DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONVENIENCE TRANSLATION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2013 INTO ENGLISH TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

(ORIGINALLY ISSUED IN TURKISH)

(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

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

1. We have audited the accompanying consolidated balance sheet of Doğan Şirketler Grubu Holding A.Ş. (the "Company"), its subsidiaries (together the "Group") as at 31 December 2013 and the related consolidated statement of profit or loss, the related consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year ended 31 December 2013, and a summary of significant accounting policies and other explanatory notes.

Group Managements' Responsibility for the Financial Statements

2. Group management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Accounting Standards ("TAS") published by Public Oversight Accounting and Auditing Standards Authority ("POA"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

4. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Doğan Şirketler Grubu Holding A.Ş. and its subsidiaries as at 31 December 2013, and of their financial performance and their cash flows for the year then ended in accordance with TAS (refer to Note 2).

. Reports on Other Legal and Regulatory Requirements

5. In accordance with Article 402 of Turkish Commercial Code No. 6102 ("TCC"), the Board of Directors provided us all the required information and documentation in terms of audit; and nothing has come to our attention that may cause us to believe that the Group's set of accounts prepared for the period 1 January-31 December 2013 does not comply with the code and the provisions of the Group's articles of association in relation to financial reporting.

6. In accordance with Article 378 of Turkish Commercial Code No. 6102, in publicly traded companies, the board of directors is obliged to establish a committee consisting of specialized experts, to run and to develop the necessary system for the purposes of early identification of any risks that may compromise the existence, development and continuation of the company; applying the necessary measures and remedies in this regard and managing such risks. According to paragraph 4 of Article 398 of the same code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include the evaluation of the operational efficiency and adequacy of the operations carried out by the management of the Group in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report, yet. Therefore, no separate report has been drawn up regarding this matter. On the other hand, the Company established the mentioned committee on 15 August 2012, and the committee is comprised of 7 members. Since the date of its establishment, the committee has held 9 meetings for the purposes of early identification of any risks that may compromise the existence and development of the Company, applying the necessary measures and remedies in this regard and managing such risks, and has submitted the relevant reports to the Board of Directors.

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

Saim Üstündağ
Partner

İstanbul, 7 March 2014

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013

CONTENTS **PAGE**

CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2013, 2012 AND 2011

(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 December 2013	*Audited* Current Period 31 December 2013	*Restated* *Audited* Prior Period 31 December 2012	*Restated* *Audited* Prior Period 31 December 2011
Current Assets		**1.863.759**	**3.977.821**	**4.120.376**	**4.928.750**
Cash and cash equivalents	6	1.038.449	2.216.361	2.160.698	3.448.740
Financial investments	7	63.939	136.465	177.043	191.672
Trade Receivables					
- Due from related parties	34	6.548	13.976	18.960	8.685
- Other trade receivables	9	369.368	788.342	703.880	649.443
Other Receivables					
-Due from related parties	34	2.710	5.785	71.249	3.702
-Other receivables	10	51.410	109.724	420.781	46.350
Derivative instruments	21	393	839	882	-
Inventories	11	128.294	273.817	231.558	249.416
Prepaid expenses	20	27.792	59.316	43.039	38.491
Biological assets	12	103	219	208	74
Other current assets	19	140.151	299.126	292.078	211.490
Sub-total		**1.829.157**	**3.903.970**	**4.120.376**	**4.848.063**
Non-current assets held for sale	13, 30	34.602	73.851	-	80.687
Non-current assets		**1.691.492**	**3.610.152**	**3.664.451**	**3.099.036**
Trade Receivables	9	1.276	2.724	2.217	274
Other Receivables	10	10.630	22.687	106.240	417.005
Stocks		-	-	-	18.096
Financial Investments	7	1.426	3.043	2.216	5.730
Investments accounted by the equity method	4	159.601	340.637	365.218	256.994
Investment property	13	105.966	226.164	229.376	180.242
Property, plant and equipment	14	422.286	901.284	926.912	668.999
Intangible assets					
- Goodwill	15	243.642	520.005	518.914	539.951
- Other intangible assets	15	494.703	1.055.844	1.006.040	661.291
Prepaid expenses	20	17.882	38.165	30.369	45.571
Deferred tax assets	32	62.270	132.903	109.098	75.884
Other non-current assets	19	171.810	366.696	367.851	228.999
Total assets		**3.555.251**	**7.587.973**	**7.784.827**	**8.027.786**

The consolidated financial statements for the period ended 31 December 2013 have been approved by the Board of Directors on 7 March 2014.

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

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2013, 2012 AND 2011

(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 December 2013	*Audited* Current Period 31 December 2013	*Restated Audited* Prior Period 31 December 2012	*Restated Audited* Prior Period 31 December 2011
Current Liabilities		**948.457**	**2.024.293**	**2.138.350**	**1.914.528**
Short-term borrowings	8	286.993	612.530	853.651	455.741
Short-term portion of long-term borrowings	8	199.793	426.418	323.287	400.544
Other financial liabilities	8	93.410	199.365	379.458	69.328
Trade payables					
- Due to related parties	34	18.051	38.527	17.849	24.887
- Other trade payables	9	233.403	498.152	371.360	426.034
Payables related to employee benefits	22	12.369	26.399	26.585	30.027
Derivative financial instrunments	21	1.143	2.440	1.683	4.930
Deferred income	20	31.133	66.447	35.956	49.712
Other payables	10	25.260	53.912	51.891	57.236
Current income tax liabilities	32	8.276	17.663	9.829	38.770
Short-term provisions					
- Short-term provisions for employment benefits	22	19.385	41.373	36.624	31.904
- Other short-term provisions	17	14.797	31.581	30.170	44.048
Other current liabilities		97	208	7	281.367
Sub-total		**944.110**	**2.015.015**	**2.138.350**	**1.914.528**
Liabilities related to asset groups held for sale	30	4.347	9.278	-	-
Non-Current Liabilities		**732.439**	**1.563.245**	**1.561.994**	**2.227.562**
Long-term borrowings	8	496.387	1.059.439	956.322	925.794
Other financial liabilities	8	85.828	183.182	289.164	650.097
Other payables	10	6.705	14.310	13.307	14.242
Deferred income	20	1.669	3.563	12.364	47.222
Long-term provisions					
- Long-term provisions for employment benefits	22	48.503	103.521	94.375	46.975
- Other long-term provisions		-	-	-	507
Deferred tax liability	32	93.307	199.145	196.324	137.742
Other non-current liabilities		40	85	138	404.983
EQUITY		**1.874.355**	**4.000.435**	**4.084.483**	**3.885.696**
Equity attributable to equity holders of the parent company	**23**	**1.522.836**	**3.250.187**	**3.180.918**	**3.069.813**
Share capital	23	1.147.917	2.450.000	2.450.000	2.450.000
Adjustments to share capital	23	67.247	143.526	143.526	143.526
Share premiums/discounts	23	295	630	630	630
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss					
- Gain on revaluation of investment property	23	469	1.002	1.002	-
- Actuarial gains on defined retirement benefit plans	23	(13.858)	(29.577)	(25.381)	-
Other comprehensive income or expenses that may be reclassified subsequently to profit or loss					
- Currency translation differences		67.102	143.215	53.600	67.484
- Gain/(loss) on revaluation and reclassification	23	(539)	(1.153)	2.092	(4.056)
Restricted reserves	23	535.381	1.142.663	1.204.043	1.181.749
Accumulated losses	23	(263.308)	(561.979)	(804.264)	(15.785)
Net (loss)/income for the period		(17.870)	(38.140)	155.670	(753.735)
Non-controlling interests		**351.519**	**750.248**	**903.565**	**815.883**
Total liabilities		**3.555.251**	**7.587.973**	**7.784.827**	**8.027.786**
Commitments	18				

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2013

(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 December 2013	*Audited* 1 January 31 December 2013	*Restated Audited* 1 January- 31 December 2012
Continued Operations				
Revenue	24	1.546.796	3.301.327	3.066.640
Cost of Sales (-)	24	(1.149.880)	(2.454.189)	(2.173.787)
Gross profit / (loss) from oprerating activities	**24**	**396.916**	**847.138**	**892.853**
Marketing, selling, and distribution expenses (-)	25	(216.052)	(461.120)	(389.840)
General administrative expenses (-)	25	(174.247)	(371.896)	(379.460)
Other income from operating activities	27	279.650	596.858	348.079
Other expenses from operating activities (-)	27	(95.740)	(204.338)	(250.377)
Share of gain on investments accounted for by the equity method	4	(49.728)	(106.135)	23.147
Operating profit		**140.799**	**300.507**	**244.402**
Income from investment activities	28	103.967	221.897	353.985
Expenses from investment activities (-)	28	(54.833)	(117.031)	(149.290)
Operating profit before finance expense		**189.933**	**405.373**	**449.097**
Finance income	29	8.844	18.876	66.574
Finance expenses (-)	29	(222.025)	(473.867)	(197.979)
Profit / (loss) before taxation		**(23.248)**	**(49.618)**	**317.692**
Tax income/ (expense) from continued operations	**32**	**(43.033)**	**(91.846)**	**(57.215)**
Current income tax expense		(53.126)	(113.387)	(81.101)
Deferred tax income		10.093	21.541	23.886
Profit/ (loss) for the period from continued operations		**(66.281)**	**(141.464)**	**260.477**
Discontinued operations				
Discontinued operations period loss after tax	30	(11.519)	(24.584)	(3.719)
Profit/ (loss) for the period		**(77.800)**	**(166.048)**	**256.758**
Profit/ (loss) for the period attributable to:				
Non-controlling interests		(59.930)	(127.908)	101.088
Owners of the parent		(17.870)	**(38.140)**	**155.670**
Earning/ (loss) per share attributable to equity holders of the Parent Company	33	(0,0075)	(0,016)	0,064
Earning/ (loss) per share attributable to equity holders of the Parent Company from continued operations (TL)	33	(0,0052)	(0,011)	0,064
Earning/ (loss) per share attributable to equity holders of the Parent Company from discontinued operations (TL)	33	(0,0023)	(0,005)	(0,001)

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

(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 December 2013	*Audited* 1 January 31 December 2013	*Restated Audited* 1 January- 31 December 2012
Profit / (Loss) for The Period		**(77.800)**	**(166.048)**	**256.758**
OTHER COMPREHENSIVE INCOME				
Accumulated other comprehensive income and loss that will not be reclassified as profit or loss				
Actuarial losses on defined benefit plans		(2.457)	(5.245)	(45.917)
Deferred tax effect of Actuarial gains on defined retirement benefit plan		491	1.049	8.099
Effect of the increase in the fair value of investment properties		-	-	1.429
Accumulated other comprehensive income and loss that will be reclassified in profit or loss				
Change in financial assets fair value reserve		(1.520)	(3.245)	6.148
Change in currency translation reserve		46.844	99.979	(16.563)
OTHER COMPREHENSIVE (EXPENSE) / INCOME		**43.358**	**92.538**	**(46.804)**
TOTAL COMPREHENSIVE (EXPENSE) / INCOME		**(34.442)**	**(73.510)**	**209.954**
Allocation of Total Comprehensive (Expense)/ Income for the Period				
Attributable to non-controlling interests		(55.074)	(117.544)	86.365
Attributable to equity holders of the Parent Company		20.632	44.034	123.589

(*) As explained in the Note 2.1.8 to the consolidated financial statements, USD amounts shown in these consolidated financial statements have been included solely for the convenience of the reader and are translated from TL, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TL exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board ("CMB") as at 31 December 2013.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 1 JANUARY- 31 DECEMBER 2013 AND 2012

(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 not be reclassified as profit or loss			Accumulated income/loss				
	Notes	**Share Capital**	**Adjustments to share capital**	**Gains on revaluation of investment property**	**Actuarial gains on defined retirement benefit plans**	**Share premium /discounts**	**Gain/(loss) on revaluation and reclassification of financial assets available for sale**	**Currency translation reserves**	**Restricted reserves**	**Retained earnings (losses)**	**Net income/ (loss) for the period**	**Equity Attributable to holders of the company**	**Non-controlling interest**	**Total shareholder's equity**
Balances at 1 January 2012 (reported previously)	**23**	**2.450.000**	**143.526**	**-**	**-**	**630**	**(4.056)**	**67.538**	**1.181.749**	**(15.785)**	**(753.735)**	**3.069.867**	**822.005**	**3.891.872**
Effect of changes in accounting policy		-	-	-	-	-	-	(54)	-	-	-	(54)	(6.122)	(6.176)
Balances at 1 January 2012	**23**	**2.450.000**	**143.526**	**-**	**-**	**630**	**(4.056)**	**67.484**	**1.181.749**	**(15.785)**	**(753.735)**	**3.069.813**	**815.883**	**3.885.696**
Transfers from retained earnings		-	-	-	-	-	-	-	22.294	(776.029)	753.735	-		-
Option adjustment for non-controlling interest		-	-	-	-	-	-	-	-	21.374	-	21.374	25.762	47.136
Non-group capital increase of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	1.973	1.973
Acquisition of subsidiary share		-	-	-	-	-	-	-	-	(32.565)	-	(32.565)	(17.390)	(49.955)
Acquisition of subsidiary share from non-controlling interests		-	-	-	-	-	-	-	-	(882)	-	(882)	-	(882)
Acquisition of shares from joint ventures		-	-	-	-	-	-	-	-	(377)	-	(377)	(247)	(624)
Other[(1)]		-	-	-	-	-	-	-	-	-	-	-	745	745
Dividend payment of subsidiaries to non group companies		-	-	-	-	-	-	-	-	-	-	-	(10.628)	(10.628)
Total comprehensive income/ (expense)		-	-	1.002	(25.381)	-	6.148	(13.884)	-	-	155.670	123.555	87.467	211.022
- Currency translation differences		-	-	-	-	-	-	*(13.884)*	-	-	-	*(13.884)*	*(1.611)*	*(15.495)*
-Investment properties revaluation fund		-	-	*1.002*	-	-	-	-	-	-	-	*1.002*	*427*	*1.429*
- Actuarial loss on defined retirement benefit plan	*22*	-	-	-	*(25.381)*	-	-	-	-	-	-	*(25.381)*	*(12.437)*	*(37.818)*
- Change in the financial asset fair value reserve net		-	-	-	-	-	*6.148*	-	-	-	-	*6.148*	-	*6.148*
- Net profit/ (loss) for the period		-	-	-	-	-	-	-	-	-	*155.670*	*155.670*	*101.088*	*256.758*
Balances at 31 December 2012	**23**	**2.450.000**	**143.526**	**1.002**	**(25.381)**	**630**	**2.092**	**53.600**	**1.204.043**	**(804.264)**	**155.670**	**3.180.918**	**903.565**	**4.084.483**

(1) Represents fair value changes of call option liabilities and acquisition and disposal of shares from non-controlling shareholders and disposal of subsidiary.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 1 JANUARY- 31 DECEMBER 2013 AND 2012

(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 not be reclassified as profit or loss**			**Accumulated income/losses**				
	Notes	**Share Capital**	**Adjustment to share capital**	**Gains on revaluation of investment property**	**Actuarial gains on defined retirement benefit plans**	**Share premium /discounts**	**Gain/(loss) on revaluation and reclassification of financial assets available for sale**	**Currency translation reserves**	**Restricted reserves**	**Retained earnings (losses)**	**Net income/ (loss) for the period**	**Equity Attributable to holders of the company**	**Non-controlling interest**	**Total shareholder's equity**
Balances at 1 January 2013 (reported previously)	**23**	**2.450.000**	**143.526**	**1.002**	**-**	**630**	**2.092**	**53.688**	**1.204.043**	**(829.645)**	**155.670**	**3.181.006**	**907.120**	**4.088.126**
Effect of changes in accounting policy		-	-	-	**(25.381)**	-	-	**(88)**	-	**25.381**	-	**(88)**	**(3.555)**	**(3.643)**
Balances at 1 January 2013	**23**	**2.450.000**	**143.526**	**1.002**	**(25.381)**	**630**	**2.092**	**53.600**	**1.204.043**	**(804.264)**	**155.670**	**3.180.918**	**903.565**	**4.084.483**
Transfers from retained earnings		-	-	-	-	-	-	-	(61.380)	217.050	(155.670)	-	-	-
Effect of joint venture mergers		-	-	-	-	-	-	-	-	(7.640)	-	(7.640)	(1.099)	(8.739)
Dividend paid ton on-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(10.080)	(10.080)
Acquisition of subsidiary share		-	-	-	-	-	-	-	-	32.155	-	32.155	(32.155)	-
Acquisition of shares from non-controlling interests		-	-	-	-	-	-	-	-	720	-	720	(989)	(269)
Change in subsidiary effective ownership interest		-	-	-	-	-	-	-	-	-	-	-	2.580	2.580
Paricipation of non-controlling parties to subsidiary capital increase		-	-	-	-	-	-	-	-	-	-	-	6.564	6.564
Other [(1)]		-	-	-	-	-	-	-	-	-	-	-	(594)	(594)
Total comprehensive income/ (expense)		-	-	-	*(4.196)*	-	*(3.245)*	*89.615*	-	-	*(38.140)*	*44.034*	(117.544)	*(73.510)*
-Currency translation differences		-	-	-	-	-	-	*89.615*	-	-	-	*89.615*	*10.364*	*99.979*
- Actuarial loss on defined retirement benefit plans	*22*	-	-	-	*(4.196)*	-	-	-	-	-	-	*(4.196)*	-	*(4.196)*
- Change in the financial asset fair value reserve net		-	-	-	-	-	*(3.245)*	-	-	-	-	*(3.245)*	-	*(3.245)*
- Net profit / (loss) for the period		-	-	-	-	-	-	-	-	-	*(38.140)*	*(38.140)*	*(127.908)*	*(166.048)*
Balances at 31 December 2013	**23**	**2.450.000**	**143.526**	**1.002**	**(29.577)**	**630**	**(1.153)**	**143.215**	**1.142.663**	**(561.979)**	**(38.140)**	**3.250.187**	**750.248**	**4.000.435**

(1) Represents fair value changes of call option liabilities and acquisition and disposal of shares from non-controlling shareholders and disposal of subsidiary.

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED 1 JANUARY- 31 DECEMBER 2013 AND 2012

(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 December 2013	*Audited Current period* 1 January - 31 December 2013	*Restated Audited Prior period* 1 January - 31 December 2012
A. Net cash provided by/(used in) operating activities		**312.972**	**667.977**	**(887.240)**
Profit / (loss) before taxation		(23.248)	(49.618)	317.692
Adjustments regarding profit/loss for the period		**363.086**	**774.935**	**(136.063)**
Adjustments regarding depreciation and amortization	14,15,26	120.974	258.194	207.737
- Adjustments regarding reversal/impairment		286	610	21.278
Adjustments regarding provisions		33.939	72.437	82.736
Finance expense for tax liability in dispute and tax base increase regarding 6111 law		-	-	20.115
Adjustments regarding interest income and expenses		43.949	93.800	(68.933)
Unearned finance expense due to purchases with maturity	27	11.669	24.906	17.378
Adjustments regarding unrealized changes in currency translation differences		(19.089)	(40.742)	(4.390)
Adjustments regarding gains/losses in fair value		(25.953)	(55.392)	7.418
Adjustments regarding gain/losses on disposal of property, plant and equipment and intangible assets	28	1.129	2.410	(167.349)
Share of gain on associates accounted by using the equity method	4	49.728	106.135	(23.147)
Unearned finance expense due to sales with maturity	27	(34.238)	(73.074)	(57.300)
Unrealized foreign exchange expense / (income) due to financial borrowings		179.508	383.124	(148.513)
Annulment indemnity of put option agreement of Turner		-	-	(45.767)
Loss from withdrawal from 2. and 3. section of Milpark Project		-	-	25.110
Loss /(gain) on sale of share of subsidiaries	28	1.184	2.527	(2.436)
Change in working capital		**26.764**	**57.121**	**(959.851)**
(Increase) / decrease in other current and non-current assets and prepaid expenses		10.402	22.201	38.567
Decrease in liability provisions		676	1.443	-
Increase in other short term and long term liabilities and deferred revenue		9.236	19.713	(446.674)
Increase in other liabilities		7.032	15.009	325.132
Tax liability in dispute paid regarding 6111 law		-	-	(22.182)
Tax base increase paid regarding 6111 law		-	-	(623.785)
Decrease / (increase) in inventories		(17.806)	(38.003)	5.986
Increase in trade receivables		(58.842)	(125.586)	(124.482)
Increase/ (decrease) in payables regarding employee benefits		(87)	(186)	1.278
Decrease in other receivables regarding operations		29.884	63.781	(131.213)
Increase/ (decrease) in trade payables		44.851	95.725	(22.900)
Increase/ (decrease) in other payables regarding operations		1.418	3.024	40.422
Net cash provided by operating activities		**366.602**	**782.438**	**(778.222)**
Employment termination benefits paid	22	(6.719)	(14.340)	(12.852)
Tax paid		(48.927)	(104.425)	(110.742)
Collections from doubtful receivables	9	8.321	17.760	14.576
Unused vacation provision paid		(3.904)	(8.332)	-
Lawsuit provisions paid		(2.401)	(5.124)	-

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED 1 JANUARY- 31 DECEMBER 2013 AND 2012

(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 December 2013**	***Audited*** ***Current period*** **1 January - 31 December 2013**	***Restated Audited*** ***Prior period*** **1 January - 31 December 2012**
B. Net cash (used in) / provided from investing activities		**(9.630)**	**(20.553)**	**(702.332)**
Proceeds from sale of property, plant and equipment and intangible assets		13.531	28.880	337.102
Increase in financial investments		17.188	36.684	16.725
Increase in blocked deposits		(4.907)	(10.472)	(238.295)
Acquisition of property, plant and equipment and intangible assets	13,14,15	(134.897)	(287.910)	(330.895)
Changes on long term investments		(6.117)	(13.056)	(104.710)
Payments on financial borrowings related with the options		(68.675)	(146.573)	-
Change on share of non-controlling interest		(978)	(2.088)	(10.464)
Dividends paid to non-controlling interest		(4.723)	(10.080)	(10.628)
Decrease in derivative liabilities		1.733	3.698	(4.129)
Cash provided from sale of subsidiary		187.070	399.263	-
Acquisition of subsidiary share, net		(8.855)	(18.899)	(357.038)
C. Net cash used in financing activities		**(266.730)**	**(569.282)**	**282.157**
(Decrease) / increase in financial borrowings, (net)		(166.389)	(355.123)	272.821
Decrease on financial borrowings related with options		(101.163)	(215.912)	-
Interest received		97.571	208.245	148.167
Interest paid		(96.749)	(206.492)	(138.831)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION RESERVES (A+B+C)		**36.612**	**78.142**	**(1.307.415)**
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	**998.391**	**2.130.865**	**3.438.280**
F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	6	**1.035.003**	**2.209.007**	**2.130.865**

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

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 as a corporation to coordinate the activities of and liaise between companies operating in different fields including media, energy, telecommunications, tourism, manufacturing and marketing and is registered in Turkey. Doğan Holding also provides financial and managerial advisory and internal audit services to its subsidiaries and joint ventures operating in these fields.

Doğan Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on Borsa İstanbul ("Borsa İstanbul") since June 21, 1993. Within the frame of Resolution No.21/655 dated 23 July 2010 of CMB; according to the records of Central Registry Agency, the 32,36% shares of Doğan Holding are to be considered in circulation (31 December 2012: 31,97%). As of 31 December 2013, 34,29% shares of Doğan Holding are offered to the public (31 December 2012: 34,29% (Note 23).

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

Burhaniye Mahallesi Kısıklı Caddesi No: 65
Üsküdar 34696 İstanbul

Doğan Holding's principal activities are in Turkey and its activities are presented under four segments for reporting purposes as of 31 December 2013:

- Media
- Retail
- Energy
- Other

As a result of Doğan Holding's purchase of Doğan Yayın Holding A.Ş.'s subsidiary Doğan Müzik Kitap Mağazacılık ve Pazarlama A.Ş. shares as of 16 January 2012, it has been decided that operation results of Doğan Müzik Kitap Mağazacılık ve Pazarlama A.Ş. and its subsidiary Hür Servis Sosyal Hizmetler ve Ticaret A.Ş will be specified as a different reporting unit and these subsidiaries' operation results have been represented as "retail" segment since the date of share purchase.

"Other" operations are mainly comprised of subsidiaries operating in trade, tourism, agriculture and manufacturing sectors.

As of 31 December 2013, the Group has 8.512 employees in domestic and 11.999 employees including the personnel of foreign subcontractors (31 December 2012: 9.520 in domestic, including foreign 13.756). The Company has 210 employees (31 December 2012: 276 employees).

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

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

Subsidiaries	Country	Nature of business	Segment
Doğan Yayın Holding A.Ş. ("Doğan Yayın Holding or DYH")	Turkey	Holding	Media
Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet")	Turkey	Newspaper publishing	Media
Hürriyet Medya Basım Hizmetleri ve Ticaret A.Ş. ("Hürriyet Medya Basım")	Turkey	Printing and administrative services	Media
Doğan Ofset Yayıncılık ve Matbaacılık A.Ş. ("Doğan Ofset")	Turkey	Magazine and book printing	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
Doğan Gazetecilik İnternet Hizmetleri ve Ticaret A.Ş. ("Doğan Gazetecilik Internet")	Turkey	Internet services	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
Fairworld International Limited ("Fairworld")	England	Foreign Trade	Media
Falcon Purchasing Services Ltd. ("Falcon")	England	Foreign Trade	Media
Trader Media East Ltd. ("TME")	Jersey	Investment	Media
Oglasnik d.o.o.	Crotia	Newspaper and internet publishing	Media
TCM Adria d.o.o.	Crotia	Investment	Media
Expressz Magyarorszag Media Kft.	Hungary	Newspaper and internet publishing	Media
Mirabridge International B.V.	Netherland	Investment	Media
Publishing International Holding B.V.	Netherland	Investment	Media
Pronto Invest B.V.	Netherland	Investment	Media
Bolji Posao d.o.o. Serbia	Serbia	Internet publishing	Media
Bolji Posao d.o.o. Bosnia	Bosnia-Herzegovina	Internet publishing	Media
OOO RUKOM	Russia	Internet publishing	Media
OOO Pronto Aktobe	Kazakhstan	Newspaper and internet publishing	Media
OOO Delta-M	Russia	Newspaper and internet publishing	Media
OOO Pronto Baikal	Russia	Newspaper and internet publishing	Media
Job.ru LLC	Russia	Internet publishing	Media
OOO Pronto DV	Russia	Newspaper and internet publishing	Media
OOO Pronto Ivanovo	Russia	Newspaper and internet publishing	Media
OOO Pronto Kaliningrad	Russia	Newspaper and internet publishing	Media
OOO Pronto Kazan	Russia	Newspaper and internet publishing	Media
OOO Pronto Krasnodar	Russia	Newspaper and internet publishing	Media
OOO Pronto Nizhny Novgorod	Russia	Newspaper and internet publishing	Media
OOO Pronto Novosibirsk	Russia	Newspaper and internet publishing	Media
OOO Pronto Oka	Russia	Newspaper and internet publishing	Media
OOO Pronto Samara	Russia	Newspaper and internet publishing	Media
OOO Pronto UlanUde	Russia	Newspaper and internet publishing	Media
OOO Pronto Vladivostok	Russia	Newspaper and internet publishing	Media
OOO Pronto Moscow	Russia	Newspaper and internet publishing	Media
OOO Pronto Neva	Russia	Newspaper and internet publishing	Media
OOO Tambukan	Russia	Newspaper and internet publishing	Media
OOO Utro Peterburga	Russia	Newspaper and internet publishing	Media
OOO Pronto Kemerovo	Russia	Newspaper and internet publishing	Media
OOO Pronto Smolensk	Russia	Newspaper and internet publishing	Media
OOO Pronto Tula	Russia	Newspaper and internet publishing	Media
OOO Pronto Voronezh	Russia	Newspaper and internet publishing	Media
OOO Tambov-Info	Russia	Newspaper and internet publishing	Media
OOO Pronto Obninsk	Russia	Newspaper and internet publishing	Media

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries	Country	Nature of business	Segment
OOO SP Belpronto	Belarus	Newspaper and internet publishing	Media
OOO Pronto Rostov	Russia	Newspaper and internet publishing	Media
ZAO Pronto Akzhol	Kazakhstan	Newspaper and internet publishing	Media
TOO Pronto Akmola	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto Atyrau	Kazakhstan	Newspaper and internet publishing	Media
OOO Pronto Aktau	Kazakhstan	Newspaper and internet publishing	Media
SP Pronto Kiev	Ukraine	Newspaper and internet publishing	Media
OOO Partner-Soft	Russia	Internet publishing	Media
Pronto Soft	Belarus	Internet publishing	Media
TOV E-Prostir	Ukraine	Internet publishing	Media
Impress Media Marketing LLC	Russia	Publishing	Media
OOO Rektcentr	Russia	Investment	Media
Publishing House Pennsylvania Inc.	USA	Investment	Media
Pronto Ust Kamenogorsk	Kazakhstan	Newspaper publishing	Media
Nartek Bilişim Turizm ve Pazarlama Hizmetleri Ticaret A.Ş. ("Nartek")	Turkey	Internet publishing	Media
Doğan İnternet Yayıncılığı ve Yatırım A.Ş. ("Doğan İnternet 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
Kanal D Yapımcılık Reklamcılık ve Dağıtım A.Ş. ("Kanal D Yapımcılık")	Turkey	Tv publishing	Media
Alkım İletişim Hizmetleri A.Ş. ("Alkım İletişim")	Turkey	Tv publishing	Media
Mozaik İletişim Hizmetleri A.Ş. ("Mozaik" or "D-smart")	Turkey	Tv publishing	Media
Doruk Televizyon ve Radyo Yayıncılık A.Ş. ("Doruk Televizyon" or "CNN Türk")	Turkey	Tv publishing	Media
Doğan TV Digital Platform İşletmeciliği A.Ş. ("Doğan TV Dijital")	Turkey	Tv publishing	Media
Alp Görsel İletişim Hizmetleri A.Ş. ("Alp Görsel")	Turkey	Tv publishing	Media
Fun Televizyon Yapımcılık Sanayi ve Ticaret A.Ş. ("Fun TV")	Turkey	Tv publishing	Media
Tempo Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("Tempo TV")	Turkey	Tv publishing	Media
Kanalspor Televizyon ve Radyo Yayıncılık A.Ş. ("Kanalspor")	Turkey	Tv publishing	Media
Milenyum Televizyon Yayıncılık ve Yapımcılık A.Ş. ("Milenyum TV")	Turkey	Tv publishing	Media
TV 2000 Televizyon Yayıncılık Yapımcılık Sanayi ve Ticaret A.Ş. ("TV 2000")	Turkey	Tv publishing	Media
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
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
Koloni Televizyon ve Radyo Yayıncılık A.Ş. ("Koloni TV")	Turkey	Tv publishing	Media
Atılgan Televizyon ve Radyo Yayıncılık A.Ş. ("Atılgan 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
NetD Dijital Yayıncılık Ticaret A.Ş. ("NetD Dijital Yayıncılık")	Turkey	Tv publishing	Media
Doğan Uydu Haberleşme Hizmetleri ve Telekomünikasyon Ticaret A.Ş. ("Doğan Uydu Haberleşme")	Turkey	Tv publishing	Media

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries	Country	Nature of business	Segment
Doğan Teleshopping Pazarlama ve Ticaret A.Ş. ("Doğan Teleshopping" or "Her Eve Lazım")	Turkey	Tv publishing	Media
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
İnteraktif Medya Hizmetleri Geliştirme Pazarlama ve Ticaret A.Ş. ("İnteraktif Medya")	Turkey	Interactive services	Media
Primeturk GmbH ("Prime Turk")	Germany	Marketing	Media
Osmose Media S.A ("Osmose Media")	Luxembourg	Marketing	Media
Doğan Media International S.A. ("Kanal D Romanya")	Romania	Tv publishing	Media
Doğan Müzik Kitap Mağazacılık ve Pazarlama A.Ş. ("DMK")	Turkey	Retail	Retail
Hür Servis Sosyal Hizmetler ve Ticaret A.Ş. ("Hürservis")	Turkey	Retail	Retail
Doğan Faktoring A.Ş. ("Doğan Faktoring")	Turkey	Factoring	Media
Doğan Platform Yatırımları A.Ş. ("Doğan Platform")	Turkey	Investment	Media
Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Milpa")	Turkey	Trade	Other
Enteralle Handels GmbH ("Enteralle Handels")	Germany	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
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
Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. ("Doğan Enerji")	Turkey	Energy	Energy
Nakkaştepe Elektrik Üretim ve Yatırımları Sanayi ve Ticaret A.Ş. ("Nakkaştepe Elektrik")	Turkey	Energy	Energy
Galata Wind Enerji A.Ş.("Galata Wind")	Turkey	Energy	Energy
Akdeniz Elektrik Üretim A.Ş. ("Akdeniz Elektrik")	Turkey	Energy	Energy
SC D-Yapı Real Estate, Investment and Construction S.A. ("D Yapı Romanya")	Romania	Real estate	Other
D Stroy Limited ("D Stroy")	Russia	Real estate	Other
DHI Investment B.V. ("DHI Investment")	Netherland	Investment	Other
D-Tes Elektrik Enerjisi Toptan Satış A.Ş. ("D-Tes")	Turkey	Energy	Energy

(1) As of 25 September 2013, the related subsidiary has changed its trade name.

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial Reporting Standards

Public Oversight, Accounting and Auditing Standards Authority ("POA"), published the "Financial Statement Samples and User Guide", to be prepared in the scope of TAS/TFRS in accordance with the "Turkey Accounting / Financial Reporting Standards" in the Official Gazette No. 28652 dated 20 May 2013 for the companies that are obliged to apply Turkish Accounting Standarts ("TAS") and Turkish Financial Reporting Standarts ("TFRS") except for the financial instutions such as banks, insurance companies, capital market institutions operating under the scope of Banking Act 5411, the Capital Market Law No. 6362, No. 5684, No. 4683 of the Insurance Law, Private Pension Savings and Investment. The consolidated financial statements of the Group as of 31 December 2013 have been prepared in accordance with the standards described above.

In accordance with the Capital Markets Board ("CMB")'s No. II-14.1 "Principles of Financial Reporting in Capital Markets" ("Communiqué No. II-1.14"), capital market institutions except for the partnerships whose issued capital market instruments are traded on a stock exchange and investment funds, housing finance and asset finance funds, financial statements, should prepare its financial statements in accordance with TAS / TFRS.

Upon the CMB's resolution dated 7 June 2013 and 20/670, for capital market institutions, except for the corporations whose capital market instruments are traded on a stock exchange and investment funds, housing finance and asset finance funds within the scope of Communique No: II-14.1, formats are declared in the weekly bulleting numbered 2013/19 starting from the interim periods 31 March 2013 at 7 June 2013.

Upon the CMB's resolution made on 17 March 2005, companies operating in Turkey and preparing their financial statements in accordance with the CMB's Financial Reporting Standards are not required to apply inflation accounting beginning from 1 January 2005. Accordingly, No: 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") is not applied in accompanying consolidated financial statements for the accounting periods starting 1 January 2005.

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

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

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

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

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

If the Group companies' functional currency is different from its presentation currency, the functional currency is translated into the presentation currency as follows:

- Assets and liabilites 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 comprehensive income (currency translation differences).
- Inflation accounting adjustments have been made for the indirect subsidiaries of the Group operating in Belarus in accordance with TAS 29.

When a foreign operation is partially disposed of or sold, exchange differences that were 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, its Associates 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 Financial Reporting Standards set out by the CMB 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/common control of operations are transferred to the Group and excluded from the consolidation when the control/common control is lost. Even if non-controlling interests result in a deficit balance, total comprehensive income is attributed to the owners and to the non-controlling interests.

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

2.1.3 Consolidation principles

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

(a) **Subsidiaries**

Subsidiaries are companies in which Doğan Holding has power to control the financial and operating policies for the benefit of Doğan Holding either (a) through the power to exercise more than 50% of voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself or (b) although not having the power to exercise more than 50% of the voting rights, through the exercise of actual dominant influence over the financial and operating policies. 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 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 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. Finance costs and the dividends arising from shares held by Doğan Holding in its subsidiaries are eliminated from equity and income for the period, respectively. Where necessary, adjustments are made to the accounting policies in the financial statements of subsidiaries in order to comply with the Group's accounting policies.

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

(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)

2.1.3 *Consolidation principles (Continued)*

(a) Subsidiaries (Continued)

The table below sets out the proportion of voting power held by Doğan Holding and its subsidiaries and effective ownership interests at 31 December 2013 and 31 December 2012:

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 December	31 December	31 December	31 December	31 Decemer	31 December	31 December	31 December
Subsidiaries	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Hürriyet	77,65	77,65	-	-	77,65	77,65	64,35	61,40
Doğan Gazetecilik	92,76	70,76	0,52	0,52	93,28	71,28	74,23	53,49
Milliyet Verlags (1)	-	99,88	-	0,12	-	100,00	-	74,31
DMI	100,00	100,00	-	-	100,00	100,00	73,37	69,57
Hürriyet Medya Basım	100,00	100,00	-	-	100,00	100,00	64,35	61,40
Doğan Ofset	99,93	99,93	-	-	99,93	99,93	64,30	61,36
Mozaik	100,00	99,87	-	0,11	100,00	99,98	66,63	60,54
Posta Haber (2)	-	100,00	-	-	-	100,00	-	55,19
Doğan Haber	99,94	99,94	-	-	99,94	99,94	71,66	68,02
Doğan Dağıtım	100,00	100,00	-	-	100,00	100,00	80,02	75,55
Doğan Dış Ticaret	98,80	100,00	-	-	98,80	100,00	78,80	75,34
Doğan Gazetecilik Internet	100,00	100,00	-	-	100,00	100,00	74,23	53,72
Yenibir	100,00	100,00	-	-	100,00	100,00	64,35	61,40
Hürriyet Zweigniederlassung	100,00	100,00	-	-	100,00	100,00	64,35	61,40
Hürriyet Invest	100,00	100,00	-	-	100,00	100,00	64,35	61,40
TME	74,29	67,30	-	-	74,29	67,30	47,80	45,61
Mirabridge International B.V.	100,00	100,00	-	-	100,00	100,00	47,80	45,61
Publishing International Holding B.V.	100,00	100,00	-	-	100,00	100,00	47,80	45,61
Job.ru LLC	100,00	100,00	-	-	100,00	100,00	47,80	45,61
Pronto Invest B.V.	100,00	100,00	-	-	100,00	100,00	47,80	45,61
TCM Adria d.o.o. (3)	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Rektcentr	100,00	100,00	-	-	100,00	100,00	47,80	45,61
Publishing House Pennsylvania Inc.	100,00	100,00	-	-	100,00	100,00	47,80	45,61
Doğan Platform	100,00	100,00	-	-	100,00	100,00	80,02	75,59
Doğan Yayın Holding	80,02	75,59	1,90	2,40	81,92	77,99	80,02	75,59
Fairworld	100,00	100,00	-	-	100,00	100,00	78,80	75,34
Falcon	100,00	100,00	-	-	100,00	100,00	78,80	75,34
Oglasnik d.o.o. (3)(4)	70,00	100,00	-	-	100,00	100,00	47,80	45,61
Expressz Magyarorszag Media Kft(3)	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO SP Belpronto	60,00	60,00	-	-	60,00	60,00	28,68	27,37
OOO Pronto Rostov (5)	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Pronto Aktobe	80,00	80,00	-	-	80,00	80,00	30,59	29,19
OOO Novoprint (6)	-	100,00	-	-	-	100,00	-	45,61
OOO Delta-M	55,00	55,00	-	-	55,00	55,00	26,29	25,08
OOO Pronto Baikal	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Pronto DV	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Pronto Ivanovo	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Pronto Kaliningrad	95,00	95,00	-	-	95,00	95,00	45,41	43,33
OOO Pronto Kazan	72,00	72,00	-	-	72,00	72,00	34,42	32,84
OOO Pronto Krasnodar	80,00	80,00	-	-	80,00	80,00	38,24	36,49

(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)

2.1.3 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 December 2013**	**31 December 2012**	**31 December 2013**	**31 December 2012**	**31 Decemer 2013**	**31 December 2012**	**31 December 2013**	**31 December 2012**
OOO Pronto Krasnoyarsk [7]	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Pronto Nizhny Novgorod	90,00	90,00	-	-	90,00	90,00	43,02	41,05
OOO Pronto Novosibirsk	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Pronto Oka [8]	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Pronto Samara	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Pronto Stavropol [9]		100,00	-	-	-	100,00	-	45,61
OOO Pronto UlanUde	90,00	90,00	-	-	90,00	90,00	43,02	41,05
OOO Pronto Vladivostok	90,00	90,00	-	-	90,00	90,00	43,02	41,05
OOO Pronto Moscow	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Pronto Neva [32]	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Tambukan	85,00	85,00	-	-	85,00	85,00	40,63	38,77
OOO Utro Peterburga [8]	55,00	55,00	-	-	55,00	55,00	26,29	25,08
OOO Pronto Kemerovo [10]	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Pronto Smolensk	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Pronto Tula [10]	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Pronto Voronezh [10]	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Tambov-Info	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Pronto Obninsk[11]	10,00	100,00	-	-	100,00	100,00	4,78	45,61
OOO Pronto Pskov [12]	-	100,00	-	-	-	100,00	-	41,05
TOO Pronto Akmola	100,00	100,00	-	-	100,00	100,00	47,80	45,61
OOO Pronto Atyrau	100,00	100,00	-	-	100,00	100,00	38,24	36,49
OOO Pronto Aktau	100,00	100,00	-	-	100,00	100,00	38,24	36,49
ZAO Pronto Akzhol	80,00	80,00	-	-	80,00	80,00	38,24	36,49
SP Pronto Kiev	50,00	50,00	-	-	50,00	50,00	23,90	22,80
Moje Delo spletni Marketing d.o.o. [13]	-	100,00	-	-	-	100,00	-	45,61
Bolji Posao d.o.o. Serbia[3]	100,00	100,00	-	-	100,00	100,00	47,80	25,08
Bolji Posao d.o.o. Bosnia[3]	100,00	100,00	-	-	100,00	100,00	47,80	25,08
OOO RUKOM [14]	100,00	100,00	-	-	100,00	100,00	47,80	45,61
Sklad Dela Prekmurje NGO[13]	-	100,00	-	-	-	100,00	-	25,08
OOO Partner-Soft [15]	90,00	90,00	-	-	90,00	90,00	43,02	41,05
Pronto Soft	90,00	90,00	-	-	90,00	90,00	43,02	41,05
TOV E-Prostir	50,00	50,00	-	-	50,00	50,00	23,90	22,80
Prime Turk	100,00	100,00	-	-	100,00	100,00	66,63	60,54
Osmose Media	100,00	100,00	-	-	100,00	100,00	66,48	60,44
OOO Rosprint Samara [16]	-	100,00	-	-	-	100,00	-	45,61
Impress Media Marketing LLC	97,00	100,00	-	-	97,00	100,00	46,37	45,61
Pronto Ust Kamenogorsk	100,00	100,00	-	-	100,00	100,00	38,24	36,49
Doğan TV Holding [17]	82,45	79,96	0,14	0,14	82,59	80,10	66,48	60,44
Kanal D	94,88	94,85	5,12	5,14	100,00	99,99	63,07	57,33
Kanal D Yapımcılık	100,00	100,00	-	-	100,00	100,00	63,07	57,33
Alkım İletişim[18]	100,00	-	-	-	100,00	-	66,48	-
Alp Görsel	100,00	100,00	-	-	100,00	100,00	66,48	60,44
Fun TV	100,00	96,41	-	2,14	100,00	98,55	66,63	58,37
Tempo TV	100,00	99,27	-	0,42	100,00	99,69	66,48	60,10
Kanalspor	100,00	100,00	-	-	100,00	100,00	66,63	60,54

(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)

2.1.3 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 December 2013**	**31 December 2012**	**31 December 2013**	**31 December 2012**	**31 Decemer 2013**	**31 December 2012**	**31 December 2013**	**31 December 2012**
Milenyum TV	100,00	100,00	-	-	100,00	100,00	66,63	60,54
TV 2000	100,00	100,00	-	-	100,00	100,00	66,63	60,54
Popüler TV	100,00	100,00	-	-	100,00	100,00	66,63	60,54
D Yapım Reklamcılık	100,00	100,00	-	-	100,00	100,00	66,48	60,44
Bravo TV	100,00	100,00	-	-	100,00	100,00	66,63	60,54
Doğa TV	100,00	100,00	-	-	100,00	100,00	66,63	60,54
Altın Kanal	100,00	100,00	-	-	100,00	100,00	66,63	60,54
Stil TV	100,00	100,00	-	-	100,00	100,00	66,63	60,54
Selenit TV	100,00	99,88	-	0,06	100,00	99,94	66,63	60,46
D Çocuk	100,00	100,00	-	-	100,00	100,00	66,63	60,54
Ekinoks TV	100,00	100,00	-	-	100,00	100,00	66,63	60,54
Fleks TV	100,00	100,00	-	-	100,00	100,00	66,63	60,54
Doğan TV Dijital	100,00	100,00	-	-	100,00	100,00	66,63	63,08
Kutup TV	100,00	100,00	-	-	100,00	100,00	66,63	60,54
Galaksi TV	100,00	100,00	-	-	100,00	100,00	66,63	60,54
Koloni TV	100,00	90,00	-	3,33	100,00	93,33	66,48	54,40
Atılgan TV	100,00	90,00	-	3,33	100,00	93,33	66,48	54,40
Yörünge TV	100,00	99,19	-	0,40	100,00	99,59	66,63	60,05
Doruk Televizyon	100,00	99,92	-	0,05	100,00	99,97	66,48	60,40
Tematik TV	100,00	86,67	-	6,67	100,00	93,34	66,48	52,39
Süper Kanal	100,00	99,91	-	0,03	100,00	99,94	66,48	60,39
Uydu	100,00	64,67	-	32,00	100,00	96,67	66,63	39,14
Eko TV	95,03	95,01	-	0,02	95,03	95,03	63,17	57,43
Kanal D Romanya	100,00	100,00	-	-	100,00	100,00	73,37	69,57
Denizatı[19]	-	100,00	-	-	-	100,00	-	60,44
Tasfiye Halinde Protema Yapım [20]	-	99,99	-	-	-	99,99	-	60,44
NetD Dijital Yayıncılık	100,00	100,00	-	-	100,00	100,00	66,48	60,44
Doğan Uydu Haberleşme	100,00	100,00	-	-	100,00	100,00	66,48	60,44
Doğan Teleshopping	100,00	100,00	-	-	100,00	100,00	66,48	60,44
ZAO NPK [21]	-	100,00	-	-	-	100,00	-	45,61
Rapsodi Radyo	100,00	99,25	-	0,34	100,00	99,59	66,48	59,99
DMC	100,00	100,00	-	-	100,00	100,00	66,48	60,44
İnteraktif Medya	100,00	99,99	-	0,01	100,00	100,00	66,48	60,44
Ekin Radyo[22]	-	-	-	-	-	-	-	-
DMK	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Hürservis	100,00	100,00	-	-	100,00	100,00	100,00	95,60
EBİ[23]	-	-	-	-	-	-	-	-
Doğan Faktoring	100,00	100,00	-	-	100,00	100,00	79,42	75,11
Nartek	60,00	60,00	-	-	60,00	60,00	38,61	36,84
Doğan İnternet Yayıncılığı[24]	100,00	-	-	-	100,00	-	80,02	-
Milpa	86,27	86,27	0,16	0,22	86,43	86,49	86,27	86,27
Doğan Oto [25]	-	99,80	-	0,20	-	100,00	-	99,80
Enteralle Handels[26]	100,00	100,00	-	-	100,00	100,00	86,27	86,27
Orta Anadolu Otomotiv	85,00	85,00	-	-	85,00	85,00	85,00	84,83

(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)

2.1.3 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 December 2013**	**31 December 2012**	**31 December 2013**	**31 December 2012**	**31 Decemer 2013**	**31 December 2012**	**31 December 2013**	**31 December 2012**
Çelik Halat	78,69	78,69	-	-	78,69	78,69	78,69	78,69
Ditaş Doğan	73,59	73,59	-	-	73,59	73,59	73,59	73,59
Milta Turizm	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğan Organik	100,00	100,00	-	-	100,00	100,00	100,00	98,57
Zigana (27)	-	85,01	-	-	-	85,01	-	85,01
Doğan Enerji	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Nakkaştepe Elektrik(28)	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
Akdeniz Elektrik (29)	100,00	99,98	-	-	100,00	99,98	100,00	99,97
D-Yapı Romanya	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D Stroy(30)	100,00	100,00	-	-	100,00	100,00	100,00	100,00
DHI Investment	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D-Tes (31)	100,00	-	-	-	100,00	-	100,00	-

(1) The related subsidiary has completed its liquidation process as of 11 June 2013.
(2) The related subsidiary has merged with Doğan Gazetecilik Internet as of 27 September 2013.
(3) The related subsidiaries are classified as non-current assets held for sale.
(4) Related ratios include call-options of non-controlling interests described in note 17.
(5) The related subsidiary is in liquidation process in 2013.
(6) The related subsidiary has completed its liquidation process as of December 2013.
(7) The related subsidiary has completed its liquidation process in 2013.
(8) The related subsidiary stopped its operations before 2010.
(9) The related subsidiary has merged with OOO Pronto Rostov as of April 2013.
(10 The related subsidiary is in liquidation process in 2013.
(11) 90% shares of the subsidiary was sold in December 2013 and remaining 10% was sold 24 January 2014.
(12) The related subsidiary was sold as of 26 April 2013.
(13) The related subsidiary was sold as of 23 April 2013.
(14) The related subsidiary stopped its operations in 2012.
(15) The related subsidiary started liquation process as of 2012.
(16) Merging process of the related subsidiary with Pronto Samara has been completed in September 2013.
(17) According to the statutory records of Group, proportion of effective ownership interest of Doğan TV Holding is 66,48%. Nevertheless, in consequence of the option explained in Note 17, by considering the additional share proportion in accordance with TAS 32 "Financial Instruments: Disclosure and Presentation" the rate is calculated as 71,90%.
(18) The related subsidiary was established as of 15 November 2013.
(19) The related subsidiary merged with Interaktif Medya on 24 December 2013.
(20) The related subsidiary has completed its liquidation process as of 26 December 2013.
(21) The related subsidiary has completed its liquidation process as of November 2013.
(22) The related subsidiary merged with Eko TV as of 4 September 2013.
(23) The related subsidiary merged with Doğan Müzik Kitap ve Mağazacılık A.Ş as of 1 October 2013.
(24) The related subsidiary was acquired as of 21 June 2013.
(25) The related subsidiary merged with Milta Turizm İşletmeleri A.Ş as of 31 July 2013.
(26) The related subsidiary is in liquidation process, which started on 31 December 2011.
(27) As a result of the request made according to Turkish Trade Law 7th article, registration file of Elektrik Dağıtım Sanayi ve Ticaret A.Ş. has been deleted from trade register as of 21 June 2013.
(28) The related subsidiary merged with D-Tes as of 27 January 2014.
(29) The related subsidiary merged with Galata Wind as of 27 January 2014.
(30) The related subsidiary has been decided to be sold to Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş as of 10 February 2014 and registration process is ongonig.
(31) D-Tes has been included to consolidation as subsidiary, which was accounted as joint venture as of 31 December 2012. The Group completed the purchase of the shares of D-Tes, which represents 75% of its equity as of 24 July 2013.
(32) The related subsidiary has completed its liquidation process as of 21 February 2014.

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

2.1.3 Consolidation principles (Continued)

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. Joint ventures were consolidated using the proportional consolidation method until 31 December, 2012.

In accordance with the amendments to TFRS 11 effective from 1 January 2013, entities under common control are recognized under the equity method 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. Investments in joint ventures are accounted for using the equity method of accounting. Such entities are companies in which Doğan Holding and its subsidiaries have 20% - 50% of the voting rights of the Group's overall voting power, where the Group has significant influence without any controlling power over the operations. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in its joint ventures; unrealized losses are also eliminated if there is no indication of the assets transferred. Increases or decreases in the net assets of associates are increased or decreased proportionally as the Group's share in the consolidated financial statements and presented under the "Share of loss on investments accounted for by using the equity method" account in the statement of profit or loss.
Where the investment's share of losses exceeds the Group's share (including any long-term investments that, in substance, form part of the Group's net investment in the associate), the exceeding portion of losses are not recognized.

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. As long as the Group does not undertake any liability related to associates, when book value of the associates is zero equity method is no longer applied

(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).

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

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 comperatively its consolidated balance sheet as of 31 December 2013 with 31 December 2011 and 31 December 2012. Statement of profit or loss, other comprehensive income, cash flow and change in equity as of 31 December 2013, are presented comperatively with the financial statements of the period 1 January-31 December 2012. 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.

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 adoptation of a new IAS/IFRS are applied retrospectively or prospectively in accordance with the respective IASs/IFRSs transition requirements, if any. Where there are no transition requirements for any changes or optional significant changes in accounting policies and identified accounting errors, those are applied retrospectively and prior period financial statements are restated accordingly.

In the current period, the Group has reclassified its prior period financial statements in order to comply with the formats declared at 7 June 2013 by CMB. The effect of reclassifications is summarized on the table below.

As explained in Note 2.1.7, amendments to TFRS 11 should be applied retrospectively. Entities under common control recognized under TAS 31 are considered as joint ventures and have been accounted for by using the equity method rather than the proportionate consolidation method in accordance with TFRS 11 and prior financial statements are restated accordingly. The effect of these changes to the financial statements is summarized in the following table:

As a result of the evaluations made by the Group; subsidiaries TOV E-Prostir and SP Pronto Kiev, which were consolidated in the financial statements on 31 December 2012 and 31 December 2011, were included to the consolidated financial statement by equity method as of 1 January 2012. Also, the Group classified its subsidiaries operating in Hungary and Croatia as non-current assets held for sale and discontinued operations. Doing so, assets and liabilities of the company are classified as non-current assets held for sale and presented separately on the balance sheet.In order to comply with current period financial statements, aforementioned assets are classified as discontinued operations on prior year statement of profit or loss and other compherensive income statement.

With the decision taken as a result of the assessment made by the Group management as of 31 December 2012, the Group management decided to present their investment properties from fair values which were previously carried at cost. In accordance with "TAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors" ("TAS 8"), the Group has reflected the impacts of this adoption starting from 1 January 2010 and restated its consolidated financial statements accordingly. The effect of this amendment to the shareholders' equity and net loss for the period of the Group is 31.696 TL and 3.281 TL respectively as of 1 January 2011.

(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)

2.1.6 Significant Accounting Policies and Changes in Accounting Estimates and Errors and Restatement of Previously Reported Financial Statements (Continued)

31 DECEMBER 2012	Previously reported	Adjustments regarding to joint ventures (TFRS 11)	Adjustments related to consolidation method change	CMB Communique reclassifications	Restated
ASSETS					
Cash and cash equivalents	2.242.262	(76.284)	(5.280)	-	2.160.698
Financial investments	173.674	3.369	-	-	177.043
Trade receivables					
- Due from related parties	13.974	4.986	-	-	18.960
- Other trade receivables	727.320	(29.487)	(634)	6.681	703.880
Other receivables					
- Other receivables from related parties	3.482	67.767	-	-	71.249
- Other receivables	420.781	-	-	-	420.781
Derivative instruments	1.102	(220)	-	-	882
Inventories	235.829	(3.925)	(346)	-	231.558
Prepaid expenses	-	-	(1.406)	44.445	43.039
Biological Assets	208	-	-	-	208
Other current assets	374.640	(31.357)	(79)	(51.126)	292.078
Trade receivables	166.977	(164.760)	-	-	2.217
Other receivables	131.327	(25.087)	-	-	106.240
Financial investments	2.216	-	-	-	2.216
Investments accounted for by using the equity method	-	361.571	3.647	-	365.218
Investment properties	336.225	(106.849)	-	-	229.376
Property, plant and equipment	1.648.983	(722.071)	-	-	926.912
Intangible assets					
- Goodwill	518.957	-	(43)	-	518.914
- Other intangible assets	1.078.567	(72.527)	-	-	1.006.040
Prepaid expenses	-	-	-	30.369	30.369
Deferred tax asset	116.468	(7.370)	-	-	109.098
Other non-current assets	475.654	(77.434)	-	(30.369)	367.851

(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)

2.1.6 Significant Accounting Policies and Changes in Accounting Estimates and Errors and Restatement of Previously Reported Financial Statements (Continued)

31 DECEMBER 2012	Previously reported	Adjustments regarding to joint ventures (TFRS 11)	Adjustments related to consolidation method change	CMB Communique reclassifications	Restated
LIABILITIES					
Short-term borrowings	1.567.766	(174.638)	-	(539.477)	853.651
Short-term portion of long-term borrowings	-	-	-	323.287	323.287
Other financial liabilities	200.318	(37.050)	-	216.190	379.458
Trade payables					
- Due to related parties	35.392	(17.543)	-	-	17.849
- Other trade payables	377.518	(23.261)	(207)	17.310	371.360
Payables regarding employee benefits	-	-	-	26.585	26.585
Derivative instruments	2.730	(1.047)	-	-	1.683
Deferred incomes	-	-	-	35.956	35.956
Other payables	102.216	(15.855)	(291)	(34.179)	51.891
Income tax payable	9.837	(8)	-	-	9.829
Short term provisions					
- Short-term provisions regarding employee benefits	-	-	-	36.624	36.624
- Other short term provisions	30.886	(716)		-	30.170
Other short term liabilities	88.661	(6.358)	-	(82.296)	7
Long term borrowings	1.448.466	(492.144)	-	-	956.322
Other financial liabilities	314.924	(25.760)	-	-	289.164
Other payables	55.722	(42.415)	-	-	13.307
Deferred incomes	-	-	-	12.364	12.364
Long term provisions					
- Long-term provisions regarding employee benefits	98.377	(4.002)	-	-	94.375
- Other long term provisions	-	-	-	-	-
Deferred tax liabilities	196.289	35	-	-	196.324
Other long term liabilities	12.503	(1)	-	(12.364)	138
EQUITY	**4.090.422**	**(2.296)**	**(3.643)**	**-**	**4.084.483**

(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)

2.1.6 Significant Accounting Policies and Changes in Accounting Estimates and Errors and Restatement of Previously Reported Financial Statements (Continued)

31 DECEMBER 2011	**Previously reported**	**Adjustments regarding to joint ventures (TFRS 11)**	**Adjustments related to consolidation method change and discontinued operations**	**CMB Communique reclassifications**	**Restated**
ASSETS					
Cash and cash equivalents	3.468.486	(14.053)	(5.693)	-	3.448.740
Financial investments	191.672	-		-	191.672
Trade receivables					
- Due from related parties	4.511	4.174	-	-	8.685
- Other trade receivables	679.652	(32.806)	(689)	3.286	649.443
Other receivables					
- Other receivables from related parties	3.702	-	-	-	3.702
- Other receivables	34.858	11.492	-	-	46.350
Derivative instruments	4.640	(4.640)	-	-	-
Inventories	253.104	(3.267)	(421)	-	249.416
Prepaid expenses	-	-	(1.173)	39.664	38.491
Biological assets	74	-	-	-	74
Other current assets	268.410	(13.690)	(280)	(42.950)	211.490
Assets held for sale	80.687	-	-	-	80.687
Trade receivables	133.527	(133.253)	-	-	274
Other receivables	417.005	-	-	-	417.005
Inventories	18.096	-	-	-	18.096
Financial investments	5.730	-	-	-	5.730
Investments accounted for by using the equity method	-	253.069	3.925	-	256.994
Investment properties	191.038	(10.796)	-	-	180.242
Property, plant and equipment	1.202.061	(533.062)	-	-	668.999
Intangible assets					
- Goodwill	539.951	-	-	-	539.951
- Other intangible assets	727.226	(65.935)	-	-	661.291
Prepaid expenses	-	-	-	45.571	45.571
Deferred tax asset	90.124	(14.240)	-	-	75.884
Other non-current assets	373.929	(99.359)	-	(45.571)	228.999

(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)

2.1.6 Significant Accounting Policies and Changes in Accounting Estimates and Errors and Restatement of Previously Reported Financial Statements (Continued)

31 DECEMBER 2011	Previously reported	Adjustments regarding to joint ventures (TFRS 11)	Adjustments related to consolidation method change and discontinued operations	CMB Communique reclassifications	Restated
LIABILITIES					
Short term borrowings	934.850	(78.565)	-	(400.544)	455.741
Short-term portion of long-term Borrowings	-	-	-	400.544	400.544
Other financial liabilities	71.561	(3.637)	-	1.404	69.328
Trade payables					
- due to related parties	246	24.641	-	-	24.887
- other trade payables	444.997	(36.825)	(206)	18.068	426.034
Payables regarding employee benefits	-	-	-	30.027	30.027
Derivative instruments	6.610	(1.680)	-	-	4.930
Deferred incomes	-	-	-	49.712	49.712
Other payables	89.907	(2.400)	(244)	(30.027)	57.236
Income tax payable	38.858	(88)	-	-	38.770
Short term provisions					
- Short-term provisions regarding employee benefits	-	-	-	31.904	31.904
- Other short term provisions	44.093	(45)	-	-	44.048
Payables related to the current taxes	-	-	-	-	-
Other short term liabilities	396.167	(13.712)	-	(101.088)	281.367
Long term borrowings	1.623.232	(482.303)	-	(215.135)	925.794
Other financial liabilities	456.520	(21.558)	-	215.135	650.097
Other payables	96.452	(34.669)	-	(47.541)	14.242
Deferred incomes	-	-	-	47.222	47.222
Long term provisions					
- Long-term provisions regarding employee benefits	49.311	(2.336)	-	-	46.975
- Other long term provisions	265	242	-	-	507
Deferred tax liabilities	137.959	(217)	-	-	137.742
Other long term liabilities	405.583	(919)	-	319	404.983
EQUITY	**3.891.872**	**(2.295)**	**(3.881)**	**-**	**3.885.696**

(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)

2.1.6 Significant Accounting Policies and Changes in Accounting Estimates and Errors and Restatement of Previously Reported Financial Statements (Continued)

31 DECEMBER 2012	**Previously reported**	**Adjustments regarding to joint ventures (TFRS 11)**	**Adjustments related to consolidation method change and discontinued operations**	**CMB Communique reclassifications**	**Restated**
Revenue	3.156.524	(67.159)	(22.725)	-	3.066.640
Cost of sales (-)	(2.211.509)	26.981	10.741	-	(2.173.787)
Gross profit	**945.015**	**(40.178)**	**(11.984)**	**-**	**892.853**
General administrative expenses (-)	(409.553)	21.154	8.939	-	(379.460)
Marketing, sales and distribution expenses (-)	(411.229)	18.507	2.882	-	(389.840)
Other income from operating activities	341.560	(4.497)	2.211	8.805	348.079
Other expenses from operating activities (-)	(155.168)	13.561	-	(108.770)	(250.377)
Share of loss on associates accounted by using the equity method	-	22.306	841	-	23.147
Operating profit/ (loss)	**310.625**	**30.853**	**2.889**	**(99.965)**	**244.402**
Income from investing activities	-	-		353.985	353.985
Expense from investing activities	-	-		(149.290)	(149.290)
Operating profit/ (loss) before finance expenses	310.625	30.853	2.889	104.730	449.097
Finance income	463.928	(59.180)	-	(338.174)	66.574
Finance expenses (-)	(450.584)	19.161	-	233.444	(197.979)
Profit/ (loss) from continued operations before tax	**323.969**	**(9.166)**	**2.889**	**-**	**317.692**
Current tax expense	(84.205)	3.104	-	-	(81.101)
Deferred tax income/(expense)	17.825	6.061	-	-	23.886
Net profit/ (loss) from continued operations	**257.589**	**(1)**	**2.889**	**-**	**260.477**
Profit/ (loss) from discontinued operations for the period	**-**	**-**	**(3.719)**	**-**	**(3.719)**
Profit/(Loss) for the period	**257.589**	**(1)**	**(830)**	**-**	**256.758**
Allocation of profit /loss for the period:					
Non-controlling interests	101.918	-	(830)	-	101.088
Attributable to equity holders of the Parent Company	**155.671**	**(1)**	**-**	**-**	**155.670**

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

Except for the amendments mentioned above, accounting policies and accounting estimates applied in the current period are consistent with accounting policies and accounting estimates applied in the preparation of consolidated financial statements for the period ended as of 31 December 2012.

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

2.1.7 New and Revised Turkish Financial Reporting Standards

The following new and revised standards and interpretations below are applied by the Group and have affected the reported amounts and disclosures in the consolidated financial statements. However, the details of standards and interpretations effective in the current period but have no effect on the financial statements and standards and interpretations not yet effective and have not been early adopted by the Group are set out below.

(a) Standards effective from 1 January 2013 and have effect on the financial statements of the Group

TAS 1 (Amendments) Presentation of Items of Other Comprehensive Income

The amendments to TAS 1 "Presentation of Items of Other Comprehensive Income" are effective for the annual periods beginning on or after 1 July 2012. The amendments introduce new terminology for the statement of comprehensive income and statement of profit or loss. Under the amendments to TAS 1, the "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income" and the "statement of income" is renamed as the "statement of profit or loss". The amendments to TAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to TAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively. Other than the above mentioned presentation changes, the application of the amendments to TAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

TFRS 10 Consolidated Financial Statements and TFRS 11 Joint Agreements

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including TFRS 10 "Consolidated Financial Statements", TFRS 11 "Joint Agreements", TFRS 12 "Disclosure of Interest in Other Entities", TAS 27 "Separate Financial Statements"(as revised in 2011) and TAS 28 "Investments in Associates and Joint Ventures" (as revised in 2011).

Key requirements of these five standards are described below:

TFRS 10 replaces the parts of TAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation - Special Purpose Entities will be withdrawn upon the effective date of TFRS 10. Under TFRS 10, there is only one basis for consolidation, that is control. In addition, TFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's return. Extensive guidance has been added in TFRS 10 to deal with complex scenarios.

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

2.1.7 New and Revised Turkish Financial Reporting Standards (continued)

(a) Standards effective from 1 January 2013 and have effect on the financial statements of the Group (continued)

TFRS 11 replaces TAS 31 Interests in Joint Ventures. TFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Venturers will be withdrawn upon the effective date of TFRS 11. Under TFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under TAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under TFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under TAS 31 can be accounted for using the equity method of accounting or proportional consolidation.

TFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in TFRS 12 are more extensive than those in the current standards.

In June 2012, the amendments to TFRS 10, TFRS 11 and TFRS 12 were issued to clarify certain transitional guidance on the application of these TFRSs for the first time.

These five standards together with the amendments regarding the transition guidance are effective for annual periods beginning on or after 1 January 2013. The application of these five standards, except for the amendments to TFRS 11, does not have a significant impact on amounts reported in the consolidated financial statements. These amendments should be applied retrospectively. Entities under common control recognized under TAS 31 are considered as joint ventures and have been accounted for by using the equity method rather than the proportionate consolidation method in accordance with TFRS 11 and prior period financial statements are restated accordingly as explained in detail in Note 2.1.6.

TAS 19 Employee Benefits

The amendments to TAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of TAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. In 2012, the Group has decided to early adopt the amendments to TAS 19 which is applicable as of 1 January 2013. As of 31 December 2012, all actuarial gains and losses are recognized in other comprehensive income.

(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)

2.1.7 New and Revised Turkish Financial Reporting Standards

(a) Standards effective from 1 January 2013 and have no effect on the financial statements of the Group

TFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities
TFRS 16(Amendments)	Tangible Assets
TAS 32 (Amendments)	Financial Instruments: Disclosures
TAS 34 (Amendments)	Interim Period Financial Reporting
TAS 12 (Amendments)	Deferred Tax – Recovery of Underlying Assets
TFRS 10, TFRS 11 and TFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guide
TFRS 13	Fair Value Measurement
TAS 27	Separate Financial Statements
TAS 28	Investments in Associates and Joint Ventures
Amendments to TFRSs	Annual Improvements to TFRSs 2009-2011 Cycle except for the amendment to TAS 1
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

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

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

TFRS 9	Financial Instruments
TFRS 9 ve TFRS 7 (Amendments)	Mandatory Effective Date of TFRS 9 and Transition Disclosures
TAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
TFRS 10, 11, TAS 27 (Amendments)	Investment Companies
TAS 36 (Amendments)	Recoverable Value Disclosures for Non-Financial Assets
TAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
TFRS Interpretation 21	Fees and Taxes

The above standards will be applicable in 2014 and onwards, the Group has not determined the potential impact of the application of these standards over its financial statements. The applications of these standards are expected not to have a significant impact on the financial statements.

2.1.8 US Dollar convenience translation

US Dollar ("USD") amounts shown in the consolidated financial statements have been included solely for the convenience of the reader and are translated from Turkish Lira ("TL"), as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TL exchange rate of TL 2,1343 = USD 1,00 on 31 December 2013. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the CMB. Such translations should not be construed as a representation that the TL amounts have been or could be converted into USD at this or any other rate.

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

2.2 Summary of Significant Accounting Policies

Related parties

For the purpose of these consolidated financial statements, related parties are referred to as legal entities in which Doğan Holding 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 affiliates, 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 34).

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

Trade receivables and provision for doubtful receivables

The Group's trade receivables from providing goods or services to customers are carried at net of unrealized finance income. Trade receivables, net of unrealized finance income, are calculated by discounting future cash inflows of receivables carried at the original invoice amount using the effective interest method. Short term receivables with indefinite interest rate are carried at cost unless the effect of imputing interest is significant. (Note 9).

Provision is allocated for receivables when the Group has an objective indication over the collectability of the receivables. 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. Group management considers to book provision for doubtful receivables for the receivables that are in the administrative and / or legal action, without guarantee and collection period that extend over the normal trade operating cycle of the Group.

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

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

2.2 Summary of Significant Accounting Policies (Continued)

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 purchase costs and other costs necessary to prepare the asset for its intended use. Cost elements included in inventories are materials, labor and production overheads. The unit cost of inventories is determined on the moving weighted average basis (Note 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 purchase date into consideration.

Programme stocks

Programme stocks comprise internal and external productions that have been produced but not yet broadcasted as of the report date. Programme stocks are recognised at acquisition or production cost and they are not subject to amortization. These programmes are charged to the statement of profit or loss upon the first transmission and included in cost of sales in the consolidated statement of profit or loss (Note 19). 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 broadcasting right, industry dynamics and sales forecasts are taken into consideration when determining impairment on programme stocks.

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.

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

2.2 Summary of Significant Accounting Policies(Continued)

Financial instruments (Continued)

"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 recognized in "financial income / expenses". Dividends received, are recognized 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 December 2013 and 31 December 2012.

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 recognized in profit or loss when the Group's right to receive payment is established.

Financial assets classified by Doğan Yayın 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

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

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

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

Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, at the end of each year when there is an indication of impairment, 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. As of 31 December 2012, the Group decided to adopt fair value method for their investment properties which were previously accounted under the cost method and restated its financial statements according to TAS 8 as explained in Note 2.1.6 "Significant Accounting Policies and Changes in Accounting Estimates and Errors and Restatement of Previously Reported Financial Statements"

An investment property is derecognized 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 derecognized.

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 recognized as revaluation fund in other comprehensive income.

(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)

Property, plant and equipment and related depreciation

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

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 related income and expense accounts, 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.

Construction in progress is made for the production of electrical energy is classifed under tangible fixed assets. Below the followings are cost elements of it:

- After the deduction of discounts, including import duties and non-refundable purchase taxes, purchase prices.
- Enhancing the asset capable of operating in the manner intended by management, and any costs will be placed on the ground.
- Costs related to employee benefits who works directly related with obtaining or constructing tangible assets
- Cost related to the preparation of the ground.
- Cost associated with the first delivery.
- Installation and assembly costs.
- Professional fee.
- General administrative expenses related to acquisition or construction of tangible fixed asset.
- Finance costs that can be added to the cost of the tangible assets under IAS 23 "Borrowing Costs"

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. Principal lease payments are treated as liabilities and reduced with their payments. 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 recognized as an expense on a straight line basis over the lease term under the consolidated statement of profit or loss.

Goodwill

Goodwill and negative goodwill amount, which represent the difference between the purchase price and the fair value of the acquiree's net assets, arising from business combinations effected prior to 30 June 2004 in the consolidated financial statements is capitalized and amortized over the useful life by using the straight-line method prior to 31 December 2004. Goodwill arising from business combinations effected subsequent to 31 March 2004 is not amortized and instead reviewed for any impairment losses in accordance with TFRS 3 Business Combinations (Note 15).

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

Intangible assets 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 beginning from 1 January 2012 and capitalized amounts are recognized under intangible assets account. Weighted average term for subscription acquisition costs is 2 years.

(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)

2.3 Summary of Significant Accounting Policies (Continued)

Intangible assets and related amortization (continued)

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
Other intangible rights	5

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

Milta Turizm a subsidiary of the Group, amortizes the right to use the marina over 49 years (Note 15) which is obtained from Privatization Administration based on the transfer agreement signed on November 13, 1997.

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 program rights

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

Consumption is based on the transmission of the expected number of runs (vary from two to unlimited) purchased. Amortization of these rights is determined according to release order and number of runs. The appropriateness of the consumption profiles are 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 program rights.

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.

Taxation on income

Taxation on income includes current period income taxes and deferred taxes. Current year tax liability consists of tax liability on period income calculated according to currently enacted tax rates and tax legislation in force as of balance sheet date and includes adjustments related to previous year's tax liabilities. Turkish tax legislation does not permit a parent company 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 recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they related to income taxes levied by the same taxation authority (Note 32).

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 7). 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 14).

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

2.2 Summary of Significant Accounting Policies (Continued)

Financial liabilities subject to non-controlling put options

Under the terms of certain share purchase agreements, the Group may commit to acquire the interests owned by non-controlling shareholders in subsidiaries, upon the request of non-controlling interest holders. 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).

The Group has decided to early adopt the amendment in TAS 19 (Note 2.1.7) in 2012 which will be effective starting from 1 January 2013, and calculated employment benefit in accordance with the report prepared by the actuarial firm and recognized all actuarial loss and gains in the other comprehensive statement of profit or loss as of 31 December 2012.

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

2.2 Summary of Significant Accounting Policies (Continued)

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 dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimate can be made.

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

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.

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 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of Significant Accounting Policies (Continued)

Revenue recognition

Revenue includes the invoiced amount of goods and service sales.It is recognized on an accrual basis over the fair value of acquisition amount based on product or service delivery, transfer of significant risks and rewards related to product to the buyer, reliable estimate of revenue amount and probable economic benefits associated with the transaction will be obtained by the Company.

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

Due date difference income/expense represents income/expense incurred from forward purchases and sales. These forms of incomes/expenses are accepted as finance incomes/expenses obtained from forward purchases and sales during the period and included to financial income/expense (Note 27).

a) Media and Retail segment

<u>Revenue from television, newspapers, magazines and other advertisements</u>

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.

<u>Revenue from newspaper and magazine sales and distribution</u>

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.

<u>Newspaper sales returns and provisions:</u>

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

<u>Returns on magazine sales and provisions:</u>

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

<u>Revenue from printing services</u>

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.

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

2.2 Summary of Significant Accounting Policies (Continued)

Revenue recognition (continued)

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.

c) Other segment

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

Housing construction projects related to the customer

The revenue generated from the housing construction projects organized by Milpa, subsidiary of the Group is recognized when the ownership of the risks and rewards of the assets are transferred to the buyer upon the performance of contract terms and the approval of delivery record by the buyer

Housing construction projects related to the landowner

The Group has entered in to a Landownership agreement ("LOA") in the Milpark project. In accordance with the agreement, the Group commits to develop real estate projects on lands that are owned by the landowner and in return for the land transfer the ownership of the pre-agreed ratio of the constructed assets to the landowner. For landownership agreements, the value of land transferred to Milpa is carried at fair value at the date of agreement and when Milpa meets all of its contractual liabilities and all risks and rewards of the ownership of the assets are transferred to the landowner following the approval of the delivery notice by the landowner, revenue is recognised as the sale profit obtained from the landowner. Landowner's share of the termination of the contract was transferred on 16 May 2012.

Vehicle Sale

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

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

2.2 Summary of Significant Accounting Policies (Continued)

Revenue recognition (continued)

Other revenue

Interest income is recognised on a time proportion basis and income accual is ascertained by taking effective interest rate and remaining maturity into account.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established

Rent income and other income are recognised on an accrual basis.

Barter agreements

The Group provides advertising services in return for advertisement and other products and services. When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a revenue generating transaction. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a revenue generating transaction. Revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. If the fair value of the goods or services received is not measured reliably, the revenue is measured at the fair value of the goods or services supplied, adjusted by the amount of any cash or cash equivalents transferred (Note 19). Barter agreements are recognised on an accrual basis.

Business combinations

Business combinations are accounted in accordance with TFRS 3. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. If the purchase amount is less than the fair value of provisions, contingent assets and liabilities, the subjected difference is identified with comprehensive statement of profit or loss. Goodwill recognised in a business combination is not amortized, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. If the acquisition cost is lower than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as income in the related period (Note 3).

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

2.2 Summary of Significant Accounting Policies (Continued)

Business combinations(continued)

Gains or losses resulted from sale or purchase of subsidiaries under the control of Doğan Holding (transactions that do not result in a change in control) are recognised under equity. 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 do 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 recognize goodwill for these types of transactions. Difference between cash consideration paid as a result of business combination and net asset of the entity is recognized in "Effect of business combinations comprising of entities under common control" account under retained earnings/ (accumulated losses) in equity.

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.

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 recognized under total comprehensive income.

A significant portion of the Group's foreign operations are performed in Russia, Europe and Slovenia ("Russia and Eastern Europe ("EE")). Foreign currencies and exchange rates at 31 December 2013 and 31 December 2012 are summarized below:

(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

Country	Currency Unit	31 December 2013	31 December 2012
Eurozone	Euro	2,9365	2,3517
Russia	Ruble	0,0652	0,0587
Hungary	Forint	0,0099	0,0081
Croatia	Kuna	0,3846	0,3113
Ukraine	Grivna	0,2670	0,2230
Romania	New Lei	0,6549	0,5319
Kazakhstan	Tenge	0,0139	0,0118
Belarus	Belarusian Ruble	0,0002	0,0002

Segment Reporting

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

Operations were presented as three segments "media", "retail" and "other" in consolidated financial statements until 31 December 2013. After the Group's consideration, energy companies (Note 1) were decided to be presented as a seperate segment, which was presented under "other" operations segment before. Accordingly, previous period financal informations in related note was revised in line with the principle of comparison.

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

Earning/ (loss) per share

Earning/ (loss) per share are determined by dividing net income/ (loss) by the weighted average number of shares that have been outstanding during the period concerned (Note 33).

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

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

2.2 Summary of Significant Accounting Policies (continued)

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 represent a major part of an entity separately from the Group's operations and cash flows.Operating results as of the Group has ceased its control over its disposal groups are presented separately under "discontinued operations" in the consolidated 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.

Non-current assets held for sale

To the results of operations of assets held for sale and discontinued operations, gain/loss and tax expense occurring from the sale is 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.

The Group has received the investment incentive certificate regarding the modernization of its property that is used in its media operations and it is exempt from the Customs Duty and VAT.

Subsequent events

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

In the case that events not requiring a correction to be made occur subsequent to the balance sheet date, those events are disclosed in the notes of 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 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 media and other sales operations.

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

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

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

2.3 *Critical Accounting Estimates and Assumptions*

2.3.1. Critical accounting estimates and assumptions

a) Estimated impairment of goodwill

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

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

The EBITDA margin and discount rates used for the cash flows after five-year period are listed below:

	EBITDA margin% (1)	**Discount rate% (2)**
Broadcasting	27%	13%
Publishing		
Russia and Commonwealth of Independent States	40%	13%
Turkey	11%	15%

(1) Budgeted weighted average of EBITDA margin regarding projection period.
(2) Weigted average cost of capital rate.

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

2.3 *Critical Accounting Estimates and Assumptions* (Continued)

2.3.1. Critical accounting estimates and assumptions (Continued)

a) Estimated impairment of goodwill(Countinued)

Hürriyet, one of the subsidiaries of the Group, hasn't booked any provision for impairment on goodwill in the consolidated financial statements for the year ended 31 December 2013 (31 December 2012: TL 18.106 provision for impairment is booked) (Note 15).

When the calculations performed in the current period are evaluated, if the discount rate applied to cash flow projections for the cash-generating units after tax is 1% more than the estimates of the Group management, additional impairment for the goodwill related with TME amounting to TL 25.962 (31 December 2012: TL 51.648 for the goodwill related with TME and intangible assets) would be recognized in the financial statements and profit before tax and non-controlling interests would decrease by TL 25.962 (31 December 2012: TL 51.648) in return.

If the EBITDA rate applied to cash flow projections for the cash-generating units is 5% less than the estimates of the Group management, additional impairment for the goodwill amounting to TL 24.142 would be recognized in the financial statements and profit before tax and non-controlling interests would increase by TL 24.142 in return.

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

Based on the nature of the transaction and considering the precautionary principle, the Group management elects not to recognize the input VAT amounting to 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 recognized in the statement of income in the respective periods (Note 27). Deductible VAT amount is TL 449.602 in statutory accounts as of 31 December 2013.

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

2.3 *Critical Accounting Estimates and Assumptions* (Continued)

2.3.1. Critical accounting estimates and assumptions (Continued)

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 Springers are described in detail in Note 17.

c) *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 14.283 (31 December 2012: TL 13.468) and profit before tax and non-controlling interests would decrease by TL 14.283 (31 December 2012: TL 13.468).

Amortization is recognized 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 2.007 and profit before tax and non-controlling interests would increase by TL 2.007 (31 December 2012: TL 1.224); or

- if useful lives were 10% lower, amortization would increase by TL 2.454 and profit before tax and non-controlling interests would decrease by TL 2.454 (31 December 2012: TL 1.496).

2.3.2 Critical accounting judgments

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

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

- The Group has the option to determine the selling price, within the existing economic limitations,

- General inventory risk of goods mentioned above belongs to the Group. The Group purchases newspapers and magazines from suppliers and sells them to its dealers through its distribution network. The Group returns unsold newspapers and magazines from dealers to the original supplier. General inventory risk is about approximately a week for newspaper and magazine sales,

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

NOTE 3 - BUSINESS COMBINATIONS

Current period business combinations

i. *Acquisition of Elektronik Bilgi İletişim Hizmetleri Reklamcılık ve Ticaret A.Ş.*

Elektronik Bilgi İletişim Hizmetleri Reklamcılık ve Ticaret A.Ş.'s ("EBİ") which is the subsidary of the Group, DMK has completed acquisation and finished conveyancing of the shares representing the entire share capital. The selling price of the shares representing the entire share capital specified by mutual "negotiated procedure" and buy and taken over by the Group's subsidary DMK from Canan Çelebioğlu, Mehmet Budak, İdil Eser, Cahit Can Tokgöz ve Mehmet Kaya with the "Share Purchase and Sale Agreement" on April 16, 2013.

The closure conditions determined by "Share Purchase and Sale Agreement" are performed by the closure date 10 May 2013 After paying TL 8.369 which is 75% of the revised sale price, 25% of sale and conveyance price was revised as TL 10.039 by independently audited conclusive financial statements. The rest of the selling price which is TL 1.670, was paid on 24 July 2013. Acquisation and conveyance operation has been finalised.

In accordance with IFRS 3 Business Combinations ("IFRS 3"), the purchase method accounting is necessary to do work to determine the fair value of the identifiable assets and liabilities as a result of the purchase price of this work of tangible and intangible assets to be distributed work ("Purchase allocating the cost of work ") as of the date the report concluded, and TL 13.967 recorded as internet domain name, and TL 4.168 recorded as customer relations (Note 15). Due to there is no difference between fair value of acquired net assets and purchase price of EBİ, positive or negative goodwill have not been recognized to the records. EBİ was merged with DMK on 2 October 2013.

(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)

Current period business combinations (Continued)

The acquired assets and liabilities of EBİ as of 10 May 2013, the fair value adjustments which is context of the purchase price allocation study are as follows:

	EBİ			
	Net Book Value	IFRS Adjustment	Fair Value Adjustment	Fair Value
Current Assets				
Cash and cash equivalents	505	-	-	505
Trade and other receivables	810	-	-	810
Inventories	3.362	-	-	3.362
Other current assets	623	-	-	623
Non current assets				
Property, plant and equipment	945	-	-	945
Intangible assets	1.821	-	-	1.821
Internet domain name (İdefix)	-	-	11.108	11.108
Internet domain name (Prefix)	-	-	2.859	2.859
Client list (İdefix)	-	-	3.597	3.597
Client list (Prefix)	-	-	571	571
Deferred tax assets	-	921	-	921
Short term liabilities				
Financial payables	(3.147)	-	-	(3.147)
Trade payables	(8.755)	-	-	(8.755)
Other short term liabilities	(1.123)	-	-	(1.123)
Long term liabilities				
Long term financial payables	(283)	-	-	(283)
Other long term liabilities	(148)	-	-	(148)
Deferred tax liabilities	-		(3.627)	(3.627)
	(5.390)	921	14.508	10.039

	TL
Cash paid	10.039
Cash and cash equivalents of purchased firms (-)	(505)
Net cash outflow	9.534
Transfered amount	10.039
Book value of net assets of acquired companies	10.039
Goodwill	-

(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)

Current period business combinations (Continued)

ii. Acquisition of D-Tes shares

75 % share acquisation process of D-Tes, which had been recognized as a joint venture as of 31 December 2012, has been concluded by 24 July 2013 with value TL 40 and accordingly the Company has been included to the consolidation as a subsidiary in the current period. Also TL 233 negative goodwill has been recorded as other operating income.

iii. *Acquistion of Doğan İnternet Yayıncılığı ve Yatırım A..Ş*

In the current period, Group has acquired Doğan İnternet Yayıncılığı ve Yatırım A.Ş., an entity under common control, in consideration of TL 10.928. Difference amounting to TL 7.640 between the cash consideration paid and net assets was recognized under equity.

Prior period business combinations

Details of business combinations for the period ended 31 December 2012 are as follows:

Doğan TV Holding - Eko TV

Doğan TV Holding has terminated Eko TV joint venture agreement signed with Turner as of 14 June 2012 without any compensation. Following the termination, Eko TV has been accounted as a subsidiary and ceased to be a joint venture of the Group as at 1 July 2013 without any compensation transfer. IFRS 3 requires acquirers to remeasure its previously held equity interest at fair value and recognize the resulting gain or loss, if any, in profit or loss. The Group has completed the remeasurement procedures of Eko TV shares as of reporting date. The details of the remeasurement are summarized below:

	30 June 2012
Cash and cash equivalents	110
Current assets	16.668
Non-current assets	365
Current liabilities	(3.222)
Group's share in net assets before acquisition	**13.921**
Goodwill recognized before acquisition	33.881
Total carrying amount before remeasurement	47.802
Total fair value of net assets of Eko TV	59.475
Group's ownership rate	75,04%
Fair value of net assets attributed to the Group	44.630
Decrease in carrying amount after remeasurement recognised as expense	3.172

Also, the Group has completed the purchase of 19,98% shares of Eko TV as of 6 September 2012 for a consideration of TL 4.331. After these transactions, the share and voting rights of the Group in Eko TV increased to 63,17%. TL 624 loss as a result of this transaction is journalized in equity since there is no change in controlling party in accordance with TAS 27 (revised).

NOTE 4 – INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

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

Joint venture	Country	Nature of business	Entrepreneural partner
Boyabat Elektrik Üretim ve Ticaret A.Ş. ("Boyabat Elektrik")	Turkey	Energy	Unit Investment N.V. Doğuş Holding A.Ş.
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	Turkey	Magazine publishing	Burda GmbH
DD Konut Finansman A.Ş. ("DD Konut Finansman")	Turkey	Housing finance	Deutsche Bank AG
Dergi Pazarlama Planlama ve Ticaret A.Ş. ("DPP")	Turkey	Planning	Burda GmbH
Gas Plus Erbil Ltd. ("Gas Plus Erbil")	Jersey	Energy	Newage Alzarooni Limited
ASPM Holding B.V.	Netherland	Internet publishing	Autoscout24 GmbH
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont")	Turkey	Magazine printing	Egmont
Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş ("Ultra Kablolu")	Turkey	Telecommunication	Koç Holding A.Ş.
Katalog Yayın ve Tanıtım Hizmetleri A.Ş. ("Katalog")	Turkey	Guide publishing	Seat Pagine Gialle SPA
Aslancık Elektrik Üretim A.Ş. ("Aslancık Elektrik")	Turkey	Energy	Doğuş Holding A.Ş. ve Anadolu Endüstri Holding A.Ş.
Tasfiye halinde İsedaş İstanbul Elektrik Dağıtım Sanayi ve Ticaret A.Ş. ("İsedaş")	Turkey	Energy	Tekser İnşaat Sanayi ve Ticaret A.Ş. ve Çukurova Holding A.Ş.
Nakkaştepe Gayrimenkul Yatırımları İnşaat Yönetim ve Ticaret A.Ş. ("Nakkaştepe Gayrimenkul")	Turkey	Real estate	Rönesans Gayrimenkul Yatırım A.Ş.
Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş.	Turkey	Real estate	Rönesans Gayrimenkul Yatırım 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, the proportion of voting power held by Doğan Holding, its subsidiaries and Doğan family and effective ownership interests at 31 December 2013 and 31 December 2012:

	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 voting power (%)	
Company name	**31 December 2013**	**31 December 2012**	**31 December 2013**	**31 December 2012**	**31 December 2013**	**31 December 2012**	**31 December 2013**	**31 December 2012**
Boyabat Elektrik	33,00	33,00	-	-	33,00	33,00	33,00	33,00
Doğan Burda	44,89	44,89	0,27	0,49	45,16	45,38	35,92	33,93
DD Konut Finansman	47,00	47,00	4,00	4,00	51,00	51,00	47,00	47,00
DPP	46,00	46,00	10,00	10,00	56,00	56,00	36,81	34,76
Gas Plus Erbil	50,00	50,00	-	-	50,00	50,00	50,00	50,00
DB Popüler (1)	-	44,87	-	0,01	-	44,88	-	33,92
ASPM Holding B.V.	37,88	37,88	-	-	37,88	37,88	24,38	23,26
OOO Autoscout24 (2)	-	37,88	-	-	-	37,88	-	23,26
Doğan Egmont	50,00	50,00	-	-	50,00	50,00	40,01	37,80
Ultra Kablolu (3)	50,00	50,00	-	-	50,00	50,00	40,01	37,80
Birey İK (4)	-	50,00	-	50,00	-	100,00	-	26,74
Katalog (5)	50,00	50,00	-	-	50,00	50,00	40,01	37,80
Tipeez Internet Hizmetleri A.Ş. (6)	-	30,00	-	-	-	30,00	-	18,42
Aslancık Elektrik	33,33	33,33	-	-	33,33	33,33	33,33	33,33
D Tes (7)	-	25,00	-	-	-	25,00	-	25,00
İsedaş (8)	45,00	45,00	-	-	45,00	45,00	45,00	45,00
Nakkaştepe Gayrimenkul	50,00	50,00	-	-	50,00	50,00	50,00	50,00
Kandilli Gayrimenkul	50,00	50,00	-	-	50,00	50,00	50,00	50,00

(1) DB Popüler Dergiler Yayıncılık A.Ş. has completed its liquidation process as of 3 December 2013.
(2) The related joint venture has completed its liquidation process as of 6 December 2013
(3) Operations have been terminated as of October, 2006.
(4) The related joint venture was merged with Doğan Gazetecilik İnternet on September 27, 2013
(5) Operations have been terminated as of September,2009.
(6) The related joint venture was sold on June 25,2013.
(7) 75% share purchase process of D-Tes which had been recognized as a joint venture as of 31 December 2012,has been concluded by 24 July 2013 and accordingly the Company has been included to the consolidation as a subsidiary in the current period.
(8) The related joint venture is in liquidation process in August 19,2011.

(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)

Currents assets, non-current assets, current and non-current liabilities,sales,gross profit,net profit for period and equity attributable to Doğan Holding of the joint ventures consolidated by using the equity method in the condensed consolidated financial statements, are as follows:

	31 December 2013	31 December 2012
Current assets	719.751	331.804
Non-current assets	3.155.125	3.203.498
Total assets	**3.874.876**	**3.535.302**
Short-term liabilities	806.135	896.956
Long-term liabilities	2.299.122	1.721.909
Total liabilities	**3.105.257**	**2.618.865**
Net assets	**769.619**	**916.437**
Group's share in net assets of investment accounted for by the equity method	**340.637**	**365.218**

Statements of Profit or Loss	1 January-31 December 2013	1 January-31 December 2012
Revenue	439.363	157.058
Cost of sales (-)	(282.608)	(97.028)
Gross profit	**156.755**	**60.030**
General administration expenses (-)	(38.969)	(61.908)
Marketing, sales and distribution expenses (-)	(58.274)	(9.067)
Other operating (expenses)/income, net	12.801	(9.095)
Financial (expenses)/income, net	(517.425)	120.850
Profit/ (loss) before income taxes	**(445.112)**	**100.810**
Current income tax expense	(1.147)	(1.572)
Deferred tax income/ (expense)	65.625	(1.061)
Profit/ (loss) for the period from continued operations	**(380.634)**	**98.177**
Net profit/ (loss) for the period	**(380.634)**	**98.177**
Group's share in net profit of the investments	**(106.135)**	**23.147**

(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)

Financial Liabilities

	31 December 2013	31 December 2012
Boyabat Elektrik	1.994.812	1.334.678
Aslancık Elektrik	343.529	244.781
DD Konut Finansman	313.154	297.909
Other	4.944	9.473
Total	**2.656.439**	**1.886.841**

Financial borrowings

Boyabat Elektrik

Group's joint venture Boyabat Elektrik's construction of 513MW installed capacity dam-type hydroelectric power plant project at the township Boyabat in the province Sinop is after obtaining the necessary regulatory approvals became operational in 5 December 2012. Boyabat Elektrik's investment has been financed with the combination of debt and equity. According to preliminary protocol signed on 25 July 2008 and 31 August 2009 and credit contract signed on 15 January 2010, USD 750.000 credit is provided to Boyabat Elektrik by Turkish commerce banks' consortium. Bank loan has been fully paid by Boyabat, as of 28 June 2013. Boyabat paid early closure fee amounting to TL 26.759 due to the early payment. The entity obtained bank loand amounting to USD 540.000 and EUR 276.392 with interest rates of 3 months Libor+ 4% as of 28 June 2013 and by the balance sheet date entire amount of USD 540.000 and EUR 276.392 bank loans had been used.

Under the loan agreement signed entire shares of Boyabat Elektrik were pledged on behalf of lender banks.

Aslancık Elektrik

Group's joint venture Aslancık Elektrik's construction of 120 MWm /93 MWe installed capacity hydro energy production facility in Giresun, Doğankent began in 2010 Based on the loan agreement signed on 24 January 2011, in total USD 160.000 of loan was planned to be provided to Aslancık Elektrik. In this context, Aslancık Elektrik used USD 160.000 amounted bank loan until 31 December 2013.

Under the loan agreement was signed on 24 January 2011, the same date that the contract in addition to the share pledge agreement and an additional share pledge agreements signed with various dates on all of the shares in accordance with the Aslancık Elektrik pledged in favor of financial institutions.

(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)

Fixed Assets

	31 December 2013	31 December 2012
Boyabat Elektrik	1.943.746	1.914.617
Aslancık Elektrik	391.689	274.942
DD Konut Finansman	1.486	1.801
Other	1.835	6.139
Total	**2.338.756**	**2.197.499**

Total amount of depreciation and amortization in investments accounted for by the equity method with Group's effective share is TL 17.244 (31 December 2012: TL 952).

NOTE 5 - SEGMENT REPORTING

a) External revenue

	1 January- 31 December 2013	1 January- 31 December 2012
Media	2.489.271	2.433.742
Retail	407.102	342.213
Energy	156.711	39.155
Other	248.243	251.530
	3.301.327	**3.066.640**

b) Profit /(loss) before income taxes

	1 January- 31 December 2013	1 January- 31 December 2012
Media	(208.422)	322.628
Retail	12.286	6.867
Energy	(88.921)	(11.324)
Other	235.439	(479)
	(49.618)	**317.692**

(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 31 December 2013

	Media	Retail	Energy	Other	Inter segment elemination	Total
External revenue	2.489.271	407.102	156.711	248.243	-	3.301.327
Internal revenue	1.390.082	6.820	6.942	14.016	-	1.417.860
Inter segment revenue	34.302	2.865	16.717	40.155	-	94.039
Total revenue	**3.913.655**	**416.787**	**180.370**	**302.414**	**-**	**4.813.226**
Total cost of sales	**(2.909.787)**	**(260.022)**	**(140.854)**	**(221.073)**	**-**	**(3.531.736)**
Revenue	2.523.573	409.967	173.428	288.398	(94.039)	3.301.327
Cost of sales	(1.870.605)	(253.202)	(141.559)	(224.498)	35.675	(2.454.189)
Gross profit	**652.968**	**156.765**	**31.869**	**63.900**	**(58.364)**	**847.138**
General administrative expenses	(322.215)	(13.307)	(5.297)	(90.709)	59.632	(371.896)
Marketing selling and distribution expenses	(317.106)	(133.986)	(462)	(10.979)	1.413	(461.120)
Share of gain/ (loss) on investments accounted for by using equity method	2.193	-	-	(108.328)	-	(106.135)
Other income/(expenses), net	71.402	4.632	2.772	358.743	(45.029)	392.520
Income/ (Expense) from investment properties	49.902	185	(20.137)	69.452	5.464	104.866
Financial income	6.790	1.465	6.393	20.075	(15.847)	18.876
Financia expenses	(352.356)	(3.468)	(104.059)	(66.715)	52.731	(473.867)
(Loss)/ Profit before income taxes	(208.422)	12.286	(88.921)	235.439	-	(49.618)

(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 31 December 2013;

	Media	**Retail**	**Energy**	**Other**	**Inter segment elemination**	**Total**
External revenue	2.433.742	342.213	39.155	251.530	-	3.066.640
Internal revenue	80.975	3.035	1.892	6.013	-	91.915
Inter segment revenue	26.581	2.621	3.135	33.024	-	65.361
Total revenue	**2.541.298**	**347.869**	**44.182**	**290.567**	**-**	**3.223.916**
Total cost of sales	**(2.872.883)**	**(219.845)**	**(24.321)**	**(243.225)**	**-**	**(3.360.274)**
Revenue	2.460.323	344.834	42.290	284.554	(65.361)	3.066.640
Cost of sales	(1.735.594)	(216.810)	(22.429)	(223.365)	24.411	(2.173.787)
Gross profit	**724.729**	**128.024**	**19.861**	**61.189**	**(40.950)**	**892.853**
General administrative expenses	(310.375)	(9.612)	(6.647)	(94.031)	41.205	(379.460)
Marketing selling and distribution expenses	(268.532)	(109.786)	(100)	(12.464)	1.042	(389.840)
Share of gain/ (loss) on investments accounted for by using equity method	706	-	-	22.441	-	23.147
Other income/(expenses), net	84.156	(233)	(6.033)	28.613	(8.801)	97.702
Income/ (Expense) from investment properties	191.204	55	1.926	22.256	(10.746)	204.695
Financial income	53.869	4.460	2.907	5.350	(12)	66.574
Financial expenses	(153.129)	(6.041)	(23.238)	(33.833)	18.262	(197.979)
(Loss)/ Profit before income taxes	**322.628**	**6.867**	**(11.324)**	**(479)**	**-**	**317.692**

(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 December 2013	31 December 2012
Total assets		
Media	3.787.930	3.918.002
Retail	217.682	155.177
Energy	1.108.106	1.071.298
Other	5.637.478	5.540.036
	10.751.196	**10.684.513**
Less: segment elimination[1]	(3.163.221)	(2.899.686)
Total assets per consolidated financial statements	**7.587.975**	**7.784.827**
Shareholder's equity		
Media	1.492.720	1.416.816
Retail	61.228	51.335
Energy	536.002	601.662
Other	3.842.369	4.803.620
Total	**5.932.319**	**6.873.433**
Less: segment elimination[2]	(1.931.884)	(2.788.950)
Total shareholders' equity per consolidated financial statements	**4.000.435**	**4.084.483**
Non-controlling interests	(750.248)	(903.565)
Total shareholder's equity	**3.250.187**	**3.180.918**

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

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

(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)

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

	1 January- 31 December 2013	1 January- 31 December 2012
Purchases		
Media	236.599	277.977
Retail	29.001	14.604
Energy	3.709	34.111
Other	38.557	40.146
Total	**307.866**	**366.838**
Amortisation and depreciation		
Media	206.731	178.263
Retail	7.289	7.211
Energy	23.065	6.589
Other	21.315	15.980
Total	**258.400**	**208.043**

f) Non-cash expenses (net):

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

	2013				
	Media	**Retail**	**Energy**	**Other**	**Total**
Provision for employment termination benefits (Note 22)	14.827	756	62	2.596	18.241
Interest expense accruals	58.194	-	-	1.251	59.445
Provision for lawsuits (Note 17)	6.504	-	-	1.097	7.601
Provision for impairment on inventories (Note 11)	1.348	6	-	30	1.384
Provision for unused vacation liabilities (Note 22)	11.361	34	30	1.335	12.760
Provision for impairment on on intangible assets (Note 15)	610	-	-	-	610
Provision for trade and other doubtful receivables (Note 9)	33.496	15	-	1.910	35.421
Change in fair value of derivative instruments	799	-	-	-	799
	127.139	**811**	**92**	**8.219**	**136.261**

(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)

f) Non-cash expenses (net) (continued):

	2012				
	Media	**Retail**	**Energy**	**Other**	**Total**
Provision for trade and other doubtful receivables (Note 9)	37.986	92	-	1.960	40.038
Provision for employment termination benefits (Note 22)	12.540	2	95	1.698	14.335
Interest expense accruals	14.288	-	-	1.251	15.539
Provision for lawsuits (Note 17)	9.759	-	-	334	10.093
Provision for impairment on inventories (Note 11)	595	38	-	(196)	437
Provision for unused vacation liabilities (Note 22)	8.365	52	32	2.630	11.079
Provision for impairment on goodwill (Note 15)	21.278	-	-	-	21.278
Provision for impairment on intangible assets (Note 15)	1.868	-	-	-	1.868
	106.679	**184**	**127**	**7.677**	**114.667**

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

NOTE 6 – CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Cash	2.318	2.401
Banks		
- demand deposits	221.924	61.846
- time deposits [1]	1.772.662	1.902.241
Other current assets	219.457	194.210
	2.216.361	**2.160.698**

[1] On 31 January 2013, in respect to exercise to put option by Commerz-Film GmbH, described detailed in note 17, Commerz-Film GmbH's share in the capital of Doğan TV Holding, which corresponds to 2,48844 % of Doğan TV Holding A.Ş.'s paid in capital, 33.843.238 registered class B shares with a nominal value of TL 1 have been purchased for EUR 61.572,and payment has been made from the time deposit accounts.

The time deposits of the Group are mainly composed of USD, EUR and TL and the effective interest rates of USD, EUR and TL denominated time deposits are between 0,35% and 6,00% (31 December 2012: 0,1% and 6%), 0,2% and 6,75% (31 December 2012: 0,25% and 6,75%) and 5,98% and 10,16% (31 December 2012: 3% and 12,3%), respectively and its maturity is shorter than 3 months.

As of 31 December 2013, other current assets consist of credit card slip receivables amounting to TL 72.152 (31 December 2012: 49.068) and blocked deposits amounting to TL 147.305 (31 December 2012: TL 145.142)

Cash and cash equivalents disclosed in the consolidated statements of cash flows for the periods ended 31 December 2013, 31 December 2012 and 2011 are as follows:

	31 December 2013	31 December 2012	31 December 2011
Cash and cash equivalents	2.216.361	2.160.698	3.448.740
Accrued interest (-)	(7.354)	(29.833)	(10.460)
Cash and cash equivalents	**2.209.007**	**2.130.865**	**3.438.280**

(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

	31 December 2013	31 December 2012
Government bonds and treasury bills	136.465	177.043
	136.465	**177.043**

Government bonds and treasury bills dominated in TL, USD and Euro, and interest rates are 9,58%, 6,46% and 5,64%.(31 December 2012: TL 9,48%,USD 5,17%).

b) Long-term available for sale financial assets

	31 December 2013		31 December 2012	
	TL	%	TL	%
Aks Televizyon Reklamcılık ve Filmcilik Sanayi ve Ticaret A.Ş. ("Aks TV")	2.923	9	2.923	9
POAŞ (1)	803	<1	897	<1
Anten Teknik Hizmetler ve Verici Tesis İşletme A.Ş	800	<1	787	<1
Marbleton Property Fund L.P ("Marbleton")(2)	-	-	8.809	9
Other	1.440	<1	532	<1
Less: provision for impairment(3)	(2.923)		(11.732)	
	3.043		**2.216**	

(1) After the removal of restriction on shares, "Restricted shares" which correspond to 0,03% of POAŞ's capital (calculated as 192.500 (exact) shares as of the current situation) are decided to be transferred to OMV Enerji Holding A.Ş in a total cash consideration of EUR 600.000. Since the related share transfer has not been realized as of 31 December 2013, 192.500 shares that Group shares are recognized at fair value, which is calculated by using the market price of shares

(2) The investment portfolio of Marbleton was sold and converted into cash as of 31 December 2012 and USD 1.968 for TL 3.345 cash was obtained. Mentioned investment has completed its liquidation process on 8 November 2013.

(3) As of 31 December 2013 long term financial invesment except POAŞ are carried at the cost value. There is TL 2.923 impairment on Aks TV. (31 December 2012: Marbleton and Akst TV TL 8.809 and TL 2.923 respectively).

(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 December 2013 and 31 December 2012 are as follows

Short-term financial borrowings:	**31 December 2013**	**31 December 2012**
Short term bank borrowings	595.843	811.263
Interest bearing payables to suppliers	6.436	34.193
Finance lease borrowings	10.251	8.195
Total	**612.530**	**853.651**

Short-term portion of long-term financial borrowings:	**31 December 2013**	**31 December 2012**
Short-term portion of long-term bank borrowings:	426.418	323.287
Total	**426.418**	**323.287**

Long-term financial borrowings:	**31 December 2013**	**31 December 2012**
Long term bank borrowings	1.046.356	934.905
Interest bearing payables to suppliers	4.693	6.929
Finance lease borrowings	8.390	14.488
Total	**1.059.439**	**956.322**

(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 December 2013 and 31 December 2012 are as follows:

	31 December 2013			31 December 2012		
	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 - 10,30	131.454	131.454	0-12	181.322	181.322
USD denominated bank borrowings	3,25 -5,45	160.724	343.033	3,5-6,4	295.676	527.072
EUR denominated bank borrowings	3,50 – 5,08	41.327	121.356	4,5-5,78	43.742	102.869
Sub-total			**595.843**			**811.263**
Short-term portion of long-term bank borrowings:						
TL denominated bank borrowings	11,20	2.890	2.890	4-13,125	1.106	1.106
USD denominated bank borrowings	3-6,45	186.575	398.207	2,65-5,85	160.916	286.849
EUR denominated bank borrowings	3,25-5,71	8.623	25.321	1,3-6,5	15.024	35.332
Sub-total			**426.418**			**323.287**
Total short-term bank borrowings			**1.022.261**			**1.134.550**
Long-term bank borrowings:						
TL denominated bank borrowings	9,75 - 11,20	104.124	104.124	-	-	
USD denominated bank borrowings	3,25 - 6,25	242.138	516.795	4,13-6,12	367.542	655.180
EUR denominated bank borrowings	3,25 - 5,71	144.879	425.437	1,8-5,11	118.946	279.725
Total long-term bank borrowings			**1.046.356**			**934.905**

(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 December 2013 and 31 December 2012 is as follows:

	31 December 2013	**31 December 2012**
2014	26.426	-
2015	312.675	495.626
2016	500.022	439.279
2017 and after	207.234	-
	1.046.357	**934.905**

As of 31 December 2013, the floating rate bank borrowings of the Group denominated in USD have interest rates fluctuating between Libor + 0,85% and Libor + 5,00% (31 December 2012: Libor +0,95 and + 6,89%) and the Euro denominated floating rate of Euribor + 0,95% of loans with interest rates of Euribor + 5,0% (31 December 2012: Euribor + 0,95% and Euribor + 6,19%), respectively.

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

Commitments and financial terms about borrowings

Media

OOO Pronto Moscow, one of the indirect subsidiaries of the Group, has restructured its bank loan classified under the short-term portion of long-term financial liabilities as of 31 December 2013 and 31 December 2012 amounting to USD 70.000 with a maturity date of April 2014. The maturity of the related loan has been extended in December 2013 to 20 April 2015 using the one year extension option in the contract. Also, interest rate applied has decreased to 6,25% from 6,40% as of 31 December 2012. Deposit amounting to USD 70.000 has been blocked as collateral in accordance with the loan agreement of Doğan Holding.

Other

<u>Akdeniz and Galata Wind</u>

Subsidiaries of the Group in respect of the loans used by Akdeniz Elektrik and Galata Wind certain financial covenants that must be met are available. Defined in the credit agreement "Debt Service Coverage Ratio" (DSCR) should be minimum 1,05. Borrowers and guarantors, committed DSCR to be at this level until the debt has been paid back completely. The minimum rate of DSCR, determined by loan agreement remained below two times in a row and then deemed in a default state when not decrease to the minimum level of DSCR through a capital increase. DSCR calculations will be made every six months.

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

Share Pledges

As of the 31 December 2013, 15% shares of Doğan Yayın Holding (300.000.000 (exact) shares), 20,87% shares of Kanal D (10.747.548 (exact) shares) were given as pledges to financial institutions in respect of the long-term financial borrowings of the Group. Deutsche Bank AG has used its "call" option right as of 19 February 2013 and sold 22% shares of Doğan Gazetecilik to Doğan Yayın Holding in consideration of USD 122.323 and as a result of this transaction, 11,3% shares of Doğan Yayın Holding (226.354.060 (exact) shares) and 13,3% shares of Hürriyet (73.200.000 (exact) shares) have been repurchased and share pledges on these shares was removed. In addition, 67,3% shares of TME (33.649.091 (exact) shares) have been repurchased as a result of full payment of participation loan borrowed as at 4 January 2013 in relation to the acquisition of TME.

Financial liabilities related with options

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

There were put and call option agreements between Doğan Yayın Holding, one of the subsidiaries of the Group, and Deutsche Bank AG upon the shares of Doğan Gazetecilik. According to the call option agreement, Doğan Yayın Holding has the call option from Deutsche Bank AG for 21.945.000 (exact) shares of Doğan Gazetecilik, and according to the put option agreement, Deutsche Bank AG has the put option to Doğan Yayın Holding for 23.100.000 (exact) shares of Doğan Gazetecilik. Since Doğan Yayın Holding has a liability of giving another entity cash or another financial asset (in the case the put option is exercised by Deutsche Bank AG) as a result of the put option agreement mentioned above, USD 88.000 is presented as a financial liability in the consolidated financial statements as of 31 December 2012. As per the put option agreement, the put option exercise price is calculated by considering the initial price and the interest rate of 6,46%.

Maturities of both agreements metioned above are 5 years 3 months and ended at 19 February 2013.
As of 20 February 2013, Deutsche Bank AG has used its "call" option right and sold 22% shares of Doğan Gazetecilik to Doğan Yayın Holding in consideration of USD 122.323. In this context, Doğan Yayın Holding, one of the subsidiaries of the Gorup, has no obligation as of 31 December 2013 (31 December 2012: TL 216.190).

(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 through finance leases. As of 31 December 2013, total lease payment commitments of the Group relating to such short and long term lease agreements amount to TL 18.641 (31 December 2012: TL 22.683).

The redemption schedules of long-term leasing payables at 31 December 2013 and 31 December 2012 are summarized below.

	31 December 2013	31 December 2012
2014	-	8.130
2015 and after	8.390	6.358
	8.390	**14.488**

Allocation of financial borrowings with fixed and floating interest rates of the Group as of 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Loans with fixed interest rates (Note 35)	988.748	462.767
Loans with floating interest rates (Note 35)	1.098.510	1.629.371
Total	**2.087.258**	**2.092.138**

Interest bearing payables to suppliers

Interest bearing payables to suppliers are related to the machinery and equipment purchases of Hürriyet, one of the subsidiaries of Doğan Yayın Holding. Interest rates of these short and long-term payables in EUR 1,60% (31 December 2012: EUR 1,22%).

The maturity analysis of long-term interest bearing payables to suppliers at 31 December 2013 and 31 December 2012 as follows:

	31 December 2013	31 December 2012
2014	-	5.146
2015 and after	4.693	1.783
Total	**4.693**	**6.929**

As of 31 December 2013, the Group's short-term financial liabilities to suppliers issued at variable interest rates are amounting to TL 6.436 (31 December 2012: TL 34.193) and long-term financial liabilities TL 2.226 (31 December 2012: TL 6.929). Long term fixed rate bank loans are amounting to TL 2.467 (31 December 2012: None) (Note 35).

(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)

Interest bearing payables to suppliers (Continued)

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

	31 December 2013	31 December 2012
6 months and less	8.662	41.122
Between 1-5 year	2.467	-
Total	**11.129**	**41.122**

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

Other financial liabilities

As of 31 December 2013 and 31 December 2012 details of other financial liabilities are presented below.

Other short term financial liabilities:	31 December 2013	31 December 2012
Financial liabilities due to call and put options (Note 17)	199.365	162.849
Financial loan regarding to options (Dipnot 8,a)	-	216.190
Factoring payables	-	419
	199.365	**379.458**

Other long term financial liabilities:	31 December 2013	31 December 2012
Financial liabilities due to call and put options (Note 17)	183.182	289.164
	183.182	**289.164**

(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 December 2013	31 December 2012
Trade receivables	987.793	869.378
Notes and cheques receivable	33.323	35.110
Income accruals	5.981	6.681
Total	**1.027.097**	**911.169**
Less: unearned financial income due to sales with maturity	(6.595)	(5.445)
Less: provision for doubtful receivables	(232.160)	(201.844)
Total	**788.342**	**703.880**

In the media segment of the Group, the average maturity of not overdue trade receivables, followed by Doğan Faktoring, is between 67 and 101 days as of the balance sheet date (31 December 2012: 70-98 days).

In the media segment of the Group, the average maturity of not overdue trade receivables is 45 days as of the balance sheet date (31 December 2012: 45 days).

In the other segment of the Group, the average maturity of not overdue trade receivables is between 30 and 90 days as of the balance sheet date (31 December 2012: 40-90 days). Average discount rate calculated as annual compound of trade receivables is 12,01% (31 December 2012: 10,03%).

Long-term trade receivables	31 December 2013	31 December 2012
Notes and cheques receivable (1)	3.507	2.800
Unearned financial income due to sales with maturity	(783)	(583)
	2.724	**2.217**

(1) Notes receivables consist of sales with maturity of Milpa's Automall Project a subsidiary of the group in 2012.

(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)

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

	2013	**2012**
1 January	(201.844)	(176.210)
Provision booked in the current period (Note 27)	(35.421)	(40.038)
Collections and cancelled provisions	17.760	14.576
Currency translation differences	1.272	84
Consolidation rate change	-	(306)
Business combination effect	(15.566)	-
Acquisition of subsidiary	(2.776)	-
Disposal of subsidiary	4.415	50
31 December	**(232.160)**	**(201.844)**

Guarantees for trade receivables

As of 31 December 2013, trade receivables of amounting to TL 181.720. (31 December 2012: TL 145.464), were past due but not impaired. The Group does not foresee any collection risk for these overdue receivables due to sector dynamics and circumstances.

As of 31 December 2013, the Group has letters of guarantee, guarantee notes, guarantee cheques,bails, receivable insurance and mortgages amounting to TL 47.596 (31 December 2012: TL 64.939) related to trade receivables amounting to TL 791.066 (31 December 2012: TL 706.731). The guarantees received for the total trade receivables of the Group consist of bank guarantee letter amounting to TL 5.233 (31 December 2012: TL 20.922), bails and mortgages amounting to TL 32.739 (31 December 2012: TL 37.196), checks and notes amounting to TL 9.624 (31 December 2012: TL 6.821). In these guarantees, bank guarantee letter amounting to TL 1.344, bails and mortgages amounting to TL 19.552, cheques and notes amounting to TL 7.487, receivable insurance amounting to TL 4.356 was received overdue but not impaired receivables. (31 December 2012: bank guarantee letter amounting to TL 3.620, bails and mortgages amounting to TL 18.544, cheques and notes amounting to TL 4.330 (Note 35).

Short-term trade payables

	31 December 2013	**31 December 2012**
Trade payables	435.289	349.123
Provision for liabilities and expenses	57.828	16.234
Provision for broadcasted programmes	2.237	1.076
Notes payables	3.965	6.637
Other	51	288
Less: deferred financial expense due to purchase with maturity	(1.218)	(1.998)
Total	**498.152**	**371.360**

The average maturity of not over due trade payables is between 30 and 90 days as of 31 December 2013 (31 December 2012: 30-80 days).

(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 December 2013	31 December 2012
Notes receivables (1) (2) (3)	105.020	417.212
Deposits and guarantees given	3.498	1.583
Other miscellaneous receivables	1.206	1.986
	109.724	**420.781**

Other long-term receivables		
Notes receivable (1) (2) (3) (4)	11.456	95.557
TEIAS power transmision line receivables (5)	8.000	8.383
Deposits and guarantees given	3.226	2.300
Other miscellaneous receivables	5	-
	22.687	**106.240**

(1) TL 31.443 (31 December 2012: TL 26.681) of short-term notes receivables and TL 10.243 (31 December 2012: TL 32.318) of long-term notes receivables are composed from the sales of shares of Bağımsız Gazeteciler and all Milliyet brand, royalties and internet domain names to DK Gazetecilik ve Yayıncılık A.Ş at 2 May 2011. Notes receivables are shown at discounted amounts. The discount amount as of 31 December 2013 is TL 543 (31 December 2012: TL 734).

(2) TL 313.738 (USD 176 million) of short term notes receivables as of 31 December 2012 consists of the receivables from Doğuş Yayın Grubu regarding the sale of shares of Işıl Televizyonculuk Yayıncılık A.Ş (Star TV) as of 3 November, 2011. The maturity of the receivable is 2 November 2013. Doğuş Holding A.Ş. has become the guarantor for the related receivable. Receivable with maturity date of 2 November 2013 resulting from the transfer of shares of Işıl Televizyon Yayıncılık A.Ş. (Star TV) to Doğuş Yayın Grubu companies has been collected as of 4 November 2013.

(3) Hürriyet, a subsidiary of the Group, sold the properties that consist of 58.609,45 m2 land and buildings, including the building that has been used as company headquarters for 28 years (Hürriyet Media Towers) in Bağcılar, Istanbul in 2012 to Nurol Gayrimenkul Yatırım Ortaklığı in consideration of USD 127.500 (TL 225.994), excluding late interest. USD 17.500 of the consideration was paid in cash and the remaining portion which amounts to USD 110.000 is payable in 32 equal installments as of 6 March 2012 by applying 3,5% interest rate for the remaining installment portions. As of 31 December 2013, USD 34.375 (TL 73.367) of the related consideration is recognized as short-term notes receivables and cheques. (31 December 2012: USD 34.375 (TL 61.277)). Interest amount that is collectible in relation to principal amount is USD 6.396, and USD 2.014 (TL 3.570) of the related amount, excluding VAT, has been collected and is recognized as other income from operating activities in the accompanying financial statements in the current period. Interest accrual calculated by using the effective interest rate in the current period amounts to USD 99 (TL 210) and is recognized as short-term notes receivables and cheques and finance income in the accompanying financial statements.

(4) Long-term notes receivable amounting to TL 1.213 (31 December 2012: TL 1.962) consist of the notes receivables of other subsidiaries.

(5) The amount consists of the receivables of Akdeniz Elektrik and 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 December 2013	31 December 2012
Taxes and funds payable	51.083	51.042
Deposits and guarantees received	482	702
Other short term payables	2.347	147
	53.912	**51.891**

Other Long Term Payables	31 December 2013	31 December 2012
Deposits and guarantees received	13.658	13.032
Other long term payables	652	275
	14.310	**13.307**

NOTE 11 - INVENTORIES

Short term inventory	31 December 2013	31 December 2012
Finished goods and merchandise (1)	173.772	136.732
Raw materials and supplies	84.856	78.426
Semi-finished goods	9.822	11.212
Promotion stocks	5.037	9.907
Other inventories	8.386	2.828
	281.873	**239.105**
Provision for impairment of inventory	(8.056)	(7.547)
	273.817	**231.558**

(1) As of 31 December 2013 TL 26.701 (31 December 2012:TL 32.341) of finished goods consists of the inventories related to housing projects run by subsidiary Milpa.

As of 31 December 2013, TL 206 (31 December 2012: TL 387) depreciation and amortization expense have been reflected to the inventories.

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

(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)

Movements of the provision for impairment of inventories are as follows:

	2013	2012
1 January	(7.547)	(6.386)
Provision booked in the current period (Note 27)	(1.917)	(4.537)
Reversal of provision	1.408	3.376
31 December	**(8.056)**	**(7.547)**

NOTE 12 - - BIOLOGICAL ASSETS

Biological assets of Doğan Organik, a Group's subsidiary, amounted to TL 219 as of 31 December 2013 (31 December 2012: TL 208).

(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 movements in investment property during the periods ended 31 December 2013 and 2012 are as follows.

	1 January 2013	Additions	Disposals	Transfers (1)	Gain/(Loss) resulted from fair value change	Currency translation differences	31 December 2013
Land	146.113	851	-	-	13.931	9.788	170.683
Building	83.263	19.315	(25.546)	(60.115)	38.564	-	55.481
Net book value	**229.376**						**226.164**

	1 January 2012	Additions	Disposals	Transfers (2)	Gain/(Loss) resulted from fair value change	Consolidation change effect	31 December 2012
Land	112.913	17.824	-	6.236	9.140	-	146.113
Building	67.328	33.664	(23.230)	3.250	3.643	(1.392)	83.263
Net book value	**180.241**						**229.376**

(1) TL 59.888 of transfers is resulted from the classificiation of "Superficies Right" of Milta Turizm, one of the Group subsidiaries, ton on-currenct assets held for sale (Note 37).

(2) 19 stores belonging Veneris Project of Milpa with 6.067 m2 size, which were accounted under "inventories" until 31 December 2012, were rented for 10 years according to signed agreement and classified as "investment properties" with fair value of TL 6.236.

Investment properties which are carried at cost less any accumulated loss and impairment, if any in the prior consolidated financial statements are recognized at fair value in accordance with the Group management's decision (Note 2.1.6) based on the evaluation done in 2012 year. In this context, investment properties of the Group at 31 December 2012, 31 December 2011 and 31 December 2010, are valued under the Capital Markets Law.

The group has rent income amounting to TL 5.986 from investment (31 December 2012: TL 3.660). Direct operating costs in the current period resulting from investment property is TL 1.270 (31 December 2012: TL 1.277). There is no collateral or mortgage on investment properties of the Group as of 31 December 2013.

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

Movement of the property, plant and equipment for the periods ended 31 December 2013 and 2012 are as follows:

	1 January 2013	Additions	Disposals	Transfers	Classified as asset held for sale[1]	Acquisiton of subsidiary	Disposal of subsidiary [2]	Currency Translation differences	31 December 2013
Cost:									
Land and land improvements	115.756	275	(39)	281	(4.998)	-	-	3.470	114.745
Buildings	137.542	108	(170)	(459)	(280)	-	-	2.612	139.353
Machine and equipments	1.108.171	20.338	(7.955)	41.205	-	330	-	12.533	1.174.622
Motor vehicles	104.479	15.937	(8.233)	-	-	-	-	761	112.944
Furniture and fixtures	370.937	80.288	(24.542)	850	(3.225)	3.879	(172)	266	428.281
Leasehold improvements	125.724	10.542	(193)	480	(411)	285	-	493	136.920
Other non-current assets	9.548	-	(2)	-	-	-	-	-	9.546
Construction in progress	43.954	28.157	(19.142)	(42.357)	(1.220)	547	-	(804)	9.135
	2.016.111	**155.645**	**(60.276)**	**-**	**(10.134)**	**5.041**	**(172)**	**19.331**	**2.125.546**
Accumulated depreciation:									
Land and land improvements	5.094	389	(16)	-	-	-	-	-	5.467
Buildings	71.813	5.321	(1)	-	(82)	-	-	2.517	79.568
Machine and equipments	704.224	67.709	(5.746)	-	-	179	-	11.539	777.905
Motor vehicles	51.666	10.194	(3.842)	-	-	-	-	11	58.029
Furniture and fixtures	185.004	46.519	(10.297)	-	(2.828)	2.663	(156)	827	221.732
Leasehold improvements	70.677	9.799	(70)	-	(97)	-	-	420	80.729
Other non-current assets	721	111	-	-	-	-	-	-	832
	1.089.199	**140.042**	**(19.972)**	**-**	**(3.007)**	**2.842**	**(156)**	**15.314**	**1.224.262**
Net book value	**926.912**								**901.284**

As of 31 December 2013 there is TL 19.087 mortgage on non-current tangible assets. (31 December 2012: TL 15.286).As of 31 December 2013, net book value of non-current tangible assets obtained by leasing is TL 45.540 (31 December 2012: TL 46.800) and accumulated amortisation is TL 34.359. (31 December 2012: TL 27.878).

(1) The Group comprised on an aggrement in order to sell its 17.725,69 m2 sized surface located in Esenyurt, Istanbul for USD 9.000. Aforementioned surface is classified as “non-current assets held for sale” with respect to this aggrement. Also, the Group classified it subsidiaries operating in Hungary and Croatia as non-current assets held for sale.
(2) The Group disposed its subsidiary shares, Moje Delo Spletni Marketing d.o.o in 2013.

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2012	Additions	Disposals	Disposal of Subsidiary	Transfers	Currency translation differences	Acquisition of Subsidiary	Consolidation ratio change(1)	Consolidation change effect	Impairment	31 December 2012
Cost											
Land and land improvements	133.158	1.770	(20.901)	-	2.135	(552)	142	-	4	-	115.756
Buildings	148.046	1.116	(4.624)	-	(9.206)	(874)	3.063	21	-	-	137.542
Machine and equipments	1.020.693	37.506	(158.576)	(320)	12.775	(2.677)	240.531	160	(172)	(41.749)	1.108.171
Motor vehicles	114.218	9.524	(10.125)	-	7	(132)	80	-	(9.093)	-	104.479
Furniture and fixtures	379.568	88.624	(98.062)	110	1.244	(325)	304	-	(416)	-	370.937
Leasehold improvements	97.580	29.668	(3.110)	(7)	-	427	-	-	1.166	-	125.724
Other non-current assets	9.929	-	(382)	-	-	-	1	-	(689)	-	9.548
Construction in progress	3.881	64.246	(7.256)	(-)	(16.364)	(149)	285	-	(9.200)	-	43.954
	1.907.073	**232.454**	**(303.036)**	**(327)**	**9.409**	**(4.282)**	**244.406**	**181**	**-**	**(41.749)**	**2.016.111**
Accumulated depreciation:											
Land and land improvements	4.728	327	-	-	52	-	-	-	(13)	-	5.094
Buildings	70.539	5.726	(540)	-	(3.627)	(285)	-	-	-	-	71.813
Machine and equipments	800.577	48.526	(143.392)	(32)	-	(1.388)	-	150	(217)	-	704.224
Motor vehicles	70.016	10.137	(4.586)	-	-	(140)	-	-	(23.761)	-	51.666
Furniture and fixtures	226.031	46.935	(86.739)	(178)	-	(536)	-	7	(516)	-	185.004
Leasehold improvements	65.196	8.311	(1.638)	(8)	-	(65)	-	-	(1.119)	-	70.677
Other non-current assets	981	1	(261)	-	-	-	-	-	-	-	721
	1.238.068	**119.963**	**(237.156)**	**(218)**	**(3.575)**	**(2.414)**	**-**	**157**	**(25.627)**	**-**	**1.089.199**
Net book value	**669.005**										**926.912**

(1) The change is related to Eko TV to be consolidated as subsidiary since it was consolidated as joint venture before. (Note 3).

NOTE 15 – INTANGIBLE ASSETS

	1 January 2013	Additions	Disposals	Classified as assets held for sale	Currency translation differences	Disposal of subsidiary [1]	Consolidation change effect	31 December 2013
Cost:								
Customer list	310.305	-	-	(31.039)	62.085	-	-	341.351
Trade names and licenses(Media)	295.435	-	-	(13.316)	36.569	-	-	318.688
Electricity production license	355.044	-	-	-	-	-	-	355.044
Other	401.354	72.654	(3.970)	(23.179)	9.585	-	5.104	461.548
	1.362.138	72.654	(3.970)	(67.534)	108.239	-	5.104	1.476.631
Accumulated amortization:								
Customer list	108.192	19.273	-	(23.279)	39.388	-	632	144.206
Trade names and licenses(Media)	19.200	1.491	-	-	1.072	-	-	21.763
Electricity production license	4.611	7.647	-	-	-	-	1.489	13.747
Other	281.083	47.910	(3.250)	(19.488)	8.894	-	2.393	317.542
	413.086	**76.321**	**(3.250)**	**(42.767)**	**49.354**		**4.514**	**497.258**
Television program rights (3)	56.988							76.471
Net book value	**1.006.040**							**1.055.844**

Movement of Television program rights for 2013 is as follows:

	1 January 2013	Additions	Discontinued operations	Depreciation	Currency translation changes	Provision for impairment of program rights and inventory	31 December 2013
Television program rights	56.988	59.401	-	(42.037)	2.729	(610)	76.471

[1] Mentioned disposal of subsidiary refers to, Moje Delo, spletni marketing,d.o.o. which was disposed in 2013.

NOTE 15 – INTANGIBLE ASSETS (Continued)

	1 January 2012	Additions	Disposals	Disposal of Subsidiary	Transfers	Currency translation differences	Acquisition of subsidiary	Consolidation ratio change(1)	Consolidation change effect	31 December 2012
Cost:										
Customer list	309.421	-	-	-	-	884	-	-	-	310.305
Trade names and licenses(Media)	297.085	-	-	-	-	(1.650)	-	-	-	295.435
Electricity production license	-	-	-	-	-	-	355.044		-	355.044
Other	351.502	53.376	(4.623)	(33)	1.537	(1.143)	64	-	674	401.354
	958.008	**53.376**	**(4.623)**	**(33)**	**1.537**	**(1.909)**	**355.108**	**-**	**674**	**1.362.138**
Accumulated amortization:										
Customer list	88.939	18.564	-	-	-	689	-	-	-	108.192
Trade names and licenses(Media)	17.732	1.439	-	-	-	29	-	-	-	19.200
Electricity production license	-	-	-	-	-	-	4.611	-	-	4.611
Other	254.342	33.128	(4.689)	(25)	-	(905)	25	(48)	(745)	281.083
	361.013	**53.131**	**(4.689)**	**(25)**	**-**	**(188)**	**4.636**	**(48)**	**(745)**	**413.086**
Television program rights (3)	64.296									56.988
Net book value	**661.291**									**1.006.040**

(1) The Group has completed the share purchase transaction for the 19,98% shares of Eko TV, which was journalized as joint venture as of 31 December 2011, as of 6 September 2012 and the Company has been included as subsidiary in the accompanying financial statements as of this date

Movement of Television program rights for 2012 is as follows:

	1 January 2012	Additions	Discontinued operations	Depreciation(1)	Currency translation differences	Program rights and inventories provision for impairment	31 December 2012
Television program rights	64.296	29.520	-	(34.949)	(11)	(1.868)	56.988

(1) Depreciation and amortisation of TL 6.893 related to sale of Star TV on 3 November 2011, is classified in financial tables under discontinued operations fort he period ended 31 December 2011.

(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 December 2013, the Group has determined that brand names with carrying value of TL 291.484 have indefinite useful lives (31 December 2012: TL 269.360) (Note 2). The utilization period of brand names with indefinite useful lives, as expected by the Group, is determined based on the stability of the industry, changes in market demands as to the products and services provided through assets, control period over the assets and legal or similar restrictions on their utilization.

Movement of the goodwill for the periods ended as of 31 December 2013 and 2012 is as follows:

	2013	**2012**
1 January	518.914	539.951
Currency translation difference	11.092	(576)
Goodwill impairment (1)	-	(21.278)
Disposal of subsidiary (2)	(6.458)	-
Discontinued operations	-	(43)
Other (3)	(3.543)	860
31 December	**520.005**	**518.914**

(1) There isn't any provision booked for goodwill impairment as of 31 December 2013 as explained in detail in the context in Note 2. (31 December 2012: TL 18.106 of the total impairment is related with the purchasing of subsidiaries operating in Russia by Hurriyet, one of the subsidiaries of the Group and TL 3.172 of the total impairment is related with the goodwill measurement difference regarding the purchases of shares of Eko TV which was previously accounted as joint venture).

(2) The Group has disposed its shares in Moje Delo, spletni marketing d.o.o. subsidiary in accourdance with legal regulations of Slovenia in 2013.

(3) Other relates to the changes in fair value of put options.

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

NOTE 16 - GOVERNMENT GRANTS

- Hürriyet, a subsidiary of the Group, obtained six investment incentives certificate for the imported equipments amounting to USD 13.805 and domestic equipments amounting to TL 1.502 for the modernization of its printing plants in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon on 28 October, 2, 4 November and 30 December 2011. The agreements are valid for two years and equipment imported within the scope of the certificate is exempt from Customs Duty and VAT. The investments amounting to USD 13.595 for imported equipments and TL 1.502 for domestic equipments are realized within these certificates as of 31 December 2013 (31 December 2012:Imported equipments USD 13.450 and domestic equipments TL 1.280).

- Ditaş, a subsidiary of the Group, benefits from the tax and insurance premium incentive under the scope of law 5746 Investment and Employment Promotion and Amending some laws. In this context, the incentive of the insurance premium amounting to TL 811 (31 December 2012: TL 792) is reflected in the financial statements as income from other operations.

- Ditaş obtained incentive certificate at 27 January 2011 from Turkish Treasury of Incentive Executive General Directorate for making the investment amounting TL 9.589 for the modernization of machinery racecourse to increase production capacity. Within the context of incentive certificate 60% tax deduction, 20% investment contribution rate and VAT exemption, custom tax exemption and interest support will be provided for 3 years with insurance Premium employer share support. The date of completion is 21 December 2013. TL 1.358 of Investments have been done to equipments by Ditaş are in incentive scope. (31 December 2012: TL 791)

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions	**31 December 2013**	**31 December 2012**
Provision for lawsuits	31.189	28.712
Other	392	1.458
	31.581	**30.170**

Movement of lawsuit provisions fort he period 31 December 2013 ve 2012 is as follows:

	2013	**2012**
1 January	28.712	21.957
Aqucition of subsidiary	-	325
Additions (Note 27)	8.997	12.414
Payments	(5.124)	(3.663)
Reverse provision	(1.396)	(2.321)
31 December	**31.189**	**28.712**

(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) Law Cases

The amount of lawsuits against the Group is TL 80.623 as of 31 December 2013 (31 December 2012: TL 85.082).

	31 December 2013	31 December 2012
Legal cases	65.797	62.574
Commercial cases	5.552	14.650
Business cases	7.664	6.309
Other	1.610	1.549
Total	**80.623**	**85.082**

A provision for lawsuits filed against the Group whose details are given above amounting to TL 31.189 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 2012: TL 28.712). Legal cases mainly consist of pecuniary and non-pecuniary damages and lawsuits filed against Doğan Yayın Holding and its subsidiaries and lawsuits initiated by the Radio and Television Supreme Council.

(b) **Tax penalty and law suits*:***

The Group's decision on the requirements set out in relation to "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees"

The Group management plans to make use of the requirements set out in relation to "Undue and on Trial Tax Liabilities" and "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees" ("Law No: 6111"), which has become effective upon the issuance in the Official Gazette No: 27857 (I.Bis) on 25 February 2011. After the amount calculated on the basis of Law No: 6111 is paid in advance, the remaining portion which will be paid in 18 equal installments in 36 months, including the 9th installment is paid as of 28 September 2012. In this regard, the Group has no outstanding liability under the requirements of Law No: 6111. The amount of payment and expenses of the Group within the scope of Law No: 6111 are summarized below:

Undue and on trial tax liabilities in dispute

Under the requirements of Law No. 6111, TL 37.430 portion of the related amount is paid in cash until 30 June 2011. In this scope, TL 423.588 portion of TL 886.772 of principal including interest is paid in 8 installments, and the remaining portion (TL 463.184) is paid including the 9th installments. TL 58.013 (31 December 2011: TL 38.595, 31 December 2012: TL 19.418) of total interest payment is made regarding "undue and on trial tax liabilities in dispute" paid in installments. The Group has made a total payment of TL 924.202 including interest regarding its "undue and on trial tax liabilities in dispute" in accordance with Law No: 6111 and the Group has no outstanding liability in this regard.

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

(b) Tax penalty and law suits *(Continued)*

Tax base increase

Under the requirements of law no: 6111, TL 66.040 portion is paid in cash until 30 June 2011. In this scope, TL 15.063 portion of TL 31.534 which will be paid in 18 installments in 36 months is paid in 8 installments, and the remaining portion (TL 16.471) is paid including the 9th month installments. TL 2.069 (31 December 2012: TL 1.372, 31 December 2012: TL 697) of total interest payment is made regarding tax base increase paid in installments. The Group has made a total payment of TL 97.574 including interest regarding its "tax base increase" in accordance with Law No: 6111 and the Group has no outstanding liability in this regard.

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

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

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

The amount of EUR 375.000 which is determined as the initial sale price above, can change depending on the terms details of which are explained below. According to the contract, "initial sale price" will be revised based on whether the "initial public offering" ("IPO") of the shares of Doğan TV Holding or not.

<u>Doğan Yayın Holding:</u>

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

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

(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)

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

Doğan Yayın Holding (Continued) :

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

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

As of the balance sheet date, the Group prepared 2014-2020 cash flow projections for Doğan Yayın Holding to determine whether Doğan Yayın Holding assumes any liabilities in regards to the "initial sale price" regarding the Agreement. The related cash flow statements are calculated based on different initial public offering scenarios in different terms covering 5 years and calculating the fair value of Doğan TV Holding.

Significant estimates and assumptions prepared based on TL cash flow projections for determining the fair value of Doğan TV Holding are presented as follows:

	2014 - 2020
5 year Average Revenue increase in the budgeted period (1)	14,04%

	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
EBITDA margin (2)	11%	11%	23%	30%	35%	38%	38%	37%

(1) Average of Compound annual growth rate (CAGR – compound annual growth rate)
(2) Earnings before interest, taxes, depreciation and amortization

Cash flow projections are discounted with 13,4% as the by rate of weighted average cost of capital (WACC). Growth rate is considered as 3 %.

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

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

Doğan Yayın Holding (continued):

In accordance with the fair value calculated using the discount rates, case of offering to public and cash flow projections mentioned above, there are not any financial liabilities arising from the Axel share acquisition, which represents 12,43% of Doğan TV Holding's capital, by the Axel Springer Group.

Considering the above significant assumptions related to cash flow projections, initial public offering scenarios, fair values calculated by using the discount rates, Agreement terms and future uncertainties, as of the balance sheet date, no liability is recorded in the accompanying consolidated financial statements in relation to the sale of 12,43% "Axel Shares" in Doğan TV Holding capital to the Axel Springer Group by the Group management.

If the weighted average cost of capital (WACC – weighted average cost of capital) after tax used in the fair value calculation of Doğan TV Holding regarding the above-mentioned valuation details increases by 50 basis points, the Group's liability, which is calculated by considering the average fair value occurring at different IPO periods by the end of 2015, would increase by TL 113.488 and if the weighted average cost of capital after tax decreases by 50 basis points, no liability is recognized.

In addition, if cash flows considered in the determination of Doğan TV's fair value decrease by 10%, the Group's liability, which is calculated by considering the average fair value calculated at different IPO periods until the end of 2015, would increase by TL 64.477, and if the related cash flows increase by 10%, no liability is recognized.

In addition to the requirements above, if Doğan TV's public offering occurs in 2014 under the scope of revised agreement signed at 11 June 2013 by the Group and if the estimated initial public offering price is less than the "initial sales price"amount plus EUR 27.000 but by all means above the "initial sale price", positive difference as a reference account arising from the interest paid for the first and second part of DTV Put Option I of which Doğan TV is a party to the agreement in January 2013 and January 2014 and interest for the third part of DTV Put Option I in January 2015 shall be paid by the Axel Springer Group to Doğan Yayın Holding A.Ş..

Doğan Holding:

DTV Put Option I

Specified below conditions set out in the agreement signed on 19 November 2009 are applicable as of 19 February 2010 and they have been finalized with the amendment agreement on 31 October 2011.

- Axel Springer Group has a sale option and Doğan Holding has a committment to purchase 33.843.238 (exact) number of shares for a consideration of EUR 50.000 in each period at January 2013, January 2014 and January 2015 (DTV Put Option I). Axel Springer Group has an option to sell some or all of the related shares.

Payable amount will include interest calculated based on the 12 months compound Euro Libor plus 100 basis points starting from 2 January 2007.

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

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

Doğan Holding (continued):

DTV Put Option I (continued):

As of 31 January 2013, Doğan Holding acquired 33.843.238 (exact) registered group B shares which equals to 2,48844% of paid in capital of Doğan TV Holding first tier for EUR 50.000 as stated above with TL 1 of nominal value in consideration of EUR 61.572 in total. After the related share purchase, Doğan Holding's direct share on Doğan TV Holding became 2,48844%.

The Group's purchase commitment in respect of IAS 32 "Financial Instruments: Disclosure and Presentation", a portion of the liability in the Group's own equity instead of cash, regardless of ability to pay the amount on the balance sheet at amortized over the estimated value of the financial be submitted as a liability. In this respect, as of 31 December 2013 "DTV Option I" covered liabilities in the accompanying consolidated balance sheet at amortized amount of TL 341.615 (31 December 2012: TL 433.806). The said amount is TL 183.210 (31 December 2012: TL 144.642) part of the "short-term financial liabilities", and TL 183.182 (31 December 2012: TL 289.164) amounting to a "long-term financial liabilities are presented as" (Note 8).

DTV Put Option II:

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

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

Whereas, with the amendment agreement dated 31 October 2011, EUR 4,1275 (exact) per share is updated as EUR 1,3725 (exact) because of the increase in the share capital of Doğan TV Holding.

As per the Amendment Agreement dated 31 October 2011, the Axel Springer Group has also requested two guarantee letters amounting to 50.000 EUR each in order to guarantee the liabilities of Doğan Holding under the "DTV Put Option I". Two guarantee letters amounting to EUR 50.000 were given by Doğan Holding as of 10 February 2012, and one of these guarantee letter was expired after the acquisition on January 2013. Also on same date 3rd guarantee letters amouning to EUR 50.000 was given for 34.183.593 (exact) share to be used from January 2015.

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

(d) Put Options:

OOO Pronto Moscow Option

OOO Pronto Moscow, a indirect subsidiary of the Group, has extended the maturity of 70.000 USD with April 2014 term to 20 April 2015 which was classified under short-term portion of long-term borrowings as of 31 December 2013 and 31 December 2012 by using 1 year delay option on contract. Also, interest rate applied has decreased to 6,25% from 6,40% as of 31 December 2012. Under the loan restructuring agreement, Doğan Holding's USD 70.000 of deposit amount has been blocked as a guarantee against the related loan (Note 19).

Oglasnik d.o.o. Option

Hürriyet, a subsidiary of the Group, has granted a put option, on the 30% shares outstanding during the acquisition of 70% interest of the shares in its subsidiary Oglasnik d.o.o in Croatia. Discussions concerning the use of this option as of the reporting date of these financial statements are still ongoing. As of 31 December 2013, the fair value of the option is calculated as TL 16.155 based on various valuation techniques and assumptions and classified in "Other short-term financial liabilities" (31 December 2012: TL 18.207) (Note 9). There is a dispute on the protocol between the contract parties and an arbitration process is in progress in the presence of Zagreb Court of Arbitration. A determination of the validity of the option contract lawsuit has been filed against the Group by the non-controlling interest shareholders regarding the fact that they could not exercise the put option. An alternative compensation as EUR 3.5 million plus overdue interest has been claimed with the lawsuit. The third trial was made on July 3, 2013 and the arbitration process is still ongoing as of the balance sheet date.

(e) Other

Milpa:

The Land of Ömerli

Under the revenue sharing and/or costruction for flat for land basis agreement signed with the landowners in relation to the Milpa's , one of the subsidiaries of the Group, 2.093.941 m2 of land which is classified as investment property in the consolidated financial statements, with the parcel no:1154 in Kurtdoğmuş village, in Pendik in İstanbul, there is an annotation about the construction agreement. The related land is situated at the Habitat Park Area and Recreation Area in the İstanbul Environmental Plan which was approved on 15 June 2009 with a scale of 1/100.000. The remaining parcel no: 1155, which is 144.266 m2, is situated at the Forest Land. In addition, the related parcels are situated at the soil classification section of Kurtdoğmuş, Emirli, Kurnaköy, Ballıca and Göçbeyli villages organized in İstanbul Metropolitan Area East Side pendik, İstanbul in accordance with the Soil Conservation and Land Use Law No: 5403. Parcel no: 1154 in full and small part of parcel no: 1155 are situated at the Marginal Agricultural Area eligible for non-agricultural use and significant part of parcel no:1155 is situated at the Military Area.

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

(e) Other (continued)

Milpa (continued):

144.266 m^2 of the land was removed from forestry land with a court decision taken in 2005. The Forestry Directorate appealed the decision at the 20th Chamber of the High Court and the objection was accepted on 24 June 2008 and these decisions (removing from forestry land) are sent to the Pendik Court of First Instance for re-evaluation. The Court reiterated its initial decision on 8 October 2009. The Ministry of Forestry appealed the Court's decision and the related case file was re-sent to the Civil Department No: 20 of the Court of Appeal and re-transferred to the Pendik Court of First Instance Aforesaid Court follows the Supreme Court 20th Civil Chamber's reversal decision and has postponed the trial date to 5 June 2014 with the purpose of re-exploration and evaluation of Forestry Ministry's claims.

With the 1/100.000 scale environmental plan released on 17 July 2009, the related land was classified as a habitat and recreation area. Milpa appealed this plan with the İstanbul Metropolitan Municipality within the legal deadline and is waiting for related responses. In case of an adverse decision taken by the İstanbul Metropolitan Municipality against Milpa, legal proceedings will be taken contrary to decision.

Pendik, Kurtdoğmuş change in the zoning plan of the land in the village and on the objection to this change, as of the date of preparation of these financial statements have not yet responded on the property's fair value and the resulting uncertainty due to the appeal, the legal process will continue to be assessed according to the developments will occur in the subsequent periods.

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

NOTE 18 - COMMITMENTS

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

	31 December 2013					31 December 2012				
	TL Equivalent	**TL**	**USD**	**EURO**	**Other**	**TL Equivalent**	**TL**	**USD**	**EURO**	**Other**
A. CPM's given in the name of its own legal personality										
Guarantees [1]	500.475	97.284	37.119	110.325	-	489.551	71.739	29.124	155.229	2.709
Pledge	228.221	-	69.101	27.495	-	226.354	226.354	-	-	-
Mortgage [2]	19.087	-	-	6.500	-	15.286	-	-	6.500	-
B. CPM's given on behalf of the fully consolidated companies	-	-	-	-	-	-	-	-	-	-
Guarantees [1] [3]	1.682.172	36.149	530.070	175.275	-	3.417.325	175.080	1.429.350	288.031	8.710
Pledge	-	-	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-	-	-
C. CPM's given on behalf of third parties for ordinary course of business										
Guarantees	-	-	-	-	-	-	-	-	-	-
Pledge	-	-	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-	-	-
D. Total amount of other CPM's given	-	-	-	-	-	-	-	-	-	-
i) Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-	-	-	-	-	-	-
ii) Total Amount of CPM's given on behalf of third parties	-	-	-	-	-	-	-	-	-	-
Which are not in scope of B and C	-	-	-	-	-	-	-	-	-	-
iii) Total Amount of CPM's given on behalf of third parties	-	-	-	-	-	-	-	-	-	-
Which are not in scope of C	-	-	-	-	-	-	-	-	-	-
Total	**2.429.955**					**4.148.516**				

(1) The guarantees of the Group consist of letter of guarantees, guarantee notes, bails and mortgages. The details of letter of guarantees, guarantee notes, bails and mortgages are explained below.
(2) There is a mortgage amounting to TL 19.087 over the tangible fixed assets of Group's subsidiary Hürriyet as of 31 December 2013 (31 December 2012: TL 15.286).
(3) Doğan Holding has bail amounting to USD 52.800 given to credit institutions within the scope of Aslancık Elektrik's hydroelectric power plant construction that is planned to be completed in 2013 (31 December 2012: USD 45.309).The entity gave bank guarantees amounting to USD 78.018 for Boyabat Elektriks long term Project financing bank loan.
(4) 33.33% Shares of Aslancık Elektrik (45.000.000 (exact) shares, 33% shares of Boyabat (6.996.000 (exact) shares), 100% of Akdeniz'in (20.000 (exact) shares), 100% of Galata Wind'in (68.700 (exact) shares) and 100% of Nakkaştepe Elektrik (141.500.000 (exact) shares) were given as pledges to financial instutions 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 given by the Group to equity ratio is 0% as of 31 December 2013 (31 December 2012: 0%). The details of letter of guarantees and guarantee notes given by the Group are as follows:

	31 December 2013		31 December 2012	
	Original currency	**TL equivalent**	**Original currency**	**TL equivalent**
Letters of guarantees - EUR	241.407	708.892	230.622	542.354
Letters of guarantees - TL	97.591	97.591	73.193	73.193
Letters of guarantees - USD	37.119	79.223	29.940	53.371
Letters of guarantees - Other	-	-	2.709	843
Guarantee notes – TL	25.634	25.634	25.750	25.750
Guarantee notes – EUR	7.043	20.682	782	1.839
Guarantee notes – USD	-	-	134.960	240.580
Total		**932.022**		**937.930**

Doğan TV Holding, one of the subsidiaries of Doğan Yayın Holding, has given letters of guarantees amounting to EUR 55.000 to UEFA (Union Européenne de Football Association or Union of European Football Associations) in 2008 for broadcasting rights of UEFA Champions League, UEFA Super Cup and UEFA Cup games for the period 2012-2015.

Explanied as in Note 18, as per the amendment signed on 31 October 2011, the Axel Springer Group has also requested two guarantee letters amounting to EUR 50.000 each in order to secure the liabilities of Doğan Holding under the "DTV Put Option I". Two guarantee letters amounting to EUR 50.000 each were given by Doğan Holding as at 10 February 2012. In addition, Doğan Holding has also given a third guarantee letter amounting to EUR 50.000 in consideration of 34.183.593 shares in the same period to be used as of January 2015. One of the bank guarantee letters which was given related with the put option amounting EUR 50.000 in January 2013 was released and accordingly, the number of guarantee letters given to the bank decreased to 2.

(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 December 2013 and 31 December 2012 are as follows:

	31 December 2013		31 December 2012	
	Original Currency	**TL equivalent**	**Original Currency**	**TL equivalent**
Bails - EUR	37.150	109.091	211.856	498.223
Bails - USD	530.070	1.131.328	1.293.573	2.305.923
Bails - TL	9.989	9.989	147.875	147.875
Bails - CHF	-	-	8.634	16.925
Mortgages - EUR	6.500	19.087	6.500	15.286
Mortgages – TL	217	217	-	-
Total		**1.269.712**		**2.984.232**

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

As of 31 December 2013, the Group has a commitment for the publication of advertisements amounting to TL 10.525 (31 December 2012: TL 11.710) in exchange for purchasing goods and services and has an option to purchase goods and services amounting to TL 32.496 (31 December 2012: TL 34.259) in exchange of the goods or services sold.

NOTE 19 - OTHER ASSETS AND LIABILITIES

	31 December 2013	31 December 2012
Other current assets		
Blocked deposits [1]	227.116	214.809
Value Added Tax ("VAT") receivables	27.554	23.334
Prepaid taxes	21.668	18.858
Work advances	7.608	12.121
Personnel advances	5.886	9.655
Programme stocks	4.044	9.120
Other	7.204	6.009
	301.080	**293.906**
Provision for impairment on programme stocks	(1.081)	(1.081)
Provision for other doubtful receivables	(873)	(747)
	299.126	**292.078**

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

NOTE 19 - OTHER ASSETS AND LIABILITIES (Continued)

	31 December 2013	31 December 2012
Other non-current assets		
Blocked deposits (1) (2)	233.642	235.475
Value Added Tax ("VAT") receivables	132.484	132.017
Deposits and guarantees given	229	117
Other	341	242
	366.696	**367.851**

(1) As of 31 December 2013, Doğan Holding's time deposit amounting to USD 70.000 (TL: 149.401) (31 December 2012: USD 70.000 (TL 124.782), TME; EUR 14.000 (TL 41.111) (31 December 2012: TL 0) DMI; TL 11 (31 December 2012: TL 5) Akdeniz Elektrik; TL 1 (31 December 2012: TL 0) Galata Wind and additionally, Group's subsidiary Hürriyet's credit pledge of USD 17.144 (36.592 TL) were bloced and accounted under current assets (As of 31 December 2012 time deposits amounting USD 25.500 (TL 45.456) and USD 25.000 (TL 44.566) have been blocked for the loans used by Mozaik and Hürriyet respectively, and accounted under other current assets).

(2) As of 31 December 2013, Doğan Holding's time deposit amounting to USD 40.500 (TL 86.439) (31 December 2012: 0) Mozaik; TL 359 (31 December 2012: TL 288) Çelik Halat and within the scope of 28 February 2012 dated modification agreement signed between, the Company and Commerz-Film GmbH and Hauptstadtsee 809. V V GmbH, time deposit amounting to EUR 50.000 (TL 146.825) (31 December 2012: EUR 100.000 (TL 235.170) have been blocked and all of the amount is accounted under non-current asset; additionally TL 19 (31 December 2012: TL 17) for Hürriyet is blocked and accounted under blocked deposits with maturity more than one year.

NOTE 20- PREPAID EXPENSES AND DEFERRED INCOMES

Details of prepaid expenses and deferred incomes for the periods ended as of 31 December 2013 and 31 December 2012 are as follows:

Short term prepaid expenses	31 December 2013	31 December 2012
Prepaid expenses (1)	28.653	17.076
Advances given	30.663	25.963
	59.316	**43.039**

(1) Significant amount of prepaid expenses consists of prepaid rent expenses and insurance expenses.

(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 (Continued)

Long term prepaid expenses	**31 December 2013**	**31 December 2012**
Advances given and prepayments (1) (2)	29.215	23.831
Prepaid expenses for the following years	8.555	6.538
Advances given for fixed asset purchases	395	-
	38.165	**30.369**

(1) Advances given and prepayments amounting TL 25.708 (31 December 2012: TL 20.439) consist of prepayments made by Doğan TV Holding, one of the subsidiaries of Doğan Yayın Holding, for UEFA (Union Européenne de Football Association or Union of European Football Associations) Champions League qualifying games and UEFA Cup qualifying games of certain Spor Toto Super League teams between 2008 and 2020. In accordance with the agreements, prepayments made for the related games will be refunded to Doğan TV Holding in case of cancellation of the games.

(2) TL 3.180 (31 December 2012: TL 3.180) of the advances given and prepayments includes the expenses caused by the landowners and advances given to the landowners who passed their shares of the real estate Project in the land of Ömerli by Milpa which is a subsidiary of the Group for the part of the proceeds. 25% of the revenue of the project which Milpa is planning to develop, about the houses and offices will be committed and set-off to the landowners revenue-sharing or flat received from contractor for landownership by the proportion of their shares.

Short term deferred income	**31 December 2013**	**31 December 2012**
Deferred income	50.198	28.362
Advances received	16.249	7.594
	66.447	**35.956**

Long term deferred income	**31 December 2013**	**31 December 2012**
Deferred income	3.563	12.364
	3.563	**12.364**

NOTE 21 - DERIVATIVE INSTRUMENTS

	31 December 2013		**31 December 2012**	
	Asset	**Liability**	**Asset**	**Liability**
Derivative swap instruments				
Swap transactions in foreign exchange	-	2.440	573	-
Interest rate swap transactions	839		309	1.683
Total	**839**	**2.440**	**882**	**1.683**

(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 (Continued)

(a) Derivative instruments against foreign exchange risk

The Group has made a Euro swap transaction amounting to USD 20.000 (31 December 2012: USD 25.222 related with bank borrowings. Fair value of financial liability resulted from open SWAP transactions as of 31 December 2013 is TL 2.440 TL (31 December 2012: TL 573 Financial asset).

The group has buy/sell conditioned transactions amounting to USD 1.000.000 every week on Mondays based on markets exchange rates by 13 January 2014.

(b) Interest rate swap transactions

Hürriyet, a subsidiary of the Group, had an interest rate swap agreement amounting to USD 10.000 with a maturity date of 2015 related with interest payments of USD floating interest rate (Libor) bank borrowings to convert to Euro (Euribor) floating interest rate. Finance expense amounting to TL 635 is recognised during the period regarding these agreements.

Doğan TV Holding, one of the subsidiaries of the Group, had an interest rate swap agreement amounting to USD 11.111 related with bank borrowings to convert floating interest rate to fixed interest rate for its loan. According to the agreement, interest expense of loan was fixed until 23 May 2014. Financial asset recognised as of 31 December 2013 regarding these agreements amounted to TL 839 (31 December 2012: TL 309 financial asset and TL 1.683 financial liability). No financial income is recognised during the period regarding these agreements (31 December 2012: None).

NOTE 22 - PROVISION FOR EMPLOYMENT BENEFITS

a) Payables regarding benefits provided to employees

The details of payables regarding employee benefits at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	**31 December 2012**
Social security payables	11.704	9.751
Payables to personnel	14.695	16.834
	26.399	**26.585**

(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 for the period of 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Unused vacation provision	41.373	36.624
	41.373	**36.624**

The movements in the provision for employment termination benefits for the periods ended 31 December 2013 and 2012 are as follows:

	2013	2012
1 January	36.624	31.904
Additions	12.760	11.079
Acquisition of subsidiary	-	610
Payments related with provisions	(8.332)	(6.978)
Currency translation difference	321	9
31 December	**41.373**	**36.624**

c) *Long term provision within employment benefits*

Details of long term provision within employment benefits for the period of 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Provision for employment termination benefits	103.521	94.375
	103.521	**94.375**

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 or retires and achieves the retirement age. At 31 December 2013 the amount payable maximum equals to one month of salary and is limited to TL 3.254,44 (31 December 2012: TL 3.033,98) 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)

d) Long term provision within employment benefits(Continued)

Provision for employment termination benefits is not subject to any legal funding. 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. In 2012, the Group has decided to early adopt the amendments to TAS 19 which is applicable as of 1 January 2013 and recognized all actuarial gains and losses in other comprehensive income.

Actuarial assumptions used in the calculation of the retirement pay provision are as following:

- discount rate is applied as 9,70% (31 December 2012: 7,69%), inflation rate applied as 6,40% (31 December 2012: 4,98%) and rate of increase in real wages applied as 6,40% (31 December 2012: 4,98%) in the calculation.

- the calculation is made based on the maximum salary rate of TL 3.254,44 effective as of 31 December 2013 (31 December 2012: TL 3.033,98).

- age of retirement is based on considering the Company's historical operating data and taken as the average age of retirement from the Group.

The movements in the provision for employment termination benefits are as follows:

	2013	**2012**
1 January	94.375	46.975
Current period service cost from continued operations	9.260	5.835
Current period interest cost from continued operations	6.125	4.666
Actuarial loss	5.245	45.917
Payments during the period from continued operations	(14.340)	(12.852)
Deficit related to payments/ decrease in benefits/lay off	2.856	3.834
31 December	**103.521**	**94.375**

Total costs excluding the actuarial loss regarding employment benefits are presented in consolidated statement of income prepared as of 31 December 2013. As explained in Note 2.1.6, actuarial loss amounting to TL 5.245, (31 December 2012: TL 45.917) is presented in other comprehensive income as of 31 December 2013. Total costs regarding employment benefits as of 31 December 2013 are presented in the consolidated statement of profit or loss as explained in note 2.1.7.

(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 available to companies registered with the CMB and set a limit on its registered paid-in capital representing registered type shares with a nominal value of TL 1 Doğan Holding's authorized, historical and paid-in share capitals at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Limit on registered capital	4.000.000	4.000.000
Issued capital	2.450.000	2.450.000

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 ve Y.Begümhan Doğan Faralyalı) and the shareholders of Holding and the historical values of shares in equity at 31 December 2013 and 31 December 2012 are as follows:

Shareholder	Share %	31 December 2013	Share %	31 December 2012
Adilbey Holding A.Ş.	52,68	1.290.679	52,68	1.290.679
Doğan Family	14,48	354.664	14,48	354.664
Publicly traded on Borsa İstanbul (1)	32,84	804.657	32,84	804.657
Issued capital	**100**	**2.450.000**	**100**	**2.450.000**
Adjustment to issued capital		143.526		143.526
Total		**2.593.526**		**2.593.526**

(1) In accordance with the Capital Markets Board's (the "CMB") Resolution No: 21/655 issued on 23 July 2010, it is regarded that 32,68 % of the shares (31 December 2012: 31,97 %) are outstanding as of 31 December 2013 based on the Central Registry Agency's ("CRA") records. 34,29% of Doğan Holding's shares are publicly available.

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.

Share Premiums/discounts

Premium/discount on shares refers to possitive or negative differences between the nominal amount and sales amount of shares that are publicly traded.

Restricted Reserves Assorted from Profit

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).

General legal restricted reserves are segmented according to Turkish Commercial Code (TCC), number 519 and applied accordingly.Required amounts shall be classified in "Restricted Reserves" in accordance with the CMB's Financial Reporting Standards.

(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)

Restricted Reserves Assorted from Profit (Continued)

Detail of restricted reserves assorted from profit as of 31 December 2013 and 31 December 2012 is given below:

Restricted reserves	**31 December 2013**	**31 December 2012**
Legal reserves	124.163	124.163
Gain on sale of subsidiary's shares	1.018.500	1.079.880
Total	**1.142.663**	**1.204.043**

Accumulated Other Comprehensive Expenses That will not reclassified in Profit or Loss

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

i. Investment Property Comprehensive Revaluation Reserves

Real estates recognized 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 in 2012 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 1.002 is recognized as revaluation reserve under shareholders equity as of 31 December 2012.

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. In 2012, the Group has decided to early adopt the amendments to TAS 19 which is applicable as of 1 January 2013 and recognized all actuarial gains and losses in other comprehensive income. Actuarial loss recognized under equity in the balance sheet amounts to TL 29.577. (31 December 2012: TL 25.381).

Accumulated Other Comprehensive Expenses Reclassified by Profit or Loss

i. Financial Asset 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 stated in the current period of balance sheet under equity as Gain/(loss) on revaluation and reclassification, amounting to TL 1.153. (31 December 2012: TL 2.092 value increase).

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 are collectively presented in equity.

NOTE 23 – EQUITY (Continued)

Capital Reserves and Retained Earnings (Continued)

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 inflation adjustment of "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 the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilized in dividend distribution or capital increase yet, it shall be classified under "Retained Earnings". Other equity items are carried at the amounts valued in accordance with CMB's Financial Reporting Standards.

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, 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, the following can be distributed to shareholders as cash dividends,

a) Retained earnings derived from the reprepepation of comparative financial statements based on the first time adoption of TAS/TFRS
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,

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.

At the Annual General Meeting of Doğan Holding held on 3 July 2013, it is disclosed to the public;

- Within the scope of the requirements of the CMB based on the audited consolidated financial statements prepared for the period 01.01.2012-31.12.2012 in accordance with Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS) , the Group's "Consolidated Net Gain for the Period" is calculated as TL 155.671, considering its "current period tax expense", "deferred tax expense", "non-controlling interests"., After the deduction of "accumulated loss" amounting to TL 831.377 and addition of donations amounting to TL 4.072, it is noted that a "Net Loss for the Period" of TL 671.634 has been incurred and decided not to distribute any profits for the year 2012 based on the CMB's profit distribution requirements and the matter to be submitted to the General Assembly,

-Based on the legal financial records prepared for the period 1 January 2012-31 December 2012 in accordance with Turkish Commercial Code (TCC) and Tax Procedures Law (TPL), for the year 2012 "Net Loss for Period" is calculated amount of TL 66.387. In order to take advantage of tax exemption TL 61.380 of income that is exempt from tax which was recognized in "special fund account" in liabilities for a period of five years in accordance with the Corporate Tax Law has been decided by majority of votes to be offset" with "Extraordinary Shares" of the total amount.

(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)

Dividend Distribution (Continued)

The CMB requires the disclosure of total amount of net profit in the statutory records and other resources which may be subject to distribution in the financial statements prepared. As of the balance sheet date, the Company's gross amount of resources that may be subject to the profit distribution based on the statutory records amounts to TL 1.781.968. (31December 2012: TL 1.512.314).

The shareholders equity of Doğan Holding is as below:

	31 December 2013	**31 December 2012**
Share capital	2.450.000	2.450.000
Adjustment to share capital	143.526	143.526
Share premium	630	630
Gains on revaluation of investment property	1.002	1.002
Actuarial losses in defined benefit plans	(29.577)	(25.381)
Translation reserve	143.215	53.600
Revaluation of financial assets available for sale and / or classification gains / losses	(1.153)	2.092
Restricted reserves assorted from profit	1.142.663	1.204.043
- Legal reserves	*124.163*	*124.163*
-Gain on sale of equity participations	*1.018.500*	*1.079.880*
Retained (loss)	(561.979)	(804.264)
Net income/(loss) for the period	(38.140)	155.670
Total shareholders' equity	**3.250.187**	**3.180.918**

NOTE 24- REVENUE AND COST OF SALES

	1 January-31 December 2013	**1January-31 December 2012**
Domestic sales	3.338.782	2.998.053
Sales abroad	391.304	495.969
Sales returns	(398.806)	(367.080)
Sales discount	(29.953)	(60.302)
Net sales	**3.301.327**	**3.066.640**
Cost of sales (-)	(2.454.189)	(2.173.787)
Gross profit	**847.138**	**892.853**

Sales income and cost of sales

The details of operating revenue for the years ended 31 December 2013 and 2012 are disclosed in Note 5 – "Segment Reporting".

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

NOTE 25 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	1 January-31December 2013	1 January-31December 2012
General administrative expenses	371.896	379.460
Marketing expenses	461.120	389.840
Operating expenses	**833.016**	**769.300**

NOTE 26 - EXPENSES BY NATURE

The details of cost of sales, marketing, selling and distribution expenses and general administrative expenses for the year ended as at 31 December 2013 and 2012 are as follows:

	2013	2012
Personnel expenses	700.516	593.777
Cost of trade goods sold	763.823	767.774
General production overhead	533.350	366.250
Raw material and supplies	299.077	312.370
Depreciation and amortization (1)	258.194	207.737
Advertisement expenses	103.895	82.317
Rent expenses	77.888	69.187
Transportation, storage and travel expenses	60.988	60.892
Telecommunication service expenses	38.272	43.861
Consulting expenses	45.302	48.836
Promotion expenses	23.647	20.575
Satellite usage fees	21.290	23.784
RTSC share in advertisement	18.786	17.701
Communication expenses	10.116	9.411
Agency commission expenses	6.449	5.825
Various taxes	7.788	9.839
Outsource expense	23.261	27.917
Other	294.563	275.034
	3.287.205	**2.943.087**

(1) As of 31 December 2013, TL 206 of depreciation and amortisation expenses have been reflected to the inventores, accounted (31 December 2012: TL 306).

(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

	1 January- 31 December 2013	1January- 31 December 2012
Other operating income		
Foreign exchange gains from operating activities	423.352	76.829
Unearned finance income and accruals due to sales with maturities	73.074	57.300
Interest income and accruals on bank deposits	65.640	122.607
Reversed provisions	15.316	38.893
Usage of vat discount	4.907	2.069
Rent income	5.986	3.802
Revenue from the corporate income tax return (1)	-	19.788
Other operating income	8.583	26.791
	596.858	**348.079**

(1) Tax amounted TL 19.785 for Company's dividend income, obtained in 2010, from OMV Petrol Ofisi A.Ş amounting TL 395.699 was paid in cash in April 2011 after reservation. Opened legal case on İstanbul 5.th Tax court and numbered 2011/1229 based on exception in corparate tax of dividend income from related parties on tax court result in favor of the Company, dated 6 July 2012 and numbered 2012/1789. After the result of tax court decision,overcharged corporate tax amounting TL 19.785 has been collected on 2 August 2012 from the Company. The amount was recognized and accounted under other operating income for the period ended December 31, 2012.

	1 January- 31 December 2013	1January- 31 December 2012
Other operating expense		
Foreign exchange losses from operating activities	(82.794)	(109.696)
Provision for doubtful receivables (Note 9)	(35.421)	(40.028)
Unearned finance expense and accurals Due to purchase with maturity	(24.906)	(17.378)
Provision for lawsuits (Note 17)	(8.997)	(12.414)
Other penalties and compensations paid	(4.200)	(4.746)
Milpark termination agreement expenses	-	(25.110)
Tax liability in dispute finance expense regarding 6111 law	-	(19.418)
Tax base increase finance expense regarding 6111 law	-	(696)
Expense for inventory count differences	-	(1.252)
Provision for impairment on inventory (Note 11)	(1.917)	(3.813)
Donations	(6.953)	(9.142)
Other operating expenses	(39.150)	(6.684)
	(204.338)	**(250.377)**

(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

The details of income and expenses from investing activities for the periods ended 31 December 2013 and 2012 are as follows:

Income from investing activities

	1 January- 31 December 2013	**1January- 31 December 2012**
Exchange gain	88.416	67.806
Interest income and accurals of securities	22.115	141
Interest income and accurals of bank deposits	47.052	40.456
Fixed asset sales income(1)	10.564	185.484
Fair value gain on investment property	52.495	11.895
Annulment indemnity of put option agreement of Turner	-	45.767
Gain on sale of subsidiary shares	1.255	2.436
	221.897	**353.985**

(1) As of 31 December 2012 TL 142.905 of fixed asset sales income consists of gain of fixed asset sale of Hürriyet building to Nurol Gayrimenkul Yatırım Ortaklığı on 1 February 2012.

Expenses from investing activities

	1 January- 31 December 2013	**1January- 31 December 2012**
Exchange loss	(101.029)	(88.551)
Loss on sale of assets	(8.154)	(18.135)
Interest expense related tos hare purchase committment (1)	(5.321)	(18.190)
Impairment of tangible and intangible assets	-	(183)
Impairment of investment property	-	(2.953)
Loss on subsidiary share sale	(2.527)	-
Provision for impairment of goodwill	-	(21.278)
	(117.031)	**(149.290)**

(1) Mentioned amount refers to interest expense resulting from share purchase option given to Axel Springer AG (Note 17).

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

NOTE 29 - FINANCE INCOME AND EXPENSE

The details of finance income for the periods ended 31 December 2013 and 2012 are as follows:

Financial Income	**1 January- 31 December 2013**	**1January- 31 December 2012**
Foreign exchange gain	18.876	66.574
Total	**18.876**	**66.574**

The details of finance expenses for the periods ended 31 December 2013 and 2012 are as follows:

Financial Expense	**1 January- 31 December 2013**	**1January- 31 December 2012**
Foreign exchange loss	(291.425)	(61.742)
Interest expense on bank loans	(135.755)	(98.607)
Bank commission expenses	(15.635)	(19.747)
Other	(31.052)	(17.883)
Total	**(473.867)**	**(197.979)**

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

NOTE 30 -NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

a) Investment properties and non-current assets classified as held fo sale

i. *Milta "Superficies Right"*

"Superficies Right" of Milta Turizm, a subsidiary of the Group, registered on 23 December 2013 to the deed, for 49 years beginning from 11 April 1985 on 92.476m2 sized surface in Göynük village of Kemer, Antalya has been sold to Ceylan İşletme İnşaat Turizm Yatırım Nakliyat Gıda İçecek Sanayi ve Ticaret A.Ş. for EUR 20.000 on 18 February 2014 by negotiation. EUR 15.000 will be paid upfront and the remaining EUR 5.000 will be collected in four equal installments (EUR 1.250) first one on 31 August 2015 and the last one on 31 August 2018. An annual interest of 3.25% as well as the interest related VAT is applicable on the amount to be paid in instalments, starting from the title deed registration date. The portion of the "superficies right" sales profit that is exempt from tax shall not be associated with the statement of profit or loss, and shall be taken to a special fund account following the sales transaction.

As a consequence of sales operation, group classified the "Superficies Right" in consolidated financial statements as "assets held for sale" as of 31 December 2013 with respect to TAS/TFRS.

As of 31 December 2013, investment properties are shown with fair value in consolidated financial statements. Gain/Loss resulted from any change in fair value is included in statement of profit or loss with respect to TAS 40. During the selling process of Milta Turizm's "Superficies Right" in Kemer after balance sheet date on 18 February 2014, amount of TL 59.888 (EUR 20.000) was determined as the fair value as of 31 December 2013. Occured positive difference is shown as investment properties' positive evaluation difference in statement of profit or loss for the period ended on 31 December 2013 with respect to TFRS 5 and TAS 40.

There will be no change in sales gain in 2014 CMB financial statements which is prepared in accordance with TAS/TFRS, as related asset's carried value is balanced with market value as a result of valuation process.

ii. The land of Hürriyet

In addition, Hürriyet, one of the subsidiaries of the Group, has agreed to sell its land of 17.725,69 m2 located in the district of İstanbul, Esenyurt for USD 9.000. As a result of this agreement, the land has been reclassified as asset held for sale.

Assets	**31 December 2013**
Non-current assets	4.685
Total assets classified as non-current assets held for sale	**4.685**

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

NOTE 30 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

b) Subsidiaries classified as assets and liabilities held for sale

As of November 2013, Hürriyet, a subsidiary of the Group, has decided to dispose of its subsidiaries operating in Hungary and Croatia and classified the assets and liabilities of these companies as non-current assets as held for sale and therefore disclosed separately in the balance sheet. As of 28 February 2014, the Group transferred its subsidiary, Oglasnik d.o.o. to non-controlling interests for 2 Kuna.

Details of the assets and liabilities held for sale are as follows:

Assets and Liabilities	**31 December 2013**
Cash and cash equivalents	1.009
Trade receivables	894
Other receivables and current assets	969
Intangible non-current assets	27.265
Tangible non-current assets	2.442
Provision for net assets disposed	(23.301)
Total assets classified as assets held for sale	**9.278**
Trade payables	2.440
Other financial liabilities	1.012
Other payables	34
Deferred tax liabilities	5.760
Other non-current liabilities	32
Total liabilities classified as assets held for sale	**9.278**

c) Discontinued operations

As of November 2013, Hürriyet, a subsidiary of the Group, has decided to dispose of its subsidiaries operating in Hungary and Croatia and classified the operations of these subsidiaries as discontinued operation.

Net result of discontinued operations	**2013**
Sales	10.611
Cost of sales (-)	(5.832)
General administrative expenses (-)	(6.728)
Marketin, sales and distribution expenses (-)	(2.109)
Other operating income	3.900
Other operating expense (-)	(1.450)
Financial expense (-)	(48)
Loss before tax	(1.656)
Tax income	373
Net loss	(1.283)
Provision for impairment of net assests disposed	(23.301)
Loss from discontinued operations after tax	**(24.584)**

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

NOTE 31 - DISPOSAL OF SUBSIDIARY

The Group has disposed of it shares in its subsidiary, Moje Delo, spletni marketing d.o.o in 2013 in accordance with the legal regulations of Slovenia.

Net book value of assets disposed	**31 December 2013**
Current assets	
Cash and cash equivalents	268
Trade receivables	168
Other receivables	118
Other current assets	26
Non-current assets	
Property, plant and equipment and intangible assets	511
Deferred tax asset	4
Current liabilities	
Other trade payables	1.860
Other payables	71
Other current liabilities	425
Net assets disposed	**(1.261)**
Loss on sale of subsidiary	
Group's share in net assets disposed (55%)	(694)
Goodwill (Note 15)	6.458
Sales amount:	
Cash and cash equivalents paid	3.237
Revenue to be collected in future periods	-
Net cash inflow from sales:	
(Less) cash and cash equivalents disposed	(268)
Total amount of cash proceeds	2.970
Loss on sale of subsidiary (Note 28)	**(2.527)**

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

NOTE 32 – 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 for the periods ended 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Provision for period income tax	112.259	84.179
Prepaid taxes	(94.596)	(74.350)
Taxes Payable	**17.663**	**9.829**

	31 December 2013	31 December 2012
Corporate and income taxes payable	17.663	9.829
Deferred tax liabilities, net	66.242	87.226
Total	**83.905**	**97.055**

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 2013 is 20% (2012: 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 a 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.

NOTE 32 – INCOME TAXES (Continued)

Turkey (Continued)

In accordance with the related law, the cumulative inflation of last 36 months inflation rate (CPI) must exceed 100% and the inflation rate (CPI) 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 five years.

As publicly disclosed on 19 April 2011, the Company plans to make use of the requirements set out in relation to "Tax Base Increase" in Law No: 6111 "Restructuring of some receivables and Social Security and General Health Insurance Law and Other Law Amending Certain Laws and Decrees"; therefore, 50% of losses attributable to the periods that are subject to tax base increase will not be offset against the income to be obtained in 2010 and subsequent periods.

As of 31 December 2013, the Company has offset its financial losses attributable to the calculation of offsetting of tax asset against deductible financial losses or current tax provision in accordance with the above-mentioned principles.

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

Exemption for participation in subsidiaries

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

Issued premiums exemption

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

Exemption for participation into foreign subsidiaries

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

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

NOTE 32 - INCOME TAXES (Continued)

Turkey (Continued)

Exemption for sale of participation shares and property

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

Russian Federation

The corporate tax rate effective in the Russian Federation is 20% (2012: 20%).

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

According to the Russian Federation's tax legislation, financial losses can be carried forward for 10 years to be deducted from future taxable income. Restriction on the deductible financial losses has been revoked as of 2007. Maximum amount that can be deducted in any year is limited to 30% of the taxable income (2012:30%). Rights related to tax losses that have not been utilized in the related years are expired.

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

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

The tax rates at 31 December 2012 applicable in the foreign countries, where the significant part of the Group's operations are performed, are as follows:

Tax Country	Tax rates(%)	Country	Tax rates(%)
Germany [1]	28,0	Ukraine [3]	19,0
Romania	16,0	Hungary [2]	19,0
England	28,0	Slovenia	17,0
Croatia	20,0	Belarus	18,0
Kazakhstan	20,0	Netherland [4]	25,0

(1) Corporate tax rate is applied as 15% for Germany. With an additional solidarity tax of 5,5% effective corporate tax increases to15.825% and municipal commerce tax varying in between 14% and 17% is also applied over the corporate tax.
(2) Tax rate is 10% for the tax base up to initial 500 million Hungarian Forint, and 19% for over 500 million Hungarian Forint
(3) From 1 January 2013tax rate decreased from 21% to 19% and will decrease to 16% as of January 2014.
(4) 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 32- INCOME TAXES (Continued)

Deferred Taxes

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported under the POA's Financial Reporting Standards and their statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for the POA's Financial Reporting Standards and tax purposes.

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

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

The composition of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred tax has been provided at 31 December 2013 and 31 December 2012 using the enacted tax rates is as follows:

	Cumulative Temporary differences		Deferred tax assets/ (liabilities)	
	31 December 2013	**31 December 2012**	**31 December 2013**	**31 December 2012**
Differences between the tax base and carrying value of property, plan and equipment and intangible assets	80.854	101.490	16.171	20.298
Carry forward tax losses	273.439	198.835	54.688	39.767
Provision for doubtful receivables	85.452	57.115	17.090	11.423
Provision for employment termination benefits	144.894	130.999	28.979	26.200
Derivative financial liabilities	2.440	1.683	488	337
Deferred financial income of trade receivables	2.638	518	528	104
Other	142.723	76.017	28.545	15.203
Deferred tax assets			**146.489**	**113.332**
Differences between the tax base and carrying value of property, plant and equipment and intangible assets	(963.056)	(979.378)	(192.611)	(196.524)
Fair value of Investment Property	(23.649)	(366.651)	(4.730)	(1.889)
Derivative financial assets	(839)	(882)	(168)	(176)
Other	(76.111)	(10.289)	(15.222)	(1.969)
Deferred tax liabilities			**(212.731)**	**(200.558)**
Deferred tax liabilities, net			**(66.242)**	**(87.226)**

Conclusions of netting has been reflected to consolidated balance sheet of the Group, since separate taxpayer companies Doğan Holding, subsidiaries and joint ventures has booked their deferred tax assets and liabilities by netting in their financial statements that were prepared in accordance with the POA Financial Reporting Standards. 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 32 - INCOME TAXES (Continued)

The Group recognized deferred tax assets over TL 317.372 of carry forward tax losses in the consolidated financial statements prepared in accordance with the CMB's Financial Reporting Standards at 31 December 2013 (31 December 2012: TL 198.835). As of 31 December 2013 and 31 December 2012, the maturity analysis of carry forward tax losses is as follows:

	31 December 2013[1]	**31 December 2012**
2013	-	(4.260)
2014	(87.256)	(90.552)
2015	(44.483)	(22.171)
2016	(63.208)	(33.524)
2017 and after	(122.425)	(48.328)
	(317.372)	**(198.835)**

(1) Regarding the period, amount of accumulated past year financial loss according to the latest reducible years is presented suitably to the scope of Law No. 6111.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. As of 31 December 2013, the Group does not recognize deferred tax from carry forward tax losses amounted to TL 1.128.603 (31 December 2012: TL 1.064.493).

Movements for net deferred taxes for the periods ended at 31 December 2013 and 2012 are as follows:

	2013	**2012**
1 January	(87.226)	(61.858)
Deferred tax effect of financial asset fair value increase	649	(1.549)
Current year (expense)/income	21.541	23.886
Actuarial loss tax effect accounted under other comprehensive income	1.181	9.108
Acquisition of common control entity	2.247	-
Currency translation differences	(4.774)	(325)
Acquisition of subsidiary	-	(58.503)
Disposal of subsidiary	(102)	16
Other	242	1.999
31 December	**(66.242)**	**(87.226)**

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

NOTE 32 - INCOME TAXES (Continued)

The taxes on income reflected to the consolidated statement of profit or loss for the periods ended at 31 December 2013 and 2012 are summarized below:

	1 January - 31 December 2013	**1 January- 31 December 2012**
Current	(113.387)	(81.101)
Deferred	21.541	23.886
Total Tax	**(91.846)**	**(57.215)**

The reconciliation of the taxation on income in the consolidated statement of profit or loss for periods ended 31 December 2013 and 2012 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income are as follows:

	2013	**2012**
Profit / (loss) before income taxes from continued operations	(49.618)	317.692
Tax calculated using the current rate of 20%	9.924	(63.538)
Interest expense of base rate increase	-	(3.871)
Effect of financial loss subject to deduction in current period	752	
Expenses not subject to tax	(34.136)	(32.344)
Income not subject to tax	9.874	60.998
Carry forward losses for which no deferred tax asset was recognized	(77.828)	(18.997)
Difference due to the different tax rates applicable in different countries	(7.855)	
Impairment of goodwill	-	(3.621)
The reversal previously deferred tax calculated from carryforward tax losses	-	11.847
Sale of subsidiaries	-	3.589
Adjustment effects	1.234	(1.818)
Withholding tax payment related to the abroad operations	-	(7.121)
Other	6.189	(2.339)
Tax expense	**(91.846)**	**(57.215)**

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

NOTE 33 - EARNING/ (LOSS) PER SHARE

Earning/ (loss) per share for each class of shares is described below:

	2013	**2012**
Net loss for the period	(38.140)	155.670
Weighted average number of shares with face value of TL 1 each	2.450.000	2.450.000
Earning/ (loss) per share (TL)	**(0,016)**	**0,064**

	2013	**2012**
Net profit/ (loss) for the period from discontinuing operations	(11.751)	(1.696)
Net profit/ (loss) for the period from continuing operations	(26.389)	157.366
Weighted average number of shares with face value of TL 1 each	2.450.000	2.450.000
Earning/ (loss) per share from continuing operations (TL)	**(0,011)**	**0,064**
Earning/ (loss) per share from discontinuing operations (TL)	**(0,005)**	**(0,001)**

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

NOTE 34 - RELATED PARTY DISCLOSURES

For the purpose of accompanying consolidated financial statements, related parties are referred to as legal entities in which Doğan Holding directly or indirectly has participation, including any entities under joint control; real persons and/or legal entities that have direct or indirect control or joint control over the Company and their close family members (immediate family members) and legal entities having direct or indirect control or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company's affiliates, subsidiaries and members of the BOD, key management and their close family member (immediate family members) and real persons and/or legal entities that are directly or indirectly controlled individually or jointly. As of 31 December and 31 December 2012, related party balances and transactions are described below:

i) Balances of related parties:

Short term receivables due from related parties:

	31 December 2013	31 December 2012
Delüks Elektronik Hizmetler ve Tic A.Ş. (1)	3.334	270
D Market Elektronik Hizmetler ve Ticaret A.Ş. ("D Market")	3.332	1.145
D Elektronik Şans Oyunları Yayıncılık A.Ş. (2)	1.070	-
Doğan Elektronik Turizm Satış Pazarlama Hiz.ve Yay A.Ş.	1.037	620
Altıncı Cadde Elektronik Ticaret A.Ş.	931	-
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv")	862	729
Katalog Yayın ve Tanıtım Hizmetleri A.Ş.	805	820
Doğan Portal ve Elektronik Ticaret A.Ş. ("Doğan Portal")	711	985
Gas Plus Erbil	291	-
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont")	212	-
Gümüştaş Madencilik	71	10
Aydın Doğan Vakfı	12	14
Doğan İnternet Yayıncılığı ve Yatırım A.Ş. (3)	-	9.404
Tipeez İnternet Hizmetleri A.Ş. (''Tipeez'')(4)	-	1.710
Nakkaştepe Gayrımenkul	-	2.125
Other	1.308	1.128
Total	**13.976**	**18.960**

(1) The receivables are related with the rental service of vehicles of the Group.
(2) The receivables are related with the advertising sales of the Group.
(3) Because the Group has acquired Doğan İnternet Yayıncılığı ve Yatırım A.Ş, an entity under common control, in the current period, current period balances and transactions have been eliminated in the preparation of consolidated financial statements.
(4) In the current period, all of the shares of Tipeez, which is an entity under common control, has been sold to the controlling shareholder, Tweege Holdings LP.

Current non-trade receivables due from related parties:	31 December 2013	31 December 2012
Boyabat Elektrik (1)	1.390	67.767
Gümüştaş Madencilik ve Ticaret A.Ş (2)	4.395	3.482
Total	**5.785**	**71.249**

(1) Debt is given for project finance.
(2) The balance consists of loan used by Gümüştaş Madencilik ve Ticaret A.Ş. from the Group.

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

NOTE 34 - RELATED PARTY DISCLOSURES (Continued)

i) Balances of related parties (Continued):

Current trade payables - due to related parties:	**31 December 2013**	**31 December 2012**
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") (1)	33.785	10.391
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") (2)	3.695	4.482
Doğanlar Sigorta Aracılık Hizmetleri A.Ş.	352	96
D market	45	7
Adilbey Holding A.Ş.	-	26
Doğan İnternet Yayıncılığı ve Yatırım A.Ş. (3)	-	9
Other	650	2.838
Total	**38.527**	**17.849**

(1) Payables of the Group to Doğan Burda consist of commericial advertisement purchase and services of printing magazines, books and inserts.
(2) Payables arise from purchase of commercial advertisements and commercial goods.
(3) In the current period, the Group has acquired Doğan İnternet Yayıncılığı ve Yatırım A.Ş., and current period balances are eleminated in the preparetion of consolidated financals.

ii) Transactions with related parties:

Service/ product purchases:

	31 December 2013	**31 December 2012**
Boyabat Elektrik Üretim ve Ticaret A.Ş. (1)	53.134	192
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") (2)	37.393	36.605
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") (2)	25.430	19.731
Ortadoğu Otomotiv Tic. A.Ş. (3)	13.777	8.846
Dergi Pazarlama ve Planlama ve Tic. A.Ş. (2)	5.721	5.918
Doğanlar Sigorta Aracılık Hizmetleri A.Ş. (4)	3.656	170
Adilbey Holding A.Ş.	2.674	2.097
D market Elektronik Hizmetler ve Tic. A.Ş.	451	333
Other	4.801	572
Total	**147.037**	**74.464**

(1) Product and service purchases of the Group from Boyabat consist of electricity purchases.
(2) Product and service purchases of the Group from Doğan Burda consist of the magazine distribution service purchases.
(3) The balance consists of rent payables of Trump Towers.
(4) The balance consists of Group's purchase of insurance services.

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

NOTE 34 - RELATED PARTY DISCLOSURES (Continued)

i) Balances of related parties (Continued):

Service/ product sales:

	31 December 2013	31 December 2012
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") (1)	22.472	22.685
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") (2)	10.127	10.081
Ortadoğu Otomotiv Tic. A.Ş	8.887	238
D market Elektronik Hizmetler ve Tic. A.Ş	7.044	4.547
Delüks Elektronik Hiz. Tic. A.Ş. (3)	2.796	103
D Elektronik Şans Oyunları ve Yayıncılık A.Ş.	1.018	354
Adilbey Holding A.Ş.	842	250
Gas Plus Erbil Ltd.	945	965
Doğan İnternet Yayıncılığı ve Yatırım A.Ş. (4)	-	24
Gümüştaş Madencilik	381	27
Other	3.430	3.531
Total	**57.942**	**42.805**

(1) Product and service purchases of the Group from Doğan Burda consist of the magazine distribution service purchases.
(2) Product and service purchases of the Group from Doğan Egmont consist of the magazine distribution service purchases.
(3) Product and service purchases of the Group from Ortadoğu Otomotiv consist of rent service purchase.
(4) In the current period, the Group has acquired Doğan İnternet Yayıncılığı ve Yatırım A.Ş., and current period balances are eleminated in the preparetion of consolidated financals.

Financial Income:

	31 December 2013	31 December 2012
Boyabat Elektrik Üretim ve Ticaret A.Ş.	13.241	1.348
Doğan Portal ve Elektronik Tic. A.Ş	458	-
Delüks Elektronik Hiz. Ve Tic. A.Ş.	212	-
D Elektronik Şans Oyunları ve Yay. A.Ş.	134	14
Other	604	15
Total	**14.649**	**1.377**

The balances are related with accruals of interests from loans given to related parties by the Group.

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

NOTE 34 - RELATED PARTY DISCLOSURES (Continued)

ii) Transactions with related parties (Continued):

Purchases of property, plant and equipment and intangible assets:	**2013**	**2012**
D-Market Elektronik Hizmetler ve Ticaret A.Ş.	109	89
D Yapı İnşaat Sanayi ve Ticaret A.Ş	-	490
Adilbey Holding A.Ş	154	-
Other	-	1
Total	**263**	**580**

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 directors 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 December 2013	**1 January - 31 December 2012**
Salaries and other short term benefits	20.131	19.842
Post-employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
Total	**20.131**	**19.842**

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

NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Finansal Enstruments 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 use 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 of 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 at 31 December 2013 and 31 December 2012 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 December 2013	**31 December 2012**
Assets	2.480.267	2.936.296
Liabilities	(2.457.998)	(2.539.395)
Off-balance sheet net derivative liabilities	(2.572)	47.289
Net foreign currency position	**19.697**	**444.190**

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

NOTE 35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a.1) Foreign currency risk (Continued):

Sensitivity analysis for currency risk as of 31 December 2013 and 31 December 2012 and foreign currency denominated asset and liability balances are summarized below:

31 December 2013

	TL Equivalent	USD	EUR	Other
1. Trade receivables	153.655	74.960	54.638	24.057
2a. Monetary Financial Assets (Cash, Banks included)	1.812.830	979.404	800.439	32.987
3. Other	190.512	149.401	41.111	-
4. Current Assets (1+2+3)	**2.156.997**	**1.203.765**	**896.188**	**57.044**
5. Trade receivables	15.812	13.585	2.227	-
6a. Monetary Financial Assets	73.888	47.006	7.374	19.508
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	233.570	86.439	147.131	-
8. Non-Current Assets (5+6+7)	**323.270**	**147.030**	**156.732**	**19.508**
9. Total Assets (4+8)	**2.480.267**	**1.350.795**	**1.052.920**	**76.552**
10. Trade Payables	126.988	81.174	26.669	19.145
11. Financial Liabilities	886.833	727.702	159.131	-
12a. Other Monetary Financial Liabilities	43.849	1.212	9.071	33.566
12b. Other Non-Monetary Financial Liabilities	30.478	116	28.291	2.071
13. Current Liabilities (10+11+12)	**1.088.148**	**810.204**	**223.162**	**54.782**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	909.311	737.960	171.351	-
16a. Other Monetary Financial Liabilities	7.167	-	7.166	1
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**916.478**	**737.960**	**178.517**	**1**
18. Total Liabilities (13+17)	**2.004.626**	**1.548.164**	**401.679**	**54.783**
19. Net asset/liability position of Off balance sheet derivatives (19a-19b)	**(2.572)**	**10.672**	**(13.244)**	**-**
19a. Off balance sheet foreign Currency derivative assets	**77.128**	**46.955**	**30.173**	**-**
19b. Off balance sheet foreign Currency derivative liabilities	**79.700**	**36.283**	**43.417**	**-**
20. Net foreign currency asset liability position (9-18+19)	**473.069**	**(186.697)**	**637.997**	**21.769**
21. Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**82.037**	**(433.093)**	**491.290**	**23.840**

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

NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a.1) Foreign currency risk (Continued):

31 December 2012

	TL Equivalent	**USD**	**EUR**	**Other**
1. Trade receivables	163.489	39.503	55.521	68.465
2a. Monetary Financial Assets (Cash, Banks included)	2.217.565	1.510.464	660.602	46.499
2b. Non-Monetary Financial Assets	-	-	--	
3. Other	215.429	214.874	555	-
4. Current Assets (1+2+3)	**2.596.483**	**1.764.841**	**716.678**	**114.964**
5. Trade receivables	3.482	3.482	-	-
6a. Monetary Financial Assets	101.161	96.831	4.114	216
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	235.170	-	235.170	-
8. Non-Current Assets (5+6+7)	**339.813**	**100.313**	**239.284**	**216**
9. Total Assets (4+8)	**2.936.296**	**1.865.154**	**955.962**	**115.180**
10. Trade Payables	101.092	38.985	52.791	9.316
11. Financial Liabilities	1.121.642	816.740	304.902	-
12a. Other Monetary Financial Liabilities	39.625	4.160	3.072	32.393
12b. Other Non-Monetary Financial Liabilities	431	51	380	-
13. Current Liabilities (10+11+12)	**1.262.790**	**859.936**	**361.145**	**41.709**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	1.276.538	871.780	404.758	-
16a. Other Monetary Financial Liabilities	67	30	-	37
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**1.276.605**	**871.810**	**404.758**	**37**
18. Total Liabilities (13+17)	**2.539.395**	**1.731.746**	**765.903**	**41.746**
19. Net asset/liability position of Off balance sheet derivatives (19a-19b)	**47.289**	**66.107**	**(14.326)**	**(4.492)**
19.a Off balance sheet foreign Currency derivative assets	**66.107**	**66.107**	**-**	**-**
19b. Off balance sheet foreign Currency derivative liabilities	**18.818**	**-**	**14.326**	**4.492**
20. Net foreign currency asset liability position (9-18+19)	**444.190**	**199.515**	**175.733**	**68.942**
21. Net foreign currency asset/liability Position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(53.267)**	**(81.415)**	**(45.286)**	**73.434**
22. Fair value of foreign currency hedged financial assets	**-**	**-**	**-**	**-**

-

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

NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a.1) Foreign currency risk (Continued)

As of 31 December 2013 and 31 December 2012, foreign currency denominated asset and liability balances were converted with the following exchange rates: TL 2,1343 = USD 1 and TL 2,9365 = EUR 1 (2012: TL 1,7826 = USD 1 and TL 2,3517 = EUR 1).

31 December 2013	**Income/ Loss**	
	Foreign currency appreciate	**Foreign currency depreciate**
	If the USD had changed by 10% against the TL	
1- USD net (liabilities)/assets	(18.670)	18.670
2- Hedging amount of USD (-)	-	-
3- USD net effect on (loss)/income (1+2)	**(18.670)**	**18.670**
	If the EUR had changed by 10% against the TL	
4- EUR net (liabilities)/assets	63.800	(63.800)
5- Hedging amount of USD (-)	-	-
6- USD net effect on (loss)/income (4+5)	**63.800**	**(63.800)**
	If the Other Currencies had changed by 10% against the TL	
7- Other net (liabilities)/assets	2.177	(2.177)
8- Hedging amount of Other (-)	-	-
9- Other net effect on (loss)/income) (7+8)	**2.177**	**(2.177)**
TOTAL (3+6+9)	**47.307**	**(47.307)**

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

NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a.1) Foreign currency risk (Continued):

31 December 2012

	Income/ Loss	
	Foreign currency appreciate	**Foreign currency depreciate**
	If the USD had changed by 10% against the TL	
1- USD net (liabilities)/assets	19.952	(19.952)
2- Hedging amount of USD (-)	-	-
3- USD net effect on (loss)/income (1+2)	**19.952**	**(19.952)**
	If the EUR had changed by 10% against the TL	
4- EUR net (liabilities)/assets	17.573	(17.573)
5- Hedging amount of EUR (-)	-	-
6- Avro net effect on income/(loss) (4+5)	**17.573**	**(17.573)**
	If the Other Currencies had changed by 10% against the TL	
7- Other net (liabilities)/assets	6.894	(6.894)
8- Hedging amount of Other (-)	-	-
9- Other net effect on (loss)/income (7+8)	**6.894**	**(6.894)**
TOTAL (3+6+9)	**44.419**	**(44.419)**

a.2) Interest rate risk

- Media

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

Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk. As of 31 December 2013 and 31 December 2012, 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 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a.2) Interest rate risk (Continued)

At 31 December 2013, 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 7.196 (31 December 2012: TL 12.682) higher/lower, mainly as a result of high interest expense on floating rate borrowings.

At 31 December 2013, if interest rates on Euro denominated borrowings had been higher/lower 100 basis points with all other variables held constant, loss before income taxes would have been TL 3.524 (31 December 2012: TL 2.798) higher/lower, mainly as a result of high interest expense on floating rate borrowings.

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

	31 December 2013	**31 December 2012**
Financial instruments with fixed rate		
Financial assets		
- Banks (Note 6)	1.772.662	1.902.241
- Financial investments (Note 7)	139.508	179.259
Financial liabilities (Note 8)	991.215	462.767
Financial instruments with floating rate		
Financial liabilities (Note 8)	1.107.172	1.670.493

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.

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

NOTE 35 -FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

	31 December 2013			31 December 2012		
	USD	**EUR**	**TL**	**USD**	**EUR**	**TL**
Assets						
Cash and cash equivalents	0,35-6,00	0,20 -6,75	5,98-10,16	0,10-6,00	0,25-6,75	3,00-12,30
Financial investments	6,53	5,64	10,63	5,17	-	9,48
Liabilities						
Financial Liabilities	3,00-6,55	3,25-5,71	0,-10,20	2,65-6,40	1,30-6,50	0,00-13,13

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

31 December 2013	**Up to 3 Months**	**3 months-1 year**	**1-5 years**	**More than 5 years**	**Free of Interest**	**Total**
Assets						
Cash and cash equivalents (Note 6)	1.772.662	-	-	-	443.699	2.216.361
Financial investments (Note 7)	-	-	136.465		3.043	139.508
Total	**1.772.662**	**-**	**136.465**		**446.742**	**2.355.869**
Short and long term financial Liabilities (Note 8) [1]	-	1.038.948	1.059.439	-	-	2.098.387
Other financial liabilities (Note 8)	-	199.365	183.182	-	-	382.547
Total	**-**	**1.238.313**	**1.242.621**	**-**	**-**	**2.480.934**

31 December 2012	**Up to 3 Months**	**3 months-1 year**	**1-5 years**	**More than 5 years**	**Free of Interets**	**Total**
Assets						
Cash and cash equivalents (Note 6)	1.902.241	-	-	-	258.457	2.160.698
Financial investments (Note 7)	-	177.043	-	-	2.216	179.259
Total	**1.902.241**	**177.043**	**-**	**-**	**260.673**	**2.339.957**
Short and long term financial Liabilities (Note 8) [1]	-	1.176.938	956.322	-	-	2.133.260
Other financial liabilities (Note 8)	-	379.458	289.164	-	-	668.622
Total	**-**	**1.692.822**	**1.480.779**	**-**	**-**	**3.173.601**

(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 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The Group's credit risk of financial instruments as of 31 December 2013 is as follows:

	Trade receivables		**Other receivables**		**Cash and Cash**
	Related Party	**Other**	**Related Party**	**Other**	**equivalents**
Maximum net credit risk as of balance sheet date	**13.976**	**791.066**	**5.785**	**132.411**	**1.994.586**
- The part of maximum risk under guarantee with collatarel	**-**	**47.596**	**-**	**78**	**-**
A. Net book value of neither past due nor impaired financial assets	13.976	609.364	5.785	132.411	1.994.586
- Guaranteed amount by collateral	-	14.857	-	78	-
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)	-	181.702	-	-	-
- Guaranteed amount by collateral (Note 9)	-	32.739	-	-	
D. Impaired asset net book value	-	-	-	-	-
- Past due (gross amount) (Note 9, Note 19)	-	232.160	-	1.545	-
- Impairment (-) (Note 9, Note 19)	-	(232.160)	-	(1.545)	
- 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 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The Group's credit risk of financial instruments as of 31 December 2012 is as follows:

	Trade receivables		Other receivables		Cash and cash equivalents
	Related party	Other	Related party	Other	
Maximum net credit risk as of balance sheet date	**18.960**	**706.097**	**71.249**	**527.021**	**1.964.126**
- The part of maximum risk under guarantee with collateral	**-**	***64.939***	**-**	***313.738***	**-**
A. Net book value of neither past due nor impaired financial assets	18.960	560.633	71.249	527.021	1.964.126
- Guaranteed amount by collateral	-	38.445	-	313.738	-
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)	-	145.464	-	-	-
- Guaranteed amount by collateral (Note 9)	-	26.494		-	-
D. Impaired asset net book value	-	-	-	-	-
- Past due (gross amount) (Note 9)	-	201.844	-	747	-
- Impairment (-) (Note 9)	-	(201.844)	-	(747)	-
- 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 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

	31 December 2013		**31 December 2012**	
	Related Party	**Other Receivables**	**İlişkili Taraf**	**Other Receivables**
1-30 days overdue	-	66.637	-	58.294
1-3 months overdue	-	64.463	-	45.010
3-12 months overdue	-	37.296	-	32.834
1-5 years overdue	-	13.306	-	9.326
Total	**-**	**181.702**	**-**	**145.464**
Guaranteed amount by collateral				
Media	-	28.383	-	20.753
Retail	-	-	-	-
Energy	-	-	-	-
Other	-	4.356	-	5.741
Total	**-**	**32.739**	**-**	**26.494**

d) 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 December 2013 and 31 December 2012, 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 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

d) Liquidity risk (Continued)

31 December 2013	**Book Value**	**Contractual undiscounted cash flow**	**Less than 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Non-derivative financial liabilities						
Short and long term financial borrowings (Note 8)	2.098.387	2.323.923	530.908	562.567	1.064.522	165.926
Trade payables (Note 9)	498.152	503.841	358.455	144.101	1.285	-
Other financial liabilities (Note 8)	382.547	436.758	202.042	19.950	214.766	-
Other payables (Note 10)	68.222	69.184	39.015	15.011	14.196	962
Trade payables to related parties (Note 34)	38.527	38.527	38.476	51	-	-
Short-term provisions regarding employee benefits (Note 22)	41.373	41.373	-	41.373	-	-
Payables regarding employee benefits (Note 22)	26.399	26.399	-	26.399	-	-
Deferred income (Note 20)	70.010	70.010	66.447	-	3.563	-
Other short term provisions	31.581	31.581	-	3.059	28.522	-
	3.255.198	**3.541.596**	**1.235.343**	**812.511**	**1.326.854**	**166.888**
Derivative financial liabilities						
Derivative cash inflow (Note 21)	839	-	839	-	-	-
Derivative cash outflow (Note 21)	(2.440)	-	(2.440)	-	-	-
Derivative cash inflow/outflow, net	**(1.601)**	**-**	**(1.601)**	**-**	**-**	**-**

31 December 2012	**Book Value**	**Contractual undiscounted cash flow**	**Less than 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Non-derivative financial liabilities						
Short and long term financial borrowings (Note 8)	2.133.260	2.226.650	456.494	702.834	879.532	187.790
Trade payables (Note 9)	371.360	387.991	284.045	103.946	-	-
Other financial liabilities (Note 8)	668.622	689.347	345.228	48.207	295.912	-
Other payables (Note 10)	65.198	66.650	58.671	255	7.724	-
Trade payables to related parties (Note 34)	17.849	17.849	17.821	28	-	-
Short-term provisions regarding employee benefits (Note 22)	36.624	36.624	-	36.624	-	-
Payables regarding employee benefits (Note 22)	26.585	26.585	-	26.585	-	-
Deferred income (Note 20)	48.320	48.320	35.956	-	12.364	-
Other short term provisions (Note 17)	30.170	30.170	-	30.170	-	-
	3.397.988	**3.530.186**	**1.198.215**	**948.649**	**1.195.532**	**187.790**
Derivative financial liabilities						
Derivative cash inflow (Note 21)	882	33.683	33.373	257	53	-
Derivative cash outflow (Note 21)	(1.683)	(1.692)	-	(1.415)	(277)	-
Derivative cash inflow/outflow, net	**(801)**	**31.991**	**33.373**	**(1.158)**	**(224)**	**-**

NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

e) Fair value of financial instruments

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

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

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

Monetary assets

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

The fair values of certain financial assets carried at cost, including fair values of cash and due from banks are considered to approximate their respective carrying values due to their short-term nature.
The carrying values of trade receivables along with the related allowances for collectability are estimated to be at their fair values..

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 amortised cost using the effective interest rate method and accordingly their carrying amounts approximate their fair values.

f) Capital risk management

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

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

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

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

NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

f) Capital risk management (Continued)

The net liability/total equity ratio at 31 December 2013 and 31 December 2012 is summarized below:

	31 December 2013	31 December 2012
Total liability [1]	3.368.290	3.492.508
Less: Cash and cash equivalents (Note 6)	(2.216.361)	(2.160.698)
Net liability	1.151.929	1.331.810
Equity	3.250.187	3.180.918
Total equity	4.402.116	4.512.728
Gearing ratio	**26%**	**30%**

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

NOTE 36 - FINANCIAL INSTRUMENTS

<u>Fair value of financial instruments</u>

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

- Level 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices

- Level 2: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions;

- Level 3: The fair value of the financial assets and financial liabilities is determined in accordance with the unobservable current market data.

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

NOTE 36 - FINANCIAL INSTRUMENTS (Continued)

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

		Fair value at reporting date		
Financial assets	**31 December 2013**	**1. Level TL**	**2. Level TL**	**3. Level TL**
Financial assets at FVTPL				
Trading securities	-	-	-	-
Trading derivatives	-	-	-	-
Derivative Instruments	839	-	839	-
Available-for-sale financial assets	-	-	-	-
Bonds and bills (Note 7)	136.465	136.465	-	-
Total	**137.304**	**136.465**	**839**	**-**
Financial liabilities				
Financial liabilities at FVTPL				
Trading securities				
Trading derivatives				
türev araçlar (Not 20)	2.440	-	2.440	-
Other financial liabilities	16.155			16.155
Total	**18.595**	**-**	**2.440**	**16.155**

		Fair value at reporting date		
Financial assets	**31 December 2012**	**1. Level TL**	**2. Level TL**	**3. Level TL**
Financial assets at FVTPL				
Trading securities				
Trading derivatives				
Derivative Instruments (Note 20)	882	-	882	-
Available-for-sale financial assets	-	-	-	-
Bonds and bills (Note 7)	177.043	177.043	-	-
Total	**177.925**	**177.043**	**882**	**-**
Financial liabilities				
Financial liabilities at FVTPL				
Trading securities				
Trading derivatives				
Derivative instruments	1.683	-	1.683	-
Other financial liabilities	18.207	-	-	18.207
Total	**19.890**	**-**	**1.683**	**18.207**

NOTE 37 - SUBSEQUENT EVENTS

Non-Binding Revised Proposal Regarding the Acquisition of Majority Shares of Digitürk

- As at 17 January 2014, Doğan TV Holding, subsidiary of the Group, submitted a non-binding revised proposal through its financial advisors to Çukurova Holding A.Ş. and Savings Deposit Insurance Fund to raise the proposal amount in relation to the acquisition and transfer of 53% of Çukurova Holding A.Ş.'s shares in Krea İçerik Hizmetleri ve Prodüksiyon A.Ş. ("Digitürk"), assuming Digitürk's net cash (liability) is "nil" and has no preferred shares. The bid for the non-binding revised proposal in consideration of the share acquisition of 53% interest is USD 879.450. The bid for the non-binding revised proposal in consideration of the share acquisition of 100% shares of Digitürk is USD 1.650.000. Compared to the pre-offer of Doğan TV in September 2013, the bid for the revised proposal is raised by 18% in terms of USD and is raised by 29% in terms of TL over the respective dates of currencies [Foreign exchange rates: 2 September 2013 1 USD = TL 2.0179 and 16 January 2014 1 USD = TL 2.2080]. On the other hand, Doğan TV aims to increase its share percentage to 100% in Digitürk. The non-binding revised proposal is prepared based on publicly available limited information on the operations of Digitürk and market intelligence and it reflects Doğan TV's long-term expectations on Digitürk and its belief in its potential synergy. Therefore, the non-binding revised proposal is based on significant assumptions which need to be confirmed in the course of detailed investigation ("Due Diligence") process.

Put-option Right of Commerz-Film

- As explained in financial statement footnotes, pursuant to the provisions of the "Share Purchase and Share Holders Agreement" signed between our Company and Commerz-Film GmbH, and direct and indirect subsidiaries Doğan Yayın Holding A.Ş. and Doğan TV Holding A.Ş. on November 19, 2009, and modified on October 31, 2011 and February 28, 2012 with two amendment contracts; within the scope of the exercise of put option by Commerz-Film GmbH, 33.843 registered group B shares with a nominal value of TL 1 (exact), held by Commerz-Film GmbH in the capital of Doğan TV Holding A.Ş. corresponding to 2.48844% of the paid capital of TL 1.360.016.087 (exact) of Doğan TV Holding A.Ş. have been taken over and acquired by our Company in cash and as a single payment of a total of EUR 62.470. Following such share acquisition, the share of Group in its direct subsidiary Doğan TV Holding A.Ş. has become 4.97689%. The related information has anounced in PDP as of 31 January 2014.

NOTE 37 - SUBSEQUENT EVENTS (Continued)

The sale of the superficies right of Milta

- Superficies Right Owned by Milta Turizm İşletmeleri A.Ş. subsidiary of the Group, established for the property located in the city of Antalya, the province of Kemer, Göynük village, registered at lot no. 1699, with a surface area of 92,476 m2, on 23.12.2003 with no. 2051 at property registration office for a period of 49 years starting from 11.04.1985 have sold and transfered to Ceylan İşletme İnşaat Turizm Yatırım Nakliyat Gıda İçecek Sanayi ve Ticaret A.Ş.with the negotiated price EUR 20.000 (As per the CBRT FX Sales Rate (2,9944) of an indicator nature, declared on February 17, 2014 at 15:30, effective for February 18, 2014, the Turkish Lira equivalent is TL 59.888). EUR 15.000 of the Total Sales Price upfront; EUR 5.000 portion is in 4 equal instalments of EUR 1.250, first to be collected on 31.08.2015, second on 31.08.2016, third on 31.07.2017, and the last on 31.08.2018. An annual interest of 3.25% as well as the interest related VAT is applicable on the amount to be paid in instalments, starting from the title deed registration date. As of the date of the Board Resolution, according to the legal records of Milta Turizm İşletmeleri A.Ş., a "superficies right"(real estate) sales profit of approximately TL 53.051 is calculated "including the term payment difference". The "superficies right"(real estate) sales profit to arise as per the financial statements prepared according to CMB/TFRS will be calculated separately, and the relevant information shall be provided in the footnotes of the consolidated financial statement of 31.12.2013. Following the sales and the transfer of such "superficies right" and the relevant equipment, approximately TL 34.112 portion of the approximately TL 53.051 "superficies right"(real estate) sales profit in our legal records will not be subject to profit distribution in the accounting term of 01.01.2014-31.12.2014 within the scope of exception in Article 5-1/e of the Corporate Tax Law, and shall be transferred to a special funds account in liabilities. The related information has anounced in PDP as of 18 February 2014.

Subsidiary capital increase participation

- Board of Directors has resolved to authorize and appoint Company management to fully exercise right of acquiring new shares totaling TL 175.500, which corresponds to share of participation, in the increase of the capital of Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş., 100% of the capital is owned by the Group, from TL 475.500 to TL 651.000 through the full cash payment of its capital and to notify PDP for the performance of the necessary procedures on 27 January 2014.

- Board of Directors has resolved to authorize and appoint Company management to fully exercise right of acquiring new shares totaling TL 10.500, which corresponds to share of participation, in the increase of the capital of Aslancık Elektrik Üretim A.Ş., 100% of the capital is owned by the Group, from TL 135.500 to TL 165.000 through the full cash payment of its capital and to notify PDP for the performance of the necessary procedures on 7 January 2014.

Approval of Financial Statements

The consolidated financial statements for the period ended 31 December 2013 were approved by the Board of Directors on 7 March 2014. Other than Board of Directors has no authority to change financial statements.

NOTE 38 - DISCLOSURE OF OTHER MATTERS AFFECTING CONSOLIDATED FINANCIAL STATEMENTS SIGNIFICANTLY TO BE DISCLOSED

None.