, in case of an inflow of probable economic benefits associated with the transaction and occurring or to be occurred costs regarding the transaction can be measured reliably.

c) Retail

Sale income of books, music, movies, electronics and giftware is recorded on an accrual basis over the invoiced amounts, on the date goods are delivered to the customer, after returns and discounts are deducted.

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

2.2 Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

d) Other segment

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

Real estate sales (Revenue proceeds from buyers)

The revenue generated from the housing construction projects organized by Milpa, subsidiary of the Group is recognised when the ownership of the risks and rewards of the assets is transferred to the buyer upon the performance of contract terms and the approval of delivery record by the buyer. Real estate sales income is classified under "other" segment.

Tourism income

Tourism income consists of the revenue obtained from hotel accommodation, agency, marina, car rental, and second hand vehicle sale. Hotel accommodation and agency income are recognised when the services are offered to the customers. Marina income consists of the revenue obtained from the accommodation of vessels and store rents. Such rental income is recognised on a straight-line basis over the lease agreements

Rental Income

The rental income from investment properties is recognised on a straight-line basis over the term of the relevant lease.

Barter agreements

The Group provides advertising services in return for advertisement and other products and services. When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a revenue generating transaction. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a revenue generating transaction. Revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. If the fair value of the goods or services received is not measured reliably, the revenue is measured at the fair value of the goods or services supplied, adjusted by the amount of any cash or cash equivalents transferred (Note 18). Barter agreements are recognised on an accrual basis.

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

2.2 Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

Business combinations

The acquisition of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised as cost as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with TAS 12 *Income Taxes* and TAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with TFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TAS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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

2.2 Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

Business combinations (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with TAS 39, or TAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date (Note 3).

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is 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 its carrying amount, 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 based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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

2.2 Summary of Significant Accounting Policies (continued)

Goodwill (continued)

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

Business combination of entities under common control is not under the scope of TFRS 3 Business Combinations. The Group doesn't recognise goodwill for these types of transactions. Difference between cash consideration paid as a result of business combination and net asset of the entity is recognised in "Effect of business combinations comprising of entities under common control" account under retained earnings/ (accumulated losses) in equity (Note 15).

Foreign currency transactions

Functional currency

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

Foreign currency transactions and balances

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

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

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

2.2 Summary of Significant Accounting Policies (continued)

Foreign currency transactions (continued)

Foreign Group companies

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

A significant portion of the Group's foreign operations is performed in Russia, Europe and Slovenia ("Russia and Eastern Europe ("EE")). Foreign currencies and exchange rates at 31 March 2016 and 31 December 2015 are summarized below:

Country	Currency Unit	31 March 2016	31 December 2015
Eurozone	Euro	3,2081	3,1776
Russia	Ruble	0,0417	0,0396
Ukraine	Grivna	0,1085	0,1214
Romania	New Lei	0,7154	0,7055
Kazakhstan	Tenge	0,0083	0,0291
Belarus	Belarusian Ruble	0,0001	0,0002

Segment Reporting

Industrial segment which is an asset and operation group producing goods and services is exposed to different risks and rewards from other industrial segments. The Group operations were monitored and reported as five main segments as of 31 March 2016; "Publishing", "Broadcasting" "Retail", "Energy" and "Other" by the management. The Group management may change the structure of segment reporting, if they reach the conclusion that new structure may affect financial statement users' decisions and/or it will be useful during the review of financial statements. 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.

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

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

2.2 Summary of Significant Accounting Policies (continued)

Earning/ (loss) per share

Earning/ (loss) per share is determined by dividing net income/ (loss) by the weighted average number of shares that have been outstanding during the period concerned (Note 32).

In Turkey, companies can increase their issued capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus share issuances are regarded as issued shares for all of the periods presented in the financial statements. Therefore, the weighted average number of shares used in earnings per share computations are made with regards to the distribution of shares occurred in the prior years.

Non-current assets held for sale and discontinued operations

Assets held for sale are operations that the Group disposes of or classified as available for sale and cash flows which can be treated as a part separately from the Group. Assets classified as held for sale by the Group and discontinued operations, are measured at the lower of the carrying amount of assets and liabilities related to discontinued operations and fair value less costs to sell (Note 30).

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

To the results of operations of discontinued operations, gain/ (loss) and tax expense occurring from the sale are included. Gain/ (loss) amount from the sale is calculated as the difference between the book value of net assets disposed and sales value.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received (Note 16) .Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Events After the Reporting Period

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

In the case that events not requiring a correction to be made occur subsequent, those events are disclosed in the notes of consolidated financial statements (Note 37).

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

2.2 Summary of Significant Accounting Policies (continued)

Statement of cash flows

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

The cash flows raised from operating activities indicate cash flows due to the Group's activities.

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

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

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

2.3 Critical Accounting Estimates, Assumptions and Decisions

2.3.1 Critical accounting estimates and assumptions

a) Impairment of goodwill and intangible assets

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

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

As of November 2011, the Group management has considered the VAT principle amounting to TL 454.281 imposed as a consequence of share exchanges and transfers recognised in the statutory accounts of Doğan TV Holding, D Yapım, Doğan Prodüksiyon (the related subsidiary merged with D Yapım in 2013 and dissolve without liquidation) and Alp Görsel (the related subsidiary merged with Doğan TV in 2014 and dissolved without liquidation) and restructured within the scope of Law no: 6111 in the year 2011 as input VAT through issuance of "recourse VAT invoice" by each entity who transfers the shares to the respective entity, sequentially with the amount of corresponding VAT imposed. In this context, input VAT amounting to TL 145.328, TL 222.662 and TL 86.291 have been recognised in the statutory records of D Yapım, Doğan Prodüksiyon and Alp Görsel, respectively. Based on the nature of the transaction and considering the precautionary principle, the Group management elects not to recognise the input VAT amounting to TL 454.281 as an asset in the consolidated financial statements as it will be used in future tax periods. Accordingly, where practible, input VAT that can be offset against the recourse VAT in the related taxation periods can be recognised in the statement of income in the respective periods (Note 27). Deductible VAT amount is TL 431.713 (31 December 2015: TL 432.734) in statutory accounts as of 31 March 2016.

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

Estimates and assumptions relating to the Group's given repurchase commitments to Axel Springer AG are described in detail in Note 17

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

2.3 Critical Accounting Estimates, Assumptions and Decisions (continued*)*

2.3.1 Critical accounting estimates and assumptions (continued)

d) Useful lives of intangible assets

Useful lives of some trademarks are expected to be infinite by the Group management. Where useful lives of related intangible assets are infinite (in case of 20 years), amortization of such intangible assets' would increase by TL 7.415 (31 March 2015: TL 3.422) and profit before tax and non-controlling interests would decrease by TL 7.415 (31 March 2015: TL 3.422).

Amortization is recognised by the Group considering the useful lives of trademarks, customer lists and internet domain names with definite useful lives disclosed in Note 2.2.

If useful lives of trademarks, customer lists and internet domain names differ 10% from the management's expectations, the effect over the financial statements would be as follows:

- if useful lives were 10% higher, amortization would decrease by TL 800 and profit before tax and non-controlling interests would increase by TL 800 (31 March 2015: TL 398); or
- if useful lives were 10% lower, amortization would increase by TL 977 and profit before tax and non-controlling interests would decrease by TL 977 (31 March 2015: TL 486)

2.3.2 Critical accounting judgments

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

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

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

NOTE 3 - BUSINESS COMBINATIONS

Current period business combinations

There are no significant business combinations during the interim period as of 31 March 2016.

Prior period business combinations

Share Purchase of Aytemiz Akaryakıt Dağıtım A.Ş

Share Purchase and Shareholders Agreement was signed on 11 March 2015, due to the fact that the Group's subsidiary Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. has acquired and taken over, in cash, and in a single payment of TL 152.000 for the 100.000 shares with a nominal value of TL 100.000 group "B" representing 50% nominal TL 1 (exact) of the 200.000 shares with a nominal value of TL 200.000 representing the paid-in capital of Aytemiz Akaryakıt Dağıtım A.Ş., which is TL 200.000. Other important conditions and additional transactions that are stated in Share Purchase and Shareholders Agreement are also summarized below.

Regarding the Share Purchase and Shareholders Agreement, the paid-in capital of Aytemiz Akaryakıt, which is TL 200.000 was increased to TL 454.000 through full cash payment. In the capital increased by TL 254.000, all the new share acquisition rights which correspond to the contribution share of the Group's direct subsidiary Doğan Enerji, totaling to TL 127.000 was used by Doğan Enerji in cash and in a single payment. Likewise, other shareholders (Aytemiz Family) participated in the capital increase, pro rata per their shares, in cash and in single payments. The Board of Directors of Aytemiz Akaryakıt is constituted by 7 members, and the majority of these members (4 members) were elected through being nominated by the Group's direct subsidiary Doğan Enerji. Besides that, Aytemiz Akaryakıt has been the legal holder of 100% control of Aytemiz Gaz and Aksu Doğal Gaz, as of 11 March 2015.

As the management control of Aytemiz Akaryakıt is held by the Group's direct subsidiary Doğan Enerji due to the signed Share Purchase and Shareholders Agreement, the activity results of Aytemiz Akaryakıt are consolidated with the "full consolidation" method in the financial statements of Doğan Enerji and Doğan Holding.

In accordance with TFRS 3 Business Combinations ("TFRS 3"), the study of determining the fair value of the identifiable assets and liabilities in order to recognize by using acquisition method, and accordingly the study of allocation of the acquisition cost study to property, plant and equipment and intangible assets ("the study of distributing the acquisition cost") is concluded as of the report date, thus fair value of accountable assets and liabilities of Aytemiz Group is reported in the financial statements.

Fair value adjustments regarding all the acquired assets and liabilities as of 11 March 2015 and the study of allocation of the acquisition cost for Aytemiz Akaryakıt and its 100% subsidiaries Aytemiz Gaz and Aksu Doğal Gaz companies (together will be referred as "Aytemiz Group") are presented below:

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Prior period business combinations (continued)

Share Purchase of Aytemiz Akaryakıt Dağıtım A.Ş (continued)

	Aytemiz Group		
	Net Book Value	**Fair Value Adjustments**	**Fair Value**
Current assets			
Cash and cash equivalents	3.905	-	3.905
Trade and other receivables	165.564	-	165.564
Inventories	54.178	-	54.178
Prepaid expenses and other current assets	22.717	(17.023)	5.694
Non-current assets			
Trade and other receivables	5.825	-	5.825
Investment properties	32.015	42.631	74.646
Tangible assets	150.737	37.033	187.770
Intangible assets(1)	1.130	65.094	66.224
Prepaid expenses	29.079	(13.625)	15.454
Deferred tax assets	7.687	-	7.687
Short term liabilities			
Short term borrowings	(15.093)	-	(15.093)
Trade payables	(89.942)	-	(89.942)
Other short term liabilities	(25.705)	-	(25.705)
Long term liabilities			
Other long term liabilities	(152.863)	-	(152.863)
Long term provisions	(392)	-	(392)
Deferred tax liabilities	(202)	(12.570)	(12.772)
NET ASSETS	**188.640**	**101.540**	**290.180**

(1) Fair value differences in intangible assets allocated by TL 7.876 recognised in brand, TL 26.570 recognised in dealer agreements and remaining TL 30.648 recognised in dealer agreements, reclassified from prepaid expenses.

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Prior period business combinations (continued)

Share Purchase of Aytemiz Akaryakıt Dağıtım A.Ş (continued)

The difference between net book value of Aytemiz Group and acquisition cost amounting to TL 6.910 as a result of temporary accounting, was recognised as goodwill temporarily.

	Aytemiz Group
Non-controlling interests (Includes remaining 50% fair value of the net asset acquired)	145.090
Transferred amount TL	152.000
	297.090
Net book value based on fair value of net assets of acquired companies (-)	**(290.180)**
Goodwill	**6.910**

Aytemiz Akaryakıt Dağıtım A.Ş. continues its fuel storage and distribution activities with 310 dealers, 11 supply points, and a storage facility capacity of 4 as of the acquisition date at 11 March 2015.

Cash paid	152.000
Cash and cash equivalents of acquired company (-)	(3.905)
Net cash outflow	**148.095**

Effect of the acquisition to the financial results of the Group

As a result of the acquisition of Aytemiz Group, in total TL 20.977 profit was recognised in the consolidated financial statements prepared as of 31 December 2015. Aytemiz Group's share in the Group's consolidated sales revenue is TL 2.133.530 for the period ended 31 December 2015. The mentioned amounts are the results of the activities between closing date 11 March 2015 and financial statement preparation date 31 December 2015.

If acquisition transaction explained above was realized on 1 January 2015, sales revenues of the Group regarding continuing operations would be TL 351.409 and net loss for the period regarding continuing operations would be higher by TL 10.378.

Acquisition of Aytemiz Petrolcülük and Gaziemir Petrol

Aytemiz Akaryakıt, one of the subsidiaries of the Group, has acquired 100% shares of Aytemiz Petrolcülük and Gaziemir Petrol, which has been completed at 28 October 2015 and 12 November 2015 respectively, for a consideration of TL 60 in total, and from this acquisition, TL 1.236 goodwill has been recognised. If the related acquisition transaction has occurred as of 1 January 2015, sales revenues from continued operations of the Group would be TL 57.551 higher and net loss from continued operations would be TL 668 higher.

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Prior period business combinations (continued)

Share Purchase of Güvenilir Turistik Yatırım ve İşletmeleri A.Ş

Group's subsidiary Milta Turizm signed "Share Purchase and Sale Agreement" on 13 February 2015, with Vural Öger, Nina Öger and Holiday Plan Turizm İşletmecilik ve Ticaret A.Ş. as the sellers for sales and take over of shares representing 100% of capital of Güvenilir Turistik Yatırım and İşletmeleri A.Ş., which owns Marina Vista Hotel located in Bodrum, Muğla Eskiçeşme neighborhood. In the scope of "Share Purchase and Sale Agreement" signed, TL 47.908 (approximately USD 19.251) was paid to the seller for Güvenilir company. Regarding agreement closing conditions, trade payables and receivables of Güvenilir, employee termination benefits and other liabilities to the employees and removal of all mortgages on relevant real estate are undertaken by the seller. Share sales and purchase transaction occurred on 13 February 2015, and the Group has accounted Güvenilir by full consolidation method in the consolidated financial statement as of the same date. No goodwill has been recognised in the consolidated financial statements as of 31 December 2015 regarding the transaction. Following the transaction, the merger process between Milta Turizm and Güvenilir under the structure of Milta Turizm by taking over Güvenilir has been registered as of 23 June 2015.

NOTE 4 – INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

Joint ventures of Doğan Holding are presented below. Joint venture's nature of businesses, segments, registered countries and entrepreneurial partners are summarized as following:

Joint venture	Country	Nature of business	Entrepreneurial partner
Aslancık Elektrik Üretim A.Ş. ("Aslancık Elektrik")	Turkey	Energy	Doğuş Holding A.Ş. ve Anadolu Endüstri Holding A.Ş.
ASPM Holding B.V.	Netherland	Internet publishing	Autoscout24 GmbH
Boyabat Elektrik Üretim ve Ticaret A.Ş. ("Boyabat Elektrik")	Turkey	Energy	Unit Investment N.V. Doğuş Holding A.Ş.
DD Finansman A.Ş. ("DD Finansman")	Turkey	Housing finance	Deutsche Bank AG
Dergi Pazarlama Planlama ve Ticaret A.Ş. ("DPP")	Turkey	Planning	Burda GmbH
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	Turkey	Magazine publishing	Burda GmbH
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont")	Turkey	Magazine printing	Egmont
Gas Plus Erbil Ltd. ("Gas Plus Erbil")	Jersey	Energy	Newage Alzarooni Limited
İsedaş İstanbul Elektrik Dağıtım Sanayi ve Ticaret A.Ş. ("İsedaş")	Turkey	Energy	Tekser İnşaat Sanayi ve Ticaret A.Ş. ve Çukurova Holding A.Ş.
Hakimiyet Petrol Ticaret Limited Şirketi ("Hakimiyet Petrol")	Turkey	Energy	Hakiki Petrol Limited Şirketi
Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş.("Kandilli Gayrimenkul")	Turkey	Real estate	Rönesans Gayrimenkul Yatırım A.Ş
SP Pronto Kiev	Ukraine	Newspaper and internet publishing	Feba Ltd., Tov Astra Publishing İnternational Holding B.V
TOV E-Prostir	Ukraine	Internet publishing	Adrey I. Parkhomenko, Dimitrienko S. Nadia G. Malyarova
Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş ("Ultra Kablolu")	Turkey	Telecommunication	Koç Holding A.Ş.

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

NOTE 4 – INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

The table below sets out the Joint Ventures, Doğan Holding and its subsidiaries and Doğan family voting power and effective ownership interests at 31 March 2016 and 31 December 2015:

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	**31 March 2016**	**31 December 2015**	**31 March 2016**	**31 December 2015**	**31 March 2016**	**31 December 2015**	**31 March 2016**	**31 December 2015**
Aslancık Elektrik	33,33	33,33	-	-	33,33	33,33	33,33	33,33
ASPM Holding B.V.	51,00	51,00	-	-	51,00	51,00	31,11	31,11
Boyabat Elektrik	33,00	33,00	-	-	33,00	33,00	33,00	33,00
DD Finansman	48,00	48,00	3,00	3,00	51,00	51,00	48,00	48,00
Doğan Burda	45,02	45,02	0,27	0,27	45,29	45,29	45,02	45,02
Doğan Egmont	50,00	50,00	-	-	50,00	50,00	50,00	50,00
DPP	56,00	56,00	-	-	56,00	56,00	56,00	56,00
Gas Plus Erbil	50,00	50,00	-	-	50,00	50,00	50,00	50,00
Hakimiyet Petrol	50,00	50,00	-	-	50,00	50,00	25,00	25,00
İsedaş	53,02	53,02	-	-	53,02	53,02	53,02	53,02
Kandilli Gayrimenkul	50,00	50,00	-	-	50,00	50,00	50,00	50,00
SP Pronto Kiev	50,00	50,00	-	-	50,00	50,00	30,50	30,50
TOV E-Prostir	50,00	50,00	-	-	50,00	50,00	30,50	30,50
Ultra Kablolu (1)	50,00	50,00	-	-	50,00	50,00	50,00	50,00

(1) The related joint venture has ceased its operations as of November 2006.

Profit and loss arising from the transactions between the Group's subsidiaries and its joint ventures are eliminated in accordance with the Group's share in its related subsidiary or its joint venture. The summary of the Group share of the financial statements of the investments accounted for under the equity method as of 31 March 2016, 31 December 2015 and 31 March 2015 are as follows:

31 March 2016	**Total assets**	**Total liabilities**	**Net assets**	**Group's share on net assets**	**Net sales**	**Profit/(loss) for the period**	**Group's share on net profit/(loss)**
Gas Plus Erbil	345.663	1.195	344.468	172.234	-	(32)	(16)
Kandilli Gayrimenkul	140.123	2.837	137.286	68.643	-	(1.529)	(765)
Aslancık Elektrik	486.437	430.256	56.181	18.725	27.205	13.547	4.515
Doğan Burda	61.393	31.272	30.121	13.560	24.703	(697)	(314)
DD Finansman	405.930	378.860	27.070	12.994	11.219	(4.906)	(2.355)
Other (1)	71.068	32.941	38.127	16.318	9.674	1.776	(1.354)
Total	**1.510.614**	**877.361**	**633.253**	**302.474**	**72.801**	**8.159**	**(289)**
Boyabat Elektrik	2.091.175	2.567.191	(476.016)	(157.085)	39.204	(5.237)	(1.728)

(1) Consists of above listed companies that are valued by the equity method.

31 December 2015	**Total assets**	**Total liabilities**	**Net assets**	**Group's share on net assets**	**Net sales**	**Profit/(loss) for the period**	**Group's share on net profit/(loss)**
Gas Plus Erbil	354.681	543	354.138	177.069	-	(773)	(387)
Kandilli Gayrimenkul	140.138	2.835	137.303	68.652	-	1.512	756
Doğan Burda	61.070	26.198	34.872	15.699	97.948	3.516	1.583
DD Finansman	425.942	393.966	31.976	15.348	49.887	(8.976)	(4.308)
Aslancık Elektrik	466.700	424.067	42.633	14.210	62.931	(74.791)	(24.928)
Other	66.120	32.268	33.852	18.153	35.279	2.978	1.398
Total	**1.514.651**	**879.877**	**634.774**	**309.131**	**246.045**	**(76.534)**	**(25.886)**
Boyabat Elektrik	2.104.421	2.575.073	(470.652)	(155.315)	288.989	(478.057)	(157.759)

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

NOTE 4 – INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

31 March 2015	**Total assets**	**Total liabilities**	**Net assets**	**Group's share on net assets**	**Net sales**	**Profit/(loss) for the period**	**Group's share on net profit/(loss)**
Gas Plus Erbil	311.086	80	311.006	155.503	-	(12)	(6)
Nakkaştepe Gayrimenkul	196.974	51.437	145.537	72.754	-	(4.251)	(2.125)
Kandilli Gayrimenkul	130.226	54.363	75.863	37.932	-	(4.568)	(2.284)
Aslancık Elektrik	476.940	411.292	65.648	21.880	17.456	(47.277)	(15.757)
DD Konut Finansman	469.637	429.670	39.967	18.784	12.724	(1.016)	(478)
Doğan Burda	69.807	35.872	33.935	15.233	24.417	3.025	1.358
Other	59.128	25.553	33.575	15.995	13.884	5.508	2.370
Total	**1.713.798**	**1.008.267**	**705.531**	**338.081**	**68.481**	**(48.591)**	**(16.922)**
Boyabat Elektrik	2.217.262	2.398.737	(181.475)	(59.887)	40.941	(187.175)	(61.768)

The Group's share on net assets of investments accounted for by the equity method as of 31 March 2016 and 31 December 2015 is as follows:

	Share (%)	**31 March 2016**	**Share (%)**	**31 December 2015**
Gas Plus Erbil	50,00%	172.234	50,00%	177.069
Kandilli Gayrimenkul	50,00%	68.643	50,00%	68.652
Aslancık Elektrik	33,33%	18.725	33,33%	14.210
DD Finansman	48,00%	12.994	48,00%	15.348
Doğan Burda	45,02%	13.560	45,02%	15.699
Other		16.318		18.153
Total		**302.474**		**309.131**

Group's share on net liabilities of investments accounted for by the equity method as of 31 March 2016 and 31 December 2015 is as follow

	Share (%)	**31 March 2016**	**Share (%)**	**31 December 2015**
Boyabat Elektrik	33,00%	(157.085)	33,00%	(155.315)
Total		**(157.085)**		**(155.315)**

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

NOTE 4 – INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

Condensed financial information after consolidation adjustments of Joint Ventures is as follows:

Condensed balance sheet information:

31 March 2016	**Boyabat Elektrik**	**Aslancık Elektrik**	**DD Konut Finansman**	**Kandilli Gayrimenkul**	**Gas Plus Erbil**	**Doğan Burda**	**Other**	**Total**
Cash and cash equivalents	15.627	19.782	11.520	75	105	17.217	7.674	72.000
Other current assets	53.761	20.730	387.422	9	14	39.492	53.011	554.439
Other non-current assets	2.021.787	445.925	6.988	140.039	345.544	4.684	10.383	2.975.350
Total assets	**2.091.175**	**486.437**	**405.930**	**140.123**	**345.663**	**61.393**	**71.068**	**3.601.789**
Short-term borrowings	322.063	112.183	-	-	-	369	2.281	436.896
Other short-term liabilities	19.966	15.586	5.325	10	594	22.840	28.907	93.228
Liabilities regarding finance sector	-	-	373.535	-	-	-	-	373.535
Long-term borrowings	2.002.068	302.229	-	-	-	-	-	2.304.297
Other long-term liabilities	223.094	258	-	2.827	601	8.063	1.753	236.596
Total liabilities	**2.567.191**	**430.256**	**378.860**	**2.837**	**1.195**	**31.272**	**32.941**	**3.444.552**
Net assets	(476.016)	56.181	27.070	137.286	344.468	30.121	38.127	157.237
Group's share	*0,33*	*0,33*	*0,48*	*0,50*	*0,50*	*0,45*		
Group's net asset share	**(157.085)**	**18.725**	**12.994**	**68.643**	**172.234**	**13.560**	**16.318**	**145.389**

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

NOTE 4 – INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

Condensed balance sheet information:

31 December 2015	**Boyabat Elektrik**	**Aslancık Elektrik**	**DD Konut Finansman**	**Kandilli Gayrimenkul**	**Gas Plus Erbil**	**Doğan Burda**	**Other**	**Total**
Cash and cash equivalents	13.150	1.914	4.430	79	661	17.867	7.274	45.375
Other current assets	50.301	14.556	413.286	8	-	38.518	50.060	566.729
Other non-current assets	2.040.970	450.230	8.226	140.051	354.020	4.685	8.786	3.006.968
Total assets	**2.104.421**	**466.700**	**425.942**	**140.138**	**354.681**	**61.070**	**66.120**	**3.619.072**
Short-term borrowings	316.441	95.582	4.327	-	-	282	-	416.632
Other short-term liabilities	12.495	18.092	-	4	543	17.528	28.702	77.364
Liabilities regarding finance sector	-	-	388.296	-	-	-	-	388.296
Long-term borrowings	2.027.146	310.144	-	-	-	-	-	2.337.290
Other long-term liabilities	218.991	249	1.343	2.831	-	8.388	3.566	235.368
Total liabilities	**2.575.073**	**424.067**	**393.966**	**2.835**	**543**	**26.198**	**32.268**	**3.454.950**
Net assets:	(470.652)	42.633	31.976	137.303	354.138	34.872	33.852	164.122
Group's share	*0,33*	*0,33*	*0,48*	*0,50*	*0,50*	*0,45*		
Group's net asset share	**(155.315)**	**14.210**	**15.348**	**68.652**	**177.069**	**15.699**	**18.153**	**153.816**

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

NOTE 4 – INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

1 January- 31 March 2016	**Boyabat Elektrik**	**Aslancık Elektrik**	**DD Konut Finansman**	**Kandilli Gayrimenkul**	**Gas Plus Erbil**	**Doğan Burda**	**Other**
Revenue	39.204	27.205	11.219	-	-	24.703	9.674
Depreciation and amortization	16.406	2.970	-	-	-	212	99
Operating Profit	4.297	10.190	(3.776)	(1.512)	(4)	(616)	1.560
Net financial expenses	(11.599)	4.433	(856)	-	(9)	(52)	-
Profit / (loss) before income tax	(7.302)	14.624	(4.906)	(21)	(32)	(669)	1.176
Total comprehensive income/ (expense)	**(5.237)**	**13.547**	**(4.906)**	**(1.529)**	**(32)**	**(697)**	**1.776**
Group's share	0,33	0,33	0,48	0,50	0,50	0,45	
Group's net profit share	**(1.728)**	**4.515**	**(2.355)**	**(765)**	**(16)**	**(314)**	**(1.354)**

1 January- 31 March 2015	**Boyabat Elektrik**	**Aslancık Elektrik**	**DD Konut Finansman**	**Kandilli Gayrimenkul**	**Nakkaştepe Gayrimenkul [(1)]**	**Gas Plus Erbil**	**Doğan Burda**	**Other**
Revenue	40.941	17.456	12.724	-	-	-	24.417	13.884
Depreciation and amortization	15.729	3.322	-	-	-	-	244	109
Operating Profit	9.170	930	2.506	(5.705)	(5.287)	(5)	2.233	1.757
Net financial expenses	(199.649)	(48.041)	(8.549)	(5)	(27)	(7)	(61)	(305)
Profit / (loss) before income tax	(190.479)	(47.111)	(1.266)	(5.710)	(5.314)	(12)	3.831	5.508
Total comprehensive income/ (expense)	**(187.175)**	**(47.277)**	**(1.016)**	**(4.568)**	**(4.251)**	**(12)**	**3.025**	**5.508**
Group's share	0,33	0,33	0,47	0,50	0,50	0,50	0,45	
Group's net profit share	**(61.768)**	**(15.757)**	**(478)**	**(2.284)**	**(2.125)**	**(6)**	**1.358**	**2.370**

(1) Nakkaştepe Gayrimenkul Yatırımları İnşaat Yönetim ve Ticaret A.Ş., one of the investments accounted for by the equity method of the Group, has been sold to Rönesans Gayrimenkul Yatırım for a consideration of TL 97.601 as of 11 June 2015. The net book value of the disposed assets is TL 72.754.

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

NOTE 4 – INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

Total amount related to the effective rate of the Group's share of depreciation and amortization of investments accounted for by the equity method is TL 6.505 (31 March 2015: TL 6.462).

NOTE 5 - SEGMENT REPORTING

a) External revenue

	1 January- 31 March 2016	1 January- 31 March 2015
Publishing	276.017	267.652
Broadcasting	267.415	279.665
Retail	162.898	143.491
Energy	788.783	212.362
Other	93.068	74.630
	1.588.181	**977.800**

b) Profit / (loss) before income tax

	1 January- 31 March 2016	1 January- 31 March 2015
Publishing	(10.240)	48.970
Broadcasting	2.884	(100.439)
Retail	462	3.550
Energy	21.524	(86.451)
Other	(44.726)	132.532
	(30.096)	**(1.838)**

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

NOTE 5 - SEGMENT REPORTING (Continued)

c) Segmental analysis for the period ended 1 January – 31 March 2016;

	Publishing	Broadcasting	Retail	Energy	Other	Inter segment Elimination	Total
External revenue	276.017	267.415	162.898	788.783	93.068	-	1.588.181
Inter segment revenue	10.437	3.172	545	5.898	9.078	(29.130)	-
Total revenue	**286.454**	**270.587**	**163.443**	**794.681**	**102.146**	**(29.130)**	**1.588.181**
Revenue	286.454	270.587	163.443	794.681	102.146	(29.130)	1.588.181
Cost of sales	(187.776)	(203.574)	(103.353)	(727.532)	(79.341)	13.777	(1.287.799)
Gross profit	**98.678**	**67.013**	**60.090**	**67.149**	**22.805**	**(15.353)**	**300.382**
General administrative expenses	(38.631)	(20.366)	(3.078)	(4.603)	(20.518)	8.647	(78.549)
Marketing selling and distribution expenses	(43.721)	(30.929)	(57.095)	(39.743)	(5.840)	4.457	(172.871)
Share of gain/ (loss) on investments accounted for by using equity method	(13)	-	-	2.930	(4.934)	-	(2.017)
Other income/(expenses) from operating activities, net	(3.832)	(1.440)	608	3.243	(6.842)	1.653	(6.610)
Income/ (expenses) from investing activities, net	2.983	(1.142)	1.122	912	(11.444)	(1.057)	(8.626)
Financial income / (expenses), net	(25.704)	(10.252)	(1.185)	(8.364)	(17.953)	1.653	(61.805)
Profit/ (loss) before tax	**(10.240)**	**2.884**	**462**	**21.524**	**(44.726)**	**-**	**(30.096)**

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

NOTE 5 - SEGMENT REPORTING (Continued)

c) Segmental analysis for the period ended 1 January – 31 March 2015;

	Publishing	Broadcasting	Retail	Energy	Other	Inter segment Elimination	Total
External revenue	267.652	279.665	143.491	212.362	74.630	-	977.800
Inter segment revenue	15.779	4.325	254	5.635	9.335	(35.328)	-
Total revenue	**283.431**	**283.990**	**143.745**	**217.997**	**83.965**	**(35.328)**	**977.800**
Revenue	283.431	283.990	143.745	217.997	83.965	(35.328)	977.800
Cost of sales	(186.588)	(266.619)	(92.987)	(199.433)	(56.399)	14.122	(787.904)
Gross profit	**96.843**	**17.371**	**50.758**	**18.564**	**27.566**	**(21.206)**	**189.896**
General administrative expenses	(37.923)	(20.323)	(4.945)	(2.592)	(22.260)	17.553	(70.490)
Marketing selling and distribution expenses	(42.133)	(30.323)	(42.355)	(7.629)	(3.716)	3.224	(122.932)
Share of gain/ (loss) on investments accounted for by using equity method	4.106	-	-	(77.527)	(5.269)	-	(78.690)
Other income/(expenses) from operating activities, net	40.043	(14.716)	(205)	12.223	90.142	236	127.723
Income/ (expenses) from investing activities, net	1.995	1.566	-	147	59.964	-	63.672
Financial income / (expenses), net	(13.961)	(54.014)	297	(29.637)	(13.895)	193	(111.017)
Profit/ (loss) before tax	**48.970**	**(100.439)**	**3.550**	**(86.451)**	**132.532**	**-**	**(1.838)**

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

NOTE 5 - SEGMENT REPORTING (Continued)

d) Segment assets

	31 March 2016	31 December 2015
Total assets		
Publishing	1.586.043	1.712.737
Broadcasting	1.384.294	1.268.560
Retail	292.218	296.552
Energy	1.415.630	1.432.180
Other	8.071.835	8.399.152
Total	**12.750.020**	**13.109.181**
Less: segment elimination (1)	(5.505.238)	(5.667.817)
Total assets per consolidated financial statements	**7.244.782**	**7.441.364**
Shareholder's equity		
Publishing and broadcasting	788.927	744.238
Retail	87.823	87.594
Energy	1.013.703	1.009.247
Other	7.483.262	7.379.968
Total	**9.373.715**	**9.221.047**
Less: segment elimination (2)	(6.745.508)	(6.568.925)
Total shareholders' equity per consolidated financial statements	**3.021.228**	**3.042.211**
Non-controlling interests	393.021	390.089
Total shareholder's equity	**2.628.207**	**2.652.122**

(1) Segment elimination amount consists of the elimination of the shares of publishing, broadcasting, retail, energy and other companies and reciprocal debit and credit balances between publishing, broadcasting, retail, energy and other segment.

(2) Segment elimination amount represents reciprocal elimination of adjusted capital amount within all segment's total equity and subsidiary amount.

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NOTE 5 - SEGMENT REPORTING (Continued)

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

	1 January-31 March 2016	1 January-31 March 2015
Purchases		
Publishing	14.620	9.976
Broadcasting	49.130	54.186
Retail	2.035	1.149
Energy	48.342	244
Other	14.737	11.562
Total	**128.864**	**77.117**
Amortization and depreciation		
Publishing	16.659	16.066
Broadcasting	40.190	42.315
Retail	2.595	1.803
Energy	19.215	6.647
Other	7.486	6.505
Total	**86.145**	**73.336**

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NOTE 6 – CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 31 March 2016 and 31 December 2015 are as follows:

	31 March 2016	**31 December 2015**
Cash	1.812	1.951
Banks		
- demand deposits	214.223	89.293
- time deposits	1.329.053	1.723.692
Other current assets	73.278	79.324
	1.618.366	**1.894.260**

As of 31 March 2016 the effective interest rates of USD, EUR and TL denominated time deposits are between 0,10% and 3,20% (31 December 2015: 0.20%-2.65%), 0,10% and 3,65% (31 December 2015: 0,10% - 2,25%) and 3,25% and 14,45% (31 December 2015: 1,00% - 14,45%), respectively and the maturity is shorter than 3 months.

As of 31 March 2016, other current assets consist of credit card slip receivables amounting to TL 72.602 (31 December 2015: TL 77.682), Direct Debiting System (DDS) receivables amounting to TL 26 (31 December 2015: TL 1.206) and blocked deposits with a maturity shorter than 3 months, mainly attributable to Doğan Holding regarding Group's subsidiaries' contracted loans, amounting to TL 650 (31 December 2015: TL 436).

Cash and cash equivalents disclosed in the consolidated statements of cash flows for the interim periods ended 31 March 2016 and 31 December 2015 are as follows.

	31 March 2016	**31 December 2015**
Cash and cash equivalents	1.618.366	1.894.260
Accrued interest (-)	(1.544)	(7.361)
Cash and cash equivalents	**1.616.822**	**1.886.899**

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

NOTE 7 - FINANCIAL INVESTMENTS

a) Short-term financial investments

The Group's available for sale financial assets (Note 2.1.3.e.) classified as short term financial investments are as follows:

	31 March 2016	31 December 2015
Private sector bonds and bills	134.980	129.308
	134.980	**129.308**

Private sector bonds and bills are dominated in TL and USD and their weighted average interest rates are 11,08% and 6,01% respectively (31 December 2015: TL 11,8%, USD 6,01%).

b) Long-term financial investments

The Group's available for sale financial assets (Note 2.1.3.e.) classified as long term financial investments are as follows:

	31 March 2016		31 December 2015	
	TL	%	TL	%
Lexin Nassau L.P.	35.737	22,15	37.168	22,15
Anten Teknik Hizmetler ve Verici Tesis İşletme A.Ş.	1.067	<1	1.067	<1
Other	4.291	<1	3.363	<1
	41.095		**41.598**	

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

NOTE 8 – SHORT AND LONG TERM FINANCIAL BORROWINGS

a) Financial borrowing

The details of financial borrowings at 31 March 2016 and 31 December 2015 are as follows:

Short-term financial borrowings:	**31 March 2016**	**31 December 2015**
Short term bank borrowings	655.720	722.813
Factoring borrowings	6.660	11.921
Finance lease borrowings	3.643	4.215
Total	**666.023**	**738.949**

Short-term portion of long-term financial borrowings:	**31 March 2016**	**31 December 2015**
Short-term portion of long-term bank borrowings	641.117	717.110
Total	**641.117**	**717.110**

Long-term financial borrowings:	**31 March 2016**	**31 December 2015**
Long term bank borrowings	715.881	664.027
Finance lease borrowings	616	1.498
Total	**716.497**	**665.525**

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

NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS (Continued)

Details of the bank borrowings as of 31 March 2016 and 31 December 2015 are as follows:

	31 March 2016			31 December 2015		
	Interest rate per annum (%)	Original foreign currency	TL	Interest rate per annum (%)	Original foreign currency	TL
Short-term bank borrowings:						
TL denominated bank borrowings	0 - 14,25	414.849	414.849	0 - 14,5	419.142	419.142
USD denominated bank borrowings	2 - 3,5	41.872	118.639	1,02 - 3	71.128	206.813
EUR denominated bank borrowings	0,8 - 3,89	37.490	120.271	2,2 - 4,8	28.222	89.680
Other bank borrowings	0 - 0	47.031	1.961	0-0	181.206	7.178
Sub-total			**655.720**			**722.813**
Short-term portion of long-term bank borrowings						
TL denominated bank borrowings	3 - 13,55	332.038	332.038	3 - 11,05	320.076	320.076
USD denominated bank borrowings	3 - 4,43	21.096	59.773	1,02 - 6,25	56.297	163.688
EUR denominated bank borrowings	0,89 - 5,71	77.711	249.306	0,89 - 6,63	73.435	233.346
Sub-total			**641.117**			**717.110**
Total short-term bank borrowings			**1.296.837**			**1.439.923**
Long-term bank borrowings:						
TL denominated bank borrowings	3 - 13,25	213.722	213.722	5,5 - 13,25	170.078	170.078
USD denominated bank borrowings	4,32 - 4,43	27.220	77.125	4 - 4,28	27.288	79.343
EUR denominated bank borrowings	2,22 - 5,71	132.488	425.034	2,22 - 6,63	130.478	414.606
Total long-term bank borrowings			**715.881**			**664.027**

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

NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS (Continued)

The redemption schedule of long-term bank borrowings as of 31 March 2016 and 31 December 2015 is as follows:

	31 March 2016	31 December 2015
2017	149.202	191.327
2018	344.378	311.549
2019 and after	222.301	161.151
	715.881	**664.027**

The floating rate bank borrowings of the Group denominated in USD have interest rates fluctuating between Libor + 3,7% and Libor + 3,8% and floating rate bank borrowings denominated in EUR have interest rates fluctuating between Euribor + 0,75% and Euribor + 3,85% (31 December 2015: USD Libor +0,85 and Libor+ 3,80%, EUR Libor +0,75% and Libor+5,00%).

Carrying value of the financial liabilities is considered to be same with the fair value since discount effect is not material. The Group borrows loans on fixed and floating interest rates.

Commitments and financial terms about borrowings

Publishing

Deposit amounting to USD 35.000 of Doğan Holding has been blocked as collateral in accordance with the loan agreement amounting to USD 35.000 of its indirect subsidiary TME. This amount has been closed and blockage has been cancelled as of 14 January 2016.

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

NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS (Continued)

Finance lease liabilities:

The Group acquired property, plant and equipment and intangible assets through finance leases. As of 31 March 2016, total lease payment commitments of the Group relating to such short and long term lease agreements amount to TL 4.259 (31 December 2015: TL 5.713).

The redemption schedules of long-term leasing payables at 31 March 2016 and 31 December 2015 are summarized below.

	31 March 2016	**31 December 2015**
2017 and after	616	1.498
Total	**616**	**1.498**

Allocation of borrowings with fixed and floating interest rates of the Group excluding financial liabilities to be paid to the suppliers as of 31 March 2016 and 31 December 2015 are as follows:

	31 March 2016	**31 December 2015**
Financial borrowings with fixed interest rates (Note 34)	1.430.010	1.393.826
Financial borrowings with floating interest rates (Note 34)	593.627	727.758
Total	**2.023.637**	**2.121.584**

b) Other financial liabilities

As of 31 March 2016 and 31 December 2015 details of other financial liabilities are presented below.

Other short term financial liabilities:	**31 March 2016**	**31 December 2015**
Financial liabilities due to call and put options (Note 17)	-	175.395
Total	**-**	**175.395**

Other long term financial liabilities:	**31 March 2016**	**31 December 2015**
Financial liabilities due to call and put options (Note 17)	525.713	517.700
Total	**525.713**	**517.700**

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

NOTE 9 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	31 March 2016	31 December 2015
Trade receivables	1.441.089	1.356.123
Notes and cheques receivable	151.831	132.456
Income accruals	7.989	9.661
Total	**1.600.909**	**1.498.240**
Less: Unearned financial income due to sales with maturity	(12.959)	(10.906)
Less: Provision for doubtful receivables (-)	(281.871)	(275.324)
Total	**1.306.079**	**1.212.010**

The average maturity of not overdue trade receivables of the Group that are followed by Doğan Faktoring is between 72 to 110 days as of the balance sheet date (31 December 2015: 72-115 days). The maturity of the trade receivables of the Group varies and the interest rate applied for trade receivables is 12,68% (31 December 2015: 12,68%).

Long-term trade receivables	31 March 2016	31 December 2015
Notes and cheques receivable (1)	44.016	27.045
Unearned financial income due to sales with maturity	(3.271)	(5.671)
Total	**40.745**	**21.374**

(1) TL 1.742 of the aforementioned notes receivables are related to forward sales in Automall, Veneris and Milpark projects of Milpa, a subsidiary of the Group, within 2013, 2014 and 2015 years. In addition to this amount, there are long term notes receivables in relation to the fuel sales amounting to TL 41.521 gross, discounted amount TL 38.504 and in relation to other operations amounting TL 753.

The movements of long term and short term provisions for doubtful receivables for the current period are as follows:

	2016	2015
1 January	(275.324)	(268.953)
Provision booked in the current period (Note 27)	(12.474)	(10.977)
Collections and reversal of provisions	6.113	2.533
Currency translation differences	(160)	(1.944)
Disposal of subsidiary	(26)	-
Acquisition of subsidiary	-	(2.557)
31 March	**(281.871)**	**(281.898)**

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

NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)

Guarantees for trade receivables

As of 31 March 2016, although trade receivables amounting to TL 264.781 (31 December 2015: TL 226.976), were overdue, it is not assessed as doubtful receivable (Note 34). The Group does not foresee any collection risk regarding to overdue receivables by considering sector dynamics and circumstances as of the reporting date.

As of 31 March 2016, the Group has received letters of guarantee, guarantee notes, guarantee cheques, bails, receivable insurance, pledges and mortgages amounting to TL 165.135 (31 December 2015: TL 163.452) related to trade receivables amounting to TL 1.346.824 (31 December 2015: TL 1.233.384).

The guarantees received for the total trade receivables of the Group consist of bank guarantee letter amounting to TL 3.416 (31 December 2015: TL 10.322), bails and mortgages amounting to TL 66.236 (31 December 2015: TL 59.427), cheques and notes amounting to TL 69.796 (31 December 2015: TL 72.543), receivable insurance amounting to TL 25.607 (31 December 2015: TL 20.926) and vehicle pledge amounting to TL 80 (31 December 2015: TL 234). Among these guarantees, bank guarantee letter amounting to TL 1.356, bails and mortgages amounting to TL 20.434, cheques and notes amounting to TL 14.729, receivable insurance amounting to TL 4.949 and vehicle pledge amounting to TL 80 were received for overdue but not impaired receivables. (31 December 2015: bank guarantee letter amounting to TL 5.068, bails and mortgages amounting to TL 18.633, cheques and notes amounting to TL 12.751, vehicle pledge amounting to TL 234, receivable insurance amounting to TL 4.192 were received for overdue but not impaired receivables) (Note 34).

Short-term trade payables

	31 March 2016	**31 December 2015**
Trade payables	756.927	690.736
Provision for liabilities and expenses	22.028	31.044
Other payables	5.278	6.603
Less: unearned finance expense due to purchases with maturity	(4.259)	(1.610)
Total	**779.974**	**726.773**

The average maturity of trade payables is between 39-92 days as of 31 March 2016 (31 December 2015: 39-92 days).

Long-term trade payables

	31 March 2016	**31 December 2015**
Trade payables	17.303	-
Less: unearned finance expense due to purchases with maturity	(515)	-
Total	**16.788**	**-**

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

NOTE 10 – OTHER RECEIVABLES AND PAYABLES

Other short-term receivables	**31 March 2016**	**31 December 2015**
Notes receivables [(1)] [(2)]	9.765	8.700
Deposits and guarantees given	3.201	3.396
Receivables from dealers regarding agreement terminations	2.927	2.299
Other miscellaneous receivables	8.090	2.698
Total	**23.983**	**17.093**

Other long-term receivables		
Receivables regarding sale of property, plant and equipment [(2)]	21.997	23.164
TEİAŞ power transmission line receivables [(3)]	4.004	4.302
Deposits and guarantees given	172	2.743
Notes receivables	-	1.026
Total	**26.173**	**31.235**

(1) Notes receivables amounting to TL 3.885 consists of notes receivables obtained from the sale of fixed assets of Kanal D. TL 1.090 of short term notes receivables consists of notes receivables obtained from the sale of Koloni TV (31 December 2015: TL 3.885 consists of notes receivable obtained from sale of fixed assets, TL 1.090 of short term notes receivables obtained from the sale of Koloni TV).

(2) The amount comprises of the property, plant and equipment sale of Milta.

(3) The amount consists of the receivables of Galata Wind from the power transmission line of TEİAŞ.

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

NOTE 10 – OTHER RECEIVABLES AND PAYABLES (Continued)

Other short term payables	31 March 2016	31 December 2015
Taxes and funds payable	90.953	71.402
Deposits and guarantees received	1.651	1.346
Other short term payables [1]	81.686	87.111
Total	**174.290**	**159.859**

Other long term payables	31 March 2016	31 December 2015
Deposits and guarantees received	12.709	13.821
Other long term payables [1]	87.751	89.674
Total	**100.460**	**103.495**

[1] The related balance consists of the long term payables amounting to USD 58.260 of the Group's subsidiary Aytemiz Akaryakıt to Aytemiz Family with an interest rate of 2,5% and which will be paid in two equal installments. The net discounted amount with the finance cost of the related payable is USD 59.800 (TL 169.437).

NOTE 11 - INVENTORIES

Short term inventory	31 March 2016	31 December 2015
Finished goods and merchandise	256.999	268.345
Raw materials and supplies	96.241	92.222
Semi-finished goods	13.363	12.702
Promotion stocks	8.525	7.796
Other inventories	2.488	849
	377.616	**381.914**
Provision for impairment of inventory	(15.254)	(14.540)
Total	**362.362**	**367.374**

Amortization and depreciation expenses amounting to TL 40 have been included in cost of inventories as of 31 March 2016 (31 December 2015: TL 181).

Promotional materials consist of books, CDs, DVDs and electronic educational products that are provided with the newspapers. Group management determine whether the promotion stocks have impaired or not, in case of assessing impairment, the related amount is also measured. In this context, impairment amount is determined by considering the purchase date, current condition of stocks and rates identified by the Group management.

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

NOTE 11 - INVENTORIES (Continued)

The movement of the provision for impairment of inventories for the interim periods ended 31 March 2016 and 2015 are as follows:

	2016	**2015**
1 January	(14.540)	(12.597)
Provision booked in the current period (Note 27)	(1.080)	(509)
Reversal of provision for impairment of inventories	366	391
31 March	**(15.254)**	**(12.715)**

NOTE 12 - BIOLOGICAL ASSETS

Biological assets of Doğan Organik, a subsidiary of the Group, amounts to TL 169 as of 31 March 2016 (31 December 2015: TL 76).

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

NOTE 13 - INVESTMENT PROPERTY

The movement of investment property for the interim periods ended 31 March 2016 and 2015 are as follows.

	1 January 2016	Additions	Disposals	Acquisition of subsidiary	Fair value adjustment	Impairment adjustment	Currency translation differences	31 March 2016
Land	272.864	2.126	-	-	-	(1.079)	-	273.911
Building	103.211	11.751	(5.812)	-	-	(2.220)	3.041	109.971
Net book value	**376.075**							**383.882**

	1 January 2015	Additions	Disposals	Acquisition of subsidiary [1]	Fair value adjustment	Impairment adjustment	Currency translation differences	31 March 2015
Land	187.926	-	-	19.986	-	-	101	208.013
Building	55.552	3.866	(8.161)	12.029	792	-	(29)	64.049
Net book value	**243.478**							**272.062**

(1) Acquisition of Aytemiz Group and Güvenilir A.Ş. (Note 3).

The Group has generated a rent income of TL 419 from investment properties (31 March 2015: TL 91). Direct operating costs incurred within the current period regarding investment properties is TL 77 (31 March 2015: TL 124). There is no collateral or mortgage on investment properties of the Group.

NOTE 13 - INVESTMENT PROPERTY (Continued)

As of 31 March 2016, the investment properties of the Group comprise of parts of buildings held to earn rentals, lands and properties acquired within the context of barter agreements.

Level reclassification of financial assets and liabilities measured at fair value

Investment properties of the Group, have been calculated by the CMB licensed real estate companies using the market comparison analysis approach, cost approach and direct capitalisation approach methods. Final value was determined according to the assumption that the values calculated from different approaches are similar and consistent with the market comparison method. Real estate companies are authorized by CMB and provide property valuation appraisal services in accordance with the capital markets legislation and have sufficient experience and qualifications regarding the fair value measurement of the real estate in the related regions.

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

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

Movement of the property, plant and equipment for the interim periods ended 31 March 2016 and 2015 are as follows:

	1 January 2016	Additions	Disposals	Transfers	Disposal of subsidiary	Acquisition of subsidiary	Currency translation differences	31 March 2016
Cost:								
Land and land improvements	147.923	472	(50)	11.675	-	-	86	160.106
Buildings	190.623	243	(784)	-	-	-	958	191.040
Machinery and equipment	1.224.922	1.178	(2.789)	842	-	-	365	1.224.518
Motor vehicles	89.727	5.609	(1.410)	-	-	-	(259)	93.667
Furniture and fixtures	478.658	8.046	(4.285)	-	-	-	129	482.548
Developments costs of leased tangible assets	117.386	1.115	(80)	-	-	-	(16)	118.405
Other property, plant and equipment	88.617	7.868	(500)	-	-	-	-	95.985
Construction in progress	78.317	16.160	(203)	(12.517)	-	-	(784)	80.973
	2.416.173	**40.691**	**(10.101)**	**-**	**-**	**-**	**479**	**2.447.242**
Accumulated depreciation:								
Land and land improvements	5.063	168	(47)	-	-	-	-	5.184
Buildings	107.764	1.248	(234)	-	-	-	323	109.101
Machinery and equipment	833.696	15.426	(1.254)	-	-	-	250	848.118
Motor vehicles	55.480	2.998	(1.152)	-	-	-	(241)	57.085
Furniture and fixtures	262.621	9.395	(2.082)	-	-	-	(214)	269.720
Developments costs of leased tangible assets	74.842	2.243	(73)	-	-	-	-	77.012
Other property, plant and equipment	35.618	2.611	(221)	-	-	-	-	38.008
	1.375.084	**34.089**	**(5.063)**	**-**	**-**	**-**	**118**	**1.404.228**
Net book value	**1.041.089**							**1.043.014**

As of 31 March 2016,total depreciation expenses amounting to TL 86.185 (31 March 2015: TL 73.336), corresponding tangible assets amounting to TL 34.089 (31 March 2015: TL 36.393) and intangible assets amounting to TL 52.096 (31 March 2015: TL 36.943), allocated by TL 50.553 (31 March 2015: TL 53.731) recognised in cost of sales (Note 24), TL 23.346 (31 March 2015: TL 8.460) recognised in marketing expenses and TL 12.246 (31 March 2015: TL 11.145) recognised in general administrative expenses (Note 25) and TL 40 (31 March 2015: TL 69) of amortization expenses are recognised in inventories as of 31 March 2016.

There is a mortgage of TL 17.965 on property, plant and equipment as of 31 March 2016 (31 December 2015: TL 20.654). Net book value of property, plant and equipment acquired by leasing is TL 5.422 as of 31 March 2016 (31 December 2015: TL 5.752).

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

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2015	Additions	Disposals	Transfers	Disposals of subsidiary	Acquisition of subsidiary	Currency translation differences	31 March 2015
Cost:								
Land and land improvements	106.215	32	(8)	-	-	33.723	43	140.005
Buildings	132.073	73	-	-	-	40.054	2.384	174.584
Machinery and equipment	1.132.377	2.628	(253)	-	-	75.838	(3.854)	1.206.736
Motor vehicles	111.802	1.450	(1.326)	-	-	10.771	251	122.948
Furniture and fixtures	482.838	13.765	(3.691)	1.115	-	2.596	496	497.119
Developments costs of leased tangible assets	137.632	798	(98)	-	-	79	57	138.468
Other property, plant and equipment	9.546	-	-	-	-	56.317	-	65.863
Construction in progress	10.218	4.561	(354)	(1.115)	-	35.551	(74)	48.787
	2.122.701	**23.307**	**(5.730)**	**-**	**-**	**254.929**	**(697)**	**2.394.510**
Accumulated depreciation:								
Land and land improvements	5.987	125	-	-	-	-	-	6.112
Buildings	77.511	1.162	-	-	-	3.073	5.071	86.817
Machinery and equipment	792.041	15.380	(49)	-	-	15.234	32	822.638
Motor vehicles	62.448	1.925	(494)	-	-	6.759	(21)	70.617
Furniture and fixtures	273.690	14.712	(2.623)	-		1.345	(4.889)	282.235
Developments costs of leased tangible assets	89.758	2.671	(98)	-	-	64	552	92.947
Other property, plant and equipment	832	418	-	-	-	28.450	-	29.700
	1.302.267	**36.393**	**(3.264)**	**-**		**54.925**	**745**	**1.391.066**
Net book value	**820.434**							**1.003.444**

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

NOTE 15 – INTANGIBLE ASSETS

Movement of the intangible assets for the interim periods ended 31 March 2016 and 2015 are as follows:

	1 January 2016	Additions	Disposals	Currency Translation differences	Acquisition of Subsidiary	Disposal of Subsidiary	Impairment	Transfer	31 March 2016
Cost:									
Customer list	221.027	-	-	8.686	-	-	-	-	229.713
Trade names	7.876	-	-	-	-	-	-	-	7.876
Trade names and licenses (Media)	146.760	2.153	(1.433)	8.905	-	-	-	-	156.385
Electricity production license	354.644	17	-	-	-	-	-	-	354.661
Other	511.106	9.666	(484)	(1.013)	-	-	-	-	519.275
	1.241.413	**11.836**	**(1.917)**	**16.578**	**-**	**-**	**-**	**-**	**1.267.910**
Accumulated amortization:									
Customer list	120.383	2.626	-	4.392	-	-	-	-	127.401
Trade names	1.181	394	-	-	-	-	-	-	1.575
Trade names and licenses (Media)	19.535	2.232	(1.405)	1.019	-	-	-	-	21.381
Electricity production license	14.447	1.912	-	(1.489)	-	-	-	-	14.870
Other	376.349	10.131	(348)	(798)	-	-	-	-	385.334
	531.895	**17.295**	**(1.753)**	**3.124**			**-**	**-**	**550.561**
Dealer agreement	135.251								152.046
Television programme rights	109.203								120.461
	953.972								**989.856**

Movement of television programme rights and dealer agreements for 2016 is as follows:

	1 January 2016	Additions	Depreciation	Currency translation differences	31 March 2016
Dealer agreements	135.251	26.694	(9.899)	-	152.046
Television programme rights	109.203	35.766	(24.902)	394	120.461

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NOTE 15 – INTANGIBLE ASSETS (Continued)

	1 January 2015	Additions	Disposals	Currency Translation differences	Acquisition of Subsidiary [1]	Disposal of Subsidiary	Impairment	Transfer	Adjustment	31 March 2015
Cost:										
Customer list	226.395	-	-	15.320	-	-	-	-	-	241.715
Trade names and licenses (Media)	197.875	-	-	15.094	-	-	-	-	-	212.969
Electricity production license	356.367	-	-	-	-	-	-	-	-	356.367
Other	484.332	17.541	(3.659)	5.712	1.735	-	-	-	-	505.661
	1.264.969	**17.541**	**(3.659)**	**36.126**	**1.735**	**-**	**-**	**-**	**-**	**1.316.712**
Accumulated amortization										
Customer list	111.993	2.587	-	7.480	-	-	-	-	-	122.060
Trade names and licenses (Media)	18.750	242	-	699	-	-	-	-	-	19.691
Electricity production license	14.403	241	-	-	-	-	-	-	-	14.644
Other	350.351	15.360	(1.804)	5.081	605	-	-	-	-	369.593
	495.497	**18.430**	**(1.804)**	**13.260**	**605**	**-**	**-**	**-**	**-**	**525.988**
Television programme rights	82.797									96.435
	852.269									**887.159**

[1] Comprises of the acquisition of Aytemiz Group and Güvenilir A.Ş. (Note 3).

Movement of television programme rights for 2015 is as follows:

	1 January 2015	Additions	Depreciation	Currency translation differences	Provision for impairment of program rights and inventory	31 March 2015
Television programme rights	82.797	32.403	(18.513)	295	(547)	96.435

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

NOTE 15 – INTANGIBLE ASSETS (Continued)

Intangible assets with indefinite useful lives

As of 31 March 2016, the Group has determined that trademarks with carrying value of TL166.756 have indefinite useful lives (31 December 2015: TL 169.723). The utilization period of trademarks with indefinite useful lives, as expected by the Group, is determined based on the stability of the industry, changes in market demands as to the products and services provided through assets, control period over the assets and legal or similar restrictions on their utilization.

Movement of the goodwill for the interim periods ended 31 March 2016 and 2015 is as follows:

	2016	**2015**
1 January	403.713	395.567
Acquisition of subsidiary (Note 3)	-	57.680
31 March	**403.713**	**453.247**

NOTE 16 - GOVERNMENT GRANTS

Ditaş, a subsidiary of the Group, benefits from the insurance premium incentive under the scope of Social Security and General Health Insurance Law (Law 5510). In this context, the incentive of the insurance premium amounting to TL 362 (31 March 2015: TL 190) is recorded against the labor expense under cost of goods sold in the financial statements.

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

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions	**31 March 2016**	**31 December 2015**
Provision for lawsuits and compensation	33.958	37.315
ICTA Penalty	1.063	1.063
Other	884	884
	35.905	**39.262**

Movement of lawsuit provisions for the interim periods ended 31 March 2016 and 2015 are as follows:

	2016	**2015**
1 January	37.315	41.335
Additions within the period (Note 27)	6.084	3.835
Currency translation differences	98	111
Payments of provisions	(8.022)	(1.592)
Reversal of provisions booked in prior periods	(1.517)	(972)
Acquisition of subsidiary	-	1.163
31 March	**33.958**	**43.880**

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

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

a) Lawsuits

The amount of lawsuits against the Group is TL 78.227 as of 31 March 2016 (31 December 2015: TL 75.966)

	31 March 2016	31 December 2015
Legal cases	64.326	59.478
Commercial cases	2.317	2.709
Business cases	11.527	12.207
Other	57	1.572
Total	**78.227**	**75.966**

Provision for lawsuits filed against the Group whose details are given above amounting to TL 33.958 has been provided with reference to the opinions of the Group's legal advisors and past experience of management related to similar litigations against the Group (31 December 2015: TL 37.315). Legal cases mainly consist of pecuniary and non-pecuniary damages and lawsuits filed against publishing and broadcasting companies and lawsuits initiated by the Radio and Television Supreme Council.

b) Commitments and contingent liabilities related to the share acquisition agreement with Commerz-Film GmbH:

Amendment of the Share Purchase and the Shareholder Agreements

The "Share Purchase" and the "Shareholders Agreements" dated 19.11.2009 signed between Doğan Holding, our direct subsidiaries Doğan TV Holding A.Ş. (DTV) and Doğan Yayın Holding A.Ş. (has ceased due to dissolution without liquidation) and Axel Springer A.G.'s direct subsidiaries Commerz-Film GmbH and Hauptstadtsee 809. V GmbH (together the Axel Springer Group) and dated 16.11.2006 signed between Doğan Yayın Holding A.Ş. (has ceased due to dissolution without liquidation) and Axel Springer A.G. have been amended on 2 October 2014. Accordingly;

1- Provided that it shall take place earliest on 30 January 2015, and to be used in return for EUR 50.000, the Axel Springer Group has a "put option" for 34.183.593 (exact) shares, and Doğan Holding had a "commitment to buy" ("DTV Put Option I") and Doğan Holding had given "letter of guarantee" amounting to EUR 50.000 to Axel Springer Group. The Axel Springer Group exercised all of its "put option". Paid amount included interest calculated based on the 12-months compound Euro Libor plus 100 basis points as of January 2, 2007. Within the scope of the exercise of such "put option", 1.902.118(exact) DTV bonus shares from the previous capital increase were delivered as bonus shares. Thus, within the scope of such option, the total number of shares delivered to Doğan Holding were 36.085.711 (exact) (approximately 2.65% of the current DTV capital). Related transaction was realized on 30 January 2015, and interest included EUR 63.346.606,10 (exact) payment was made to Commerz-Film GmbH by Doğan Holding in return for the exercise of put option and relevant letter of guarantee was returned to Doğan Holding. After the transaction, direct share of Doğan Holding in DTV equity is realized as 92,88%.

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

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Commitments and contingent liabilities related to the share acquisition agreement with Commerz-Film GmbH (continued)

Amendment of the Share Purchase and the Shareholder Agreements (continued)

2- As it was disclosed to public periodically in our financial statement footnotes; per the Agreements between the parties, "in case an initial public offering was not made for the DTV shares of the Axel Springer Group ("Axel Shares") until June 30, 2017, in addition to re-adjusting the price, and a payment accordingly, the Axel Springer Group had a "put option" all or a part of the Axel Shares to Doğan Holding, and Doğan Holding had a "commitment to buy" (DTV Put Option II)). With the Agreement amended on 2 October 2014, unconditional "put option" was given to Axel Springer Group, the details are presented in the appendix tables ("Option Exercise Table") in the latest IR news disclosed to Public Disclosure Platform ("PDP") on 2 October 2014. Aforementioned Option Exercise Table which has been updated but is valid as of 2 October 2014 is presented below;

Option Exercise Table:

Option	Number of Shares subject to option	Current capital ratio of DTV (%)	Option exercise Costs (EUR)(exact)	Earliest Option Exercise Dates
2016	39.870.037	2,93	55.243.523,89	29.01.2016
2020/I	10.873.646	0,80	15.066.414,94	30.06.2020
2020/II	85.176.896	6,26	118.020.255,25	30.06.2020
2022	27.184.078	2,00	37.666.038,82	31.01.2022
TOTAL	**163.104.657**	**11,99**	**225.996.232,90**	

Axel Springer Group may exercise all or a part of its "put option". Amounts to be paid are final, meaning that additional interest cannot be charged. Only, the interest to be calculated taking as the basis annual compound 12-month Euro Libor plus 100 basis points from 29 January 2016 to 30 June 2020 shall be added to the sum to be paid for the "DTV Put Option 2020/I". Within the scope of such options, four separate "letters of guarantee" have been given to the Axel Springer Group by our Company with a total value of EUR 225.996 for the 163.104.657 (exact) Doğan TV Holding securities to be taken by Doğan Holding.

In case all the options in above mentioned Article 1 are exercised, the Axel Springer Group will not have any shares left in the Doğan TV Holding capital.

3- The "DTV Put Option II" has been annulled and cancelled.
4- Issues related with the "initial public offering" of the "Axel Shares";

a. In case of an initial public offering of the "Axel Shares" between the dates 01 January 2015 and 31 January 2022, the following shall be applicable for the value of the "Axel Shares" based on the three months average share price following the initial public offering ("Value of the Share Sold")

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Commitments and contingent liabilities related to the share acquisition agreement with Commerz-Film GmbH (continued)

Amendment of the Share Purchase and the Shareholder Agreements (continued)

i. If lower than the "Initial Sales Price", the negative difference between the "Value of the Share Sold" and the "Initial Sales Price" shall be paid through Doğan Holding to the Axel Springer Group, without calculating any interest on the "Initial Sales Price", and taking into account merely the "Initial Sales Price".

ii. If higher than the "Initial Sales Price", the amount to be found by deducting the interest calculated based on the "Initial Sales Price" from the positive difference between the "Value of the Share Sold" and the "Initial Sales Price" (interest shall be calculated taking as the basis annual compound 12-month Euro Libor as of 2 January 2007) shall equally be shared between the Axel Springer Group and Doğan Holding.

iii. In case an initial public offering does not take place for the "Axel Shares" until January 31, 2022, and in case the "Fair Value" of DTV to be determined with specified valuation techniques on 31 December 2021 (shall be taken into account based on the extent of the shares the Axel Springer Group has in the DTV capital as of 31 December 2021) is lower than the "Initial Sales Price", the negative difference between the "Fair Value" of DTV as of 31 December 2021 and the "Initial Sales Price" shall be paid by Doğan Holding to the Axel Springer Group.

After the completion of the transactions mentioned above, based on the written agreement between Doğan Holding, DTV and Commerz-Film GmbH and the decision of the board of directors of DTV dated 29 April 2015,it has been decided;

1 - To increase the paid up capital of DTV from the internal sources amounting to TL 173.984.499 (exact) and by cash amounting to TL 448.199.414 (exact), from TL 1.360.016.087 (exact) to TL 1.982.200.000 (exact).

2-Capital increase to be paid in cash amounting to TL 448.199.414 shall be committed by Doğan Holding

The payments related to the abovementioned capital increase that will be made in cash have been completed following the authorization of DTV General Assembly and obtaining necessary legal permissions as of 10 July 2015. After the capital increase, the ownership interest of Commerz-Film GmbH in the capital of DTV has decreased from 11,99% to 9,28%.

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

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Commitments and contingent liabilities related to the share acquisition agreement with Commerz-Film GmbH (continued)

Amendment of the Share Purchase and the Shareholder Agreements (continued)

After the capital increase, the option exercise table has been revised as below;

Option Exercise Table:

Option	Number of Shares subject to option	Current capital ratio of DTV (%)	Option exercise Costs (EUR) (exact)	Earliest Option Exercise Dates
2020/I	12.264.693	0,62	15.066.414,94	30.06.2020
2020/II	96.073.429	4,84	118.020.255,25	30.06.2020
2022	30.661.689	1,55	37.666.038,82	31.01.2022
TOTAL	**138.999.881**	**7,01**	**170.752.709,01**	

As abovementioned in Option Use Table, DTV Put Option/2016 has been expended by Commerz Film GmbH in 29 January 2016 and relevant guarantee letter was returned.

The liability for unconditional "commitment to buy" of Doğan Holding mentioned above was recorded under "other long-term financial liability" in the consolidated financial statements as of 31 March 2016 amounting to TL 525.713 (31 December 2015: TL 693.095) calculated over discounted cash outflows that will take place in the future. "Non-controlling interests" as the amount representing the shares belonging to Axel Springer were removed from the consolidated financial statements. Since the transaction did not result in any change of control over DTV on the date of transfer of shares, the difference between recorded financial liabilities and removed non-controlling interests was directly recognised under equity.

c) Doğan TV Digital Platform İşletmeciliği A.Ş.

As a result of the investigation performed by Information and Communication Technologies Authority (ICTA) on one of the indirect subsidiaries of the Group, Doğan TV Dijital Platform İşletmeciliği A.Ş., on 21 April 2014, an administrative penalty amounting to TL 10.342 was sentenced and TL 8.260 was accrued in order to refund to the subscribers. The Group paid administrative penalty amounting to TL 7.756 by taking advantage of 25% discount for advance payment with the objection record as of 23 September 2014. On the other hand, TL 4.608 of the total amount accrued in relation to the refunds to the subscribers has been paid as of 31 March 2016 (31 March 2015: None). Provision recognised in the prior periods regarding this matter is TL 2.478.

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(d) Other

Milpa:

The Land of Omerli

Shares acquired step by step with the agreement "Building Construction Shared Floor/Revenue in Return Arrangement Form Land Share and Real Estate Promise to Sell Agreement" ("Agreement") signed between March 2000 - October 2003 and recognised under "investment properties" by Milpa Ticari ve Sınai Ürünler Pazarlama ve Ticaret A.Ş.("Milpa"), a subsidiary of the Group, and in addition to these shares, the balance of the shares acquired from the result of the tender in relation to the lawsuit opened by one of the shareholders corresponding to his/her share in the real estate, located at Istanbul Province, Pendik District, Kurtdoğmuş Village with an area of m^2 2.238.207, which is 68,42%, have been recognised at fair value which has been appreciated in the Real Estate Valuation Report prepared by the Real Estate Appraisal Company on the list of CMB. Because of the qualifications of farm land due to the legal uncertainties stated below, Ömerli land hasn't been recognised under normal business operations of Milpa (project development, construction and sale etc.), and has been recognised as "investment properties" in accordance with TAS 40 ("Investment Properties"), in the context of Paragraph 8/(b).

Milpa, has commitment to pay 25% of the revenue generated from the real estate project (the "Project") by considering the share of the land owners who have assigned shares within the scope of revenue sharing constructions and/or flat for land basis contracts. Furthermore, there is a building construction agreement annotation under the relevant Agreement signed with the landowners in relation to 2.093.941 m^2 of Omerli Land, with the parcel no: 1154.

According to the İstanbul Environmental Recreation Plan, scale of 1/100.000 and dated 15 June 2009, a significant part of the land of which parcel no is 1154, is located partially within the borders of "Habitat Park Area", "Military Land and Military Security Area", and "Forest Area". The report on the Basin Research Results of the Istanbul Water Supply and Sanitation Administrative General Directory dated as 12 January 2016 states that 2,586 m^2 of parcel no 1154 and 142,012 m^2 of parcel no 1155 are parts of the Forest Area. The related parcels are located in both the medium range protected area and the long range (2000 m. – 5000 m.) protected area of Omerli Reservoir Basin. In addition to that, the records of City Directorate of Provincial Food Agriculture and Livestock also shows that the relevant parcels are situated within the Forest Area.

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(d) Other (continued)

Milpa (continued):

The Land of Omerli (continued)

144.266 m2 of the land parcel no: 1155 has been removed from the forest area with the court decision in 2005 year. To this The Forestry Directorate appealed the decision at the 20th Chamber of the High Court and the objection was accepted on 24 June 2008 and these decisions (removal from forest area) are sent to the Pendik First Civil Court for re-evaluation. The Court has reiterated its initial decision being right on 8 October 2009 in terms of content. The General Directorate of Forestry appealed the Court's decision again and the related file was re-sent to the Supreme Court of law No: 20. The related office has resent the file to Pendik First Civil Court by disrupting the court decision The Court for which the lawsuit is held, has been divided into two and the lawsuit has been heard at 29. Civil Court. The aforementioned court has decided to cancel the land register of the aforementioned 144.266 m2 and parcel No: 1155 of land belonging to the Company and registered the land as forest title in the name of the treasury at 23 December 2014. Following the notification of the decision no 2013/320 at 9 January 2015, appeal to a superior court on 13 February 2015 has been made.

With the 1/100.000 scale environmental plan released on 17 July 2009, the related land was classified as a habitat and recreation area and the Company appealed to this plan within the legal deadline. As of the date of the preparation of these financial statements, no response was received regarding the change in land development plan and the appeal to this change regarding the land in Pendik, Kurtdoğmuş Village. It is also known that there have been objections to the relevant construction plan from third parties as well. After the appeals to the development plan, no information has been received from the relevant authorities regarding the evaluations by the Company. During the 7 years, no lower scale plans have been made and the zoning status of the land has not been identified yet. Because planning and nationalization regarding Kuzey Marmara Otoyolu Project is being performed, it is unlikely for a short-term regional plan to be made. Because the planning process is conducted by multiple government agencies, only monitoring of the processes is performed. In this context, the uncertainty in the development plan due to the appeal, will be continued to be assessed in subsequent periods in the legal process.

18.652 m^2 part of Omerli Land which corresponds to 20/2400 share has been acquired for a consideration of US Dollar 746 (TL 2.126) in cash with the "assignment agreement" in exchange for waiver of all rights and receivables for "shared revenue in exchange for share of land in the form of regulations and / or fold money building construction and real estate sales promise agreement" signed as of July 2002 for the period ending 31 March 2016. With this acquisition, the part of the Company's share in the land became 68,42%. TL 1.079 of impairment has been recognised in the financial statements as at 31 March 2016 regarding the acquisition of parcel no 1154 and 1155 of Omerli Land.

The Group obtains updated revaluation reports from CMB licensed real estate companies every year for the "investment properties" that comprises of TL 85.956 (31 December 2015: TL 84.909) of Omerlı Land.

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

(d) Other (continued)

Milpa (continued):

The Land of Omerli (continued)

As stated in the environmental regulation plan of Omerli land with a scale of 1/100.000 as of 17 July 2009, although the related land has been specified as "habitat" and "recreation" area; because of the scarcity of these type of lands in this size and position in the Asian side of Istanbul where quality projects can be developed, "the strengths" and "opportunities" like the demand increase in recent years for the area and the proximity of the land to the TEM highway and being close to the Kuzey Marmara Otoyolu project considering Real Estate Appraisal Company's valuation report as of 14 January 2016 using precedent comparison relevant lands parcel no: 1154 valuated a total of TL 125.636 (excluding VAT) (Company's share is 68,42% as of 31 March 2016) has been recognised for the total of the related real estate (31 December 2015: TL 125.636). This amount is the total valuation for the land and the Company's share in this is 67,58% as of 31 December 2015). As mentioned above, regarding the tentative decision on the Forest Land no: 1155, no appreciation in value for the parcel has been claimed. For Omerli Land, security expenses amounting to TL 5 has been recognised under operational expenses (31 March 2015: TL 9). Additionally no rental income has been recognised from the related property (2015: None)

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

NOTE 18 - COMMITMENTS

(a) Collaterals, pledges and mortgages (CPM) given by the Group

	31 March 2016					31 December 2015				
	TL Equivalent	**TL**	**USD**	**EUR**	**Other**	**TL Equivalent**	**TL**	**USD**	**EUR**	**Other**
A. CPM's given in the name of its own legal personality										
Guarantees [1]										
Pledge[4]	1.239.484	510.886	60.274	173.878	-	1.383.096	501.820	52.618	229.193	-
Mortgage [2]	-	-	-	-	-	-	-	-	-	-
B. CPM's given on behalf of the fully consolidated companies	17.965	-	-	5.600	-	20.654	-	-	6.500	-
Guarantees[1] [3]										
Pledge[4]										
Mortgage	27.348	1.590	9.091	-	-	28.005	1.572	9.091	-	-
C. CPM's given on behalf of 3rd parties	112	112	-	-		112	112			
for ordinary course of business	414.340	36.842	98.664	30.530	-	410.456	6.369	102.656	33.234	-
D. Total amount of other CPM's given										
i) Total amount of CPM's given on behalf of the majority shareholders	-	-	-	-	-	-	-	-	-	-
ii) Total amount of CPM's given on behalf of other group	-	-	-	-	-	-	-	-	-	-
companies which are not in scope of B and C										
iii) Total amount of CPM's given on behalf of 3rd parties	-	-	-	-	-	-	-	-	-	-
which are not in scope of C	-	-	-	-	-	-	-	-	-	-
Total	**1.699.249**					**1.842.323**				

(1) The guarantees of the Group consist of letter of guarantees, guarantee notes, bails and mortgages and the details are explained below.

(2) There is a mortgage amounting to TL 17.965 over the tangible fixed assets of Group's subsidiary Hürriyet as of 31 March 2016 (31 December 2015: TL 20.654)

(3) Doğan Holding has bail amounting to USD 41.481 given to credit institutions within the scope of Aslancık Elektrik's hydroelectric power plant construction (31 December 2015: USD 44.444).Doğan Holding gave bail amounting to USD 57.182 for Boyabat Elektrik's long term project financing bank loan (31 December 2015: USD 58.211).

(4) 33,33% shares of Aslancık Elektrik (55.000.000 (exact) shares), 33% shares of Boyabat (6.996.000 (exact) shares), 100% shares of Galata Wind (340.000 (exact) shares) and 100% shares of D-Tes (463.401.200 (exact) shares) were given as pledges to financial institutions due to the Group's long term borrowings and are not included in the table above.

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

NOTE 18 - COMMITMENTS (Continued)

a) Letters of guarantees and guarantee notes given (continued)

Other CPM's given by the Group to equity ratio is 0% as of 31 March 2016 (31 December 2015: 0%). The details of letter of guarantees and guarantee notes given by the Group are as follows:

	31 March 2016		**31 December 2015**	
	Original currency	**TL equivalent**	**Original currency**	**TL equivalent**
Letters of guarantees – Euro	173.878	557.818	229.193	728.284
Letters of guarantees – TL	510.886	510.886	501.820	501.820
Letters of guarantees – USD	60.274	170.780	52.618	152.992
Guarantee notes – TL	1.590	1.590	1.572	1.572
Guarantee notes – USD	9.091	25.758	9.091	26.433
Total		**1.266.832**		**1.411.101**

(b) Guarantees and mortgages given

The details of guarantees of Doğan Holding and its shareholders' given for the borrowings and trade payables of the Group companies and related parties as of 31 March 2016 and 31 December 2015 are as follows:

	31 March 2016		**31 December 2015**	
	Original currency	**TL equivalent**	**Original currency**	**TL equivalent**
Bails– Euro	30.530	97.943	33.234	105.604
Bails – USD [1]	98.664	279.555	102.656	298.483
Bails – TL	36.842	36.842	6.369	6.369
Mortgages – Euro	5.600	17.965	6.500	20.654
Mortgages – TL	112	112	112	112
Total		**432.417**		**431.222**

[1] Guarantees given for Aslancık Elektrik and Boyabat Elektrik have decreased by USD 3.992 in relation to the loan repayments during the period.

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

NOTE 18 - COMMITMENTS (Continued)

(c) Barter agreements

Doğan Holding and its subsidiaries, enter into barter agreements, which involve the exchanging of goods or services without any cash collections or payments, as a common practice in the media sector.

As of 31 March 2016, the Group has a commitment for the publication of advertisements amounting to TL 10.608 (31 December 2015: TL 10.122) in exchange for purchasing goods and services and has an option to purchase goods and services amounting to TL 18.014 (31 December 2015: TL 24.139) in exchange of the goods or services sold.

NOTE 19 - OTHER ASSETS AND LIABILITIES

Other current assets	**31 March 2016**	**31 December 2015**
Blocked deposits [1]	74.123	163.987
Prepaid tax and funds	24.735	22.488
Value added tax ("VAT") receivables	24.201	30.358
Programme stocks	11.129	9.863
Job advances	4.083	2.740
Personnel advances	3.568	7.398
Other	3.531	2.934
	145.370	**239.768**
Provision for impairment on programme stocks	(1.081)	(1.081)
Provision for other doubtful receivables	(942)	(645)
	143.347	**238.042**

Other non-current assets	**31 March 2016**	**31 December 2015**
Value added tax ("VAT") receivables	120.152	122.601
Deposits and guarantees given	2.732	-
Blocked deposits [2]	-	304
Other	589	161
	123.473	**123.066**

(1) As of 31 March 2016, Doğan Holding has blocked bank deposits of USD 26.000 (TL 73.668) for its subsidiary Mozaik and TL 455 blocked bank deposits for other subsidiaries (31 December 2015: TL 1.161 for other subsidiaries, and blocked deposits of USD 21.000 (TL 61.060) regarding Mozaik). As of 31 March 2016, Doğan Holding doesn't have any blocked bank deposits regarding its subsidiary TME (31 December 2015: USD 35.000 (TL 101.766) regarding its subsidiary TME).

(2) As of 31 March 2016, The Group has no long-term blocked bank deposits (31 December 2015: Doğan Holding has blocked bank deposits amounting to TL 304).

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

NOTE 20- PREPAID EXPENSES AND DEFERRED INCOME

Details of prepaid expenses and deferred income for the periods ended 31 March 2016 and 31 December 2015 are as follows:

Short term prepaid expenses	**31 March 2016**	**31 December 2015**
Advances given [1]	88.363	70.052
Prepaid expenses [2]	31.534	25.258
	119.897	**95.310**

[1] The majority of the advances given consist of advances given for the activities in broadcasting and energy sectors

[2] Significant amount of prepaid expenses consists of prepaid rent expenses and insurance expenses.

Long term prepaid expenses	**31 March 2016**	**31 December 2015**
Advances given and prepayments [3] [4] [5]	63.289	41.543
Prepaid expenses for future years	5.410	4.654
	68.699	**46.197**

[3] Advances given and prepayments amounting to TL 24.628 (31 December 2015: TL 26.897) consist of prepayments made by Doğan TV Holding, for UEFA (Union Européenne de Football Association or Union of European Football Associations) Champions League qualifying games and UEFA Cup qualifying games of certain Spor Toto Super League teams between 2008 and 2020. In accordance with the agreements, prepayments made for the related games are refunded to Doğan TV Holding in the case of cancellation of games.

[4] Advances given and prepayments amounting to TL 32.464 (31 December 2015: 11.070) comprise of advances given to dealers, by Aytemiz, one of the subsidiaries of Doğan Holding.

[5] TL 3.180 (31 December 2015: TL 3.180) of the advances given and prepayments comprise of the advance given offsetted from revenue shares that will be paid to the related landowner who has transferred his shares regarding the real estate project that has been planned in the Omerli land of Milpa, a subsidiary of the Group. Milpa has the commitment to pay 25% of the revenues of the project which is planned to develop, related to the houses and offices that will be committed and set-off to the landowners revenue-sharing or flat received from contractor for landownership by the proportion of their shares. TL 3.017 of advances given consists of Group's other subsidiaries. (31 December 2015: TL 396)

Short term deferred income	**31 March 2016**	**31 December 2015**
Deferred income [1]	34.809	27.240
Advances received	9.922	12.774
	44.731	**40.014**

[1] The majority of the deferred income consists of prepaid subscription income in publishing and broadcasting segments and yatch mooring income in other segment.

Long term deferred income	**31 March 2016**	**31 December 2015**
Deferred income [1]	6.445	1.410
	6.445	**1.410**

[1] Deferred income is composed of prepaid subscription expenses of publishing and broadcasting segments.

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

NOTE 21 – DERIVATIVE INSTRUMENTS

	31 March 2016		31 December 2015	
	Asset	Liability	Asset	Liability
Derivative swap instruments				
Currency forward transactions	-	2.216	-	-
Total	**-**	**2.216**	**-**	**-**

(a) Currency forward transactions

The Group has currency swap transactions amounting to EUR 5.000 and USD 7.747 as of 31 March 2016 (31 December 2015: None). A portion of the Group's foreign exchange swap transactions comprise of the necessary foreign currency amounts translated into TL with a fixed exchange rate relating to the loan repayments. Other portion comprises of the Group's currency swap agreements for cash flow hedge accounting about the repayment of paper purchases in foreign currency. As of 31 March 2016, related currency swap agreements have been subject to cash flow hedge accounting and TL 2.216 after tax effect in the current period has been accounted under equity as gain and loss on cash flow hedges.

NOTE 22 – PROVISION FOR EMPLOYMENT BENEFITS

(a) Payables regarding benefits provided to employees

The details of payables regarding employee benefits as of 31 March 2016 and 31 December 2015 are as follows:

	31 March 2016	31 December 2015
Payables to personnel	22.134	12.486
Social security payables	11.019	10.908
	33.153	**23.394**

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

NOTE 22 – PROVISION FOR EMPLOYMENT BENEFITS (Continued)

(b) Short term provision within employment benefits

Details of short term provision within employment benefits as of 31 March 2016 and 31 December 2015 are as follows:

	31 March 2016	**31 December 2015**
Provision for unused vacation	53.729	44.070
	53.729	**44.070**

(c) Long term provision within employment benefits

Details of long term provision within employment benefits as of 31 March 2016 and 31 December 2015 are as follows:

	31 March 2016	**31 December 2015**
Provision for employment termination benefits	110.871	109.481
	110.871	**109.481**

Except from the legal requirements other than Turkey in which the Group operates, there are no pension plans and benefits.

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies and achieves the retirement age. At 31 March 2016 the amount payable maximum equals to one month of salary is TL 4.092,53 (exact) (31 December 2015: TL 4.092,53 (exact)) for each year of service.

On the other hand, the Group is liable to make payments to personnel who work for a minimum of 5 years and whose employment is terminated without due cause in accordance with the Regulations with regards to Employees Employed in the Press Sector. The maximum payable amount is 30 days' flat salary for each year of service. Employment termination benefit liabilities are not subject to any funding and there are no legal requirements for funding of these liabilities.

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

NOTE 22 – PROVISION FOR EMPLOYMENT BENEFITS (Continued)

c) Long term provision within employment benefits (continued)

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group.

The standard TAS 19 "Employee Benefits" envisages the development of actuarial valuation methods in order to estimate the provision of severance pay. According to this, following assumptions were used in the calculation of total liability based on the report prepared by the actuarial firm:

- discount rate is applied as 10,72% (31 December 2015: 10,72%), inflation rate applied as 5,90% (31 December 2015: 5,90%) and rate of increase in wages applied as 5,90 % (31 December 2015: 5,90%) in the calculation.
- age of retirement is based on considering the Company's historical operating data and taken as the average age of retirement from the Group

(1) Discount rate used for calculating the severance payment liability is determined as the long-term government bond compound interest of 10,72%.

(2) Inflation rate and wage increase rate, used for calculating the severance payment liability, is determined as 5,90%.which is the 24 months inflation estimation by the Central Bank of the Republic of Turkey.

The movement of provision for severance pay within the period is as follows:

	2016	**2015**
1 January	109.481	104.352
Current period service cost and net interest expense from continued operations	4.430	4.490
Payments during the period from continued operations	(3.040)	(4.013)
Acquisition of subsidiary	-	392
31 March	**110.871**	**105.221**

Total costs excluding the actuarial loss regarding employment benefits are presented in consolidated statement of profit or loss for the interim period ended as of 31 March 2016. For the interim period ended 31 March 2016, there is no actuarial loss (31 March 2015: None).

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

NOTE 23 – EQUITY

Doğan Holding adopted the registered paid-in capital system and set a limit on its registered paid-in capital representing registered type shares with a nominal value of TL 1.

Doğan Holding's registered capital ceiling and issued capital at 31 March 2016 and 31 December 2015 are as follows:

	31 March 2016	**31 December 2015**
Registered authorized capital	4.000.000	4.000.000
Issued capital	2.616.938	2.616.938

There are no privileged shares of Doğan Holding.

The ultimate shareholders of Doğan Holding are Aydın Doğan and Doğan Family (Işıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y.Begümhan Doğan Faralyalı) and the shareholders of Holding and the historical values of shares in equity at 31 March 2016 and 31 December 2015 are as follows:

Shareholder	**Share %**	**31 March 2016**	**Share %**	**31 December 2015**
Adilbey Holding A.Ş.	49,32	1.290.679	49,32	1.290.679
Doğan Family	14,41	377.126	14,41	377.126
Publicly traded on Borsa İstanbul [(1)]	36,27	949.133	36,27	949.133
Issued capital	**100**	**2.616.938**	**100**	**2.616.938**
Adjustment to issued capital		143.526		143.526
Total		**2.760.464**		**2.760.464**

[(1)] In accordance with the Capital Markets Board's (the "CMB") Resolution No: 31/1059 issued on 30 October 2014 and 21/655 issued on 23 July 2010, it is regarded that 35,93% of the shares (31 December 2015: 35,94%) are outstanding as of 31 March 2016 based on the Central Registry Agency's ("CRA") records.

Adjustment to share capital represents the difference between cash and cash equivalent contributions to the total amounts adjusted for inflation added to issued share capital issued and amounts before inflation adjustment.

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

NOTE 23 – EQUITY (Continued)

Share Premiums

Share premiums/discounts represent the positive or negative differences resulting from the nominal value and sales value of public shares.

	31 March 2016	31 December 2015
Share premiums	163.724	163.724
Share discounts (-)	(128.565)	(128.565)
Total	**35.159**	**35.159**

Restricted reserves

Restricted reserves are reserved from the prior period profit due to legal or contractual obligations or for certain purposes other than the profit distribution (for example, to obtain the tax advantage of gain on sale of associates). Restricted reserves are in the scope of solo legal records in accordance with TCC and TPL.

General Statutory Legal Reserves are reserved according to the article 519 of Turkish Commercial Code and used in accordance with the principles set out in this article. The afore-mentioned amounts should be classified in "Restricted Reserves" in accordance with the TAS.

Gain on sale of associate shares amounting to TL 987.125 presented as restricted reserves in the prior years have been transferred to accumulated losses account as of the date of the consolidated statement of financial position due to the completion of the legal period for which should be kept in a special fund.

The details of restricted reserves as of 31 March 2016 and 31 December 2015 are as follows:

Restricted reserves	31 March 2016	31 December 2015
General legal reserves	179.949	160.759
Gain on sale of subsidiary's shares	84.624	1.071.749
Venture capital fund	35.425	35.425
Total	**299.998**	**1.267.933**

NOTE 23 – EQUITY (Continued)

Accumulated Other Comprehensive Income and Expenses not to be Reclassified in Profit or Loss

The Company's investment property revaluation reserves and actuarial losses of defined benefit plans that aren't reclassified in accumulated other comprehensive income and expenses are summarized below.

i. Investment Property Revaluation Reserves

Real estates recognised as property, plant and equipment in prior periods, can be transferred to investment property due to changes in use. The Group has reclassified some of its properties as investment property and has chosen to account such investment properties at fair value. Accordingly, fair value increase at the initial transfer amounting to TL 11.662 (31 December 2015: 11.662 TL) is recognised as revaluation reserve under shareholders equity.

ii. Actuarial losses in defined benefit plans

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group. Group recognised all actuarial gains and losses in other comprehensive income. Actuarial loss recognised under equity in the financial position table amounts to TL 31.032 (31 December 2015: TL 31.032)

Accumulated Other Comprehensive Income and Expenses to be Reclassified in Profit or Loss

i. Financial Assets Revaluation Reserves

Financial assets revaluation reserves occurred by accounting on net book values after reflecting deferred tax impact of unearned gains and losses composed of changes of fair values of assets held for sale. The amount of revaluation loss of assets held for sale presented under equity in balance sheet is TL 1.650 in the current period (31 December 2015: TL 514 loss).

ii. Gain and Losses from Cash Flow Hedges

Changes in the fair value of derivative instruments and recognised as cash flow hedges are recognised directly in equity and the ineffective portion is directly recognised in statement of profit or loss. The Group has recognised TL 1.376 of gain and losses on cash flow hedges under equity according to cash flow hedge accounting after taxation (31 December 2015: None).

NOTE 23 – EQUITY (Continued)

Capital Reserves and Retained Earnings

Subsequent to the first inflation adjusted financial statements, equity items such as; "Capital, Emission Premiums, General Statutory Legal Reserves, Statutory Reserves, Special Reserves and Extraordinary Reserves" are carried at carrying value in the balance sheet and their adjusted values based on inflation are collectively presented in equity accounts group.

In accordance with the CMB regulations, "Share capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amounts. The valuation differences resulted due to the inflation adjustment shall be disclosed as follows:

- If the difference is due to the "Issued Capital" and not yet been transferred to capital, it should be classified under "Capital adjustment difference to share capital";

- If the difference is due to "Restricted Reserves" and "Share Premium" and the amount has not been subject to dividend distribution or capital increase yet, it shall be classified under "Retained Earnings/ Losses".

Other equity items are carried at the amounts valued in accordance with TAS.

Capital adjustment differences have no other use than to be included to the capital

Dividend Distribution

The Company decides to distribute profit and makes profit distribution in accordance with the Turkish Commercial Code (TTK), Capital Market Law (CML), Capital Market Board (CMB) Regulations and Laws; Tax Legislations; other related statutory legislation and Articles of Association and Resolutions of General Assembly. Profit distribution is determined by Profit Distribution Policy.

On the other hand,

a) Retained earnings derived from the repreparation of comparative financial statements based on the first time adoption of TAS,
b) "Equity inflation adjustment differences" derived from resources that do not have any restriction regarding profit distribution,
c) Retained earnings derived from the first time inflation adjustment of financial statements, can be distributed to shareholders as cash dividends.

In addition, if the consolidated financial statements include the "Purchasing Impact on Equity" item under equity, the related item is not considered as a deductible or additional item when presenting net distributable profit for the period.

NOTE 23 – EQUITY (Continued)

At the general shareholders meeting of the Company as of 31 March 2016;

The following legislations have been taken into consideration; Turkish Commercial Code, Capital Market Legislation and Capital Market Law ("CMB") Regulations, Corporate Tax, Income Tax and other relevant legal legislations and the relevant legislations of the Main Agreement of the Company and "Dividend Distribution Policy";

- Under the legislation of "Communique on Financial Reporting in Capital Markets" (II-14.1) of CMB , according to the audited consolidated financial statements for the period 1 January-31 December 2015 that are prepared in accordance with the Turkish Accounting Standards and Turkish Financial Reporting Standards published by Public Oversight, Accounting and Auditing Standards Board for which the presentation principles have been determined as per the relevant resolutions of the CMB; when "Deferred Tax Income", "Current Tax Expense" and "Non-controlling Interests" are taken into consideration together, "Net Loss for the Period" amounting to Turkish Lira 160.820 has been observed, and after "Accumulated Losses" amounting to Turkish Lira 979.671 which has been calculated based on the Dividend Guide announced at 27 January 2014 and numbered 2914/2 in CMB Weekly Announcement and "Donation" amounting to Turkish Lira 3.556 in 2015 have been added to this amount, Turkish Lira 1.154.775 of "Net Loss for the Period" has been calculated and no dividend distribution has been made for the period 1 January – 31 December 2015 within the CMB regulations on profit distribution.

- In the financial records for the period 1 January 2015-31 December 2015 under the tax legislation and T. C. held by the Uniform Chart of Accounts issued by the Ministry of Finance, "Net Profit for the Period" amounting to Turkish Lira 410.750.912,87 ("exact") has been observed, and after "Current Tax for the Period" amounting to Turkish Lira 26.966.478,14 ("exact") has been deducted from this amount, it has been decided that the remaining amount of Turkish Lira 364.595.212,99 ("exact"), after the "General Legal Reserve" amounting to Turkish Lira 19.189.221,74 ("exact") has been allocated in accordance with the (a) subparagraph of Article 519 of TCC from the remaining amount of Turkish Lira 383.784.434,73 ("exact"), will be allocated to "Extraordinary Reserves" account.

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

NOTE 24- REVENUE AND COST OF SALES

	1 January- 31 March 2016	**1 January- 31 March 2015**
Domestic sales	1.687.259	1.006.214
Foreign sales	55.199	92.328
Sales return and discounts (-)	(154.277)	(120.742)
Net sales	**1.588.181**	**977.800**
Cost of sales (-)	(1.287.799)	(787.904)
Gross profit	**300.382**	**189.896**

The details of income from operating activities for the interim periods ended 31 March 2016 and 2015 are disclosed in Note 5 – Segment Reporting.

Sales detail of publishing industrial segment is presented below:

	1 January- 31 March 2016	**1 January- 31 March 2015**
Advertisement income	111.179	119.844
Circulation and printing income	72.013	71.478
Other	92.825	76.330
Total	**276.017**	**267.652**

Sales detail of broadcasting industrial segment is presented below:

	1 January- 31 March 2016	**1 January- 31 March 2015**
Advertisement income	129.304	123.250
Subscription income	102.362	112.123
Other	35.749	44.292
Total	**267.415**	**279.665**

Sales detail of retail industrial segment is presented below:

	1 January- 31 March 2016	**1 January- 31 March 2015**
Retail income	162.898	143.491
Total	**162.898**	**143.491**

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

NOTE 24- REVENUE AND COST OF SALES (Continued)

Sales detail of energy industrial segment is presented below:

	1 January- 31 March 2016	1 January- 31 March 2015
Income from fuel oil and LPG sales	608.736	100.402
Energy income	180.047	111.960
Total	**788.783**	**212.362**

Sales detail of other industrial segment is presented below:

	1 January- 31 March 2016	1 January- 31 March 2015
Industrial income	49.746	48.942
Tourism income	7.368	9.380
Other [(1)]	35.954	16.308
Total	**93.068**	**74.630**

[(1)] Other sales income mainly consist of the total income obtained from vehicle, real estate, gsm and organic agricultural operations

The distribution of the cost of sales for the interim periods ended 31 March 2016 and 2015 is disclosed in Note 5 – "Segment Reporting".

	1 January- 31 March 2016	1 January- 31 March 2015
Publishing	(183.335)	(175.348)
Broadcasting	(200.774)	(264.854)
Retail	(97.060)	(90.597)
Energy [(1)]	(727.504)	(199.119)
Other	(79.126)	(57.986)
Total	**(1.287.799)**	**(787.904)**

[(1)] The increase resulted from the wholesale activities of D-Tes and activities of Aytemiz Akaryakıt after the acquisition date of 11 March 2015 within the prior period.

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

NOTE 24- REVENUE AND COST OF SALES (Continued)

Cost of sales detail of publishing industrial segment is presented below:

	1 January- 31 March 2016	**1 January- 31 March 2015**
Cost of trading goods sold	(77.576)	(68.362)
Personnel and news production expenses	(39.483)	(41.547)
Paper costs	(32.441)	(31.295)
Printing, production and other raw material cost	(16.893)	(14.411)
Amortization and depreciation expenses (Note 14,15)	(7.415)	(9.432)
Internet advertising services cost	(5.803)	(7.331)
Commissions	(1.115)	(1.646)
Other	(2.609)	(1.324)
Total	**(183.335)**	**(175.348)**

Cost of sales detail of broadcasting industrial segment is presented below:

	1 January- 31 March 2016	**1 January- 31 March 2015**
Television programme production costs	(74.634)	(134.303)
ADSL receiver costs	(28.171)	(30.472)
Amortization expenses of television programme rights (Note 15)	(24.902)	(18.513)
Personnel expenses	(20.833)	(21.309)
Amortization and depreciation expenses (Note 14,15)	(9.797)	(15.304)
Satellite usage fees	(9.548)	(8.446)
Cost of trading goods sold	(6.748)	(13.087)
RTSC share in advertisement	(3.932)	(3.648)
Other	(22.209)	(19.772)
Total	**(200.774)**	**(264.854)**

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

NOTE 24- REVENUE AND COST OF SALES (Continued)

Cost of sales detail of retail industrial segment is presented below:

	1 January- 31 March 2016	1 January- 31 March 2015
Cost of trading goods sold	(97.060)	(90.597)
Total	**(97.060)**	**(90.597)**

Cost of sales detail of energy industrial segment is presented below:

	1 January- 31 March 2016	1 January- 31 March 2015
Fuel oil and LPG sales expenses	(572.519)	(96.091)
Electricity expenses	(144.509)	(95.907)
Personnel expenses	(694)	(544)
Amortization and depreciation expenses (Note 14,15)	(3.519)	(6.059)
Other	(6.263)	(518)
Total	**(727.504)**	**(199.119)**

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

NOTE 24- REVENUE AND COST OF SALES (Continued)

Detail of the cost of sales of other industrial segment is presented below:

	1 January-31 March 2016	**1 January-31 March 2015**
Raw material cost	(28.668)	(27.268)
Cost of trading goods	(22.499)	(2.829)
Labour and personnel expenses	(9.619)	(7.227)
General production expenses	(8.431)	(9.628)
Telecommunication service expenses	(4.989)	(6.611)
Amortization and depreciation expenses (Note 14,15)	(4.920)	(4.423)
Total	**(79.126)**	**(57.986)**

NOTE 25 – MARKETING EXPENSES, AND GENERAL ADMINISTRATIVE EXPENSES

	1 January-31 March 2016	**1 January-31 March 2015**
Marketing, sales and distribution expenses	(172.871)	(122.932)
General administrative expenses	(78.549)	(70.490)
Operating expenses	**(251.420)**	**(193.422)**

Marketing expenses:

	1 January-31 March 2016	**1 January - 31 March 2015**
Personnel expenses	(45.088)	(34.835)
Transportation, storage and travel expenses	(27.505)	(14.286)
Rent expense	(24.193)	(15.912)
Advertisement expense	(21.794)	(22.090)
Amortization and depreciation expenses (Note 14,15)	(13.447)	(8.460)
Amortization of dealer agreements (Note 15)	(9.899)	-
Electricity distribution expenses	(8.054)	(4.546)
Promotion expenses	(4.808)	(4.428)
Consulting expenses	(3.903)	(1.629)
Outsourced service expenses	(3.405)	(3.356)
Other	(10.775)	(13.390)
Total	**(172.871)**	**(122.932)**

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

NOTE 25 – MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES (Continued)

General administrative expenses:

	1 January- 31 March 2016	**1 January - 31 March 2015**
Personnel expenses	(41.371)	(28.566)
Amortization and depreciation expenses (Note 14,15)	(12.246)	(11.145)
Consulting expenses	(7.601)	(7.695)
Rent expense	(5.287)	(6.705)
Outsourced service expenses	(4.105)	(4.795)
Transportation, storage and travel expenses	(1.848)	(2.880)
Miscellaneous taxes	(1.737)	(2.136)
Other	(4.354)	(6.568)
Total	**(78.549)**	**(70.490)**

NOTE 26 - EXPENSES BY NATURE

As of 31 March 2016 and 2015, expenses are presented functionally and details are given in Note 24 and Note 25.

NOTE 27 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January- 31 March 2016	**1 January- 31 March 2015**
Other income from operating activities		
Foreign exchange gains	39.955	130.927
Interest income on bank deposit	12.417	16.115
Finance income due to sales with maturity	12.357	10.481
Income from cancellation of provision	8.123	4.288
Usage of VAT discount	1.021	2.349
Other operating income	14.574	22.360
Total	**88.447**	**186.520**

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

NOTE 27 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (Continued)

	1 January- 31 March 2016	1 January- 31 March 2015
Other expenses from operating activities		
Foreign exchange losses	(51.771)	(32.154)
Provision for doubtful receivables (Note 9)	(12.474)	(10.977)
Finance expense due to purchases with maturity	(9.926)	(2.100)
Provision for lawsuits (Note 17)	(6.084)	(3.835)
Other penalties and compensations paid	(1.346)	(662)
Provision for impairment on inventory (Note 11)	(1.080)	(509)
Other operating expenses	(12.376)	(8.560)
Total	**(95.057)**	**(58.797)**

NOTE 28 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from investing activities

	1 January- 31 March 2016	1 January- 31 March 2015
Interest income on bank deposits	2.144	3.318
Gain on sale of property, plant, equipment and intangible assets	1.669	2.051
Rent and building service income	1.319	227
Interest income of marketable securities	638	2.933
Foreign exchange income	354	57.401
Increase on fair value of investment properties (Note 13)	-	792
Exchange gain related to share purchase commitment	-	4.414
Total	**6.124**	**71.136**

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

NOTE 28 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES (continued)

Expense from investing activities

	1 January- 31 March 2016	**1 January - 31 March 2015**
Exchange loss related to share purchase commitment	(5.552)	-
Provision from changes of the fair value of investment properties (Note 13)	(3.299)	-
Interest expense related to share purchase commitment	(3.192)	(4.346)
Loss on sale of investment properties, property, plant and equipment	(2.616)	(2.305)
Loss on sale of marketable securities	(91)	(107)
Foreign exchange losses	-	(706)
	(14.750)	**(7.464)**

NOTE 29 - FINANCE INCOME AND EXPENSES

The details of finance income for the interim periods ended 31 March 2016 and 2015 are as follows:

Finance income

	1 January- 31 March 2016	**1 January - 31 March 2015**
Foreign exchange gain	7.353	14.187
Derivative income	1.122	91
	8.475	**14.278**

The details of finance expenses for the period ended 31 March 2016 and 2015 are as follows:

Finance expense	**1 January- 31 March 2016**	**1 January - 31 March 2015**
Interest expense on bank borrowings	(41.115)	(50.522)
Foreign exchange losses	(25.032)	(70.303)
Bank commission expenses	(4.019)	(4.214)
Other	(114)	(256)
	(70.280)	**(125.295)**

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

NOTE 30 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

There is no significant disposal of subsidiary for the interim period ended 31 March 2016 (31 December 2015: None).

NOTE 31 - INCOME TAXES

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

Corporate Tax

Corporate tax liabilities as of 31 March 2016 and 31 December 2015 are as follows:

	31 March 2016	31 December 2015
Provision for current income tax	3.010	68.032
Prepaid corporate taxes	(2.761)	(66.144)
Taxes payable for the period	**249**	**1.888**

	31 March 2016	31 December 2015
Corporate and income taxes payable	249	1.888
Deferred tax liabilities, net	52.142	46.279
Total tax	**52.391**	**48.167**

NOTE 31 – INCOME TAXES (Continued)

Turkey

The Corporate Tax Law has been amended as of 13 June 2006 by Law No: 5520. The majority of the clauses of Law No: 5520 are effective as of 1 January 2006. Corporate tax rate for the fiscal year 2016 is 20% (2015: 20%) for Turkey. Corporate tax is payable at a rate of 20% on the total income of the Group after adjusting for certain disallowable expenses, corporate income tax exemptions (investment allowance, etc.) and corporate income tax deductions (such as research and development expenditures deduction). No further tax is payable unless there is dividend distribution. Dividends paid to non-resident companies having representative offices in Turkey and resident companies are not subject to withholding tax. Dividends paid to companies except for those companies are subject to 15% of withholding tax. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Companies calculate corporate tax quarterly at the rate of 20% over their corporate income and these amounts are disclosed by the end of 14th day and paid by the end of the 17th day of the second month following each calendar quarter-end. Advance taxes paid in the period are offset against the following period's corporate tax liability. If there is an outstanding advance tax balance as a result of offsetting, the related amount may either be refunded in cash or used to offset against for other payables to the government.

Tax Law No: 5024 "Amendments in Tax Procedural Law, Income Tax Law and Corporate Tax Law" published in the Official Gazette on 30 December 2003 requires income tax and corporate taxpayers whose earnings are determined based on the balance sheet to prepare their statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira effective from 1 January 2004. The merger bonuses which occurred as a result of the mergers in POAŞ and Doğan Gazetecilik, were classified as an equalizing account, which is neither an asset nor a liability, by the Group, in its financial statements applied an inflation adjustment for the calculation of the corporate tax in 2004, due to the related legal provisions and Tax Procedural Law, titled "Inflation Adjustment Application" with number 17 and dated 24 March 2005.

In accordance with the related law, the cumulative inflation of last 36 months inflation rate (PPI) must exceed 100% and the inflation rate (PPI) of last 12 months must exceed 10%.There has not been inflation adjustment after 2005 due to the absence of conditions required.

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

Tax authorities can review accounting records within five years and if they determine any errors on the accounting records, tax payable can be reassessed as a result of another tax assessment.

Under the Turkish tax legislation, tax losses can be carried forward to offset against future taxable income for up to 5 years.

NOTE 31 – INCOME TAXES (Continued)

Turkey (continued)

There are numerous exemptions in the Corporate Tax Law concerning the corporations. The exemptions that are related to the Group are as follows:

Exemption for participation in subsidiaries

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

Issued premiums exemption

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

Exemption for participation into foreign subsidiaries

For companies participating in 10% or more of the capital of a non-resident limited liability or joint stock company,(except for those whose principal activity is financial leasing or investment property) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business center at the rate of at least 15% (minimum corporate income tax applicable in Turkey for those whose principal activity is finance assurance or insurance).

Exemption for sale of participation shares and property

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which have remained in assets for more than two full years are exempt from corporate tax. For exemption, the relevant gain is required to be held in a fund account in liabilities for at least five years. The cost of the sale should be collected until the end of the second calendar year following the year of the sale.

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

NOTE 31 – INCOME TAXES (Continued)

Russian Federation

The corporate tax rate effective in the Russian Federation is 20% (2015: 20%).

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

According to the Russian Federation's tax legislation, financial losses can be carried forward for 10 years to be deducted from future taxable income. Rights related to tax losses that have not been utilized in the related years are expired.

Tax can be refunded in practice; however, refund is generally available following the outcome of legal procedures. Consolidated tax reporting or tax payment of parent companies or subsidiaries is not allowed. In general, dividend payments that are paid to foreign shareholders are subject to 15% withholding tax. Based on bilateral tax agreements, withholding tax rate can be decreased.

The tax legislation of the Russian Federation is subject to various interpretations and changes frequently. The interpretation of tax legislation by tax authorities regarding the business of TME may differ from the management's interpretation.

The tax rates at 31 March 2016 applicable in the foreign countries, where the significant part of the Group's operations are performed, are as follows:

Country	Tax rates (%)
Germany (1)	28,0
Ukraine	18,0
Slovenia	17,0
Belarus	18,0
Kazakhstan	20,0
Netherland (2)	25,0

(1) Corporate tax rate is applied as 15% for Germany. With an additional solidarity tax of 5,5% and municipal commerce tax varying in between 14% and 17% is also applied over the corporate tax.

(2) Tax rate is 20% for the tax base up to initial EUR 200.000, 25% for over EUR 200.000.

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

NOTE 31 – INCOME TAXES (Continued)

Deferred tax

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported under the POA's Financial Reporting Standards and the accounting treatment made in different reporting periods based on the applicable tax laws and the transfer of financial losses.

Deferred taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using tax rates enacted at the balance sheet dates.

Deferred tax assets and liabilities are presented in net in the consolidated financial statements of the Group, since they are presented in net in the financial statements of subsidiaries and joint ventures, which are each individual tax payers. Temporary differences deferred tax assets and deferred tax liabilities at the table below are presented based on gross amounts.

The composition of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred tax has been provided at 31 March 2016 and 31 December 2015 using the enacted tax rates is as follows:

	Cumulative temporary differences		**Deferred tax assets / (liabilities)**	
	31 March 2016	**31 December 2015**	**31 March 2016**	**31 December 2015**
Deductible tax losses	124.526	178.252	24.905	35.650
Provision for employment termination and unused vacation benefits	164.600	153.551	32.920	30.711
Provision for doubtful receivables	133.211	128.071	26.642	25.614
Net differences between the tax base and carrying value of property, plant and equipment, inventories and intangible assets	50.319	52.596	10.064	10.519
Deferred financial income of trade receivables	17.741	12.355	3.548	2.471
Other	61.108	83.799	11.858	14.717
Deferred tax assets			**109.937**	**119.682**
Net differences between the tax base and carrying value of property, plant and equipment, inventories and intangible assets	(721.623)	(729.026)	(152.183)	(155.958)
Net differences between fair and tax values of investment properties	(165.649)	(168.948)	(8.886)	(9.051)
Other	(8.119)	(4.816)	(1.010)	(952)
Deferred tax liabilities			**(162.079)**	**(165.961)**
Deferred tax liabilities, net			**(52.142)**	**(46.279)**

Conclusions of netting has been reflected to consolidated balance sheet of the Group, since separate taxpayer companies Doğan Holding, subsidiaries and joint ventures have booked their deferred tax assets and liabilities by netting in their financial statements that were prepared in accordance with the TAS.

Temporary differences and deferred tax assets and liabilities shown above have been prepared on the basis of gross values.

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

NOTE 31 – INCOME TAXES (Continued)

The Group recognised deferred tax assets over TL 124.526 of carry forward tax losses in the consolidated financial statements prepared in accordance with the POA's Financial Reporting Standards as of 31 March 2016 (31 December 2015: TL 178.252). As of 31 March 2016 and 31 December 2015, the maturity analysis of carry forward tax losses is as follows:

	31 March 2016	**31 December 2015**
2016	(25.588)	(41.803)
2017	(6.462)	(17.475)
2018 and after	(92.476)	(118.974)
	(124.526)	**(178.252)**

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. As of 31 March 2016, the Group does not recognise deferred tax from carry forward tax losses amounting to TL 755.696 (31 December 2015: TL 1.461.531).

Movements for net deferred taxes for the interim periods ended at 31 March 2016 and 2015 are as follows:

	2016	**2015**
1 January	(46.279)	(44.511)
Current period expense	(4.952)	(18.303)
Currency translation differences	(941)	(2.410)
Recognized under equity	30	-
Acquisition of subsidiary	-	5.485
Deferred tax asset resulted from fair value increase on financial asset	-	(493)
31 March	**(52.142)**	**(60.232)**

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

NOTE 31 – INCOME TAXES (Continued)

The taxes on income reflected to the consolidated statement of profit or loss for the interim periods ended 31 March 2016 and 2015 are summarized below:

	1 January- 31 March 2016	1 January- 31 March 2015
Current period tax expense	(3.010)	(27.461)
Deferred tax expense	(4.952)	(18.303)
Total tax expense	**(7.962)**	**(45.764)**

The reconciliation of the taxation on income in the consolidated statement of profit or loss for interim periods ended 31 March 2016 and 2015 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income are as follows:

	2016	2015
Loss before income taxes from continued operations	(30.096)	(1.838)
Current period tax expense calculated at 20%	6.019	368
Income not subject to tax	157	3.294
Effects of investments accounted for by the equity method	149	(16.508)
Expenses non- deductible / not subject to tax	(5.561)	(9.177)
Effect of financial loss for which deferred tax asset is not calculated	(2.181)	(25.572)
Effect of adjustments	(2.409)	(1.305)
Other	(4.136)	3.136
Tax Expense	**(7.962)**	**(45.764)**

NOTE 32 - EARNING/ LOSS PER SHARE

Loss per share for each class of shares is described below:

	31 March 2016	31 March 2015
Net loss for the period attributable to equity holders of the Parent Company	(30.331)	(42.875)
Weighted average number of shares with face value of TL 1 each	2.616.938	2.616.938
Loss per share	**(0,012)**	**(0,016)**

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

NOTE 33 - RELATED PARTY DISCLOSURES

As of 31 March 2016 and 31 December 2015, related party balances and transactions are described below:

i) Balances of related parties:

Short term receivables from related parties:

	31 March 2016	31 December 2015
D Market Elektronik Hizmetler ve Ticaret A.Ş. ("D Market") [1]	2.098	443
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont")	1.637	167
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv") [2]	1.021	974
D Elektronik Şans Oyunları Yayıncılık A.Ş. ("D Elektronik") [1]	852	514
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	469	147
Gümüştaş Madencilik	82	211
Gas Plus Erbil Ltd.	38	29
Other	1.107	455
Total	**7.304**	**2.940**

[1] Receivables related to advertisement sale of the Group.
[2] Receivables related to electricity sale of the Group.

Other short term receivables from related parties:

	31 March 2016	31 December 2015
Boyabat Elektrik [1]	-	2.320
Total	**-**	**2.320**

[1] Short term receivables from Boyabat Elektrik comprise of the advances given in relation to the electricity purchases.

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

NOTE 33 - RELATED PARTY DISCLOSURES (Continued)

i) Balances of related parties (continued):

Other long term receivables from related parties

	31 March 2016	31 December 2015
Boyabat Elektrik (1)	28.770	29.076
Total	**28.770**	**29.076**

(1) Long term other receivables from Boyabat Elektrik comprise of receivable of financial nature.

Short term trade payables to related parties

	31 March 2016	31 December 2015
Doğan Burda (1)	14.397	13.173
Doğan Egmont (2)	10.809	10.305
Ortadoğu Otomotiv	1.927	2.052
D Market	613	1.179
Other	2.019	420
Total	**29.765**	**27.129**

(1) Comprises of the purchasing of magazines.
(2) Comprises of the purchasing of books and magazines.

ii) Transactions with related parties:

Service and product purchases from related parties:

	31 March 2016	31 March 2015
Doğan Egmont (1)	8.063	6.754
Doğan Burda (2)	7.912	8.541
Ortadoğu Otomotiv (3)	5.131	3.163
Dergi Pazarlama Planlama ve Ticaret A.Ş. ("DPP")	1.386	1.213
Adilbey Holding A.Ş. ("Adilbey Holding")	1.001	803
Boyabat Elektrik (4)	186	7.032
Other	1.936	748
Total	**25.615**	**28.254**

(1) Comprises of the books and magazine purchases of the Group.
(2) Comprises of the magazine purchases of the Group.
(3) Comprises of the rental service purchases of the Group.
(4) Comprises of the electricity purchases of the Group.

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

NOTE 33 - RELATED PARTY DISCLOSURES (Continued)

ii) Transactions with related parties (continued):

Product and service sales to related parties:

	31 March 2016	31 March 2015
D-Market [1]	5.043	2.105
Doğan Burda [2]	4.672	4.237
Doğan Egmont [2]	2.975	2.741
Ortadoğu Otomotiv [3]	2.461	2.807
Boyabat Elektrik	960	-
Adilbey Holding A.Ş.	944	108
D Elektronik	636	604
Gümüştaş Madencilik	259	186
İrfanoğulları Petrol Ürünleri	146	-
Gas Plus Erbil Ltd.	88	77
Other	1.011	131
Total	**19.195**	**12.996**

[1] The balance consists of product sales of the Group.
[2] The balance consists of raw material sales, printing and distribution services of the Group.
[3] The balance consists of electricity sales of the Group.

Financial income

	31 March 2016	31 March 2015
Boyabat Elektrik	2.244	-
Doğan Egmont	236	140
Kandilli	-	2.234
Nakkaştepe Gayrimenkul [1]	-	503
Total	**2.480**	**2.877**

[1] Nakkaştepe Gayrimenkul Yatırımları İnşaat Yönetim ve Ticaret A.Ş., one of the investments accounted for by the equity method of the Group, has been sold to Rönesans Gayrimenkul Yatırım for a consideration of TL 97.601 as of 11 June 2015.

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

NOTE 33 - RELATED PARTY DISCLOSURES (Continued)

ii) Transactions with related parties (continued):

Acquisition of property, plant and equipment and intangible assets:

	31 March 2016	31 March 2015
D-Market Elektronik Hizmetler ve Ticaret A.Ş.	-	4
Total	**-**	**4**

Remuneration of the members of the Board of Directors and key management personnel:

Group determined member of the board of the directors, consultant of the board, group presidents and vice presidents, chief legal counsel, and director's key management personnel. The compensation of board members and key management personnel includes salaries, bonus, health insurance, communication and transportation and total amount of compensation is explained below:

	1 January- 31 March 2016	1 January - 31 March 2015
Salaries and other short term benefits	3.066	2.676
Post-employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
Total	**3.066**	**2.676**

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

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Instruments and Financial Risk Management

The Group's activities expose it to a variety of financial risks; these risks are credit risk, market risk including the effects of changes in debt and equity market prices, foreign currency exchange rates, fair value interest rate risk and cash flow interest rate risk, and liquidity 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. The Group uses derivative financial instruments in a limited manner to hedge these exposures.

Financial risk management is carried out by individual subsidiaries and joint ventures under the policies, which are approved by their Board of Directors within the limits of general principles set out by Doğan Holding.

a) Market Risk

a.1) Foreign currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency liabilities to local currency. These risks are monitored and limited by analyzing foreign currency position. TL equivalents of foreign currency denominated monetary assets and liabilities as of 31 March 2016 and 31 December 2015 before consolidation adjustments and reclassifications are as follows:

The Group is exposed to foreign exchange risk arising primarily from the USD and EUR, the other currencies have no material impact.

	31 March 2016	**31 December 2015**
Foreign currency assets	1.749.276	2.017.592
Foreign currency liabilities	(2.281.933)	(2.175.221)
Net asset position of off-balance sheet net derivative instruments	-	-
Net foreign currency position	**(532.657)**	**(157.629)**

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

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a.1) Foreign currency risk (continued)

Sensitivity analysis for currency risk as of 31 March 2016 and 31 December 2015 and foreign currency denominated asset and liability balances are summarized below:

31 March 2016	**TL Equivalent**	**USD**	**EUR**	**Other**
1. Trade Receivables	185.385	40.656	12.685	7.235
2a. Monetary Financial Assets (Cash, banks included)	1.538.558	382.988	138.326	2.363
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	9.927	3.500	3	-
4. Current Assets (1+2+3)	**1.733.870**	**427.144**	**151.014**	**9.598**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	804	5	31	170
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	14.602	950	529	2.505
8. Non-Current Assets (5+6+7)	**15.406**	**955**	**560**	**2.675**
9. Total Assets (4+8)	**1.749.276**	**428.099**	**151.574**	**12.273**
10. Trade Payables	352.888	106.274	12.787	2.636
11. Financial Liabilities	559.807	63.404	115.651	2.242
12a. Other Monetary Financial Liabilities	109.048	34.948	2.014	875
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13.Current Liabilities (10+11+12)	**1.021.743**	**204.626**	**130.452**	**5.753**
14. Trade Payables	67	24	-	-
15. Financial Liabilities	1.028.488	27.244	296.529	-
16a. Other Monetary Financial Liabilities	88.271	30.995	140	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17.Non-Current Liabilities(14+15+16)	**1.116.826**	**58.263**	**296.669**	**-**
18. Total Liabilities (13+17)	**2.138.569**	**262.889**	**427.121**	**5.753**
19. Net Asset / Liability Position Of Off Balance Sheet Derivatives (19a-19b)	**-**	**-**	**-**	**-**
19a. 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)	**(389.293)**	**165.210**	**(275.547)**	**6.520**
21. Net Foreign Currency Asset/ (Liability) Position Of Monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)	**(413.822)**	**160.760**	**276.079**	**4.015**

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

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a.1) Foreign currency risk (continued)

31 December 2015	**TL Equivalent**	**USD**	**EUR**	**Other**
1. Trade Receivables	142.173	23.418	13.785	7.041
2a. Monetary Financial Assets (Cash, banks included)	1.748.013	410.687	171.931	1.760
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	121.801	41.867	20	1
4. Current Assets (1+2+3)	**2.011.987**	**475.972**	**185.736**	**8.802**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	667	5	35	126
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	4.938	1.116	533	-
8. Non-Current Assets (5+6+7)	**5.605**	**1.121**	**568**	**126**
9. Total Assets (4+8)	**2.017.592**	**477.093**	**186.304**	**8.928**
10. Trade Payables	82.332	14.558	7.876	3.483
11. Financial Liabilities	877.735	127.965	156.875	1.669
12a. Other Monetary Financial Liabilities	99.730	31.117	1.885	759
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13.Current Liabilities (10+11+12)	**1.059.797**	**173.640**	**166.636**	**5.911**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	1.030.583	32.107	294.949	-
16a. Other Monetary Financial Liabilities	84.841	29.179	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17.Non-Current Liabilities(14+15+16)	**1.115.424**	**61.286**	**294.949**	**-**
18. Total Liabilities (13+17)	**2.175.221**	**234.926**	**461.585**	**5.911**
19. Net Asset / Liability Position Of Off Balance Sheet Derivatives (19a-19b)	**-**	**-**	**-**	**-**
19a. 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)	**(157.629)**	**242.167**	**(275.281)**	**3.017**
21. Net Foreign Currency Asset/ (Liability) Position Of Monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)	**(284.368)**	**199.184**	**(275.834)**	**3.016**

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

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a.1) Foreign currency risk (continued)

As of 31 March 2016 and 31 December 2015, foreign currency denominated asset and liability balances were converted by the following exchange rates: TL 2,8334 = USD 1 and TL 3,2081= EUR 1 (2015: TL 2,9076 = USD 1 and TL 3,1776 = EUR 1).

31 March 2016	**Income/Loss**	
	Foreign currency appreciates	**Foreign currency depreciates**
	If the USD had changed by 10% against the TL	
1- USD net (liabilities)/assets	46.811	(46.811)
2- Hedging amount of USD (-)	-	-
3- USD net effect on (loss)/income (1+2)	**46.811**	**(46.811)**
	If the EUR had changed by 10% against the TL	
4- EUR net (liabilities)/assets	(88.398)	88.398
5- Hedging amount of EUR (-)	-	-
6- EUR net effect on (loss)/income) (4+5)	**(88.398)**	**88.398**
	If the other currencies had changed by 10% against the TL	
7- Other net (liabilities)/assets	2.658	(2.658)
8- Hedging amount of other (-)	-	-
9- Other net effect on (loss)/income) (7+8)	**2.658**	**(2.658)**
TOTAL (3+6+9)	**(38.929)**	**38.929**

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

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a.1) Foreign currency risk (continued)

31 December 2015	**Income/Loss**	
	Foreign currency appreciates	**Foreign currency depreciates**
	If the USD had changed by 10% against the TL	
1- USD net (liabilities)/assets	70.413	(70.413)
2- Hedging amount of USD (-)	-	-
3- USD net effect on (loss)/income (1+2)	**70.413**	**(70.413)**
	If the EUR had changed by 10% against the TL	
4- EUR net (liabilities)/assets	(87.473)	87.473
5- Hedging amount of EUR (-)	-	-
6- EUR net effect on (loss)/income) (4+5)	**(87.473)**	**87.473**
	If the other currencies had changed by 10% against the TL	
7- Other net (liabilities)/assets	1.298	(1.298)
8- Hedging amount of other (-)	-	-
9- Other net effect on (loss)/income) (7+8)	**1.298**	**(1.298)**
TOTAL (3+6+9)	**(15.762)**	**15.762**

a.2) Interest rate risk

- Publishing/ Broadcasting

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

Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk. As of 31 March 2016 and 31 December 2015, the Group's borrowings at floating rates are predominantly denominated in USD and EUR.

- Other

Other operating segments are exposed to interest rate risk because of financial liabilities of these segments. Financial obligations in this segment are mainly composed of floating rate borrowings.

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

NOTE 34 -FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a.2) Interest rate risk (continued)

On 31 March 2016, if interest rates on USD denominated borrowings had been higher/lower by 100 basis points with all other variables held constant, loss before income taxes would have been TL 193 (31 March 2015: TL 346) higher, mainly as a result of high interest expense on floating rate borrowings.

On 31 March 2016, if interest rates on Euro denominated borrowings had been higher 100 basis points with all other variables held constant, loss before income taxes would have been TL 1.289 (31 March 2015: TL 1.228) higher/lower, mainly as a result of high interest expense on floating rate borrowings.

On 31 March 2016, if interest rates on Ron denominated borrowings had been higher 100 basis points with all other variables held constant, loss before income taxes would have been TL 2 (31 March 2015: None) higher/lower, mainly as a result of high interest expense on floating rate borrowings.

The table presenting Group's fixed and floating rate financial instruments is shown below:

	31 March 2016	**31 December 2015**
Financial instruments with fixed rate		
Financial assets		
- Banks	1.329.053	1.723.692
- Financial investments (Note 7)	176.075	170.906
Financial liabilities (Note 8)	1.430.010	1.393.826
Financial instruments with floating rate		
Financial liabilities (Note 8)	593.627	727.758

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

NOTE 34 -FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a.2) Interest rate risk (continued)

The analysis of average annual interest rate (%) of financial assets and liabilities of the Group is as follows:

	31 March 2016			31 December 2015		
	USD	**EUR**	**TL**	**USD**	**EUR**	**TL**
Assets						
Cash and cash equivalents	0,10-3,20	0,10-3,65	3,25-14,45	0,20-2,65	0,10-2,25	1,00-14,45
Financial investments	6,01	-	11,08	6,01	-	11,8
Liabilities						
Financial liabilities	2-4,43	0,8-5,71	0-14,25	1-6,25	0,89-6,63	0-14,5

The distribution of sensitivity to interest rates about the period for repricing of financial assets and liabilities is as follows:

31 March 2016	**Up to-1 year**	**1 - 5 years**	**Over 5 years**	**Free of Interest**	**Total**
Assets					
Cash and cash equivalents (Note 6)	1.329.053	-	-	289.313	1.618.366
Financial investments (Note 7)	134.980	-	-	-	134.980
Total	**1.464.033**	**-**	**-**	**289.313**	**1.753.346**
Short and long term financial liabilities (Note 8) [1]	1.307.140	700.049	16.448	-	2.023.637
Other financial liabilities (Note 8)	-	525.713	-	-	525.713
Total	**1.307.140**	**1.225.762**	**16.448**	**-**	**2.549.350**

31 December 2015	**Up to-1 year**	**1 - 5 years**	**Over 5 years**	**Free of Interest**	**Total**
Assets					
Cash and cash equivalents (Note 6)	1.723.692	-	-	170.568	1.894.260
Financial investments (Note 7)	129.308	-	-	-	129.308
Total	**1.853.000**	**-**	**-**	**170.568**	**2.023.568**
Short and long term financial liabilities (Note 8) [1]	1.456.059	649.225	16.300	-	2.121.584
Other financial liabilities (Note 8)	175.395	517.700	-	-	693.095
Total	**1.631.454**	**1.166.925**	**16.300**	**-**	**2.814.679**

(1) Bank borrowings are included in the interest rate sensitivity regarding the remaining time to repricing of financial borrowings.

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

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Credit risk

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

The table representing the Group's credit risk of financial instruments as of 31 March 2016 is as follows:

	Trade Receivables		Other Receivables		Cash on
	Related Party	**Other**	**Related Party**	**Other**	**deposit**
Maximum net credit risk as of balance sheet date	**7.304**	**1.346.824**	**28.770**	**50.156**	**1.616.554**
- The part of maximum risk under guarantee with collateral	**-**	**165.135**	**-**	**-**	**-**
A. Net book value of neither past due nor impaired financial assets	7.304	1.082.043	28.770	50.156	1.616.554
- Guaranteed amount by collateral	-	123.587	-	-	-
B. Book value of restructured otherwise accepted as past due and impaired financial assets	-	-	-	-	-
C. Net book value of past due but not impaired assets (Note 9)	-	264.781	-	-	-
- Guaranteed amount by collateral (Note 9)	-	41.548	-	-	-
D. Impaired asset net book value	-	-	-	-	-
- Past due (gross amount) (Note 9, 19)	-	281.871	-	942	-
- Impairment (-) (Note 9, 19)	-	(281.871)	-	(942)	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-
- Not overdue (gross amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-

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

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The table representing the Group's credit risk of financial instruments as of 31 December 2015 is as follows:

	Trade Receivables		Other Receivables		Cash on
	Related Party	**Other**	**Related Party**	**Other**	**deposit**
Maximum net credit risk as of balance sheet date	**2.940**	**1.233.384**	**31.396**	**48.328**	**1.892.309**
- The part of maximum risk under guarantee with collateral	**-**	**163.452**	**-**	**-**	**-**
A. Net book value of neither past due nor impaired financial assets	2.940	1.006.408	31.396	48.077	1.892.309
- Guaranteed amount by collateral	-	122.574	-	-	-
B. Book value of restructured otherwise accepted as past due and impaired financial assets	-	-	-	-	-
C. Net book value of past due but not impaired assets (Note 9)	-	226.976	-	251	-
- Guaranteed amount by collateral (Note 9)	-	40.878	-	(251)	-
D. Impaired asset net book value	-	-	-	-	-
- Past due (gross amount) (Note 9, 19)	-	275.324	-	1.066	-
- Impairment (-) (Note 9, 19)	-	(275.324)	-	(1.066)	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-
- Not overdue (gross amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Net value collateralized or guaranteed part of net value	-	-	-	-	-

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

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Credit risk (continued)

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

	31 March 2016		31 December 2015	
	Related Party	**Other Receivables**	**Related Party**	**Other Receivables**
Maturity				
1-30 days overdue	-	116.433	-	86.699
1-3 months overdue	-	79.509	-	64.673
3-12 months overdue	-	37.051	-	62.742
1-5 years overdue	-	31.788	-	12.862
Total	**-**	**264.781**	**-**	**226.976**
Guaranteed amount by collateral				
Publishing	-	25.039	-	28.551
Energy	-	11.543	-	8.119
Other	-	4.966	-	4.208
Total	**-**	**41.548**	**-**	**40.878**

c) Liquidity risk

Conservative liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims maintaining flexibility in funding by keeping committed credit lines available.

As of 31 March 2016 and 31 December 2015, undiscounted cash flows of financial liabilities based on the agreement maturities are as follows:

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

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

c) Liquidity risk (continued)

31 March 2016	**Book value**	**Contractual undiscounted cash flow**	**Less than 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Non-derivative financial liabilities						
Short term and long term financial borrowing (Note 8)	2.023.637	2.122.379	663.927	722.618	598.528	137.306
Trade payables (Note 9)	779.974	798.492	593.114	188.590	16.788	-
Other financial liabilities (Note 8)	525.713	552.703	1.092	1.682	429.093	120.836
Other payables (Note 10)	274.750	307.023	89.789	116.774	100.460	-
Trade payables to related parties (Note 33)	29.765	29.765	29.765	-	-	-
Short-term provisions regarding employee benefits (Note 22)	53.729	53.729	-	53.729	-	-
Payables regarding employee benefits (Note 22)	33.153	33.153	-	33.153	-	-
Deferred income (Note 20)	51.176	51.176	44.731	-	6.445	-
Other short term provisions (Note 17)	35.905	35.905	-	35.905	-	-
Total	**3.807.802**	**3.984.325**	**1.422.418**	**1.152.451**	**1.151.314**	**258.142**

31 December 2015	**Book value**	**Contractual undiscounted cash flow**	**Less than 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Non-derivative financial liabilities						
Short term and long term financial borrowing (Note 8)	2.121.584	2.256.788	1.197.218	347.776	581.404	130.390
Trade payables (Note 9)	726.773	735.745	639.996	95.749	-	-
Other financial liabilities (Note 8)	693.095	720.377	-	175.542	425.147	119.688
Other payables (Note 10)	263.354	269.610	149.819	16.296	103.495	-
Trade payables to related parties (Note 33)	27.129	27.129	27.129	-	-	-
Short-term provisions regarding employee benefits (Note 22)	44.070	44.070	-	44.070	-	-
Payables regarding employee benefits (Note 22)	23.394	23.394	-	23.394	-	-
Deferred income (Note 20)	41.424	41.424	40.014	-	1.410	-
Other short term provisions (Note 17)	39.262	39.262	-	39.262	-	-
Total	**3.980.085**	**4.157.799**	**2.054.176**	**742.089**	**1.111.456**	**250.078**

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

d) 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 end exchange rates, are considered to approximate carrying value.

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

The carrying values of trade receivables along with the related allowances for collectability 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 amortized cost using the effective interest rate method and accordingly their carrying amounts approximate their fair values.

e) Capital risk management

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

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

The Group monitors capital on the basis of the net liability/total equity ratio. Net liability is calculated as the total liability less cash and cash equivalents, derivative instruments and tax liabilities. Total equity is calculated as the total of net liability and the equity as shown in the consolidated balance sheet.

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

NOTE 34 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

e) Capital risk management (continued)

The net liability/ total equity ratio as of 31 March 2016 and 31 December 2015 is summarized below:

	31 March 2016	**31 December 2015**
Total liability [(1)]	4.092.546	4.244.881
Less: Cash and cash equivalents (Note 6)	(1.618.366)	(1.894.260)
Net liability	2.474.180	2.350.621
Equity attributable to equity holders of the parent company	2.628.207	2.652.122
Total equity	5.102.387	5.002.743
Net liability/Total equity ratio	**48%**	**47%**

(1) The amounts are calculated by deducting income tax payable, derivative financial instruments and deferred tax liability accounts from total liability.

NOTE 35 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- First Level: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices

- Second Level: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions

- Third Level: The fair value of the financial assets and financial liabilities is determined in accordance with the unobservable current market data.

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NOTE 35 - FINANCIAL INSTRUMENTS (Continued)

Based on the fair value hierarchy, the Group's financial assets and liabilities are categorized as follows:

		Fair value as of reporting date		
Financial assets	**31 March 2016**	**Level 1 TL**	**Level 2 TL**	**Level 3 TL**
Financial assets at FVTPL				
trading securities				
trading derivatives				
derivative instruments (Note 21)	-	-	-	-
Bonds and bills (Note 7)	134.980	134.980	-	-
Total	**134.980**	**134.980**	**-**	**-**
Financial liabilities				
Financial liabilities at FVTPL				
trading securities				
trading derivatives				
derivative instruments (Note 21)	2.216	-	-	2.216
Other financial liabilities	-	-	-	-
Total	**2.216**	**-**	**-**	**2.216**

		Fair value as of reporting date		
Financial assets	**31 December 2015**	**Level 1 TL**	**Level 2 TL**	**Level 3 TL**
Financial assets at FVTPL				
trading securities				
trading derivatives				
derivative instruments (Note 21)	-	-	-	-
Bonds and bills (Note 7)	129.308	129.308	-	-
Total	**129.308**	**129.308**	**-**	**-**
Financial liabilities				
Financial liabilities at FVTPL				
trading securities				
trading derivatives				
derivative instruments (Note 21)	-	-	-	-
Other financial liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

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

NOTE 36 – SHARES IN OTHER OPERATIONS

Financial information of TME and Aytemiz that are subsidiaries which are not wholly-owned and have significant non-controlling interests by the Group, is presented below in accordance with TFRS 12. These financial information indicates the amounts before intra-group eliminations.

	TME	AYTEMİZ AKARYAKIT	31 March 2016
Current assets	6.639	433.915	440.554
Non-current assets	306.897	463.277	770.174
Current liabilities	257.060	274.881	531.941
Non-current liabilities	53.547	153.730	207.277
Total equity	2.929	468.581	471.510
			1 January- 31 March 2016
Revenue	6.679	645.471	652.150
Cost of Sales	(18.260)	(607.505)	(625.765)
Loss/(profit) for the period	**(11.581)**	**37.966**	**26.385**
Allocation of loss for the period:			
Attributable to equity holders of the Parent Company	(9.257)	18.983	9.726
Attributable to non-controlling interests	(2.324)	18.983	16.659
Loss/(profit) for the period	**(11.581)**	**37.966**	**26.385**

NOTE 37 – SUBSEQUENT EVENTS

Approval of Financial Statements

Consolidated financial statements prepared for the interim period ended as of 31 March 2016 are approved by the Board of Directors on 10 May 2016. The financial statements cannot be changed or modified by people who are not part of the Board of Directors.